

Standard Summary Project Fiche
Project Number LT 01.09.03
Twinning Number LT 2001/IB/OT/TL

1. Basic Information

- 1.1 Désirée Number:
- 1.2 Title: **Twinning Light Reserve**
- 1.3 Sector: available to all sectors
- 1.4 Location: Republic of Lithuania

2. Objectives

2.1 Overall Objective(s):

To enable the Republic of Lithuania to take the obligations of EU membership ensuring the Copenhagen criteria.

2.2 Project purpose:

To facilitate the adoption and enforcement of the acquis by providing ad hoc short term twinning assistance.

2.3 Accession Partnership and NPAA priority

The AP and NPAA priorities are to be strictly followed when preparing the specifications of the projects prepared under this facility.

3. Description

3.1 Background and justification:

The first twinning projects in Lithuania were prepared under the Phare 1998 National Programme. After overcoming the initial difficulties the twinning tool proved to be an effective instrument for provision of well-qualified Member States administration experts. This support has been continuing on in the 1999 and 2000 Phare National Programmes and has become core instrument for institution building projects implementation.

From the programming year of 2001, the Commission has made available another facility called "twinning light" which enables to bring in experts from the Member States for shorter period of time (up to 6 months). This was driven by needs to make the twinning tool more operative and flexible in order to address immediate needs of Candidate Countries in their efforts to adopt and implement the acquis.

Twinning Light facility shall thus address three following immediate needs:

1. assisting the Ministry of Finance in the establishment of an annual fiscal surveillance procedure. This procedure would bring the reporting, monitoring and control of public finances, and specifically fiscal positions, within the candidate countries in line with current EU procedures;
2. assisting the State Tax Inspectorate under the Ministry of Finance (STI) in implementing EU acquis concerning excise warehousing and duty suspension;
3. assisting the Lithuanian Customs Department to further align its practices to the EU customs standards and practices by ensuring that the developing Customs

information systems and manual procedures surrounding it are compatible with the computerized Customs systems operating within the European Community.

In addition to this, yet unspecified Twinning Light projects will be added to the envelope. In particular, projects will be supported in those areas in which an urgent or unforeseen task would come up during the accession negotiations or which have high priority. In accordance with the Twinning Light instrument's objective of responding flexibly to specific needs as they arise, the relevant ministries and institutions will prepare detailed ToR using the standard template mentioned in the Twinning Light guidelines.

3.2 Linked activities:

The activities under this project will follow up previous Phare activities and will be coordinated with all running (especially twinning) projects.

3.3 Results:

The projects will assist the central state administration bodies in bringing them forward towards full *acquis* adoption and enforcement, in particular:

- *for State Tax Inspectorate (STI):*
 - (a) preparation and implementation of necessary methodology of monitoring and control of excise warehousing system;
 - (b) preparation of necessary guidelines for risk assessment in duty suspension system;
 - (c) necessary level of knowledge of local personnel responsible for day-to-day monitoring of the system achieved.
- *for the annual fiscal surveillance procedure:*
 - (a) the project will assist the Ministry of Finance (MoF) to shift fiscal data accounting from GFS to ESA 95;
 - (b) the fiscal data in ESA 95 format should be linked to macroeconomic forecasting model, used in the MoF;
 - (c) improved abilities of the MoF to prepare Pre-accession Economic Programmes (PEP) will create preconditions to the preparation of convergence and stability programmes.
- *for the Customs Department:*
 - (a) Customs Department will be ready to implement the communication interface (CCN/CSI) and the related EU customs information systems.

Not yet specified projects will result in concrete administrative and management systems meeting the requirements of the *acquis communautaire* for a number of other areas.

3.4 Activities:

Activities are primarily related to the twinning light implementation. It is expected that the twinningers will be experienced senior government officials in relevant fields. Upon the completion of the projects the twinningers will write a final report on the activities undertaken and provide detailed systemic as well as concrete recommendations. The

twinners will closely cooperate with the relevant counterparts on the Lithuanian side and will especially work with the Lithuanian team leader as appointed in the twinning covenant. The covenants shall allow for short-term experts and training related activities.

The activities for the three already identified projects will in particular relate to:

- *for STI:*
 - (a) creating necessary secondary legislation, delegated to the State Tax Inspectorate in the draft Law on Excise duties;
 - (b) creating necessary supplementary regulations to be adopted by the State Tax Inspectorate as necessary manuals for day-to-day monitoring of excise warehouses;
 - (c) creating methodology for controlling and auditing of excise warehouses and movements under duty suspension;
 - (d) creating methodology for risk assessments in duty suspension.

- *for the annual fiscal surveillance procedure:*
 - (a) assisting the MoF in implementation of compilation and providing of fiscal data according to ESA 95 methodology;
 - (b) assisting the MoF in forecasting of fiscal data according to ESA 95 that is an essential part of Pre-accession economic programme, improvements in the fiscal part of the macroeconomic model have to improve macroeconomic forecasting quality;
 - (c) assisting MoF to improve short term macroeconomic and fiscal forecasting that constitutes part of administrative ability to implement fiscal targets. The short term forecasting has to be based on business surveys in order to improve next quarter fiscal forecast.

- *for the Customs Department:*
 - (a) presentation/training in procedural aspects of the EU Customs systems accessed through the communication interfaces CCN/CSI;
 - (b) presentation/training in technical aspects of the EU Customs systems accessed through the communication interfaces CCN/CSI;
 - (c) an analysis of the current situation;
 - (d) production of a migration strategy for each system;
 - (e) assistance in the production of detailed technical specifications for the CCN/CSI software implementation in Lithuania Customs;
 - (f) assistance in production of the Agreement with the European Commission for acquisition of CCN/CSI software licenses.

4. Institutional Framework

The beneficiaries of the individual projects already identified will be the relevant ministries and institutions, in particular:

- Ministry of Finance;
- State Tax Inspectorate under the Ministry of Finance;
- Customs Department

Decision for not yet specified Twinning Light projects to be submitted for financing within the budget will be taken by the National Aid Co-ordinator in cooperation with the European Committee under the Government of Lithuania.

5. Detailed Budget (in M€)

	Phare Support					
	Investment Support	Institution Building	Total Phare (=I+IB)	National Cofinancing	IFI *	TOTAL
Twinning Light facility		1,200	1,200			1,200
Total		1,200	1,200			1,200

6. Implementation Arrangements

6.1 Implementing Agency

The Implementing agency for the project is the CFCU, PAO: Mr. Žilvinas Pajarskas (ZPajarskas@cfcu.lt). The technical implementation, including project preparation will rest with the final beneficiaries, i.e. relevant ministries and institutions.

6.2 Twinning

The beneficiary ministries and institutions will co-ordinate the twinning projects and ensure adequate office space with office equipment for the twinningers.

6.3 Non-standard aspects

Twinning Manual will strictly be followed.

6.4 Contracts

It is envisaged that up to 10 actions will be financed out of the envelope.

7. Implementation Schedule

7.1	Start of tendering/call for proposals	3Q/2001
7.2	Start of project activity	2Q/2002
7.3	Project Completion	2Q/2003

8. Equal Opportunity

Equal opportunities for women and men will be assured.

9. **Environment** n.a.

10. **Rates of return** n.a.

11. **Investment criteria** n.a.

12. Conditionality and sequencing

The project is conditional upon approval of the twinning experts both by the beneficiary institution and the Commission.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)

Annex 1

LOGFRAME PLANNING MATRIX FOR Project: Twinning Light Reserve		Programme name: PHARE AP 2001 Number: LT 01 09 03	Twinning Light Reserve
		Contracting period expires	Disbursement period expires
		Total budget: 1,2 M€	Phare budget: 1,2 M€
Overall objective	Objectively verifiable indicators	Sources of Verification	
<ul style="list-style-type: none"> To enable the Republic of Lithuania to take the obligations of EU membership ensuing from the Copenhagen criteria. 	<ul style="list-style-type: none"> Acknowledgement by the EC 	<ul style="list-style-type: none"> EC Regular Report 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> To facilitate the adoption and enforcement of the acquis by providing ad hoc short term twinning assistance. 	<ul style="list-style-type: none"> Relevant sectors solving respective areas in relation to the adoption of acquis as outlined in NPAA. 	<ul style="list-style-type: none"> NPAA EC Regular Report 	<ul style="list-style-type: none"> Other membership criteria fulfilled.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> The project will assist the central state administration bodies and institutions in bringing them forward towards full acquis adoption and enforcement 	<ul style="list-style-type: none"> The advisors/twinners provides competent system as well as concrete recommendations that are then, if possible, adopted. 	<ul style="list-style-type: none"> Project experts reports Monitoring reports 	<ul style="list-style-type: none"> Qualified and competent staff at ministries and institutions available.
Activities	Means		Assumptions
Activities are primarily related to the Twinning Light implementation. It is expected that the twinners will be experienced senior government officials in relevant fields. Upon the completion of the projects the twinners will write a final report on the activities undertaken and provide detailed systemic as well as concrete recommendations. The twinners will closely cooperate with the relevant counterparts on the Lithuanian side and will especially work with the	<ul style="list-style-type: none"> Up to ten Twinning Light covenants are expected to be concluded. The covenants shall allow for short-term experts and training related activities. 		<ul style="list-style-type: none"> Ministries provide office space and necessary logistics.

Lithuanian team leader as appointed in the twinning covenant.			
Preconditions			
<ul style="list-style-type: none">The project is conditional upon approval of the twinning experts both by the beneficiary institution and the Commission.			

Annex 3

Cumulative Contracting and Disbursement Schedule for the Project

Cumulative Quarterly Contracting Schedule (M€)

Quarter /Year	3Q/01	4Q/01	1Q/02	2Q/02	3Q/02	4Q/02	1Q/03	2Q/03	3Q/03	4Q/03	1Q/04	2Q/04	3Q/04	Total
Twinning Light Reserve				1,2										1,2

Cumulative Quarterly Disbursement Schedule (M€)

Quarter /Year	3Q/01	4Q/01	1Q/02	2Q/02	3Q/02	4Q/02	1Q/03	2Q/03	3Q/03	4Q/03	1Q/04	2Q/04	3Q/04	Total
Twinning Light Reserve				0,9	0,9	0,9	0,9	1,2						1,2