PHARE 2005 PROJECT FICHE

1 BASIC INFORMATION
1.1 CRIS Number: HR2005/5/7
1.2 Title: Technical Assistance to the Central Bureau of Statistics of the Republic of Croatia (CBS) in the Adoption of the Acquis
1.3 Sector: 43010
1.4 Location: Central Bureau of Statistics of the Republic of Croatia
1.5 Duration: 36 months

2 OBJECTIVES
2.1 Overall Objective(s)
Support of the accession process in providing adequate statistical information to the Government of Croatia and EU.

2.2 Project purpose
Organisational capacity of CBS improved by means of establishing a new Organisational structure and enhancing the following priority areas: Business Register and Classifications, National Accounts, Business Statistics, Household Based Surveys and Agricultural Statistics.

2.3 Accession Partnership (AP) and NPAA priority
The objectives of the project follow the priorities of the European Partnership for Croatia (AP). Official statistics have a vital role in providing relevant and accurate information and monitoring the reforms in many sectors. Therefore the project objectives address, as it is laid down in AP: « Strengthen the administrative capacity of the Croatian Bureau of Statistics and improve coordination with other producers of official statistics in Croatia. Submit to the Commission a new proposal for statistical regions, in line with EU requirements». Apart from that, it also addresses other important sector policies such as agriculture, as it is stated in AP: « Reinforce the collection and processing of agricultural statistics in line with EU standards and methodology.».

The Government of the Republic of Croatia issues annually the ”National Programme for the Integration of the Republic of Croatia into the European Union” (NPAA) in which is stated: “All the activities provided for in the Annual Implementation Plans and the 2004 – 2007 Programme of Statistical Activities are focused on the harmonization with European standards. Their achievement will depend on the provision of sufficient and timely financial and human resources.”

NPAA also stated the following institutional measure: «Drafting a new organisational structure enabling the execution of development-related tasks conferred to the CBS is under way. A proposal for the new organisation structure will be considered by legislative bodies in 2005. In 2005 a proposal will be drafted for the new organisational structure of county state administration offices responsible for official statistics matters, the aim of which is an improved organisation and efficiency of the statistical system and rationalisation of functions.»
2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)
N/A

2.5 Cross Border Impact
N/A

3 Description

3.1 Background and justification
Statistics represent a large part of the Acquis and the Acquis implementation is a complex and long procedure requiring permanent efforts. The project's objectives evidence priorities in the area that require continuous work over a long period and in which developments lead to practical improvements of important Croatian statistics during the long-term process of achieving full compliance in these fields.

The project is designed to implement the strategy by targeting at the following priority areas: organizational capacity of the Central Bureau of Statistics, Business register and classifications, National accounts, business statistics, household based surveys and agricultural statistics.

These statistical fields are considered as priority by the Central Bureau of Statistics. The participation in the Regional CARDS 2001 programme permitted Croatian representative to attend Eurostat meetings and the above mentioned statistical areas have been pointed out as a priority areas on a several official Eurostat meeting and working groups.

The beneficiary of the project is CBS, particularly the following organizational units within CBS:

• Legal, Finance, Accountancy and General Administration Sector
• Sector for Development and Analysis and Statistical Infrastructure
• National Accounts Sector
• Business Statistics Sector
• Labour Statistics and Living Conditions Sector
• Structural, economic and production statistics in agriculture.

Members of Management Board in charge of these sectors and statistical experts working within sectors were fully involved in preparation of the project documentation. There are no outside stakeholders involved in the activities planned through this project.

The Statistics Council has been informed on this project. It is an advisory and professional body for strategic issues concerning official statistics that has been functioning since 2003. Council members are the director of the CBS, representatives of beneficiaries, scientific and professional institutions and of the general public.

Achieving here foreseeing results will do a step toward high quality statistics, comparable to the statistics of Member States. This Project addresses some of the sectors of the statistics which have already been the object of the National CARDS programmes as we have detailed in the following paragraph 3.5. Synergy of the projects contributes to the efforts CBS have made in order to support the goals set in the strategic and other relevant documents. These goals and already achieved results through other projects are connected and analysed in order to avoid overlapping.
3.1.1 Involvement of Stakeholders and Civil Society in the programming process
It is already mentioned in paragraph 3.1. that Statistics Council has been informed on the proposal for this project.

3.2 Sectoral rationale

3.2.1 Identification of projects
This project consists of the following components:
1. Organizational capacity of CBS
2. Business Register and National Classification of Economic Activities (NKD)
3. Croatian system of National Accounts
   3. A Input/Output put tables
   3. B Capital Stocks statistics
4. System of Business Statistics
5. Key household base surveys (SILC; HBS)

The project here identified is dealing CBS human resources and its quality and efficiency through:
- training (seminars, workshops)
- exchange of experiences (study visits)
- development of the organization.

It also includes the development of methodologies for new surveys, implementation of new surveys, design of manuals and guidelines, design of a new IT structure for LAN and WAN in order to establish connection with the regional offices. In addition, the project also contains supply of equipment component (IT) that will be co-financed by Croatian Government.

The various proposed action are in line with the Strategy of Official Statistics of the Republic of Croatia and the Programme of Statistical Activities of the Republic of Croatia 2004 – 2007 that are accepted by the Croatian Government.

3.2.2 Sequencing
There is no particular need for sequencing of sub-components of this project. Detailed time-schedule will be part of the Annex 2.

3.3 Results
The guaranteed results from this project will strengthen the institutional capacity of CBS by providing statistical information to support Croatia in setting, managing and assessing the policies in the mentioned area, in a similar manner to Member States. The results that are described below correspond to those recorded in the log-frame matrix and they are divided by the means (twinning A and B):

**Twinning A:** Restructuring and development of regional components of CBS in adoption of Acquis
Component 1 – Organizational capacity of CBS
1.1 New organisation frame established and statistical system integrated in technical and organisational sense

Component 4 – System of Business Statistics
4.1 Assessment and Action Plan for establishment of integrated and sustainable business statistics surveys in Croatia
4.2 Developed methodologies for existing STS and new STS surveys in weak area
4.3 Pilot surveys carried out and evaluation of results

Component 5 – Key household based surveys (SILC, HBS)
5.1 SILC pilot survey results analysed and verified
5.2 HBS at NUTS II. pilot survey’s results analysed and verified

**Twinning B:** Development of the statistical areas in line with EU requirements

Component 2 – Business Register and National Classification of Economic Activities (NKD)
2.1 Classification NKD 2007 harmonized with NACE Rev. 2
2.2 Quality survey carried out

Component 3A: Croatian System of National Accounts – In-put/Out-put Tables
3.A1 Methodology for compilation the Supply and Use tables and Input-output tables.
3.A2 The Supply and use tables in basic and purchaser’s prices and balanced tables
3.A3 Input-output tables in basic prices
3.A4 Verified, presented, published and implemented Supply and Use tables and Input-Output tables.

Component 3B – Croatian System of National Accounts – Capital Stocks Statistics
3.B1 Identified suitable resources (internal and external) and created base of information for perpetual inventory method.
3.B2 Methodology notes on implementation of perpetual inventory method in CBS
3.B3 Staff continuously trained (to meet EUROSTAT requirements).

Component 6 – Value-based statistics on Agriculture
6.1 Survey for enterprises and survey for private family farms carried out and prices in agriculture completed
6.2 Production Account and indicators on labour force input in agriculture ensured.

Service contract is utilised to contribute to the achievement of the results in most of the components related to this project, particularly by:
- supporting the development of specific softwares needed in the component 2, components 3A and 3B and component 5.
- support in legal issues and HR development in regional organisational units related to component 1
- support in the field of economic accounts in agriculture in the component 6.

**3.4 Activities (including Means)**

The necessary activities for the project inputs concern the implementation of the Acquis in the mentioned statistical areas. This covers the development/improvement of indicators, together with the national methodology, the compilation and secondary use of data already available in CBS and other administrative sources. This will be carried out through technical assistance and training, study visits and software development.

The following activities correspond to the activities mentioned in the log-frame matrix, devided by means.
**Twinning A:** Restructuring and development of regional components of CBS in adoption of the Acquis

Component 1 – Organizational capacity of CBS
- Revising the proposed recommendation in the area of reorganisation done by the World Bank.
- Assisting in development of the new organisational structure including a development of procedures and processes description of business activities
- Defining human resources needs, skills definitions and business needs
- Drafting the training plan
- Study visits

Component 4 – System of Business Statistics
- Analysing current system of Croatian STS type surveys and adoption of Assessment and Action plan for development of system of business statistics in line with EU requirements
- Drafting recommendations for improvements of existing STS survey methodology and developing methodology for introduction of new STS surveys in chosen area
- Developing the sampling methods, customised questioners and data-editing in short-term statistic
- Preparing and carrying out pilot STS surveys in chosen area
- Delivering the training
- Study visits

Component 5 – Household based surveys (SILC, HBS)
- Preparing and implementing the pilot survey for Statistics of Income and Living Conditions (SILC) and HBS at NUTS 2 level
- Analyzing of pilot survey results and verification by consultants for SILC and HBS
- Delivering the training
- Study visits

**Twinning B:** Development of the statistical areas in line with EU requirements

Component 2 – Business Register and National Classification of Economic Activities (NKD)
- Preparing and implementing the National classification of economic activities according to the EU standards and NACE Rev. 2
- Preparing, carrying out and evaluating the quality survey
- Study visits

Component 3A – Croatian System of National Accounts. In-put/Out-put Tables
- Assessing the available resources, defining methods and definitions and producing an action plan including training plan and its implementation
- Compilating Supply and Use tables, balancing and transformation into Input-Output tables
- Determinating verification procedure, presenting results and implementing compilation into regular procedure
- Study visits

Component 3B – Croatian System of National Accounts – Capital Stocks statistics
- Assessing available resources for producing data and for credibility checks
- Defining human resources needs and training plan, job definitions, structures and procedures for communication between department within CBS and between CBS and other stakeholders and its implementation
- Producing working methodology and detailed description of all sources and methods used in this survey
- Study visits

Component 6 – Value-based statistics on Agriculture
- Preparation of the calculation of the price indexes
- Preparation and calculation of production accounts at national level
- Study visits.

Profile of the long-term adviser(s) for both twinnings

*Qualifications and skills:*
- University degree in a relevant discipline
- Ability to manage a group of experts
- Very good command of written and spoken English
- Ability to organise and oversee administrative and logistical support
- Computer literacy

*Specific professional experience:*
- At least 5 years professional experience in statistics
- Experience in implementation of the relevant EU legislative and institutional requirements related to the various components of the project in European countries in transition for at least 6 months.

Profile of mid-term expertise for twinnings

*Qualifications and skills:*
- University degree
- Very good command of written and spoken English
- Ability to work within a team and to transfer know-how
- Computer literacy

*Specific professional experience:*
- At least 5 years professional experience in statistics
- Experience in implementation of the relevant EU legislative and institutional requirements of European Statistical System in cooperation projects, preferably in transition countries.

Profile of short-term expertise for twinnings

*Qualifications and skills:*
- University degree
- Very good command of written and spoken English
- Ability to work within a team and to transfer know-how
- Computer literacy

*Specific professional experience:*
- At least 5 years professional experience in statistics
- Experience in implementation of the relevant EU legislative and institutional requirements of European Statistical System in cooperation projects, preferably in transition countries.
Service Contract:
Component 1 – Organizational capacity of CBS
• Developing the new legal acts
• Developing the procedures of Internal Financial control, financial management control and Internal Audit
• Developing job definition, structures and procedures for networking
• Developing and delivering the training plan
• Developing the structure in line with new organisational structure

Component 2 – Business Register and National Classification of Economic Activities (NKD)
• Detecting and reclassifying business entities and checking the new classification

Component 3 A – Croatian System of National Accounts. In-put/Out-put Tables
• Designing of IT application requirements (SAS) and development of application

Component 3B – Croatian System of National Accounts – Capital Stocks statistics
• Establishing of database

Component 5 – Key household based surveys (SILC, HBS)
• Developing of software application for data input, editing and processing (BLASE, SAS) for SILC and HBS

Component 6 – Value-based statistics on Agriculture
• Technical assistance for the calculation of economic accounts.

Supply of equipment
According to the Annex 7 for the amount of 0.55 M EUR.

3.5 Linked Activities
• From 2001 up to now CBS used technical help within the frame of CARDS programme. In February 2005 was concluded 0.85 Million Euro worth twinning project “Support to the Central Bureau of Statistics of the Republic of Croatia in data collection and adoption of the acquis” implemented through twinning in cooperation with Statistics Denmark.

Further developments are expected to be done within the framework of CARDS 2002 and CARDS 2003 projects. A priority area of the 2002 CARDS programme is to help Croatia in defining a strategy for regional and local development. To support the achievement of this objective, a project to support the establishment of a system for producing regional accounts is foreseen for an indicative amount of 400 000 Euro. The conditionality to this project, definition of NUTS territorial nomenclature, has been fulfilled. The project has started in May 2005.

The 2003 National CARDS Programme includes three projects in statistical cooperation for a total amount of more than 1.5 million Euro. The first project deals with public finance with the objective to develop a methodology for the production of key public finance statistics. This project will be implemented by the CBS in close co-operation with the Ministry of Finance and the Croatian National Bank. A
second project aims at the upgrading of labour market statistics. A main component of the project is the revision of the methodology for data collection, processing and analysis in the field of labour market statistics. It will start in September 2005. The third project under the 2003 CARDS programme covers regional statistics and is part of a broader project on administrative capacity building, national, regional and local development. The project will support the production of regional statistics for the main social and economic indicators.

Continuous and substantial technical assistance is being provided by Statistics Sweden through bilateral co-operation in the creation of a public macro database and a central metadata repository and in general management.

CBS established bilateral co-operation with INSEE (France) in the following statistical fields:
- Classifications
- Short Term Statistics (STS)
- Structural Business Statistics (SBS)
- Energy Consumption
- Research and Development (R&D) indicators and GBAORD survey
- Household Budget Survey (HBS)
- Statistics of Income and Living Conditions (SILC)
- Sampling.

The co-operation is going to be based on exchange of experience through study and consultative visits. In addition to that the seminar on comitology is going to be organised in Croatia by INSEE expert in June 2005.

The Action plan for bilateral co-operation with Slovenia is in its preparatory stage. The co-operation with Statistics Latvia has been established on the grant base in the area of management.

The Feasibility Study regarding the reorganisation of the CBS and county state administration offices responsible for official statistics matters will be done through the World Bank Trust Fund for Statistical Capacity Building. The Feasibility Study is expected to be done until the end of 2005.

3.6 Lessons learned

The implementation of the CARDS national programme 2001 (twinning with Statistics Denmark) started in May 2003. Both the beneficiary (CBS) and the twinning partners (Statistics Denmark, Statistics Sweden and Statistics Finland) are very satisfied with the results achieved. The implementation logic (long-term advisor and a series of short term missions) has proved to be an efficient way to assist the CBS. The recommendations addressed to the CBS by the subject matter experts ensure the sustainability of the project and facilitate its follow-up. Although the implementation period of the project was two years it was impossible to conclude all activities, particularly those related to the operational Statistical Business Register. It was learnt that a lack of human resources, particularly IT experts, is a serious constraint for the future development of the Central Bureau of Statistics and its activities.

Independent experts evaluating the project, its objectives and achieved results, rated it among the best ones so far financed under the CARDS Programme.

The Global Assessment of the Statistical System of the Republic of Croatia done by Eurostat and UNECE in June 2004 was extremely useful as guidance during the
preparation of the current project and will be important point for the planning of all future developments.

4 INSTITUTIONAL FRAMEWORK

The beneficiary of the Project is CBS. The operation of the Bureau is based on The Official Statistics Act in line with EU requirements. Its regular statistical surveys are based on the Programme of Statistical Surveys of the Republic of Croatia 2004-2007, which also gathered other institutions and ministries that make, together with the Bureau, the system of the official statistics. The project will be managed by CBS and co-financed by the Croatian Government (supply component). CBS headquater is located in Zagreb with its cca 380 employees. There are also a number of the state administration offices within the counties and the administrative body of the City of Zagreb authorised to perform official statistics tasks.

The Steering Committee will be established by CBS for this Project. The Steering Committee will have a representatives from all relevant CBS sectors and will be supported in some organisational and managerial activities by specific component called Management Assistance and IT networking support provided through a private company. Each component will have a Component Leader at the level of Assistant Director to co-ordinate the realization of the planned activities and ensure effective project management and absorption. The Project Implementation Unit (PIU) will have a general co-ordinating role and be in charge of all organisational and monitoring matters regarding regular meeting, dissemination information to all relevant parties, study visits and all other ad hoc organisational and co-ordinational issues.

The support by Phare is provided impling establishment of a good co-operation between CBS and the relevant Ministries, sufficient human resources and adequate amount of finance from the State Budget.

The project will be carried out through twinning arrangements with one or more Member Countries and a service contract with private sector. The twinning arrangement has been recognised as the most suitable in the case of statistics as market is lacking the variety of offers needed by national statistical offices. A part of the services that are not going to be covered by twinning arrangement will be covered by service contract provided by private sector.
## Detailed Budget

<table>
<thead>
<tr>
<th>€M</th>
<th>Phare/Pre-Accession Instrument support</th>
<th>Co-financing</th>
<th>Total Cost</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>National Public Funds (*)</td>
<td>Other Sources (**)</td>
<td>Total Co-financing of Project</td>
</tr>
<tr>
<td>Year 2005 - Investment support jointly co funded</td>
<td>0.41</td>
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<td>Investment support – sub-total</td>
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<td>% of total public funds</td>
<td>max 75 %</td>
<td>min 25 %</td>
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### Year 2005 Institution Building support

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<tr>
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<tr>
<td>Sub-project 1</td>
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<tr>
<td>Sub-project 2, etc…</td>
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<tr>
<td>IB support</td>
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### Total project 2005

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<td></td>
<td>4.66</td>
<td>0.14</td>
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</table>

(*) contributions form National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(**) private funds, FIs loans to private entities

1. All investment sub-projects supported by PHARE must receive co-financing from national public funds. Minimum requirement for co-financing from national public funds is 25% of the combined PHARE and national contributions to the overall investment support.

2. Many Institution building projects will also have a degree of co-financing – this should be quantified and included wherever possible.

3. Expenditure related to equipment (regulatory infrastructure or ESC-related) and to Technical Assistance supporting investment (e.g. pre feasibility study / supervision of works / technical specifications) should be considered as Investment support in the project fiche.

4. All co-financing must be provided on a joint basis. Parallel co-financing will, in a principle, not be accepted. Exceptions to this rule have to be agreed with the Commission in advance.
5. All co-financing should be clearly quantified, also the degree of certainty of such co-financing (i.e. for National Public Funds: is it already earmarked in local or national budget, for FIs Loans, private funds: are they already approved/under appraisal, etc.).

6. Where parallel co-financing is accepted and justified per exception to the normal rule it should be provided in monetary form. If this is not possible there should be clear criteria set out for the valuation of any non-monetary contributions (that should be quantified in the table).

7. If twinning is involved, clearly state the expected budget of the twinning covenant.

8. The financial engineering of the project should be closely monitored against actual delivery during implementation and against the objectives that were set in the project fiche so that corrective actions may be taken where required.

6 IMPLEMENTATION ARRANGEMENTS

6.1 Implementing Agency

Programme Authorising Officer
Mrs Vladimir Ivandić
Assistant Minister
Ministry of Finance
Katanciceva 5
10000 Zagreb
Croatia

Senior Programme Officer
Mr Jakov Gelo
Director of CBS
Central Bureau of Statistics
Ilica 5
10 000 Zagreb
Croatia

6.2 Twinning

Twinning National Contact Point
Mr Davor Ćilić
Assistant Minister
Ministry of European Integration
Petretićev trg 2
10000 Zagreb
Croatia

6.3 Non-standard aspects

The Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions (the PRAG) will be strictly followed.
6.4 Contracts
There will be two Twinning Covenants in this project for the duration of 18 months each. The value of the Twinning Covenant including short-term and mid-term experts, one long-term expert (RTA) is 1.350 Million EUR and the value of the second Twinning Covenant is 1.200 Million EUR. Total amount for equipment supply is 0.55 Million EUR. For the supply of equipment Croatian Government will ensure co-financing.
In addition, there will be a services contract for the activities not possible to foresee in the twinnings, amounting to 1.7 Million EUR.

7 IMPLEMENTATION SCHEDULE
There will be two twinning arrangement, service contract and supply contracs.

7.1 Start of tendering/call for proposals: within 3 months from the signature of the financing agreement
7.2 Start of project activity: within 9 months from the signature of the financing agreement
7.3 Project completion: within 24 months from the signature of the financing agreement

8 EQUAL OPPORTUNITY
CBS is an institution with a very high share of female employees. Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed.

9 ENVIRONMENT
N/A

10 RATES OF RETURN
CBS is a public institution financed from the State Budget and generation of revenues is not a goal. Investment component concerning supply of IT equipment is related to Institutional Building activities. All mentioned results will contribute to the establishment of the system of official statistics that is able to provide policy and decision makers with adequate statistical indicators. That will indirectly contribute to the State Budget efficient distribution.

11 INVESTMENT CRITERIA (APPLICABLE TO ALL INVESTMENTS)

11.1 Catalytic effect
N/A

11.2 Co-financing
“Still to be identified whether it will be provided on a joint base”
11.3 Additionality

N/A

11.4 Project readiness and size

The Project objectives and foreseen results are in line with CBS strategic documents (see Annex 4). The total amount for supply component is 0.55 Million EUR. The project is ready to start upon signing of the Project Memorandum. Twinning Project Fiches, Annexes and Technical Specification are prepared. The “soft” components regarding technical assistance is 4.25 Million EUR and the “hard” component (purchase of equipment) is 0.55 Million EUR. The overall amount of the project is 4.8 Million EUR.

11.5 Sustainability


11.6 Compliance with state aids provisions

No state aids will be provided for this Project.

12 Conditionality and sequencing

Without Phare funding its realization will face difficulties and the progress of Croatian statistics toward harmonization with EU requirements will meet serious delays. By accepting this Project Croatian Government committed itself to appropriate political decision, continuous sufficient Budgetary funding and new staff recruitment to CBS. For the implementation of this project there are no pre-conditions foreseen.
ANNEXES TO THE PROJECT FICHE

Annex 1 – Logframe
Annex 2 – Detailed implementation chart
Annex 3 – Contracting and Disbursement Schedule
Annex 4 – List of Feasibility Studies, Financial Appraisals, EIAs etc
Annex 5 – Reference List of Legislation
Annex 6 – Reference to relevant Government Strategic Plans and studies
LOGFRAME FOR PHARE OR CROATIA PRE-ACCESSION SCHEME PROJECTS

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number</th>
<th>HR2005/5/7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistance to the Central Bureau of Statistics of the Republic of Croatia (CBS) in the Adoption of the Acquis</td>
<td>Contracting period expires: 30.11.2007</td>
<td>Execution of contracts period expires: 30.11.2008</td>
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<tr>
<td></td>
<td>Total budget: 4.800.000 EUR</td>
<td>PHARE budget: 4.660.000 EUR</td>
</tr>
</tbody>
</table>

**Overall objective**
Support of the accession process in providing adequate statistical information to the Government of Croatia and EU.

**Objectively Verifiable Indicators**
- New internal organisational structure of CBS including establishment of regional statistical offices
- Increased compliance with EU requirements in the priority statistical areas observed by new surveys, methodologies, classifications and production of statistical indicators.

**Sources of Verification**
- Annual Eurostat mission reports
- Assessments by international organisations
- Annual Work Plan of CBS
- Continuous support from Croatian Government.

**Assumptions**

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**Project purpose**
Organisational capacity of CBS improved by means of establishing a new structure.

Enhancement of the following priority areas: Business Register and Classifications, National Accounts, Business Statistics, Household Based Surveys and Agricultural Statistics.

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15
<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| 1.0 Defined and developed organisational frame and human resource development introduced in CBS. | 1.0 New Official statistics Act  
New Regulation on organizing and scope of work of CBS  
New Regulation of interior order in CBS  
New organigramme  
CBS Human Resources Development Plan | 1.0 Official Gazette, Official Journal, Internal publications | • Support from Parliament, Government and other relevant institution regarding the level of reorganisation. |
| 2.0 Harmonization of national classification (NKD) according to EU standards and its implementation into Statistical Business Register. | 2.0 Number of business entities reclassified  
3.B Methodology used in CBS, harmonized with OECD Manual; Measuring Capital and based on SNA93 and ESA95. Data on capital stock used by many Croatian economical experts  
Official statistics number of net capital stock for balance sheet.  
Official statistics number of consumption of fixed capital for production account.  
4.0 Document reflecting the long-term strategy, updated methodology for existing surveys, | 2.0 Statistical Business Register  
3 A Eurostat, Economic Institute, Croatian National Bank, Other scientific institutions  
3.B OECD, Eurostat, Economic Institute  
4.0 Internal CBS publications, CBS publications, CBS Annual Implementation Plan  
5.0 Internal CBS publications, Eurostat, UN publication, ILO publication, UNICEF publication, UNDP publication, OECD  
6.0 Publications of Central Bureau of Statistics  
International questionnaires (FAO, Eurostat)  
National reports on harmonisation with EU requirements. | • Good co-operation between CBS departments. |
| 3.0A Compiled Supply and Use tables and Input-output tables according to EU standards i.e. ESA95, Eurostat Input-output Manual in order to provide an useful tool for economic analysis and ensuring the consistency and overall quality of the National Accounts. |  |  | • Adequate financial support from the State Budget. |
| 3.0B Implemented statistics on Capital Stock  
4.0 Long-term strategy for integrated business surveys developed and new STS type surveys in weak statistical area established.  
5.0 Indicators on household income and living conditions on the level of Croatia and indicators on personal consumption of private households’ at the NUTS II level available.  
6.0 Harmonisation with EU requirements in the field of agricultural price statistics and production account for EAA available as well as agricultural labour input (part in EAA) |  |  | • Adequate use of administrative sources and CBS internal sources. |
the number of new surveys in weak statistical areas.
5.0 Results of SILC at NUTS I and HBS at NUTS II
6.0 New indicators published: output of the agricultural industry gross value added at basic prices net value added at basic prices total agricultural labour input non-salaried agricultural labour input salaried agricultural labour input, absolute prices.

<table>
<thead>
<tr>
<th>13 ACTIVITIES</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1.1 Revising the Feasibility Study regarding the level of decentralisation.</td>
<td>Twinning A with an amount of 1.35 M EUR covers activities related to the components 1, 4 and 5, with a limitation in component 1 to the results concerning definition and development of organisational frame of CBS, and in component 5 to the results of all activities except IT interventions. Experts: 1 RTA, various short-term experts Study visits</td>
<td>World Bank Feasibility Study</td>
</tr>
<tr>
<td>1.1.2 Assisting in development of the new legal acts</td>
<td></td>
<td>Legal base for organisational changes</td>
</tr>
<tr>
<td>1.1.3 Assisting in development of the new organisational structure</td>
<td></td>
<td>Legal base for career plan implementation</td>
</tr>
<tr>
<td>1.1.4 Expanding and improving IT HW structure</td>
<td></td>
<td>Sufficient number of staff involved into the project activities</td>
</tr>
<tr>
<td>1.2.1 Assisting in development in Procedures and Process description of business activities</td>
<td></td>
<td>Time schedule in line with Eurostat schedule regarding NKD 2007 draft.</td>
</tr>
<tr>
<td>1.2.2 Assisting in development in Procedures of Internal Financial control and Internal Audit</td>
<td></td>
<td>Continued dialog between CBS, relevant Ministry and Faculty of</td>
</tr>
<tr>
<td>1.2.3 Assisting in development of financial management control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3.1 Developing job definitions, structures</td>
<td>Twinning B with an amount of</td>
<td></td>
</tr>
<tr>
<td>1.2 M EUR covers activities related to the components 2, 3A, 3B and 6 except those for component 3A and 3B that are related to IT services and training and for component 6 all results except those related to expertise in the area of economic accounts in agriculture. Experts: 1 RTA, 3 mid-term experts, various short-term experts Study visits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service contract with a total amount of 1.7 M EUR will be established to deal with the following activities distributed among the following components: Component 1-legal issues, HR development, training, development of regional units – 0.90 M EUR Component 2-preparation of specifications for software applications – 0.30 M EUR and IT technical support – 0.23 M EUR Component 3A - IT technical support and training 0.06 M EUR</td>
<td>Agriculture</td>
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<tr>
<td>3.A1.4</td>
<td>Definition of all databases</td>
<td></td>
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<tr>
<td>3.A1.5</td>
<td>Designing of application requirements (SAS)</td>
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</tr>
<tr>
<td>3.A1.6</td>
<td>Definition of concepts, sources and methods</td>
<td></td>
</tr>
<tr>
<td>3.A1.7</td>
<td>Developing of the training path</td>
<td></td>
</tr>
<tr>
<td>3.A1.8</td>
<td>Implementation of training</td>
<td></td>
</tr>
<tr>
<td>3.A2.1</td>
<td>Compilation of Supply table</td>
<td></td>
</tr>
<tr>
<td>3.A3.1</td>
<td>Compilation of Use table</td>
<td></td>
</tr>
<tr>
<td>3.A4.1</td>
<td>Balancing Supply and Use tables</td>
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</tr>
<tr>
<td>3.A5.1</td>
<td>Transformation of Supply and Use tables into Input-Output tables</td>
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<tr>
<td>3.A6.1</td>
<td>Determination of verification procedure</td>
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<tr>
<td>3.A6.2</td>
<td>Presentation of results</td>
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</tr>
<tr>
<td>3.A7.1</td>
<td>Implementation of compilation into regular procedure</td>
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<tr>
<td>3.B1.1</td>
<td>Definition of human resources need</td>
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<td>3.B1.2</td>
<td>Establishing the skills definitions</td>
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<td>3.B1.3</td>
<td>Studying all available sources for producing data and for credibility checks</td>
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<tr>
<td>3.B2.1</td>
<td>Develop job definitions, structures and procedures for communication between department in CBS (framework of IT engagement in this project)</td>
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<tr>
<td>3.B2.2</td>
<td>Develop job definitions, structures and procedures for communication with all stakeholders outside the CBS</td>
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<tr>
<td>3.B2.3</td>
<td>Establishing the data base in cooperation with IT</td>
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</tr>
<tr>
<td>3.B3.1</td>
<td>Producing working methodology, detailed description of all sources and methods</td>
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</table>

**EUR**

| Component 3B – IT technical support and training | 0.06 M EUR |
| Component 5 – IT technical support and training | 0.07 M EUR |
| Component 6 – specialised assistance for economic accounts in agriculture, seminars | 0.08 M EUR |

Experts: various mid-term experts.

- Supply Contract will cover purchase of hardware and other office equipment within the amount of 0.55 M EUR and will be divided by the components as it is listed in Annex 7.
methods used in this survey – metadata concept
3.B3.2 Producing methodological notes on checking quality of compiled data
3.B4.1 Developing the training path
3.B4.2 Implementation of training
4.1.1 Adoption of Assessment and Action plan for system of business statistics in general with special emphasis on organisation of sort term statistics surveys.
4.1.2 Detailed analysis of current system of Croatian STS type surveys in line with EU requirements
4.1.3 Drafting recommendations for improvements of existing STS survey methodology
4.1.4 Developing methodology for introduction of new STS surveys in chosen area in line with EU
4.1.5 Preparation of pilot STS surveys in chosen area
4.1.6 Development of sampling in sort term statistic surveys
4.1.7 Development of customised questioners for sort term statistics surveys
4.1.8 Development of data-editing procedure for imputations (non-response) in business statistics area
4.1.9 Carrying out pilot surveys
4.1.10 Training of staff
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<td>5.1.1.1 Analyzing of EU legal framework</td>
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<tr>
<td>5.1.1.2 Developing of national methodology</td>
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<tr>
<td>5.1.1.3 Supporting activities (consultations)</td>
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</tr>
<tr>
<td>5.1.2.1 Sample design</td>
<td></td>
</tr>
<tr>
<td>5.1.2.2 Questionnaire designing</td>
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<tr>
<td>5.1.2.3 Delivery of technical equipment (PC</td>
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<td>tablet)</td>
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<tr>
<td>5.1.2.4 Development of software applications</td>
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<tr>
<td>for data input, editing and processing</td>
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<tr>
<td>(BLAISE, SAS)</td>
<td></td>
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<tr>
<td>5.1.2.5 Organizing field work</td>
<td></td>
</tr>
<tr>
<td>5.1.2.6 Training of interviewers</td>
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</tr>
<tr>
<td>5.1.2.7 Data collection (first wave)</td>
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<tr>
<td>5.1.2.8 Data editing and processing</td>
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</tr>
<tr>
<td>5.1.2.9 Second wave testing tracking rules</td>
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</tr>
<tr>
<td>5.1.2.10 Supporting activities (study visits,</td>
<td></td>
</tr>
<tr>
<td>consultations, seminars etc.)</td>
<td></td>
</tr>
<tr>
<td>5.1.3.1 Analyzing of pilot survey results</td>
<td></td>
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<tr>
<td>and verification by consultants</td>
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</tr>
<tr>
<td>5.2.0 HBS at NUTS 2 level</td>
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</tr>
<tr>
<td>5.2.1.1 Developing of national methodology</td>
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<tr>
<td>(harmonization between HBS on NUTS 1 and</td>
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</tr>
<tr>
<td>NUTS 2 level)</td>
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<tr>
<td>5.2.1.2 Supporting activities (consultations)</td>
<td></td>
</tr>
<tr>
<td>5.2.2.1 Sample design</td>
<td></td>
</tr>
<tr>
<td>5.2.2.2 Questionnaire designing</td>
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</tr>
<tr>
<td>5.2.2.3 Delivery of technical equipment (PC</td>
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<tr>
<td>tablets)</td>
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<td>5.2.2.4 Development of software applications</td>
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<td>(BLAISE, SAS)</td>
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</table>
| 5.2.2.5 Organizing field work  
5.2.2.6 Training of interviewers  
5.2.2.7 Data collection  
5.2.2.8 Data editing and processing  
5.2.2.9 Supporting activities (study visits, consultations, seminars etc.)  
5.2.3.1 Analyzing of pilot survey results and verification by consultants  
6.1.1 Seminars and workshops on price statistics in agriculture organised for all relevant parties  
6.1.2 Study visits  
6.1.3 Assistance of expert for price statistics  
6.1.4 Analyse of prices and preparations for calculation of price indices  
6.1.5 Work on methodology for calculation of price indices  
6.1.6 Assessment of the present situation  
6.1.7 Definition of action plan  
6.2.1 Seminars and workshops on economic accounts in agriculture (include agriculture labour input, part EAA) organised for all relevant parties  
6.2.2 Work on methodology for production account  
6.2.3 Introduction and calculation of new data |
Annex No. 2 – Detailed Implementation Chart

<table>
<thead>
<tr>
<th>Detailed Project Implementation</th>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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## Annex No. 3 – Contracting and Disbursement Schedule

<table>
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<th>3Q/06</th>
<th>4Q/06</th>
<th>1Q/07</th>
<th>2Q/07</th>
<th>3Q/07</th>
<th>4Q/07</th>
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<td><strong>Service Contract</strong></td>
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### ANNEX 3 – CONTRACTING AND DISBURSEMENT SCHEDULE

#### Cumulative contracting schedule by quarters in EUR (provisional)

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<th>2007</th>
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<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>Twinning 1</td>
<td></td>
<td>1 350 000</td>
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</tr>
<tr>
<td>Twinning 2</td>
<td></td>
<td>1 200 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td>1 700 000</td>
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<tr>
<td>Supplies</td>
<td></td>
<td></td>
<td>410 000</td>
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</tr>
<tr>
<td>TOTAL (EUR):</td>
<td>2 550 000</td>
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<td>4 660 000</td>
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#### Cumulative disbursement schedule by quarters in EUR (provisional)

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<th>2006</th>
<th></th>
<th>2007</th>
<th></th>
<th>2008</th>
<th></th>
</tr>
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<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
</tr>
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<td>Twinning 1</td>
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<td>750 000</td>
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<td>1 350 000</td>
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<td>1 100 000</td>
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<td>550 000</td>
<td>2 100 000</td>
<td>3 060 000</td>
<td>3 560 000</td>
<td>3 860 000</td>
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</table>
Annex 4 – List of Feasibility Studies, Financial Appraisals, EIAs etc

Proposed Recommendation in the Area of Reorganization produced by the World Bank - it is expected to be finalised by the end of 2005

Annex 5. List of relevant Laws and Regulations

- Law on Official Statistics (Narodne novine No.: 103/03)
- Programme of Statistical Activities 2004 – 2007 (Narodne novine No.: 28/2005)
- Annual Implementation Plan 2004 (Narodne novine No.: 28/2005)

Annex 6. Reference to relevant Government Strategic Plans and studies

Croatian Parliament adopted major strategic documents related to the Croatian system of official statistics:

- Programme of Statistical Activities 2004 – 2007 (Narodne novine No.: 28/2005)