Standard Summary Project Fiche for the Transition Facility

1. Basic Information

1.1. CRIS number: 2005/017-494-03-01

Twinning Contract: LT/2005/IB/AG/01

1.1 Title: Administration of Import / Export, Market Information System, effective use of Farm Accountancy Data Network (FADN) and Organic Agriculture

1.2. Sector: Agriculture

1.3. Location: Ministry of Agriculture and related institutions

2. Objectives

2.1. Overall Objective: The overall objective of 1.128 MEUR project, of which 0.243 MEUR are provided as national co-financing, is strengthening the administrative capacity of the institutions to administer and control measures of Common Agricultural Policy (CAP), particularly related to the Market Information System, Organic Farming, administration of import (export) licences for agricultural and food products, import quota and export refunds, effective using of Farm Accountancy Data Network.

2.2. Project Purposes:

- Strengthening the administrative capacities of the institutions: the Ministry of Agriculture (MoA), the National Paying Agency under the Ministry of Agriculture (NPA), in order to ensure the administration of import (export) licences for agricultural and food products, import quota and export refunds;
- Strengthening the administrative capacity to use Farm Accountancy Data Network (FADN) data for the evaluation of consequences of the CAP, elaboration of managerial measures, forecast models improvement of the bookkeeping system and FADN data quality;
- Strengthening the capacity of the Lithuanian Governmental Institution “Agri-Information and Rural Business Centre” (ARBC) in cooperation with the other related institutions to finalise the implementation of price reporting (Market Information System) and related subjects in practice;
- Improving the Information/statistical System for certifying and monitoring Organic Agriculture and strengthening the administrative capacity in order to ensure effective functioning of the control system.

2.3. Justification

The Comprehensive monitoring report on Lithuania’s preparations for membership notes, that the proper application of the binding rules and their effective enforcement by an efficient public administration are essential for the functioning of the common agricultural policy. This includes the setting up of management systems.

The National Paying Agency will be responsible for the administration of trade mechanisms. Certain legislative measures remain to be completed and the development of administrative procedures in most fields needs to be accelerated. Inter-institutional co-operation needs to be further improved.

The responsibility of quality policy and organic farming rests with the Ministry of Agriculture, which will need to be further strengthened in terms of staffing and training. As regards organic farming, administrative structures are in place but need to be strengthened.
A temporary milk quota system was introduced in 2003 and responsible institutions for its management were defined. In order to ensure full compliance of the quota system further legislation has to be adopted and enforced. The administrative structures of the National Paying Agency, including its regional units, and of municipalities, which will be responsible for the quota system need to be substantially strengthened in order to ensure proper milk quota management. Further efforts are also necessary with regard to other parts of the Common Market Organization (CMO), such as the preparation of disposal measures.

Legislative measures have been adopted regarding price reporting for beef meat, sheep meat and pig meat as well as for beef meat labelling. The establishment of appropriate administrative structures is progressing but further preparations are needed, in particular as regards the price reporting system.

For eggs and poultry, legislative measures remain to be put in place as regards marketing standards, price reporting and the reporting of production statistics.

3. Description
3.1. Background and Justification

The aim of the Common Organisation of the agricultural markets is to regulate production of and trade in agricultural products in all Member States of the European Union. Furthermore it seeks primarily to achieve the objectives of CAP, in particular market stabilisation. The pre-accession period was very intensive for Lithuanian institutions and a lot of tasks in relation with the Common Agricultural Policy, particularly Common Organisation of the agricultural markets are already in place and working. But taking into account the size and the complexity of the system there are some specific fields, directly related to the CMO, which should be strengthen in order to ensure the effective functioning of the common system in practice after the date of accession. The following part of Background and Justification explains the situation about these specific fields (sub-sectors or integral parts of CMO and MIS) overviews tasks implemented before the accession date and gives detailed view what is expected to improved in the framework of this project. The information is processed and summarised into components according to the connection of the fields and tasks, beneficiaries. Every component of the project is integral part of the common system.

Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds

In this field the following PHARE projects has been implemented: LT0004-01-01-0002 „Agriculture and Food Market Information System for Agriculture and Food Market Regulation Agency” and LI 2000/IB AG-01 „Strengthening the capacity of the Ministry of Agriculture and Related institutions to Manage and Administer the EU Acquis for Agriculture (CAP) and Rural Development” but wider input is still needed. This is mentioned in the reports of EU experts involved in the above-mentioned projects. For a successful import (export) licences administration system, import quota and export refunds, it is necessary to collect data and information about: applications for export refunds and information about applicants, paid refunds and structure, accounting data, control data; import-export trends will be adjusted according to the data. The modernization of the existing systems and the assistance of EU experts is required so that the agency’s staff can work under EU requirements. According to Government of the Republic of Lithuania Resolution No. 1666 of 23 December 2003 Concerning the Preparation to Administrate the Means of the Fishery Trading System and the Agriculture of the European Union, the administration of the import/export of agricultural products as well as import quotas and export refunds is committed to the National Paying Agency, thus the latter, as a unifying institution in Lithuania, is responsible for the undertaking of this function since accession to the EU.

It has to be mentioned that the MoA is a competent institution responsible for the whole EAGGF and therefore the assistance of EU experts in order to strengthen institutional capacity of the Ministry while administrating the measures on the import quota and export refunds is needed.
Farm Accountancy Data Network

An important problem is effective use of the FADN data. Agricultural policy makers, managers, researchers and advisors must as soon as possible learn to use this data for farm management, policy analysis, prognosis, evaluation of consequences of policy decisions, planning, elaboration of materials for negotiations in EU meetings, etc. FADN data users should learn from experts of old Member States how to use this data for different goals.

According to Regulation (EEC) No 79/65, FADN data must be collected from farm bookkeeping data. The farm bookkeeping service is not sufficiently effective in Lithuania. Bookkeepers are capable of working with twice or three times fewer farmers compared to their counterparts in Western countries. On the other hand, bookkeeping systems for farmers and agricultural companies are different; as a consequence, it makes data collection for FADN purposes complicated. However, EU Regulation (EEC) No 1915/83 defines a strict time limit for data delivery to the EC. Assistance of the foreign experts is very welcome to evaluate the current agricultural bookkeeping system in Lithuania and to take over experience of the old EU Member States in order to improve the quality of FADN data and to meet EU requirements.

The Lithuanian Agricultural Advisory Service (LAAS) is a part of the Lithuanian FADN system. LAAS is responsible for running of farm accounts, collection of primary FADN data and its submission to the Liaison Agency – the Lithuanian Institute of Agrarian Economics (LIAE) for further processing. LAAS implements this work through 50 local offices in the districts. At present the offices are connected to the Internet through “dial-up”, i.e. commutation line. This connection is slow and expensive. The offices frequently have problems to connect to the Internet. The computers are outdated; therefore, data and backups (including farm bookkeeping one of the clients) are not safe. Professional protection tools have to be installed in every computer connected to the Internet; however, that would be expensive. In addition, the companies providing Internet service do not provide with appropriate anti-virus protection.

LAAS has worked out a strategy to establish as intranet (VPN) system, which would enable the local offices to be connected into one joint system. In the new system the issues mentioned above would be solved in a centralized way: by installing one professional firewall and antivirus software ensuring safety of all LAAS computers in the network. With the establishment of the Intranet, the data would be copied to the centralized databank at the main centre of LAAS. Data exchange between the local offices and the main centre would be safe as connection channels would be encoded (VPN). Now accountancy data of the clients, other data and applications are located on separate computers. After the implementation of the Intranet, all this information would be placed on one server in the centre. The Intranet would speed up exchange of information within LAAS and it would provide possibilities to use centralized software and databases. The computer network would enable sharing resources and increasing data safety, centralized monitoring and management.

Market Information System

The Lithuanian Governmental institution “Agri-Information and Rural Business Center”, in cooperation with the other related institutions via Order of the Minister of Agriculture No 3D-156 of 8 April 2004 is responsible for the following functions: collecting, pooling, storing, processing and analysing data specified in EU Regulations about amounts and prices of procured raw agricultural production, amounts and wholesale prices of produced products, retail prices of agricultural and food products, input prices and prices in the domestic market as well as other necessary data, which are provided by enterprises and other data suppliers, preparing reports to the European Commission, other institutions or data recipients, preparing and publishing official statistical bulletins.
The necessary national legislation according to EU requirements is prepared but it is also necessary to evaluate the MIS for the preparation and implementation of the data control/inspection system, to develop and implement the VPN system for data collection (for data collection control function), the training of staff for this job and to have advice of EU experts on the implementation of practice EU requirements, new IT software and hardware for the data collection networks.

At the time when the Lithuania Market Information System was started to develop it was foreseen to use the capabilities provided by Lithuanian information infrastructure projects such “Development of computer network in the rural places” and other. It was assumed that most of data suppliers would have possibilities to supplier data throughout Interactive Data Entering System (IDES). Unfortunately, the Lithuanian information infrastructure is not implemented yet and most of data suppliers are forced to find other ways for data supplying (fax or e-mail), which are usually not very reliable. This situation causes a lot of problems: it takes more time to process data and it is hardly possible to ensure the data accuracy and data transferring in time. The statistics (the table below) gives more clear view on data supplying ways.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Data Supplying Ways</th>
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| **Milk sector**                | 19% - by IDES, e-mail  
79% - by fax  
2% - by mail |
| **Fruit and vegetable sector** | 27% - by e-mail  
73% - by fax |
| **Grain and oilseed sector**   | 32% - by IDES, e-mail  
78% - by fax |
| **Meat sector – pig procurement report** | 45% - by IDES, e-mail  
55% - by fax |
| **Meat sector – cattle procurement report** | 33% - by IDES, e-mail  
67% - by fax |
| **Egg and poultry sector**     | 29% - by IDES  
71% - by e-mail |

It is urgent as soon as possible to solve these problems – to strengthen the technical basis by obtaining necessary equipment and improve human resources capabilities by exchanging experience with the experts from other EU.

Shortly, before the accession date the special emphasis was given to create a legal methodological and databases infrastructure but the data control function was not implemented. After the accession date the providing of reliable data to Commission should be ensured. The experience of working with the data collection, pooling, storing, processing and analysing after the 1st of May 2004 shows shortages of the system, which should be improved. The legal methodological and databases infrastructure should be in place.

*Information system for Organic Agriculture*

All the necessary preconditions for the organic production exist in Lithuania. It is mean that there is favourable ecological situation, an expanding local and foreign market for organic products, national and international recognition (IFOAM accreditation) of the Lithuanian Inspection-Certification Body “Ekoagros”. 393 organic farms and farms in the conversion which cultivate 8780 ha, 13 organic production processing companies, 5 organic wild production harvesters and 7 companies contributing inputs to organic agriculture were certified in 2002. 700 organic production farms whose total certified
area was 23289 ha (1.0% of the total area of agricultural land in Lithuania), 18 processing companies, 9 wild production collectors, 6 companies supplying inputs to organic farms, and 1 company of organic products handling were certified in Lithuania in 2003. While implementing long-term objectives in the agricultural sector, Lithuania will aim that out of the total area of certified organic production land makes up 5% in 2006 and 15% in 2010.

According to the requirements of Council Regulation (EEC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs, an Inspection Body implementing all tasks of organic farming certification has to be established. In Lithuania these functions have been delegated to the Certification Body „Ekoagros“ by Order of the Minister of Agriculture No 510 of 21 December 2002 “On supervision and control of organic agriculture Certification Institutions. The new rules on organic agriculture approved by Order of the Minister of Agriculture No 3D-253, of 29 April 2004, ”Rules on organic agriculture and certification of organic products processing and production. Furthermore Regulation (EEC) No 2092/91 states that supervision of the Inspection Body should be carried out by a Competent Authority. According to Article 2.2 of the Order of the Minister of Agriculture No 3D-253 the Division of Agri-environment and Organic Farming within the Department of Food Safety and Quality of the Ministry of Agriculture is responsible for supervision of the Inspection/Certification Body “Ekoagros” as well as control of activities concerning the implementation of functions appointed in organic agriculture rules. Taking into account that the organic farming and processing system in Lithuania is new and there is no experience in this field, it is very important to create new programme and network, to have assistance of foreign experts, particularly for the questions: how the Competent Authority should control documentation of the Certification Body/Bodies, how the Competent Authority should check daily work of inspectors of Certification Body “Ekoagros”; what procedures should be taken to approve new Certification/Control Bodies. It is worth mentioning that the MoA is in a stage when the procedures of how the Competent Authority should control documentation of the Certification Body are under preparation, but independent advice and recommendations are highly considered. Furthermore in accordance with Regulation (EC) No 2092/91 on organic production of agricultural products and indications referring thereto on agricultural products and foodstuffs, the main data on organic farming should be submitted to the Commission (once a year from 2006) that will be analyzed and disseminated to the EUROSTAT:

- List of Operators registered within the year and subject to the Inspection system;
- List of Inspections (Control) Bodies;
- Report on supervision of Inspection bodies;
- Number of registered operators;
- Crop areas in organic farming or in conversion and crop yields in organic farming by main cropping groups;
- Crop products;
- Organic livestock and livestock products;
- Industrial production;
- Any other information which will enable the Commission to evaluate the progress of the implementation of Regulation No. 2092/91 and its uptake by farmers.

Currently in Lithuania is one Control Body “Ekoagros” and because of that the Body is responsible to complete their fulfilled forms with above mentioned information. After network would be created, they will send the forms to the server of Agri-Information and Rural Business Centre (AIRBC). AIRBC will send all aggregated information about organic farming to the server of the MoA. MoA will submit data to the Commission as well as present all data about organic farming in their Website:

The Control Body is responsible for collecting info at the farm level and should (along with any new control bodies that would be registered) be responsible for submitting fulfilled Eurostat forms to the Ministry of Agriculture. These and other organic farming data from other institutions (how an example data about organic seeds from State Seed and Grain Service, (data from this institution should be presented to Eurostat as well)) and other Control Bodies (if they would be established) it is forethought.

Prepared by MoA and related institutions, 20/05/2005
would be collected in AIRBC database. Ministry of Agriculture is responsible to send statistics to the Commission. The Commission will present from all EU countries obtained organic farming data in the Eurostat.

For the purpose making control of Control Bodies, providing right data to the Commission, obtaining all necessary the latest data about sustainable and organic agriculture and certification in Lithuania, for presenting the last data about organic farming to the public it’s essential to have common information system with State institutions/bodies under the Ministry of Agriculture. It is needed to buy necessary equipment to the MoA, make and install new programme in “Ekoagros” make a computer network between the MoA and State institutions under the MoA: Agri-Information and Rural Business Centre and “Ekoagros”(with possibility in future to expand network with other State institutions: State Seed and Grain Service, State Food and Veterinary Service and others). Small local database for they daily work and storing of data at “Ekoagros” exists but there aren’t access with the Ministry of Agriculture and other institutions.

At the first stage new programme should be made and installed at the Inspection /Certification Body “Ekoagros”. The program shall consist from these parts:

- inputs, products; processors name and processing products; retailers; inputs manufacturers, their certified products and others;
- Daily data account. From an approved decision operators name, surname, ha, production according each products directly are going to the certificate, archives and summary. Only main data can be public (how an example number of certified organic farms and farms in the conversion (area (ha), locality, code, activity), certified processing, supplying companies, certified organic wild production harvesters, companies supplying auxiliary row material to organic agriculture, importers and processors organic production from third countries, exporters to the third countries of organic production and other data), another’s shall be confidential.
- Statistical forms fulfilled from collected data to Eurostat.

Next stage-main data would be sent to AIRBC. In accordance with the Order of the Minister of Agriculture No 3D-156 of 8 April 2004 the “Agri-Information and Rural Business Centre” is responsible for the following functions: collecting, pooling, storing, processing and analysing data specified in EU.

Next stage – from AIRBC aggregated all required to Eurostat data and other organic farming data from all institutions about organic farming will be sent to the MoA.

Next stage- the MoA will provide required statistics to the Commission and will provide information on organic agriculture for public access in their existing website.

3.2. Linked activities:

The following projects are linked to the project:

- PHARE LI 9703-01-01, 99-5081-00 “Farm Accountancy Data Network and Economics Accounts for Agriculture”; implementation period: 02/00 – 12/00; total budget: 220 000 EUR, main beneficiaries: Ministry of Agriculture, Lithuanian Institute of Agrarian Economics, Statistics Department, main results: the Modification of the Forms for primary Accountancy Data collection and the Development of computerised Application for primary Data collection and control were elaborated. Training was held for the FADN Data customers how to use FADN Data for Policy Analysis. The projects of Regulations for the Surveys of farming Results of Agricultural Producers and Development of the Lithuanian FADN were prepared.
- PHARE LI9803.01.02 “Integrated Farm Register and Agricultural Information System”; implementation period: 12/98 -10/02; total budget: 700 000 EUR; main beneficiaries: Rural Business Development and Information Centre; main results: National Farm Register developed: created Integrated Farm Register of Farm Enterprises containing ownership and physical data on the farm enterprise, linked with other relevant databases and registers, meeting the needs of administering farmers support programmes and EU conformity and reporting requirements and a farmers’ directory and sampling frame.

Prepared by MoA and related institutions, 20/05/2005
• PHARE LI9909.02 “Modernisation of Rural Administrative System” implementation period: 12/99 – 10/02; total budget: 1 000 000 EUR; main beneficiaries: Ministry of Agriculture, Agri-food European Integration Department under the MoA, Regional Agricultural Offices, Rural Business Development and Information Centre, Lithuanian Agricultural Advisory Service, Lithuanian Agricultural Food Market and Regulation Agency, National Paying Agency, Lithuanian Agricultural Chamber, Lithuanian Veterinary Academy. main results: the development of a Market Information System (MIS) has started. As well the attention to other fields were paid in the framework of the PHARE project: improving decision making, administrative and monitoring capacities of MoA top management and staff for EU accession preparation; establishing the national and regional network for administration, monitoring and control of CAP market intervention and EU policy measures; establishing of Land Parcel Information System (IACS Parcel Register) and IACS controls; setting-up a function for carcass classification (for beef and sheep meat).

• PHARE LT0004-01 “Strengthening the Capacity of the Ministry of Agriculture and Related Institutions to Manage and administer the EU Acquis for Agriculture (CAP) and Rural Development”; implementation period: 12/00 – 09/03; total budget: 2.000 000 EUR; main beneficiaries: Ministry of Agriculture, Agri-food European Integration Department under the MoA, Regional Agricultural Offices, Rural Business Development and Information Centre, Lithuanian Agricultural and Food Product Market Regulation Agency, National Paying Agency, Lithuanian Agricultural Chamber, Lithuanian Agrarian Economic Institute; main results: the project continued the activities of the previous projects. The fundamental management mechanisms and administrative structures to monitor the agricultural markets and implement CAP and Rural Development measures developed. Particularly assistance focused on CAP measures as direct payments, intervention, milk quotas, trade mechanisms (export/import), creation of LPIS database, IACS system design, Market Information System database development and reporting system, FADN data collection and conversion.

• PHARE LT 2002/000.601.01.01 “Strengthening the Capacity to Implement EU Acquis for Agriculture”; implementation period: 10/03 – 12/04; total budget: 7 490 000 EUR; main beneficiaries: Ministry of Agriculture, Agri-food Eurointegration Department under MoA, National Paying Agency, Market Regulation Agency for Agriculture and Food Products, Institute of Information Technologies, the State Plant Protection Service, the State Food and Veterinary Service, the Lithuanian Institute of Horticulture, the Lithuanian Association of Commercial Enterprises “Fruit and Vegetables”, the Lithuanian Associations of Fruit and Vegetable Growers, the Lithuanian Veterinary Academy, the State enterprise „Agriculture animal milk recording control”, the Lithuanian Institute of Agrarian Economics, the Lithuanian Agricultural Advisory Service; main results: the assistance was focused to enhance effectiveness of the Ministry of Agriculture and related institutions in relations with EU, to improve pace and coherence of acquis implementation and policy development.

• TF 2005 (in preparation) „Further Strengthening of Administration and Control of Intervention Measures in Agriculture”; implementation period: 1Q/2006 – 1Q/2007; total budget: 833 000 EUR; main beneficiaries: Ministry of Agriculture (direct beneficiary) in cooperation with the related institutions such as: State Enterprise Lithuanian Agricultural and Food Products Market Regulation Agency, National Paying Agency under the MoA, State Seed and Grain Service, Grain Quality Testing Laboratory, State Food and Veterinary Service; the main aim: Strengthening the administrative capacity of Ministry of Agriculture, the Lithuanian Agricultural and Food Products Market Regulation Agency, the State Seed and Grain Service under the Ministry of Agriculture in order to administrate Intervention measures focusing special attention to training of inspectors and administrators in order to ensure effective functioning of the control, accounting system and internal audit.

3.3. Results:

Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds

Prepared by MoA and related institutions, 20/05/2005
• Staff of National Paying Agency trained in administration import/export licences for agricultural and food products via consultations, seminars with the experts of old Member States, ensured effective functioning of system;
• Staff of Ministry of Agriculture and National Paying Agency trained in administration of measures on import quota and export refunds via consultations, seminars with the experts of old Member States, ensured effective functioning of system;
• IT systems modernized (The IT system to administrate data on import/export licences for agricultural and food products, import quota and export refunds will be based on the prototype created under PHARE programme projects LT0004-01 and LT 2002/000.601.01.01 The IT system needs further modernization in order to ensure the effective functioning.).

Farm Accountancy Data Network
• Lithuanian specialists trained to use FADN data for the evaluation of the consequences of CAP, elaboration of managerial measures, forecast models; learnt about farm book keeping systems in old member states;
• Developed modern computerised book keeping system.

Market Information System
• Operational market information system updated (the data control/inspection system implemented, the data bases and network security, the data transfer and data storage system developed, other data requested by European Commission).

Information System for Organic Agriculture
• New programme made, equipment bought;
• Information system for organic agriculture created;
• Lithuanian specialists trained;
• Feasibility study, work procedures and working guides for the Competent Authority, Certification Body and other related institutions prepared.

3.4. Key inputs:

The project will be implemented through:

• **Twinning Arrangement** - the Ministry of Agriculture (direct beneficiary) in cooperation with the related institutions such as: National Paying Agency under the MoA, Lithuanian Institute of Agrarian Economics, Lithuanian Agricultural Advisory Service, Agri-Information and Rural Business Centre, Certification Body „Ekoagros”;
• **Investment component (service contracts)** where direct beneficiaries are Ministry of Agriculture, National Paying Agency under MoA, Lithuanian Institute of Agrarian Economics, Lithuanian Agricultural Advisory Service, Certification Body „Ekoagros”, Agri-Information and Rural Business Centre;
• **Investment component - Supply Tender** - divided into lots where direct beneficiaries are the Ministry of Agriculture, Lithuanian Agricultural Advisory Service, Lithuanian Institute of Agrarian Economics, Agri-Information and Rural Business Centre.

Under the following components of this project: Twinning, Investment (service), Investment (supply) it is foreseen to strengthen the administrative capacities of the institutions in order to ensure the administration of import (export) licences for agricultural and food products, import quota and export refunds, to use Farm Accountancy Data Network (FADN) data, to finalise the implementation of Market Information System in practice, Improving the Information/statistical System for certifying and monitoring Organic Agriculture. The detailed information on components and the covered activities are provided below.
3.4.1. Twinning component

Twinning activities

Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds
- Assistance of short-term experts to specialists of the MoA and the NPA in the administration of import/export licences for agricultural and food products according to EU requirements (25 persons): exchanging of experience with the experts, consultations on adopting of new regulations, practical aspects of using in Member States, advises on administration of trade mechanisms and related problems;
- Assistance of short term experts to specialists of the MoA, the NPA in the administration of the import quota and export refunds according to EU requirements (25 persons): exchanging of experience with the experts, consultations on adopting of new regulations, practical aspects of using in Member States, advises on administration of import quota and export refunds;
- 2 study trips for staff of the NPA on administration of import/export licences for agricultural and food products according to EU requirements, administration of the import quota and export refunds according to EU requirements (5 persons for 6 days) and (5 persons for 6 days).

Farm Accountancy Data Network
- Assistance of short-term experts to specialists of the LIAE and the LAAS (20 persons);
- Practical training of Lithuanian specialists:
  2 study trips on farm bookkeeping issues (5 persons for 6 days) and (5 persons for 6 days);
  3 study trips on the use of FADN data for different purposes (each time 4 persons for 6 days).

Market Information System
- Assistance of short-term experts to specialists of the Lithuanian Governmental Institution “Agri-Information and Rural Business Center” and other related institutions working in the field of price reporting and statistics (MIS) via workshops and advises on development of control/inspection system;
- Practical training of Lithuanian specialists in other EU Member States countries on the collection of Market data, the MIS data control/inspection system, control and test mechanisms (2 study trips for 4 persons for 5 days).

Information system for Organic Agriculture
- Assistance of short-term experts to specialists of the Ministry of Agriculture (3 – 5 people), Certification Body „Ekoagros” (5 – 10 people), and Agri-Information and Rural Business Centre (2 people) on the improvement and administration of the organic agriculture information system, preparation of written advices on system work, development, exchanging of experience;
- Assistance of short-term experts in the preparation of feasibility studies, work procedures and working guides with translations for the Competent Authority (MoA) (3 – 5 people):
  a) How the Competent Authority (MoA) should control documentation of the Certification Body/Bodies and how the Competent Authority should check daily work of inspectors of Certification Body/Bodies. (STE for 5 days for making Feasibility study in Lithuania; STE for 7 days for making practical guide and 3 days for 1 translator for translation of the Practical Guide). Making courses on the same theme in Lithuania “Procedures for making control of Certification Bodies” STE for 2 days in Lithuania to train 3-5 people from MoA and 5-10 people from “Ekoagros” and 1 translator for 2 days;
  b) What certifying procedures that necessary for establishing and approving new Certification/Control Bodies. (STE for 5 days for making Feasibility study in Lithuania; STE for 7 days for making practical guide and 3 days for 1 translator for translation of the Practical Guide). Making courses on the same theme in Lithuania “Procedures that necessary for...
establishing and approving new Certification/Control Bodies” STE for 2 days in Lithuania to train 3-5 people from MoA and 5-10 people from “Ekoagros” and 1 translator for 2 days;

- Making courses:
  a) Organising 2 days workshop for Lithuanian specialists from MoA (2 specialists) and from Certification Body “Ekoagros”(2 trainees-they will train later experts from the Control Body) in other EU Member States countries. (STE for making to Lithuanian specialists 1 day practical exercises and 1 day for workshop and lectures). (For courses should be written approximately 20 pages practical guide without translation - 5 days work of STE) on the theme “Evaluation of risk factors by carrying out control on organic animal husbandry and aquaculture farms”;
  b) Organising 1 day workshop for Lithuanian specialists from MoA (2 specialists) and from Certification Body “Ekoagros”(2 trainees-they will train later experts from the Control Body) in other EU Member States countries (STE for making to Lithuanian specialists workshop and lectures) on theme “Import and recertification of organic products”;
  c) Making courses in Lithuania for specialists from MoA (2-5 specialists) and from Certification Body “Ekoagros”(2 trainees-they will train later experts from the Control Body). (1 STE for 1 day) on theme “Enlarged risk group of genetically modified products and protection of organic products from GMO’s”.

**Required Inputs**

**Resident Twinning Adviser (RTA) – 12 months consecutive** - providing general management and institutional support to the MoA and related institutions, as well as consultations on various levels (improvement of staff qualification, legal adjustments, administrative procedures), supervision of overall project.

**General profile of the RTA**

- A senior civil servant from an EU Member State Government institution with significant experience in working with the practical implementation of Common Agricultural Policy measures in key sectors of agriculture;
- Ability to give practical and theoretical advice in market regulation measures;
- Understanding of Farm Accountancy Data Network issues;
- Understanding of the Market Information System for agricultural and food products;
- Familiarity with legal acts and procedures on Organic Agriculture;
- Understanding of Information Systems for Organic Agriculture;
- Familiarity with Member State associated bodies’ structures and procedures;
- Good communication and management skills;
- Fluency in English (written and spoken).

**Short-term experts (STE):**

An extensive series of short-term expert inputs are required (9.7 p/m):

**Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds (4 STE, 5 p/m)**

- STEs should be skilled in the field of import (export) licences for agricultural and food products;
- STEs should be skilled in the field of the import quota and export refunds;
- STEs should have at least 3 years’ practical administrational experience and be familiar with the current EU legislation in the field of import (export) licences for agricultural and food products, import quota and export refunds;
- STEs should be skilled in organising training programmes for staff.

**Farm Accountancy Data Network (2 p/m)**

- STEs should be skilled in practical use of FADN data (modelling, making forecasts, analysis);
• STEs should be able to prepare recommendations on the optimisation and development of the Lithuanian FADN system.

**Market Information System (1.2 p/m)**
• STEs should be skilled in practical use of price reporting MIS;
• STEs should be skilled in practical use of price reporting MIS;
• Organising training programmes for staff.

**Information system for Organic Agriculture (1.5 p/m)**
• STEs in organic agriculture with experience of making control of Control Bodies, implementation of requirements of (EEC) Regulation No 2092/91, establishing of IT systems of 5 years;
• STEs should be able to prepare recommendations for the information system for organic agriculture;
• Organising training programmes for staff and preparing practical guides.

### 3.4.2. Investment component (service);

3 service tenders will be organised:

**Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds**

1. **service tender** to modernize IT system to ensure the effective administration of data on import/export licences for agricultural and food products, import quota and export refunds according to EU requirements (IT system will be based on the prototype created under PHARE programme projects LT0004-01 and LT 2002/000.601.01.01)

**Farm Accountancy Data Network**

2. **service tender** to modernize farm book keeping system according to the EU Regulation No 79/65/EEC. This requirement point out that the only Farm Accountancy Data must be used for FADN. In order to fulfil this requirement, the modern computerised farm book keeping system should be developed. It would enable to increase quality of data, efficiency of labour in the accountancy offices and to reduce time needed for FADN data preparation.

**Information system for Organic Agriculture**

3. **service tender** to create an Information System for Organic Agriculture (IT system/database for certified organic production in Lithuania).

### 3.4.3. Investment component (supply)

It is foreseen to provide the necessary equipment to direct beneficiaries implementing the supply tender which will be divided into lots:

**Farm Accountancy Data Network**

• The FADN was systematically developed according to the EC Regulations and Decision of Government of the Republic of Lithuania (No. 43 of 15 January 2001). Institutions, responsible for FADN system in Lithuania (LIAE, central and regional offices of LAAS) were supported from National funds and within the framework of PHARE projects (L1 9703-01-01, 99-5081-00, LT0004-01, LT 2002/000.601.01.01). However, in order to ensure effective functioning of FADN system in long term, it is necessary to strengthen human capacity and technical basis. For this purpose it is necessary to extent IT equipment (it should be taken into account that there are 50 LAAS local offices in which 150 accounting consultants (users) are working obtaining the servers with software,
database cluster servers and SAN data storage system for using centralized software and databases, uninterruptible power supply, KVM switch, electricity generator to ensure uninterrupted server work, tape library for data copy to increase data safety, mail server in DMZ zone, antivirus software for incoming traffic scanning and Security device (which is a supplementary module to the purchased Firewall – VPN device under the PHARE programme project LT 2002/000.601.01.01.) ensuring safety of all LAAS computers in the network, PBX devices for the local offices.

**Market information system**
- It is worth to mention that the Market information system has been started to develop under PHARE programme project LT0004-01 and has been improved under PHARE programme project LT 2002/000.601.01.01. Computerized workplaces are already established and system of collection of statistical data fully operational but in order to ensure the effective and reliable functioning of the system, control and test mechanisms particularly at the local level, it is foreseen to obtain IT equipment to enhance the capacity of the server and IT equipment to ensure the data security.

**Information System for Organic Agriculture**
- In the framework of the supply contract is foreseen to obtain IT equipment extension to ensure the fully operational information system for Organic Agriculture (The Information System for Organic Agriculture will be based on technical capacities of the MoA but it is necessary to increase the capacity of the server of MoA to ensure the administration of the system. It is foreseen to obtain equipment to increase the capacity of the server). Configuration of IT system, detailed requirements for hardware and location of server will be specified after advise of experts.

**3.5. Lessons learned**

After the implementation of PHARE project LT 2002/000.601.01.01 “Strengthening the Capacity to Implement EU Acquis for Agriculture” the experts conclusions on project activities and recommendations were analysed. Short term experts missions reports and final report of this project clearly defined that the further strengthening of the institutional capacity is needed: “Considerable challenge still lie ahead. The achievements made have to be consolidated. Based on the experience to be gained, further development and improvement after end of project will take place in all sectors. This includes further development of IT systems and the implementation of risk management. Staff increase is still necessary to cope with the amount of work in many sectors, and new staff has to be trained. The EU legislation is dynamic, in constant development, and the administration has to adapt to these changes. EU CAP reform is to be implemented also in the new member states. Continued exchange of experience between member states will facilitate this development.”

Final Interim Evaluation Report No. IER/LT/AGR/04.01.23 prepared by Public Policy and Management Institute notes, that „The sustainability of project purposes and objectives depends on many external factors to the project. The shortage of government funding and shortcomings of the institutional structure are the most important domestic factors constraining the process of strengthening administrative capacities to implement measures of the CAP. The level of funding to the future administration of the CAP is still insufficient, despite the allocation of additional resources in the 2003 and 2004 budget. Despite the establishment of a basic legal and institutional framework, some legal and institutional decisions are missing.

These experts’ conclusions and recommendations motivated to draft the project for the Transition Facility assistance to strengthen:
- the administration of import (export) licences for agricultural and food products, import quota and export refunds;
- the using Farm Accountancy Data Network (FADN) data for the evaluation of consequences of the CAP, elaboration of managerial measures, forecast models improvement of the bookkeeping system and FADN data quality;
• the implementation of price reporting (Market Information System) and related subjects in practice;
• the improving the Information/Statistical System for certifying and monitoring Organic Agriculture and strengthening the administrative capacity in order to ensure effective functioning of the control system.

4. Beneficiary institutions:
The Ministry of Agriculture (direct beneficiary) in cooperation with the related institutions such as: National Paying Agency, Lithuanian Institute of Agrarian Economics, Lithuanian Agricultural Advisory Service, Agri-Information and Rural Business Centre, Certification Body „Ekoagros.”

The Ministry of Agriculture will become the owner of delivered equipment after project completion.

5. Detailed Budget (MEUR):

<table>
<thead>
<tr>
<th>EM</th>
<th>Transition Facility Support</th>
<th>Co-financing</th>
<th>Total Cost (TF plus Co-financing)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Invest-</td>
<td>Institution</td>
<td>National Public Funds (*)</td>
</tr>
<tr>
<td>Twinning</td>
<td>ment Support</td>
<td>Building</td>
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<td></td>
<td>Investment (Service)</td>
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<tr>
<td></td>
<td>Investment (Supply)</td>
<td>0.514</td>
<td>0.371</td>
</tr>
</tbody>
</table>

(*) all the co-financing is joint co-financing and will be provided from the state budget. The requested sum will be earmarked for the Ministry of Agriculture in its budgetary appropriations for the year 2006-2007. In the case where the final overall cost is lower than foreseen in the project fiche, the National Public and Transition Facility Co-financing are reduced proportionally so as to maintain the agreed rate of co-financing.

(**) private funds, FIs loans to private entities.

6. Implementation Arrangements

6.1. Implementing Agency
The CPMA will be the Implementing Agency responsible for tendering, contracting, and accounting.
PAO: Mr. A. Vitkauskas, CPMA Director
S. Konarskis str. 13, LT - 03109 Vilnius, Lithuania
Tel: +370 5 214400, Fax: + 370 5 214 401, e-mail: info@cpma.lt

The following officers will be responsible for technical preparation and control under the overall policy guidance by/under the Ministry of Agriculture:
Mr. Laimonas Čiakas, Director, EU Affairs and International Relations Department, Ministry of Agriculture, tel. + 370 5 2391097, e-mail: laimon@zum.lt;
Mr. Saulius Silickas, Director, National Paying Agency, tel.+370 5 2526700, e-mail: saulius@nma.lt;
Mr. Juozas Bruzgulis, Director, Foreign Trade Department, National Paying Agency tel. +370 5 2526903, e-mail: juzozasb@nma.lt, fax.: +370 5 2526917;
Mr. Aleksandras Savilionis, Agri-Information and Rural Business Center, tel. +370 37 397094; fax.: +370 37 397108; e-mail: savilionis@vic.lt;
Mr. Arvydas Kuodys, Lithuanian Institute of Agrarian Economics, tel.+370 5 2617231, e-mail: arvydas@laei.lt;
6.2. Implementation of Twinning

The RTA and Twinning Team will be located at the Ministry of Agriculture.

6.3. Contracts

<table>
<thead>
<tr>
<th>Component</th>
<th>Start of Tendering</th>
<th>Start of Project Activity</th>
<th>Completion of Project</th>
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<td>1Q/07</td>
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<tr>
<td>Investment (Supply)</td>
<td>1Q/06</td>
<td>3Q/06</td>
<td>2Q/07</td>
</tr>
</tbody>
</table>

6.4 Non-standard aspects

None. The project will be implemented following EDIS rules.

7. Implementation Schedule

8. Equal Opportunity

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

9. Environment

All equipment supplies shall respect the relevant environmental standards of the European Union.
10. Rates of Return

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

<table>
<thead>
<tr>
<th>10. Investment Criteria</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1. Catalytic effect:</td>
<td>The project will finance activities that will help the beneficiary institution to comply with EU standards and other international requirements by the end of the last date set for the for the implementation of all CAP reform requirements. With Project support, full compliance will be achieved much more fluid and quicker. The project is also catalytic, that is, it will strengthen administrative capacities and facilitate adjustment to CAP reform processes in the agricultural sector.</td>
</tr>
<tr>
<td>10.2. Co-financing:</td>
<td>Lithuanian government institutions will contribute <strong>0.243 MEUR</strong> of the investment component of the project.</td>
</tr>
<tr>
<td>10.3. Additionally:</td>
<td>No other financiers will be displaced by the Transition Facility intervention.</td>
</tr>
<tr>
<td>10.4. Project readiness and size:</td>
<td>The necessary strategic studies have been completed. Preparation for Transition Facility tendering and contracting can commence immediately.</td>
</tr>
<tr>
<td>10.5. Sustainability:</td>
<td>Relevant government policies ensure sustainability. Beneficiary institutions are in a position to operate the project and the procured equipment and created IT systems effectively in the long run. Funds for the operation will be provided by the budget of the Ministry of Agriculture.</td>
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<tr>
<td>10.6. Compliance with state aids provisions:</td>
<td>The state aid provisions of the Europe Agreement will be respected.</td>
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<tr>
<td>10.7. Contribution to National Development Plan:</td>
<td>Not applicable</td>
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</tbody>
</table>

11. Conditionality and sequencing

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

The project shall also be closely coordinated with any other related projects.

The project will be sequenced as shown in the schedule provided in Annex 2.

Any special preparatory work for the twinning component is needed until the stage of selection of the Twinning partner. The institutions (beneficiaries listed in the table) are ready to implement the project.

The key milestones in the project are:

- The appointment of Twinning Member State;
- Commencement of Twinning;
- Tender documentation for service and supply components prepared and approved;
- Tenders launched and contracts signed in time.
Annexes to the Project Fiche

1. Logframe Matrix.
2. Detailed Implementation Chart.
3. Cumulative Contracting and Disbursement Schedule for the Project (MEUR).
4. Detailed information on project expenditures according to the components
### Logframe Planning Matrix for Project

**Programme name:** Transition Facility 15/12/2005  
**Transition Facility Budget:** 0.885 MEUR

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening the administrative capacity of the institutions to administer and control measures of Common Agricultural Policy (CAP), particularly related to the Market Information System, Organic Farming, administration of import (export) licences for agricultural and food products, import quota and export refunds, effective using of Farm Accountancy Data Network.</td>
<td>By the end of the project institutions for management, control and verification of CAP operate following EC best practice.</td>
<td>EU Commission: Official Journal. Records of MoA and other relevant institutions. Implementation Status Report for JMC.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purposes</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
</table>
| • Strengthening the administrative capacities of the institutions: the Ministry of Agriculture (MoA), the National Paying Agency under the Ministry of Agriculture (NPA), in order to ensure the administration of import (export) licences for agricultural and food products, import quota and export refunds;  
• Strengthening the administrative capacity to use Farm Accountancy Data Network (FADN) data for the evaluation of consequences of the CAP, elaboration of managerial measures, forecast models improvement of the bookkeeping system and FADN data quality;  
• Strengthening the capacity of the Lithuanian Governmental Institution “Agri-Information and Rural Business Centre” (ARBC) in cooperation with the other related institutions to finalise the implementation of price reporting (Market Information System) and related subjects in practice;  
• Improving the Information/statistical System for certifying and monitoring Organic Agriculture and strengthening the administrative capacity in order to ensure effective functioning of the control system. | By the end of the project:  
• Administration system for agricultural and food products import quota and export refunds works under EU requirements;  
• Efficient FADN system used for different purposes;  
• The administration of import (export) licences for agricultural and food products, import quota and export refunds is functioning following EC best practice;  
• MIS data exact and secure according EC Regulation;  
• Fully enforced Organic Agriculture control system, administrative and control authorities under operation. | Records of MoA and other relevant institutions;  
Annual assessments by independent evaluators and Ministry of Agriculture;  
Regular project reports and STA's reports;  
New or amended national laws and Resolutions;  
Implementation Status Report for JMC;  
Monitoring reports for SMSC. |

**Total Budget:** 1.128 MEUR  
**Transition Facility Budget:** 0.885 MEUR
### Results

**Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds**
- Staff of National Paying Agency trained in administration import/export licences for agricultural and food products via consultations, seminars with the experts of old Member States, ensured effective functioning of system;
- Staff of Ministry of Agriculture and National Paying Agency trained in administration of measures on import quota and export refunds via consultations, seminars with the experts of old Member States, ensured effective functioning of system;
- IT systems modernized. (The IT system to administrate data on import/export licences for agricultural and food products, import quota and export refunds will be based on the prototype created under PHARE programme projects LT0004-01 and LT2002/000.601.01.01 The IT system needs further modernization in order to ensure the effective functioning.).

**Farm Accountancy Data Network**
- Lithuanian specialists trained to use FADN data for the evaluation of the consequences of CAP, elaboration of managerial measures, forecast models; learnt about farm book keeping systems in old member states;
- Developed modern computerised book keeping system.

**Market Information System**
- Operational market information system updated (the data control/inspection system implemented, the data bases and network security, the data transfer and data storage system developed, other data requested by European Commission).

### Objectively verifiable indicators

<table>
<thead>
<tr>
<th>Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds</th>
<th>By the end of the project: Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Annual Commission report and Government NPAA progress report; Project reports and independent assessments; Implementation Status Report for JMC; Monitoring Report for SMSC; Manuals for the specialists of different fields; Curricula.</td>
<td>Sufficient absorption capacity in the beneficiary institutions to effectively utilise project resources. Sufficient budget funds for staffing and operational costs. The trained staff will stay at the related institutions.</td>
</tr>
</tbody>
</table>

**Farm Accountancy Data Network**
- Staff of the Lithuanian Institute of Agrarian Economics and the Lithuanian Agricultural Advisory Service (18-20 persons) trained via seminars in Lithuania and other EU Member States and capable to use FADN data for the evaluation of the consequences of CAP, to elaborate managerial measures, forecast models;
- Book keeping system developed: established Intranet system (VPN), professional firewall and antivirus software installed, ensured the safety of data, speeded up exchanging of information within LAAS, introduced centralized monitoring and management.

**Market Information System**
- Staff of the Lithuanian Governmental Institution “Agri-Information and Rural Business Center” and other related institutions trained in the field of the Market Information System, particularly data collection, processing and analysis, preparation of reports to the European Commission, introduction of MIS control and test mechanisms (16 persons) via training in Lithuania and other EU Member States;
- IT system extend: obtained and installed IT equipment for data security, introduced control and test mechanisms, ensured wireless network for data control system, improved data collection and processing;
- Ensured the data transferring and storing according requirements of European Commission.

Prepared by MoA and related institutions, 20/05/2005
Information System for Organic Agriculture

- New programme made, equipment bought;
- Information system for organic agriculture created;
- Lithuanian specialists trained;
- Feasibility study, work procedures and working guides for the Competent Authority, Certification Body and other related institutions prepared.

Information System for Organic Agriculture

- New programme installed at the Inspection/Certification Body “Ekoagros” to collect, pool, store, process and analyse data on organic farming;
- Functioning Database for the Information System for Organic Agriculture in Lithuania;
- IT system extend by increasing the capacity of the server, ensured the safety of data, speeded up transferring of information;
- Data on organic farming submitted to the Commission and disseminated to the EUROSTAT
- The Lithuanian specialists of the Ministry of Agriculture, Certification Body "Ekoagros" and other related institutions have approved work procedures and working guides;
- Lithuanian specialists of the Ministry of Agriculture (3 – 5 people), Certification Body "Ekoagros" (5 – 10) are available to prepare sector development strategy based on feasibility study;
- Lithuanian specialists of the Ministry of Agriculture (2 people ), Certification Body "Ekoagros" (2 people ) are trained via study visits in other EU Member in following fields: Evaluation of risk factors, by carrying out control on organic animal husbandry and aquaculture farms; Imports and recertification of organic products;
- Lithuanian specialists of the Ministry of Agriculture (3 – 5 people), Certification Body "Ekoagros" (5 – 10) are trained via seminars in Lithuania in following field: Enlarged risk group of genetically modified products and protection of organic products from GMOs; Procedures for approving new control bodies of organic agriculture; Procedures for carrying out control of certification bodies.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information System for Organic Agriculture</td>
<td>Information System for Organic Agriculture</td>
<td>Information System for Organic Agriculture</td>
</tr>
</tbody>
</table>

Prepared by MoA and related institutions, 20/05/2005
**Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds**

- Assistance of short-term experts to specialists of the MoA and the NPA in the administration of import/export licences for agricultural and food products according to EU requirements (25 persons): exchanging of experience with the experts, consultations on adopting of new regulations, practical aspects of using in Member States, advises on administration of trade mechanisms and related problems;

- Assistance of short term experts to specialists of the MoA, the NPA in the administration of the import quota and export refunds according to EU requirements (25 persons): exchanging of experience with the experts, consultations on adopting of new regulations, practical aspects of using in Member States, advises on administration of import quota and export refunds;

- 2 study trips for staff of the NPA on administration of import/export licences for agricultural and food products according to EU requirements, administration of the import quota and export refunds according to EU requirements (5 persons for 6 days) and (5 persons for 6 days).

**Farm Accountancy Data Network**

- Assistance of short-term experts to specialists of the LIAE and the LAAS (20 persons);

- Practical training of Lithuanian specialists:
  - 2 study trips on farm bookkeeping issues (5 persons for 6 days) and (5 persons for 6 days);
  - 3 study trips on the use of FADN data for different purposes (each time 4 persons for 6 days).

**Market Information System**

- Assistance of short-term experts to specialists of the Lithuanian Governmental Institution “Agri-Information and Rural Business Center” and other related institutions working in the field of price reporting and statistics (MIS) via workshops and advises on development of control/inspection system;

- Practical training of Lithuanian specialists in other EU Member States countries on the collection of Market data, the MIS data control/inspection system, control and test mechanisms (2 study trips for 4 persons for 5 days).

**Information System for Organic Agriculture**

- Assistance of short-term experts to specialists of the Ministry of Agriculture (3 – 5 people), Certification Body „Ekologas” (5 – 10 people), and Agri-Information and Rural Business Centre (2 people) on the improvement and administration of the organic agriculture information system, preparation of written advices on system work, development, exchanging of experience;

- Twinning package: RTA – 12 months consecutive and scope of STE (9.7 p/m) to exchange experience in administration and controlling measures related to the Market Information System, Organic Farming, ensure the administration of import (export) licences for agricultural and food products, import quota and export refunds, effective using of Farm Accountancy Data Network.

- Investment component (service) (three tenders);

- Investment component (supply tender divided into the lots).

**Smooth process of tendering and project implementation.**

**Sufficient budget funds for staffing and operational costs.**
• Assistance of short-term experts in the preparation of feasibility studies, work procedures and working guides with translations for the Competent Authority (MoA) (3 – 5 people):
  a) How the Competent Authority (MoA) should control documentation of the Certification Body/Bodies and how the Competent Authority should check daily work of inspectors of Certification Body/Bodies. (STE for 5 days for making Feasibility study in Lithuania; STE for 7 days for making practical guide and 3 days for 1 translator for translation of the Practical Guide). Making courses on the same theme in Lithuania “Procedures for making control of Certification Bodies” STE for 2 days in Lithuania to train 3-5 people from MoA and 5-10 people from “Ekoagros” and 1 translator for 2 days;
  b) What certifying procedures that necessary for establishing and approving new Certification/Control Bodies. (STE for 5 days for making Feasibility study in Lithuania; STE for 7 days for making practical guide and 3 days for 1 translator for translation of the Practical Guide). Making courses on the same theme in Lithuania “Procedures that necessary for establishing and approving new Certification/Control Bodies” STE for 2 days in Lithuania to train 3-5 people from MoA and 5-10 people from “Ekoagros” and 1 translator for 2 days;

• Making courses:
  a) Organising 2 days workshop for Lithuanian specialists from MoA (2 specialists) and from Certification Body “Ekoagros” (2 trainees-they will train later experts from the Control Body) in other EU Member States countries. (STE for making to Lithuanian specialists 1 day practical exercises and 1 day for workshop and lectures). (For courses should be written approximately 20 pages practical guide without translation - 5 days work of STE) on the theme “Evaluation of risk factors by carrying out control on organic animal husbandry and aquaculture farms”;
  b) Organising 1 day workshop for Lithuanian specialists from MoA (2 specialists) and from Certification Body “Ekoagros” (2 trainees-they will train later experts from the Control Body) in other EU Member States countries (STE for making to Lithuanian specialists workshop and lectures) on theme “Import and recertification of organic products”;
  c) Making courses in Lithuania for specialists from MoA (2-5 specialists) and from Certification Body “Ekoagros” (2 trainees-they will train later experts from the Control Body). (STE for 1 day) on theme “Enlarged risk group of genetically modified products and protection of organic products from GMO’s”.

Preconditions
National co-financing available
Detailed Implementation Chart for the Project

Strengthening the capacity of the Ministry of Agriculture and related institutions in order to administrate and control measures related to the Market Information System, effective using of Farm Accountancy Data Network after the date of accession to the EU

<table>
<thead>
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<th>Year</th>
<th>2005</th>
<th>2006</th>
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</tr>
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<tr>
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<tr>
<td>Investment component (Service)</td>
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<tr>
<td>Investment component (Supply)</td>
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</tbody>
</table>

Legend:
- Design
- Tendering
- Implementation

Prepared by MoA and related institutions, 20/05/2005
Cumulative Contracting and Disbursement Schedule (Transition Facility Contribution only 0.885–MEUR)

Strengthening the capacity of the Ministry of Agriculture and related institutions in order to administrate and control measures related to the Market Information System, effective using of Farm Accountancy Data Network after the date of accession to the EU

<table>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.044</td>
</tr>
<tr>
<td>Total disbursement (cumulative)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.35</td>
</tr>
</tbody>
</table>
### Annex 4

**Detailed information on project expenditures according to the components**

<table>
<thead>
<tr>
<th>No.</th>
<th>Project components</th>
<th>Twinning (p/m)</th>
<th>Investment (service)</th>
<th>Investment (supply)</th>
<th>Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>TF (MEUR)</td>
<td>Co-financing (MEUR)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Import (Export) Licences for Agricultural and Food Products, Import Quota and Export Refunds</td>
<td>5</td>
<td>0.143</td>
<td>0.082</td>
<td>-                               -                               Ministry of Agriculture, National Paying Agency.</td>
</tr>
<tr>
<td>2.</td>
<td>Farm Accountancy Data Network</td>
<td>2</td>
<td>0.063</td>
<td>0.037</td>
<td>0.176                           0.059                           Ministry of Agriculture, Lithuanian Institute of Agrarian Economics, Lithuanian Agricultural Advisory Service.</td>
</tr>
<tr>
<td>3.</td>
<td>Market Information System</td>
<td>1.2</td>
<td>-</td>
<td>-</td>
<td>0.034                           0.011                           Ministry of Agriculture, Agri-Information and Rural Business Centre”</td>
</tr>
<tr>
<td>4.</td>
<td>Information System for Organic Agriculture</td>
<td>1.5</td>
<td>0.087</td>
<td>0.050</td>
<td>0.011                           0.004                           Ministry of Agriculture, Certification Body „Ekoagros”, Agri-Information and Rural Business Centre.</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>0.293</strong></td>
<td><strong>0.169</strong></td>
<td><strong>0.221</strong>                       <strong>0.074</strong>                       x</td>
</tr>
<tr>
<td></td>
<td>*RTA – 12 months consecutive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The following part of this annex gives indicative information on the investment.*
INVESTMENT (SERVICE 1)

**Beneficiaries:** Ministry of Agriculture, National Paying Agency.

It is foreseen to modernize IT system to ensure the effective administration of data on import/export licences for agricultural and food products, import quota and export refunds according to EU requirements (IT system will be based on the prototype created under PHARE programme projects LT0004-01 and LT 2002/000.601.01.01)

**Total amount:** 0.225 MEUR

INVESTMENT (SERVICE 2)

**Beneficiaries:** Ministry of Agriculture, Lithuanian Institute of Agrarian Economics, Lithuanian Agricultural Advisory Service.

It is foreseen to modernize farm book keeping system according to the EU Regulation No 79/65/EEC. This requirement point out that the only Farm Accountancy Data must be used for FADN. In order to fulfil this requirement, the modern computerised farm book keeping system should be developed. It would enable to increase quality of data, efficiency of labour in the accountancy offices and to reduce time needed for FADN data preparation.

**Total amount:** 0.100 MEUR

INVESTMENT (SERVICE 3)

**Beneficiaries:** Ministry of Agriculture, Certification Body „Ekoagros”, Agri-Information and Rural Business Centre.

It is foreseen to create an Information System for Organic Agriculture (IT system/database for certified organic production in Lithuania).

**Total amount:** 0.137 MEUR

INVESTMENT (SUPPLY)

The FADN was systematically developed according to the EC Regulations and Decision of Government of the Republic of Lithuania (No. 43 of 15 January 2001). Institutions, responsible for FADN system in Lithuania (LIAE, central and regional offices of LAAS) were supported from National funds and within the framework of PHARE projects (LI 9703-01-01, 99-5081-00, LT0004-01, LT 2002/000.601.01.01). However, in order to ensure effective functioning of FADN system in long term, it is necessary to strengthen human capacity and technical basis. For this purpose it is necessary to extent IT equipment (it should be taken into account that there are 50 LAAS local offices in which 150 accounting consultants (users) are working obtaining the servers with software, database cluster servers and SAN data storage system for using centralized software and databases, uninterruptible power supply, KVM switch, electricity generator to ensure uninterrupted server work, tape library for data copy to increase data safety, mail server in DMZ zone, antivirus software for incoming traffic scanning and Security device (which is a supplementary module to the purchased Firewall – VPN device under the PHARE programme project LT 2002/000.601.01.01.) ensuring safety of all LAAS computers in the network, PBX devices for the local offices.

It is worth to mention that the Market information system has been started to develop under PHARE programme project LT0004-01 and has been improved under PHARE programme project LT 2002/000.601.01.01. Computerized work places are already established and system of collection of statistical data fully operational but in order to ensure the effective and reliable functioning of the system, control and test mechanisms particularly at the local level, it is foreseen to obtain IT equipment to enhance the capacity of the server and IT equipment to ensure the data security.

In the framework of the supply contract is foreseen to obtain IT equipment extension to ensure the fully operational information system for Organic Agriculture (The Information System for Organic Agriculture will be based on technical capacities of the MoA but it is necessary to increase the capacity of the server of MoA to ensure the administration of the system. It is foreseen to obtain equipment to increase the capacity of the server). Configuration of IT system, detailed requirements for hardware and location of server will be specified after advise of experts.

<table>
<thead>
<tr>
<th>Software and Hardware</th>
<th>Quantity</th>
<th>Price per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FADN</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Servers with software</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Database cluster servers</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>SAN data storage system for using centralized software and databases</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Uninterruptible power supply</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>KVM switch</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Electricity generator to ensure uninterrupted server work</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Tape library for data copy to increase data safety</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Mail server in DMZ zone</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Item</td>
<td>Specification</td>
<td>Payment Method</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Antivirus software for incoming traffic scanning</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Security device</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>Ensuring safety of all computers in the network</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>PBX devices</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td><strong>MIS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT equipment to enhance the capacity of the server</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td>IT equipment to ensure the data security</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
<tr>
<td><strong>Organic Agriculture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT equipment to increase the capacity of the server</td>
<td>As per specification</td>
<td>Lump sum</td>
</tr>
</tbody>
</table>

**Total amount:** 0.295 MEUR