

## **Standard Summary Project Fiche**

**Project Number LI 9906.03**

### **1. Title**

Capacity Building of the CFCU

### **2. Geographical Location**

Ministry of Finance

### **3. Objectives**

This **0.43 MEUR Project** aims at:

- Further strengthening the structures within the Ministry of Finance responsible for the procedural administration of Phare Programme support, in accordance with the Memorandum of Understanding (MoU) signed between the Government of Lithuania and the European Commission on 30 October 1997.

### **4. Institutional Framework**

Following agreement on the decentralisation of Phare Programme implementation, Lithuania undertook, in late 1997, to establish a Central Finance and Contracting Unit (CFCU).

Accordingly, a MoU was signed in October 1997 between the National Aid Co-ordinator and the European Commission detailing the degressive provision of Phare Programme support to the CFCU, to cover advisory support, training, equipment and operational costs: 100% for the first 3 years (1998 - 2000); 67% during the fourth year (2001); 33% during the fifth year (2002); being fully financed from the Lithuanian side as of the sixth year (2003 - ).

The CFCU was established within the Ministry of Finance and has been operational since 1998, responsible, on behalf of the Lithuanian Government, for administration related to the procedural aspects of procurement, contracting and accountancy, starting with 1997 Phare Programmes. Responsibility for the administration related to preparation, technical control and implementation of Phare Programme inputs rests with the beneficiary institutions of Phare Programme assistance.

### **5. Description**

This **0.43 MEUR Project** will be supporting **Capacity Building of the CFCU**.

Support under this Project will be utilised for the purpose of capacity building of the CFCU, with a view that by year 6 of its operations (2003) it will be fully functional and financed entirely from the State Budget.

This will involve support (according to article 5.2 of the MoU), on a degressive basis, for the purposes of:

- Technical assistance support,
- Appropriate training for the efficient operation of the CFCU,
- The cost of facilities necessary for the efficient functioning of the CFCU, including computer equipment, photo-copying and telecommunication equipment, as well as computer software and operational costs.

## 6. Budget (in million EUR)

Project	Investment	Institution Building	Total Phare (= I + IB)	Recipient	IFI	TOTAL
Capacity Building of the CFCU		0.43	0.43			0.43
<b>TOTAL</b>		<b>0.43</b>	<b>0.43</b>			<b>0.43</b>

## 7. Implementation Arrangements

The National Fund will transfer the funds to the CFCU on the basis of cash-flow projections and a detailed cost breakdown approved by the EC Delegation prior to the use of any funds under the given project, in accordance with the Memorandum of Understanding, signed between the Government of Lithuania and the European Commission on 30 October 1997. The CFCU is the Implementing Agency.

## 8. Implementation Schedule

Start of Project activity: 1Q/00

Completion: 2Q/02

## 9. Equal opportunity

The CFCU observes equal opportunity rules in its recruitment and humans resources development policy.

## 10. Environment

N/A

## 11. Rates of Return

N/A

## 12. Investment Criteria

N/A

## 13. Conditionality and Sequencing

Phare financing under this Project is made on the condition (see article 5 of the Memorandum of Understanding) that it shall not include taxes, social security payments or similar and that ample and adequate premises for the CFCU be provided by the Lithuanian authorities.

In order to allow for the full allocation of Phare support to the CFCU, as outlined in the MoU, from the 1999 Programme allocation, Phare support in 2002 (year 5 - 33% of total costs for the year) will be front-loaded and fully utilised by 30 June 2002.

This allocation for the CFCU will be the final Phare financial contribution to the CFCU which will continue its activities thereafter on State budget finance.

# Logframe Matrix

# Annex 1

<b>Capacity Building of the CFCU</b>	Project Number: <b>LI 9906.03</b>		Date of Drafting: 04/99
	Contracting Period Expires: 31/10/2001		Disbursement Period Expires: 31/10/2002
	Total Budget: <b>0.43 MEUR</b>		Phare Contribution: <b>0.43 MEUR</b>
Wider Objectives	Indicators of Achievement	Sources of Information	Assumptions and Risks
To ensure Ministry of Finance/CFCU's effective administration/implementation of European Commission support to Lithuania	<ul style="list-style-type: none"> <li>- Phare 1999 and on-going support is effectively administered, meeting Programme objectives</li> <li>- Preparation of <i>Agenda 2000</i> support Programmes</li> </ul>	<ul style="list-style-type: none"> <li>- Reports from the NAC, NAO, the European Commission</li> <li>- The European Commission's Monitoring and Assessment services</li> </ul>	<ul style="list-style-type: none"> <li>- Positive co-operation between ministries</li> <li>- National Fund operational, with effective procedural capacity</li> </ul>
Immediate Objectives	Indicators of Achievement	Sources of Information	Assumptions and Risks
To assist the transformation of the CFCU into a fully financed, staffed and integrated Department/Units within the Ministry of Finance	<ul style="list-style-type: none"> <li>- Ministry progressively provides financing and additional staffing for administration of Community assistance, with Phare contribution digressively removed</li> <li>- CFCU management and controls in line with Commission requirements for assistance programmes</li> </ul>	<ul style="list-style-type: none"> <li>- NAC</li> <li>- NAO</li> <li>- The European Commission's Monitoring and Assessment services</li> </ul>	Approval of the State Budget requesting financing and additional staffing: 2001, 2002
Outputs	Indicators of Achievement	Sources of Information	Assumptions and Risks
<ul style="list-style-type: none"> <li>- Effective administration of project design, tendering, contracting, implementation, control, monitoring and assessment of Phare 1999 and <i>Agenda 2000</i> assistance support to Lithuania</li> <li>- Effective administration of on-going Phare Programme assistance</li> </ul>	<ul style="list-style-type: none"> <li>- Phare funds fully contracted</li> <li>- Closer co-ordination between National and Multi-beneficiary Phare Programmes</li> <li>- Closer co-ordination between Phare Programme and Government actions</li> </ul>	<ul style="list-style-type: none"> <li>- NAC, NAO, the European Commission</li> <li>- Perseus figures</li> <li>- The European Commission's Monitoring and Assessment services</li> </ul>	
Inputs			
T.A. Staff Training Logistical Support Equipment			

**Cumulative Contracting and Disbursement Schedule (in MEUR)****LI 9906.03****Cumulative Quarterly Contracting Schedule (MEUR)****Annex 2 a)**

Project	4Q/99	1Q/00	2Q/00	3Q/00	4Q/00	1Q/01	2Q/01	3Q/01	4Q/01	1Q/02	2Q/02	3Q/02	Total
Capacity Building of the CFCU	0.43								-----	-----	-----	-----	<b>0.43</b>

**Cumulative Quarterly Disbursement Schedule (MEUR)**

Project	4Q/99	1Q/00	2Q/00	3Q/00	4Q/00	1Q/01	2Q/01	3Q/01	4Q/01	1Q/02	2Q/02	3Q/02	Total
Capacity Building of the CFCU		0.06	0.11	0.16	0.21	0.25	0.29	0.33	0.37	0.4	0.43		<b>0.43</b>

# Detailed Implementation Chart for the Project

LI 9906.03

Annex 2 b)

Year	1999			2000												2001												2002											
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S			
Capacity Building of the CFCU			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X						

**Relation of the Project with Previous Phare Activities  
and On-Going Projects Financed from Other Sources  
LI 9906.03**

**Annex 3**

On-going Phare Programme support to the CFCU (0.428 MEUR under the LI 9705 Programme, covering costs for 1998 - 99) is provided via a Financing Agreement signed between the Commission and the CFCU in keeping with the Memorandum of Understanding signed between the Government of Lithuania and the European Commission on 30 October 1997.