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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.4.2009
COM(2009) 191 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the implementation of the EDICOM II programme
(2001-2005)**

{SEC(2009) 527 final}

(presented by the Commission)

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1. INTRODUCTION

With the creation of the Single Market in 1993 customs formalities between EU Member States were removed and the Intrastat system was implemented in order to continue to monitor the movement of trade in goods between Member States. This new system replaced the use of customs data by collecting information directly from enterprises through monthly surveys. Statistics in trade between Member States and third countries continued to be based primarily on customs information.

In order to support these changes, the Council adopted Decision No 96/715//EC of 9 December 1996 on inter-administration telematic networks for statistics relating to the trading of goods between Member States (Edicom I programme¹). The Edicom I programme facilitated the conversion towards an interoperable system at European level for the collection, production and dissemination of statistics on the trade in goods.

At the end of the Edicom I programme, the Community faced an increasing demand for rapid, reliable and accurate macroeconomic information. Eurostat, in close cooperation with the national administrations drafted a strategic document to strengthen and prepare the existing system for the longer term.

This strategic document was approved by the Statistical Programme Committee and the Committee on Statistics relating to the Trading of Goods between Member States.

The European Parliament and the Council, on the basis of the ex-ante evaluation prepared by the Commission, adopted Decision No 507/2001/EC of 12 March 2001 concerning a set of actions relating to the trans-European network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries (Edicom II programme²).

The general objectives of this new programme were:

- To encourage the organisation of the statistical network in the most modern, rational and effective manner possible; and to adopt measures necessary for improving and harmonising the methods used;
- To further develop existing computer tools for the collection, production, transmission and dissemination of statistical data, taking into account the latest technological advances and seeking to optimise cost-effectiveness.

In order to achieve the general objectives, 6 operational objectives, split into 13 actions, were identified.

This report has been written to provide information regarding the implementation of the Edicom II programme, in accordance with article 5 (2) of Decision No

¹ OJ L 327 of 18.12.1996, p. 34-37.

² OJ L 76 of 16.3.2001, p. 1-4.

507/2001/EC. The evaluation has been based on the standard criteria: relevance, effectiveness, efficiency, utility and sustainability.

2. EVALUATION ACCORDING TO CRITERIA

2.1. Relevance

The decision to launch a second Edicom programme has been very pertinent as the programme targeted concrete needs and problems. Particularly:

- The actions implemented during the Edicom I phase considerably enhanced the quality of the intra-Community trade statistics; however further areas for improvement were identified in conjunction with an increasing demand for macroeconomic trade information.
- The European Central Bank (ECB) expressed the need for timely, reliable and accurate external trade statistics as key elements to be included in an Action Plan for statistical requirements.
- The simplification of Intrastat had to be pursued in order to reduce the burden on enterprises and administrations without undermining the quality of the external trade statistics.
- The modernisation of the trans-European network for the collection, processing and dissemination of trade statistics could not be sufficiently and cost effectively achieved by Member States acting individually; therefore a Community programme was necessary for harmonising solutions and obtaining economies of scale.

The Edicom II programme was thus designed to reach a wide range of beneficiaries: administrations and enterprises, as well as institutional and private users of external trade statistics.

Considering the difficulties in drafting the strategic guidelines five years in advance, it can be stated that the contents of the programme have been devised with strategic vision. The management skills and the technical capacity of the Commission and Member States in running and developing the programme contents also have been taken into account.

2.2. Effectiveness

Edicom II delivered some significant results in accordance with the ex-ante evaluation. Difficulties were encountered in establishing a common EU platform for the production of external trade statistics, due to significant differences in the technological and administrative systems in each of the Member States.

The major achievements in accordance with the general objectives of the EDICOM Decision are described hereafter. For a more detailed presentation of results please refer to the Commission staff working paper "Final report on the implementation of the Edicom II programme".

Objective 1 *“Develop a trans-European network producing statistical information of better quality, which is less costly and makes data available more quickly, in order to satisfy the requirements of Community policies”*.

The improvement of data availability and quality has been the main objective in terms of the number of projects realised during the EDICOM II programme.

The majority of Member States have conducted comparative studies and successfully designed and implemented advanced estimation techniques. At the end of the programme all Member States were able to meet the deadline of 40 days for the transmission of monthly aggregated data to Eurostat. However in some cases, differences between preliminary and final figures remain quite significant, highlighting that further work in this area should be pursued.

At centralised level, Eurostat developed methods and IT programs for estimating intra-EU and extra-EU aggregates for Member States that may not comply with the transmission deadline.

The provision of detailed data to Eurostat has also been improved in terms of timeliness and accuracy. In 2005, Member States transmitted their Intrastat and Extrastat data at an average of 8 days and 3 days in advance respectively. New validity and credibility controls were developed and improvements to the methodology in estimating below threshold and non-response trade have been made, thus increasing the overall quality of external trade statistics. Also, these controls assisted Eurostat in producing quality reports on the detailed trade data of Member States.

Asymmetries in Intra-EU trade at aggregate level have decreased, however, at detailed level significant discrepancies still remain. Comparison of Intrastat data with Value Added Tax (VAT) and VAT Information Exchange System (VIES) data is now being carried out systematically.

Objective 2 *“Develop a trans-European network producing statistical information that is relevant and appropriate to the new needs of users within the framework of Economic and Monetary Union and the changing of the international economic environment”*.

New short-term indicators and statistical products have been generated in response to user needs. The management of data confidentiality at national and European level has been strengthened.

Eurostat has successfully developed and implemented a new application for the production of indices on unit values and volume. Member States have mainly focused on import price indices of non-Euro zone in order to meet ECB needs.

New methods and tools for producing and publishing seasonally adjusted data on a monthly basis for the Community (EU and Euro-zone) and Member States have been created.

Time-series analyses and statistical value adjustments have been carried out only by some Member States. The task of evaluating the best practices in Member States for

reaching a trade balance coherent with the balance of payments and national accounts still remains incomplete.

A methodological framework for the collection and presentation of External Trade and Structural Business Statistics jointly has been created at European level. The results of pilot studies carried out by several Member States have been published enabling analysis of external trade by enterprise characteristics.

Encouraging results for the further development of EU statistics have been obtained by some Member States in the field of Intra-firm trade statistics.

Objective 3 “Incorporate statistics on the trading of goods more effectively into the general statistical system at Community and international level and adapt them to changes in the administrative environment”.

Most Member States have completed projects aimed at improving the availability and quality of their trader registers. Almost half of Member States do not maintain an Extrastat register, as this is not mandatory.

The cooperation between Statistical Offices and Customs Administrations was strengthened in several Member States. Interactive corrections of Extrastat declarations have been set up and the possibility to collect additional information from customs documents at minimal cost was investigated.

Surveys were carried out to evaluate user needs and the burden of the Intrastat system on the Providers of Statistical Information (PSIs). Studies on the possible simplification of the system focused on the adoption of a Single Flow System, simplification thresholds and in decreasing the level of product detail. Seminars on e-learning applications for PSIs have been undertaken in order to enhance the quality and completeness of Intrastat declarations.

Objective 4 “Improve the services offered to administrations, suppliers and users of information, by providing them with all the available statistics and metadata relating to the trading of goods”.

Resources have been deployed to create a well-structured and exhaustive information system in Eurostat and the Member States.

Based on new automated procedures, the publication of macroeconomic and seasonally adjusted data was advanced by five days, to meet user demands, especially the ECB. The dissemination of detailed data was the objective of further developments. The Eurostat Comext database system was upgraded in terms of its contents and technology. A new dissemination system (Easy Comext) was developed enabling the general public to view and extract detail trade data from Member States.

Specific tools for rapid and user-friendly access to classifications, explanatory notes, metadata and other related products were developed at a centralised level and provided to Member States. Monthly Comext training courses were given to civil servants from the European Commission and Member States.

Objective 5: *“Develop and promote tools for collecting information on the trading of goods, by taking into account the latest technological advances in order to improve the functions available to statistical information providers”.*

Eurostat and the Member States succeeded in developing and implementing new tools and standardised transmission formats for data collection. Increased focus was put on the development of web-based systems and this was welcomed by European businesses. This resulted in a significant reduction in the costs and improvements to data quality and timeliness. Around 100,000 PSIs were submitting Intrastat declarations on a monthly basis via the web, thus decreasing the use of paper declarations by 30%.

The off-line IDEP/CN8 package for Intrastat data collection was maintained at centralised level up until 2004; thereafter some Member States continued its upgrade while others developed alternative systems.

Objective 6: *“Implement the EDICOM actions in the framework of an integrated project. Ensure the interoperability of the various developed tools by using common norms and standards. The various modules of the system should be able to be put in networks enabling the various interested parties to use all or part of them”.*

Specific measures were launched to modernise various elements of the trans-European network within the Commission and Member States. Several interconnected tools were developed, within the framework of the XT/NET project and placed at the disposal of Member States.

The XT/NET project was envisaged as a starting point for developing a single and fully integrated information system. Based on an established set of common rules, the system enables the transfer of the responsibility for validating data from Eurostat to the Member States.

2.3. Efficiency

The modalities under which the Edicom programme was implemented were in line with the ones fixed by Decision No 507/2001/EC. The Commission had the responsibility of managing the programme, with the assistance of the Intrastat and Extrastat Committees.

Eurostat's foreign trade statistics units were responsible for the programme, except for the actions related to centralised IT developments. These were assigned to the unit responsible for “IT systems for statistical production”.

The total expenditure for the implementation of the Edicom programme amounted to 31,2 million Euro, or 61% of the budget. The smooth running of the programme was in partly affected by the crisis at Eurostat, leading to a significant slowdown in the centralised activities during 2003 and 2004. Since the EU Enlargement in May 2004, new Member States became beneficiaries, without any modifications to the initial budget.

In total, 393 centralised and decentralised projects, were carried out by private companies (on behalf of Eurostat) and by Member States. In addition, 19 projects

were abandoned, mostly by Member States, due to the lack of human resources and/or to the extreme complexity of the objectives to be reached.

Member States completed 72% of the total number of projects. However, financial resources were spent almost equally between decentralised and centralised projects. Grants covered approximately 90% of the total cost of decentralised projects, while centralised projects were attributed to private companies via tenders.

Referring to the contents, the programme mainly focused on two axes of intervention: the enhancement of quality (objective 1) and the development of information-gathering tools (objective 5). These two objectives resulted in the completion of 124 and 84 projects respectively, accounting for 21% and 25% of total expenditure.

The share of expenditure per objective is coherent with estimations made in annex II of the Edicom Decision, with the exception of objective 3 and 5. Technical and administrative assistance and support measures accounted for 5% of the total expenditure budget.

Edicom projects were evaluated on the basis of intermediate and final reports submitted to the Commission. With an average of 160 reports per year, Eurostat project managers closely monitored all the activities, in most of the cases without the possibility of assessing the work done by Member States on site. Progress in centralised contracts was evaluated via monthly meetings with the contractors.

Project reports were uploaded into the public CIRCA system of the Commission and were made available on-line to registered users. This enabled national administrations to view findings and solutions adopted by others and use this information as starting point for their own studies. The sharing of knowledge has been gained via study visits and seminars on selected topics.

This programme has considerably assisted in enhancing the trans-European network for the collection, production and dissemination of statistics on the trade in goods. In some areas, Member States faced difficulties to change their national systems, which hampered the opportunities provided by this programme to be fully utilised.

The overall results of the Edicom programme were attained at reasonable cost. Contrary to what may be expected in the light of the degree of specialisation, contractors working in the area of trade statistics charged considerable lower fees than those in more general areas of competence (e.g. tax, finance, HR...). Many of the projects were carried out by civil servants in the Member States at local (hence lower), rather than international staff rates.

2.4. Utility

The Edicom programme was an indispensable instrument for improving timeliness, accuracy, availability and harmonisation of external trade statistics produced by the Member States.

Initial elements of an interrelated trans-European network of information were created, as Member States were encouraged to adopt common rules and standards.

Progress in this area would lead to storing national data only at Member States level, avoiding the current duplication at Eurostat level.

In few cases, the implementation of standard methods in all Member States could not be achieved, especially when significant differences existed in technological and administrative environments.

The programme achieved results, which would have been impossible to reach if Member States had carried out the work themselves. Member States on their own would hesitate to invest large sums in future technologies or in changing their national systems.

2.5. Sustainability

Overall progress achieved by the Edicom programme should provide long-term benefit. Tangible short-term results are already visible and its positive impact is likely to continue for the mid to long term.

Various types of results have been achieved, in accordance to the sustainability criterion. The first group of actions composed of pilot studies, quality assessments, evaluation of needs and satisfaction, produced short-term results by serving decision makers.

Research in statistical methods and the development of new statistical tools produced solutions, which have been implemented by the Commission and Member States, thus obtaining long-term benefits without the need for additional resources. Development of electronic data collection and dissemination tools as well as standardisation messages might require further financial support in the mid-term in order to reach similar standards and a level of use in all Member States.

The highly strategic XT NET project for the achievement of a fully integrated European network should be the object of a specific programme to ensure its implementation in the European Union.

As a general remark, it should be noted that statistics are produced in an evolving environment, thus the necessity to monitor continuously and closely the statistical system, especially on coverage and data quality. Changes in the economy, new users needs and evolution of technologies require regular adaptation of the system in the mid to long term.

3. RECOMMENDATIONS FOR THE FUTURE

Significant results were achieved in the framework of Edicom II but the enhancement of the statistical system should be an on-going process. The following points should support any future programme:

- Member States did not participate in all Edicom actions due to lack of staff;
- Further improvements to systems and methodology can still be achieved;

- All new Member States need to work on similar projects to improve their data quality and to integrate better into the European Statistical System;
- Actions aimed at reaching greater automatism of data collection tools should be pursued;
- The framework for a fully integrated European network for the production of external trade statistics was created but it is not yet fully operational.

Main areas for future intervention could be:

- Continuation of work on estimation techniques and now-casting methods, on management of confidentiality, statistical value, trade registers, intra-firm trade and globalisation.
- Measures for improving cooperation between Member States and Eurostat for the collection and transmission of basic information should be implemented through a secure network.
- Studies on the adoption of future technologies.
- Further harmonisation of collection systems at EU level and the adaptation of tools in order to achieve a totally integrated and harmonized statistical system.

4. MANAGEMENT RECOMMENDATIONS

Experience of the Edicom II programme has shown that long-term programmes can function smoothly only if financial resources are assessed correctly and are available on time. The late adoption of the Commission financing decision in 2003 and the postponement of certain 2003 Edicom actions following instructions of the Commission have highlighted how dependent the programme was on external events or decisions.

Although the programme was planned for five years, it lasted longer considering the time for strategic planning, realisation of tasks and the administrative closure of projects.

During the course of this program a large amount of information needed to be managed. The flow of information resulted in the handling of many official documents, reports and communications. Also, the financial procedures for assigning the grants to Member States and awarding contracts to companies were burdensome.

The high turnover of Commission personnel partially affected the management of the programme, especially when the transfer of know-how and responsibilities was not sufficiently organised. This impacted on the evaluators experiencing difficulties in collecting only partial and in some cases, inaccessible, information.

In order to avoid these problems in the future, the Commission should adopt a complete project management system, accessible to selected users with different degrees of competencies.

In most cases, Eurostat managers and staff of national administrations worked on Edicom projects in addition to their daily tasks. Member States were frequently confronted with a lack of human resources for carrying out further Edicom projects. In some member States internal rules prohibited the employment of short-term personnel.

The usefulness of technical and administrative assistance should not be underestimated and should accompany the whole duration of long-term programmes. The same applies for evaluation activities, as it would be extremely difficult to assess results if performance indicators were not collected and monitored regularly. The ex-post evaluation should start only when all technical and administrative information is available, i.e. about three years after the approval of the last annual work programme.

5. LINKS WITH OTHER COMMUNITY PROGRAMMES

According to art. 5 of the Edicom Decision, the evaluation should verify synergy with other Community activities. Interrelations clearly existed with the DSIS project (Distributed Statistical Information Services) and eDAMIS project (electronic Dataflow Management and Information System) of the “IDA programme” (Programme for the electronic data interchange between administrations).

Eurostat and Member States used components developed under IDA projects for improving data transmission, administration and storage of external trade statistics. The adoption of new standardised protocols facilitated the sharing and dissemination of structured data across different information systems and users. In addition, the IDA generic service CIRCA has been used as a common platform for storing and sharing among Eurostat and Member States reports and tools generated by the EDICOM studies.

The Edicom II results might be considered in line with the objectives of the “eGovernment” theme promoted by the “eTEN programme”, which supported the deployment of trans-European e-services. Examples of this are development of Intrastat web forms and the free web dissemination of trade statistics data through national websites and the Eurostat Easy Comext database.

6. CONCLUSIONS

Results obtained in the framework of the Edicom II programme enabled a noticeable modernisation of the trans-European network for the collection, production and dissemination of statistics on the trading of goods within the Community and between the Community and non-member countries.

The programme covered the period 2001-2005, however administrative tasks lasted until 2008. In total 393 projects were implemented by Eurostat and the Member States accounting for an expenditure of 31.2 million Euro, or 61% of the total budget approved in the Edicom Decision.

The Commission and Member States successfully developed new IT technologies and Web-based solutions, thus benefiting the PSIs, relevant administrations and users.

Trade statistics of high quality are provided faster and cost effectively, new statistical products were generated, satisfying the needs of institutional and private users. Statistical information has been made available, free of charge, to all users. Resource efficiencies were achieved at both Eurostat and national level.

Studies carried out on the simplification of Intrastat have highlighted that PSIs consider the burden caused by Intrastat reporting as acceptable. Future simplification efforts should focus on the maintenance or improvement of data quality for the users.

IT tools have been developed centrally and have been made available to Member States for setting up the basis of a fully integrated and interoperable European system. Its implementation has not yet been fully achieved, due to difficulties of Member States to change their national systems.

There have been many encouraging results but there still remain some shortcomings, which will need support from future programmes.

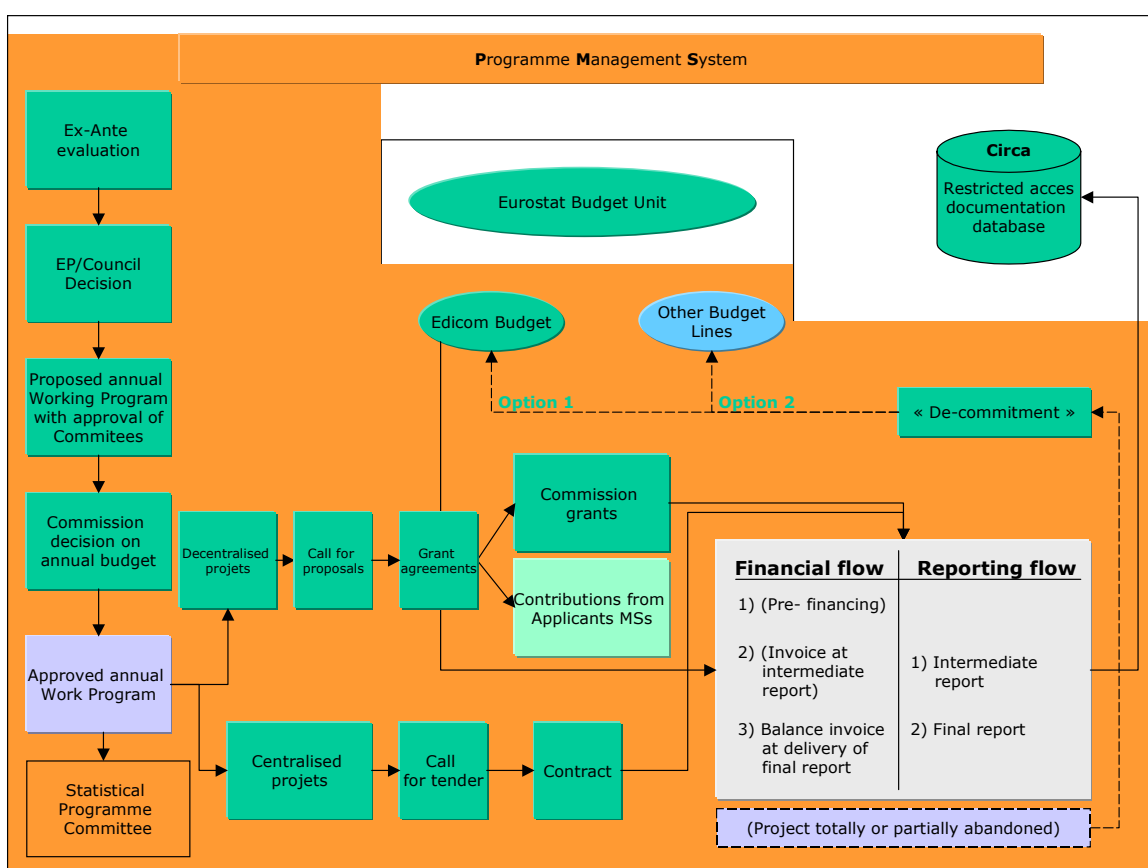


Fig. 1 Proposal for a programme management system