COMMISSION DECISION
OF 2002

Establishing a Phare Multi-Beneficiary Statistical Co-operation Programme in 2002,

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 3906/89 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe, as last amended by Regulation (EC) No 2500/2001 of December 17, 2001, and in particular Article 9 thereof,

Whereas:

(1) Regulation No 3906/89 lays down the rules and conditions for the granting of economic aid to certain countries of Central and Eastern Europe.

(2) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries of Central and Eastern Europe,

HAS DECIDED AS FOLLOWS:

Article 1

The programme described in the Annex to the present decision is hereby adopted.

Article 2

The maximum amount of Community assistance shall be 9.0 MEURO to be financed through Budget line B7-030 in 2002.

Done in Brussels,

For the Commission

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1 OJ no L375 of 23/12/1989
2 OJ no L342 of 27/12/2001
FINANCING PROPOSAL 2002
STATISTICAL COOPERATION

1. IDENTIFICATION

COUNTRY: Phare Countries candidate to accession
PROGRAMME: Phare Statistical Co-operation
YEAR: 2002
PHARE CONTRIBUTION: 9.0 MEURO
IMPLEMENTING AUTHORITIES: European Commission
EXPIRY DATE: October 31, 2004 (contracting)
October 31, 2005 (payments)
SECTOR: 163
GROUP: 16362
CRIS: 2002/000-602
BUDGET LINE: B7-030
PROGRAMMING: Hendrik Van Maele (DG Enlargement)
N. Wurm and C. Junker, Eurostat (in sub-delegation)

2. SUMMARY

2.1 The purpose of the Phare Statistical Co-operation Programme is to improve the provision of official statistics relating to candidate countries, particularly in the pre-accession context. Beneficiary countries will thus be Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic and Slovenia. Between 1991 and 2001, a total amount of ca 90 MEURO was allocated to the Programme, though largely shared among more beneficiary countries than now. For the last three year period ending with 1999, a contribution of 34 MEURO was envisaged. In consequence, 12 MEURO have been allocated from the 1997 budget, 5 MEURO from the 1998 budget, 15 MEURO from the 1999 budget. In adapting the speed of implementation to budget availability, the process could be made as steady as is adequate for sound and constant work.

After this period a strategic document was established designing the way candidate countries have to go until accession. It has been developed in a long discussion process, together with all intervening parties for statistics: beneficiary countries, Member States, other donors and international organisations. The principles and activities proposed were presented and endorsed at the 82nd meeting of the Phare management Committee in October 2000. The Financing Proposal of 2000, with a budget of 8.0 MEURO, and the proposal 2001 with 7.390 MEURO were accepted and are currently under implementation, represented the first two allocations of the new three year period.
The current proposal represents the third allocation requested according to this plan, its global budget deviates slightly from the commitment of constant reduction over the period. The reason for the small increase is the speed of the enlargement process.

2.2 The continuing objectives of programme, oriented towards accession are:

- To strengthen the institutions of CEC National Statistical Offices (NSOs), to enable them to better meet the needs of their customers by providing data that is accurate, reliable and timely and compiled to international standards and methods - and is, at the time of accession, in full compliance with the acquis communautaire;

- To improve the provision of appropriate statistics to policy- and decision-makers (European Commission, governments, institutions, the private sector) in the context of pre-accession.

- To improve quality of existing statistics and to reinforce confidence in methods and professionalism, thus providing the international Community with unquestioned statistical data.

2.3 The Programme will finance co-operation activities involving the agencies responsible for collecting and disseminating official statistics in candidate countries, referred to here as the National Statistical Offices (NSOs). These activities will include participation in seminars and technical working groups, study visits and consultancies, specific sectoral pilot projects in several key areas, training secondments and courses, dissemination of statistical data. After the implementation of this programme the countries involved will have improved considerably their compliance with the acquis, especially in the domains where pilot projects are to be carried out and the general comparability of the statistics the partner countries provide to EU will be much higher than at present. Details of these activities and projects together with the outputs expected to be achieved are given in section 8 and Annex 2.

2.4 An independent assessment report on the Phare Multi-Beneficiary Statistics Programmes was carried out by the OMAS consortium in 1999/2000, and rated the Programmes as successful and well managed. Recommendations made in the report and corrective actions identified were already addressed in the 1999 Programme, and will be followed through into this Programme.

2.5 The Commission will be responsible for the Programme, with Eurostat taking delegated management responsibility from DG Enlargement. Eurostat itself is a key actor in statistical co-operation and deploys for this purpose considerable resources of human and financial type, without any financial impact to this programme.

2.6 The entire emphasis for candidate countries will be on the compliance with the acquis communautaire and on the strengthening of their administrative capacity. In particular the programme addresses three items:

- Joint implementation of some sectoral projects corresponding to gaps still existing with the acquis communautaire;

- Coping, through a set of appropriate sectoral projects, with new pieces of statistical acquis coming up recently and continuously.
• Maintain the achievements of compliance already reached through a programme of statistical assistance;

2.7 This Financing Proposal is a direct result of the strategic reflections resulting in the document attached hereto in summary. It represents the third phase of the three year plan 2000-2002. Building on achievements of considerable quality, this third phase provides for significant budget reduction in comparison to the budget granted in 1999 and a small increase compared to 2001. The reduction in budget will at least be partly compensated by increasing autonomy of the statistical systems of candidate countries.

2.8 The Programme has also to contribute to improve the statistical information which is necessary to meet the needs following the conclusions of the European Conclusions in Göteborg that "starting from Spring 2003, the Commission will begin covering the candidate countries and their national policies in its annual synthesis report".

3. BACKGROUND

3.1 Reliable statistics are essential for the enlargement process, to manage and monitor the effect and the status of implementation of Community policies. They are a key infrastructure component of a market economy, to assist the design of relevant and well-targeted national and local policies aiming at promoting in a mutually reinforcing way competitiveness, employment and social progress and sustainability. Statistics, which are credible and trusted by citizens and the media, give transparency to democratic processes.

3.2 The Phare Programme has supported the development of statistics since 1990, initially through the transfer of the know-how required to adapt old-style command-economy methods to modern techniques and standards and through the provision of equipment. Since several years programmes have been broadened to ensure that relevant and timely data is available to support the enlargement process, and to assist applicant countries in their efforts to comply with the statistical requirements of membership. This process has been accentuated by the screening exercise and the opening of negotiations covering all beneficiary countries. The results of the enlargement process are fully taken into account. This is mainly done by identifying common weak points amongst the countries and by designing as a consequence common projects and approaches to eliminate them. Eurostat, as responsible Directorate General for the statistical acquis, also takes utmost care in maintaining coherence of national Phare programmes, where they exist, with findings from the enlargement process.

3.3 Multi-beneficiary programmes result from the common interest of NSOs in acquiring standard European skills and methodologies. Allocations made so far are as follows:
<table>
<thead>
<tr>
<th>Budget year</th>
<th>Amount MEURO</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>3.0</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>1.2</td>
<td>Bridging</td>
</tr>
<tr>
<td>1994</td>
<td>17.0</td>
<td>Coverage of several years</td>
</tr>
<tr>
<td>1997</td>
<td>12.0</td>
<td>First of three years</td>
</tr>
<tr>
<td>1998</td>
<td>5.0</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>15.0</td>
<td>Last of three years</td>
</tr>
<tr>
<td>2000</td>
<td>8.0</td>
<td>First of three years</td>
</tr>
<tr>
<td>2001</td>
<td>7.39</td>
<td>Second of three years</td>
</tr>
</tbody>
</table>

3.4 During this period, countries made significant progress in developing their capacity to meet the statistical needs of the market economy in accordance with EU standards. Phare interventions have improved the foundation for the production of statistical data, by providing computing infrastructure, enabling the introduction of internationally comparable classification systems, and introducing appropriate survey methods for data collection including sampling. All candidate countries, for example, have introduced labour force surveys for collecting employment data. More recently, Phare interventions have for example resulted in:

- the provision of statistical data for the Agenda 2000 communication;
- the provision of a statistical annex for the regular reports from the Commission to the Council concerning progress with respect to the acquis communautaire;
- expansion of Eurostat’s reference databases to include key statistical indicators of candidate countries (although much work still needs to be done to include detailed and more recent statistical data);
- A general statistical yearbook concerning Phare countries and various sector specific publications, mainly as result of pilot projects. Non exhaustive examples of these are a first publication of regional GDP estimates and demography of small and medium enterprises.

3.5 In areas dealt with already through sectoral projects Eurostat units have assumed a routine data collection from candidate countries in parallel to Member States. These data is published regularly and also available online in Eurostat data bases. A Statistical Yearbook of candidate countries is compiled and published in Eurostat resuming all important statistical domains and comparing the candidates among themselves as well as with current EU members.

3.6 Following the independent assessment of previous Programmes by the OMAS consortium and independent experts, a new Strategy Paper titled “A Strategy for Compliance in Statistics in Candidate Countries 2000 - 2002” was developed by all involved actors in early 2000, based on experiences gained. This paper analyses remaining problems, determines objectives for a new three year indicative plan. Parties involved in using statistical data, and
institutions delivering assistance through the plan (primarily the government statistical services of Member States and EFTA countries) were largely consulted during this process. The document was attached to the Phare 2000 Financing Proposal, the summary is attached hereto.

3.7 The main issue of the strategy paper is its independence from the financing source. It is meant to provide an overall comprehensive framework, to which all efforts can contribute: own funds, other programmes, other donors etc. The independence of the programme from its financing is required due to the fact that other candidate countries, not beneficiaries of Phare, shall be integrated. This will provide a large economy of scale effect. The proposed programme shall finance and organise the participation of Phare candidate countries only.

3.7 This Financing Proposal is a direct result of this process, and represents the third phase of the three year plan 2000-2002. Building on achievements of considerable quality, this third phase provides for significant budget reduction in comparison to the budget granted in 1999 and some small increase compared to 2001.

4. THE NEED TO MAINTAIN A MULTI-BENEFICIARY APPROACH IN STATISTICS

4.1 Statistics are an essential part of the enlargement process, to help design, manage and monitor appropriate EU, national and local policies, and to give transparency to democratic processes. Relevant and timely data is required to assist the enlargement negotiations and to accompany the pre-accession strategy of the Commission. In addition, countries require assistance in their efforts to comply with the statistical requirements of membership.

4.2 Statistics is identified as a priority in many Accession Partnerships and National Programmes for the Adoption of the Acquis Communautaire. The aim of this multi-beneficiary programme is to ensure the transfer of know-how following a common methodology, where the delivery mechanisms are multilateral, whereas national Phare programmes normally support operations within the countries. In fact, the multi-beneficiary programme for statistics has many characteristics of a Community Programme, can thus not be replaced by a set of national programmes.

4.3 To underline the importance of the multi-beneficiary approach in statistics, the Liaison Group signed a declaration in November 1997, which is still valid. Arguments are largely and in detail developed in the strategy paper attached hereto. Main arguments are in brief:

- Timing aspects: statistics require a long lead time, continuous and steady work. To be available in good quality by 2005 for reference years 2002-2004, appropriate efforts have now to be deployed in all candidate countries;
- New acquis communautaire in statistics is constantly coming up as a consequence of other Community and EU policies. Dynamic elements exist also in current acquis, filling of gaps is still required in many, if not all candidate countries;
• Co-ordination among statistical institutes and with other statistics producers: this is an important issue, as in each country a variety of institutions contribute to statistics production. Furthermore do many statistics have international and bilateral aspects (external trade, balance of payments, ...), which are best dealt with in a multi-lateral framework;

• Strengthening of the statistical infrastructure is required in all countries in order to assure a coherent development;

• Economy of scale effects: a dominant reason, statistics co-operation has by nature a multi-lateral character, resembling very much the operating mechanisms of Community Programmes. Delivery mechanisms in use, like working groups, seminars, training etc function on a multi-lateral basis. The participation of candidate countries not being Phare beneficiaries still increases the economy of scale effect;

• Several previous multi-beneficiary programmes have delivered good results, testified by external assessments. Also the maintenance of the achievements requires some efforts, similar to Member States.

In summary it can be said that the multi-beneficiary statistics programme has wide similarities with Community Programmes. The participation in those was an early goal of the enlargement process. The abrupt suspension of such programme would have a totally disproportionate negative effect. The Phare Management Committee has accepted the argumentation and given a positive opinion for the three year period 2000-2002.

4.4 The multi-beneficiary programme in statistics has achieved various most precious results. Apart from the regular data collection mentioned above, very visible operations have been supported indirectly through its achievements like the statistical annexes of the Regular Progress Reports, information leaflets with key data for all European Council meetings, supply of negotiations with statistical data and production of geographical information. In a number of statistical areas nowadays a sustainable and comparable data production is recorded. This production is taking place without any further Phare support and is thus fully in line with general objectives of the Phare programme.

5. **Policy Assessment**

5.1 The EU and the candidate countries need impartial, reliable and timely statistics on which to base policy decisions during the pre-accession phase and beyond. The need for further work to improve the comparability of their statistics with those of the EU was clearly expressed in the Commission opinions on the applications for membership in Agenda 2000 and in subsequent progress reports. The need is furthermore strengthened by the results of the European Council of Berlin applying structural mechanisms to Phare partners already in the pre-accession phase (ISPA and SAPARD).

5.2 The Governments of the 10 Phare candidate countries have signed Europe Agreements with the European Union and its Member States. Statistical data are needed to monitor these agreements. Co-operation in statistics is integral part of the Agreements.
5.3 Already in the pre-accession phase, e.g. because of participation in various Community programmes, a set of reliable high quality statistics is required, in steadily extending domains. NSOs from all the Phare candidate countries have signed a Common Declaration of Statistical Co-operation with Eurostat. Through these agreements, NSOs have given their commitment to work closely with Eurostat, to use international and EU standards. They have declared their commitment to the objective of providing the same data that is currently provided by Member States with the same comparability and quality.

5.4 The Programme will also contribute to collecting and producing statistical information which are necessary to meet the needs following the above mentioned conclusions of the European Council in Göteborg.

6. **INSTITUTIONAL ASSESSMENT**

6.1 The main beneficiaries of this Phare Statistical Cooperation Programme will be the NSOs in the Phare candidate countries: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic and Slovenia. Although there are various statistics collection and dissemination agencies in any country, the central body responsible for official statistics in each country (the NSO) will be the primary beneficiary of the Programme. Other agencies will, however, be involved in the Programme activities as appropriate. This programme will contribute to establish efficient working relations between the different institutions.

6.2 Generally, NSOs dispose of competent professional statisticians who demonstrate drive and commitment to their task - although retaining these professionals, as opposed to the less skilled members of staff, can be difficult, particularly where public sector salaries compare unfavourably with the private sector. Indeed, the current state of NSOs, whether with regard to their internal organisation, their relationships with other national/international, public/private actors, cannot be dissociated from the general context of public administration (reform) in the countries. The multi-beneficiary programme increases scope of the NSO’s and thus strengthens their capacity to recruit and retain skilled staff.

6.3 In order to use the available human and financial resources to provide the best possible service, careful prioritisation of NSO work plans and strategies is necessary. Thus the NSO’s, in partnership with the Commission, with the assistance of the statistical services of EU Member States, and based on the policy context described above, will constantly update their strategic plans for their medium term operations (three to five years). In coherence with these strategic plans, the NSOs will also produce annual work programmes (covering all areas of statistics and independently of the resources provided through Phare), again in partnership with the Commission and underlining the accession character of the programme. This strategic approach clearly strengthens the institutional capacity of all institutes.
7. **OBJECTIVES**

7.1 It is proposed that the objectives of the 2002 programme remain fundamentally in line and will naturally prolong the objectives of the previous programmes (perhaps for the last time), in line with long term strategic approaches. The Programme’s **overall objectives** are therefore with an aim of achieving sustainability in all of them:

1. To strengthen the institutions of NSOs, to enable them to better meet the needs of their customers by providing data that is accurate, reliable and timely and compiled to international standards and methods - and is, at the time of accession, in full compliance with the *acquis communautaire*;

2. To improve the provision of appropriate statistics to policy- and decision-makers (governments, institutions, the private sector) in the context of pre-accession.

3. To improve quality of existing statistics and to reinforce confidence in methods and professionalism, thus providing the international Community with unquestioned statistical data.

Priority areas of work should correspond to areas of weakness, including those identified during the enlargement process and those identified in National Programmes for the Adoption the Acquis communautaire.

7.2 To meet these objectives, the **immediate objectives** for the 2002 Programme will be to:

1. Improve the production, collection and dissemination of statistics comparable with Community methods in key areas described, which have been identified as pre-accession priorities. (see programme description);

2. Improve the ability of candidate countries to programme and plan their activities in relation to their obligation to meet the Community acquis in the area of statistics.

8. **PROGRAMME DESCRIPTION**

8.1 This Phare Statistical Cooperation Programme is based on a multi-annual indicative approach. It is the third of three proposed annual programmes (2000-2002), and will finance statistical assistance and training activities in priority sectors, and specific sectoral projects (including projects of a pilot nature). It will aim to achieve the following specific **results**:

- Production of statistics in certain key areas comparable with EU standards for statistics, including the publication and dissemination of these statistics.

- Transfer of know-how concerning all EU requirements in statistics, and increase the coverage of Eurostat’s regular databases. This will require close monitoring of the development of the EU statistical system, which is expanding rapidly, with (for example) up to 20 legal texts in preparation at any one time.

- Increased level of integration into the European Statistical System and its planning structures.
8.2 The activities to be undertaken to improve comparability and disseminate statistics in specific areas will be sectoral projects of a pilot nature. These projects will normally include an assessment of existing compliance with EU requirements, specific statistical assistance and training to assist countries develop appropriate techniques, and publication and dissemination of results. In all cases they are used to start new statistics or to reform an existing one aligning it to EU requirements. Where and as far as appropriate, pilot surveys will be used to collect data. Projects will employ common methodology in all candidate countries and conform with EU standards. They will produce results in the form of useful statistics in priority sectors within a relatively short time period (months rather than years). The areas chosen are in direct relation with acquis communautaire, support general EC policies and have strong links to ongoing negotiations.

8.3 Pilot projects are proposed by Eurostat, working closely with the other services of the Commission, according to the priority areas for the pre-accession period and deficiencies stated in the pre-accession process. Project proposals are presented to the Policy Group for Statistical Co-operation in order to receive their commitment for participation. Criteria for selection are their relevance to the enlargement negotiations as part of the core areas of statistics, availability and quality of existing statistics, and the relationship to the acquis communautaire. For the 2002 Programme, projects shall cover the following areas (see annex 2), although a flexible approach will be adopted to accommodate changing circumstances and priorities as the enlargement process requires it.

Quality in statistics

Macro-economic statistics

- Constant price estimates
- GNI inventories
- Quarterly national accounts
- Transition GDP to GNI
- PPP Purchasing Power Parities
- HICP, Harmonised Consumer Price Index
- Government Finance Statistics

External trade and INTRASTAT

ICT usage survey, including specific information society indicators

Social statistics

- Job vacancies survey
- Survey on Income and Living Conditions
- Health care

Agriculture, environment and regional statistics

- Harmonised crop statistics
• Harmonised milk statistics
• Environment related structural indicators
• Quality of regional statistics

8.4 Appropriate activities to transfer know-how and deliver harmonised data to Eurostat will normally be selected, according to the annual work programmes of participating institutions, by Eurostat or the partner institutions from the following menu. Other types of activities may be used on an exceptional basis.

• Study visits and consultancies. The main purpose of these activities in previous programmes has been to help countries undergoing the transition to a market economy understand European statistical systems, and to provide very specific technical help in certain areas. For all candidate countries, evidence suggests that these activities now have lower priority, at least in a strict bilateral framework. Consequently, it is proposed to concentrate the amount of funding available for these activities within the multi-beneficiary programme to activities with multi-beneficiary character, e.g. pilot projects. Clearly, some beneficiary countries will still require bilateral assistance, but much should be delivered as part of pilot projects or other multi-country initiative. As particular areas, where this kind of assistance is still needed the production of data for the scoreboard/benchmarking exercise on enterprise policy and innovation as well as the production of specific information society indicators should be mentioned. Expertise will normally be drawn from Community and EFTA NSOs and, on a more limited basis and where appropriate, from other beneficiary NSOs and from independent experts.

• Participation of statisticians of candidate countries in working groups (and appropriate seminars), including seminars organised specifically in the candidate countries. Technical working groups are routinely organised for EU NSOs, which serve to update beneficiary institutions on current developments concerning the acquis communautaire. Many Eurostat working groups now include specific agenda items relevant to candidate countries, and in some cases task forces aimed specifically at candidate countries have been set up. In Eurostat working groups countries will become familiar with the acquis communautaire in statistics, they will also debate its development and explain their specific situation in the country. These working groups are also the ideal forum for reviewing the situation of compliance, as specialists from all countries are present. Technical experts from Member States or elsewhere shall participate in certain activities or task forces, to advise countries on specific issues.

• Formal training courses, covering techniques and methods used to compile official statistics in the Community. Previous programmes have delivered formal training in statistical techniques and methods, particularly those used in the EU, through the TES institute and other training institutions in Member States. This has produced good results in terms of number of staff trained, but there is a need to continue formal training due to the high level of turnover of staff in many of the statistical offices of Phare candidate countries on one side and due to the rapid development of the acquis on the other side.
• **Secondments of trainees to Eurostat**, (or other appropriate institutions, also those in Member States) to familiarise statisticians from NSOs or other national statistics producers from the candidate countries with Eurostat strategies in each sector, and to familiarise Eurostat with specific national problems and environments. This scheme was first introduced during the 1994 programme, and has been expanded in the 1997 until 1999 programmes. It is felt that it was very successful, but no more expansion is required, already since 2000. It is therefore proposed to continue the scheme during the 2002 programme at an appropriate level of activity. Consideration should be given to allow for some flexibility, including the extension of the period of stay in exceptional cases to a maximum of one year.

8.5 Like pilot projects, priorities for the use of the above technical assistance activities will be based on their relevance to the accession process, and to the **acquis communautaire**. Each country will constantly update a medium term strategic plan, outlining their plans to adopt the **acquis** in statistics. From these plans, annual work plans outlining specific objectives and tasks to be accomplished each year, consistent with medium term strategies, will be provided for discussion and approval by Eurostat prior to the use of this fund. Of course, these strategy plans are part of the general NPAA’s where applicable.

8.6 At least annual progress reports, outlining the implementation of the **acquis communautaire**, and reviewing achievements in the context of each annual plan, will be delivered by each NSO to Eurostat.

8.7 In summary the work under this part of the programme will continue activities foreseen at the beginning, along three major components:

a) New pilot surveys and projects as above, covering existing acquis communautaire.

b) Specific pilot projects covering newly adopted acquis, wherever possible in parallel with member States

c) Technical assistance for:
   - Activities to improve comparability and dissemination,
   - Know-how transfer,
   - Compliance monitoring and reporting.

9. **LINKS WITH OTHER DONORS & OTHER PHARE PROGRAMMES**

9.1 Whilst many international organisations (e.g. EFTA, EBRD, IMF, OECD, UN-ECE, UN-ILO and UN-FAO) co-operate with the beneficiaries’ statistical bodies, the European Commission, through Eurostat, has the official role of Co-ordinator. Some EU Member States have their own bilateral statistical TA programmes with certain countries, and these are also communicated to Eurostat to avoid duplication and ensure proper co-ordination. This is made easier since Member State NSOs are the key providers of know-how under both Phare and bilateral Programmes.

9.2 The role of the Commission as Co-ordinator is particularly necessary given that the Community, through the Phare Programme, accounts for at least 90% (in financial terms) of external assistance provided to the candidate NSOs. Nevertheless, co-ordination with other international organisations remains
crucial in avoiding duplication, and in reducing where possible incompatibility, in requests to NSOs for information.

9.3 The activities of the Phare programme on “eEurope+ data collection, monitoring and benchmarking” managed by DG INFSO will be taken into account when implementing this statistical programme, especially in the context of the pilot project on “Information and communication technology”. Both programmes will be closely co-ordinated so as to avoid overlapping and to generate all the data needed for this specific policy area.

**CO-OPERATION WITH EFTA**

9.4 The involvement of EFTA in the Phare Statistical Programme has been decreasing in the last two years. No direct financial contributions from the EFTA Secretariat are provided any more, but still EFTA countries are involved through the delivery of technical co-operation with their NSO’s. EFTA remains strongly interested in contributing to the development and integration of the candidate countries in the European Statistical System.

**LINKS WITH PHARE NATIONAL STATISTICS PROGRAMMES**

9.5 In the early years of national Phare programmes for statistics, about 75% of funds have been used to upgrade the data processing infrastructure of NSOs. This has been an essential complement to the general transfer of know-how provided by the multi-beneficiary Programmes, and has increased the data production and analysis capacity of NSOs. The remaining funds have typically been used to finance specific national surveys. National Programmes have thus provided the means to implement operational activities, whilst the multi-beneficiary Programmes have transferred specific know-how on EU methods. This resulted in the implementation of statistical activities at the national level consistent with both national and EU requirements.

Newer national programmes for statistics do as a tendency have more purely statistics content like surveys, classifications, introduction of new methods. The main funds are directed to support operations in the countries, which are appropriate to improve the general compliance situation. The basic complementary nature though of national and multi-beneficiary programmes for statistics is more valid than ever.

9.6 The Commission, through Eurostat, will ensure that all these actions are co-ordinated and coherent. In particular, NSOs in the candidate countries will outline objectives and activities for all Phare programmes in statistics, whether National or Multi-beneficiary, in the annual work programmes for participation in this Programme. Eurostat will review these plans at least once a year.

9.7 Detail of links and co-ordination between national Phare programmes in statistics and this multi-beneficiary programme can be found in the strategy paper attached hereto. It underlines the complementary character of both programme types.
10. **COST AND FINANCING PLAN**

10.1 The Phare contribution to the Statistics Programme will be 9.0 MEURO for 2002. The programme will expire on 31 October 2004 for commitment and on 31 October 2005 for disbursement. An indicative timetable, with a breakdown of activities, is given in Annex 2.

10.2 Allocations for 2002 are planned as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Allocation</th>
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<tbody>
<tr>
<td>Pilot and sectoral project activities</td>
<td>5.0 MEURO</td>
</tr>
<tr>
<td>Statistical assistance activities including compliance monitoring</td>
<td>4.0 MEURO</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9.0 MEURO</strong></td>
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</table>

Details on planned activities are given in Annex 2.

10.3 The programme will be split into two components. A part of it will be awarded as grants to the National Statistical Offices of candidate countries and Member States for providing statistical assistance. These grants are expected to come into force in February 2004 and to expire in April 2005. For the part on pilot projects a contract will be awarded via a tender procedure. The contract will come into force in June 2003 and expire in March 2005.

11. **IMPLEMENTATION ARRANGEMENTS**

11.1 The Commission will have overall management responsibility for the programme. Implementation structures developed since the 1997 Programme will be used as far as possible. Should be mentioned specifically the increased involvement of the candidate countries themselves in the administrative implementation of these programme. This materialises e.g. in giving them, through appropriate sub-contracts or grants, responsibility to organise and pre-finance travel of their statisticians, which results also in considerable savings of funds.

11.2 In previous programmes, a small part of them comprised the evaluation and compliance monitoring function, commissioning sectoral and global evaluation studies. This function will be only residual and be included in general statistical assistance for the current programme. One or more contractors will be appointed through normal Phare procedures to implement the proposed projects and manage the statistical assistance facility including the monitoring function. Coherent contracting packages are chosen to guarantee wide market presence. On the other hand, the number and size of contracts shall be kept small, in order to avoid redundant administrative burden.

11.3 A Policy Group for Statistical Co-operation PGSC (seconded by a lower level management group), where top management of each NSO meet normally once a year with Eurostat, will act as a forum for discussing issues relating to statistical cooperation between the partner candidate countries and the Commission. Details of implementation structures are described in the strategy paper attached hereto in extracts.
12. **Monitoring and Evaluation**

12.1 The Commission services shall:

- Monitor the implementation of the programme on the basis of regular reports prepared by the contractors;
- Organise assessment and evaluation reviews to provide better insight into the performance of contractors and the impact of the activities as appropriate;
- Sign contracts with independent experts, if appropriate, to follow the progress of the programme and its components and carry out an ex-post evaluation after completion of the programme or parts thereof.

12.2 In order to facilitate these activities, a detailed set of indicators of achievement will be defined according to the objectives and targets of the Programme (see Log Frame Matrix in Annex 1 and project fiches in Annex 2).

12.3 In-depth monitoring of the success of this programme will be provided through the yearly compliance progress reports for candidate countries, which constitute the ultimate success factor of the efforts deployed.

12.4 Through the evaluation and monitoring function described in the annex and within the limit of finance available global and sectoral evaluations of the whole statistical systems including the institutional position of the beneficiary institutions will be provided for. These evaluations will also provide good evidence of overall success of the programme. The information gained through this process will enhance the public authority task of the Commission, Eurostat for the statistical part of the acquis, to report at least yearly upon the status of compliance of candidates with respect to the acquis communautaire.

13. **Audit and Anti-Fraud Measures**

**a) By the Candidate Countries**

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,

(ii) non-disclosure of information in violation of a specific obligation, with the same effect,

(iii) the misapplication of such funds for purposes other than those for which they are originally granted.
The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94.15

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

b) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/9614.

14. SPECIAL CONDITIONS

14.1 NSOs in the countries participating in the Statistics Programme shall ensure that appropriate staff, budgetary provisions and support facilities necessary for the implementation of the programme are provided. Furthermore appropriate institutional (and legislative) measures are to be taken.

14.2 The Governments of the countries concerned accept the responsibility to carry out the projects specified under the programme to a good end.

14.3 In those programme components in which the Community grant contributes to the financing of revenue-generating activities, the Commission shall determine, in conjunction with the authorities of the recipient countries, specific arrangements for financing which could include co-financing by the project revenues of reimbursement of the initial grant.

15. RISKS & ASSUMPTIONS

15.1 In view of the excellent co-operation in the past, the tightly defined implementation structures and the horizontal nature of the programme, the Commission does not foresee any (financial) risks in implementation.

15.2 Nevertheless, assumptions have been made that (see Programme Identification Log Frame Matrix, Annex 1):

- Governments continue to understand and support the role of statistics in a market economy and a democracy, particularly in the pre-accession context; and that they are able to clearly define data collection and dissemination

15 OJ L 253; 7.10.00; p. 5-14
14 OJ L 292; 15.11.1996; p. 2-5
responsibilities (e.g. through appropriate legal and institutional frameworks);

- Candidate countries’ NSOs are willing to use new methods for statistical work, that they can provide good quality staff for the activities of the Programme, and that these persons can be retained;

- Member States’ governments, through their NSOs, continue to make available appropriate and timely expertise for statistical co-operation.
ANNEX ON
INFORMATION AND PUBLICITY FOR THE PHARE, ISPA AND SAPARD PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Specific provisions concerning ISPA are included in:


Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Phare programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.
The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:
   - billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.
   - permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:
   - measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.
   - measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. Visibility of EU assistance in business circles and among potential beneficiaries and the general public

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.
4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, ISPA or SAPARD Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, ISPA or SAPARD Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, ISPA or SAPARD should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.
Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.
In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.