CONTRACT

HOSTING OF STUDY VISITS IN THE FRAME OF THE PROJECT
"IPA 2019 Multi-beneficiary Statistical Cooperation Programme"

Hereinafter referred to as "Contract"
CZSO Reg. No: 015-2024-S

GOPA Worldwide Consultants GmbH
Hindenburgring 18
61348 Bad Homburg
Germany
represented by Mrs. Hristina Aleksandrova, Director Statistics,
and hereinafter referred to as

"GOPA Worldwide Consultants"

on the one hand

and

Czech Republic – Czech Statistical Office
Na padesátém 3268/81
100 82 Praha 10
Czech Republic
Represented by Mr. Marek Rojíček, President of the Czech Statistical Office,
and hereinafter referred to as the **"CZSO"**

on the other side,

have agreed on the following:

Article 1 - Subject of the Contract

In the frame of the project "IPA 2019 Multi-beneficiary Statistical Cooperation Programme", the CZSO and GOPA Worldwide Consultants shall agree that the CZSO will carry out **four** qualified study visits in Prague in the following fields:

- SP 1.3 National Accounts Methodology - Perpetual Inventory Method (PIM) and its implementation in the benchmark revision of the national accounts in 2024 for SORS (Serbia) 28.02.-01.03.2024
- SP 1.4 Income approach compilation of GDP for SORS (Serbia) 21.-22.03.2024
- SP 1.3 National Accounts Methodology for the SSO of the Republic of North Macedonia 18.-20.03.2024
- SP 1.4 Quarterly National Accounts for the SSO of the Republic of North Macedonia 18.-20.03.2024

The hosting of the CZSO shall include expert consultations and shall include no costs for international transport, accommodation and per diem of the participants. All these costs shall be paid exclusively by GOPA Worldwide Consultants.

The attached Terms of Reference for the study visits, incl. the draft agendas shall be an integral part of the Contract. The participants of the study visits will be staff members of the statistical institutes from **Serbia and from the Republic of North Macedonia**, two of the main beneficiaries of the project here above mentioned.

Article 2 - Timing

The study visits shall take place in the Czech Republic (the above-mentioned seat of the CZSO), for 2-3 working days each during the period of February-Mach 2024:

- SP 1.3 for Serbian staff: 28.02.-01.03.2024
- SP 1.4 for Serbian staff: 21.-22.03.2024
- SP 1.3 for North Macedonian staff: 18.-20.03.2024
- SP 1.4 for North Macedonian staff: 18.-20.03.2024

Article 3 - Duration of the Contract

This Contract shall enter into force when duly signed by both parties and it expires after all obligations according to this Contract are fulfilled and mutual financial claims regarding the study visits are settled up.

Article 4 - Price Setting

In respect of services rendered, the CZSO shall be remunerated – under the legal title of hosting fee - as follows:
FEES:

SV	Unit	No. of Unit	Unit Rate in €	Total costs in €
SP 1.3 Serbia	Working days	3 w/d	1100	3 300
SP 1.4 Serbia	Working days	2 w/d	1100	2 200
SP 1.3 N. Macedonia	Working days	3 w/d	1100	3 300
SP 1.4 N. Macedonia	Working days	3 w/d	1100	3 300
	Total			12 100

The total fee is free from any levies and local taxes such as VAT etc.

Article 5 - Reporting

The CZSO undertakes to hand over, in accordance with the ToRs, the reports and documents to be submitted by GOPA Worldwide Consultants to Eurostat (further details in the ToRs).

Article 6 - Payment Method

Payment in respect of services rendered in this Contract shall be made in Euro to the CZSO after fulfilment of services and on presentation of an original invoice after each study visit. Payment shall be made within 30 (thirty) days of the receipt of the invoice from the CZSO.

Payment shall be made to:

Bank name: ▒▒▒▒▒▒▒▒▒▒▒
Account number: ▒▒▒▒▒▒▒▒
IBAN No: ▒▒▒▒▒▒▒▒▒▒▒▒▒▒
SWIFT code: ▒▒▒▒▒▒
Address of the bank: ▒▒▒▒▒▒▒▒▒▒▒▒▒▒▒▒▒▒
Postcode: ▒▒▒▒
Precise denomination of the account holder: ▒▒▒▒▒▒▒▒▒▒

Any and all payments pertaining to these study visits shall be made so that the funds are credited to the bank account of the CZSO by 30th November of the current year or after 1st January of the coming year.

Article 7 - Secrecy

The contracting parties undertake to refrain from using or disclosing to any third party whatsoever any fact, information, knowledge, document or other which may be communicated to them or of which they may have had knowledge during the execution of the Contract, as well as any result of their work, if not in accordance with the second part to the Contract. These obligations shall remain in force after the execution of the present Contract for an unlimited period of time.

The contracting parties shall desist from using unpublished information or pieces of information that have not been published, yet – unless they have the explicit permission of the other contracting party in writing in advance.

Article 8 - Force Majeure

In the event that the performance of the task entrusted to the CZSO is rendered impossible due to reasons of force majeure, the CZSO shall not be entitled to payment of any sum of compensation; the partial execution of any of the tasks shall entail remuneration pro rata for the tasks executed.

Article 9 - Cancellation of the Contract

Each party may terminate the Contract in its entire discretion with two-weeks-written notice before the start of a study visit, without being bound to pay any indemnity in this regard.

Article 10 - Other Provisions

Any dispute between the parties arising from the Contract or its later amendments, regarding its interpretation or execution, shall be settled amicably through consultation and negotiation. If the Parties are unable to reach an agreement through such consultation and negotiation, the dispute shall be settled by the Court of Bad Homburg under the terms of German law.

This Contract is subject to the laws of the Federal Republic of Germany. For any dispute arising out of or in connection with this Contract the place of jurisdiction is Frankfurt am Main, Germany insofar as the applicable statutory provisions do not necessarily provide otherwise.

The present Contract depends on the full acceptance of both sides of its conditions: both sides will express their acceptance by returning a copy of this Contract duly signed.

GOPA Worldwide Consultants hereby agrees that the complete wording of this Contract will be published in accordance with duties of the CZSO pursuant to Act No. 340/2015 Coll., on the register of contracts (also known as the Contract Register Act), and pursuant to other legal regulations.

Article 11 – Social Media

In line with the confidentiality and data protection requirements of GOPA Worldwide Consultants and its customers, sharing any project-related information on social media requires prior approval from the respective contract manager/ team leader in text form (e-mail is sufficient). This includes any project-related information posted on any private social media accounts of the CZSO. GOPA Worldwide Consultants reserves the right to demand the removal of the post in case no such approval exists. Where the promotion of the project's activities is usually encouraged in line with Eurostat's visibility guidelines, all financial aspects and strategic technical inputs remain absolutely confidential at all times.

Read and approved.

Annexes:
1 –Terms of References and Agenda for the Study Visits

Bad Homburg,   Prague,

GOPA Worldwide Consultants   Czech Republic – Czech Statistical Office
represented by: represented by:

DocuSigned by: DocuSigned by:

Hristina Aleksandrova-Friedrich   *Marek Rojíček*
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Hristina Aleksandrova   **Marek Rojíček**
Director Statistics   President of the Czech Statistical Office

IPA 2019 Multi-beneficiary Statistical Cooperation Programme	
The Service contract is funded by the European Union, led by Eurostat and implemented by GOPA consortium	
Partner country:	Republic of Serbia
Activity title:	Study visit to the Czech Republic SP 1.3 NAM - Perpetual Inventory Method (PIM) and its implementation in the benchmark revision of the national accounts in 2024
Proposed hosting institution:	**Czech Statistical Office (**CZSO)
Location:	Prague, Czech Republic
Dates of the activity:	28.2. -1.3.2024
Number of days:	3

1. Description of the activity:

The Statistical Office of the Republic of Serbia (SORS) developed PIM method, as delineated in the OECD Manual on Capital Stock, as part of the IPA 2019 project. One of the aims of SORS for that project was to enable data on gross capital stock (GCS) on fixed assets, as well as consumption of fixed capital (CFC) data needed for ESA10 transmission programme. Given that a major revision of the national accounts is underway, the PIM method will be used for the first time to calculate CFC, GCS and NCS. SORS developed a PIM method based on the Czech method. For SORS, it is of great importance that the results of the model are as reliable as possible, so it would be great to discuss it with experts from Czech Statistics. To ensure that models output is as correct as possible, it is necessary for the model's inputs to be as accurate as possible. SORS conducted Census of population, households and dwellings in 2022. Considering that dwellings are assets with a significant share in total gross fixed capital formation (GFCF), and the census provides high-quality statistical data on housing stock, data from it could be used to estimate this category, which is also a topic to discuss. Also, one of the main consequence of the application of the method is effect of gained data on gross domestic product (GDP). This would require a visit to the Czech Statistical Office so that SORS staff can exchange and discuss ideas about the aforementioned topics.

2. Specific objectives of the activity and concrete results expected

Specific objective:

- Review the PIM method that has been developed as the result of IPA2019 project, and its fine-tuning improvement;
- Discuss about the performance of the method: what is the perceived quality of the CFC, NCS and GCS estimates in the Republic of Serbia in comparison to estimates in the Czech Republic and what is the impact of CFC, NCS and GCS estimates on gross domestic product (GDP) data;
- Analyze how the PIM, GCS and NCS compilation methods can be effectively combined with data on dwellings from Census of population, households and dwellings 2022 results.

Concrete results:

- Fine-tuning improvements of the PIM method that has been developed in SORS;

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- Indication how - for dwellings – the GFCF / PIM based method can be combined with capital stock data on dwellings from the Census of population, households and dwellings conducted in 2022;
- Impact of applying the PIM method for CFC, NCS and GCS estimates on GDP examination.

Annex:
- List of participants and their profiles
- Draft agenda
- CVs of expertise providers

List of participants:

Name:	Position:	E-mail:
░░░░░░░░░	**Adviser**	░░░░░░░░░░░░░
░░░░░░░░░	**Adviser**	░░░░░░░░░░░░░
░░░░░░░	**Junior adviser**	░░░░░░░░░

Draft agenda

Date	Time	Subject	Persons
28.2.2024	9.30 – 10.00	Opening of the study visit, agenda, organization	░░░░
	10.00 – 11.00	Review of GCS and CFC in the National Accounts in the Czech Republic	░░░░
	12.30 – 14.00	LUNCH	
	14.00 – 17.30	Discussion about the design of a CFC compilation system; Review the work done on CFC modelling	All
29.2.2024	9.30 – 12.30	Review of the results obtained with the CFC model; Comparison with the results of the Czech model	░░░░
	12.30 – 14.00	LUNCH	
	14.00 – 17.30	Analysis of the impact that implementation of PIM and new GCS, NCS and CFC estimates will have on GDP - view from Czech experts	░░░░
1.3.2024	9.30 – 12.30	Discussion about how to utilize results from the Census of population, households and dwellings, considering data on Dwellings – view from Czech experts	░░░░
	12.30 – 14.00	LUNCH	
	14.00 – 15.00	Discussion about fine-tuning improvements of the PIM method that could be applied	░░░░
	15.00 – 16.30	Summary and conclusion	All

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IPA 2019 Multi-beneficiary Statistical Cooperation Programme	
The Service contract is funded by the European Union, led by Eurostat and implemented by GOPA consortium	
Partner country:	**Republic of Serbia**
Activity title:	**Study visit to the Czech Statistical Office** **SP 1.4 - Income approach compilation of GDP**
Proposed hosting institution:	**Czech Statistical Office**
Location:	**CZSO, Prague**
Dates of the activity:	**21-22.3.2024**
Number of days:	**2**

1. Description of the activity:

Multi-beneficiary IPA 2019 aims to help statistical authorities in the Republic of Serbia in their efforts to fulfil ESA 2010 Transmission Programme requirements. Compilation of GDP by income approach was developed recently. One of the IPA 2019 objectives was to strengthen the compilation of GDP income approach components, extend backwards missing variables and improve and reconcile with other national accounts data. GDP by the income approach is estimated at the same time and with the same data sources as GDP by the production approach. Income approach is compiled, with gross operating surplus and mixed income being a residual item and it does not provide an estimate of GDP that is independent from the production and expenditure approaches measures. Data on GDP by income components are available at current prices from 1995 in absolute values (RSD millions).

Annual series for D1, D2, D3

- Compensation of employees (D1)

Estimation of D1 is based on data from annual financial statements as the primary data source. Data are compiled by NACE activities and for each institutional sector for the period 2016 onwards. This process is further adjusted for other methodological requirements of ESA 2010. The particular adjustments for exhaustiveness purposes (non-observed economy) are made in sector S.11 within the compensation of employees' indicator (estimation of D1 also include adjustments for exhaustiveness i.e. informal employment). Model for production of D1 component was developed for backward series for period 1995-2015 within previous IPA (IPA 2017). Therefore, there is a room for further improvements of existing seria.

- Taxes and Subsidies (D2 and D3)

Regarding Taxes and subsidies on production and imports, the main data sources for this component of the GDP are: financial statements of enterprises, Economic Accounts of agriculture and various administrative data sources such as Report on gross payment, return and distribution of the public revenues provided by the Treasury Administration of the Ministry of Finance, etc. Through IPA 2019 special effort has been made to produce backcasted data for variable Other subsidies on production (D39). This activity was a very demanding and time-consuming process focusing on producing data for a twelve-year period (1995-2006). Eventually, subsidies data are compiled according to five institutional sectors and at NACE 2-digit level.

Quarterly series

The estimate of the quarterly gross domestic product by the income approach contains the same components as annual at current prices. In the Republic of Serbia, quarterly GDP is not independently estimated using the income approach due to the lack of relevant information for a direct calculation of the gross operating surplus and mixed income.

- Compensation of employees (D1)

The quarterly indicator for gross wages and salaries (D.11) is calculated by multiplication of the number of employees and the average wages and salaries at the sector level.
Data from the following sources are used: Labour Force Survey (LFS), Survey on registered employment, based on data from the Central Register of Compulsory Social Insurance (CRCSI) and Statistical Business Register (SBR) and Survey on employees and their salaries and wages (RAD-1). Also, as additional indicator, data from Survey on labour cost index are used.
Quarterly employers' social contributions (D.12) are calculated based on the ratio between employers' social contributions and gross wages and salaries in the current year taken from the annual data. These ratios are assumed constant over the year (the same ratio is applied for all four quarters). When current year data are not available, the ratio from the previous year is used.

- Taxes and Subsidies (D2 and D3)

The data source for the estimation of taxes is the Report on Gross Payment, Return and Distribution of the Public Revenues (Report T) provided by the Treasury Administration of the

Ministry of Finance. Data are provided on monthly basis and on a cash basis, with the breakdown by type. In national accounts the cash flow is time lagged to obtain accrual values. The main sources of data for subsidies are budgetary data.

Gross operating surplus and mixed income are calculated as a residual item by deducting compensation of employees and net taxes on production from GDP calculated from the production side.

Also, seasonal adjustment applies to income approach data. SORS use JDemetra+ (v 2.2.0) for the seasonal adjustment.

The questionnaire T0103 contain time series in accordance with the requirements of the ESA 10 Transmission Programme which SORS regularly transmits to the EUROSTAT.

Improvement and reconciliation transmitted income approach data with other NA data

- Reconciliation of income components by NACE activities (D1, D29 and D39) with other national accounts data (GVA) pointed out that there might be a room for further methodological improvements due to the compiled negative gross operative surplus for some activities (residual component).

Main goal of this study visit is to review the current state of compilation of GDP by income approach focusing on assessment, identification, and implementation of possible improvements and refinements of the existing methods and data sources in the compilation of the its main components in order to perform forthcoming major (benchmark) revision of national accounts planned for 2024 on the best way.

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

- **Specific objective:**
  • Learn about the practice of compiling GDP according to the income approach of the Czech Statistical Office and reconciliation with other annual national accounts data;
  • Review of the data sources and methods for compilation GDP by income approach in the Statistical Office of the Republic of Serbia;
  • Review of the compilation procedure for quarterly compilation GDP by income approach.

- **Concrete results:**
  - Get acquainted with the income approach GDP compilation procedure in the Czech Statistical Office and investigate possibilities to improve SORS compilation procedures and reconciliation process with other annual national accounts data;
  - Possibility to introduce best practice of CZSO into compilation process in SORS;
  - Get acquainted with the quarterly compilation procedure in the CZSO.

Annexes:

- List of participants and their profiles
- Draft agenda
- CVs of expertise providers

List of participants and their profiles:

1. Mirjana Bačilović - Senior Statistician advisor in Division for Gross domestic product compilation, 2019 – onwards; - Setting of system solutions, concepts and methodologies necessary for compilation of Gross Domestic Product (GDP) by income side; Statistical and analytical work on the calculation of GDP by income side (focus on producing data on compensation of employees and subsidies); Setting of system solutions, concepts and methodologies necessary for compilation of health accounts (SHA) and their implementation in Serbian statistical system;

2. Sanja Bradarić - Senior Adviser - Quarterly National Accounts Unit, 2019 onwards - Quarterly GDP calculation; Work on the quantitative and qualitative analyzes of the statistical data sources used for QNA compilation; Studying and methodological improvements of the main quarterly macroeconomic aggregates calculations;

3. Ana Cakić - Position: Junior adviser in the Quarterly National Accounts Unit, January 2023 – onwards - Assistance in the work on the calculation of quarterly macroeconomic aggregates, analyses of the data sources used as indicators and the preparation of the transmission tables.

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DRAFT AGENDA

Date	Time	Subject	Room	Persons
Thursday 21.3.2023	9:30-10:00	Opening of the study visit, agenda, organization	914	
	10:00-12:00	Discussion on current practice in the compilation of annual GDP by income approach Analysis of data sources used in the compilation of particular components of the income approach (compensation of employees (D1), taxes on production and imports (D2), subsidies on production and imports (D3)) Exhaustiveness adjustments of GVA income components (various exhaustiveness adjustments in the breakdown of income components and types of non-exhaustiveness (N1-N7)) Borderline cases in the compilation of GDP by income approach: The delineation between compensation of employees and intermediate consumption: -Treatment and inclusion of allowances for business travelling of employees in wages and salaries; inclusions of allowances for transport to and from work -Wages and salaries in kind (data source for expenditure of employers treated as income in kind) -Other borderline cases	914	
	12:30-14:00	LUNCH		
	14:00-17:30	Employers' social contributions (D12) with reference to employers' imputed social contributions; adjustment with employment data, possible adjustment to gross wages data Methodological specificities in the calculation of other subsidies on production (and distinction from transfer) in accordance with the ESA;	914	

		allocation of total subsidies to institutional sectors with reference to S15 D29 allocation method to NACE activities Balancing of GDP and place of income approach in this process		
Friday 22.3.2023	9:30-12:00	Compilation of quarterly GDP by income approach Discussion on the consistency between annual and quarterly	914	
	12:30-14:00	LUNCH		
	14:00-17:30	Compliance with requirements of Eurostat – data transmission dates, scope of the data transmitted Final recommendations and conclusions	914	All

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IPA 2019 Multi-beneficiary Statistical Cooperation Programme	
The Service Contract is funded by the European Union, led by Eurostat and implemented by GOPA consortium	
Name of Statistical Project:	**SP1.3 National Accounts Methodology**
Partner Country:	**The Republic of North Macedonia**
Name of Action:	**Study visit on National Accounts Methodology**
Name of Expert(s):	**Four experts from SSO**
Dates of the activity:	**18.3-20.3.2024**
Number of working days:	**3 WD**
Venue:	**Prague, Czech Republic**

DESCRIPTION OF THE ACTIVITY

1. Background

The study visit is intended beneficiary experts to gain knowledge on the Czech current system for Labour Input Method.

Due to fact that Labour Input Method plays an important role in the tabular approach it will be very useful from the Czech experts to present own method of estimation.

During the study visit to be validate updated method for estimation of Labour Input Method prepared during the technical mission in Skopje.

This new method will be replaced the old one and will be one of the issues of benchmark revision in National accounts.

2. Objectives of the study visit

- Increase knowledge about Labour Input Method in Czech Statistical Office.
- Discussion for improvements based on the mission recommendations.
- Discussion for further recommendations for improving the compilation system.

3. Requested activities

- Presentation by Czech experts the current system of Labour Input Method.

  Discussion about possibilities for revision of Labour Input Method based on the new data from Census 2021 and revision of time series.

4. Results and outputs

- Set up of further recommendations and plan for further improving the system.
- Mission report prepared.

ANNEX

Draft Agenda

Date	Time	Subject	Room	Persons
Monday 18.3.2023	9:30-10:00	Opening of the study visit, agenda, organization	914	
	10:00-12:00	Labour Input method in CZSO	914	
	12:30-14:00	LUNCH		
	14:00-17:30	Labour Input method in CZSO	914	
Tuesday 19.3.2023	9:30-12:00	Labour input method in Macedonia – updated version	914	Rep. SSO
	12:30-14:00	LUNCH		
	14:00-17:30	Labour input method in Macedonia – updated version	914	Rep. SSO
Wednesday 20.3.2023	9:30-10:00	Labour input method – discussion about revision based on Census 2021 data	914	All participants
	12:30-14:00	LUNCH		
	14:00-17:30	Final discussion, conclusions, recommendations	914	All participants

IPA 2019 Multi-beneficiary Statistical Cooperation Programme	
The Service Contract is funded by the European Union, led by Eurostat and implemented by GOPA consortium	
Name of Statistical Project:	**SP1.4 Transmission programme, annual national accounts (ANA), quarterly national accounts (QNA) and quality reporting**
Partner Country:	**The Republic of North Macedonia**
Name of Action:	**Study visit on Quarterly National Accounts**
Name of Expert(s):	**Four experts from SSO**
Dates of the activity:	**18.-20.3.2024 (TBD)**
Number of working days:	**3 WD**
Venue:	**Prague, Czech Republic**

DESCRIPTION OF THE ACTIVITY

1. Background

The study visit is intended beneficiary experts to gain knowledge on the Czech current system for quarterly GDP calculation (data organization and data processing).
The mission will cover also practical solutions for estimating the results in case of missing input data.
 The beneficiary experts will present some improvements in system of data calculation based on the mission recommendations discussed in January 2023. Implementation of the gained knowledge will influence better compliance of National Accounts data with EU standards.

2. Objectives of the study visit

- Increase knowledge about current system for GDP compilation by production and expenditure approach in Czech Statistical Office.

- Discussion for improvements based on the mission recommendations.

- Discussion for further recommendations for improving the compilation system.
- Increasing of compliance of National Accounts data with EU standards.

3. Requested activities

- Presentation by Czech experts the current system of GDP compilation, data sources, definitions, current and constant prices, balancing and benchmarking, SA, transmission program and consistency between all transmission tables.

- Further discussions and recommendations for improving the system of excel templates for GDP compilation.

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4. Results and outputs

- Set up of further recommendations and plan for further improving the system.
- Mission report prepared.
- Draft agenda

Date	Time	Subject	Room	Persons
Day 1 March 18	9.30 – 10.00	Opening of the study visit, agenda, organization		
	10.00 – 12.00	Compilation of National Accounts in North Macedonia – overview, improvements		SSO
	12.00 – 13.00	Lunch break		
	13.00 – 14.30	Compilation of QNA - overview		
	14.30 – 16.00	QNA – data sources		
	16:00 – 17:30	GDP – production approach		
Day 2 March 19	9.30 – 11.30	GDP – expenditure approach		
	11.30 – 12.00	Quarterly estimates of housing services and individual housing construction		
	12.00 – 13.00	Lunch break		
	13.00 – 14.30	Volume measures in QNA, price indices, chain-linking		
	14.30 – 17.30	GDP compilation – excel templates, benchmarking, balancing		
Day 3 March 20	9.30 – 12.00	Seasonal adjustments to quarterly indicators		
	12.00 – 13.00	Lunch break		
	14.00 – 17.30	Discussion on selected topics Final recommendations		All

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