Title
Institutional and Policy Support to the Ministry for Agriculture, Including Strengthening the Veterinary and Food Control Regulatory Capacities

Sub-Programme
Agriculture

Geographical Location
Ministry for Agriculture, including State Veterinary Administration (SVA), Czech Agriculture and Food Inspectorate (CAFI)

Objectives
The objectives of this Project are:

- to prepare the Ministry, including its regional offices, for administration of CAP, including the step-by-step development of an intervention agency,
- to reinforce the collection and dissemination of market information data, in compliance with EU FADN system,
- to improve the functioning of the State Veterinary Administration (SVA), via completion of the information system (connecting SVA headquarters in Prague with border inspection posts and district/municipality veterinary offices), via the modernisation of reference laboratories (in order to achieve EC reference laboratory standards) and to establish a system for the identification and registration of animals (in compliance with the Council Directive 92/102/EEC),
- to improve the functioning of the Czech Agriculture and Food Inspectorate through training in EC legislation and inspection practices; through the supply of information to the food-processing industry and through the completion of the information network between its headquarters and the customs authorities.
- to assess the degree of compliance of the Czech processing industry with EC standards and to assess the investment costs of full compliance for the sector with the aim to strengthen the competitiveness of Czech processing industry in the context of EU accession.

Institutional Framework
The Ministry of Agriculture currently has 912 officials, of whom 492 work as central and 420 are regional employees, in the 67 regional offices. The Ministry has four sections: (1) agricultural production, foreign and trade policy affairs, (2) forestry and water management, (3) market regulation (Support and Guarantee Fund), (4) administrative matters and regional departments. The Ministry also exercises control over the Czech Agriculture and Food Inspectorate (CAFI), the State Veterinary Administration (SVA), the State Phyto-sanitary Administration, the Central Agricultural Control and Testing Institute, the Czech Inspection Office for Farm Animal and Plant Breeding.
The State Veterinary Administration (SVA) is composed of its headquarters in Prague, 74 District/Municipal Veterinary Offices, 21 Border Veterinary Inspections Posts, 8 State Veterinary Institutes (to be further rationalised to 3) and 1 Institute for State Control of Veterinary Biology and Medicaments. The strengthening of SVA, its information network and testing laboratories, has been underway since 1990, although this has primarily focused on development for national purposes rather than the need for a multilateral exchange of information in respect to trade objectives with the EU Member States.

The Czech Agriculture and Food Inspectorate (CAFI) consists of its Headquarters, 7 Regional Inspectorates and 4 testing laboratories (pesticide residues, heavy metals, preservatives, nutrients, micro-biological analysis etc.). The testing laboratories are accredited in accordance with European Standard EN 45 001 and are involved in international proficiency testing. CAFI has a total of 420 employees (planned to increase to 500 employees in the year 2000) qualified in particular in the field of food technology, agricultural production, chemistry, food chemistry, food microbiology, veterinary medicine, food hygiene and law. Since 1993 the information computer system is being created, serving both for the inspection data analysis and the contact with the partner organisations on the national and international level. This system is important for the evaluation of the risk assessment and an effective food control strategy.

Description

This 3.0 MECU Project consists of 5 Sub-Projects: (1) Restructuring of the Ministry of Agriculture and Establishment of a Market Intervention Agency; (2) Market Information; (3) Support to the State Veterinary Administration (SVA); (4) Support to the Czech Agriculture and Food Inspectorate (CAFI); (5) Study on the Competitiveness and Restructuring of the Food Industry.

1. Restructuring of the Ministry of Agriculture and Establishment of a Market Intervention Agency

This 0.65 MECU Sub-Project will focus on analysis of the general organisation, functions and activities of the Ministry (at both central and regional level) and of the proposed market intervention agency and existing agricultural and forestry support mechanisms (State Fund for Market Regulation; Support and Guarantee Fund, providing loan guarantees, support credit interests and subsidies), in terms of their readiness for future administration of CAP mechanisms and Structural Funds’ measures and their corresponding human resource development needs.

This will result in a series of recommendations for the medium-term reorganisation of the Ministry and establishment of the agency, including a time-table for actions, key objectives and measures to be achieved, with particular emphasis on the development of policy analysis, suitable delivery mechanisms and human resource development needs, cost-estimates etc..

Phare support will be provided primarily through twinning (including at least one long-term secondment) and technical assistance, with the majority of inputs provided in the early stages for analysis and recommendations to the Ministry, followed by the provision of technical/policy support to ensure effective follow-up.

2. Market Information

Participation in CAP will require an effective, independent market information system, necessary both for purposes of reporting and for information to producers, traders (market reports etc.). Such an information system will include data on agricultural holdings, producer and consumer prices for main commodities, external trade data, support regimes etc.. A series of information systems have been established in recent years by the Ministry, in co-operation with the Research
Institute for Agricultural Economics. These need to be fully harmonised with EC requirements and best-practice in the EU Member States.

This 0.5 MECU Sub-Project will involve a detailed assessment as to the functioning of the existing systems and medium-term information needs, including issues of the reliability of data collection/verification, adjustment of survey returns, classification systems, data transfer and information provision and areas of information gaps.

This will result in a comprehensive series of recommendation for the medium-term development of information requirements in compliance with EU accession, with an assessment of hardware and software needs and staff training to ensure the introduction of new methodologies.

Support will then be provided for the first stage of equipment supply (including the establishment of sample pilot farms), plus with the development of suitable software for data collection and processing, plus with staff training. The Ministry will provide direct co-financing support of 7 MCZK (0.2 MECU).

Phare support will be realised via a single supply contract for T.A. advisory services, including support for the supply of equipment following international open tender.

3. Support to the State Veterinary Administration (SVA)

This 1.25 MECU Sub-Project involves five related activities supporting the strengthening of SVA, contributing to its capacity to co-operate more effectively and closely with the EU and its Member States, combining support to enhance SVA’s technical capacities and diagnostic methodologies, specifically focused on:

Information System

This activity will provide for the completion of SVA’s information system, including for connection to databases used between the EU Member States, with the goal that both the ??????????????????????????????????????????????????promptly obtain information regarding: updated EC regulations, veterinary certificates, import conditions, outbreaks of emergency diseases, movements of consignments subjected to veterinary controls across the border veterinary inspection posts etc..

This will involve up-grade and completion of the information system, covering SVA headquarters, 74 District Veterinary Offices and 21 Border Inspection Posts, with equipment supply (HW/SW).

Emergency and Exotic Diseases

In order to ensure compliance in the field of harmonisation and equivalence of official monitoring and eradication programmes with the EU Member States, this activity will cover the purchase of specialised technical laboratory equipment (HW/SW), plus provide support for the improvement of diagnostic methodologies in the field of disease controls including of exotic diseases.

Border Inspection Posts

This activity will provide for the complete modernisation of 2 key border inspection posts (?????????????????????????????????????????????????river-port, both entry points to the EU) fully meeting EC standards (Directive 90/657/EEC, Decision 92/525/EEC, Decision 93/352/EEC), including the provision of technical supplies (HW/SW) for connection to existing EU information systems (ANIMO, SHIFT, ADNS etc.) and for the operation of reliable border veterinary inspection.

Residue Tests in Live Animals and Animal Products
In order to harmonise testing of residue limits in animal-origin foodstuffs with EC legislation, this activity will provide for modernised laboratory technical equipment (HPLC, gas and mass spectrophotometry, AAS) and the improvement of diagnostic methodologies.

Establishing the System for Identification and Registration of Animals

This activity will focus on assessing the current state of identification and registration of animals used in the Czech Republic. This will be followed by policy recommendations to ensure that the system be up-graded to comply with EC requirements (cattle, pigs, sheep and goats), including a system for data collection and data processing, legal amendments, and cost analysis and possible investment schemes.

Phare support under this Sub-Project will be provided via a series of supply contracts following publication in the Official Journal, plus via a single service contract for specialist T.A. advice concerning animal registration and improved diagnostic methodologies.

4. Support to the Czech Agriculture and Food Inspectorate (CAFI)

Objective: to ensure that the relevant CAFI staff is fully informed about existing and planned EC legislation and inspection practices; to enable to communicate with relevant international bodies and consult documentation in foreign languages. This will enable CAFI to bring its control system fully in line with EC standards upon accession and to provide the relevant information to the food-processing industry.

This objective will be achieved by the following activities:

- information about the HACCP (to assess the effectiveness of an industry’s own assessment of hazard and control risks)
- information about the needs for international harmonization in the field of fresh fruit and vegetables control, interpretation of international standards
- foreign language training

Objective: to provide information to the food-processing industry about current and planned EC legislation and inspection practices. This will enable the industry to better prepare itself to comply with EC standards upon accession.

This objective will be achieved by the following activities:

- Information about HACCP, through training courses for the industry organized and given by the specialists in this field (including CAFI staff)
- information about how the guidelines for the various sub-sectors of the food-processing industry should be developed in the field of HACCP (CAFI would provide guidance for the food sector on ”How to make a guide to good hygiene practice”)
- information about the relevant EC legislation (by the CAFI management)
- the strategy of CAFI activity
This objective will be achieved through the following activities:

- Computer data analysis (on the basis of the inspection programme data base, to provide better selection of the control where non-compliance is suspected).

5. **Study on the Competitiveness and Restructuring of the Food Industry**

This 0.1 MECU Sub-Project aims at assessing the degree of compliance with EC standards in the food-processing industry as well as the impacts on this sector which will result from the achievement of full compliance. This will result in a series of recommendations to the Ministry as to the restructuring and investments needs of the Czech processing industry in order to ensure its competitiveness and full compliance with EC requirements. The study will include the identification of potential sources of and instruments for delivering the necessary investment.

Phare support will be delivered via a single service contract.

### Budget

<table>
<thead>
<tr>
<th>Sub-Project</th>
<th>Inst. Build. (IB)</th>
<th>Invest. (I)</th>
<th>Total Phare</th>
<th>Recipient</th>
<th>IFI</th>
<th>TOTAL</th>
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**Implementation Arrangements**
Responsibility for the administration related to the procedural aspects of procurement, contracting and accountancy will rest upon the CFCU. Responsibility for the administration related to the preparation, technical control and implementation will rest with the Ministry of Agriculture.

**Implementation Schedule**

- Start of tendering: 4Q/98
- Start of project activity: 1Q/99
- Completion: 4Q/00

**Equal Opportunity**

Equal opportunity principles and practices in ensuring equitable gender participation in the Project will be guaranteed.

**Environment**

The investment components of this Project all relate to Institution Building activities.

**Rates of Return**

The investment components of this Project all relate to Institution Building activities.

**Investment Criteria**

The investment components of this Project all relate to Institution Building activities.

**Conditionality and Sequencing**

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**Annexes to Project Fiche**

1. Logframe Matrix
2. Detailed Cost Breakdown for Sub-Projects
3. Detailed Implementation Chart
4. Contracting and Disbursement Schedule for the Project
5. Relation of Project with Previous Phare Activities and On-Going Projects Financed from Other Sources
## Institutional and Policy Support to the Ministry for Agriculture, Including Strengthening the Veterinary and Food Control Regulatory Capacities

### Project Number
CZ 98D-01

### Total Budget
3 MECU

### Date of Drafting
16/04/1998

### Planning Period
1999-2000

### Wider Objectives

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<th>Indicators of Achievement</th>
<th>How, When and By Whom Indicators will be Measured</th>
<th>Assumptions/Risks</th>
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<td>- Improve border veterinary posts, information system and lab. Equipment,</td>
<td>- Veterinary and food inspectorate specialists qualified to the EU levels</td>
<td>- Legislative process</td>
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<td>- Strengthened controls on the quality of foodstuffs</td>
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<td>- Lack of financial sources</td>
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### Immediate Objectives

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<td>- Legislative process</td>
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<td>- Efficient and rapid system of border inspections, implem. of EU harmonised rules</td>
<td>- extended number of analysed samples</td>
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### District Vet. Admin., State Institute for Control of Biologys and Medicaments, State Vet. Inst. - European Commission
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<td>- Harmonisation of activities based on EU rules - Extended number of analysed samples</td>
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<td>SVA, District Vet. Admin., State Institute for Control of Biologys and Medicaments, State Vet. Inst. European Commission</td>
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<table>
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### Annex 2

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### Cumulative Quarterly Contracting Schedule (MECU)

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Previous National Phare Programme support in the field of Agriculture has been provided under the 1992, 1994 and 1997 Programmes (2.7 MECU). This has focused primarily on T.A. support to the Ministry’s European Integration Department to improve its policy, economic and statistical analysis to better understand CAP, plus T.A. support and related training for market analysis of primary and secondary agricultural commodities in the individual sub-sectors ‘meat’, ‘dairy’, ‘cereals’, ‘sugar’ and ‘horticulture’, and equipment and training support for statistical and market information systems for the processing of agricultural data in a EUROSTAT compatible format.

**COP 1997**

The 1997 Programme, for which activities started in spring 1998, provides specialised T.A. expertise to the Ministry to further enhance its understanding of CAP and agricultural support mechanisms, T.A. support for the strengthening of producer marketing organisations and the development of a national advisory service, plus limited training and technical equipment support relating to the adoption of the acquis in the veterinary and phyto-sanitary sectors.