1. Basic information:

1.1 CRIS Number: 2002/000.610-09
1.2 Title: Implementation of the INTRASTAT-SK system
1.3 Sector: Statistics - SK/02/ST/01
1.4 Location: Statistical Office of the Slovak Republic

2. Objectives

2.1 Overall Objective(s)
Implementation of the acquis in the area of the statistics relating the trading of goods between Member States.

2.2 Project Purpose
Implementation of the INTRASTAT system in the Slovak Republic

2.3 Accession Partnership and NPAA priority

Accession Partnership
Statistics: Further improve quality and coverage of statistics; ensure adequate resources are available to further strengthen statistical capacities, including at regional level

NPAA
Chapter 3.3.3 - Statistics - foresees the implementation of the INTRASTAT-SK system as one of the priority tasks to be performed by the Statistical Office in the period 2002 - 2004.
Short-term priority: Create register of intra-Community operators - providers of statistical information for INTRASTAT-SK system.
Intermediate priority: Implementation development plan of INTRASTAT-SK system.
(by the end of 2002)
Priority task for 2003: set-up and implementation of INTRASTAT-SK system.

2.4 Contribution to National Development Plan: N/A

2.5 Cross Border Co-operation: N/A

3. Description

3.1 Background and justification:

The legislative framework of the project is given by the Council Regulation (EEC) No 3330/1991 of 7 November 1991 (and following amendments) on the statistics relating to the trading of goods between Member States and other implementing regulations.

INTRASTAT is a comprehensive statistical system for the monitoring of the goods flow between Member States. After accession, the goods exchange between the
Slovak Republic and EU Member States will be made without customs formalities. The Single Administrative Documents will no longer be used as a data source for foreign trade statistics and balance of payment relating to the trade with EU Member States. In order to compile the mentioned statistics at the national and EU level, it is necessary to introduce INTRASTAT-SK system as an essential tool for collection, processing and dissemination of data on trading of goods between Member States.

Intra-Community operators will be obliged to provide statistical declaration on their intra-Community trades in goods to the Statistical Office SR as the competent authority. The declaration will have to include inter alia: identification of operator, reference period, description of goods, Member State of destination or consignment and statistical value. The content of the declarations will be used exclusively for statistical purposes.

Tax authorities will be mandatory to provide the Statistical Office SR with lists of those liable to account VAT who have declared that during the period in concerned, they have made acquisition in other Member States or deliveries to other Member States. This obligation results from above mentioned regulations.

The Customs Directorate SR will continue to collect information on trade with non-member countries and it will provide them to SO SR for processing and dissemination. The Customs Directorate SR will be responsible for classification of goods according to Combined Nomenclature.

Collecting, processing and dissemination of data on trading of goods between Member States will be carried out by Statistical Office SR. The results of processing will be provided to users within SO SR and external users e.g. National Bank of Slovakia, Ministry of Economy, Ministry of Finance, different international institutions etc.

3.2 Linked activities

3.2.1 Past PHARE activities:
Since 1997, SO SR has taken part in two Eurostat’s projects concerning external trade statistics:

a) Phare Pilot Project on External Trade Statistics (ECO - 04/059) - This project was implemented in 1999 and 2000. The project consisted of two sub-projects:

- The first one aimed at providing on a regular basis external trade data into COMEXT database. Provided data are comparable with Member States data relating to trading of goods with non-member countries. Comparability of the data was reached by the application relevant EU regulations. (CR No 1172/95 a CR No 1917/2000).
- The second sub-project focused on the provision of national tariff information. The requested information for 1999 was prepared in cooperation with Ministry of Finance SR and Customs Directorate.

b) "Enlargement Project on External Trade Statistics" - Study visits to the United Kingdom and France organised by Eurostat (March/June 2001). The visits were aimed at general overview of INTRASTAT system. The visits enabled the participants to get acquainted with the extendedness, complexity
and demandingness of INTRASTAT system as well as on its importance in national and European statistical system. Two experts from Department of Foreign Trade Statistics participated in the two 3-days study visits mentioned above.

3.2.2 Prepared PHARE activities:

**Phare 1999 Multi-country programme - T.A. in the field of Intrastat,** which should have the following results:
- a detailed timetable for the overall INTRASTAT-SK preparatory and implementation work
- definition of the scope and content of the INTRASTAT-SK register
- organisation chart of INTRASTAT-SK work including job descriptions
- agreement with the competent fiscal/customs administration regarding the share of the work in relation to INTRASTAT-SK.

**Phare 2000 Multi-country programme - pilot project** focusing on:
- setting up of the INTRASTAT-SK declarant register
- data collection from enterprises, data validation, coverage, processing, and quality assessment
- transmission of the results to EUROSTAT.

The Multi-country programmes focus on issues which are of common interest to all candidate countries regardless of specific solution of the implementation of INTRASTAT system in different candidate countries.

3.3 Results

1. Slovak legislation in the area of statistics relating to the trading with goods between Member States fully aligned with the acquis
2. Operational information system
3. Administrative capacity for implementation of INTRASTAT-SK

3.4 Activities

**Activity associated with result 1**

The Slovak Parliament adopted in 2001 some legislation relating to statistics (Act No. 540/2001) which entered into force on 1st January, 2002. However, the above Act does not include the provisions laying down specific issues relating to INTRASTAT-SK system. INTRASTAT system is linked with the VAT system. The Slovak tax legislation is not yet fully aligned to the acquis relating to taxation of trade between Member States.

1.1. Following an assessment of the Slovak legislation, the MS experts will advise the relevant authorities with the required amendments, as appropriate, of the existing acts.
1.2. Proposal of a "form" and methodology: The twinning experts will recommend adjustments of the EU standardised form according to the national demands. They will also prepare explanatory notes for completion of particular boxes of the form. A guide to the main INTRASTAT-SK rules and procedures will be drafted.
Activity associated with result 2

2.1. Analysis of data: In order to assess the reliability of the obtained data, different analysis of customs data and real data will be carried out. This activity will be fully financed by the Slovak government.

2.2. Development of software: The whole processing chain has to be covered by the special software developed for the Slovak Statistical Office in order to ensure the compatibility, plausibility and reliability of the data. The user interface as the user manuals will have to be drafted in Slovak. Delivery of the software has to be linked with training of INTRASTAT-SK staff. The software testing will be realised experimentally on the base of the pilot data. It will be oriented to the testing of individual modules and functionality of their connection in processing chain.

The software will include the following components:
- SW for the updating of the register
- SW for the automatic reminder action
- SW for creation and transmission of electronic declaration
- SW for the recording of INTRASTAT-SK paper forms
- SW for the automatic merging of all types of inputs
- SW for the controls of input data
- SW for the control of extreme values
- SW for the setting up and testing of the thresholds
- SW for the processing INTRASTAT-SK data
- SW for the processing EXTRASTAT data
- SW for the estimation of non-response and partial response
- SW for the merging INTRASTAT-SK and EXTRASTAT data outputs
- SW for the generation of output tables
- SW for the processing of ad-hoc queries
2.3. Testing of data processing: All software components will be examined by using of real data, which will be obtained from sample of 3,000 importers/exporters. This processing of real data will serve for the verification of the functionality of individual modules, register usage, co-operation with providers of information about imports/exports and it will enable to compare obtained results with data from administrative sources.

Activity associated with result 3

The INTRASTAT-SK training should ensure that top, middle management and INTRASTAT-SK staff would be gradually familiar with the system and its results. The data from the new system will be provided to administrative bodies. Before the system introduction, users should obtain information about system philosophy, dealing with data, thresholds and results, which they will receive after the processing. Also 30 representatives of most significant entrepreneurs and state administrations will knowledge of the system, of dealing with input forms, with the aim to provide the input data of high quality.

3.1. Training of employees of INTRASTAT-SK Administrative Structure (IAS): General seminars about INTRASTAT-SK for top and middle management and INTRASTAT-SK staff. In addition to the theoretically acquired knowledge, the practical skills of INTRASTAT-SK staff will be developed by the “learning by doing” during the testing of data processing.

3.2. Training of the representatives of the entrepreneurs, state administrations: Seminars for representatives of 30 the most significant entrepreneurs according to turnover of foreign trade and for state departments realising transactions within EU. Information and methodological papers will be provided to the participants.

3.3. Training for IAS helpdesk staff: Training courses for helpdesk staff who will be assist to providers of statistical information in completion of INTRASTAT-SK form. This personal will be able to advise the providers how to solve the different problems concerning INTRASTAT-SK.

3.4. Information campaign: An information campaign will be launched to increase business public awareness of obligations arising from introduction of INTRASTAT-SK. The campaign will be carried out through different media, publication of articles and advertisement in newspapers and economic journals at national level, printing and distribution of leaflets. This activity will be fully financed by the Slovak government.

3.5. Drafting of technical specifications for the hardware: Experts will recommend the technical parameters of the required hardware taking into account the volume of processed data.

3.6. Drafting of software requirements: Technical projects for particular components of the software will be worked out, e.g. updating of register providers of statistical information, recording of all type of inputs, controls, estimation, dissemination outputs, comparison data with tax data etc.).

3.7. Technical equipment for IAS. It is expected that number of staff for INTRASTAT-SK administration structure should increase at least up to 40 employees. The following equipment should be purchased:
- personal computer
- printers
- colour printers
servers
- printer-copy-fax-scanner
- scanners
- network

The exact number of items to be financed out of this project will be defined in a later stage and will depend on the number of staff actually employed.

**Twinning light**

The selected twinning partners will assist the Slovak authorities in the following tasks:
- technical supervision of harmonisation of legislation and methodological rules relating INTRASTAT-SK;
- elaboration of the methodological documentation;
- participation in training activities linked with implementation of INTRASTAT-SK legislation and methodology.

The twinning team will include a pool of short-term experts with relevant experience in EU legislation relating to INTRASTAT system, legislation in the customs and tax area, mathematical statistics and methodology of foreign trade statistics. They should several years of relevant experience in the introduction and operation of the INTRASTAT system, foreign trade statistics, sound organisational skills, fluent in English (written and spoken). One candidate should be an employee of Member States authority responsible for INTRASTAT.

3.5 Lessons learned

The 2001 Regular Report on Slovakia’s Progress towards Accession and the report on Global Assessment of the National Statistical System of the Slovak Republic recommended to implement and test INTRASTAT-SK system before accession. The project is totally in line with the recommendation.

4. Institutional Framework

Statistical Office of the Slovak Republic will be recipient because it is exclusively responsible for processing and dissemination of foreign trade data. In future SO SR will take over all tasks linked with INTRASTAT-SK.

SO SR will be beneficiary institution because it will operate INTRASTAT-SK system. During its realization, SO SR will continue co-operating with Ministry of Finance SR (in the customs and tax area) and with Customs Directorate SR and it start to develop the collaboration with other competent authorities. It will be very important to build the contacts with providers of statistical information i.e. with firms and traders, which will provide information on their transactions within EU.
5. Detailed Budget (in MEUR)

<table>
<thead>
<tr>
<th>Activities</th>
<th>Phare Support</th>
<th>National Co-financing*</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
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<td>Activity 2.1. - Data analysis</td>
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<td>Activity 3.4. - Information campaign</td>
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</table>

6. Implementation Arrangements

6.1 Implementing Agency
CFCU:
Mlynské Nivy 61 - Bratislava
Slovak Republic
Tel: 00 421-2-534 182 93/4
Fax: 00 421-2-534 180 95
PAO: Mr. Milan Michalicka

6.2 Twinning beneficiary institution: Statistical Office of the Slovak Republic
Mileticova 3, 824 67 Bratislava
Slovak Republic
Contact person: Mr. Stefan Schill, Vice-president.
Department of external trade statistics will be responsible for management of the twinning covenant.

6.3 Non-standard aspects
Tendering and contracting will conform manual PRAG (Practical Guide to PHARE, ISPA and SAPARD Contract Procedures).

6.4 Contracts
**Twinning light covenant**: 150.000 EUR
**Technical assistance contract**: software development and testing of data processing – 1.050.000 MEUR
**Service contract**: training of IAS staff – 130.000 EUR
**FC**: technical specifications for the software – 50 000 EUR
**FC**: technical specifications for the hardware – 20 000 EUR
**Supply contract**: technical equipment of IAS – 100.000 EUR
7. **Implementation Schedule**
   7.1 Call for proposals: Q3/2002
   7.2 Start of tendering: Q2/2003
   7.3 Start of project activity: Q1/2003
   7.4 Project completion: 3Q/2004

8. **Equal Opportunity**
   Equal opportunity principles and practices in ensuring equitable gender participation in the project will be guaranteed.

9. **Environment**: N/A

10. **Rate of return**: N/A

11. **Investment criteria**: N/A

12. **Conditionality and sequencing**

   The most important stages of the project are:
   - preparation of the legislation;
   - designed technical projects for the software;
   - information campaign;
   - training of staff
   - testing of all INTRASTAT-SK components
ANNEX TO PROJECT FICHE

1. Logical framework planning matrix
2. Time implementation chart for the project
3. Contracting and disbursement schedule
### LOGICAL FRAMEWORK PLANNING MATRIX FOR PROJECT:

<table>
<thead>
<tr>
<th>Program name and number:</th>
<th>Project name and number: 2002/000.610-09</th>
<th>Sheet no.</th>
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</thead>
<tbody>
<tr>
<td>Total budget (MEUR): 2.195</td>
<td>PHARE budget (MEUR): 1.5</td>
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</table>

#### Overall objective:
- Implementation of the acquis in the area of the statistics relating to the trading of goods between Member States

#### Objectively verifiable indicators

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Sources of Verification</th>
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#### Project purpose:
- Implementation of the INTRASTAT-SK system

<table>
<thead>
<tr>
<th>Assumptions</th>
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#### Results:
1. Slovak legislation in the area of the statistics relating to the trading of goods between Member States fully aligned with the acquis

<table>
<thead>
<tr>
<th>Assumptions</th>
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2. Operational information system

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<th>Assumptions</th>
<th>Sources of Verification</th>
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</table>

3. Administrative capacity for implementation of INTRASTAT-SK

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<th>Assumptions</th>
<th>Sources of Verification</th>
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#### Project purpose:
- INTRASTAT-SK system set-up

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<tr>
<th>Assumptions</th>
<th>Sources of Verification</th>
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#### Results:
1. Drafts of necessary legislative norms
2. Form for INTRASTAT-SK declaration
3. Manual for providers of the statistical information

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<tr>
<th>Assumptions</th>
<th>Sources of Verification</th>
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4. Installed software for collection, processing and dissemination of the data on trade between Member States
5. Comparative analysis between data obtained from testing of data processing and data from customs statistics

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<tr>
<th>Assumptions</th>
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6. Delivered hardware
7. Trained staff

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<th>Assumptions</th>
<th>Sources of Verification</th>
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8. Regular reports
9. Installation protocols
10. Partial reports for Eurostat on results of Pilot project
11. Training reports

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<tr>
<th>Assumptions</th>
<th>Sources of Verification</th>
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12. Support from other institutions
13. Co-operation with tax authorities
14. Sufficient number of qualified staff available

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<tr>
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<td>1.1. Drafting of necessary amendments of current legislation</td>
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<td>1.2 Proposal of form and methodology</td>
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<td>2.2. Development of software</td>
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<td>3.7. Technical equipment of IAS</td>
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**Preconditions**
- Act No. 540/2001 on state statistics came into force January 1, 2002
- Functional register of intra-Community operators
TIME IMPLEMENTATION CHART

Implementation of the INTRASTAT System

<table>
<thead>
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<th>Project Component</th>
<th>2003</th>
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<th>2005</th>
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CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (MEUR)

**Implementation of the INTRASTAT System**

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