

Standard Summary Project Fiche
Project Number 2003.004-341.02.02

1. Basic Information

Objective 2- Agriculture

- 1.1 CRIS number:** 2003.004-341.02.02
- 1.2 Title:** Upgrading of the Integrated Administration and Control System
- 1.3 Sector:** Agriculture
- 1.4 Location:** Ministry of Agriculture of Republic of Lithuania and related Institutions

2. Objectives

2.1 Overall Objective

The overall objective of this **3,8 MEUR** investment project of which **0,95 MEUR** are provided as national co-financing, is to enable Lithuania to upgrade the Integrated Administration and Control System.

2.2 Project purpose

Ensuring the reliability of the Integrated Administration and Control System (IACS) through the improving of the Land Parcel Identification System (LPIS) component and remote sensing control (EU Regulations 3508/92, 1593/00, 3887/92, 2419/01).

3. Description

3.1 Background and Justification

The 2001 Accession Partnership defined that it is necessary to upgrade the capacity of agricultural institutions in particular the Integrated Administration and Control System.

In the Regular Report 2002 is mentioned that „*Lithuania has made good progress since last year in building up the Integrated Administration and Control System. Lithuania has opted for the methodology of physical blocks to build its land parcel identification system... Lithuania already has aerial photographs covering its territory...*” ... „*Although the setting up of the Integrated Administration and Control System has advanced, further efforts are still needed to implement the Land Parcel Identification System and to carry out the digitalization of land parcel.*”

Lithuania should be able to apply the IACS by the 1st January 2004. The Land Parcel Identification System (LPIS) is a part of the IACS system and for the implementation of this component the block database shall be created. The block is a continuous land area bordered by permanent boundaries (natural and artificial) in which agricultural parcels (crop fields) are located. According to the EU requirements the block database shall be established following the principles of the creation of Geographic Information Systems on the basis of digital orthophoto maps. To ensure the establishment of a well-operating IACS on the central and local level the data must be correct and regularly updated and based on a reliable background. The total costs for the creation of LPIS is about 12 MEUR. The whole Lithuanian territory is covered by 2781 map sheets. The creation of the Block database for the Land Parcel Identification System of the Integrated Administration and Control System has already started. For this purpose PHARE 2000 support being used. The activities related to block creation for the land parcel register will be finished by the 3rd quarter of 2003. The block database is conventionally divided into production units each of them covering the

area of 5x5 km. The production units correspond to 1:10 000 scale map sheet subdivision in the Lithuanian State Co-ordinate System LKS'94.

The Orthophoto maps are produced using aerial photography. The information about the aerial photography is presented in the table below:

Aerial photography of the Lithuania (year)	Number of the map sheets	Part of the Lithuanian territory (%)
1993	56	2,1
1995	698	25,1
1996	759	27,3
1997	791	28,4
1998	271	9,7
1999	206	7,4
Total	2781	100

For some areas where the situation reflected by orthophoto maps has changed, the satellite imagery will be used for control and database update. New aerial photographs will have to be made for the whole country in order to have up-to-date, reliable information on the agricultural land, which corresponds with the EU requirements for aerial photography, i.e. aerial material should not be older than 5 years. At the present time all orthophoto maps are older than 5 years and (up to 9 years) and may represent a weak basis for the creation of LPIS. It also was underlined in the TAIEX experts mission report that updating of the aerial photos should be accelerated because of their age in the context of LPIS. Phare 2002 project will finance the new aerial photos covering 10% of the country. The payment for declared crops would depend on the reliability of the LPIS data which is important to resume. The rest of the territory is foreseen to be covered from this PHARE 2003 project, so that complete new orthophoto coverage should be available at year 2006.

The purpose of this specific investment project is to enable Lithuania to upgrade the LPIS component of the Integrated Administration and Control System and no consultations with civil society (public organisations) are required.

3.2 Linked Activities

Activities to develop IACS have been carried out within the framework of PHARE projects:

LI9803.01.02 "Integrated Farm Register and Agricultural Information System". Within the framework of a PHARE project LI9803.01.02 "Integrated Farm Register and Agricultural Information System", the development of a system for the identification and registration of land parcels commenced at the beginning of the year 2000. A working group has been set up with the aim to draw up a project for the identification and registration of parcels as well as for carrying out a pilot project. The second stage of the pilot project was to develop the methodology (the second half of 2001) and create the basis for launching a service tender under PHARE 2000. This is planned to lead to full implementation of the LPIS by 2003.

LT0004-01 „Strengthening the Capacity of the Ministry of Agriculture and Related Institutions to Manage and administer the EU *Acquis* for Agriculture (CAP) and Rural Development". PHARE support will be used for the block data base creation. According to the supply contract No. LT 0004-01-01-0006 delivery no later than 1 July 2003 must produce 2057 map sheets block database.

LT 2002.05.01 „Strengthening the capacity to implement EU *Acquis* for Agriculture (CAP)” In Lithuania for some areas where the situation reflected by orthophoto maps has changed extremely new aerial photography will have to be made. In order to replace the oldest aerial photos Phare 2002 project will finance the new aerial photos covering 10% of the country (see Annex 5).

3.3 Results

Aerial photographs taken and orthophoto map sheets (2 521 unit) produced;
The database of LPIS component updated at the central and regional level (Based on the produced orthophoto maps the data concerning block boundaries of the database of LPIS component is corrected);

- Remote sensing control performed on the newest satellite images (12 000 km²) of 2004-2005 and crop type and parcel boundaries identified on the images. Based on its results additional on-the-spot checks performed in doubtful cases;
- Technical capacities for fully operational IACS in the central and regional level upgraded;

3.4 Activities

Procurement Contracts

Procurement tender of LPIS facilities: aerial photography, producing the orthophoto maps, updating the parcel database, satellite images for the remote sensing control and database upgrade, hardware, software and accessories (see Annex 4).

3.5 Lessons learned

The PHARE project „Integrated farm register and an agriculture information system” helped Lithuania to decide on the methodology of a land parcel identification system. Pilot projects in two Lithuanian administrative districts carried out and block database established. During the project period some important decisions were taken and recommendations for the countrywide implementation of the system were prepared.

The clear definition of the responsibilities between the institutions influences the smooth implementation of the projects. It is reflected in the logframe planning matrix assumptions of the project.

4. Institutional Framework

The Project will be implemented under the auspices of Ministry of Agriculture of the Republic of Lithuania.

The direct beneficiaries involved in this project are as follows:

Ministry of Agriculture (see structure Annex 6)

National Land Service under Ministry of Agriculture

Agri-Information and Rural Business Center under Ministry of Agriculture

The **National Land Service** under the Ministry of Agriculture was established on 1 July, 2001 following reorganisation of the Department of Law and Land Service under the Ministry of Agriculture and National Service of Geodesy and Cartography under the Government of the Republic of Lithuania. At the present time the National Land Service is responsible for the geographical digital database the block database creation and updating, data reliability control, aerial photography process organization and also orthophoto maps producing and updating. All named procedures are organising according to the Lithuanian Law and the EU requirements.

The **Agricultural Information and Rural Business Centre** was established in November 1998 to facilitate the implementation of the principles fixed in the EU legislation and to provide realistic information on the situation in agriculture. Exact information is necessary in the pre – accession period. The restructuring of crops and livestock production and other agricultural activities is going on according to the EU legislation related to the fields of economy.

The centre has been entrusted with the performance of the following main tasks: the development of purpose oriented programmes of rural development and the building and implementation of the agricultural information system. Also to maintain farmer, animal and cropping area databases and other databases needed for IACS, and to link existing agricultural information systems into a unified system accessible from a single point.

The Centre of the Development of Rural Business and Information is developing an information system on areas under various crops. The aim of this system is to accumulate in one database information on the volume of production and the areas of land utilised by family farms, agricultural enterprises and other user of land, commercial producers in particular. The information obtained is used for crop production, subsidies and payments; it also creates a possibility for knowing the exact situation in agriculture and the related industries and commerce.

5. Budget, MEUR.

Project Components	Investment Support	Institution Building	Total PHARE (I+IB)	National Co-financing	Total
Procurement	2,85	-	2,85	0,95	3,8
Total	2,85	-	2,85	0,95	3,8

6. Implementation Arrangements

6.1 Implementing Agency

The CFCU will be the Implementing Agency responsible for tendering, contracting, and accounting.

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The following officers will be responsible for technical preparation and control under the overall policy guidance by the Ministry of Agriculture:

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Sigitas Puodžiukas, Director of Agri-Information and Rural Business Center, +37 02 66 06 01,
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6.2 Twinning

Not applicable

6.3 Non-standard aspects

There are no non-standard aspects. The Practical Guide for the Implementation of Phare and Twinning Manual will be strictly followed.

6.4 Contracts

A Tender will be organized and will be divided into lots, reflecting the needs of the project beneficiaries (see Annex 4).

Value of the Procurement Contract: 3,8 MEUR, of which 0,95 MEUR is national co-financing.

7. Implementation Schedule

Component	Start of Tendering	Start of Project Activity	Project completion
Procurement Contract	3Q/03	1Q/04	4Q/05

8. Equal Opportunity

Lithuanian Constitution, the Law on Equal Opportunity between Men and Women, and other legal acts explicitly forbid the discrimination on the basis of sex, nationality, and religion. A Controller on equal opportunities between men and women is appointed by the Seimas (Parliament). The beneficiary will also ensure equal access of men and women to the project activities and results. An inter-institutional steering group to be created for the implementation of this project will also ensure equal opportunities for both genders.

9. Environment

All equipment supplies will respect the relevant environmental standards of the European Union.

10. Rates of Return

The investment elements of the project refer to institutional development activities for which rates of return are not calculated.

11. Investment Criteria	
11.1. Catalytic effect:	The project will finance activities that will help the beneficiary institutions to comply with EU standards and other international requirements by the end of 2004. Without Phare support, full compliance could be achieved only much later. The project is also catalytic in that it will strengthen the administrative capacities and facilitate the accession processes in the agriculture sector.
11.2. Co-financing:	Lithuanian government institutions will contribute 0,95. MEUR of the investment component of the project.
11.3. Additionally:	No other financiers will be displaced by the Phare intervention.
11.4. Project readiness and size:	The necessary strategic studies have been completed with Phare support. Preparation for Phare tendering and contracting can commence immediately.
11.5. Sustainability:	Relevant government policies ensure sustainability. All beneficiary institutions are in a position to operate the project and the procured equipment effectively in the long run. Funds for the operation will be provided by the budget of the Ministry of Agriculture. All acquired equipment will respect the standards applicable after Lithuania's accession to the Union.
11.6. Compliance with state aids provisions:	The state aids provisions of the Europe Agreement will be respected.

11.7. Contribution to National Development Plan:	Not applicable
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12. Conditionally and sequencing

The project is conditional to the availability of national co-financing.

Annexes to project Fiche

1. Logframe Matrix
2. Detailed Implementation Chart
3. Cumulative Contracting and Disbursement Schedule for the Project (MEUR)
4. Indicative list of the Investment component of the Project
5. Phare assistance for developing administrative capacity to implement CAP and to create the Land Parcel Identification System
6. Structure of the Ministry of Agriculture of the Republic of Lithuania

Annex 1

Logframe Planning Matrix for Project Upgrading of the Integrated Administration and Control System			Project name and number	
			Contracting Period Expires: 2Q/05	Disbursement Period Expires: 2Q/06
			Total Budget: MEUR 3,8	Phare Contribution: MEUR 2,85
Overall objective	Objectively verifiable indicators	Sources of Verification	Assumptions	
The fully operational Integrated Administration and Control System (IACS)	Effective payments;	Statistical Reports Official Journal	New trends CAP	
Project purposes	Objectively verifiable indicators	Sources of Verification	Assumptions	
Ensuring the reliability of the IACS (LPIS component, remote sensing control)	IACS fully operational on the newest data About 90% of whole Lithuanian territory will be covered by the new orthophoto maps	Annual assessments by independent evaluators and Ministry of Agriculture Regular project reports and STAs' reports	Full cooperation between staff in the Ministry and its associated bodies as well as experts carrying out the project	
Results	Objectively verifiable indicators	Sources of Verification	Assumptions	
<p>The database of IACS LPIS component in the central and regional level updated. Based on the produced orthophoto maps the data concerning block boundaries of the database of LPIS component is corrected</p> <p>Crop type and parcel boundaries identified on the image. Based on it's results in doubtful cases additional on-the-spot checks performed</p> <p>Equipment for fully operational IACS at the central and regional level upgraded</p>	<p>Aerial photographs have been made and orthophoto map sheets (2 521 unit) have been produced</p> <p>Remote sensing control will be performed on the newest satellite images (12 000 km²) of 2004-2005</p> <p>Hardware and software have been received, installed, tested, and fully operational</p>	<p>Project reports</p> <p>Equipment delivery documents</p>	<p>Trained staff can be retained</p> <p>Adequate provision from state budget</p> <p>Institutional functions are clearly defined and invariable.</p>	
Activities	Means	Assumptions		

To procure necessary hardware, software and ortophoto maps for LPIS	Procurement tender	Adequate staff recruited Successful start and smooth implementation of the project The project also will be closely co-ordinated with other related projects.
		Preconditions

Detailed Implementation Chart for the Project
 Upgrading of the Integrated Administration and Control System

Year	2003												2004												2005											
Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
Procurement																																				



Cumulative Contracting and Disbursement Schedule (Phare Contribution only – 2,85 MEUR)

Upgrading of the Integrated Administration and Control System

	Date											
	2003				2004				2005			
	31/03	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06	30/09	31/12
Contracting												
• Procurement				2.85								
Total contracting (cumulative)				2.85								
Disbursement												
• Procurement					1.71	1.71	1.71	2.565	2.565	2.85		
Total disbursement (cumulative)					1.71	1.71	1.71	2.565	2.565	2.85		

Indicative list of the Investment component of the Project

Item	Procurement	Quantity	Indicative Phare Budget EUR	Indicative National Coofinancing EUR 25%	Total Budget EUR
1.	Aerial photographs	58 800 km ²	1 309 500	436 500	1 746 000
2.	Producing of orthophoto map sheets	2 521 unit	822 000	274 000	1 096 000
3.	Updating of parcel data base		262 500	87 500	350 000
4.	Satellite images	12 000 km ²	315 750	105 250	421 000
5.	Agri-Information and Rural Business Center under MoA <i>Hardware(Notebook –1, Server- 1 , Computer -10 ,SCSI discs 36 GB-8, Buckup-1, Monitor 24”-1, PloterA0-1 etc.) Software (SQLNavigator -3, Internet Developer Suite-3, Specialised Internet application etc.)</i>		140 250	46 750	187 000
	TOTAL		2 850 000	950 000	3 800 000

Item 1-5

In order to have up-to-date information on land use in Lithuania the new coverage of orthophoto maps is required. Orthophoto maps would be produced using new aerial photos as a reference material. Orthophoto maps would be used as a background for block database upgrade because at the time block boundaries are vectorized from older orthophoto maps and accordingly the accuracy of the database is not satisfactory. At the present time all orthophoto maps which are used for creation of parcel block database are older then 5 years. Satellite images are planned to use for the parcel and crop control, also to cover areas which for certain reasons can not be covered by aerial photos. Hardware and software for the Agri-Information and Rural Business Center under MoA is required to ensure data collection from the regional offices via specialised Internet application or direct connection to the central database server via ArcIMS software. Part of the software is dedicated internal data distribution and production of specialised applications in order to meet user needs and expectations.

Phare assistance for developing administrative capacity to implement CAP and to create the Land Parcel Identification System

	Integrated farm register and agricultural Information system (1998)	Modernisation of Rural Administration System (1999)	Strengthening the Capacity of the Ministry of Agriculture and Related Institutions to Manage and Administer the EU Acquis for Agriculture and Rural Development (2000)	Strengthening the capacity to implement EU <i>Acquis</i> for Agriculture (CAP) (2002)	Upgrading of the Integrated Administration and Control System (2003)
Integrated Administration and Control System (LPIS component)	Drawing up a project for the identification and registration of parcels as well as for carrying out a pilot project	Assessment of existing system. Pilot projects for LPIS. Procurement of equipment Institutional set-up prepared	Creating and Strengthening of LPIS According to the supply contract No. LT 0004-01-01-0006 In 2003 2057 map sheets block database must be produced	Updating the LPIS background. Made the new aerial photography and digital orthophoto maps for some areas where the orthophoto maps are the oldest (10 % of the territory) Project launched	Updating the LPIS background. The oldest aerial photography and digital orthophoto maps will be updated

Ministry of Agriculture of the Republic of Lithuania



