

STANDARD SUMMARY PROJECT FICHE

Project Number 2002/000.601.06.01

1. Basic Information

1.1. CRIS- number: 2002/000.601.06.01

1.2. Title: Preparation for the Community Initiative Programmes and increasing the absorption capacity for Structural Funds in Lithuania (SPPIII)

1.3. Sector: Reinforcement of Institutional and Administrative Capacity

1.4. Location: Ministry of Finance, Vilnius, Lithuania

2. Objectives

2.1. Overall Objective

The overall objective of this **1.8 MEUR** project of which **0.25 MEUR** is national co-financing is to establish the institutional structures and arrangements for implementation of Community Initiatives, including preparation of programming documents for INTERREG III and EQUAL Initiatives, and to enhance the capacity of Lithuania to fully absorb the opportunities, provided by the Structural Funds from the day of accession to the EU.

2.2. Project Purpose

- To develop the administrative set-up and capacity to manage the Community initiatives programs, including preparation of single programming documents for INTERREG III and EQUAL (measure 1)
- To build up the capacity of intermediate bodies and final beneficiaries to provide information, training and advisory services for final recipients (potential project promoters and applicants) about Objective 1 and Community Initiatives financial support and to further develop the effective technical preparation of projects (project pipeline) ready to absorb Objective 1 and Community Initiatives programmes assistance upon accession (measure 2).

2.3. Accession Partnership and NPAA priorities

The latest Regular Report on Lithuania's progress toward accession to the EU and the revised Accession Partnership state that the short-term and medium-term priorities of reinforcement of administrative and judicial capacity, including the management and control of EU funds, economic and social cohesion continue to be partly met. Therefore, the following recommendations are provided:

- The administrative capacity of the future managing and paying authorities needs to be considerably strengthened in order that they will effectively be able to take responsibility for the efficiency and correctness of the management and implementation of Structural Funds. Furthermore, the role of the line ministries, agencies and bodies acting under responsibility of future managing and paying authorities needs to be clarified.

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- Substantial progress is also needed at the level of technical preparation of the projects (project pipeline) to be co-financed by the Structural and Cohesion Funds
- Programming of the draft SPD should proceed without further delay, taking into account the NDP prepared. Structure for ensuring efficient and effective inter-ministerial co-operation needs should be established without delay. Ministries in charge, their responsibilities and tasks should be clarified with a view to ensuring the coherence and efficiency of the programming process.
- Structure for ensuring a wide and effective involvement of all the relevant partners at the different stages of programming, as well as financing, monitoring and evaluation of the assistance needs to be defined.

The National Programme for the Adoption of the Acquis (NPAA), adopted in June 2001, contains the following main priorities for the development of the regional policy and structural instruments for the years 2002 – 2003:

- Setting up of institutional responsibilities for EU Structural Funds and Cohesion Fund;
- Amendment and addendum of Law on Regional Development and adoption of secondary legislation;
- Further improvement of the National Development Plan;
- Strengthening of administrative capacity for strategic planning of regional development and programming of EC support.

3. Description

3.1. Background and justification

Measure 1: Preparation for Community Initiatives

Lithuania has expressed its readiness to accept the whole Acquis under the negotiation of Chapter 21 (Regional policy and structural instruments) without any transitional period. In order to fulfil the obligations, the institutional and legal framework, as well as the administrative capacity for the management of Structural Funds and Community Initiatives programs should be developed in a very short time.

Assistance from structural instruments to Lithuania will be provided by the Structural funds under the Objective 1 Single Programming Document (SPD) and the Community Initiatives INTERREG and EQUAL, as well as by the Cohesion Fund. The Preparation of the draft SPD started at the end of 2001 and is foreseen to be completed and submitted to the Commission by the end of 2002.

The Preparation for the implementation the Structural Funds, which is taking place in all relevant ministries and institutions, is wide and intensive and supported by Phare and bilateral funds. Meanwhile the preparation of administrative structures and capacity especially related to the implementation of Community Initiatives Programmes (CIPs) has not yet been addressed as the situation with regard to the number of CIPs and the amount allocated to them is in the stage of being clarified.

Concerning LEADER+ it has been decided to mainstream and integrate this initiative into the SPD for Objective 1. Support to the programming of LEADER+ type of actions will be provided in close co-operation with the LI 01.09.02 Special Preparatory Programme

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for Structural Funds (SPPII). However additional EU experience and assistance is needed to develop specific implementation arrangements and capacity to implement the LEADER+ actions under the Objective 1 SPD, especially to establish and build the capacity of local action groups.

The similar approach is expected for URBAN type activities. During 2003 DG REGIO will provide for additional preparatory actions for URBAN and the assistance provided should build on the guidance given under these preparatory actions.

Concerning INTERREG III Lithuania has already gained some experience with cross-border co-operation with the assistance from Phare CBC. However, relevant EU experience is needed particularly to develop single programming documents and to further develop and increase the capacity of the foreseen implementation structures for the INTERREG IIIA strand – (bilateral co-operation along the land borders) which has not yet been established in the Baltic Countries. Therefore the project has to be able to be adapted to the agreement which will be established between the Lithuanian authorities and the European Commission on the number of INTERREG III A programs to be implemented. For INTERREG III B Lithuania will join the already existing framework/SPD for the “Baltic Sea Region Program”. For INTERREG III C Lithuania is expected to join the North Zone. For the B and C strand some limited assistance for Lithuania to identify projects and to take an active role in the existing frameworks should be provided.

Concerning EQUAL relevant EU experience is needed to develop a single programming document and to further develop and increase the capacity of the foreseen implementation structures taking into account the specific procedural approach for EQUAL.

Measure 2. Increase absorption capacity for Structural Funds assistance and CIPs assistance:

According to the Regular Report for 2001 there is still a need for developing the capacity among future final beneficiaries and final recipients to absorb Structural Funds Assistance. The project pipeline needs to be further developed taking into account the very short period available estimated for implementation of the SPD for Objective 1 and the Community Initiatives (2004 – 2006).

Additional support should, therefore, be provided to actors of the lower level of Structural Funds implementation to identify and develop projects in conformity with community policies and legislation on public procurement, state aids, environment and equal opportunities in order to ensure that an adequate number of projects is ready for financing for Objective 1 and Community Initiatives.

The Pre-Accession instruments Phare ESC, ISPA and SAPARD already contribute to the further development of capacity to identify and implement Structural Funds type projects. Following the SPDs' priorities and new measures, emerging from preparation, further support is needed to raise the awareness of Structural Funds support among potential beneficiaries and to further develop the capacity of intermediate bodies and final beneficiaries to provide information and advisory services to final recipients (potential project promoters such as local partnerships, various agencies and institutions, local and regional authorities, business communities etc.) to develop projects.

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Furthermore, due to the lack of development capacity and funds for project preparation, the technical preparation of projects, including the preparation of all necessary documentation to ensure conformity with community policies and requirements, remains a problem.

The project has been designed in consultation with the SPD working group, which includes all relevant ministries involved in the preparation for the implementation of Structural Funds plus a wide range of representatives from regional and local government and civil society such as the Association of Local Authorities, the Lithuanian Business Employers Confederation, the Lithuanian Centre of Trade Unions, Association of Lithuanian Chambers of Commerce, Industry and Craft, The Agricultural Chamber of the Republic of Lithuania etc.

3.2. Linked activities

A detailed list of all ongoing projects under the 3 Pre-Accession instruments aiming directly and indirectly at increasing the capacity to manage structural funds and preparing projects eligible for Structural Funds assistance is attached in Annex 4.

Of particularly importance to the activities proposed are the following projects:

LI 01.09.02 SPPII– Special Preparatory Program for the Structural Funds in Lithuania II, operating in the period May 2002 to May 2004.

The Twinning component provides assistance for 3 measures:

1. Finalisation and implementation of the legislative framework and starting of preparation of the Objective I Single Programming Document. Assistance will be provided through advice and training of working groups and sector strategic planning groups on SPD drafting and development of partnership and consultation procedures,
2. Optimisation of institutional arrangement and strengthening of the future Managing and Paying Authorities, through assistance to drafting of national legislation to fulfil EU requirements for the EU Structural Funds and Cohesion Fund management, setting up the mechanism for information exchange and data collection for monitoring and evaluation purposes and further strengthening of administrative capacity in SF management,
3. Providing on-the-job advice and training to the implementing agencies / future Paying Authorities, and other ministries and bodies on National level, who will take part in day-to-day administration of EU Structural Funds.

The assistance provided under this project should follow the content and the implementation arrangements for the Single Programming Document for Objective 1 assisted by the SPPII project and must therefore be co-ordinated closely with this project. A matrix is enclosed in annex 5 to illustrate the division of tasks between the two projects, which will partly be operating together.

It is the responsibility of the Ministry of Finance as National Aid Co-ordinator and the institution, responsible for the overall co-ordination of Structural Fund to ensure compliance between the SPPII and SPP III projects.

LT0006-01 Preparation for Participation in European Employment Strategy operating in the period October 2001 to October 2003 supporting Ministry of Social

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Security and Labour in the improvement and decentralisation of Lithuanian employment and labour market policies through assistance to formulation of regional employment policy and to re-defining of responsibilities and tasks at central and regional level of labour market management. It will also develop and strengthen the capacity of labour market institutions at central and regional levels through adapting these institutions to employment and labour market policy objectives and tasks in the context of Lithuanian participation in EU Employment Strategy and administration of the European Social Fund.

The Phare Project Preparation Facility 2002 operating in the period January 2003 to January 2005 gives support to the speedy and efficient implementation of Structural Funds projects via provision of technical assistance for the preparation of investment projects including preparation of feasibility studies, preparation of detailed technical designs and tender dossier and environmental impact assessment. This facility is managed by Ministry of Finance performing the functions of both National Aid Coordinator and Managing Authority for Objective 1, who will ensure its co-ordination with this project. The facility will focus its assistance on the technical preparation of infrastructure projects.

3.3. Results

- The administrative arrangements for programming and implementation of Community Initiatives established and operational,
- Single programming documents for INTERREG IIIA and EQUAL drafted, and the capacity to manage measures for LEADER+ and URBAN integrated into the SPD for Objective 1 developed, including the capacity among local action groups/local partnerships.
- Capacity and means of intermediate bodies and final beneficiaries to provide advisory and informational support to final recipients / project promoters established.
- The capacity of approximately 200 final recipients to identify, formulate and implement projects in line with the priorities and measures of the SPD(s) and in conformity with community policies is strengthened through extensive training program.
- Information on activities, eligible for EU Structural Funds and CIPs support accessible and understandable for final recipients / potential project promoters.
- Absorption capacity for Structural Funds and CIPs assistance increased.

3.4. Activities

Measure 1: Preparation for community assistance

Guaranteed Results

- Single programming documents and programme complements prepared for INTERREG III A and EQUAL.
- The institutional network including the local actions groups/local partnerships for the implementation of the CIPs support established and operational.
- The relevant authorities and bodies involved in the administration of CIPs have relevant administrative tools and administrative capacity to program, manage, monitor and evaluate CIPs support.

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3.4.1. Twinning and Training Package

Scope of the Twinning

The following activities will be implemented:

- Provision of recommendations on administrative arrangements, needed to manage and implement CIPs on the basis of the structures, procedures and institutions being established for programming and implementation of Objective 1 support.
- Assistance to the working groups, which will develop the Single Programming Documents and programme complements for INTERREG III A and EQUAL.
- Advice and training to the working groups to ensure that the SPDs are fully in line with the community policies and requirements.
- Training and advise to organise the ex-ante evaluation (evaluation itself will be carried out by external evaluators)
- Assistance in planning and forecasting of national public and private resources for the co-financing of the CIPs.
- Assistance with preparation and delivery of tailor made training programmes and operational manuals to develop the administrative capacity of the implementation arrangements/intermediate bodies delegated specific tasks by the managing authority including the local action groups under and local partnerships under the CIPs
- Assistance with preparation of necessary documentation for each assistance programme: application forms, budget forms, evaluation and report forms and preparation of guidelines.
- Assistance and training in setting up and using the monitoring and evaluation system on the basis of the overall system established for Objective 1.
- Advice on the implementation of the Technical Assistance Contract under Measure 2 in order to ensure coherency of objectives and means with the twinning component.

Required Input

A Pre-Accession Adviser (PAA) with an input of 12 months will bear the overall responsibility for the project activities, especially addressing the issues of existing structures' analysis and providing recommendation for implementation arrangements for CIP assistance. The PAA with the assistance of one MTE will be in charge with development of INTERREG activities including drafting of the SPD(s) for INTERREG IIIA and for the foreseen program complements/sub-programs for each program (according to the number of programs to be agreed with the Commission). The PAA will also be involved in the preparation and implementation of the TA contract under measure 2.

1 medium term experts with an estimated input of 6 months will be responsible for the development of the EQUAL activities, including preparation of SPD and Programme Complement, 2 MTE with an estimated input of 3 months each will be responsible for assistance with designing and building the capacity to manage URBAN and LEADER + type actions in the framework of the Objective 1 SPD. Additionally 10 short term experts/months is foreseen in the relevant institutions to provide the necessary expertise, including training input and specialised knowledge for relevant preparation and implementation of the CIPs.

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General profile of the PAA:

- extensive relevant experience of working with the programming and daily administration of INTERREG preferably from a managing authority,
- broad experience in management of EU financed programmes, SPD drafting, experience in development of Community Initiative implementation structures,
- Good communication, team-building and English language skills.

General profile of MTEs/STEs:

- extensive relevant experience with programming of the CIPs (INTERREG, URBAN, LEADER or EQUAL),
- experience in implementation and management of relevant CIPs,
- good communication and English language skills.

Measure 2. Increase absorption capacity of Objective 1 and CIPs assistance

Guaranteed Results:

- Responsibilities and tasks in terms of advisory and information services within the Managing Authority, Intermediate bodies and final beneficiaries identified.
- Capacity of Intermediate bodies and final beneficiaries to provide information and advisory support identification, formulation, prioritisation and technical preparation of projects to final recipients / project promoters strengthened.
- Target groups of potential applicants under each measure of the SPDs for Objective 1 and CIPs identified, awareness raising strategy for the potential target group under each measure in the SPD for Objective 1 and CIPs prepared, including development of information packages and information services.
- The capacity of approximately 200 potential applicants to prepare and implement projects in line with the priorities and measures in the SPD for Objective 1 and CIPs and in conformity with Community policies developed.
- Minimum 100 projects, focussing on business development and human resources development, ready to be financed by the Structural Funds

3.4.2. Scope of the Technical Assistance Contract

The Technical Assistance Contract is composed of 3 sub-components:

1) Information and awareness raising campaign:

The TA team will assist the Managing Authority, being directly responsible for information and publicity, Intermediate bodies and, as far as appropriate and possible, final beneficiaries

- in assessing the information needs of potential applicants and developing an awareness raising strategy for potential applicants in relation to the individual measure;
- with the preparation and printing of information packages and organisation of approx. 20 information seminars (covering all measures).

Indicative budget: 65.000 EURO

2) Strengthening the project preparation capacity:

The TA team will assist the responsible Intermediate bodies and Final beneficiaries in carrying out

- training packages for intermediate bodies and project promoters to provide advisory services to project applicants in preparation of projects in conformity with the SPD(s) and community policies and requirements (100 trainees estimated);
- training packages under the specific measures of the SPDs for project applicants on identification, prioritisation and formulation of projects in full compliance with the SPD(s) and EC legislation and policies in terms of state aids, environment, public procurement and equal opportunities (500 trainees estimated);
- translation of material and logistic support for training events.

Indicative budget 140.000 EURO

3. Providing of help desk assistance for the development of full projects ready for financing

A pool of EU and local experts will assist in assessing readiness of projects, improve project quality and design, deliver key expertise in finalising necessary documentation such as feasibility studies, EIA and tender documentation.

The help-desk assistance does not include assistance to technical project preparation of major investments projects as other types of assistance such as the Project Preparation Facility under Phare ESC will be targeted to this area. The Help-Desk facility will focus on the preparation of projects under measures mainly in the field of business development including business infrastructure and human resource development. At least 100 projects are expected to be assisted.

Indicative budget 795.000 EURO

Required input:

One Service contract with two lots:

- 1) Specialised PR agency, to support Managing Authority and Intermediate bodies in development of public awareness campaign, information strategy and informational packages on possibility to participate in EU Structural Funds funded programmes, and provide relevant training (subcomponent 1)
- 2) A team of EU and local experts to deliver training and assistance in regional development and Structural Funds projects preparation and management in compliance with community rules and requirements, and assist with EIA, engineering design and feasibility studies for individual projects (subcomponent 2 and 3).

3.5.Lessons learned

The Special Preparatory Programme for Structural Funds was assessed in the OMAS Annual assessment report in Spring 2001. The present project design reflects the recommendation from the OMAS report to ensure that any follow up programmes concentrate on supporting the implementation structures for the management of both pre-accession and Structural Funds, and under any subsequent SPP-s, activities of institutional

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strengthening/ mentoring nature should be assisted by Twinning, and those requiring more specific technical assistance should be assisted by technical assistance.

4. Institutional Framework

The Financial Assistance Department of the Ministry of Finance will have overall responsibility for the implementation of the project. The department will become the Managing Authority of the Single Programming Document for Objective 1 upon accession. The Department has 21 employees (as off March 2002).

For Measure 1:

The PAA will be placed in the Financial Assistance Department in the Ministry of Finance, but MTE/STE assistance will be provided to all the relevant ministries and bodies involved in the implementation of the CIPs. The decision on the division of responsibilities between ministries in the administration of CIPs, will be taken by the Lithuanian Government in summer 2002.

During the drafting of the Twinning Covenant, a Steering Committee, chaired by Ministry of Finance, will be established in order to co-ordinate the drafting of the twinning covenant and manage the project. The Steering Committee will have representatives from the designated ministries and bodies, responsible for the preparation, programming and management of the Community Initiatives Programme.

For Measure 2:

The Financial Assistance Department of the Ministry of Finance will have overall responsibility for the co-ordination of the TA contractors. A steering committee will be established with representatives from the Ministries acting as Intermediate bodies for the measures concerned, which will emerge from the draft Objective 1 SPD to be completed by the end of 2002.

These Ministries will under the co-ordination of Ministry of Finance operate as project co-ordinators and work with the contractor to identify the relevant persons to be trained and projects to be supported under the individual measures. Training events for project applicants will be organised together with the wide range of representatives representing the project applicants such as regional authorities, the Association of Local Authorities, the Lithuanian Business Employers Confederation, the Lithuanian Centre of trade Unions, Association of Lithuanian Chambers of Commerce, Industry and Craft, for which strong working relationships already is build in the SPD working group,

For the provision of Help-Desk assistance the responsible project co-ordinators will propose a list of projects with request for assistance to be provided, including the name of project beneficiary/project applicant to Ministry of Finance. Ministry of Finance will on the basis of the SPDs (especially the programme complements) for Objective 1 and CIPs and after consultation of the steering committee decide on the projects to be assisted and allocate a number of man days to the potential project applicant for the individual project for the further development of the project.

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5. Budget (in € million)

	Phare Support					
Project Components	Investment Support	Institution Building	Total Phare (I + IB)	National Co-financing	IFI	TOTAL
Twinning Covenant		0.80	0.80			0.80
Technical Assistance		0.75	0.75	0.25		1.00
TOTAL		1.55	1.55	0.25		1.80

The Phare amount is binding as a maximum amount available for the project. The ratio between the Phare and national co-finance amounts 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

The Implementing agency will be the CFCU. It will be responsible for all contractual and financial aspects of the implementation of this project. The PAO will be the Director of the CFCU, Mr Zilvinas Pajarskas, Ministry of Finance J. Tumo-Vaizganto 8a/2-241, 2600 Vilnius; telephone: +370 2 22 66 21, fax: +370 2 22 53 35, e-mail: info@cfcu.lt.

6.2.Twinning

The Ministry of Finance will be in charge of the general coordination and monitoring of the project. The contact person in the Ministry of Finance will be:

Mr. Rolandas Kriščiūnas, Director of the Financial Assistance Department, Ministry of Finance, J. Tumo-Vaizganto 8a/2, 2600 Vilnius; telephone: +370 2 39 00 20, fax: +370 2 39 01 15, e-mail: r.krisciunas@finmin.lt.

The other beneficiaries will be: Ministry of Agriculture, Ministry of Environment, Ministry of Social Security and Labour, Ministry of Education and Science, Ministry of Economy, Ministry of Transport and Communication and Ministry of Interior and various groups and bodies involved in Structural Funds implementation.

6.3.Non-standard aspects

PRAG and the Twinning Manual will strictly be followed in the implementation of this project.

6.4.Contracts

Twinning Covenant – 0.8 MEUR

Service Contract (TA) in 2 lots – 1.0 MEUR, including national co-financing of 0.25 MEUR

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7. Implementation Schedule

Component	Start of Tendering	Start of Project Activity	Project Completion
Twinning	3Q/02	1Q/03	1Q/04
T.A.	3Q/02	1Q/03	3Q/04

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).

9. Environment

N/a

10. Rates of return

N/a

11. Conditionality and sequencing

The Government resolution on the allocation of the responsibilities among government institutions in the preparation of SPDs and management of the Community Initiatives Programmes adopted. The number of INTERREG III A programs defined and agreed with the European Commission.

Institutional set up for implementation of activities financed by Structural Funds and Cohesion fund is established and functioning.

The Twinning partners identified, Twinning Covenant prepared and signed. The support for INTERREG III A and EQUAL SPDs preparation should be given in first 4 months of year 2003, as the SPDs draft should be ready for negotiations with the European Commission in May 2003.

The TORs for the TA prepared by the Ministry of Finance.

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ANNEXES TO PROJECT FICHE

- 1. Logical framework matrix in standard format**
- 2. Detailed implementation chart**
- 3. Contracting and disbursement schedule**
- 4. Linked activities**
- 5. Comparative SPP II and SPP III programs table**

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LOGFRAME PLANNING MATRIX FOR		SPP for the Community Initiatives Programmes in Lithuania (III)	
Project: Preparation of the Community Initiative Programmes and increasing the absorption capacity for Structural Funds in Lithuania (SPPIII)		Programme Name and Number	Disbursement Period Expires: 3Q/2005
		Contracting Period Expires: 3Q/2004	Phare Budget: 1.55 MEUR
		Total Budget: 1.8 MEUR	
		Source of Verification	
		The yearly SPDs monitoring report submitted to the European Commission	
		Source of Verification	Assumptions
		Regular progress report Reports to SMSC/ JMC PAA' reports Legal acts	Integration to the EU remains the priority goal for Government policy Lithuanian progress toward accession to EU assessed positively
		Source of Verification	Assumptions
		SPD Published material SMSC/JMC reports PAA reports TA reports	Relevant decisions made Seimas adopts necessary legislation Sufficient budgetary resources for co-financing allocated.

LOGFRAME PLANNING MATRIX FOR

Project: Preparation of the Community Initiative Programmes and increasing the absorption capacity for Structural Funds in Lithuania (SPPIII)

Overall Objective

The overall objective of this 1.8 MEUR project of which 0.2 MEUR is national co-financing is to establish the institutional structures and arrangements for implementation of Community Initiatives, including preparation of programming documents for Interreg and EQUAL Initiatives, and to enhance the capacity of Lithuania to fully absorb the opportunities, provided by the Structural Funds and Cohesion Fund from the day of accession to EU.

Project Purpose

- To develop the administrative set-up and capacity to manage the Community Initiatives programs, including preparation of single programming documents for INTERREG III A and EQUAL
- To build up the capacity of implementation agencies to provide information, training and advisory services for potential project promoters and applicants and to further assist with the effective technical preparation of projects ready to absorb Objective 1 and CIPS assistance

Results

- The administrative arrangements for programming and implementation of CIPs is established and operational and project pipeline exists
- Single programming documents for INTERREG IIIA and EQUAL drafted and to the capacity to manage measure for LEADER + and URBAN integrated into the SPD for Objective 1 developed, including capacity developed among local action groups/local partnerships.
- Capacity of intermediate bodies/measure managers and advisory centres to provides services to project applicants increased
- Capacity of project applicants to prepare and implement projects in line with community legislation increased
- Projects focusing on business development and human resources development ready to be financed by Structural Funds

Objectively Verifiable Indicators

Financial allocations committed to projects – 20 pct in 2004, 30 pct in 2005 and 50 pct in 2006.

Objectively Verifiable Indicators

- SPD s and programme complements for INTERREG and EQUAL in place
- Implementation structures for CIPs established and operational
- Capacity to provide advisory services to project applicants increased.
- Project proposals in different stages of development are ready for future implementation

Objectively Verifiable Indicators

- Minimum 100 persons trained in delivery of advisory services to project applicants
- Minimum 200 potential project applicants trained
- Informational packages and 20 information events organised strategy in place
- Up to 500 potential project promoters trained
- Minimum 100 projects assisted and ready for financing

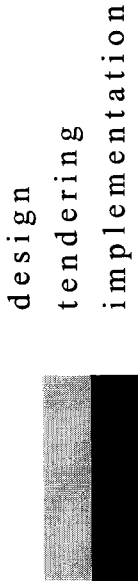
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Activities	Means	Source of Verification	Assumptions
<ul style="list-style-type: none">➤ Prepare single programming documents for INTERREG III A and EQUAL Initiatives➤ Assist with the establishment and capacity building of administrative arrangements for CIPS, including managements tools, applications forms, monitoring and evaluations systems➤ Information and awareness raising campaign for Structural Funds and Community Initiatives support➤ Strengthening of project preparation capacity through training➤ Providing of help-desk assistance for development of full projects ready for financing	<ul style="list-style-type: none">- Twinning covenant (12 months PAA, and 22 man/months of MTE/STE term experts)- Technical assistance contract (2 lots)	<p>PAA reports STE reports TA reports JMC reports</p>	<p>Twinning and TA teams with relevant experience Trainees available</p>
<p>Decision on administrative set-up for CIPS taken. Number of INTERREG programs defined and agreed with the Commission Co-financing available</p>			

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Detailed Implementation Chart for the Project

Year		2002												2003												2004											
Month	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							
Twinning																																					
TA																																					



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CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (Phare Contribution only – 1.55 MEUR)

	Date											
	2002			2003			2004					
	30/06	30/09	31/12	31/03	30/06	30/09	31/12	31/03	30/06	30/09	31/12	
Contracting												
• Twinning				0.8								
• TA				0.75								
Total contracting (cumulative)				1.55								
Disbursement												
• Twinning			0.2	0.4	0.5	0.6	0.7	0.8				
• TA				0.23	0.32	0.41	0.5	0.59	0.68	0.75		
Total disbursement (cumulative)			0.2	0.63	0.82	1.01	1.2	1.39	1.48	1.55		

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Linked activities***Capacity building in central level (horizontal projects)***

1998 SPP I - Special Preparatory Programme for the Structural Funds in Lithuania I, was composed of four components: SPP TA project, SPP Twinning, SPP Klaipėda and Utena Pilot projects

The **SPP TA (Technical Assistance)** - assisted strengthening of national structures for implementation of national regional policy, administration of EU pre-accession structural assistance instruments in Lithuania (PHARE, ISPA, and SAPARD), developing programming and evaluation capacities for the management of pre-accession instruments, examining legal framework, and establishing the system of sound financial management.

The **SPP Twinning** component contained an extensive training package, be oriented towards strengthening the institutional set-up for programming and project management capacity at central and regional levels.

The **SPP Pilot Projects** were located in the Klaipėda and Utena counties with the purpose to develop local and regional partnerships needed to prepare development plans and fundable projects in accordance with the requirements of EU Structural Funds and included a substantial training element and awareness raising on EU Structural Funds.

2000 SPP II – Special Preparatory Program for the Structural Funds in Lithuania II, composed of Twinning, Technical Assistance, and Supply contracts.

The SPP II Twinning component will provide assistance for 3 measures:

1 – finalisation and implementation of the legislative framework and starting of preparation of the Objective I Single Programming Document. Assistance will be provide through advice and training of working groups and sector strategic planning groups on SPD drafting and development of partnership and consultation procedures,

2 – optimisation of institutional arrangement and enhancing of the future Managing and Paying Authorities, through assistance to drafting of national legislation to fulfil EU requirement for EU Structural Funds and Cohesion Fund management, setting up the mechanism for information exchange and data collection for monitoring and evaluation purposes and further strengthening of administrative capacity in SF management,

3 - providing on-the-job advice and training to the implementing agencies / future Paying Authorities, and other ministries and bodies on National level, who will take part in day-to- day administration of EU Structural Funds.

The SPP II technical assistance component will provide support to upgrading the existing General Budget and Accounting Program (NAVISION) in order to comply with EU requirements for reporting and monitoring and assistance for implementation of the EDP system for the National Paying Agency under the Ministry of Agriculture.

The SPP II supply component will be the purchasing of hardware for the upgrading of technical capacities of Ministry of Finance and Paying Agencies, and separately of the purchasing of hardware and software for the upgrading of technical capacity of the National Paying Agency under the Ministry of Agriculture.

SPP II is linked very tightly with this project with the difference that SPP II is designed to assist national authorities in preparation of Objective I Single Programming Document, setting the national administrative structures and procedures and strengthening the administrative capacities for programming, co-financing, monitoring, reporting and auditing of activities, financed by Structural Funds and Cohesion Fund; meanwhile this project is addressing the preparation for Community Initiative Programmes and strengthening of broader number of actors, involved in EU-financed programs, mainly as, final beneficiaries and final recipients. In other words, SPP II builds the capacity from above, while this project I will build the same from beneath,

It will be the responsibility of the Ministry of Finance both performing the functions of National Aid Co-ordinator and responsible for the overall co-ordination of Structural Funds to ensure compliance between the two projects.

The **PHARE Institutional Strengthening** project assisted Lithuanian institutions in the initial phase of preparation of the National Development Plan. The EU and national project experts provided on the job training to Lithuanian officials on programming methodology for the EU Structural funds, on interpreting operational guidelines for EU pre-accession assistance, helped to aggregate the inputs of Lithuanian institutions and to do the technical drafting of the document.

The **SPP for the European Social Fund (SPP – ESF)** has provided training to Lithuanian civil servants mostly at the national level. The training encompassed European Employment Strategy, general and operational aspects of European Social Fund, experience of implementation of European Employment Strategy in the EU Member States. Part of the programme was also targeted at the local level and assisted in the preparation of the current ESF-type projects proposed to be financed from PHARE socio-economic cohesion component.

The SPP I (described in fiche)

The SPP II (described in fiche)

1999 Phare Twinning and Training package “Strengthening of Civil Service includes the separate component for providing support and help-desk assistance to National Aid Coordinator for planning, coordination and monitoring of EU assistance programmes.

PHARE Project Preparation Facility (2 MEUR) will aim at providing technical assistance needed by Lithuanian regions for effective and sound investment in social and economic cohesion (projected start of the project in 2001). The target regions may benefit from this facility by receiving short term and twinning expertise inputs, tailored to strengthen the implementation of their programming, evaluation, sound financial management and monitoring functions.

A particular objective of 2000 Phare project **Budget Management and Financial Control** is development of sound financial management to enable the Government to comply with EU requirements with regard to sound financial management of EU funds.

1. ISPA Related Projects

1997 Advisory Services to the Ministry of Transport project - focused considerable resources on the development of a Transport Investment Programming and Implementation Process. Structures have also been strengthened by inputs under the LSIF programme.

The 1997 PHARE project **Institutional Development and Training for Lithuanian Civil Aviation** was completed in February 2000. The focus of this project was to assist with the implementation of an institutional reorganisation in the aviation sector. It was also to assist in developing the capacity of the MoTC and institutions under its responsibility to deal with integration issues as they affect the infrastructure of the aviation sector - airports, aviation safety and regulatory Institutions. The proposed change to a new Civil Aviation Administration reporting

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directly to the MoTC was the key driver of this project insofar as the change would affect decisions and activities in relation to aviation regulation.

The 1998 PHARE project **Harmonisation of Transport Legislation. Phase II** continued previous assistance from Phase I. Phase II involved two time frames: 1) preparing a strategy paper outlining objectives and priorities, with assessment of actions needed in regard to the adoption of the Acquis and 2) legal reform which includes drafting of legislation, training of staff, translation of EU laws, formation of a data base. The project "Harmonisation of Transport Legislation. Phase III." approved under LI 9807 Programme, aims to continue of assessment of further actions and impact analysis of key components of the Accession Partnership; preparation of drafts laws and regulations; and development the capacity of the MoTC to implement most effectively integration requirements.

Finally, in the transport Sector a twinning project **Further Alignment with the Transport Acquis and Strengthening Administrative Capacity to Manage the Implementation of Transport Policy** provides: -

- A 2 year PAA, providing general management and institutional support to the MoTC and other administrative structures relating to the adoption of the Transport Acquis and strengthening regulatory capacities, plus responsibility for overall management of the Project. The expert will be located at the MoTC and should provide broad strategic support across the whole project, including coordination of the inputs of the short-term experts.
- An extensive series of short-term experts (approximately 100 person-months), supporting:
 - Development/revision of a comprehensive, coherent strategy for adoption of the Acquis in associated sectors (road transport, railways and civil aviation);
 - Strengthening institutional structures and procedures (legal and regulatory needs, financial planning, operational procedures, information/consultation procedures, strategy for development of organisational/technical capacities etc.), in particular focused on traffic safety control and infrastructure management issues;
 - Development and delivery of extensive staff training programmes/materials in the field of safety control procedures, financial management and planning, co-ordination/ liaison with public/private sector, etc.;
- Other services and supplies including development of computer/information systems software, interpretation and translation, study fellowships (conferences, seminars, fellowships in the Member States, etc.).

The 1998 Phare project **Strengthening of Institutional Capacity of the Ministry of Environment in the EU integration process** supports the strengthening the capacity of Lithuania's environmental administration and address recommendations made by the Commission: continuation of transposition of legislation; establishment and implementation of investment programmes, development of monitoring and implementation control structures.

Up to 5% of annual ISPA allocations could be used for technical assistance, including support to the institutional building measures.

2. SAPARD Related Projects

For SAPARD under the 1998 SPP will become available to Lithuanian agriculture during the lifetime of this project. The project will finance the foreign experts according to accreditation of National Paying Agency and manage structural funds, implementation of IT system; Education of lecturers who are going to provide further education for potential beneficiaries and regional administrators and improvement of Rural Development Plan.

1999 Phare project **Modernisation of Rural Administrative System** is expected to provide substantial inputs for developing a number of key components of an agricultural information system (EAA, FADN and IACS including assistance with the necessary parcel identification methodology). This project will support structural policy and direct management providing by National Paying Agency. The project is scheduled to start in the second quarter of 2000 (negotiation of the twinning covenant is expected to start in January 2000) and will provide some inputs underpinning the present Project.

2000 Phare project **Strengthening the Capacity of the Ministry of Agriculture and Related institutions to Manage and Administer the EU Acquis for Agriculture (CAP) and Rural Development** aimed at developing of administrative, managerial and information systems and capacities, to achieve compatibility with the *Acquis* and EC best-practice in the application of CMO-type measures for Lithuanian agricultural products and of SAPARD measures for rural development, and supports development of appropriate CAP-type measures (CMO Quality monitoring, Market Information System, Market Regulation Agency, Paying Agency, IACS parcel register) for Acquis product groups elaborated and applied, specific EC systems for market management and information systems planned and installed.

Technical assistance from a **Danish bilateral projects** are currently being provided to facilitate the start-up and accreditation of the Paying Agency.

2% of annual SAPARD allocations will be used for technical assistance, including support to the institutional building measures.

3. ESF / ERDF Related Projects

The Phare 2000 institution building project **Preparation for Participation in European Employment Strategy** will support improvement and decentralisation of Lithuanian employment and labour market policies through assistance to formulation of regional employment policy and to re-defining of responsibilities and tasks at central and regional level of labour market management. It will also develop and strengthen the capacity of labour market institutions at central and regional levels through adapting these institutions to employment and labour market policy objectives and tasks in the context of Lithuanian participation in EU Employment Strategy and structural assistance programmes.

Investment in the improvement of labour market structures in Klaipeda/Taurage target region will complement to activities under the Phare Preparation for EES project, which will support overall development of Lithuanian labour market institutions at national and regional level. Regional labour market institutions involved in the implementation of regional social and economic cohesion measures will be in a favourable position to adapt to, contribute to and benefit from the institution building activities envisaged under the Phare IB project at the national level. The national project on its turn will benefit from the qualitative regional inputs generated by the improved regional structures and the increased technical assistance capacity. Furthermore, the regional labour market institutions will gain experience in the preparation and management of ESF-type projects through active participation in Phare social and economic cohesion component.

All of the above mentioned inputs and efforts will be taken into account and capitalised on while implementing the National Regional Development Pilot in Klaipeda/Taurage target region. This

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will be ensured through active involvement of key regional development players and social partners involved in previous projects, and active participation of central administrative institutions throughout the implementation of the current project.

Phare 2001 programme contains several projects of economic and social cohesion in the fields of vocational education and training, tourism, innovation capacity and economic restructuring in Ignalina region.

Project **Vocational Training as means for Economic and Social Cohesion** aims to contribute to employment growth via initial vocational education and training (VET), continued vocational training (CVT) and life-long learning (LLL). The purpose of the project is to develop the necessary management and administrative capacities within the relevant Lithuanian institutions to implement future support from the European Social Fund, to increase the employability of the work force and to adapt it to new labour market conditions, to set up a policy framework and to build institutional capacity as well as to support the effective and high quality development of the VET, CVT and LLL.

Project **National Tourism Information and Pilot Tourism Infrastructure in Utena region** aims to sustain the development and growth of the tourism sector in Lithuania by developing the national infrastructure for tourism and creating the infrastructure for campsites in Utena Region.

Project **Innovation Capacity** aims to strengthen the economic and social cohesion of Lithuania through increased innovation capacity by developing a concrete national framework for supporting innovation activity in all areas of Lithuania as part of a national innovation system.

Project **Framework for Economic restructuring in Ignalina, Visaginas and Zarasai Municipalities** seeks to stimulate SME activity and diversify economic structures in the municipalities of Ignalina, Visaginas and Zarasai in Utena County. The foreseen results are a strategy for development of the region, establishment of viable structures for delivery of assistance, an operating Regional development Agency, a Business Information-Consultation Centre and a Business incubator.

The Phare supported program **Tripartite Development of Local Employment Initiatives at Local Level** provided initial knowledge and experience in working with the EU Structural Funds. The Ministry of Social Security and Labour, the National Labour Exchange and Social Partners in co-operation with Phare experts were jointly implementing this programme in four regions of the country. Nine projects that best satisfied the assessment criteria and were chosen and implemented to contribute to the social and economic development of the regions. Main outcomes will possibly be transferred to national mechanism and fine-tuned during implementation of this Project.

The project **Education of Local Government Staff in Project Management and EU Integration**, aiming at strengthening regional development project preparation capacities, was approved for Phare CBC funding in 1997. During the first phase of the project, three training sessions were held in 1999, training 90 people from each of the 56 municipalities and 10 county administrations in project identification and management, regional and SME development and municipal communal services management. The second phase of the project aims at further training of the local and regional government of the target regions in regional planning and development, preparation and management of regional programmes and projects. Training sessions in each target region will be held in March 2000.

In 1998, project **Reinforcement of Institutional and Administrative Capacity** was approved for Phare CBC funding. The project aimed at increasing the administrative capacity within Lithuania for the sound management of programmes and projects in the public sector and increase the ability to participate in inter-regional co-operation, and, in particular, to develop the management skills of people responsible for the Phare Programmes and projects in Lithuania.

2000 Phare Programme Economic and Social Cohesion projects in three target region, namely Klaipeda-Taurage, Marijampole and Utena promote business and human resource development by providing investment co-financing support, via the Business Development Fund and the Human Resource Development Fund, aimed at addressing regional development disparities between in the target regions and the national average.

4. Bilaterally assisted projects

The Danish bilateral aid project **Establishing Regional Structures** has provided assistance for the training of Lithuanian officials from all the 10 counties in the area of EU Structural funds, regional development, programming, roles and interaction of national, regional and local authorities in the course of programming, monitoring and implementation of regional development programmes with particular emphasis on Danish experience.

Danish project **Klaipeda Region Public Administration Infrastructure Reforms** in the perspective of preparation for EU Accession, aiming and supporting and improving the regional planning and policy formulation process in Klaipeda. The EU partners (Frederiks-borg Municipality and Hiller Municipality (DK)) transferred know-how and experience of management of the EU structural funds through a number of workshops.

Co-operation Development Project between Marijampole County and Lahti Region in Finland is implemented on bilateral basis throughout 2000. The project aimed at development of regional vocational training system in relation to the needs of the regional economy and in particular will address the establishment of Regional Training Centre. The Finish technical assistance also helps to improve planning and problem solving capacity in Marijampole County Administration. It helps to address specific deficiencies of regional vocational training system and aimed at facilitating the implementation of PHARE social and economic cohesion component in Marijampole County.

The **Danish Technical assistance to strengthen the Regional Development Agency** in Utena County (March-December 2000) concentrates on training of staff of the RDA as well as provision of office equipment to the Agency. The objective of the project is to enhance operational capacity and quality of the Agency in order to enable it manage EU assistance.

The **Danish technical assistance to prepare a Regional Operational Plan in Utena County** (March-June 2000) contributes to sharing the experience of Danish experts with public officials and social partners in the region as well as building the planning capacity.



“SPP 2 and SPP 3 comparative table”

	Target groups				
Assistance to be provided	Managing Authority	Paying Authorities	Intermediate bodies	Final beneficiaries	Final recipients
Legal framework development					
SPD Objective 1 LEADER, URBAN	SPP II				
INTERREG and EQUAL	SPP III				
Programming					
SPD Objective 1	SPP II				
INTERREG, EQUAL LEADER and URBAN	SPP III				
Financial management					
SPD Objective 1, LEADER, URBAN	SPP II				
INTERREG and EQUAL	SPP III				
Monitoring and reporting					
SPD Objective 1, LEADER, URBAN	SPP II				
INTERREG and EQUAL	SPP III				
Auditing and financial control					
SPD Objective 1, LEADER, URBAN	SPP II				
INTERREG and EQUAL	SPP III				
Application forms and procedures					
SPD Objective 1, LEADER, URBAN	SPP II				
Interreg and EQUAL	SPP III				
Project preparation					
SPD Objective 1	SPP II + SPP III				
INTERREG, EQUAL, LEADER, URBAN	SPP III				
Project selection and evaluation					
SPD Objective 1, LEADER, URBAN	SPP II				
INTERREG and EQUAL	SPP III				