

Standard summary project fiche

Project Number 2002/000.601.02.01

1. Basic Information

<u>1.1 CRIS-number</u>	2002/000.601.02.01
<u>1.2 Title</u>	Support to MSSL in preparations to implement free movement of workers as well as in developing the Social Security Schemes Co-ordination System on central and municipal level
<u>1.3 Sector</u>	Social policy and free movement of persons
<u>1.4 Location</u>	Ministry of Social Security and Labour of the Republic of Lithuania (MSSL)

2. Objectives

2.1 Overall objective(s)

The overall objective of this **1.87 MEUR project** out of which **0.018 MEUR** is covered by national co-financing is to strengthen institutional and administrative capacity of Lithuanian competent institutions in order to apply EU *acquis* in the fields of free movement of workers and co-ordination of social security.

2.2 Project purpose

The project purpose covers the following three areas:

A1. Free movement of workers:

Support further development of national legislation for full compliance with the *acquis* in the field of free movement of workers and development of necessary pre-conditions for joining the EURES network;

Support the Lithuanian authorities in preparing an analytical study on the impact of free movement of workers between Lithuania, EU member states and the candidate countries on the Lithuanian administrative system. The study will specifically consider the effect on the social security administration and institutions dealing with recognition and evaluation of professional qualifications (e.g. Co-ordinating Commission and competent institutions).

A2. Recognition and evaluation of professional qualifications:

Support further development of recognition and evaluation of professional qualifications.

A3. Social schemes co-ordination:

Support Lithuanian authorities in developing an efficient social security co-ordination infrastructure consistent with the EU co-ordination rules (Regulations

KEZ

RUC

1408/71, 574/72, decisions of the EU Administrative Commission, etc) and enforce administrative structures for co-ordination of social security schemes;

Train appropriate staff for the management of the complex tasks of implementing the EU co-ordination rules;

Increase public awareness about the introduction of the EU social security co-ordination legislation and the impact it may have for ordinary citizens.

2.3 Accession Partnership and NPAA priority

Accession Partnership 2001 in the area of free movement of persons puts a requirement to:

"- Complete alignment of mutual recognition of professional qualifications and diplomas and further develop required administrative structures, education and training programmes.

- With respect to professional qualifications obtained before harmonisation, Lithuania should give priority to introducing measures to ensure that all its professionals can, from accession, meet the requirements laid down by the directives.

- Reinforce the administrative structures for the co-ordination of social security."

The National Programme for the Adoption of the Acquis 2001 states: *"Lithuania will have to prepare urgently to begin the implementation of the EU co-ordination rules as decided in Reg 1408/71 and 574/72. There is mutual interest between Lithuania and the EU to develop an efficient co-ordination infrastructure in Lithuania."*

Moreover, the Regular Report 2001 in Chapter 2: Free Movement of Persons states: *"In the area of free movement of persons, Lithuania has achieved a reasonable level of legislative alignment. Efforts will need to be maintained to ensure complete alignment and the necessary administrative capacity to implement the acquis" and "...key institutions in this sector are in place and performing relatively well, and preparatory measures for future participation in the European Employment Service (EURES) should continue, especially with regard to language training. However further legislation on the employment and residence of migrant workers will be required to ensure full alignment with the acquis."*

"In the area of mutual recognition of professional qualifications, primary legislation is largely in place, and the process of adopting secondary legislation has started. Further measures will need to be taken to ensure that all professionals can meet the requirements set out in the sectoral Directives."

"With a view to the future co-ordination of social security systems, Lithuania is encouraged to intensify its contacts with present and future EU Member States, which will facilitate Lithuania's compliance with the acquis upon accession. Close attention should be paid to ensuring that sufficient administrative structures are in place."

3. Description

3.1 Background and justification

A1. Free movement of workers:

The main legal acts of the Republic of Lithuania in the field of free movement of workers are the Law on Legal Status of Aliens, the Law on Support of the Unemployed, and the Order of the Minister of Social Security and Labour No 62 of 1 June 2000 On the Approval of the Procedure of Employment of Aliens in the Republic of Lithuania.

In accordance with the laws of the Republic of Lithuania, as regards working conditions, employment, pay, and social guarantees, Aliens enjoy the same rights as the citizens of the Republic of Lithuania. The Law on the Legal Status of Aliens stipulates that employment of Aliens is subject to a work permit. The amendments to this Law, approved on 12 June 2001 by the Parliament, provide for EU nationals and members of their families intending to work in the Republic of Lithuania under an employment contract, shall not be required to obtain a work permit. This Law has come into force as of 1 January 2002.

For the purpose of implementation of the relevant EU regulations, before the date of accession, relevant amendments shall be introduced to the Regulations of National Labour Exchange and the Procedure for Vocational Training in the Labour Market, as well as other legislative acts that govern activities of the institutions operating in the labour market. The amendments shall ensure equal access for EU nationals and Lithuanian citizens to services provided by the Labour Exchange. The Law on Trade Unions currently in force provides for the right of membership in trade unions for both Lithuanian citizens and other persons permanently residing in the Republic of Lithuania. In 2002, the Law on Trade Unions will be amended so as to also provide the right of membership of trade unions for foreigners legally working in Lithuania.

A2. Recognition and evaluation of professional qualifications:

The provisions of mutual recognition of professional qualifications and diplomas are laid down in the following acts of national legislation:

- The Law on Science and Studies of the Republic of Lithuania;
- Law on Vocational Education and Training of the Republic of Lithuania;
- Law on Higher Education of the Republic of Lithuania;
- Regulations on the Assessment and Recognition of Qualifications Acquired Abroad adopted in 1999 by Government Resolution No 1460;
- Procedure for the Recognition and Assessment of the Evidence of International Bachelor's Education approved by the Order of the Minister of Education and Science No 1195 of 25 September 2000;

FLC

PL

- Government Resolution No 624 on the Regulations on the Assessment and Recognition of Qualifications and on the Approval of the List of Competent Institutions Exercising the Assessment and Recognition of Qualifications and of Regulated Professions approved in 2000. This Resolution approves 123 regulated professions and 15 competent bodies which will exercise the assessment and recognition of professional qualifications;
- Order of the Minister of Social Security and Labour of 14 February 2001 No. 24 on Setting up the Interdepartmental Working Group aimed at facilitating the implementation of Directive 99/42/EC;
- Order of the Minister of Social Security and Labour of 14 February 2001 No. 25 on Setting up the Appeals Commission for looking into the appeals of persons who disagree with the decisions of the institutions exercising the assessment and recognition of professional qualifications;
- Order of the Minister of Social Security and Labour of 14 February 2001 No. 26 on Setting up the Co-ordinating Commission in the field of professional qualification assessment and recognition.

The project will contribute to completing of the actions that have to be done before EU membership:

- Revision and further improvement of legal acts regarding regulated professions;
- Strengthening of institutions (Co-ordinating Commission, competent institutions, etc) exercising the assessment and recognition of professional qualifications; training of the staff of these institutions;
- Creation and development of information database network;
- Seeking membership in the European professional associations (e.g. European Architects Council, International Lawyers Association (IBA), European Federation of Veterinary Doctors).

A3. Social schemes co-ordination:

Lithuania has created the conditions for the direct application of the provisions of Article 42 (ex Art. 51) of the EC Treaty, which have been further specified in Council Regulation 1408/71 and Council Regulation 574/72 establishing the procedure of implementing Regulation (EEC) 1408/71.

Lithuania has established its legislative framework governing all the social security benefits defined in the aforementioned regulations. Lithuania runs the general social security scheme covering the employed and the self-employed and their dependants. For this purpose, payments of benefits abroad are already made in accordance with the national laws. However, as yet there is no data collection and management system developed to serve the purposes of social schemes coordination in general and export of benefits in particular.

FSK

R6

A number of issues will have to be dealt with in order to further prepare Lithuania for the management of the complex tasks of implementing of the EU co-ordination rules, which include:

- Ensure the advanced preparation for co-ordination of social security schemes, notably through strengthening the administrative capacity of all relevant national institutions;
- Analyse impact of free movement of persons on Lithuania and prepare for analysis on Candidate Countries and Member States.

If Lithuania is to be ready to administer these EU co-ordination regulations a comprehensive set of issues will have to be urgently addressed for which relevant EU experience and assistance is needed.

For the purpose of the project social partners that are involved in the formulation and implementation of employment policies at a number of levels through a range of tripartite advisory bodies have been consulted under regular procedures that are described in more details in Annex 4.

3.2 Linked activities

The funding under Phare provides an essential contribution towards the strengthening of the institutional and administrative capacity of Lithuanian labour market and social security system. This project has links with the following four projects:

1998 EU Phare Project "Support to European integration in Lithuania" (SEIL Project), implemented by the European Committee at the Government of Lithuania:

SUB-PROJECT: Support for free movement of workers

The outputs produced through this sub-project were:

A "gaps analysis" report on Lithuania's preparedness for implementing EU acquis in the field of free movement of workers;

An "Action Plan" of legislative and administrative measures to be implemented before accession in order to ensure Lithuania's readiness to apply EU acquis in this field, after accession;

A draft outline of a Regulation on entry and residence of EU nationals and their families, to be adopted before accession.

SUB-PROJECT: Support for mutual recognition of professional qualifications

The outputs produced through this sub-project were:

Advice on mutual recognition of diplomas has been given;

The question regarding recognition of diplomas between Lithuania and Member States was clarified with DGXV (now DG Internal Market) of the European Commission (reciprocity);

FER

RK

Important Lithuanian drafts transposing Directives 89/48/EEC, 92/51/EEC (general recognition schemes) and Directives 78/1026/EEC and 78/1027/EEC regarding veterinary surgeons were prepared.

1997 EU Phare Consensus II multi-country project "Detailed preparation and planning for the implementation of EC co-ordination rules" (Contract no: ZZ-9710-0027-02)

Completed in October 1999. One of the objectives of this project was to draft a strategic action plan for future actions that could be undertaken in the frame of social security co-ordination.

2000 EU Phare Twinning Project LT0006.01 "Preparation for Participation in the European Employment Strategy":

This project started in November 2001 and deals with harmonisation of Lithuanian employment policy with the European Employment Guidelines, reform of administration of the labour market institutions and preparations for ESF.

2001 EU Phare Project LT01.02.01 "Support to the Development of the Integrated Information Technology System For SODRA (The State Social Insurance Fund Board) Phase III":

Will start in the autumn of 2002. This Phase III project will continue the development and implementation of the IITS, begun in Phases I and II of this project. The emphasis will be on completing reforms started in earlier phases, maintaining and increasing the already established rapid pace of change. In addition, it is planned to prepare SODRA for practical implementation of the social schemes coordination regulations, i.e.:

- Practical implementation of the export/import of benefits;
- Organising management of data and the collection of it to serve national social security legislation.

3.3 Results

3.3.1. A1. Free movement of workers:

- The legislation in the field of free movement of workers is in full compliance with the EU acquis;
- The necessary structures at the national and regional levels established with a view to preparing to join the EURES network;
- The training programmes for the staff of newly created structures prepared.

3.3.2. A2. Recognition and evaluation of professional qualifications:

- The legislation on recognition and evaluation of professional qualifications improved and properly implemented;

FC

R6

- The necessary structures for implementation of recognition and evaluation of professional qualifications are functioning properly and staff of coordinating institution and competent institutions are prepared to fulfil their functions.

3.3.3. A3. Social schemes co-ordination area:

- Developed infrastructure and a comprehensive Institutional Development Strategy which makes it possible for Lithuania to meet the requirements of the regulations (1408/71 and 574/72) to export and pay benefits in other countries as well as cover health care costs if necessary;
- Developed self-study, training and other materials, web site on internet established;
- A relevant number of civil servants inside the competent authorities trained (introduction into the co-ordination mechanism and in depth training), general and more specialised seminars organised;
- Practical implementation of the export of benefits is ensured;
- Analyses and procedures with regard to posted workers and self-employed persons under the EU Regulations developed, comparison of Lithuanian practice with EU practice carried out;
- All parties are informed about the coordination and information material prepared and published.

As a result of these initiatives the significant progress in strengthening institutional and administrative capacity of Lithuanian competent institutions in order to apply EU acquis in the fields of free movement of workers and co-ordination of social security will be achieved.

3.4 Activities

3.4.1. Twinning and training package:

A1. Free movement of workers:

(indicative Phare budget for this component of the project is MEUR 0.2)

- To revise the national legislation in the field of free movement of workers in compliance with EU regulations;
- To develop an action plan designed to define stages of joining Lithuanian Labour Exchange to the EURES network;
- To analyse training needs, prepare training programmes, arrange the necessary training events/seminars/workshops, etc. with particular focus on Lithuanian Labour Exchange and its territorial offices, including MSSL staff and possible involvement of social partners, (approx. 60 persons). Training should concentrate on the following topics:

FOR

RK

- Raising general awareness about free movement of workers;
- Implementation of the underlying legislation;
- Practical issues arising from implementation of free movement of workers.

A2. Recognition and evaluation of professional qualifications:
(indicative Phare budget for this component of the project is MEUR 0.6)

- To revise legislation regulating recognition and evaluation of professional qualifications
- To build capacity of staff of the coordinating institution and competent institutions;
- To raise awareness of, and promote partnership with professional associations in recognition and evaluation of professional qualifications;
- To develop an information database network in the field of recognition and evaluation of professional qualifications;
- To analyse training needs, prepare training programmes, arrange the necessary training events/seminars/workshops, etc. with particular focus on coordinating institution, competent institutions and professional associations (approx. 70 persons).

For the Coordinating Commission training should concentrate on the following topic:

- Development of administrative capacity.

For competent institutions and professional associations training should concentrate on the following topics:

- Development of capacity to practically implement requirements of directives in the area of recognition and evaluation of professional qualifications;
- Development of capacity to recognise and evaluate professional qualifications.

A3. Social security schemes co-ordination:
(indicative Phare budget for this component of the project is MEUR 1.0)

1. To establish a comprehensive Institutional Development Strategy and identify the most important steps to improve the administrative capacity:

- a. To prepare multi-annual working programmes with regard to the implementation of the EU co-ordination rules and the execution of bilateral agreements for every branch of social security including posting;

For

RL

- b. To organise seminars, conferences on topics related to the EC co-ordination mechanism.

2. To develop human resources:

- a. To develop self-study materials for decision makers and for social security personnel carrying out specific tasks in the implementation of the EC co-ordination legislation. These materials should contain relevant legislative texts (regulations, decisions/recommendations of the Administrative Commission etc.), general information and overview of the EU co-ordination rules; a detailed learning part in accordance with all branches of social security, including legislative (e.g. case-law) and administrative aspects (handling forms and procedures); the rules concerning the applicable legislation; non contributory benefits;
- b. To train staff on issues related to co-ordination regulations, including terminology thereof, the way they operate and the specifics of the national social security system in relation to the co-ordination mechanism;
- c. To organise seminars on general and specific issues related to national implementation of EU co-ordination rules.

3. To improve the existing infrastructure and management:

- a. To set up an administrative infrastructure, to develop methods, prepare manuals on payment of unemployment benefits, family benefits, etc abroad;
- b. To draft a manual to work with the new procedures and methods.

4. To develop a modern data collection and data management system in Lithuania:

- a. To analyse the data sets and formats used with regard to social security; analyse paper and electronic channels through which data are transferred; examine the system of data protection in social security;
- b. To prepare recommendations for development of data collection and data management system (to be developed by 2001 EU Phare Project LT01.02.01 "Support to the Development of the Integrated Information Technology System For SODRA (The State Social Insurance Fund Board) Phase III" mentioned above));

Note: This Project and LT01.02.01 project will closely co-operate with each other on the development of modern data collection and data management system for social security schemes co-ordination. The expertise of this Project will primarily be used to analyse the IITS being developed by LT01.02.01 project and to provide recommendations on how this IITS could be expanded to cover the needs of social security schemes co-ordination. The LT01.02.01 project will consequently develop additional or expand existing database management software in SODRA.

For

Rz

5. To develop a reliable and transparent cost structure in the health care sector and weight various options for compensating health care abroad:

- a. To assess Lithuanian health care costs and analyse the types of reimbursement;
- b. To prepare manuals with accounting and other administrative procedures (e.g. the E-forms) with regard to the EU co-ordination;
- c. To inform the personnel involved on the medical provisions of the regulations.

6. To post workers and self-employed persons:

- a. To assess suitability of current situation and identify requirements under the EU Regulations with regard to posted workers and self-employed persons;
- b. To develop posting procedures and administrative capacity to manage the EU Regulations related to posting of workers;
- c. To prepare manual/self study materials for dealing with the implications of the self employed and posting of workers provisions
- d. To develop information material for workers and employers with regard to posting;
- e. To train staff in this area, with particular attention being paid to the ECJ Decisions.

7. To assist in preparing a strategy for general public information campaign;

8. To analyse training needs, prepare training programs, arrange the necessary training events/seminars/workshops, etc. with particular focus on MSSL, SODRA and its territorial branches, State Patients Fund and its territorial offices, Lithuanian Labour Exchange and its territorial offices, Municipal Social Assistance Departments, approx. 150 persons (to get ready to perform tasks related to the implementation of social schemes coordination).

Input

The Twinning and Training Package will include a 2-year PAA for the general management of the project as well as for support in the area A3 (developing the social schemes co-ordination system); two medium-term experts for the areas A1 (6 months duration) and A2 (4 months duration).

An extensive series of short-term expert inputs (approx. 60 p/m).

TGR

RK

Experts Profile:

PAA (A3 area):

- 10 years practical experience in social protection and especially in co-ordination of social security and the requirements of Council Regulations Nos. 1408/71 and 574/72, non-contributory social benefits and in-kind health insurance benefits;
- Excellent knowledge in matters of pension and health insurance, non-contributory social benefits and in-kind health insurance benefits;
- Good knowledge of spoken and written English;
- Knowledge of the Lithuanian social insurance system would be considered as an advantage.

Medium-term expert (A1 area):

- Practical experience of 10 years in the area of free movement of workers;
- Good knowledge of the EU *Acquis* as well as requirements for institutional structures in the area of free movement of workers;
- Knowledge and experience in preparing impact analysis in the labour migration and/or related fields;
- Ability to draft legislative acts in the area of free movement of workers would be a strong requirement;
- Good knowledge of spoken and written English;
- Knowledge of the Lithuanian labour market system would be considered as an advantage.

Medium-term expert (A2 area):

- Practical experience in the area of recognition and evaluation of professional qualifications;
- Good knowledge of the EU *Acquis* as well as requirements for institutional structures in the area of recognition and evaluation of professional qualifications;
- Good knowledge of spoken and written English;
- Knowledge of the Lithuanian labour market and vocational education system would be considered as an advantage.

Short-term experts:

- Practical experience in corresponding A1, A2 or A3 areas;

F&R

124

- Practical experience and knowledge of the requirements for EURES staff, training programmes, creation and functioning of information data systems, knowledge and experience in preparing impact analysis in the labour migration and/or related fields - for A1 area;
- Practical experience in the area of recognition and evaluation of professional qualifications, including knowledge in the institutional structures, staff training, creation and functioning unified database- for A2 area;
- Practical experience and knowledge of social guarantees related to posting of workers and self-employed, estimation of health costs, data collection and management, including data protection, for A3 area,
- Excellent knowledge of the existing system in his/her-own country and ability to provide training would be a strong requirement;
- Ability to give advise to MSSL staff, involved in drafting legislative acts, would be considered as an advantage;
- Good knowledge of spoken and written English;
- Knowledge of the Lithuanian labour market and vocational education system would be considered as an advantage.

3.4.2. Investment component

Services

The purpose of the technical assistance will be to design and implement a general public information campaign aimed at:

- Informing the main organisations in Lithuania such as administrations, local authorities, employers, trade unions, parliament members, members of the government, organisations of the self employed, pensioners and other social security benefit recipients and consulates, informing people who work in the juridical sphere like barristers, judges, lawyers etc.;
- Informing the main target groups, who are most likely to practise the right of free movement of persons in the near future, like frontier workers in the border regions, workers in the construction sector, businessmen and workers in the transport sector.

Within this component the following activities are planned:

- a. To produce and disseminate an information leaflet about the co-ordination mechanism, especially targeted for the use and the information of institutions/organisations in the field of social security;
- b. To publish articles about the EU co-ordination legislation in specialist journals;
- c. To prepare a leaflet about the right of movement of workers for the target groups. These leaflets could be disseminated by the local

F&R

RK

authorities, branch organisations (trade unions) as well as the consulates;

- d. To organise specialised conferences e.g. for social partners and people working in the juridical sphere;
- e. To make a web site, which could be linked with the web site of the Ministry of Social Security and Labour about work in other countries;
- f. To prepare promotional material such as posters, free leaflets etc.

3.5. Lessons learned

Following the experience gained from implementation of previous Phare Programmes, a Steering Committee to co-ordinate the activities outlined in this fiche will be set up. The MSSL will ensure provision of adequate administrative resources for the project administration.

4. Institutional Framework

A1. Free movement of workers area:

Functions of legal regulation in respect of migration of labour fall within the responsibility of the Ministry of Social Security and Labour. Work permits for foreigners are issued by the **National Labour Exchange** at the MSSL in accordance with the quota of annual employment of aliens and the needs of the internal labour market.

The system of Lithuanian Labour Exchange consists of the National (central) Labour Exchange and of 46 local labour exchanges covering the entire territory of Lithuania. These local labour exchanges were established in all major settlements of the country to maximise the improvement of services rendered for job seekers.

Apart from provision of information on job applications and job vacancies, local labour exchanges and labour market vocational training agencies provide free-of-charge vocational orientation and consultation services. However, at the time being there is no informational system, which would allow Lithuanian labour exchanges to provide job-seekers with an information concerning working and living conditions in foreign countries, including those, which have signed international agreements with Lithuania on exchange of workers / probationers. On the other hand, international agreements currently in force do not provide for an obligation of Lithuanian Labour Exchange to collect, supply and periodically update information on working and living conditions in Lithuania.

A2. Recognition and evaluation of professional qualifications area:

The Ministry of Social Security and Labour has been charged with the task of co-ordinating activities of any institutions involved in the assessment and recognition of professional qualifications. By the order of the Minister of Social Security and Labour of 14 February 2001 No. 26, a **Co-ordinating Commission** in the field of professional qualification assessment and recognition composed of representatives from the Ministry and Lithuanian Labour Market Training Authority was set up.

FAC

RL

The **Co-ordinating Commission** will consult employees of institutions engaged in the assessment and recognition of professional qualifications, prepare recommendations for the Government regarding questions related with regulated professions, prepare data base on regulated professions and make comparative analysis of qualification requirements set in legal acts of the EU, Lithuania, and other countries.

Such **Co-ordinating Commission** will organise **competent institutions** responsible for assessment and recognition questions regarding the professional qualification training of workers.

Following the Governmental Resolution Nr. 624, dated on 1st June 2000, the Competent Institution is the institution authorised by the Lithuanian Government to assess and recognise professional qualification in accordance with regulated professions.

The **competent institutions** shall:

- assess professional qualification;
- take a decision on recognition of professional qualification in accordance with assessment results;
- inform persons concerned (applicants) in written form about the decision taken.

The **competent institutions** are: Ministries of Environment, Finance, Culture, Education and Science, Transport, Justice, Health, Social Security and Labour, Economy, Internal Affairs, Agriculture, State Veterinary Service, State Tourism Department, Securities Commission of the Republic of Lithuania.

It is planned to amend the lists of regulated professions and competent institutions in 2002.

By the order of the Minister of Social Security and Labour of 14 February 2001 No. 25 the **Appeals Commission** was set up to look into the appeals of persons who disagree with the decisions of the institutions exercising the assessment and recognition of professional qualifications.

By the order of the Minister of Social Security and Labour of 14 February 2001 No. 24 an **Interdepartmental Working Group** aimed at facilitation of implementation of the Directive 99/42/EC was set up.

A3. Social schemes co-ordination area:

Since 1 December 1999, Lithuania adhered to co-ordinating instrument of the Council of Europe - the European interim agreement on social security schemes relating to old-age, invalidity and survivors (ETS 12) and the European interim agreement on social security other than schemes for old-age, invalidity and survivors (ETS 13), and their protocols (ETS 12a and ETS 13a). The agreements are applied in granting old age, invalidity, and survivors' and orphans' pensions, social benefits, sickness and maternity (paternity) benefits, and funeral benefits. Lithuania was the first among the candidates to the EU to ratify the European interim agreements on social security.

Social security in Lithuania is administered by the Ministry of Social Security and Labour; State Social Insurance Fund Board (SODRA); National Labour Exchange; municipal social assistance units. The Ministry of Health Care and State Patient's Fund administers health care.

Implementation of the regulations in Lithuania will fall on the Ministry of Social Security and Labour, Ministry of Health Care, SODRA, Labour Exchange and the State Patients' Fund.

The department of foreign pensions has already been functioning within SODRA, since 1 July 1999. Currently administration of bilateral social security agreements and European interim agreements on social security is commissioned to this department. However, the personnel has to gradually familiarise itself with the procedures for awarding and calculating pensions and other social benefits, as well as settling accounts with other countries specified in the regulations.

There is an **International Relations Department** within the National Labour Exchange that is responsible for the execution of documentation when, under international agreements, a person's right to an unemployment benefit is established by aggregation of insurance periods.

Mutual settlements for medical care under international agreements are centrally managed by the **State Patients Fund** (Division of Foreign Relations).

The **State Social Insurance Fund Board** centrally manages the export of pensions, sickness and maternity benefits in cash, invalidity, old age and survivors' pensions and funeral allowances under bilateral social security agreements. The Board also effects exportation of invalidity, old age, survivors' and orphans' pensions covered by state social insurance in accordance with the national legislation.

Project experts will be located at the Ministry of Social Security and Labour. They will be involved in the day-to-day activities of the Labour Market and Equal Opportunities Division for the A1, A2 components and with the European Integration and International Relations Department of the ministry and established National coordination group for the A3 component. The project experts will work mostly with 3-4 Heads or Deputy-Heads of Divisions and some other key staff.

In general this project will deal with and provide training to already existing institutions and existing staff. In addition, institutions for which the training will be provided will take every effort to minimise the risk of trained staff retention. However, additional human resources in terms of staffing should be provided taking into account both - recommendations of the project experts and overall public administration development strategy of the Lithuanian Government.

The overall activities under this project will be co-ordinated by the **Steering Committee** which will encompass representatives from relevant beneficiary institutions such as Ministry of Social Security and Labour, SODRA, National Labour Exchange, Labour Market Training Service, Ministry of Health, etc.

Fac

RK

5. Detailed Budget (in M€)

	Phare Support			National Cofinancing	IFI*	TOTAL
	Investment Support	Institution Building	Total Phare (=I+IB)			
Twinning and Training Package:		1.80	1.80			1.80
Services		0.052	0.052	0.018		0.07
Total		1.852	1.852	0.018		1.87

The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national amount is also binding and has to be applied to the final contract price. The national co-financing commitment is a tax-excluded net amount.

6. Implementation Arrangements

6.1 Implementing Agency

PAO: **Zilvinas Pajarskas**, Director of the CFCU
Address: J. Tumo Vaizganto 8A/2 Telephone: + 370 2 22 66 21
2600 Vilnius Fax: + 370 2 22 53 35
Lithuania E-mail: Info@cfcu.lt

The CFCU, the Implementing Agency responsible for tendering, contracting and accounting; apart from the management of the assistance provided, which will be carried out by the Ministry of Social Security and Labour.

6.2 Twinning

The beneficiary institution is Ministry of Social Security and Labour of the Republic of Lithuania (address: A.Vivulskio str. 11, Vilnius).

The contact persons are:

Mr. Evaldas Bacevičius, Senior Specialist of European Integration and International Relations Department, MSSSL, A.Vivulskio str. 11, Vilnius. Tel.: +370 2 60 37 85, Fax: +370 2 60 36 11, E-mail: evaldasb@socmin.lt

Mr. Lingailė Biliūnaitė, Senior Specialist of Labour market and Equal Opportunities Division, MSSSL, A.Vivulskio str. 11, Vilnius. Tel.: +370 2 33 02 13, Fax: +370 2 33 00 81, E-mail: lingab@socmin.lt

Mr. Antanas Pimpė, Deputy Head of Labour Market and Equal Opportunities Division, MSSSL, A.Vivulskio str. 11, Vilnius. Tel.: +370 2 33 07 84, Fax: +370 2 33 00 81, E-mail: antanasp@socmin.lt

FEK

PK

Ms. Rita Žemaitytė, Deputy-Director of European Integration and International Relations Department, MSSL, A.Vivulskio str. 11, Vilnius. Tel.: +370 2 60 37 93, Fax: +370 2 60 38 13, E-mail: ritaz@socmin.lt

6.3 Non-standard aspects

Procedures specified in the Twinning Manual and the PRAG will be strictly adhered to.

6.4 Contracts

There will be two contracts in this project:
Twinning and Training Package (total budget 1.8 MEUR);
Services contract (TA) (total budget 0.07 MEUR, including national co-financing of 0.018 MEUR).

7. Implementation Schedule

Component	Start of tendering	Start of Project Activity	Project Completion
Twinning	3Q/02	1Q/03	1Q/05
Service (TA)	3Q/03	1Q/04	1Q/04

8. Equal Opportunity

Equal opportunity principles and practices in ensuring equal gender participation in the Project will be guaranteed. The institutions involved in the project execution will observe equal opportunity of men and women in the recruitment process and human resources development. The beneficiary will ensure equal access of men and women to the project activities and results.

9. Environment

The investment components of this Project all relate to Institution Building activities.

10. Rates of return

The investment components of this Project all relate to Institution Building activities.

11. Investment criteria

The investment components of this Project all relate to Institution Building activities.

12. Conditionality and Sequencing

The Project is conditional on co-financing being available for the investment component of the project.

For

Rc

Implementation of A2 component of this project is subject to the findings of the peer review of professional qualifications due to take place in March 2002.

Feb

Ru

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
4. Involvement of civil society

PK

PK

Annex 1 Logical Framework Matrix			
LOGFRAME PLANNING MATRIX FOR		Programme name and number LT 2002-X-XX	
The project: Support to MSSL in preparation to implement free movement of workers as well as in developing the Social Security Schemes Co-ordination System on central and municipal level		Contracting period expires: 3Q/2004	Disbursement period expires: 3Q/2005
		Total budget : 1.87 MEUR	Phare budget : 1.852 MEUR
Overall objective		Sources of Verification	
To strengthen institutional and administrative capacity of Lithuanian competent institutions in order to apply EU acquis in the fields of free movement of workers and co-ordination of social security.	Objectively verifiable indicators	<ul style="list-style-type: none"> Regular European Commission Reports, Records of the Ministry of Social Security and Labour, Parliamentary Record. 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>A1 area:</p> <ul style="list-style-type: none"> Support approximation of national legislation to acquis in the field of free movement of workers; Development necessary pre-conditions for joining the EURES network; Support Lithuanian authorities in preparing impact analysis of free movement of workers. <p>A2 area:</p> <ul style="list-style-type: none"> Support further development of recognition and evaluation of professional qualifications. <p>A3 area:</p> <ul style="list-style-type: none"> Support Lithuanian authorities in developing an efficient social security co-ordination infrastructure consistent with EU co-ordination rules; Strengthen capacity of appropriate institutions for implementing of EU co-ordination rules. Increase public awareness on EU social security co-ordination. 	<ul style="list-style-type: none"> Corresponding regulations approved by MSSL; Draft amendments of legal acts approved by the Government; Staff trained to apply EU acquis in the fields of free movement of workers and co-ordination of social security. 	<ul style="list-style-type: none"> Project reports, Records of the Ministry of Social Security and Labour. 	<ul style="list-style-type: none"> Efficient structures for joining EURES, implementation of recognition and evaluation of professional qualifications and social security co-ordination are introduced.
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>A1 area:</p> <ul style="list-style-type: none"> The legislation in the field of free movement of workers is in full compliance with the EU acquis; The necessary structures established with a view to get ready to join the EURES network; The training programmes for the staff of newly created structures prepared. <p>A2 area:</p> <ul style="list-style-type: none"> The legislation on recognition and evaluation of professional qualifications improved and properly implemented; The necessary capacities for implementation of recognition and evaluation of professional qualifications are in place. 	<ul style="list-style-type: none"> Institutional structure on regional level to join EURES agreed and approved by MSSL; Necessary structures for implementation of recognition and evaluation of professional qualifications agreed and approved by MSSL; Institutional infrastructure of social security coordination agreed and approved by MSSL; Completed training and capacity building of 60 specialists dealing with free movement of workers, 	<ul style="list-style-type: none"> Project reports, Records of the Ministry of Social Security and Labour, Parliamentary Record. 	<ul style="list-style-type: none"> Political will to implement the new system, Retention of trained staff The appropriate personnel are made available for training.

124

<p>A3 area:</p> <ul style="list-style-type: none"> Developed infrastructure and a comprehensive Institutional Development Strategy which makes it possible for Lithuania to meet the requirements of the regulations to export and pay benefits in other countries as well as cover health care costs if necessary; Developed self-study, training and other materials, web site on internet established; Advanced capacity of competent authorities as a result of comprehensive professional training; Social security data management system developed; Analyses and procedures with regard to posted workers and self-employed persons under the EU Regulations developed; All parties are informed about the co-ordination and information material prepared and published. 	<ul style="list-style-type: none"> Completed training and capacity building of 70 specialists dealing with recognition and evaluation of professional qualifications; Completed training and capacity building of 150 specialists dealing with coordination of social security schemes; Corresponding legislation drafted and approved by MSSL 		
Activities	Means		Assumptions
<p>A1 area:</p> <ul style="list-style-type: none"> To develop national legislation in the field of free movement of workers; To develop an action plan designed to define stages of joining Lithuanian Labour Exchange to the EURES network; To train staff of institutions involved, in particular Lithuanian Labour Exchange. <p>A2 area:</p> <ul style="list-style-type: none"> To revise legislation with regard to recognition and evaluation of professional qualifications; To organise training sessions for the staff of the co-ordinating institution; To develop information database network in the field of recognition and evaluation of professional qualifications. <p>A3 area:</p> <ul style="list-style-type: none"> To establish a comprehensive Institutional Development Strategy and identify the most important steps to improve the administrative capacity; To develop human resources of the institutions concerned; To design and implement a public information campaign. 	<p>Twinning Covenant (IPAA, 2 mid-term experts, 60 p/m STEs)</p> <p>Technical Assistance</p>		<ul style="list-style-type: none"> Adequate and timely technical assistance is provided by twinning partners; Support of Government, Minister and MSSL senior management.
		<p>Preconditions:</p> <p>National co-financing available</p>	

124

Prepared by the Ministry of Social Security and Labour, 14/05/2002

		Date												
		2002			2003			2004			2005			
		30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06
Contracting														
•	Twinning and Training Package				1.8									
•	Services								0.052					
Total contracting (cumulative)					1.8				1.852					
Disbursement														
•	Twinning and Training Package				0.45	0.6	0.75	0.9	1.05	1.2	1.35	1.5	1.65	1.8
•	Services								0.16	0.052	0.052	0.052	0.052	0.052
Total disbursement (cumulative)					0.45	0.6	0.75	0.9	1.066	1.252	1.402	1.552	1.702	1.852

Social partners are involved in the formulation and implementation of employment policies at a number of levels, through a range of tripartite advisory bodies. These bodies consist of an equal number of representatives from public administration institutions, trade unions, and employer organisations.

The main national forum for social dialogue is the Tripartite Council of the Republic of Lithuania, set up in 1995 as a result of consensus between the Government, trade unions and employer organisations. The Council was set up to solve social, economic and employment issues on the basis of reciprocal consensus. In addition, the Employment Council consisting of 15 members has been established under the Ministry of Social Security and Labour. Its responsibilities include investigation of employment problems and the factors underlying them, and submitting proposals to the Ministry of Social Security and Labour on the labour market policy measures and their implementation and funding. Social partners are also involved in the process of preparation for EU accession. The National Trade Unions Integration Commission has been established and is responsible for analysing, in co-operation with the representatives of public institutions, the main issues related to EU accession. Trade unions are involved directly in some groups engaged in the development of negotiation positions of the Republic of Lithuania.

Social partners are also involved in consultation at the level of policy implementation.

The Lithuanian Labour Exchange (LLE) has tripartite advisory bodies at both the national and district level. The National Tripartite Commission (consisting of 9 members) advises the LLE on strategic issues, including the overall balance of labour market programmes, including funding priorities. District commissions (consisting of 6 members each) consider and advise on activity reports submitted by the district Labour Exchange, and may have oversight of the detailed operation of specific programmes at the local level.

The Lithuanian Vocational Training Council, which was provided for by the Law on Vocational Education and Training, was set up. This council is a national tripartite body to advise both the Ministry of Education and Science and the Ministry of Social Security and Labour on strategic vocational training policy issues.

The Expert Council (consisting of 15 members) established on a tripartite basis aims at providing assistance to the Lithuanian Labour Market Training Authority in the development of system of labour market vocational education, training and consultation, and in improvement of its relations with labour market partners.

The State Social Insurance Fund Council (also known as the Tripartite Council) under the Ministry of Social Security and Labour and monitors the State Social Insurance Fund, which is administered by SODRA. The Council is a tripartite governing board chaired by the Minister of Social Security and Labour. It was established in 1995 by agreement between the Government, four trade unions and two employers' organisations. The Law of State Social Insurance sets the number of members of the State Social Insurance Fund Council, their representation, delegation and competence of the Council. The Council is made up of an equal number of members having equal rights. Based on the Government

FS

Rk

Resolution on the approval of the State Social Insurance Fund Council composition, the Council consist of the members representing:

- Governmental institutions (MSSL, Ministry of Health, Ministry of Economy, Ministry of Finance), voting members;
- Organisations protecting right of insured persons (trade unions, associations etc.), voting members;
- Organisations of insurers, voting members;
- Experts on social insurance can be included in the composition of Council as non-voting members.

Representatives of insurers and insured persons to Council are delegated by the represented organisations and the member representing governmental institutions (vice-ministers) are delegated by Government. The composition of Council is approved by the Government. Law on State Social Insurance and the Council's regulations govern the activities of the Council. Responsibilities assigned to the State Social Insurance Fund Council include:

- monitoring activities of the State Social Insurance Fund as an independent part of a financial system
- monitoring the implementation of legal instruments regulating social insurance and giving conclusions and recommendations
- presenting recommendations to the Lithuanian Government on payment of social insurance tariffs, assignments from the State budget and issues on reserve funds
- reviewing and making recommendations on the draft State Social Insurance budget and annual report of its performance
- reviewing and making recommendations on the number of employees, social insurance organisational expenses and schemes of employee salaries
- confirming average monthly insurable income according to its confirmed methodology. The Lithuanian Government approves this average insurable income
- provides recommendations to Minister of Social Security and Labour on the appointment of SODRA Director
- reviewing and issuing opinions on other State social insurance organisational and operational issues.

The meetings of Council are organised at least once per quarter. The SODRA Director, Deputy Directors, and, if needed, heads of SODRA HQ divisions or specialists participate at Council meetings. The Council decisions are made upon majority of votes received. These decisions are not formally binding, although in practice, it is rare for SODRA to act in a manner not in accordance with the Council's recommendations or decisions. Only in such cases where the Council's decisions or recommendations are

RK

RK

formalised through an order of the Minister of Social Security and Labour (or the SODRA Director) do they become binding legal instruments. In addition to the State Council, regulations exist allowing for the formation of territorial social insurance councils on a voluntary basis. As these territorial councils exert minimal influence on the social insurance system, they are not covered in detail in this document.