STANDARD SUMMARY PROJECT FICHE

1. Basic Information

Désirée Number: 2002/000-282.05.03

1.1 Title: Application of EU Quality Standard Systems

1.2 Sector: Agriculture

1.3 Location: Czech Republic

2. Objectives

2.1 Overall objective

- Existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the Union in the sector of Agriculture.
- Ability to take on the obligations of membership, including adherence to the aims of the political, economic and monetary union.

2.2 Project purpose

Strengthen and complete the classification agency for implementation of priorities of Accession Partnership, application of EU quality standards systems for agricultural supply.

2.3 Accession Partnership and NPAA priority

AP: This project is based on Accession Partnership mentioning the implementation of quality control systems.

NPAA: The introduction of SEUROP is one of the main issues in the NPAA and the CR Position Paper as reaction on the screening results. The implementation of EU quality regulations in the CR is a fundamental subject for functioning of the market.

2.4 Contribution to National Development Plan n.a.

2.5 Cross Border Impact n.a.

3. Description

3.1 Background and justification

The support of the project SEUROP is requested because of the improvement of the quality of meat and meat products. By the time the Czech Republic becomes a member of the EU the products of agri-food sector have to be sold in accordance with the rules and quality standards of the EU. In the pre-accession phase the agri-food sector can adjust its procedures of classification and the quality of agricultural production to the new legislation rules with the help of the project concerned. The main purpose of the project is to establish a well functioning classification agency authorized to organize and supervise the procedures and methods of classification of animal carcasses. It is necessary to implement the EU regulations in force as early as possible to give the breeders and producers the chance to adjust themselves to the new conditions.

Currently slaughterhouses are unable or unwilling to invest in the modern instruments, they try to use inaccurate estimative formulae to determine the meat content of carcasses of pigs. Therefore the Phare project will be the important impulse and allow the Ministry of Agriculture to solve the situation.

There is a comprehensive study FAO Project TCP/CEH/8821 concerning “The competitiveness of the Czech Agri-Food Sector in the Context of the EU Accession” getting to the conclusion “In the case of pig meat, a key requirement is to introduce the system based on the method of animal carcass quality evaluation; the consistent monitoring of animal carcass quality will lead to the strengthening the competitive positions of producers. Final reports of the above mentioned FAO project and Phare’s project CZ 9809-05 “Study on Competitiveness and Restructuring of the Food Industry” has been efficiently used.
The fundamental legislation base has been formed by the Act No.110/1997 Coll., on foodstuffs and tobacco products and on amendments of certain related acts as amended by the Act No 306/2000 Coll, which has enabled to enact the provisions and rules regarding the quality and classification systems for animal carcasses. Decree of the Ministry of Agriculture No 112/2001 Coll, on methods of classification of carcasses of pigs and on the requirements on delivering certificates of professional competence of individuals for this activity has been in force since April 2001. Decree of the Ministry of Agriculture No 354/2001 Coll, on methods of classification of carcasses of cattle and carcasses of sheep has been published and will come in force in January 1, 2002. These legislative activities have been in conformity with the EU regulations in force.

3.2 Linked activities
This project is complementary to other institution building projects aiming to strengthen the regulatory capacity in the agriculture sector, namely:
- 9809-03 Support to the Czech Agriculture and Food Inspectorate aiming at staff training related to transposition of relevant food safety standards.
- 9809-05 Study on competitiveness and restructuring of the food industry – assessment of the degree of acquis compliance in food processing industry.

3.3 Results
- Well functioning classification agency as a neutral supervising institution with the competence to organize and supervise the classification for animal carcasses
- Full legislative compliance with EU regulations in terms of EU qualitative standards in the process of classification and in trade network.
- EU quality standards and classification systems for carcasses of pigs, cattle and sheep with emphasis on livestock implemented at slaughterhouses.
- Equipment delivered and SW created.

3.4 Activities
- Twinning Light (0,15 M€)
  - service to classifiers concerning removing faults found during controls by the staff of the Classification Agency located in Praha - Uhříněves
  - elaborate system of postgraduate courses for classifiers (eg. objective cattle designation) providing latest information concerning the development in EU
  - deliver advice concerning further building of system

Requirements: The Experts should have minimum 5 year experience in quality classification and legislation matters.

- Investment - Supply of equipment (0,8 M€)
  - equipment for the Classification Agency – demonstrational instruments, calibration instruments for determination of meat quality, HW and special SW for collection of classification outcomes from slaughterhouses. The equipment will be co-financed by the state budget: 0,27 M€. The beneficiary of the equipment will be the Classification Agency.

The investment is sustainable in the long term, the equipment can be used beyond the date of accession. Their output complies with EU norms and standards and is in line with EU sector policy acquis. The investments are also financially sustainable, the future maintenance and operating costs will be covered by the investing industry.

3.5 Lessons learned
All relevant recommendations from previous projects have been taken into account.

4. Institutional Framework
The Ministry of Agriculture of the Czech Republic is the body responsible for the implementation of Quality Standard Systems. The managing and supervising function has been performed by the Food Production Department. Most of its efficient authorities will be delegated on an accredited institution, the Classification Agency, established under the Research Institution of Animal Production.
5. Detailed Budget (mil.€)

| Project Components | Phare Support | | | | | |
|--------------------|---------------|--------|--------|-----|---------|
|                    | Investment    | Institution Building | Total Phare (=I+IB) | National Cofinancing | IFI | TOTAL |
| Contract 1         |               | 0,150 | 0,150  |     | 0,150   |
| (Twinning Light)   |               |        |        |     |         |
| Contract 2         | 0,800         | 0,800  |        |     | 0,800   |
| (Investment)       |               |        |        |     |         |
| Co-financing       |               | 0,27   | 0,27   |     |         |
| Total              | 0,800         | 0,150  | 0,950  | 0,27| 1,22    |

There will be parallel co-financing.

Investment support for the Classification Agency:

Demonstrational instruments, calibrated instruments for determination of meat quality (incl. scanner – the instrument for the evaluation of meat quality on live animals by ultra sound), computers and special software for the collection of classification data from slaughterhouses.

Phare financing: 0,800 MEUR
Co-financing of state budget: 0,27 MEUR

Expected budget of the twinning light: 0,150 MEUR

6. Implementation Arrangements

6.1 Implementing Agency
Implementing Agency responsible for tendering and contracting will be the CFCU, Ministry of Finance. Ministry of Agriculture, Tesnov 17, 117 05 Praha 1 as the beneficiary will be responsible for the implementation of the project.

6.2 Twinning
The planned twinning described under item 3.4 above will be submitted. It is presumed to launch the project immediately after the decision, which depends on the date of the approval of the twinning covenant, but not later than in the second quarter of 2002.

Contact persons: Mr. Zdeněk Harant, the coordinator of the implementation of SEUROP standards at the MoA, Mr. Jan Půlkrábek, the Head of the Department of the classification of slaughter livestock of the RIAP.

6.3 Non-standard aspects
n.a.

6.4 Contracts
[1] twinning light 0,150 M €
[2] supply of the investment 0,800 M €

7. Implementation Schedule

[1] Twinning light
Start of tendering/call for proposals: 3Q / 2002
Signature of contract: 1Q / 2003
Project Completion: 4Q / 2003

[2] Supply of the investment
Start of tendering/call for proposals: 1Q / 2003
Start of project activity: 3Q / 2003
Project Completion: 4Q / 2003
8. Equal Opportunity
Equal participation of women and men in the project is guaranteed.

9. Environment
n.a.

10. Rates of Return
n.a.

11. Investment Criteria
n.a.

12. Conditionality and Sequencing
The main assumption for starting of the project depended on the approval of the amendment of the Act No 110/97 Coll. on foodstuffs and tobacco products and on amendments of certain related acts as amended by the Act No 306/2000 Coll. has been in force since April, 2000, which empowered the government and the MoA to pass the necessary Decrees regarding the classification systems for animal carcasses, especially SEUROP. The Phare support for the new efficient equipment will make the realization of the classification system possible to speed up.

The project is conditional upon Czech co-financing.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme
# LOGFRAME PLANNING MATRIX

<table>
<thead>
<tr>
<th>Project title: Application of EU Quality Standard Systems</th>
<th>Programme number: <strong>2002/000-282.05.03</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 31/10/2004</td>
<td>Disbursement period expires: 31/10/2005</td>
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<tr>
<td>Beneficiary institution:</td>
<td>Total budget: 1,22 mil.€</td>
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<tr>
<td>Phare budget: 0,95 mil.€</td>
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<tr>
<td><strong>Overall objective</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td>☐ Existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the Union in the sector of Agriculture</td>
<td>☐ Acknowledgement by the European Commission</td>
</tr>
<tr>
<td>☐ Ability to take on the obligations of membership, including adherence to the aims of the political, economic and monetary union</td>
<td></td>
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<tr>
<td><strong>Project purpose</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td>☐ Strengthen and complete the classification agency for implementation of priorities of Accession Partnership, application of EU quality standards systems for agricultural supply</td>
<td>☐ Classification Agency was confirmed by supervising department of Ministry of Agriculture as full functional and competent to classification according to EU standards</td>
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<td>☐ Systems of classifications in the Czech Republic is fully harmonized with EC regulations by the time of the accession of the CR to the EU</td>
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<td>☐ EC Regular Report</td>
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<tr>
<td><strong>Results</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td>a) ☐ Well functioning classification agency as a neutral supervising institution with the competence to organize and supervise the classification for animal carcasses</td>
<td>☐ Full functional Classification Agency according to the requirements of acquis (incl. of the equipment)</td>
</tr>
<tr>
<td>☐ Staff of Classification Agency and classifiers (250 persons for pigs, 200 persons for cattle, 20 persons for</td>
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<tr>
<td>☐ Full legislative compliance with EU regulations in terms of EU</td>
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<tr>
<td>Activities</td>
<td>Means</td>
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<td>------------</td>
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<tr>
<td>a) Twinning light</td>
<td>Twinning light 150,000 EUR - PAA must have minimum 5 years experience in quality classification and legislation matters, he/she will work with the help of specialists from EU member states for a limited period</td>
</tr>
<tr>
<td>b) Service to classifiers concerning removing faults found during controls by the staff of the Classification Agency located in Praha - Uhříněves</td>
<td>Supply of equipment (instruments, HW+SW) 0.8 M (+ 0.27 M € Cofinancing)</td>
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<tr>
<td>c) Elaborate system of postgraduate courses for classifiers (eg objective cattle designation) providing latest information concerning the development in EU</td>
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<td>d) Deliver advice concerning further building of system</td>
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<td>e) Investment</td>
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<tr>
<td>f) Equipment for the Classification Agency – demonstrational instruments, calibration instruments for determination of meat quality, HW and special SW for collection of classification outcomes from slaughterhouses</td>
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**Preconditions**

- Staff of the Classification Agency which is established as a separated department under the Research Institute for Animal Production is available
- Decision on the establishment (and date) of the Classification Agency and allocation of a budget taken by the MoA before approval of the project. Agency to be fully staffed by the time when the project starts
- Linked activities are mainly actual training of classifiers for pigs, training was finished in the first quarter of 2001. In 2001 will be in progress training of classifiers for cattle (about 200 classifiers), training must be finished by January 1, 2002. After 2 years training will be repeated. MoA will be responsible for SEUROP system and will have co-ordinating tasks. Investment part of the project will be co-financed.
# DETAILED IMPLEMENTATION CHART

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<tr>
<th>Action</th>
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<td>- Twinning Package commences</td>
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CUMULATIVE QUARTERLY CONTRACTING SCHEDULE (mil.€)

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CUMULATIVE QUARTERLY DISBURSEMENT SCHEDULE (mil.€)

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Annex 3