1. Basic Information

1.1 CRIS Number: 2006/018-176.01.01

1.2 Title: Development of e-government solutions in the CAP administration

1.3 Sector: Agriculture

1.4 Location: Hungary, Agricultural and Rural Development Agency

2. Objectives

2.1 Overall Objective(s):

- To have the Agricultural and Rural Development Agency comply with changes in administrative rules
- To improve the conditions for the absorption of EAGGF and national subsidies

2.2 Project purpose

- To prepare e-Strategy supporting e-government services of ARDA, enhanced services for satisfying clients’ demands and compatibility with other bodies within the meaning of direct exchange of data and documents

2.3 Justification

- COMMISSION REGULATION (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
- Law No CXL of 2004 on general rules of public administration and service procedure

3. Description

3.1 Background and Justification

The national public administrations in the whole European Union are facing the challenge of improving efficiency, effectiveness and quality of their services. All these challenges, however, have to be met with unchanged or even reduced budgets. It is generally agreed that information and communication technologies (ICT) can help public administrations to cope with most of these challenges by introducing up to date technical solutions. However, the focus should not be
on ICT itself. Instead ICT should be harmonized with the adjustment of the organisational operations and improve public services, democratic processes and public policies by the optimized combination of ICT and organizational solutions.

Progressing on the way towards creating the technical basis of an efficient eGovernment service, in November 2004 the Government launched the Electronic Government Backbone, a secure government-wide communication network. As a next major step in April 2005 the Government unveiled a transactional gateway, called ‘Client Gate’. This gateway allows users to securely identify themselves online and gain access to transactional e-government services.

Agriculture is one of the key sectors in the Hungarian public administration facing with huge challenges regarding the EU membership. A new policy-framework have been implemented, new institutional system have been established, and at the same time general expectations on the transparency, efficiency and quality are waiting to be satisfied. In order to tackle the administrative tasks of the implementation of the Common Agricultural Policy (CAP) and to fulfil the relevant EU legislation requirements, Hungary developed the Integrated Administration and Control System (IACS). This system is handling not only direct payment schemes – as it is strictly prescribed by EU law – but all the other schemes financed from the Guarantee Section of the European Agricultural Guidance and Guarantee Fund. This single technical solution created a very good basis for progress towards the introduction of widespread e-government solutions.

To provide a widespread agricultural e-government service, a new portal has to be developed integrated to the Client Gate, and existing IACS system has to be prepared for handling electronic data and documents obtained through the portal and vice versa. The new portal will consist of the following core elements: interactive information service on CAP opportunities and electronic submission and pre-processing of documents. The crucial point of the work is the solution for the management of ‘sensible schemes’ like area based direct payments (especially using of web-based GIS solutions), rural development payments, cereal intervention, animal based direct payments and milk quota system. For each schemes the solution has to provide a secured access to recent and historical data related to the actual client, status of the process flows in which the actual client is involved, and a well-structured built-in process helping to fill in the actual application. The application filling in has to provide basic formal and consistency checks of the claim and support printing of these documents with predefined document ID and a code compressing the data of the application to be recognised by a standard barcode scanner in a form of two-dimensional matrix codes. The maintenance of the two dimensional matrix codes is a requirement, including generating, printing and recognising of data of claims.

One of the core objectives of the development is better compliance with the EU rules regarding verification of eligibility conditions of area-based subsidies. According to the Council Regulation 1782/2003 in the management of Land Parcel Identification System (LPIS) use shall be made of computerised geographical information system techniques. Based on this regulation the Commission Regulation 796/2004 lays down, that LPIS shall operate at reference parcel level, but Member States shall ensure that agricultural parcels are reliably identified and shall in particular require the single application to be furnished with particulars or accompanied by documents specified by the competent authority that enable each agricultural parcel to be located and measured.

The proper implementation of computerized GIS techniques in LPIS management and in IACS operation is one of the recent key issues in the development of the CAP administration at EU level. DG Joint Research Centre, which is in charge of supporting the development activities of the Member States and organizing the exchange of best practices on these fields, summarized the crucial elements of the implementation of GIS in the CAP administration in several documents:
Based on these documents the compulsorily use of “computerised GIS techniques” shall mean a real use of GIS techniques, i.e. the on-line access to the digital maps at different levels of the IACS, using functionality and tools to fully benefit from the graphical information. LPIS have to operate at reference parcel (i.e. physical block in Hungary) level and it is not mandatory to use vector-data on agricultural parcel level, however, in lots of cases real use of GIS techniques can not be reached without these data. These cases derive from both general circumstances and specialities by the Hungarian agriculture:

- processing of huge amounts of claims (200,000 in Hungary each year) means a very tight schedule for providing controls necessary to verify eligibility of the aid; in this schedule early detection of anomalies (e.g. related to reference parcels) ideally in real-time (e.g. through Internet) should significantly promote to keep the deadlines and to solve the anomalies as soon as possible;
- using of physical block as reference parcel system enables the Hungarian administration to geographically localize the problems of over declaration in a very sufficient way, however, to address the anomalies to a certain farmer, or to recognize the evidence of double declarations causes lots of difficulties – using vector-data on agricultural parcel level declared by farmers (e.g. via electronic claim submission system) could permit the identification – automatically (!) – of applications with these problems;
- in general, where the structure of agricultural parcels is in a state of flux, or traditionally unstable, there is a higher risk of errors or ineligible payments – proper use of electronic parcel data could really help to handle these difficulties;
- in Hungary, due to several reasons of political and economical transition, application of “joint cultivation” (one continuous land with one single crop cultivated by more than one farmer) is wide-spread practice; clearance off accounts audit missions carried out by the DG AGRI revealed that checks provided by the Hungarian authorities in this field are not always satisfactory; problems mainly comes from the fact, that – without electronic parcel-level data submitted by the farmers – the evidence of the joint cultivation reveals in a very late stage of processing; by using electronic claim submission supported by computerized GIS techniques these anomalies should be automatically recognized and categorised by the system and permit the prioritisation of dossiers for deeper examination and/or the leading to different control procedures.

Due to the huge amount of claims to be handled in the framework of the area-based direct subsidies, the whole-scale digitations of agricultural parcel by the Hungarian authorities (e.g. based on the paper-based map-sketches of the farmers) seems almost impossible. That is why the requested electronic claim-submission solution, among others, has to cover the access to the Land Parcel Identification System (LPIS) data through the portal and has to support the ‘integrated application filling’ approach. This approach requires a single interactive Geographical Information System (GIS) solution to be built into the portal, which enables the clients to edit and follow-up their actual application data together with the available LPIS map information and to inform them on the results of the past application processes.
A new act, “Law No CXL of 2004 on general rules of public administration and service procedure” which came into force in November 2005, is one of the key milestones of the introduction of e-government services in public administration. Through this act the Hungarian public authorities are obliged to introduce certain key elements of e-government services and enhanced to further development in this way. The public administration institutions are loosing their power to make the clients to collect all the official certification needed to authorize the clients’ claim: the public authorities have to provide this service themselves. This approach is enforcing the public administration to make significant progress in minimizing the efforts required from clients and creating, as much as possible, One-Window-Service for the citizens. To make progress in creating One Window Service in the CAP administration, the existing IACS has to be prepared for data exchange with other public administration institutions.

Introduction of significant new technological solutions in the administration cannot be successful without proper adjustment of the organization. In harmony with the EU e-government approach, in parallel with the introduction of new technical services, internal organizational changes for the ARDA should be initiated, in order to adjust the whole administration to the new situation and to exploit all the benefits of efficient e-services.

3.2 Linked activities

The project is linked with former and ongoing Phare projects:

2003/004-347-01-01-01 PHARE Technical assistance for Development of the Integrated Administration and Control System (IACS) for Hungary

The general objective of the project was the software development of the IACS system for aid application management, payments, administrative controls and field inspections. The software handles all EAGGF Guarantee section direct and market regulation payments handled by the Paying Agency and must be easily extendible with future schemes. It seamlessly cooperates with land parcel identification system (LPIS), animal identification system (I&R database) and farmer registry databases. Activities were included design, programming, testing, installation and training. Budget of the project was 10.75 MEUR. The development of IACS in frame of this project started in November, 2003 and the first phase finished in December, 2004. At the same time the project had been extended and the second Phase is successfully finished in October, 2005. This Transition Facility project shall take the result of the EuropeAid/114858/D/SV/HU project as the basis for development.

2003/004-347-01-01-02 PHARE Technical assistance for the Quality Assurance of the Hungarian IACS Development

The general objective of the project is the quality assurance of the Hungarian software development of the IACS system. The system is used for aid application management, payments, administrative controls and field inspections in Hungary. The software is developed in the frame of ‘Phare 2003 Technical assistance for Development of the Integrated Administration and Control System (IACS) for Hungary’. Budget of the project was 0.4 MEUR, and successfully finished in November, 2005. IACS is now fully operational at ARDA, which has been declared in the final accreditation documents of the paying agency officially issued at 15th of December, 2005, based on the final report of the State Audit Office.
Goal of the project was to supply the central computing hardware elements of the Beneficiary, including the database servers with DBMS software, application and web servers, printers and 300 workstations. Budget of the project was 2.5 MEUR. The project reached its goal, IACS is operated on the hardware delivered in frame of this supply.

Goal of the project was to supply the central GIS server and field area measuring equipment for the on the spot controlling tasks. We have procured all the software and hardware elements of the system to support the controlling workflow within the IACS, including the MAP server, 114 mobile equipments, necessary software licenses and minor software development to integrate the GIS software into the existing IACS software-hardware environment.

As a result of this project, in the case of area based subsidies funded by the EAGGF Guarantee section, ARDA can use such measuring equipment which is based on GPS technology and capable of measuring and calculating the size of the agricultural parcel respecting the EU tolerance rate of measurement (see: Commission Regulation (EC) No 796/2004 of 21 April 2004.). Joining IACS and this GIS system help ARDA to fulfill the requirements of controlling in the future as well.

3.3 Results
- E-service strategy for ARDA in order to fulfil the requirements of new Public Administration Law; specified IT requirements of the development of e-government services related to the administration of the CAP; institutional development program to adjust the organization of ARDA to the e-government approach;

3.4 Activities
- one TA / Service tender

The tender components might be divided into lots.

3.4.1 Component Technical assistance for the preparation of E-service strategy for ARDA and IT requirement specification and institutional development program concerning the introduction of e-government solution in CAP implementation

E-Service strategy for ARDA has to cover the following issues:
- what are the main legal requirements in providing e-services?
- what are the main technical conditions of providing public administration e-services?
- what are the most remarkable opportunities in introduction of e-services?
- what are the main expectation of the clients as regards e-services in the CAP administration?
- which crucial sectors/schemes the e-services have to focus on?
• which crucial services the e-services have to focus on?
• what are the main consequences of the introduction of e-services on the internal organization of ARDA?

Besides, the strategy has to provide a long term (3-5 years) perspective for the development of e-services in CAP administration. The **strategy** has to be compiled after examining:

• relevant EU policy priorities and laws
• special Hungarian priorities and laws
• Member States’ experiences, with special regard to CAP administration
• Hungarian experiences, with special regard to public administration
• the relevant Hungarian social and technical circumstances.

The strategy has to focus on solutions which can help the effective dissemination of useful information to the citizens, support the improvement of the transparency of the CAP administration in Hungary, and leads to the enhanced quality of public administration services.

**IT requirement specification** has to be prepared for the development of a new ARDA Internet portal and the development of the new functions of IACS in order to serve the e-services provided by ARDA through the portal and to meet the requirements of Public Administration Law regarding the acquisition of different documents and data related to the public administration services. Elaboration of the specification has to take place after examining:

• detailed analysis of the new Hungarian Public Administration Law;
• detailed analysis of the documents and data exchanged among interested bodies and the relevant legal background;
• Member States’ experiences, with special regard to CAP administration;
• Hungarian experiences, with special regard to public administration;
• the relevant Hungarian social and technical circumstances.

**Institutional development** program has to be elaborated based on the e-Service strategy and has to correspond to the IT requirement specification. The program has to indicate the main weaknesses in the organization of ARDA, which are hindering optimal exploit of benefits from the implementation of e-services and has to provide examination of certain alternatives with regard to the organizational changes.

### 3.4.2 Expert Profile

For the delivery of the E-service strategy the following expertise needed:

- Knowledge on the current and future perspectives of IT services;
- Knowledge on latest Internet technologies and their application in the business environment;
- IT security;
- Knowledge on European and Hungarian public administration and legislations concerning information services.

For the delivery of the IT requirement specification the following expertise needed:

- Knowledge on the institutional and legislative background of CAP implementation;
- Knowledge on the application of the Integrated Administration and Control System for CAP administration;
- Practice in the implementation of IT systems;
- Experience in the development of large scale IT systems.

3.5 Lessons learned

During implementation the experience gained in the course of implementation of related projects shall be highly regarded. Special attention shall be paid to the experiences of the IACS development project (EuropeAid/114858/D/SV/HU). These are:

- The synchronisation of national legislation and the development is highly necessary. Changing the legislation during or after the elaboration of the IT specification disrupt the efforts put in the development and vast the resources by letting to aim at moving target;
- The availability of trained and educated staff from the beneficiary side cannot be avoided otherwise
  - applications delivered in later phases according to the IT specification might be unusable;
  - E-service strategy might be not in line with strategic professional goals of the beneficiary;
- Both E-service strategy and IT requirement specification shall be compiled with keeping implementation procedures.

4. Institutional Framework

Technical aspects of implementation shall be the responsibility of the Phare Office for Agriculture of the Ministry of Agriculture and Regional Development (MARD). The Central Finance and Contracts Unit (CFCU) will take the responsibility for contracting and payment.

The Agricultural and Rural Development Agency (ARDA) will manage the professional implementation. At ARDA a project organisation shall be established headed by a Steering Committee. The Steering Committee shall be headed by the president of ARDA.

The institutions represented in the committee will be the following:
- Ministry of Agriculture and Rural Development (SPO);
- Agricultural and Rural Development Agency;
- National Aid Co-ordinator;
- CFCU.

Meetings of the committee will be held in every three months.
5. **Detailed Budget (million EUR)**

<table>
<thead>
<tr>
<th>Transition Facility Support</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total TF (=I+IB)</td>
<td></td>
</tr>
<tr>
<td>T.A. Service (Strategy, requirement specification and institutional development program)</td>
<td>160,000</td>
<td>160,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Total</td>
<td>160,000</td>
<td>160,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>

(*) contributions form National, Regional, Local, Municipal authorities, FIs, loans to public entities, funds form public enterprises
(**) private funds, FIs loans to private entities

The ratio between the Transition Facility and co-financing is binding and has to be applied to the final contract price.
The national joint co-financing part of the budget does not include the VAT, which will be paid separately from the Hungarian State budget.

6. **Implementation Arrangements**

6.1 **Implementing Agency**

The Implementing Agency of the project is the 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. The Director of the CFCU will act as PAO of the project. His contacts are:

**PAO:** Mr. Gábor Rónaszéki, Director of CFCU  
Address: Bajcsy-Zsilinszky út 42-46.  Telephone: (+361) 327-28-00  
H-1054 Budapest  Fax: (+361) 327-2802  
E-mail: ronaszeki.gabor@cfcu.gov.hu

The Ministry of Agriculture and Regional Development will be responsible for the technical part of the project in terms of design, evaluation follow up and monitoring. The Director General of the Ministry will act as Senior Programme Officer. His contacts are:

**SPO:** Dr. László Vajda, Head of Department for EU Coordination  
Ministry of Agriculture and Regional Development,  
H-1055 Budapest, Kossuth tér 11.
6.2 Twinning

No twinning component is envisaged.

6.3 Non-standard aspects

During the implementation of the project the National Public Procurement law will be strictly followed.

6.4 Contracts

According to the Detailed Budget table above: Expected contract is 1. The value of the contracts: 0,2 M EUR

TA Service 1 with a value of 0,2 MEuro

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion</th>
</tr>
</thead>
</table>

8. Sustainability

Sustainability of project results is assured through the operation of the EAGGF Paying Agency, which will be funded from national resources. A long-term support and maintenance contract for IACS has been signed in January, 2006.

9. Conditionality

- The development phase of IACS has been finished in scheduled time, until 1st of November, 2005
ANNEXES

Obligatory:
Annex 1: Logical framework matrix
Annex 2: Detailed Implementation Chart
Annex 3: Cumulative Contacting and Disbursement Schedule
Annex 4: Relevant legislation

Non-obligatory:
Annex 5: Reference to studies
Annex 6: Readiness of linked activities
### Logframe Matrix

**LOGFRAME PLANNING MATRIX FOR**

**Project:** Development of e-government solutions in the CAP administration

<table>
<thead>
<tr>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 15 November 2008</td>
</tr>
<tr>
<td>Disbursement period expires: 15 November 2009</td>
</tr>
<tr>
<td>Total budget: 0,2 M EUR</td>
</tr>
<tr>
<td>TF contribution: 0,16 M EUR</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Let the Agricultural and Rural Development Agency comply with changes in administrative rules</td>
<td>• ARDA is using its e-Strategy for operation and further developments</td>
<td>• Reports of the State Audit Office</td>
</tr>
<tr>
<td>• To improve the conditions for the absorption of EAGGF and national subsidies</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>To support the development of a strategy for electronic services in field of agricultural public administration concerning the spread of subsidies, gathering the requirements against the administration and control system of the payment execution and planning the necessary institutional changes</td>
<td>• E-strategy is available for ARDA</td>
<td>• New, published procedures of ARDA</td>
<td>•</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-service strategy for ARDA in order to fulfil the requirements of new Public Administration Law; specified IT requirements of the development of e-government services related to the administration of the CAP; institutional development program to adjust the organization of ARDA to the e-government approach;</td>
<td>• Necessary documentations are available</td>
<td>• Reports of control bodies of ARDA;</td>
<td>•</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant(s) shall provide and lead the development team of IT experts that will develop the IT strategy; deliver the institutional building program; specify the requirements set by the CAP reform against the IACS software.</td>
<td>• One TA/Service contract</td>
<td>• Adequate human resources will be assigned to the project in order to provide significant professional support from the Beneficiary’s side</td>
</tr>
</tbody>
</table>
Annex 1: Logframe Matrix

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>Preconditions: The pilot project for the electronic claiming of area based subsidies successfully finished in June, 2006, with the support of the EDC 11221 project in the eContent programme of DG Information Society and Media</th>
<th></th>
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</table>


Annex 2: **Detailed Implementation Chart**

### Detailed Implementation Chart

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th></th>
<th>2007</th>
<th></th>
<th>2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>T.A. Service</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td>D</td>
<td>T</td>
<td>T</td>
</tr>
</tbody>
</table>

D: Design (15% grey)
T: Tendering and contracting (25% grey)
I: Implementation (50% grey)
Annex 3: Cumulative Contracting and Disbursement Schedule

Cumulative Contracting and Disbursement Schedule for TF 2006 *
(million EUR)

<table>
<thead>
<tr>
<th>Component</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
<tr>
<td>Contracting</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
</tr>
<tr>
<td>T.A. Service 1</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
</tr>
<tr>
<td>Disbursement</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
</tr>
<tr>
<td>T.A. Service 1</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
<td>0.160</td>
</tr>
</tbody>
</table>

* Only TF Funds
Annex 4: Relevant legislation

- Council Decision No 281/2004 of 22 March 2004 adapting the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded, following the reform of the common agricultural policy
- Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy
- Commission Regulation (EC) No 796/2004 of 21 April 2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in of Council Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers
- Commission Regulation (EC) No 1663/95 of 7 July 1995 Laying down detailed rules for the application of Council Regulation (EEC) No 729/70 regarding the procedure of the clearance of the accounts of the EAGGF Guarantee Section
- Law No. LXXIII of 2003 on the procedures applied concerning agricultural and rural development subsidies and other measures and amending certain relevant laws
COUNCIL RESOLUTION on the implementation of the eEurope 2005 Action Plan:

- “RECOGNISING:... the need to make further progress to keep the development of the e-economy as a priority on the European policy agenda;”
- “INVITES MEMBER STATES:... to promote eGovernment, eBusiness, eHealth and eLearning, taking into account specific national, institutional and administrative structures;”
- “WELCOMES THE INTENTION OF THE COMMISSION:... 2. to ensure that allocated Community funds contribute to achieving the objectives of the eEurope Action Plan;”

COMMUNICATION FROM THE COMMISSION: “i2010 – A European Information Society for growth and employment”

- “to launch i2010’s societal agenda the Commission will: ... Adopt an Action Plan on e-Government and strategic orientations on ICT-enabled public services (2006)”

MINISTRY OF PRIME MINISTERS’ OFFICE, EGOVERNMENT CENTRE:


The Hungarian strategy for electronic government seeks to realise the following principal objectives in the medium and long term:

- Electronic government should help to make public administration and the working of the state more efficient, transparent and - in the longer term - cheaper.
- A more efficient central public administration providing better services should permit a broadening of participatory democracy, an increase in the confidence of citizens and business actors, and greater participation by people in political life. Efforts should be made to develop more open and substantial relationships between representatives of public authority and citizens.
- By providing new public forums and easier access to public services oriented towards the needs of citizens, an environment can be created in which public administrative bodies and communities can share their experiences and influence the realisation of the local and national e-government programmes. The relationship between the state, citizens and their communities will be laid on new foundations that meet the requirements of citizens and businesses.
- Increasingly, the state as service provider and creator of opportunities will only be able to accomplish its tasks by ensuring the free flow of information. The system of public administration must lead the process of consultation and of creating opportunities, and it must be able to assume an initiating role in every respect.
- The opportunities provided by electronic government are some of the most important means (but not the only means) at the disposal of the service-provider state and for the construction of such a state. Exploiting these means, Hungary could catch up with the countries that are currently at the forefront of the development and use of electronic government services (irrespective of whether these countries are Hungary's neighbours or lie elsewhere in the EU).
- If the state can play a leading role in the application, use and dissemination of the modern means of information and communication technology (ICT), it will be able,
in addition to the success of government activities, to support the process of constructing and developing a knowledge-based society and increase the competitiveness of society and the economy.

EUROPEAN COMMISSION FACT SHEET: eGovernment in Hungary, June 2005
### Annex 6

#### READINESS OF LINKED ACTIVITIES

<table>
<thead>
<tr>
<th>Project</th>
<th>End date</th>
<th>Project purpose</th>
<th>Results</th>
</tr>
</thead>
</table>
| **2003/004-347-01-01-01**  
| **2003/004-347-01-01-02**  
PHARE Technical assistance for the Quality Assurance of the Hungarian IACS Development | 01.11.2005 – passed |  |  |
| **2003/004-347-01-01-03-01 and 02**  
DBMS software and hardware elements are capable of cooperation with the delivered IACS software and fulfill the recommendations of the body carrying out the audit of the Paying Agency |
| **2003/004-347-01-01-03-03**  
GIS equipments | 28.01.2006 - passed |  |  |