COMMISSION DECISION
C/2006/3357 of 31/07/2006

on the financial contribution of the Transition Facility for strengthening institutional capacity to the Republic of Lithuania
(only the Lithuanian text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession 2003, in particular Article 34 thereof,

Whereas:

(1) Article 34 of the Act of Accession provides the possibility of granting a temporary financial assistance, the Transition Facility, to the new Member States to address the continued need for strengthening institutional capacity in certain areas through actions which cannot be financed by the Structural Funds.

(2) The actions funded by this Decision in the areas of nuclear safety, customs union and veterinary services are eligible for funding according to Article 34(2) of the Act of Accession. In addition, several needs have been identified in the Commission’s comprehensive monitoring report, which are not covered by the Structural Funds. The actions funded by this Decision in relation to those needs in the area of overall administrative capacity are therefore also eligible for funding under Article 34(2) of the Act of Accession.

(3) Pursuant to Article 34(4) of the Act of Accession, the Transition Facility is implemented in accordance with Article 53(1)(b) of Council Regulation 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

(4) An Implementing Agency should be designated complying with the criteria set out in Article 164 of the Financial Regulation and having adequate staff resources. The Commission has satisfied itself in the context of preparation for conferral of management of aid provided under Phare, as well as through a number of other checks, that those criteria are fulfilled by the Central Project Management Agency.

(5) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries in Central and Eastern Europe, rendered on 3 July 2006,
HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of **€ 3.98 million** as Transition Facility to the Republic of Lithuania, to finance projects set out in point 4 of the Annex.

Article 2

1. This Decision shall be implemented on a decentralised basis, in accordance with the Memorandum of Understanding on the Implementation of the Transition Facility, signed with the Republic of Lithuania on 12 November 2004.

2. The Central Project and Management Agency shall be Implementing Agency for the Programme.

Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2008.

2. The deadline for execution of contracts shall be 15 December 2009.

Article 4

This Decision is addressed to the Republic of Lithuania.
Done at Brussels, […]

For the Commission

[…]

Member of the Commission
FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN LITHUANIA FOR 2006

1. IDENTIFICATION

Beneficiary: The Republic of Lithuania

Programme: Implementation of the Transition Facility in the Republic of Lithuania for 2006

CRIS-Number: 2006/018-183-01.01 to 2006/018-183-04.01

Year: 2006

Cost: The total value of the actions to be financed from the Transition Facility: 3,980,000€.

Implementing Agency: Central Project and Management Agency (CPMA), Ministry of Finance

Expiry Date: Contracting: 15 December 2008

Execution of contracts: 15 December 2009

Sector Code: Objective 1: Customs Union (15020/16320), Objective 2: Veterinary services (31195), Objective 3: Nuclear safety (23064), Objective 4: Overall administrative capacity (99810)

Budget Line: 22 03 01

Commission Task Manager: Gudrun Scheffer, DG Enlargement, European Commission

2. SUMMARY

Article 34 of the Act of Accession establishes the institution building Transition Facility 2004 – 2006 and provides for an indication of its principles for implementation.

The present financing proposal covers the national Transition Facility Programme 2006 for Lithuania and outlines the areas where further assistance is deemed to be necessary to strengthen the administrative and institutional capacities of the Lithuanian administration following accession. The programme comprises 7 projects designed to deliver assistance in several priority areas as well as an institution building unallocated envelope to address acquis related issues across the administration that may emerge during the course of implementation.
of this programme. The 2006 Institution Building Transition Facility for Lithuania will concentrate on the following priorities:

1. **Customs Union**, to further strengthen the analytical capacity of the Lithuanian Customs Department to fight against all types of smuggling and fraud, and to enhance anti-corruption activities in the Lithuanian Customs;

2. **Veterinary services**, to further strengthen the capacity of the control on bacterial zoonoses and poultry viral diseases, and to strengthen the control system for the protection of animals;

3. **Nuclear safety**, to enhance the capacity of the VATESI and its technical support organisations, and to further develop the institutional capacities in the area of low and intermediate level radioactive waste disposal;

4. **Overall administrative capacity**, to provide for an institution building unallocated envelope for twinning light and technical assistance.

### 3. STRATEGY

The priorities of the Institution Building Transition Facility Programme 2006 for Lithuania correspond to those outlined in Article 34 of the Act of Accession. The priorities addressed are mainly based on the findings of the Comprehensive Monitoring Report of 2003, but also on various other reports which identify areas where further improvements of the administrative and institutional capacity in terms of implementation and enforcement of the *acquis* are deemed to be necessary. Assistance is provided in areas that require further strengthening to be on par with other Member States. The programme has also taken into account recent developments of the *acquis*.

The 2006 Transition Facility Programme is based upon a careful selection of projects submitted by the Lithuanian authorities. The main criteria for the selection of projects include relevance and quality of individual proposals. All projects have been discussed with relevant Commission services.

Experience gained during the implementation of current and previous Phare and Transition Facility programmes has been taken into account in order to further improve project design. Lessons learned are generally based on a case by case basis, building on relevant experience acquired during the implementation of Phare projects in a specific area. Information on supporting concept papers is provided for on a case by case basis in each project fiche.

Careful attention has been paid to co-ordinating with previous and ongoing assistance to build on the results achieved and to promote synergy effects with other Community financial instruments. The programme includes projects which should not overlap with any action that is financed by other financial assistance programmes such as the Schengen Facility or the Structural and Cohesion Funds, or with any actions previously financed by Phare or other donors. Actions, studies and all other types of activities eligible for support under Structural Funds technical assistance measure shall be excluded from the scope of this programme. The implementing beneficiary body retains the responsibility for the coordination of activities funded under this programme with regard to those financed through existing or planned EC or international funding, in particular Structural and Cohesion funds, Schengen Facility, etc., in order to ensure consistency, compatibility and removing the risk of double funding.
4. OBJECTIVES AND DESCRIPTION

OBJECTIVE 1: CUSTOMS UNION

2006/018-183-01-01 Customs – intelligence and statistical information analysis

The project will build on the results of previous projects in the area of customs and aims at further developing the analytical and statistical skills of the Lithuanian customs bodies, which include the Information Analysis Division, Statistics Analysis Division, Violation Prevention Division, Post-clearance Audit Division and regional customs offices, in view of new types of smuggling and customs fraud. It will also complement the 2004 project on strengthening the anti-fraud traffic control system at the EU external border. Customs control is now increasingly to be based on intelligence and analysis rather than physical checks.

The project is designed to inter alia provide the relevant specialised training for customs officers specialised in the field of intelligence and statistical data processing in order to strengthen their skills to detect new types of smuggling and customs fraud. The project is also to provide for specialised software including the relevant training in order to enable the Lithuanian customs to use efficiently most modern data analysis methods and to exchange information within the EU and other institutions such as the WCO.

2006/018-183-01-02 Enhancing anti-corruption activities in the Lithuanian customs

Twinning Light Contract LT/2006-IB/FI /01

The Internal Investigation Service was established by the Customs Department in 2001, which is mainly in charge of combating corruption in the Customs service. This project is in line with the anti-corruption strategy of the Lithuanian customs which supports the National Anti-corruption programme adopted by Seimas in 2002. Following a corruption risk analysis in 2005, the customs service is still deemed to be rather vulnerable in terms of corruption. As a result, the emphasis is put now mainly on corruption prevention and its detection at an early stage.

This project is to further strengthen the institutional and administrative capacity in the Customs Department to prevent and combat corruption. Specifically, it will further review and evaluate as well as monitor the implementation of the legal provisions and the mechanisms favouring any type of corruption. It will also include a set of complex trainings. As a result, the methods of preventing corruption will be adjusted to EU Member States standards and the most effective EU methods and solutions will be developed to combat corruption.

OBJECTIVE 2: VETERINARY SERVICES

2006/018-183-02-01 Strengthening of control on bacterial zoonoses and poultry viral diseases in Lithuania

Twinning Contract LT/2006-IB/AG /01
The beneficiary of the project will be the State Food and Veterinary Service in cooperation with the National Veterinary Laboratory. Zoonoses monitoring programmes in poultry has been carried out for several years, however, due to the increased number of small poultry farms the current approach of monitoring and control of zoonoses has to be adjusted accordingly and also to take account of new developments. Therefore, the lack of proper risk assessment is only one of the weaknesses that still need to be removed.

The project will review and update national legislation to current requirements and to introduce new control approaches, including the necessary training in the field of diagnosis of various typical poultry viral diseases. It will also put in place an adequate monitoring system of antimicrobial resistance. Some adequate small scale equipment required will also be provided.

**2006/018-183-02-02 Strengthening of the control system for the protection of animals in Lithuania**

_Twinning Contract LT/2006-IB/AG /02_

Monitoring and control of animal welfare in Lithuania need to be substantially improved, in particular as concerns animals kept for farming purposes in holdings, during transport and for scientific purposes. Although basic veterinary legislation is in place and the responsible institution, the State Food and Veterinary Service has developed a set of annual control measures, violations continue to persist.

This project is to include a review of the national legislation and relevant documents regarding the control and protection of animals and adequate recommendations for improvement. The project is also to include the development of an efficient reporting system of the official inspections and new monitoring techniques. The project will also provide some small scale control equipment.

**OBJECTIVE 3: NUCLEAR SAFETY**

**2006/018-183-03-01 Support to VATESI in safety assessment of Ignalina NPP**

The Ignalina Nuclear Power Plant (NPP) contains two RBMK-1500 reactors. Unit 1 is shut down due to cease of operation in 2004. As part of the upgrading of Unit 2, a Diverse Shutdown System was installed in 2004. The Lithuanian Nuclear Safety authority (VATESI) has issued a long-term licence for the operation of Unit 2 in September 2004 and now supervises the fulfilment of the licence conditions. In accordance with the Act of Accession, Unit 2 shall be stopped by the end of the year 2009. Current safety analyses, reviews and assessments need to continue to be improved according to the best international practices.

The aim of the project is to enhance reactor safety assessment resources, tools and know-how of the VATESI and its technical support organisations (TSOs) by introducing an upgraded approach in safety assessment based on modern international best practices. It is expected that this would lead to an important safety surveillance and assessment improvement of the reactor's performance in all operational states, including the post-shutdown phase which is estimated to continue until the end of 2015. As a result VATESI and its TSOs should be able to perform a reliable safety assessment using current best-estimate computational tools. The project is also to provide the relevant training and on-the-job training.
2006/018-183-03-02 Building of institutional capacities in the field of low and intermediate level radioactive waste disposal

Since the start of operations of the Ignalina nuclear power plant (INPP) in 1984, large quantities of low and intermediate level radioactive waste have been accumulated at the INPP site. According to the Strategy of Radioactive Waste Management approved by the Government of Lithuania in 2002 new repositories for radioactive waste disposal are to be constructed. The Strategy also emphasizes the necessity of getting ready for management of radioactive waste that will result from the INPP decommissioning as well as institutional wastes. The Lithuanian Radioactive Waste Management Agency (RATA) is to operate the repository and will be responsible for its safety.

The project aims at developing capabilities of the Lithuanian Radioactive Waste Management Agency (RATA) to ensure safe disposal of low and intermediate level radioactive waste. Specifically, it will improve the capacities in nuclear project management and operation of disposal facilities, but also provide competence in supervision of designing and repository construction as well as inspection and verification of waste packages. The project also includes the development of a public information strategy.

OBJECTIVE 4: OVERALL ADMINISTRATIVE CAPACITY

2006/018-183-04-01 Unallocated institution building envelope

The unallocated institution building envelope shall provide the possibility to respond, in a flexible way, to acquis related needs which may arise during the implementation of the 2006 Transition Facility programme. It will address specific self-contained institutional issues of limited scope, i.e. where structures are not complex and/or existing ones need minor adjustments. The projects will be selected according to relevance and quality in order to address remaining institutional and administrative capacity weaknesses in the Lithuanian administration. The projects shall be implemented by means of twinning light. Only in those cases where twinning light does not seem to be appropriate, needs may be addressed by technical assistance. Project proposals shall be submitted to the Commission for approval.

Programme Conditionality

The Lithuanian authorities will ensure that co-financing in accordance with the details included in the project fiches will be available in time. Unless otherwise specified in the project fiche, co-financing for service and supply contracts should be joint co-financing and the ratio between the Transition Facility and the national amount has to be applied to the final contract price.
5. BUDGET

<table>
<thead>
<tr>
<th>CRIS number</th>
<th>Objective</th>
<th>Institution Building (IB)</th>
<th>Investment (INV)</th>
<th>TOTAL €</th>
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<td><strong>Objective 1:</strong> Customs Union</td>
<td>330 000</td>
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<td></td>
<td>- 01 Customs – intelligence and statistical information analysis</td>
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<td></td>
<td>- 02 Enhancing anti-corruption activities in the Lithuanian customs</td>
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<td><strong>Objective 2:</strong> Veterinary services</td>
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<td>01 - Strengthening of control on bacterial zoonoses and poultry viral diseases</td>
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<td></td>
<td>02 - Strengthening of control system for the protection of animals in Lithuania</td>
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<td>2006/018-183-03</td>
<td><strong>Objective 3:</strong> Nuclear Safety</td>
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<td></td>
<td>- 01 Support to VATESI in safety assessment of Ignalina NPP</td>
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<td>- 02 Building of institutional capacities in the field of low and intermediate level radioactive waste</td>
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<td><strong>Objective 4:</strong> Overall administrative capacity</td>
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<td>- 01 Institution building unallocated envelope</td>
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<td><strong>TOTAL</strong></td>
<td></td>
<td>3 755 000</td>
<td>225 000</td>
<td>3 980 000</td>
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</tbody>
</table>

Co-financing for Institution Building projects is provided by the beneficiary bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for effective and efficient absorption of Transition Facility assistance. Investments in small equipment / software licences / software development must receive co-financing from national public funds. The Community contribution may amount to up to 75 % of the total eligible1 public expenditure.

6. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Lithuania, the Commission may review the programme with a view at the

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Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Transition Facility.