

Annex I

Tenure structure in the European Union, mid-1990s

Country	Tenure form (% of housing stock)			
	Owner-occupied	Social rental	Private rental	Other
Austria	41	23	22	4
Belgium	62	6	30	2
Denmark	56	21	19	5
Finland	61	20	8	11
France	54	17	21	8
Germany	38	26	36	
Greece	70	0	26	4
Ireland	81	10	9	
Italy	67	7	21	5
Luxembourg	67	2	31	
Netherlands	46	41	13	
Portugal	66	4	28	2
Spain	76	2	16	6
Sweden	43	22	18	16 ^{a/}
United Kingdom	66	24	10	
EU	56	18	21	

Source: Boelhouwer 1997; CECODHAS 1995; Oxley 1996.

^{a/} Cooperative sector.

**Household expenditure patterns
(Deciles)**

Deciles	Year		All household	I	II	III	IV	V	VI	VII	VIII	IX	X
Total consumption expenditure	1998	Lt	426.8	135.1	199.5	247.6	292.5	335.2	380.6	438.8	516.2	642.2	1080.3
	1997	Lt	382.6	118.3	176.9	219.2	257.3	295.7	340.1	391.4	458.5	564.1	1004.6
	1996	Lt	348.1	105.6	160.7	199.0	235.7	273.5	313.9	364.2	428.9	530.6	920.7
	1995	Lt	243.4	93.8	112.3	135.4	153.4	159.4	173.2	189.2	219.9	250.9	379.4
Consumption expenditure in cash	1998	Lt%	354.9/100	94.4/100	144.3/100	193.1/100	230.9/100	272.2/100	314.3/100	366.1/100	433.3/100	543.8/100	956.4/100
	1997	Lt%	311.3/100	85.6/100	133.9/100	169.6/100	198.8/100	237.4/100	271.0/100	318.2/100	374.9/100	464.0/100	859.4/100
	1996	Lt%	274.7/100	77.6/100	120.5/100	152.9/100	185.4/100	212.7/100	248.2/100	293.4/100	346.5/100	431.6/100	764.2/100
Food	1998	Lt%	146.8/41.4	54.8/58.0	77.7/53.8	100.9/52.2	114.0/49.4	132.4/48.6	146.4/46.6	165.6/45.2	185.9/42.9	219.9/40.4	270.0/28.2
	1997	Lt%	138.6/44.5	51.9/60.6	76.2/56.9	95.6/56.4	107.7/54.2	124.1/52.3	137.2/50.6	156/49.0	175.9/46.9	197.6/42.6	263.9/30.7
	1996	Lt%	128.2/46.7	49.5/63.8	72.8/60.4	86.9/56.8	103.7/55.9	117.8/55.4	131.2/52.9	151.5/51.6	169.6/48.9	195.4/45.3	246.9/32.3
	1995	Lt%	109.6/45.1	61.7/66.2	73.2/65.2	88.0/65.0	98.5/64.2	85.4/59.9	105.5/60.9	113.7/60.1	126.0/57.3	139.8/55.7	168.1/44.3
Expenditure by households/individuals by deciles on rents, fuel and power	1998	Lt%	51.4/14.5	12.6/13.3	22.8/15.8	39.6/15.8	36.8/15.9	40.9/15.0	48.2/15.3	56.3/15.3	64.2/14.8	75.8/13.9	126.2/13.2
	1997	Lt%	45.7/14.7	12.0/14.0	20.3/15.2	26.5/15.6	31.1/15.6	37.2/15.7	42.9/15.8	47.7/15.0	56.7/15.1	67.5/14.6	115.2/13.4
	1996	Lt%	40.1/14.6	10.6/13.7	18.1/15.0	23.8/15.6	29.5/15.9	32.7/15.4	37.3/15.0	40.9/13.9	47.8/13.8	63.0/14.6	112.9/14.8
	1995	Lt%	38.4/15.8	10.0/10.8	14.7/13.1	20.0/14.8	22.7/14.8	25.8/16.2	26.0/15.0	27.5/14.5	32.3/14.7	34.1/13.6	60.3/15.9
Urban household rents, fuel and power	1998	Lt%	62.0/15.0										
	1997	Lt%	54.7/15.2	21.5/18.2	30.7/17.7	39.3/18.4	40.8/16.6	46.4/16.7	53.3/16.6	56.6/15.8	64.8/15.3	74.8/14.5	118.9/12.6
	1996	Lt%	46.8/14.8	15.3/15.9	26/17.6	32.6/17.7	35.1/16.5	38.4/15.8	42.3/14.8	46.1/14.0	54.4/14.2	65.3/14.1	112.3/13.7
Rural households rents, fuel and power	1998	Lt%	29.3/12.6										
	1997	Lt%	27.0/12.8	5.0/8.5	8.3/9.4	10.4/9.5	13.1/10.2	15.8/10.5	17.7/10.4	29.8/14.0	29.2/11.7	43.1/13.0	98.6/16.0
	1996	Lt%	25.3/13.9	3.9/7.9	6.4/8.6	8.7/9.6	11.3/10.5	12.9/10.3	16.6/11.0	20.7/11.6	28.5/12.7	35.2/12.8	109.4/19.9

Source: Statistical Yearbook of Lithuania, 1999.

Annex III

Law on Public Procurement

The *Law on Public Procurement* (January 1997) regulates public purchases of goods, construction work and services financed by State or municipal budgets. The Law also covers contracting and leasing agreements. The Law is applied if the amount of a public procurement exceeds 25,000 litai. If the amount of goods and services does not exceed 150,000 litai or the value of construction work does not exceed 500,000 litai, the purchaser shall be entitled to make purchases only from companies registered in Lithuania. The Law on Public Procurement contains the following options: (i) open tender; (ii) closed tender; (iii) two-stage tender; (iv) competitive negotiations; (v) price inquiry; and (vi) purchase from a single source.

Pursuant to item 2.1 of Government *Resolution No. 956* (September 1997) on the Conclusion and Implementation of Contracts on Construction Work, the former Ministry of Construction and Urban Development issued *Order No. 266* (December 1997), approving the amended regulations on construction work. The regulations of the contract on construction work specify the order of preparation and implementation of contracts between the participants in the construction process - the clients and the executors (contractors). The regulations apply if the construction is financed from public funds (funds of the State or municipal budgets, State social security and other State funds, charity and other support received on behalf of State institutions, loans received on behalf of or with the guarantee of the State, funds of State or municipal companies).

Resolution No. 956 provides that architects and contractors for constructions paid for by State funds shall be selected according to the order established by the *Law on Public Procurement*. Agreements on projection and construction are made according to the regulations regarding construction agreements and normative construction documents confirmed by the Ministry of Construction and Urban Development. Projection, construction and repair works are paid at market prices.

Privatization of State and municipal property

The new *Law on the Privatization of State and Municipal Property* was enacted on 4 November 1997. In addition, a number of legal acts related to privatization were adopted, including the *Law on the Primary Privatization of State Property* (February 1991) and the *Law on the Privatization of State and Municipal Property* (July 1995).⁵²

A State Property Fund has been established to manage, use and dispose of securities and other assets transferred to it by the Government under the right of trust. It was established after the liquidation of the Lithuanian State Securities Fund and the reorganization of the Lithuanian State Privatization Agency. The State Property Fund, by its functions, is one of the most important privatization institutions.

Pursuant to the newly adopted Law on the Privatization of State and Municipal Property and *Resolution No.1427*, the preparation of assets for privatization was approved. The Resolution also specifies that the Lithuanian State Privatization Agency, the ministry, municipality or any other State or municipal institution that manages, uses or disposes of State or municipal property under the right of trust shall transfer these functions to the State Property Fund.

By *Resolution No. 1148* (September 1998) the Regulations on the Privatization of Shares of Companies that are Significant Objects of Infrastructure or Dominating Objects of Branches of the Economy were amended. The State Property Fund acquired the right to implement and monitor privatization procedures. It can request information about the reliability of potential buyers and strategic investors and approve or reject them. Moreover, the amendments specify that the Fund may negotiate with the selected winner of the tender the improvement and/or revision of the proposed terms.

⁵² Privatization programmes announced before the enforcement of the new law, i.e. 1 December 1997, are still implemented according to the Law on the Privatization of State and Municipal Property of 4 July 1995.

A number of resolutions were adopted by the Government regulating different ways of privatization:

- *Resolution No. 1128* Rules of the Privatization of State and Municipal Property by Open Tender;
- *Resolution No. 1129* Rules of the Privatization of State and Municipal Property by Open Auction;
- *Resolution No. 1132* Rules of the Privatization of State and Municipal Property by Direct Negotiations.

Municipal loans

Documents regulating the procedures for municipal use of bank credits and loans:

- Financial indicators of the municipal budget for 1998 approved by the Law on the Approval of Financial Indicators of the State and Municipal Budgets for 1998 (December 1997);
- *Resolution No. 492* (April 1998) concerning the Draft Preparation of Financial Indicators for the State and Municipal Budgets for 1999;
- The procedure for the calculation and transfer of State subsidies to municipalities and municipal budget revenue sources is regulated by the Law on the Methodology of Municipal Budget Revenue (July 1997);
- The procedure for the municipal use of bank credits and the taking-out and granting of loans is regulated by *Resolution No. 511* (April 1998);
- The procedure for municipal use of foreign loans taken on behalf of the State or State-guaranteed loans, and the procedure for municipal borrowing from foreign countries is regulated by *Resolution No. 1200/8* of the Government and the Bank of the Republic of Lithuania (October 1997).

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