1. **Basic Information**

1.1. **Désirée Number:**

1.2. **Title:** Strengthening of Institutional Capacity to Implement EU requirements on chemicals and genetically modified organisms management, IPPC and climate change

1.3. **Sector:** Environment

1.4. **Location:** Vilnius, Lithuania

2. **Objectives**

2.1. **Overall Objective:**

The wider objective of this **2.65 Million Euro** institution building and investment support project, of which 0.4925 MEUR provided by national co-financing, is to assist Lithuania with the development of institutional capacities for the implementation of EU requirements in the environmental sector.

2.2. **Project Purpose:**

The project will have three main components with the following purpose:

1. Chemicals & genetically modified organisms (GMO) management:
   - development of chemicals and GMO management institutional structure,
   - development of inventories and data bases,
   - development of required laboratory capacities,
   - training for enforcement structures and industry.

2. Integrated pollution prevention and control (IPPC):
   - development of Best Available Technologies (BAT) Information Centre,
   - training for the Regional departments and industry in development and enforcement of IPPC permits.

3. Climate change gas emission control:
   - inventory of emissions,
   - development of regulatory mechanisms.

2.3. **Accession Partnership and NPAA priorities**

This project is developed to reflect medium-term priorities from the Accession Partnership, namely:

- complete transposition and continue implementation of the environmental acquis according directive – specific pre-defined timetable in nature protection, air, water and industrial related directives, waste, chemicals and genetically modified organisms, ozone depleting substances and radiation protection,
- ensure institutional strengthening in the area of environment both at central and local level, i.e. establishing a supervisory institution for chemicals and an environmental protection agency.
The NPAA sets a goal to complete the formation of an institutional structure that would be able to ensure implementation of the environmental requirements, including chemical substances sector. According to the Law on Chemical Substances and Preparations, all institutional functions related to chemicals management shall be operational from 2002. The NPAA also provides a number of institutional strengthening measures, preparation of various recommendations, guidance etc. for the implementation of legal acts, development of data bases, organisation of inventory of substances circulating in the Lithuanian market, training of governmental and non-governmental institutions (including enforcement structures and industry).

In the field of IPPC, the NPAA foresees a Strategy for the implementation of the requirements of the Directive on Integrated Pollution Prevention and Control and the development of an information system concerning the BAT, the development and implementation of the programme for the training of the staff of the Regional Environmental Protection Department, Ministry of Environment, Joint Research Centre, in integrated pollution prevention and control.

The NPAA also includes the development of the Inventory of greenhouse gases, and compilation of annual inventory of the emissions of CO\textsubscript{2} and other greenhouse gases in the years 2001, 2002 and 2003, and regular assessment and update of the forecast changes in the emissions of greenhouse gases in 2005-2010.

3. Description

3.1. Background and justification

With PHARE assistance (through the DISAE facility), an Action Programme for the Implementation of the EU Legislation on Chemicals and a Programme for Genetically Modified Organisms was developed, where actions for transposition, institutional strengthening and implementation of requirements in these sectors were foreseen. Recently, the Ministry of Environment completed the development of the Strategy for the Implementation of Council Directive No 96/61 on Integrated Pollution Prevention and Control (IPPC), which foresees the next steps required to complete the transposition and strengthening enforcement structures to implement requirements. Priority actions on the institutional strengthening from these programmes were taken as a basis for this project.

In order to implement the Climate Change Convention and its Kyoto Protocol as well as to facilitate implementation of Council Decisions 93/389/EEC and 99/296/EC, Lithuania shall establish relevant gas inventory and regulatory mechanisms, including participation in the joint implementation and emission trading schemes.

The Ministry lacks experience and resources to undertake these activities. It is expected, that this project will provide a number of institutional strengthening experts and investment resources to develop the required system and expertise in the above mentioned sectors.

3.2. Linked activities

The National Approximation Strategy was adopted by the Order of Environmental Minister No.199 on October 12, 1998. The Strategy defines transposition priorities in each environmental sector, points out the main implementation ways and measures. The Ministry of Environment prepared strategy with assistance from the experts working under the PHARE project “Long term planning and institutional support to the Ministry of Environmental protection ” (LI95).

Later with the European Union assistance and bilateral assistance from Denmark, EU requirements implementation programmes for the chemicals and genetically modified organisms (DISAE financed project LIT-109 “Development of Action Programme for Implementation of EU Legislation on Chemicals in Lithuania”, DISAE financed project MC-106 “Development of approximation programmes for EU legislation concerning genetically modified organisms”) as well as integrated pollution prevention and control directive (Danish EPA financed project ‘IPPC and
solid waste management”) were developed. These programmes proposed next steps for completion of transposition and implementation of the EU requirements before the end of year 2003. Some assistance in the chemicals management sector was received through the Baltic Forum (co-financed by the EU Swedish and Finish authorities) which included several workshops on EU requirements for chemicals classification, labelling and packaging requirements.

One of major institutional capacity development activities foreseen is establishment of an Environmental Protection Agency. The Agency statute and other supporting documentation needed for the establishment of the Agency is being developed during implementation of the PHARE 1998 project “Strengthening of institutional capacities in the Ministry of Environment in EU integration process” (LI9805.01.01) which started on October 2000 with duration of 1 year.

3.3. Results

- Establishment of structures capable to manage and enforce requirements in chemicals and GMO sectors,
- Established preconditions for further development of chemicals and GMO management system in Lithuania, in particular as regards the inventory of existing substances and other required databases,
- Increased awareness and preparedness of stakeholders to comply with transposed EU requirements on chemicals and GMO’s management and control mechanism,
- Reinforced structures capable to implement IPPC directive requirements,
- BAT documents developed,
- Established BAT Information Centre,
- Significant progress in building climate change gas emission control system,
- National data base of GHG emissions developed,
- National policies and measures to meet EU and Kyoto Protocol on CO₂ reduction requirements developed

3.4. Activities

Activities will be implemented through a combination of Twinning Light and classic Technical Assistance. The Twinning Light component will focus on activities which have a direct impact on the capacity of staff in the Ministry of Environment and other agencies involved in the projects. Technical Assistance will focus on the more technical tasks related to the collection and analysis of data, the development of information systems and specific training aimed at non-civil servants (e.g. industry)

3.4.1. Twinning Light - LT 2001/IB/EN/01/TL

A Twinning Light contract will be established with an EU Member State, providing an adviser and a pool of experts, who will all in all provide the input over a period of 6 months.

The adviser will focus on support for policy developments and training of civil servants. (S)he will undertake the following activities:

- Development of recommendations and the Action plan for establishment/strengthening of Chemicals management and GMO management institutions,
- Development and implementation of training programmes for governmental officials and enforcement bodies in chemicals and GMO management sectors:
• training courses for government officials (approx. 60 persons) on notification and risk assessment issues (procedures, documentation, data bases, management, etc.),
• training for enforcement bodies and preparation of guidance document for them,

The adviser will be a specialist in environmental policy in general and will have experience of working with at least one of the two key issues addressed under the twinning light component of this project (GMO or chemicals management).

3.4.2. Technical assistance

In addition to Twinning Light, a team of expatriate and local experts will implement specific project activities under a Technical Assistance contract. The tasks to be implemented under this TA contract will focus on the collection and analysis of data, the development of information systems (activities where local environmental expertise is crucial) and training of key stakeholders outside government. Actual input of each of expert will be fully detailed in the Terms of Reference. At this stage an indicative split of international and local expertise for each activity is provided:

Chemicals and GMO:
• Development of training programmes for industry in chemicals and GMO management sectors.
• Development of laboratory control capacity reinforcement plan (60% international, 40 % local),
• Development of the laboratory equipment list, specifications and other required documentation for the procurement of the equipment, assistance in tendering procedures (80% international, 20 % local),
• preparation of guidance for notification procedure and risk assessment (90% international, 10 % local),
• organisation of a study visit to the Chemicals Bureau in Ispra, participation (as observers) in the sessions of the Chemicals Bureau,
• training for industry and preparation of guidance documents (EU requirements for chemicals sector, possible problems for implementation, experience of Member States, etc.) (50% international, 50 % local),
• Identification of needs for relevant databases, development of chemicals inventory and related databases, identification and development/acquisition of relevant software and hardware (including for execution of notification procedure, classification, risk assessment) (40% international, 60 % local),
• Development of draft legal acts to complete transposition in chemicals and GMO management sectors (10% international, 90 % local),
IPPC:

- Identification of the BAT Information Centre structure, support to the actual establishment of the Centre, establishment of links with Regional Departments of the Ministry of Environment (50% international, 50% local),
- Development of BAT documents (50% international, 50% local),
- Development of IPPC training programme (50% international, 50% local),
- Training of relevant stakeholders on implementation and enforcement of IPPC requirements (50% international, 50% local).

GHG:

- Development of GHG inventory methodologies and preparation of the inventory for each year for period 1990-2000. (30% international, 70% local),
- Review of the situation and development of GHG emission trends and development GHG emission projections according requirements of Kyoto protocol, development of the Action Programme for the reduction of GHG emissions in Lithuania and implementation measures for climate change mitigation in future (30% international, 70% local),
- Development of policy framework and required instruments to implement GHG emission reduction requirements, including joint implementation and emission trading mechanisms.

3.4.3. Investment Component

The Project “Development of Action Programme for Implementation of EU Legislation on Chemicals in Lithuania” estimated that public investment into the chemicals sector (mainly laboratories, set-up of databases, enforcement system, set-up of effective communication system) can reach up to 4 million litas (about 1 MEUR). The project indicated that technical equipment would be necessary for the implementation and enforcement of EU Legislation.

In addition, other investment costs (approx. 0.5 MEUR), mainly for setting up administrative system and for strengthening the enforcement system, have been identified.

Office equipment needed for the strengthening of the institutional set-up for chemicals and GMO institutions and for the implementation of other project activities (BAT Information Centre) will be identified in the beginning of the project implementation. The detailed list of laboratory and office equipment as well as specifications and other required documentation for the procurement of the equipment will be prepared under the Technical Assistance contract by the selected Consultant in April/May 2002. It is however anticipated that at least 60% will be spent on technical and scientific equipment.

After this list of equipment is agreed with the Ministry of Environment, the CFCU will organize a separate tender according to EU requirements for procurement of equipment under supply contracts. The Supply tender is likely to be divided into 3 lots to reflect the specific needs of each of the 3 project components (GMO, IPPC, Gas Emission Control). It is expected that tendering procedures for the supply of equipment can start in 3rd quarter of year 2002.
4. Institutional Framework

The Project will be co-ordinated by the Ministry of Environment (MoE). The Ministry was created in 1998 with merging of the former Ministry of Environmental Protection, Ministry of Construction and Urban Development and Department of Forestry. The Ministry consists of:

- Central office (5 departments: Environmental Quality Department, Environmental Strategy Department, Nature Protection Department, Territorial Planning Department, Housing and Technical Regulation Department),
- 53 subordinated institutions (including Joint Research Centre, 8 Regional Departments, etc.),
- 182 staff in central office and its institutions have more then 10 thousand employees at all levels.

MoE functions include:

- Development of legislation in the environmental sector, including transposition of EU requirements,
- Policy planning and development of implementation programmes and institutional set-up,
- Environmental investment planning and management,
- Issuing of permits for nature resource use and emissions of pollutants,
- Environmental impact assessment,
- Inspection and enforcement of environmental requirements,
- Environmental monitoring.

Director of the Environmental Quality Department of the Ministry of Environment will be responsible for co-ordination of the project implementation. Project implementation will involve day to day contacts with relevant division of the Department - Chemicals Management Division, Biodiversity Division, Environmental Technologies Division and Air Division. Representatives of these Divisions will participate in the Steering Committee, established by the Ministry, which will have overall responsibility for supervision of the Project implementation.

5. Budget (in million Euro)

<table>
<thead>
<tr>
<th>Project Components</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Cofinancing</th>
<th>IFI</th>
<th>TOTAL</th>
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</thead>
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<tr>
<td>Twinning Light</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
<td>0.12</td>
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<tr>
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<td>-</td>
<td>-</td>
<td>0.56</td>
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<tr>
<td>Investment component</td>
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<td>-</td>
<td>1.4775</td>
<td>0.4925</td>
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<td>1.97</td>
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<tr>
<td>Total</td>
<td>1.4775</td>
<td>0.68</td>
<td>2.1575</td>
<td>0.4925</td>
<td>-</td>
<td>2.65</td>
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</table>

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

PAO: Zilvinas Pajarskas, Director of the CFCU
Address: J. Tumo Vaizganto 8A/2 - 241 Telephone: + 370 2 22 66 21
2600 Vilnius Fax: + 370 2 22 53 35
Lithuania e-mail: Info@cfcu.lt

SPO: Emilis Gustainis, Viceminister of the MoE
A. Jaksto 4/9, Telephone: +370 2 62 37 14
LT- 2694 Vilnius Fax: +370 2 22 08 47
Lithuania e-mail e.gustainis@aplinkuma.lt

Responsibility for technical preparation and control will remain with the Lithuanian Ministry of Environment. The contact person for the project will be Arvydas Dragunas, Director of Environmental Strategy Department. Contact address is:

Ministry of Environment
A.Jaksto 4/9
Lt – 2694 Vilnius
Lithuania
Tel 370 2 62 34 19, Fax 370 2 62 50 62, e-mail: arvydas.dragunas@aplinkuma.lt

6.2. Twinning

The Twinning Light team will be located at the Ministry of Environment. The Counterpart of the PAA will be Ms Marija Teriošina, Head of Chemical substances Unit, Ministry of Environment, Tel: +370 2 61 96 17, E-mail: m.teriosina@aplinkuma.lt.

6.3. Non-standard aspects

None. For contract/tender procedures the “Practical Guide for PHARE, ISPA and SAPARD”, prepared by the European Commission will be followed. For Twinning Light, the Twinning Manual will apply.

6.4. Contracts

This project will be implemented in two tenders:

- Value of Twinning Light: 0.12 MEUR
- Value of international Service tender is 0.56 MEUR.
- Value of international Supply tender is 1.97 MEUR.

7. Implementation Schedule

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Project Completion</th>
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<tbody>
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<td>Twinning Light</td>
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<td>1Q/2002</td>
<td>3Q/2002</td>
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<tr>
<td>Technical</td>
<td>3Q/2001</td>
<td>1Q/2002</td>
<td>3Q/2003</td>
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<tr>
<td>Assistance</td>
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</tbody>
</table>

8. Equal Opportunity
The institutions involved in the project execution will observe equal opportunity of men and women in its recruitment and human resources development. The beneficiary will ensure equal access of men and women to the project activities and results.

9. Environment

Long term implications on the environment will be obvious in reduced risks of chemicals and GMOs mismanagement, improved control of imports and production.

The establishment of the BAT Information Centre will help to reduce emissions into air and water, more efficient use of energy and other resources.

Actions in climate change sector will contribute to the global effort on reduction of greenhouse gases emission.

10. Rates of return

The investment component of this project relates to institution building activities, which are not normally the subject of rates of return calculations.

11. Investment criteria

<table>
<thead>
<tr>
<th>11.1. Catalytic effect:</th>
<th>The project will finance activities that will help Lithuania to implement EU requirements in the environmental sector. It will also help to establish the GMO management institutional structure and the BAT Information Centre. Without Phare support, full compliance could be achieved only much later.</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.2. Co-financing:</td>
<td>Lithuanian government institutions will contribute with 0.4925 MEUR.</td>
</tr>
<tr>
<td>11.3. Additionality:</td>
<td>No other financiers will be displaced by the Phare intervention.</td>
</tr>
<tr>
<td>11.4. Project readiness and size:</td>
<td>The necessary strategic studies have been completed. Preparation for Phare tendering and contracting can commence immediately.</td>
</tr>
<tr>
<td>11.5. Sustainability:</td>
<td>Relevant government policies ensure sustainability. All beneficiary institutions are in a position to operate the project and the procured equipment effectively in the long run. All acquired equipment will respect the standards applicable after Lithuania’s accession to the Union.</td>
</tr>
<tr>
<td>11.6. Compliance with state aids provisions:</td>
<td>The investment part of the project will respect the state aids provisions of the Europe Agreement.</td>
</tr>
<tr>
<td>11.7. Contribution to National Development Plan:</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

12. Conditionality and sequencing

- Co-financing as indicated,
- ToR prepared not later than 3 months after signing of financial memorandum,
- Framework legislation for establishment of GMOs management institutional structure is in place,
- Institutional structure for chemicals and GMOs management (including laboratory capacities) developed and agreed with the Government,
- Laboratory premises are provided,
- BAT documents are developed by the European Commission according to the foreseen timetable.
ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
4. Reference to feasibility /pre-feasibility studies
5. Short background note
### LOGFRAME PLANNING MATRIX FOR

**Programme Name:** PHARE AP 2001  
**Number:** LT 01 06 01  
**Strengthening of Institutional Capacity to Implement EU requirements on chemicals and genetically modified organisms management, IPPC and climate change**

<table>
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<tr>
<th>Contracting Period Expires</th>
<th>Disbursement Period Expires</th>
<th>Total Budget: 2.65 MEUR</th>
<th>Phare Budget: 2.1575 MEUR</th>
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<tr>
<td>3Q/2003</td>
<td>3Q/2004</td>
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</table>

#### Contract 1 & contract 2

**Objectively Verifiable Indicators:**
- Institutions are established as foreseen in Approximation Strategy and National Program for the Adoption of the Acquis
- Lithuania is evaluated as making substantial progress in implementation of EU requirements by EC

**Source of Verification**
- Ministry of Environment
- EU Delegation in Lithuania
- Regular Progress Report

#### Project Purpose:

1. Chemicals & genetically modified organisms (GMO) management:
   - development of chemicals and GMO management institutional structure
   - development of inventories and data bases
   - development of required laboratory capacities
   - training for enforcement structures and industry
2. Integrated pollution prevention and control (IPPC):
   - development of Best Available Technologies (BAT) Information Centre
   - training for the Regional departments

**Objectively Verifiable Indicators:**
- Institutional set-up is established
- capacity to implement requirements in chemicals management, GMOs and IPPC is in place
- Significant progress achieved in development of regulatory mechanisms for control of climate change gas emissions

**Source of Verification**
- New/reinforced institutions
- Ministry of Environment
- EU Delegation in Lithuania
- Steering Committee of the project
- Progress reports

#### Assumptions
- The Ministry is fully committed to implement NPAA and agrees with proposed institutional structure
- Resources are allocated from Lithuania’s budget to run institutions
- Other relevant institutions (for example, Ministry of Health Care) are willing to co-operate
and industry in development and enforcement of IPPC permits

3. Climate change gas emission control:
   - inventory of emissions
   - development of regulatory mechanisms

### Results

- Established structures capable to manage and enforce requirements in chemicals and GMO sectors (IB & INV)
- Inventories and other required databases (IB & INV)
- Increased awareness and preparedness of stakeholders to comply with transposed EU requirements on chemicals management and control mechanism (IB)
- Reinforced structures capable to implement IPPC directive requirements (IB & INV)
- Developed BAT documents (IB)
- Established BAT Information Centre (IB & INV)
- GHG inventory methodologies and inventory (IB)
- Set of national policies and measures to meet EU and Kyoto Protocol CO₂ reduction requirements (IB)

### Objectively Verifiable Indicators:

- Institutions established and operational
- BAT centre established and operational
- Draft legal acts
- Training programme and syllabus available
- Key civil servants and industry representatives trained
- Databases are available and operational
- Laboratory equipment is available, installed and operational

### Source of Verification:

- New/reinforced institutions
- Ministry of Environment
- Steering Committee of the project
- Final Report

### Assumptions:

- The Ministry of Environment staff is co-operating on the implementation of the project
- Steering Committee makes required decisions on time
- Industries are co-operating and providing required information
- Supply contracts are prepared in time
- Interministerial working groups are established

### Activities

- Development of recommendations and the Action plan for establishment/strengthening of Chemicals management and GMO management institutions
- Development of laboratory control

### Means:

- A team of EU and local experts under Technical Assistance arrangements
- One PAA with STEs under Twinning Light arrangements
- Documentation, equipment and other resources for chemicals and GMOs management

### Source of Verification:

- Project implementation team
- Steering Committee
- Project reports
- The Ministry of Environment

### Assumptions:

- Qualified and capable company or consortium is selected to implement the project.
- Qualified local specialists are attracted
- The Ministry is providing necessary support, including office space (if indicated in ToR)
<table>
<thead>
<tr>
<th>Capacity reinforcement plan</th>
<th>Institutions</th>
<th>EU Delegation</th>
<th>EU Integration Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of the laboratory equipment list, specifications and other required documentation for the procurement of the equipment, assistance in tendering procedures</td>
<td>Office space for the project implementation teams</td>
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<tr>
<td>Development and implementation of training programmes in chemicals and GMO management sectors:</td>
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<td>EU Delegation</td>
<td>EU Integration Unit</td>
</tr>
<tr>
<td>• training courses for governmental officials on notification and risk assessment issues</td>
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<td>• study visit to the Chemicals Bureau in Ispra,</td>
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<tr>
<td>• Identification of needs for relevant databases, development of chemicals inventory and related databases, identification and development/acquisition of relevant software and hardware</td>
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<tr>
<td>• Development of draft legal acts to complete transposition in chemicals and GMO management sectors</td>
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<tr>
<td>• Translation of national legal acts and of EU Member State documentation</td>
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<tr>
<td>• Identification of the BAT Information Centre structure, support to the actual establishment of the Centre, establishment of links with Regional Departments of the</td>
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<tr>
<td>Ministry of Environment</td>
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<tr>
<td>• Development of BAT documents</td>
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<tr>
<td>• Development of training programme</td>
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<td>• Training of relevant stakeholders on implementation and enforcement of IPPC requirements</td>
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<tr>
<td>• Development of GHG inventory methodologies and implementation of the inventory</td>
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<td>• Review of the situation and development of GHG emission trends, development of the Action Programme for the reduction of GHG emissions in Lithuania</td>
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<tr>
<td>• Development of policy framework and required instruments to implement GHG emission reduction requirements,</td>
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<table>
<thead>
<tr>
<th>Preconditions</th>
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<tbody>
<tr>
<td>• Co-financing as indicated,</td>
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<tr>
<td>• ToR prepared not later than 3 months after signing of financial memorandum,</td>
<td></td>
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<tr>
<td>• Framework legislation for establishment of GMO management institutional structure is in place,</td>
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<tr>
<td>• Institutional structure for chemicals and GMO management (including laboratory capacities) developed and agreed with the Government,</td>
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<tr>
<td>• Laboratory premises are provided,</td>
<td></td>
</tr>
<tr>
<td>• BAT documents are developed by the European Commission according to the currently foresee timetable.</td>
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</table>
## Detailed Implementation Chart for the Project

**Strengthening of Institutional Capacity to Implement EU requirements on chemicals and genetically modified organisms management, IPPC and climate change**

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
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<tr>
<td><strong>Twinning Light</strong></td>
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<tr>
<td><strong>Supply</strong></td>
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### Legend:
- **Design**
- ** Tendering**
- **Implementation**
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (Phare Contribution only - Million Euro)

Strengthening of Institutional Capacity to Implement EU requirements on chemicals and genetically modified organisms management, IPPC and climate change

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<td>• Twinning Light</td>
<td>0.12</td>
<td></td>
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<tr>
<td>• Equipment Supply</td>
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<td>Total contracting (cumulative)</td>
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<tr>
<td>Disbursement</td>
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<tr>
<td>• Technical Assistance</td>
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<td>0.262</td>
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<tr>
<td>• Twinning Light</td>
<td>0.06</td>
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<td>• Equipment Supply</td>
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<td>Total disbursement (cumulative)</td>
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</table>
Reference to feasibility /pre-feasibility studies

1. Since the project itself is created to strengthen the institutional capacity in the way of implementing EU requirements, no pre-feasibility or feasibility studies will be prepared. Following reports are foreseen to be developed:
   - Inception report,
   - First interim report,
   - Second Interim report,
   - Final report,
   - Report with recommendations and the Action plan for establishment/strengthening of Chemicals management and GMO management institutions,
   - Laboratory control capacity reinforcement plan,
   - Laboratory equipment list.

It shall be also remarked, that Investment component of the project relates only to institutional building activities and only supply of office and laboratory equipment is foreseen to be purchased, therefore no Environmental Impact Assessment studies will be carried out.
1. Chemicals management and genetically modified organisms management sectors are quite underdeveloped compared with the EU requirements and practices in another Member States. Framework Law on Chemicals was recently adopted by the Parliament (April 2000). The Ministry of Environment has developed draft Law on GMO, which is expected to be approved by the Parliament in year 2001. These laws are setting general requirements, but there is still need to develop large number of implementing legislation; to establish institutions for enforcement of requirements; collect required data (standards for such databases are set by the EU); provide training for supervisory institutions and the industry. Amount of activities required is not adequate to the time frame and resources currently available in Lithuania. Most of essential expertise to complete institutional development in these sectors is not available in Lithuania. Therefore assistance from PHARE is essential to timely implement actions from NPAA.

2. Lithuania is one of very few countries, which does not ask for transitional periods for the implementation of Integrated pollution prevention and control (IPPC) directive. It is foreseen that Lithuania will implement IPPC requirements according to the dates set in the directive. It means, that for new enterprises requirements shall be implemented starting from year 2003. According to the Strategy for approximation of IPPC directive (development of which was completed this year) number of actions shall be taken during the preparatory period. One of most important actions is the establishment of Best Available Technologies (BAT) Information Centre. This is absolutely necessary ensuring that, by the start of implementation of IPPC requirements, Lithuania’s authorities have all necessary information about BAT standards, which are based on EU practises and Lithuania’s economic possibilities. Such expertise with setting environmental standards from BAT is not available in the country, because former practises were based on completely different methods. Training was identified as one of most important preparatory activities as well. The Ministry developed two years IPPC training programme, implementation of which would ensure that Regional departments of the Ministry are prepared to issue the permits and enterprises understand the requirements and are prepared to provide necessary information.

3. EU is giving high priority to the climate change problems. Climate change gas emission control mechanisms are not developed in Lithuania. This problem is becoming even more important in the light of anticipated close down of Ignalina NPP. It will require increasing use of other fuels, leading to higher emissions of greenhouse gases. Therefore it is necessary to prepare regulatory mechanisms which would ensure that Lithuania complies with Kyoto Protocol targets and is in line with the EU greenhouse gases emission reduction policies. EU Member States have developed substantial expertise in this sector and assistance would facilitate solution of this problem in Lithuania.