

Standard Summary Project Fiche

1. Basic Information

CRIS Number: 2004/016-925/04-05

1.1 Title: Meeting new acquis challenges in statistics

1.2 Sector: Internal Market

1.3 Location:

Lithuanian Department of Statistics (Statistics Lithuania, SL), Gedimino av. 29, LT-01500 Vilnius, Lithuania

2. Objectives

2.1 Overall Objective(s):

The overall objective of this **1.363 MEUR** institutional strengthening project is to implement new statistical acquis requirements in the Lithuanian statistical system.

2.2 Project purpose:

- Development of the Tourism Satellite Accounts (TSA) system in national statistics under Directive 95/57/EC and Manual on Tourism Satellite Accounts.
- Calculation of Labour Cost Index (LCI) to comply with the requirements of the European Union Regulations (ES) N°450/2003, 1216/2003. Calculation of labour cost updates according Gentlemen's agreement.
- Meeting EU statistical acquis requirements on the production of short-term statistics and implementation of the output price indices for transport, storage and communication services delivered to enterprises.
- Availability and harmonised quality of the Incomes of Agricultural Households sector (IAHS), respectively to the requirements of the EU Regulation (ES) N°1409/2003 and the Regulation (EES) N° 1915/83.
- Strengthening administrative and professional capacity of the Lithuanian statistical system (including at a regional level) to meet new statistical acquis challenges.

2.3 Justification

The Comprehensive monitoring report on Lithuania's preparations for membership 2003 (Chapter 12: Statistics) lists the following:

The *acquis* in the field of statistics requires adoption of basic principles such as impartiality, reliability, transparency, confidentiality of individual data and dissemination of official statistics. It also covers methodology, classifications and procedures for data collection in various areas such as statistical infrastructure, macro-economic and price statistics, business statistics, transport statistics, external trade

statistics, demographic and social statistics, agricultural statistics and regional statistics. The focal point of the statistical system of a country is the National Statistical Institute, which acts as the reference point for the methodology, production and dissemination of statistical information.

Lithuania is essentially meeting the commitments and requirements arising from the accession negotiations in the area of statistics and is expected to be in a position to implement the *acquis* as from accession. **However**, Lithuania needs to improve the quality and the timeliness of data in certain domains such as business statistics and to improve the coverage of regional and macro-economic statistics. Lithuania also needs to make further efforts as regards the production of data on income and living conditions and the processing of data stemming from the recent agricultural census.

The 2002 Regular Report on Lithuania's Progress Towards Accession (Chapter 12: Statistics) refers to the following:

The regional organisation of "Statistics Lithuania", with a quite high number of county, town and district statistical offices, may require a review in the long run depending on the needs and development of statistical production.

The Commission concluded that Lithuania would need to make a sustained effort to comply with EU requirements in the medium term. Lithuania's efforts should now focus on improving the quality and coverage of macro-economic statistics with a view to fully implementing the European System of Accounts (ESA 95); improving the quality and timeliness of business statistics; etc.

3. Description

3.1 Background and justification:

3.1.1. For the purpose of establishing an information system on tourism statistics, the European Council adopted Directive 95/57/EC and on Tourism Satellite Accounts the "European implementation Manual on Tourism Satellite Accounts" (TSA).

The importance to facilitate the process of measuring the economic impact of tourism through implementing tourism satellite accounts according to the common European methodology as provided for by Council resolution 2002/C 135/01 of 21 May 2002 on the future of European tourism should be noted.

For establishing the TSA numerous information from different statistical fields will need to be taken into account, aiming at comprehensive overview of tourism within economic system. The following data sources will be involved: Business Statistics (SBS), Labour Force Survey (LFS), Administrative Source (AS), Business Registration (BR). It helps to underline the economic significance of tourism for Lithuania covering such aspects and activities as how important tourism actually is or what impacts on Lithuania's economy are traced.

In terms of building the TSA system special sample surveys will have to be conducted.

Besides, attempts will be made to introduce the Standard International Classification of tourism activities (SICTA) during time of the pilot project of TSA.

General frame of the TSA will be prepared by this project on the existing legislation framework according to the EC legal acts.

3.1.2. Statistics Lithuania has to comply to calculate the Labour Cost Index (LCI) that would meet requirements of the new EU acquis: Regulation (EC) No 450/2003 of the European Parliament and of the Council of 27 February 2003 concerning the labour cost index and Commission regulation (EC) No 1216/2003 of 7 July 2003 implementing Regulation (EC) No 450/2003 of the European Parliament and of the Council concerning the labour cost index and to calculate labour cost updates according to Gentlemen's agreement. As this Regulation is new even for the current Member States, Lithuanian statistics will enter the process of the LCI calculation together with them and calculated and analysed results will be transferred to Eurostat to have comparable quality data on all the EU countries.

3.1.3. Meeting EU statistical acquis requirements on the production of STS is another objective of the project. The origin of the Project is the Draft Amendment Council and Parliament Regulation of the Council Regulation (EC) No 1165/98 concerning short-term statistics, which was discussed during the SPC (Statistical Programme Committee) meeting, held 17 September 2003, No. EEA 2003/5015. The information necessary to provide a uniform basis for the analysis of the short-term evolution of production prices as stipulated in the Draft Amendment Regulation requires the production of new indicators such as output price indices for the service sector. The service sector price indices will be calculated for the first time. They will enable more accurate assessment of services at constant prices. The results will be transferred to Eurostat to work out deflators for National accounts, which will eventually result in better exhaustiveness of National accounts.

3.1.4. It is expedient to harmonize the methodology of the IAHS with the requirements of EU regulations N°1409/2003 and N° 1915/83 as well as the Manual on the Total Income of Agricultural Households. The IAHS statistics present an aggregate picture of the overall income situation of agricultural households, covering income from all sources and deductions such as taxation and social contributions. They have been developed to provide policy-makers with information additional to that coming from the longer-established official indicators of income from agricultural activity. The IAHS statistics aim to monitor the changing levels and composition of the income of agricultural households and to compare their income situations with those of other socio-professional groups.

3.1.5. Institutional strengthening covers strengthening the capacity of the statistical system of Lithuania, improvement of professional competence and advancement of necessary infrastructure to withstand challenges of new statistical acquis. Developed and adjusted methodologies, trained staff and developed software will contribute to sustainability of the surveys to be continued independently after the termination of the project. Both national and European users will benefit from availability of comparable and quality data for the decision-making.

Topics selected for the Transition Facility instrument were discussed and provisionally agreed upon with Eurostat, during the mission, held 3-5 September 2003 (Annex 5 on Feasibility studies). The underlying idea is to concentrate funding specifically to newly adopted acquis or acquis proposals already in the pipeline and

institutional strengthening related to preparation for and implementation of such documents. More specifically:

1. The necessity to focus efforts on implementation of the ESA'95 are stressed in the Monitoring tables of European Commission.
2. Statistics Lithuania is obliged to carry out calculation of Labour Cost Index according to EU requirements.
3. The need to focus efforts on quality improvement of short-term-statistics (STS) data as outlined in the Monitoring tables of European Commission.
4. Statistics Lithuania is obliged to carry out calculation of the IAHS according to EU regulations.

To generalise, the project envisages smooth take-over of newly emerging statistical acquis as well as integration of the Lithuanian statistical system into the European statistical system as a full-fledged member, producing timely and quality statistics for various users of statistics in the EU and on an international scale.

3.2 Linked activities:

Since 1992 PHARE assistance totalling 9.45 MEUR has been allocated to improve primary data collection, processing, analysis and dissemination of statistical data, modernisation of the central office and its regional offices through provision of modern data processing technology and enhancement of human resource capacities through establishment of the Internal Training Unit, translation and implementation of 22 international classifications, acquisition of Population Census-related equipment and application of data protection and confidentiality procedures, execution of Population and Agro censuses, etc.. Of this amount 2 MEUR has been received from the 1998 National PHARE programme and 2.6 MEUR from the 2000 National PHARE programme. The National PHARE for 2002 foresaw two Twinning Light contracts to aid in the set-up of the prototype for the Quality Review and Reporting for Statistics (started December 2003) and Information-Society/Knowledge-based Economy statistics (started March 2004) further on to be elaborated and practically implemented during the TA project and the IT supply component (tender launched January 2004) to aid in acquisition of necessary hardware and software envisaging modernisation of data collection, processing and dissemination of the National statistical system in general and support to successful implementation of the TA project-related topics in particular.

In addition to that, the Danish Government granted 50,000 ECU in 1997. SIDA (1,173,000 SEK in 1999-2000 + 1,900,000 SEK in 2001-2002) provided grants for improving business statistics, population register, demographic and other issues related statistics, aiming at activities involving all three Baltic States in cooperation with Statistics Sweden in modernisation of statistical production. Finland provided assistance for the preparation for the Population Census and integration with ESS.

PHARE assistance to the statistical sector in Lithuania was also provided under the Multi-country statistics programmes – under 1997 programme (1 MEUR), under 1998 programme (0.5 MEUR), under 1999 programme (1.5 MEUR), under 2000 programme (0.8 MEUR) and under 2001 (0.7 MEUR).

This project will provide further development of certain components already previously tackled by other National PHARE projects, e.g. agricultural statistics (continuation of the 2000 project and the 2002 project), other National accounts components (the 1998 project, the 2002 project), the Structure of Earnings Survey (the 1998 project, the 2002 project), certain prices and tourism statistics (the 2000 project) and Institutional strengthening (all projects). The already performed activities will serve as a backbone for the foreseen ones, e.g., the project on Tourism statistics under the PHARE 2000 Programme, covering outbound tourism statistics, has been carried out successfully. The pilot project on Tourism statistics was helpful in implementation of the requirements for the variables of Commission Decision No 1999/35/EC of annex C. The result of the tourist survey produced the harmonised statistical information on outbound survey respecting the standards of the EU Directive. The indicators of the Council Directive on capacity of collective tourist accommodation (local units on national territory) and on occupancy of in collective accommodation establishments (domestic and inbound tourism) are collected by Statistics Lithuania. Classifications, variables, geographical distribution of accommodation institutions meet the requirements of the EU Directive. However, for the exhaustiveness of the National accounts system under ESA'95, extensive newly emerged modules have to be introduced.

Part of the 2000 National PHARE Project was also devoted for the Output Price Indices for Services. In this respect, an exchange of experts took place to familiarize with the main methodological and organisational principles applied for producing of the Corporate Service Price Index as applied in the UK (the forerunner in the area) as well as to evaluate the current situation in Statistics Lithuania. Possible ways of establishing output price indices for the services sector were discussed. The current project will extensively deal with the latter sector.

As Eurostat has been closely monitoring statistics-related activities in Lithuania since the outset of the National PHARE projects, duplication is strictly excluded, only supplementary activities are covered.

The summary of PHARE and other projects is given in Annex 4.

In the course of execution of the project close inter-institutional links will be maintained with partners:

1. For the TSA project during the execution of the pilot project primary (statistical surveys data) and tertiary (the Bank of Lithuania, the State Tourism Department) data sources need to be involved.

Statistics Lithuania will be responsible for the basic conceptual and statistical work and for checking the reliability of the data sources for the TSA. For this work local experts from the Research and Development (R&D) institutes will be involved. Execution of the task will also mean co-operation with the Ministry of Economy, the Bank of Lithuania and the Tourism Department.

As the TSA area is completely new for Statistics Lithuania, close cooperation with current Member States and Eurostat for the implementation of the TSA is foreseen.

2. Most likely other institutions like SoDra will be contacted for ensuring co-operation for certain aspects of the project on LCI.
3. The Ministry of Communications, communication service providers and other relevant institutions will be contacted for participation in the specific issues of the project on STS and prices.
4. The course of activities related to the IAHS will involve co-operation with the Ministry of Agriculture and the Institute of Agrarian Economics.
5. Institutional strengthening and administrative capacity building will ensure fluent data flows, usage and interpretation of statistical data by various user-groups (from public administration to NGOs, business and academic community).

3.3 Results:

3.3.1. The Tourism Satellite Accounts (TSA) component aims at achieving such issues as:

- Provisional estimation methods of the TSA system in Lithuania established and relevant indicators compiled.
- Recommendations for development of the TSA provided.
- Guidelines for collected TSA system prepared and printed.
- Questionnaires and methodology prepared.
- Software developed.

3.3.2. The Labour Cost Index (LCI) component envisages achievement of the following:

- System of weights for the LCI data calculated.
- Time-series of the LCI using the Laspeyres formula calculated.
- Time-series of the LCI seasonally and working days adjusted.
- Metadata for LCI calculation prepared.
- Comparison analysis of results accomplished.
- Results of the LCI published.
- The report on quality of the results on Labour Cost Index prepared.
- Labour cost updates calculated.

3.3.3. The output prices for Transport, Storage and Communication service sector component will release:

- Methodology for the output prices of services surveys prepared.
- Questionnaires and guidelines for respondents created.
- Sampling of respondents and representative services carried out.
- Pilot surveys on services output prices carried out.
- Information necessary to provide basis for the analysis of the short-term evolution of output prices in service sector available.

3.3.4. The Incomes of Agricultural Household Sectors (IAHS) component ensures that:

- Time-series of the IAHS collected and calculated.
- Final report on quality of the results of the IAHS prepared.
- Pilot surveys conducted and experience gained through them.

3.3.5. Institutional strengthening aims at achieving such results:

- staff and user groups trained in statistics-related issues as well as in mastering IT skills to meet the latest developments.
- administrative and professional capacity strengthened for the entire Lithuanian statistical system (including at a regional level) to meet new acquis challenges and availability of more regional data.
- public use and interpretation of statistics by various user groups (from public administration to NGOs, business and academic community) for decision-making encouraged and stimulated.

3.4 Activities:

The technical assistance project foresees the following inputs:

3.4.1. The TSA component will be implemented by means of such activities and inputs:

- Provision of permanent guidance for collected data of TSA;
- Analysis of the TSA existing indicators engaging local experts;
- Identification of administrative sources engaging local experts;
- Preparation of module questionnaires;
- Execution of special sample surveys, printing of survey questionnaires;
- Support by local and international experts in methodological issues and problem solving;
- Development of Software for the survey needs, calculations and analysis;
- Study visits to National Statistical Institutes (NSIs) and international events to absorb knowledge and exchange best practices;
- Training of statistical staff and interviewers;
- Translation of methodological material and adjustment;
- Inter-institutional cooperation among procedures and users of tourism statistics (e.g. Statistics Lithuania, Tourism Authorities, the Bank of Lithuania, Research institutes and Universities).

3.4.2. The Labour Cost Index (LCI) component seeks to employ the following inputs and carry out such activities:

- Exchange of consultations with experts from other countries on adopting the EU Regulations;
- Study visits to other NSIs to exchange experience and absorb knowledge and practical skills;
- Assistance in methodological work and actual execution of work rendered by local and foreign experts;
- Preparation of the System of weights for LCI calculation;
- Preparation of the quality report on LCI;
- Translation of methodological documentation, its adjustment and preparation of the methodology of the LCI;

- Development of software for the LCI calculations using administrative sources in order to reduce the response burden and make the data exchange process more efficient;
- Studies, analysis of the survey and calculation results and presentation of indicators to users;
- Collection of additional indicators from enterprises for the calculation LCI and labour cost updates;
- Preparation of methodology for the LCI calculation when using administrative sources.

3.4.3. The output prices for Transport, Storage and Communication service sector component will follow such activities:

- Design of the surveys on output prices for transport, storage and communications services.
- Preparation of the list and description of services.
- Preparation of questionnaires for compiling information on prices and guidelines for filling in the questionnaires.
- Sampling of respondents and representative services.
- Pilot surveys on output prices for transport, storage and communications services.
- Analysis of pilot surveys data on output prices for transport, storage and communications services.
- Preparation of computer programme for calculation of output price indices for transport, storage and communications services.

3.4.4. Key inputs and activities for the IAHS component foresee:

- Revision of present data and analysis of possibilities of sources of statistical information used for the IAHS: Economic accounts for Agriculture, Farm Accountancy Data Network, Households survey;
- Consultation of foreign and local experts on the methodology and pilot surveys;
- Study visits and training to exchange experience and absorb practical skills for the staff to be engaged in pilot surveys;
- Translation, adjustment and preparation of methodological documents;
- Execution of additional pilot surveys to collect missing information will cover:
 - preparation of sample survey plan on the background of the data of Agricultural Census for the pilot study on income of agricultural households;
 - preparation of the questionnaire for the additional survey and guidelines for filling, printing and dissemination;
 - data collecting, processing and analysis;
- Creation of software for the calculation of the IAHS;
- Calculation of time-series and of the data basis of the IAHS;
- Preparation of the final report on the pilot study and publication of results on IAHS.

3.4.5. Institutional strengthening:

- Training of employees (including at a regional level) and public, raising institutional awareness to meet new statistical acquis challenges;
- implementing various methods and means for raising statistical literacy among the public administration and other public to use and interpret statistical data for decision-making;
- strengthening infrastructure facilitating availability of more regional data.
- development of relevant software for the project-related components and skills to master its application in practical work.

Technical assistance will provide a Team leader (Medium term expert) for about 6 man/months working within the Statistics Lithuania premises (other inputs may be contributed to by correspondence), full-time Local Project Coordinator (LPC) as well as EU and local Short and Medium Term Experts (STE's).

Profile of Team leader. The responsibilities of the Team Leader will be overall management and specific coordination and advice on the TSA component. S/he should have a higher education and relevant experience within a Member States' Statistics Office, a public or private statistics-related institution or international organisation. Knowledge of EU standards in the area, knowledge of statistical production in CECs and relevant advisory experience would be an advantage. S/he will have to work closely with the management and sub-project's counterparts in SL as well as co-ordinate general activities with the LPC. Therefore, team spirit and management skills are indispensable.

Being responsible for co-ordination of the activities on site and the inputs of STEs in adequate sectors, s/he should have experience in project management and advanced project management tools, have excellent interpersonal and communication skills, be fluent in English and capable of providing on-the-job training as well as personal advice at a high level.

Profile of STEs. STEs and LPC must be fluent in English (Lithuanian is an advantage) and capable of providing on-the-job training as well as personal advice at a high level in the institutions involved. The emphasis will be on the transference of skills and knowledge so that the results of the project are sustainable in national and regional offices. STEs must be professionals in relevant areas, capable to advise the SL staff and perform practical tasks as specified by the Project. They should have at least 5 years experience in relevant statistical areas within a Member States' Statistics Office, a public or private statistics-related institution or international organisation. Knowledge of EU standards in the area, knowledge of statistical production and relevant advisory experience would be an advantage. Experts maintain appropriate professional qualification and competence in the relevant sub-projects:

- knowledge in statistics pertaining to the relevant field;
- familiarisation with pre-accession requirements;
- relevant work experience in third countries;
- experience in managing statistical projects;
- communication skills;

- PC skills.

3.5 Lessons learned:

In the past, Lithuanian statistics benefited every second year from the PHARE support, so there is an extensive experience in dealing with projects, different contractors and counterparts, ensuring adequate absorption capacity in Statistics Lithuania. Generalising, two groups of observations should be made:

- Responsibilities among the counterparts, within the Steering Committee members and other participating institutions have to be clearly defined during the Inception phase to avoid misunderstandings and lack of backstopping during the course of the project.

- Statistics is a rather specific area, the Twinning initiative is seldom volunteered by Member States. The 2000 National PHARE Twinning project failed as there was a lack of interest from the Member States. The combination of smaller Twinning Light components (prior investigated in Member States if they consider their participation) and TA assistance is expected to release positive results in the 2002 National PHARE project for statistics.

4. Institutional Framework

Lithuanian Department of Statistics (Statistics Lithuania, SL) is the recipient institution for the National PHARE programme funds as well it will be for the Transition Facility. The main beneficiary institution of this project is Statistics Lithuania.

Statistics Lithuania, the Central Statistical Office under the Government of the Republic of Lithuania is responsible for managing statistics in the Republic of Lithuania. The law on statistics was amended in December 1999 and provided general principles of the organisation of work, the duty of legal and natural persons to provide statistical data taking into consideration statistical confidentiality issues and the right to use the said data. The office plays an important role in regional development as it has statistics divisions in counties, towns and districts, prepares annual work programmes for them taking into consideration the needs of the state and local governments, thus providing statistical information on economic, social and demographic development in regions.

Statistics Lithuania is responsible for the official state statistics. The key functions and objectives are to collect, compile, process, analyse and disseminate data about economic, social, demographic and environmental processes; to ensure objectivity, reliability, comparability and availability of statistical data; to seek methodological consistency with the data of the EU NSIs and various International organisations. Ministries, other state institutions and the Bank of Lithuania prepare statistics of their respective areas, which are constituent parts of official statistics.

Statistical Council at Statistics Lithuania has been active since 1994. The council analyses the most important issues of statistics organisation and methodology, drafts conclusions and submits proposals to Statistics Lithuania. Statistical Council consists of the representatives of the science institutions, involved ministries, other bodies,

public organisations and media. The composition and regulations of Statistical Council are approved by the Government of the Republic of Lithuania.

Senior Management Committee is active at Statistics Lithuania as an advisory institution of the Director General. The committee debates the most important issues of the activity of Statistics Lithuania and decision implementation, listens to the reports of the heads of structural divisions of Statistics Lithuania and subordinate agencies.

Methodological Commission has been established and entrusted with analysis of the general methodology of statistical surveys, inviting experts and inter-institutional working groups, coordinating statistical methodological works in other institutions.

As of 1 January 2004 the headquarters of Statistics Lithuania counted 292 employees, of which 87.4 per cent with a degree of higher education. With this indicator Lithuania passes many countries. 227 employees work in regional offices, of which 57.3 per cent have a degree of higher education, 38.8 per cent are high-school graduates, women account for 95.2 per cent.

A **Steering Committee**, appointed by the **Statistics Lithuania**, with the task to supervise the overall project implementation and notably compliance with EU standards will be created. The SC will meet to discuss and approve the reports and other problematic issues, which may occur in the course of the project. It is the decision-making body. The Steering Committee will hold its meetings in order to follow-up and monitor project implementation. If required, the Steering Committee will be supported by specific working groups which may prepare and pre-discuss reports. No specific budget allocation is foreseen for the operation of the Steering Committee.

5. Detailed Budget

	Transition Facility	Support			
	Investment Support	Institution Building	Total TF(=I+B)	National Cofinancing *	IFI* TOTAL
Technical assistance		1.363			1.363
Total		1.363			1.363

6. Implementation Arrangements

6.1 Implementing Agency

PAO: **Aloyzas Vitkauskas**, Director of the CPMA
 Address: J. Tumo Vaizganto 8A/2 Telephone: + 370 2 51 44 00
 2600 Vilnius Fax: + 370 2 51 44 01
 Lithuania E-mail: cpma@cpma.lt

The beneficiary institution is the Lithuanian Department of Statistics (Statistics Lithuania). The main contact point is:

PO: **Audrone Miskiniene**, Head, Statistical information division

Address:	29 Gedimino av.	Telephone:	+ 370 2 364 826
	LT-01500 Vilnius	Fax:	+ 370 2 364 899
	Lithuania	E-mail:	ami@std.lt

6.2 Twinning

There is no Twinning component in the project.

6.3 Non-standard aspects

There are no non-standard aspects to this project.

6.4 Contracts

There will be one Technical Assistance component amounting to 1,363 MEUR.

7. Implementation Schedule

7.1 Start of tendering/call for proposals: 1Q/2005

Drafting of relevant documents will start at the end of 2004.

7.2 Start of project activity: 4Q/2005

7.3. Project Completion: 3Q/2007

8. Sustainability

Given the importance of the tasks and challenges ahead, relevant project-related divisions will be strengthened in terms of human resources and equipment for successful implementation of the project objectives (134,000 €planned from the State budget for the period of 2005-2007). The project will result in methodologies and relevant software developed, pilot surveys conducted, time-series of EU comparable data available, staff trained in working procedures, skills in data collection and processing and knowledge shared with various groups of users of statistics. This stipulates Statistics Lithuania to independently continue with the execution of works after the termination of the project.

9. Conditionality and sequencing

The project has no special conditions either on co-financing or on the administrative capacities.

The project will be executed according to the Implementation Schedule (Annex 2).

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. Summary of previous PHARE activities and projects financed from other sources
5. Reference to Feasibility/Pre-Feasibility Studies

LOGFRAME PLANNING MATRIX FOR Project: Meeting new acquis challenges in statistics		Programme name and number: Transition Facility	
		Contracting Period Expires: 3Q/2006	Disbursement Period Expires: 3Q/2007
		Total Budget: 1,363 MEUR	Transition Facility Budget: 1,363 MEUR
Overall Objective -Implementation of new statistical acquis requirements in the Lithuanian statistical system.	Objectively Verifiable Indicators - Data quality comparable internationally - New data collection, processing and dissemination integrated with international standards.	Source of Verification - Statistical data collected and published by Lithuania statistics. - Output databases	
Project Purpose - Development of Tourism Satellite Accounts (TSA) system in national statistics under Directive 95/57/EC and Manual on Tourism Satellite Accounts - Calculation of Labour Cost Index (LCI) to comply with the requirements of the European Union Regulations (ES) N°450/2003, 1216/2003, calculation of labour cost updates according Gentlemen's agreement. - Meeting EU statistical acquis requirements on the production of short-term statistics and implementation of the output price indices for transport, storage and communication services delivered to enterprises - Availability and harmonised quality of the IAHS, respectively to the requirements of the EU Regulation (ES) N°1409/2003 and the Regulation (EES) N° 1915/83. - Strengthened administrative and professional capacity of the Lithuanian statistical system (including at a regional level) to meet new statistical acquis challenges	Objectively Verifiable Indicators -Identified availability and sources of TSA indicators. -Guidelines for the development of TSA ready by the end of the project. - Methodology for calculation of the LCI using administrative sources ready by the middle of the project. - Additional indicators from enterprises for LCI and labour cost updates ready by the end of the project - Questionnaires and guidelines for respondents developed and printed by the middle of the project - Methodology for compilation and calculation of the IAHS developed by the middle of the project.	Source of Verification -Identified administrated sources -Statistical reports and survey -Questionnaires -Interviews - Statistics available in Lithuania and Eurostat - Publications	Assumptions -Availability of funds for additional staff, hardware and software - Availability of funds for local and external experts.
Results - Provisional TSA system established (following indicators compiled: tourism value added and tourism GDP, data on visitors consumption, employment of tourism industries, etc.) - Recommendation for development of the TSA in the future is provided. - Time-series of the LCI calculated - Time-series of the LCI seasonally and working days adjusted -Labour cost updates calculated - Report on quality of the LCI results produced - Experimental calculation of output price indices for transport, storage and communication services conducted - Calculation of time-series of the IAHS - Time-series of the IAHS carried out an a report on quality of the results of the IAHS produced - Administrative and professional capacity strengthened (including at a regional level) to meet new acquis challenges, more regional data available - Public at all levels is capable of using and interpreting statistics for decision-making	Objectively Verifiable Indicators -Estimations and development of methodology for TSA system by the end of the project -Feasibility analyses and methodology by the middle of the project. -Guidelines for TSA system prepared and printed by the end of the project - Seasonally and working days adjusted time-series for LCI by the middle of the project- Sustainability of methodology and work in the LCI - Availability of the LCI by the end of the project - Availability of information necessary to provide basis for the analysis of the short-term evolution of prices in the service sector during the first six months of the project - Developed methodology to carry out sustainable IAHS, availability of the IAHS by the end of the project.	Source of Verification -Publications -Questionnaires and methodology - Software - Report on quality of the LCI and IAHS	Assumptions -Inter-institutional cooperation. -Adequate staffing, hardware and software available - Contract timely concluded

Activities -Translation, adjustment and preparation of methodology requirements for collecting data on TSA. -Study visits to NSIs and international meeting for the staff -Training of staff and interviewers (external and local experts involved) -Execution of specified sample surveys -Estimation on a yearly basis - Preparation of the methodology of the LCI using administrative sources - Preparation of the System of weights for the calculation LCI - Creation of the software for the calculations LCI using administrative sources. - Calculation time-series of the Labour Cost Index. - Preparation of the data basis and time series (seasonally and working days adjusted LCI). - Preparation of report on quality of the LCI results - Preparation of metadata of LCI. - Calculation of labour cost updates. -Accomplishment of comparison analysis of LCI results -Preparation of methodology for LCI seasonally and working days adjusted -Collection of additional indicators from enterprises for the LCI and labour cost updates - Translation of methodological documentation: of the report on quality, other methodological documents. - Studies analysis of the results and presentation of indicators to users. - Release of the LCI results and quality report. - Design of the surveys on output prices for transport, storage and communications services - Preparation of the list and description of services - Preparation of questionnaires for compiling information on prices and guidelines for filling in the questionnaires - Sampling of respondents and representative services - Pilot surveys on output prices for transport, storage and communications services - Analysis of pilot surveys data on output prices for transport, storage and communications services - Preparation of computer programme for calculation of output price indices for transport, storage and communications services - Translation, adjustment and preparation of the methodology and documentation on the IAHS - Creation of the software for the calculations of the IAHS - Calculation of time-series of the IAH, preparation of the data basis of the IAH - Preparation of a report on quality of the results of the IAHS - Studies analysis of the results, presentation of results to users, publication of the IAHS results - Training of employees (including at a regional level) and public, raising institutional awareness to meet new statistical acquis challenges - Application of various means to encourage and stimulate the society to use and interpret statistical data for decision-making - Strengthening infrastructure to facilitate availability of more regional data.	Means One Service TA component	Source of Verification - Project reports	Assumptions - Inter-institutional cooperation - Adequate staffing, hardware and software available. - Timely organisation of consultations and study visits
			Preconditions

Annex 2**Detailed Implementation Chart for the Project**

Year	2004				2005												2006												2007								
Month	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9
TA																																					



Annex 3

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (Phare Contribution only – 1.363 €Million)

	Date												
	2005			2006				2007				2008	
	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06	30/08	31/12	31/03	30/06
<i>Contracting</i>													
• TA			1.363										
Total contracting (cumulative)			1.363										
<i>Disbursement</i>													
• TA			0.818	0.818	0.818	0.818	0.818	1.223	1.223	1.223	1.363		
Total disbursement (cumulative)			0.818	0.818	0.818	0.818	0.818	1.223	1.223	1.363	1.363		

Annex 4

Summary of previous Phare activities and projects financed from other sources

Year	Total budget	Project title / number Duration of the Programme	Description of projects/sub-projects
1998	1,173,000 SEK	Cooperation between Statistics Sweden and the Baltic States (SIDA) 1999-2000	Activities covered business-transport, national accounts, elderly people, population census, environment, gender statistics, <u>economic accounts in agriculture</u> , population register, real estate and housing, <u>labour costs</u> , <u>HCPI</u> , electronic dissemination.
1998	400,000 EUR	Tender for TA&T to the SL LI9803.04.01.01	Phare TA & training for strengthening key government services. The project expired 15 Oct. 2001. It covered 6 areas: Population census, <u>regional GDP</u> , infrastructure of business statistics, Input-output tables, <u>Earnings structure</u> and development of compliance monitoring instruments.
2000	1,900,000 SEK	Cooperation between Statistics Sweden and the Baltic States (SIDA) 2001-2002	Population census, gender, earnings, <u>CPI and PPI</u> , <u>agriculture</u> and environment, science and development, finance and business, energy statistics, dissemination and <u>national accounts</u> .
2000	2,100,000 EUR	Tender for TA&T to the SL LI0003-04-01-0001	Ended 15 August 2003. It covered such areas: Social statistics, <u>Incoming and outgoing tourism statistics</u> , <u>Business structural statistics</u> and implementation of Prodcom and CPA classifications, preparation, promotion and execution of <u>Agricultural census</u> , <u>Price statistics</u> (Import price index pilot survey, construction work price survey), <u>better exhaustiveness of National accounts (NoE)</u> , development of output databases, data archiving system, internal communication and administration, conception of GIS and compliance monitoring.
2002	150,000 EUR	2002/000.601.03.03.01 Modernisation of National Statistics / Integration of Information Society Indicators into Existing Surveys and Statistics (Twinning Light)	All three components in total (two Twinning Lights, TA and Procurement) aim at ensuring availability of harmonised quality statistics meeting user-needs in terms of concepts, contents and form (covering <u>consumption of fixed capital in national accounts</u> , first preparation for Intrastat, Information society statistics, <u>Introduction of SES</u> , <u>post-processing and analysis of Agro-census</u> , quality review and reporting for statistics as well as Institutional strengthening including at the regional level in modern data collection and dissemination methods, further integrating the national statistical system into the European Statistical System (SES).
	150,000	2002/000.601.03.03.02 Modernisation of National Statistics / Quality Review and Reporting (Twinning Light)	
	1,200,000 Eur	2002/000.601.03.03.04 Modernisation of National Statistics / TA	

Reference to Feasibility/Pre-Feasibility Studies

Extract from the detailed mission report EUROSTAT programming mission to Lithuania, SL

Vilnius, 09- 15 September 2003

Participant: L. T'Joel (desk Officer) - Eurostat-A5

1. Summary and Conclusions

Background information

The previous programming mission to the Department of Statistics took place in September 2002. The main conclusions were:

- institutional aspects of Statistics Lithuania need further attention with a balance to be looked between the need to reorganise regional offices and their necessary involvement into data collection for the agriculture census in 2003,
- internal reorganisation, including the merging of certain divisions and the integration of the computer centre into the statistical office with a new IT- strategy are to be followed,
- areas to develop further concern:
 - the agriculture census preparations,
 - the development of IOT and SUT,
 - The compilation of a full set of statistics on own resources,
 - the improvement of the quality of the business register,
 - the transmission of structural indicators,
 - the development of the import price index and the price index on services,
 - the design of the meta-database and output database
 - quarterly LFS and Structure of Earning survey data.

The current mission is organised mainly to assess the progress within the Lithuanian statistical system towards the objective of full compliance to the European Statistical System requirements and standards.

Main findings of the mission

- The institution building in Lithuania on statistics between the national statistical office and other producers and users of statistics is very good. For those met during the mission, the Ministry of Agriculture and other Institutions belonging to this Ministry, co-operation is not only focused on the processing of the results of the General Agricultural Census in 2003. Indeed, an active collaboration is functioning in practice to ensure collection of data respecting the needs of all bodies concerned and this for all areas of agricultural statistics.
- Co-operation with the tax authorities for Intrastat has recently been switched to Customs as a result of the assessment of the results of the pilot census made in spring 2003. A work plan as well as the tight schedule to arrive at good results before May 2004 have been discussed.
- Changes in the institutional aspects of Statistics Lithuania (regional reform with partly abolishing/merging regional offices) are ongoing. The internal reorganisation plans with decisions as regards the “public companies” attached to SL and reviewing competencies, amongst others, concerning the bodies intervening in dissemination is postponed until 2004. Statistics Lithuania also started the preparation of a new long term strategy for the development of statistics for the period 2005-2007 and continued working on quality management and human resources development.
- The National Phare Programme 2000 has been very well organised, managed and implemented. The National Phare Programme 2002 is in the contracting stage. Initial

transition facility proposals for assistance in implementing new acquis during the period 2004-2006 have been examined.

Labour Statistics

A Labour Cost Survey 2000 was carried out in 2001. Major issues lacking compliance with the acquis are as follows :

- statistical unit: reporting unit was the enterprise; the local unit will be used for the 2004 survey,
- scope of the survey : the situation for temporary employment agencies which are not typical for Lithuania will be re-looked at for the LCS 2004,
- variables and definitions : some, being considered irrelevant, are missing in the Lithuanian LCS although provided for by the list of variables foreseen by Regulation 1726/1999 whereas other optional items used for national purposes have been included.

Company cars for private use will be included in the LCS 2004.

According to the current plan for the LCS 2004, the methodology should be adopted before March 2005 at the latest, data collection should be ended in May 2005, data processing will continue until end 2005 and results together with a quality report will be sent to Eurostat in June 2006.

Although variables and definitions will be re-looked at for the LCS 2004 and discussed with main internal and external users, full compliance is not guaranteed. Management should give this sector which is lacking behind some priority.

Short-term Business Statistics

Data transmission for priority indicators was already done in GESMES format as from 2002. Data transmission for other indicators was done in 2003.

In **industry**, the observation unit for all variables is enterprise. As from the beginning of 2004, the observation unit will be KAU. Seasonal adjustments are made. All data are available as from 2002 but there are discontinued time series for the industry labour input indicators (n° of persons employed and n° of hours worked). As these data will have to be recalculated to obtain the data as from 2000, full compliance is foreseen to be obtained as from December 2003 onwards.

In **construction**, the situation is similar as for industry: Observation unit enterprise is completed with KAU as from 2003 but some variables (130, 135 and 136) have discontinued time series. Also here full compliance will be ensured as from end of 2003.

On **distributive trade** and **services data**, all variables, their definitions, periodicity and level of detail comply with the EU requirements. Therefore, full compliance is already considered achieved.