COMMISSION DECISION

of 9 October 2003

conferring management of aid on implementing agencies for preaccession measures in agriculture and rural development in the Republic of Lithuania in the preaccession period

(2003/710/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Council Regulation (EC) No 1266/1999 of 21 June 1999 on coordinating aid to the applicant countries in the framework of the preaccession strategy and amending Regulation (EEC) No 3906/89 [1], and in particular Article 12(2) thereof,

Having regard to the Council Regulation (EC) No 1268/1999 of 21 June 1999 on Community support for preaccession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the preaccession period [2], as last amended by Regulation (EC) No 696/2003 [3], and in particular Article 4(5) and (6) thereof,

Whereas:

(1) The Special Programme for agriculture and rural development for the Republic of Lithuania (hereinafter Sapard) was approved by Commission Decision of 27 November 2000 [4], as last amended by Decision of 9 September 2003, in accordance with Article 4(5) and (6) of Regulation (EC) No 1268/1999.

(2) The government of the Republic of Lithuania and the Commission, acting on behalf of the European Community, signed on 5 March 2001 the Multiannual Financing Agreement laying down the technical, legal and administrative framework for the execution of Sapard, as last amended by the Annual Financing Agreement for 2002, signed on 17 February 2003 which finally entered into force on 6 June 2003.

(3) The National Paying Agency under the Ministry of Agriculture has been appointed by the competent authority of the Republic of Lithuania for the implementation of some of the measures defined in Sapard. The National Fund Department within the Ministry of Finance has been appointed for the financial functions it is due to perform in the framework of the implementation of Sapard.

(4) On the basis of a case-by-case analysis of the national and sectorial programme/project management capacity, financial control procedures and structures regarding public finance, as provided for in Article 12(2) of Regulation (EC) No 1266/1999, the Commission adopted the Decision 2001/857/EC of 26 November 2001 conferring management of aid on implementing agencies for preaccession measures in agriculture and rural development in the Republic of Lithuania in the preaccession period [5] with regard to certain measures provided for in Sapard.

(5) The Commission has undertaken a further analysis under Article 12(2) of Regulation (EC) No 1266/1999 in respect of measure 5 'Afforestation of agricultural lands and improvement of forest infrastructure' and measure 8 'Technical assistance, information and publicity campaigns', as provided for in Sapard. The Commission considers that, also with regard to those measures, the Republic of Lithuania complies with the provisions of Articles 4 to 6 and of the Annex to Commission Regulation (EC) No 2222/2000 of 7 June 2000 laying down financial rules for the application of Council Regulation (EC) No 1268/1999 on Community support for preaccession measures for agriculture and rural development in the applicant countries of central and eastern Europe in the preaccession period [6], as last amended by Regulation (EC) No 188/2003 [7], and with the minimum conditions set out in the Annex to Regulation (EC) No 1266/1999.

(6) It is therefore appropriate to waive the *ex ante* approval requirement provided for in Article 12(1) of Regulation (EC) No 1266/1999 and to confer, with regard to measure 5 and measure 8, on the National Paying Agency under the Ministry of Agriculture and on the National Fund Department within the Ministry of Finance in the Republic of Lithuania, the management of aid on a decentralised basis.

(7) However, since the verifications carried out by the Commission for measure 5 and measure 8 are based on a system that is not yet fully operating with regard to all relevant elements, it is therefore appropriate to confer the management of Sapard on the National Paying Agency under the Ministry of Agriculture and on the National Fund Department within the Ministry of Finance, according to Article 3(2) of Regulation (EC) No 2222/2000, on a provisional basis.

[1] OJ L 161, 26.6.1999, p. 68.
[2] OJ L 161, 26.6.1999, p. 87.
[3] OJ L 99, 17.4.2003, p. 24.
[4] C(2000) 3329 final.
[5] OJ L 320, 5.12.2001, p. 44.
[6] OJ L 253, 7.10.2000, p. 5.
[7] OJ L 27, 1.2.2003, p. 14.

(8) Full conferral of management of Sapard is only envisaged after further verifications, in order to ensure that the system operates satisfactorily, have been carried out and after any recommendations the Commission may issue, with regard to the conferral of management of aid on the National Paying Agency under the Ministry of Agriculture and on the National Fund Department within the Ministry of Finance, have been implemented.

(9) On 14 July 2003, the Lithuanian Authorities proposed the rules for eligibility of expenditure in accordance with Article 4(1) of section B of the Multiannual Financing Agreement. The Commission is called upon to take a decision in this respect,

HAS DECIDED AS FOLLOWS:

Article 1

The requirement of *ex ante* approval by the Commission of project selection and contracting for measure 5 and measure 8 by the Republic of Lithuania provided for in Article 12(1) of Regulation (EC) No 1266/1999 is hereby waived.

Article 2

Management of the Sapard Programme is conferred on a provisional basis to:

1. The National Paying Agency (Nacionalné Mokéjimo agentura) under the Ministry of Agriculture of the Republic of Lithuania, Gedimino pr. 19, LT-2025, Vilnius, Republic of Lithuania, for the implementation of measure 5, 'Afforestation of agricultural lands and improvement of forest infrastructure' and measure 8, ' Technical assistance, information and publicity campaigns', as defined in the Programme for agricultural and rural development that was approved by Commission Decision C(2000) 3329 final on 27 November 2000, as last amended by Commission Decision of 9 September 2003; and

2. The National Fund within the Ministry of Finance, J. Tumovaižganto 8A/2, LT-2600, Vilnius, Republic of Lithuania, for the financial functions it is due to perform in the framework of the implementation of the Sapard Programme for measures 5 and 8 for the Republic of Lithuania.

Article 3

Expenditure pursuant to this Decision shall be eligible for Community co-finance only if incurred by beneficiaries from the date of this Decision, or if later, the date of the instrument making them a beneficiary for the project in question, except for feasibility and related studies and for technical assistance, information and publicity campaigns, where this date shall be 27 November 2000, provided in all cases it has not been paid by the National Paying Agency prior to the date of this Decision.

Article 4

Without prejudice to any decisions granting aid under the Sapard Programme to individual beneficiaries, the rules for eligibility of expenditure proposed by Lithuania by letter of 14 July 2003 shall apply.

Done at Brussels, 9 October 2003.

For the Commission

Franz FISCHLER

Member of the Commission