

## Service Contract Agreement

Reg. no. CSO: 015-2025-S

Between 1<sup>st</sup> Party  
ICON-INSTITUT Public Sector GmbH  
Von-Groote-Str. 28, 50968 Köln, Germany  
(hereinafter referred to as "ICON"),

and 2<sup>nd</sup> Party  
the Czech Statistical Office (CZSO)  
Na padesatem 81, 10082 Praha 10, Czech Republic  
(hereinafter referred to as the "The contractor")

whereas

ICON (as the lead of the Consortium together with DevStat and Eastern Bridge) has been awarded the contract by the EUROSTAT (contracting authority), to undertake the project 'IPA 2022 Multi-beneficiary statistical cooperation programme; (hereinafter referred to as the "Project"). The contract N° 2023.0398 was signed on 19 December 2023; between ICON and EUROSTAT (contracting authority) and runs until 31 December 2027

Both parties agree as follows:

### **Article 1 Subject of the contract**

Conform the conditions defined in the present contract, in the frame of the " IPA 2022 MULTI-BENEFICIARY PROGRAMME ON STATISTICAL COOPERATION", the contractor will provide services as described in Annex A.

The terms of reference as defined in Annex A form an integral part of the contract.

### **Article 2 Roles and responsibilities of Parties**

2.1 The contract will take effect from the date of the signature of the contract by both parties. The contractor shall complete the implementation of the tasks provided for under the present contract at the latest on 15.04.2027.

2.2 ICON hereby assigns the contractor the services as described further in article 1, to be carried out in accordance with the conditions laid down in this agreement.

### **Article 3 Reports**

The work performed by the contractor will be subject of one activity report . The report is to be written in English and transmitted to ICON (1 electronic copy). ICON will notify the contractor of EUROSTAT's approval of the contractor's report. A hard copy of the final approved report should be sent to ICON accompanying the final invoice.

### **Article 4 Responsibility and accountability**

- 4.1 The contractor shall carry out its services within the scope of this agreement and shall arrange for the completion of the work according to the terms and conditions agreed with ICON. The contractor shall at all times act loyally and impartially and as a faithful advisor to ICON in accordance with the rules and codes of its profession, as well as with the necessary discretion.
- 4.2 The contractor shall not assign obligations under the Agreement without the written consent of ICON.
- 4.3 The contractor shall not, without the prior written consent of ICON, sub-contract the performance of any of the services.

- 4.4 Within the scope of this assignment, the contractor and all experts under the contractor's contract shall comply with all instructions and directions issued by ICON's Project Director and shall therefore be accountable to the latter.
- 4.5 The contractor shall not comply with any instructions which are issued by ICON directly to the contractor. If the contractor receives any such direct instructions, it shall inform ICON providing details of the instructions received.
- 4.6 The contractor shall not, during the performance of its services or at any time after termination of this Agreement, disclose to any person or otherwise make use of any confidential information which it has obtained in the course of this Agreement.
- Moreover, the contractor shall not disclose to any person anything contained in this Agreement without the prior written authority of ICON. This Contract will be made public in accordance with duties of the Czech Statistical Office pursuant to the Act No. 340/2015 Coll., on the register of contracts (also known as the Contract Register Act), and pursuant to other legal regulations.
- 4.7 The contractor will provide accurate invoicing and fulfilment of respective obligations in the audit and documentation process defined in the Service Contract.
- 4.8 In no event may ICON, for any reason whatsoever, be made liable for any damage incurred by the contractor himself or any person belonging to its personnel or any damage caused to third parties by the contractor or his personnel. No claim whatsoever aiming either at being granted an indemnity or repairs and relating to such damage may be accepted by ICON.

## **Article 5      Fixing of Pricing**

- 5.1 In respect of the services to be rendered ICON will pay to the contractor an amount of 6000 € This sum will cover fees, any taxes that may be liable, namely VAT and all non-reimbursable expenses to be paid for by the contractor, including production and transmission of the report.

## **Article 6      Payment**

- 6.1 one Payment in respect of services rendered will be made in EUR to the contractor's account (to be quoted in the invoice), after finalisation of the study visit and upon presentation of an invoice, following acceptance of the activity report by ICON and EUROSTAT.
- 6.2 Invoices approved by ICON shall be paid within 21 days of the date of the invoice.
- 6.3 All expenses in non-Euro currencies will be paid in EUR according to the InforEuro rates on the day of the invoice.
- 6.4 For transfers to foreign accounts, ICON covers the fees charged by the executing ICON bank. All other fees are borne by the invoice issuer and are covered by the remuneration.
- 6.5 Tax provision: The contractor will be fully responsible for the payment of his taxes for the entire period of the Contract.

## **Article 7      Exclusivity**

The contractor shall not engage in any activity related to the Project other than in accordance with the terms and conditions of this Agreement. The contractor warrants that its subsidiaries and other firms or individuals over which it has control will comply with this requirement.

## **Article 8      Performance**

- 8.1 The contractor shall strive for an excellent performance towards ICON. In case of serious non-performance as well as failing, inadequacy or shortcoming in services provided by the contractor, ICON preserves the right to terminate this Agreement in order to prevent from reputational risks for the Consortium as a whole or any of its individual Members before the Contracting Authority.

8.2 Notwithstanding Clause 8.1 above, the contractor shall indemnify ICON against every liability which ICON may incur to any other person or against adverse effects of claims by third parties in connection with the provision and the results of his services.

## **Article 9 Code of Conduct**

The contractor agrees not to pay, promise to pay or authorise the payment of any money or anything of value, directly or indirectly, to any person (whether a government official or private individual) for the purposes of illegally or improperly inducing anyone to take action favourable to any Party in connection with the Project.

The contractor agrees to abide from any kind of discrimination, harassment and/or sexual harassment, respect different cultures and ethical and religious backgrounds and are committed to the principle of equality, irrespective of gender, age, origin, skin colour, disability, nationality, sexual orientation, gender identity or religion.

The contractor shall comply with all applicable anti-corruption laws, local labour regulations, and the principles outlined in the ICON Code of Conduct. The contractor is also responsible for ensuring that their personnel adhere to these standards and to respect the laws of the country of assignment. Non-compliance constitutes a breach of the consortium agreement and may lead to legal consequences and potential exclusion from the consortium.

## **Article 10 Confidentiality**

The contractor agrees to maintain strict confidentiality regarding any proprietary or sensitive information disclosed during the course of the consortium's activities. This includes, but is not limited to, personal data, technical data, business secrets, financial information, and any other material marked as confidential. Such information shall not be disclosed to any third party without prior written consent from the originating party. The contractor is responsible for ensuring that its employees, contractors, and agents also adhere to these confidentiality obligations. Breach of this confidentiality clause constitutes a violation of the contractor agreement and may lead to legal consequences and potential exclusion from the contract.

## **Article 11 Data Protection**

The contractor agrees to comply with applicable data protection laws and regulations as per ICON contract and the applicable data protection law in the country of assignment, including but not limited to the General Data Protection Regulation (GDPR) where applicable. The contractor is responsible for implementing appropriate technical and organizational measures to ensure the security and confidentiality of personal data processed during the course of the project's activities. This includes safeguarding against unauthorized access, disclosure, alteration, or destruction of personal data. The contractor shall ensure that its personnel is informed about and adhere to these data protection requirements. Personal data shall only be processed to the extent necessary for the acquisition or implementation of the project's activities. Non-compliance with this data protection clause constitutes a breach of the contractor agreement and may result in legal consequences and potential exclusion from the contract.

## **Article 12 Settlement of Disputes**

Any dispute arising under this Agreement shall be submitted exclusively to the Courts of Federal Republic of Germany, Local Court of Cologne.

## **Article 13 Termination of the Agreement**

This agreement shall be ended immediately and without delay:

- On the authority of ICON for the services provided by the contractor or



| <b><i>IPA 2022 Multi-beneficiary Statistical Cooperation Programme</i></b>                                      |  |
|---|--|
| <i>The Service contract is funded by the European Union and implemented by ICON-INSTITUT Public Sector GmbH</i> |  |
| <b>Partner country:</b>   | Kosovo*  |
| <b>Activity title:</b>  | Study Visit on Non-Observed Economy - Exhaustiveness |
| <b>Proposed hosting institution:</b>  | Czech Statistical Office (CZSO)                      |
| <b>Location:</b>  | Prague, Czech Republic                               |
| <b>Dates of the activity:</b>   | 24-26 February 2025                                  |
| <b>Number of days:</b>  | 3 (three days)                                       |

## **TERMS OF REFERENCE**

### **1. Description of the activity:**

The primary objective of national accounts (NA) is to provide an exhaustive and detailed representation of an economy. This entails the systematic collection and presentation of statistical data that captures the full spectrum of productive activities within the production boundary. Exhaustive coverage of national accounts is a critical quality attribute, as their broad and inclusive framework serves as a robust validation tool for estimates in specialized areas of economic analysis.

To ensure the exhaustiveness of GDP estimates, the national accounts in Kosovo have participated in numerous international projects aimed at improving methods for measuring non-observed economy activities. These activities may be classified as underground, informal, household-based for own final use, or simply overlooked due to gaps in the primary data collection framework. Despite the progress made through various projects focused on enhancing exhaustiveness, Kosovo's national accounts data still requires further refinement to achieve full alignment with the standards set by EU Member States regarding the non-observed economy.

Non-observed economy was partially covered by the IPA 2017 and IPA 2019 SP1.3 National Accounts Methodology and is also part of the IPA 2022 SP1.3 NAM workplan. The objective of the current project is to update and expand upon previous work in enhancing exhaustiveness, covering the most recent year for which final national accounts figures are available. Furthermore, the project aims to substantially improve the exhaustiveness of GDP/GNI estimates in Kosovo, with a particular focus on critical elements such as employment comparisons, tax audit estimates, the estimation of illegal activities, as well as the coverage of informal and illicit economic activities. These efforts will contribute to a significant improvement in the quality and comparability of national accounts data, thereby meeting the diverse needs of both national and international stakeholders.

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*\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence*



## SV – STUDY VISIT TERMS OF REFERENCE & AGENDA

In the framework of the ongoing collaboration between KAS and Eurostat, we would like to formally request support for facilitating an ad-hoc study visit to the Czech Statistical Office (CZSO) in the Czech Republic. The CZSO is a renowned statistical institute with extensive expertise in estimating non-observed economic activities. A visit to their facilities would provide valuable insights and best practices that would greatly contribute to improving the non-observed economic data and ensure the exhaustiveness of national accounts. We kindly request your assistance in facilitating this visit.

### 2. Specific objectives of the activity and concrete results expected

- **Specific objective:**

The hosting institution will be expected to facilitate knowledge transfer through a detailed review of their current methodologies for estimating non-observed economy, highlighting best practices in the field. The specific areas of focus will include:

1. The methodology used for estimating illegal activities, including those related to drugs and prostitution
2. The use of fiscal audits to adjust for exhaustiveness in national accounts.
3. The development of tabular approach tables for the production approach.
4. The application of the Labor Input Method and other techniques used to estimate the N1 & N6 components.
5. Estimations related to excise goods, particularly those subject to smuggling (e.g., tobacco and alcohol).

Addressing these topics will provide critical insights for the staff involved in the non-observed economy, supporting the enhancement of existing methodologies and the incorporation of new components into national accounts estimations.

- **Concrete results:**

It is anticipated that all participants will acquire practical expertise in the tasks outlined above. They will gain a comprehensive understanding of the tabular approach developed in the Czech Republic for estimating the non-observed economy, both from the production and expenditure approaches.

Additionally, this study visit is designed to enable participants to develop a structured work plan aimed at improving the methodologies and processes within their respective tasks. This will provide a foundation for ongoing enhancements to non-observed economic activities. The work plan for the estimation of NOE activities will be submitted to Eurostat by the end of March 2025.



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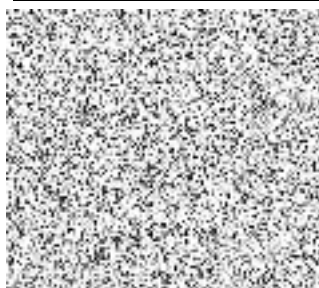


## SV – STUDY VISIT TERMS OF REFERENCE & AGENDA

### Annexes:

- List of participants and their profiles

#### Czech Statistical Office:



#### Kosovo Agency of Statistics:











- Draft agenda

### **Study Visit of Kosovo Agency of Statistics (KAS) to Czech Statistical Office**

#### **Non-Observed Economy**

**24.2.2025 – 26.2.2025**




| Date                | Time          | Subject   | Room | Persons   |
|---------------------|---------------|---|------|---|
| Monday<br>24/2/2025 | 9.30 – 10.00  | Opening of the study visit, agenda, organization                  | 914  |    |
|                     | 10.00 – 10.30 | Tabular approach to exhaustiveness                                | 914  |    |
|                     | 10:30 – 12:00 | Labour Input method   | 914  | <br><br> |
|                     | 12.30 – 14.00 | LUNCH   |      |   |
|                     | 14.00 – 17.30 | N3 – agricultural self-supplying, individual housing construction | 914  | <br>  |
| Tuesday             | 9.30 – 12.30  | N6 - Misreporting by the producers                                |      |    |



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## SV – STUDY VISIT TERMS OF REFERENCE & AGENDA

|                        |               |   |     |   |
|------------------------|---------------|---|-----|---|
| 25/2/2025              | 12.30 – 14.00 | LUNCH   |     |   |
|                        | 14.00 – 17.30 | Fiscal audits, VAT fraud                            | 914 |  |
| Wednesday<br>26/2/2025 | 9.30 – 12.30  | Illegal activities – drugs, prostitution, smuggling | 914 |  |
|                        | 12.30 – 14.00 | LUNCH   |     |   |
|                        | 14.00 – 16.00 | Wages and salaries in kind 914                      | 914 |  |
|                        | 16:00 – 17.30 | Summary and conclusion                              | 914 |   |

- CVs of expertise providers



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