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COMMISSION DECISION

of 2004

on the financial contribution of Transition Facility for strengthening institutional capacity to Lithuania

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession 2003, in particular Article 34 thereof,

Whereas:

- (1) Article 34 of the Act of Accession provides the possibility of granting a temporary financial assistance, the Transition Facility, to the new Member States to address the continued need for strengthening institutional capacity in certain areas through actions which cannot be financed by the Structural Funds.
- (2) The actions funded by this Decision in the areas of the internal market, statistics, the environment and justice and home affairs are eligible for funding according to Article 34(2) of the Act of Accession. In addition, several needs have been identified in the Commission's comprehensive monitoring report, which are not covered by the Structural Funds. The actions funded by this Decision in relation to those needs in the areas of health and consumer protection and administrative capacity are therefore also eligible for funding under Article 34(2) of the Act of Accession.
- (3) Pursuant to Article 34(4) of the Act of Accession, the Transition Facility is implemented in accordance with Article 53(1) b) of Council Regulation 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.
- (4) An Implementing Agency should be designated, complying with the criteria set out in Article 164 of the Financial Regulation and having adequate staff resources. The Commission has satisfied itself in the context of preparation for conferral of management of aid provided under Phare, as well as through a number of other checks, that those criteria are fulfilled by the Central Project Management Agency.
- (5) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries in Central and Eastern Europe, rendered on 08/10/2004.

HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of €22.435 million as Transition Facility to the Republic of Lithuania, to finance the projects set out in point 4 of the Annex.

Article 2

1. This Decision shall be implemented on a decentralised basis, in accordance with the Memorandum of Understanding on the Implementation of the Transition Facility, signed with the Republic of Lithuania on 12/11/2004.
2. The Central Project Management Agency shall be Implementing Agency for the Programme.

Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2006.
2. The deadline for execution of contracts shall be 15 December 2007.

Article 4

This Decision is addressed to the Republic of Lithuania

Done at Brussels, [...]

For the Commission

[...]

Member of the Commission

ANNEX 1

FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN THE REPUBLIC OF LITHUANIA FOR 2004

1. IDENTIFICATION

Beneficiary	The Republic of Lithuania
Programme	Implementation of the Transition Facility in the Republic of Lithuania for 2004
CRIS-Number	2004/016-925-01.01 to 2004/016-925-05.01
Year	2004
Cost	The total value of the actions to be financed from the Transition Facility €22.435 million.
Implementing Authority	Central Project Management Agency
Expiry Date	Contracting: 15.12.2006 Execution of contracts: 15.12.2007
Sector Code	Objective 1: 31110, 31310 Objective 2: 15030 Objective 3: 41010 Objective 4: 15020, 16362, 21010, 23064 Objective 5: 99810
Budget Line	22 03 01
Commission Task Manager	Simon White, Task Force, Directorate-General Enlargement (to 31/08/2004)

2. SUMMARY

This Financial proposal represents a contribution from the Transition Facility envelope to support and enhance Lithuania's administrative capacity in the post-accession period. Included are detailed project descriptions for 2004, together with an indicative planning document for 2005 and 2006, which have been the subject of discussions with the Commission services but are subject to change.

The programme seeks to deliver assistance in a number of areas, broadly summarised as:

1. Agriculture, Fisheries and Food

2. Customs and Justice and Home Affairs
3. Environment
4. Enhancement of administrative capacity to implement the *acquis*

3. STRATEGY

In the 2004-2006 period Lithuania will receive substantial assistance, additional to the structural funds, to meet accession commitments in priority areas, namely:

The Ignalina Programme; covering nuclear safety and the consequences of decommissioning the Ignalina Nuclear Power Plant as provided for under the Protocol to the accession treaty, to a maximum total value of about €320m over the three-year period;

The Schengen Facility, which recognises the disproportionately long external land borders of Lithuania, and provides about €150m towards ensuring their security;

The Kaliningrad special transit Programme, which aims to facilitate transit of Russian citizens living in the Kaliningrad Oblast whilst ensuring appropriate border security measures.

Elements of this programme are based on the Commission's 2003 Comprehensive Monitoring Report for Lithuania, that identifies a number of areas where improvement is needed regarding adoption, implementation and enforcement of the *acquis*. Supplementary information was provided through the outcome of peer reviews, monitoring missions, and expert's reports.

The Lithuanian authorities submitted a list of priorities and proposals for funding under the IB Transition Facility on the basis of the requirements of the 2003 Comprehensive Monitoring Report. These priorities and proposals were transmitted for consultation and discussed with relevant Commission Services. The final selection of projects for this Financing Proposal was based on the overall quality of the individual proposals.

Evaluation and results of past Phare projects were also taken into account when programming the IB Transition Facility. Lessons learned are usually drawn on a case by case basis, building on relevant experience acquired during the implementation of previous Phare projects in a specific area. Relevant information on lessons learnt and on the supporting background documentation is provided for in each project fiche.

Attention was paid to avoiding overlaps with other EU financial assistance instruments, programmed in the past years, as well as those to come in force in 2004, and in particular the technical assistance provided for in the Single Programming Document (SPD) of the Structural and Cohesion Funds, as well as the Schengen Facility. Maximum synergy between all sources of funding has been sought. Actions, studies and all other types of activities eligible for support under the Structural Funds Technical Assistance measure (Article 2.4 of Council Regulation (EC) No 1260/1999 and Article 23 of Council regulation (EC) No 1260/1999) or the Rural Development Programme Technical Assistance Measure (Article 33e of Council Regulation (EC) No 1257/1999 as amended by the Act of Accession) are excluded from the scope of this programme.

4. OBJECTIVES AND DESCRIPTION

4.1 Agriculture, Fisheries and Food

This group of projects is intended to provide assistance in a number of interlocking areas.

In Agriculture, a project has been included to enhance the administrative capacity of the National paying Agency, in view of the need to begin implementation of the Single Payment Scheme, and ensure adequate cross-compliance controls. In Fisheries, substantial weaknesses were signalled in the Commission's Comprehensive Monitoring Report, and the project is intended to support Lithuania's efforts to rectify this situation, by enhancing interconnectivity of data and improving the capacity of the Market Regulatory Agency.

On Food, a number of interlocking projects are proposed covering further work on food chain-related issues: at veterinary border inspection posts, enhanced control of veterinary medicines, feedingstuffs and foodstuffs, and support to Lithuania's ongoing work on food safety and medicinal residues.

4.2 Customs and Justice and Home Affairs

The Customs project is designed to meet the CMR requirement to enhance data quality and communications capabilities – crucially, to enable interconnectivity with other Government Departments and improve the training programme that currently exists.

Three projects related to Justice and Home affairs are included:

The first meets the need for enhanced knowledge on Intellectual Property issues within the Police system, and coordinates training on these issues with other bodies involved in IPR enforcement.

The second provides expert advice to assist Lithuania in establishing a unified training programme for Police officers, largely through a single twinning arrangement.

The final project seeks to enhance witness protection schemes and Lithuania's participation in the international fight against organised crime.

4.3 Environment

The first of the two projects planned in the Environment field aims to supplement and complete existing PHARE assistance, by improving the professional qualification system for managers of protected areas (PHARE supported the establishment of these areas and the initial basic training of personnel through the 2002 and 2003 National programmes).

The second project directly targets the Ambient air directive and subsequent European legislation, which although not included in the initial Acquis requirements would nonetheless be difficult for Lithuania to meet without support.

4.4 Enhancement of administrative capacity to implement the acquis

This category covers a range of different projects, which for the most part target Lithuania's participation in the single market by enhancing measurement, statistical and consumer protection capabilities.

These include support to measurement infrastructure in ionising radiation, animal feed residues in human food, continued work in support of developing statistical methodologies, cross-departmental biocidal control capabilities.

A key element in this part of the programme will be the introduction of an integrated system for the management of public debt – while not strictly part of the acquis, this should enable the provision of effective statistics and improve the speed at which the Government is able to react to changes in the country's financial situation. The knock-on to the data provided to the Commission is clear. This project will be backed up by a single technical assistance or twinning project on Risk management at the State tax Inspectorate, which meets the CMR requirement for continued effort in this area.

Within this group of projects is included work on institution-building within the Nemunas River Basin area. This project is designed to provide support in preparing for and managing Structural Funds – the type of work envisaged is not in itself eligible for Cohesion Fund support, but will enable a more rationalised and effective use of such funds as they become available.

5. BUDGET

Project number	Objective	Total amount TF	Investment	IB
2004/016-925-01-	Objective 1: Agriculture, fisheries and food			
01	Adjustment to Common Agricultural Policy reform of the National Paying Agency under the Ministry of Agriculture	0.674	0.144	0.53
02	Food safety (phase II) – Official control of veterinary medicinal products and feedingstuffs	0,880	0,266	0,614
03	Strengthening of the border veterinary control system in the Republic of Lithuania	0,829	0,298	0,531

04	Strengthening of official control of food safety and residues in the Republic of Lithuania	1,119	0,576	0,543
05	Strengthening the capacities in the field of fisheries activities and Common Market Organisation for fishery products	0,906	0,156	0,750
06	Strengthening of the capacities for administration and control system of the plant origin production	1,464	0,413	1,051
07	Strengthening of Lithuanian Institutional Capacities in Biocidal products Management	0,885	0,179	0,706
08	Strengthening of Official Control of Animal Health and Food Safety through Implementation of Veterinary Information Management System	0,926	0,296	0,630
	Sector Subtotals	7.683	2.328	5.355
2004/016-925-02-	Objective 2: Justice and Home Affairs			
01	Establishment of Infrastructure of the Investigation, Disclosure and Prevention of Crimes in Intellectual Property Rights and Cyber-crimes in the Police System	1,770	0,470	1,300
02	Establishment of a unified training and qualification improvement system for police officers of the Republic of Lithuania	1,062	0,236	0,826
03	Strengthening Witnesses and Victims' Protection from Criminal Influence, Ensure International Police Co-operation in Fight Against Organised Crime	1,673	0,673	1,000
04	Development of the Lithuanian Customs Data Warehouse	0,649	0,000	0,649
	Sector Subtotals	5,154	1,379	3,775
2004/016-925-03-	Objective 3: Environment			
01	Strengthening of Lithuanian institutional capacities in ambient air quality modelling and forecasting	0,765	0,185	0,580
02	Raising qualification skills for protected areas managers	1,050	0,000	1,050
	Sector Subtotals	1,815	185	1,630
2004/016-925-04-	Objective 4: Enhancement of administrative Capacity to implement the acquis			
01	Improvement of Public Debt and Cash Management Functions	0,590	0,000	0,590
02	Development and Implementation of Risk Management System	0,950	0,000	0,950
03	Alignment of National Legislation with a new EU Railway Transport Acquis, Implementation of the "Second Railway Package" and Strengthening Administrative Capacity of the Railway Institutions of Lithuania	1,200	0,000	1,200
04	Development of national ionising radiation measurement infrastructure according to the practice of EU member states	1,380	0,360	1,020
05	Meeting new acquis challenges in statistics	1,363	0,000	1,363

06	Institutional building for the Nemunas River Basin Management	0,800	0,000	0,800
	Sector subtotals	6,283	360	5,923
2004/016-925-05-	Unallocated envelope			
01	Unallocated envelope	1,500		1.500
	Total TF contribution (million EUR)	22.435	4.252	18.183

Co-financing for Institution Building projects is provided by the beneficiary bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for effective and efficient absorption of Transition Facility assistance.

Investments in small equipment must receive co-financing from national public funds. The Community contribution may amount to up to 75 % of the total eligible¹ public expenditure.

6. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Lithuania, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Transition Facility.

¹Subject to Rule 7 of the Annex to Commission Regulation (EC) No 1685/2000, OJ 193, 29.7.2000, p. 39. Regulation as last amended by Regulation (EC) No 448/2004 (OJ L 72, 11.3.2004, p. 66).