COMMISSION DECISION
OF 2004

Establishing a Phare Multi-Beneficiary Statistical Co-operation Programme in 2004,

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,
Having regard to Council Regulation (EEC) N° 3906/89 of 18 December 1989 on economic aid to certain countries of Central and Eastern Europe¹, as last amended by Regulation (EC) N° 769/2004² and in particular Article 8 thereof,

Whereas:

(1) Regulation No 3906/89 lays down the rules and conditions for granting 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 €3.0 million to be financed through Budget line 22-02-01 in 2004.

Done in Brussels,

For the Commission

¹ OJ n° L375 of 23/12/1989, p.11
FINANCING PROPOSAL 2004
STATISTICAL COOPERATION

1. IDENTIFICATION

COUNTRY: Phare Beneficiary Countries (Bulgaria and Romania)
PROGRAMME: Phare Statistical Co-operation
CRIS: 2004/016-834
YEAR: 2004
COST: € 3.0 million
IMPLEMENTING AUTHORITY: European Commission
EXPIRY DATE: 31 December 2005 (contracting)
31 December 2007 (execution of contracts)
SECTOR Code: 163
GROUP: 16362
BUDGET LINE : 22-02-01
PROGRAMMING: Hendrik Van Maele (DG Enlargement)
N. Wurm and C. Junker, Eurostat (in sub-delegation)

2. SUMMARY

2.1 The purpose of this multi-country Phare Statistical Co-operation Programme is to improve the provision and quality of official statistics relating to Phare beneficiary countries, particularly in the pre-accession context for Bulgaria and Romania. Beneficiary countries will thus be Bulgaria and Romania.

The current programme is based on a strategic document designing the way all the new Member States and the remaining candidate countries have to go until 2006. This strategy is a common one in many elements for the now new Member States and the remaining candidate countries but surely also indicates the differences in parts of the objectives, activities and results for the two groups of countries. It has been developed in a thorough discussion process, together with all stakeholders for statistics: beneficiary countries, Member States, other donors and international organisations.

This programme represents the second programme based on the strategic document and the first one for Bulgaria and Romania as the only beneficiaries.

2.2 The objectives of this programme are:

- To take the process of partially integrating the Phare beneficiary countries’ National Statistical Offices (NSOs) into the European Statistical System

(ESS) forward by strengthening the National Statistical Offices (NSOs) and their co-ordinating role in the statistical system of the country;

- To continue to support sustainable capacity building of the NSOs for enabling them to better meet the needs of their users by providing data that is accurate, reliable, timely and compiled in full compliance with the acquis communautaire;

- To intensify efforts to improve the quality of statistical information and to reinforce confidence in methods and professionalism, thus providing policy makers and 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 Phare beneficiary countries, referred to here as the National Statistical Offices (NSOs). These activities will include participation in seminars and technical working groups, statistical advice, 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 achieved a greater extent of integration into the ESS. They will have improved their capacity to provide statistical data in accordance with the acquis, especially in the domains where pilot projects are to be carried out. Finally, the quality of data and public confidence into them 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 4 and Annex 2.

2.4 An independent assessment on the 1999, 2000 and partially the 2001 Phare Multi-Beneficiary Statistics Programmes was carried out by EMS during 2003, and rated the Programmes as successful and well managed with an overall rating of “Satisfactory”. Recommendations made in the report and corrective actions identified are already addressed in this Programme, and will be followed through into the implementation phase.

2.5 The Commission will be responsible for the Programme, with Eurostat taking delegated management responsibility from DG Enlargement for the implementation of the programme. The implementation of activities will be subject of grant contracts awarded to the beneficiary countries to the largest extent possible.

2.6 The entire emphasis for Phare beneficiary countries will be on the compliance with the acquis communautaire be it existing or newly established one and on improving the quality of statistical data thus strengthening their administrative capacity. In particular the programme addresses three items:

- Joint implementation of sectoral projects corresponding to data production for new and/or changing acquis communautaire;

- Coping, through a set of appropriate sectoral projects, with the elements of data quality;

- Maintain the achievements of compliance already reached through a programme of statistical assistance;

2.7 This Programme is a direct result of the strategic reflections attached in annex 4. It represents the second phase of the four year plan 2003-2006. Building on achievements of previous programmes, this second phase of the 2003-2006
strategy for statistical co-operation provides for an increased budget compared with single country allocations in the past programmes. The reason is mainly the increased requirements stemming from the development in the statistical acquis communautaire and the quality aspects for statistical information with a view towards full compliance by the date of accession.

2.8 The Programme has also to contribute to improve the statistical information which is necessary to meet the needs stemming from the various new policies adopted by the Council such as the social agenda, e-government and good governance.

3. **Strategy**

3.1 Reliable statistics are essential for developing, managing and monitoring the effect and the status of implementation of Community policies. They are a key infrastructure component of a market economy, to support the design of relevant and well-targeted national and local policies aiming at promoting 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 for all Phare beneficiary countries but specifically also for Bulgaria and Romania. Initially this was done through the transfer of the know-how and the provision of equipment. Since several years programmes have been broadened to ensure that relevant and timely data is available to support the enlargement and in particular the final phase of the negotiation process, and to assist Phare beneficiary countries in their efforts to comply with the statistical requirements of membership. Multi-beneficiary programmes result from the common interest of NSOs in acquiring standard European skills and methodologies.

3.3 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 in Bulgaria and Romania have improved the foundation for the production of statistical data, by providing computing infrastructure, enabling the introduction of European classification systems, and introducing appropriate survey methods for data collection including sampling. In areas dealt with already through sectoral projects Eurostat units have assumed a routine data collection from Bulgaria and Romania in parallel to Member States. These data is published regularly and also available online in Eurostat databases.

3.4 A Strategy Paper titled “Strategy for statistical co-operation with Acceding and Candidate Countries 2003 - 2006” was developed in early 2003, involving all the stakeholders into its discussion and final design. This paper analyses remaining problems and determines objectives for a new four year period with a particular emphasise on the full integration of the acceding countries into the ESS. It also outlines the remaining tasks for Bulgaria and Romania on their way towards full compliance with the acquis in statistics. An updated version of the document is attached to this Financing Proposal in annex 4.
3.5 The main issue of the strategy document 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 different funding sources are used to support the various statistical co-operation programmes. This common approach will allow for large economies of scale. This particular programme shall finance the participation of Bulgaria and Romania only.

3.6 This Programme represents the second phase of the four year plan 2003-2006. Building on achievements from previous programmes, this second phase provides for an increased budget due to the increased requirements stemming from the development in the statistical acquis communautaire and the quality aspects for statistical information with a view towards full compliance by the date of accession.

3.7 Continued support for statistical co-operation is necessary to support the partial integration of Bulgaria and Romania into the European Statistical System even before accession and to introduce more widely quality aspects into the statistical systems. Both aspects are important during the coming years to ensure that good quality data are available upon accession.

3.8 The multi-country approach is the most appropriate one for statistical co-operation for reasons of economies of scale, synergy and co-ordination effects, the timing aspect and better co-ordination of all the stakeholders. Finally, previous programmes have proved being very successful and result oriented using the multi-country approach. Moreover, the multi-beneficiary programme for statistics has many characteristics of a Community Programme, can thus not be replaced by a set of national programmes. However, existing and upcoming national Phare programmes for Bulgaria and Romania will complement the activities implemented within the multi-beneficiary programme.

3.9 The multi-beneficiary programme in statistics has achieved visible results. Apart from the regular data collection mentioned above, data were provided to the statistical annexes of the Regular Progress Reports, information leaflets with key data for all European Council meetings were produced, statistical data were supplied to the negotiations and geographical information produced. 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.

4. OBJECTIVES AND DESCRIPTION

4.1 The objectives of the 2004 programme are in line with the long term strategic approaches as laid down in the “Strategy for statistical co-operation with the acceding and candidate countries for the period 2003-2006”. They can be summarised as the Programme’s overall objectives as follows:

1. To take the process of partially integrating the Phare beneficiary countries’ NSOs into the European Statistical System forward by strengthening the institutions of the NSOs and their co-ordinating role in the statistical system of the country;
2. To continue to support sustainable capacity building of the NSOs for enabling them to better meet the needs of their customers by providing data that is accurate, reliable, timely and compiled in full compliance with the *acquis communautaire*;

3. To intensify efforts to improve the quality of statistical information and to reinforce confidence in methods and professionalism, thus providing policy makers and the international Community with unquestioned statistical data.

Priority areas of work should correspond to areas of weakness, including those identified within the Regular Reports, recent assessment reports and data availability studies as well as during previous programme implementation.

4.2 To meet these objectives, the **immediate objectives** for the 2004 Programme will be to:

1. Improve the production, collection and dissemination of high quality statistics comparable with Community methods in key areas mainly related to new acquis (see project descriptions in annex 3);

2. Improve the ability of Bulgaria and Romania to programme their activities in relation to the integration into the ESS.

4.3 This Phare Statistical Cooperation Programme is based on a multi-annual indicative approach. It is the second of four annual programmes (2003-2006), 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**:

- Increased sustainable capacity to produce statistics in areas covered by the acquis, including the publication and dissemination of these statistics.
- Increased coverage of high quality data in Eurostat’s databases.
- Increased level of integration into the European Statistical System and its planning structures.

4.4 The activities to be undertaken to **increase the capacity to produce comparable data** and disseminate statistics in specific areas will be sectoral projects of a pilot nature. These projects will normally include an assessment of the state of art in the area concerned with special emphasise on the quality, specific statistical assistance and training to assist countries develop appropriate techniques, test data collection and publication and dissemination of results. In all cases they are used to start applying the EU standards in areas of newly adopted acquis or to improve the quality of existing statistical information. Where appropriate, pilot surveys will be used to collect data. Projects will employ common methodology in Bulgaria and Romania and conform to EU standards. They will produce results in the form of good quality statistics in priority sectors within a relatively short time period. The areas chosen are in direct relation with existing and newly adopted acquis communautaire and support general EC policies and have strong links to ongoing negotiations for Bulgaria and Romania.

4.5 Pilot projects are proposed by Eurostat, working closely with other services of the Commission, according to the priority areas identified by Eurostat’s subject matter units. Project proposals are presented to Bulgaria and Romania in order
Macro-economic statistics

- Production of Purchasing Power Parities (PPP)
- Improvements in Quarterly National Accounts
- Improvement actions for the Harmonised Consumer Price Index (HICP)
- Production of Inward and outward Foreign Affiliates Trade Statistics (FATS)

Innovation Statistics (Implementation of the 4th Community Innovation survey)

Business statistics

- Business register improvements
- Improvement actions for structural business statistics
- Implementation of a survey on vocational training in enterprises
- Improvement of quality in Short-Term statistics
- Implementation of surveys in Transport statistics
- Implementation of surveys on Information Technology and Communication (ICT)

Social statistics

- Improvement in data quality stemming from time use survey
- Improvement actions for unemployment statistics
- Improvement of quality for labour cost and earning statistics
- Improvement actions in migration statistics
- Implementation of the European Core Health Interview survey
- Implementation of a survey on causes of deaths
- Implementation of the wave approach for the labour force survey
Agriculture, environment and regional statistics

- Improvement of quality of meat statistics
- Improvement of quality of milk statistics
- Implementation of water statistics
- Implementation of waste statistics
- Production of data for Urban Audit, phase III
- Improvement of the farm register

4.6 Appropriate activities to increase the level of high quality data in Eurostat’s databases and to integrate the NSOs into the ESS will normally be selected, according to the annual work programmes of the NSOs of Bulgaria and Romania, by Eurostat or the partner institutions from the following menu. Other types of activities may be used on an exceptional basis.

- Measures of integration into the ESS by participating in seminars, Working Groups, Task Forces and other meetings. Participation in the above activities is of particular importance. Especially the role of Task Forces is increasing. Participation in seminars, Working Groups and Task Forces allows those involved developing new statistics and providing substantial input into this. Participants will have the opportunity to express their opinion in drafting the new acquis, provide further and more solid integration into the ESS, keep pace with developments in different fields of statistics, acquire in-depth knowledge, participate in the preparation of new surveys and elaboration of new statistics. All these elements are a substantial input for a further integration into the ESS.

- Training. Statistics is an area that comprises many different fields. Harmonisation, need for comparability, good knowledge and information about the new methods and phenomena are particularly important for the production of good quality statistics. Therefore, training and life-long learning in statistics are indispensable to meet the current challenges and perform future tasks. Especially needed is training in the area of new topics, new acquis, advanced methods, information society, globalisation, adaptation of the statistical systems to the development of the ESS.

- Targeted statistical assistance in strategic management and planning. An effective planning of work, proper priority setting, taking into account the needs of customer and process development are particularly essential. Well-defined priorities and strategies are highly important. Therefore assistance in this area is needed to gather knowledge of the best practices in developing strategy plans and total quality management. Here also benchmarking exercises can be added for which some external input is needed.

- Secondments of trainees (traineeships), this is a form of training when specialists from the NSO or other assimilated bodies in Bulgaria and Romania are seconded to Eurostat or a Member State NSO to study more thoroughly European statistical systems. The duration of the traineeship may last from 3 months to 12 months. The traineeship is necessary to get more information on the aspects of statistics in some specific theme and on the EU
requirements. The participation in the preparation of documents for meetings, inventories of existing data, methodological papers and publications enables the trainees to obtain a better overview of the functioning of the whole statistical system and in-depth knowledge of the scope and definitions of different areas of statistics.

- **Study visits and consultancies.** Study visits and consultancies are organised at the request of and considering the specific needs of Bulgaria and Romania. The study visits take place in Member States usually for one or two specialists from the beneficiary country. Consultancies are delivered by experts from Member States. Study visits aim at rendering assistance in the fields where specific problems and shortcomings exist for a single country. During study visits and consultancies weaknesses and hindrances of beneficiary countries can be discussed in more detail and solutions to the problems found.

- **Support to data collection.** Data collection will be an important element of adopting and implementing acquis requirements. The mechanism used to support this data collection will have many similarities with the system of financial support applied for the current Member States. It will comprise financial contributions to the NSOs of Bulgaria and Romania in order to carry out statistical surveys and collect data in those areas where this is required by the acquis. No support will be given to routine operations.

- **Management training.** Training is needed in planning mechanisms, management practices, organisational structures and programme monitoring approaches to enable the development of the best strategy, define a statistical infrastructure, properly handle user responsiveness and to implement new initiatives. Training consists in syndicate exercises, learning reviews and joint discussions. State-of-the-art knowledge on the planning theories and practices, strategic planning models, business model projects, value chain, risk management, feasibility analysis, evaluation and audit will enable well-balanced management and coherent planning, improvement of the overall performance, measurement of the programme and product effectiveness and policy compliance. Management training is necessary to properly define the mission and vision of statistical offices. This particular activity was also mentioned in the recent EMS evaluation report as being of increased importance for a multi-country programme.

- **Expertise to integrate data into Eurostat’s databases.** Assistance is needed in expertise to integrate data into Eurostat’s databases to ensure the quality and comparability of data.

- **Evaluation of compliance and programme support:** This function remains extremely important, as it will be at the same time a permanent evaluation of the results achieved by the co-operation programmes. The function shall be integrated into general assistance and comprise: continuous update of a compliance database (acquis and compliance situation), information and reporting about the programme. All available information sources are to be used including the knowledge gained in sectoral projects and statistical assistance.
4.7 Like pilot projects, priorities for the use of the above statistical assistance activities will be based on their relevance to the *acquis communautaire*. Bulgaria and Romania 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 these funds. 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.

5. **BUDGET**

5.1 The Phare contribution to this Statistics Programme will be € 3.0 million for 2004. The programme will expire on 31 December 2005 for contracting and on 31 December 2007 for execution of contracts. An indicative timetable, with a breakdown of activities, is given in the project descriptions in annex 3.

5.2 Allocations for 2004 are planned as follows:

<table>
<thead>
<tr>
<th>Activities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilot and sectoral project activities</td>
<td>2.15 MEURO</td>
</tr>
<tr>
<td>Statistical assistance activities</td>
<td>0.85 MEURO</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>3.0 MEURO</td>
</tr>
</tbody>
</table>

Details on planned activities are given in annex 2 and 3.

Co-financing for the purely Institution Building programme provided by the beneficiaries will be 2% by bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for the effective and efficient absorption of the Phare projects. The amount is limited to 2% due the existing commitment of the beneficiary NSIs to implement the programme and due to the foreseen high amounts of grants in the programme.

5.3 The programme will be split into two components. To the extent possible the components will be implemented by awarding direct grants to the National Statistical Offices of Bulgaria and Romania. Direct grants are given based on the fact that the NSOs of Bulgaria and Romania are THE institutions inside the public administration of the country being responsible for collecting, producing and disseminating official statistical information. The NSOs might be supported in this undertaking by other services of the public administration but the final responsibility for official statistical information lies with the NSOs.

The National Statistical Office of Bulgaria (National Statistical Institute) coordinates and implements the state statistical activities according to article 7 of the law on statistics last amended in 2002. It has therefore, a de-jure and de-facto monopoly to carry out statistical activities enshrined in the projects included into this Financing Proposal.
The National Statistical Office of Romania (National Institute of Statistics) organises and conducts official statistics in Romania according to Art. 2 of the law on statistics last amended in 2004. It has therefore, a de-jure and de-facto monopoly to carry out statistical activities enshrined in the projects included into this Financing Proposal.

The direct grants, which will be awarded to the NSO of Bulgaria and the NSO of Romania will have a maximal amount of € 2.6 million.

Any allocations not distributed through grants to the NSOs of Bulgaria and Romania will be committed through service contracts to be awarded via a tender procedure following the rules for external aid actions.

5.4 The programme is closely co-ordinated with the efforts of other supporting programmes in the area to avoid duplication and ensure proper co-ordination. This is especially relevant for the National Phare programmes implemented by the NSOs of Bulgaria and Romania. Eurostat is closely involved in their design and thus ensures that projects and activities are complementary and in no way overlapping.

6. **IMPLEMENTATION ARRANGEMENTS**

6.1 The programme will be managed by the European Commission.

6.2 The programme will be sub-delegated to Eurostat for implementation. Eurostat will be responsible for launching tenders, call for proposals, signing grant and other contracts and carrying out payments.

6.3 The Management Group for Statistical Co-operation MGSC, where the management of each NSO meet normally once or twice a year with Eurostat, will act as a forum for discussing issues relating to statistical cooperation between the partner candidate countries and the Commission.

6.4 A part of the sectoral pilot projects will be implemented via one or more contractors and all contracts are awarded using the procedures and standard documents defined and most recently published by the European Commission for the implementation of External Actions.

6.5 Execution of contracts must end by 31 December 2007. Budgetary commitments, which have not given rise to payments during three years counted from the date of the legal commitment will be de-committed.

7. **Monitoring and Evaluation**

7.1 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.

7.2 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).

7.3 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.

7.4 The information gained through the various evaluation mechanisms of Eurostat 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.

8. **AUDIT AND ANTI-FRAUD MEASURES**

a) By the Candidate Countries

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

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, this Financing Proposal or ensuing contracts or 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

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\(^{15}\) OJ L 253; 7.10.00; p. 5-14
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. 2185/96\textsuperscript{14}.

9. **Visibility and Publicity**

The Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme.

10. **Special Conditions**

10.1 NSOs in Bulgaria and Romania 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.

10.2 The Governments of Bulgaria and Romania accept the responsibility to carry out the projects specified under the programme to a good end.

10.3 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.

\textsuperscript{14} OJ L 292; 15.11.1996; p. 2-5