STANDARD SUMMARY PROJECT FICHE - TRANSITION FACILITY

1. Basic Information
   1.1 CRIS Number: 2005/017/518.06.01
   1.2 Title: Unallocated Institution Building Envelope
   1.3 Sector: Various
   1.4 Location: Czech Republic

2. Objectives
   2.1 Overall Objective(s):
   - To ensure the ability of the Czech Republic to take on the obligations of the EU membership, including adherence to the aims of political, economic and monetary union
   - To create conditions for the Czech Republic’s integration to the EU by adjusting its administrative and judicial structures in order to ensure that the European Community legislation is implemented effectively.

   2.2 Project purpose:
   Strengthening of institutions to meet the Copenhagen criteria and Madrid criterion, most specifically the adoption and implementation of the acquis (3rd Copenhagen criteria), and ensuring that the conditions for integration are ripe through the adjustment of administrative and judicial structures (Madrid criterion).

   2.3 Justification
   One of the areas, which fall within the Transition Facility specific priorities, concerns securing sufficient reserve for the unexpected needs by creating an unallocated envelope for Institution Building. Sectors that could benefit from this Institution Building support include, inter alia, Justice and Home Affairs, Internal Market, Agriculture and any other acquis-related projects in sectors relevant to the objectives of the Transition Facility. The use of these funds must be approved by the European Commission.

3. Description
   3.1 Background and justification:
   The Czech Republic has been the beneficiary of accession related Phare institution building projects since 1998. A high number of institution building projects have been or are being implemented in the form of full scale twinning with the assistance of Member States experts. In order to satisfy demand for establishing more flexible institution building instrument which would address specific well-circumscribed self-contained subjects of limited scope and not possible to be identified in detail in the time being, the institution building envelope projects were introduced as a part of National Phare programmes as well as for the Transition Facility.

   This project provides the possibility to respond to emerging tasks related to the institution building that relates to further strengthening of administrative capacity of institutions implementing acquis and to foster exchange of best practice in a flexible and immediate way. In particular projects will be supported in those areas identified in the Comprehensive Monitoring Report in which urgent and/or unforeseen tasks arise unexpectedly between Financing Decisions.

   3.2 Linked activities:
   - All institution building projects financed by Phare since 1998.
   - All institution building projects financed by Transition Facility since 2004
   - The TAIEX Multi-beneficiary Programme, which acts as a complement to the national Phare programmes and is coordinated with them, responding to individual requests not covered in these programmes by tailor-made actions for each country in all fields of the acquis.
   - SIGMA Multi-beneficiary Programme, which advises on the modernisation of general management systems of public institutions, oriented to accession priorities and complementing National Programmes for Institution Building and twinning.
• IB envelopes under the National Phare Programme 2001, National Phare Programme 2002 – 1st part and 2nd part, National Phare Programme 2003 – 1st part and 2nd part There were altogether 27 projects approved under the Phare 2001-2003 programmes. Majority of them – 14 – belonged to the sector of Internal Market, followed by the Agriculture sector (4), Environment (3), Home Affairs and Justice and Public Administration (2 for each) and Transport and Social Affairs (1 for each). With 5 exceptions, for which the identified problems were / are being solved through the technical assistance, these projects had / have predominantly the form of the twinning-light co-operation with partner EU Member States aiming at the strengthening of the institutional capacities for the implementation of acquis communautaire in the areas covered by them.

3.3 Results:
Concrete administrative structures and/or management systems in place and/or know-how transferred which address weaknesses identified in the Comprehensive Monitoring Report (published in November 2003).

3.4 Activities:
Given the nature of the project fiche, it is not possible to specify precisely the activities to be implemented. They will be indicated in the log frame matrices which will create a part of the individual project documentation. The projects proposed would be subject of rigorous analysis by those bodies indicated under the point 4 below according to the following criteria:

• Each project must be directly targeted at the project purpose (see 2.2 above).
• Each project must be targeted, focused, and have clearly identified, concrete results, achievable realistically within the time and budget proposed.
• Each project will have guaranteed results that will be achieved by the end of the project.
• Each project must be implemented either through twinning-light, or commercially contracted technical assistance.
• Each project must be drafted in the form of a logical framework matrix; beneficiaries must provide any other necessary documentation if requested by the Centre for Foreign Assistance.
• The projects proposals must be based on gaps identified by the Comprehensive Monitoring Report in the relevant sector and indicate what the basis is for each activity and be accompanied by draft ToR for each activity proposed.
• Project ideas must be subject to proper consultation with the relevant stakeholders, and must not overlap with previous/ongoing projects.

3.5 Lessons learned:
Based on the past projects, the following experience has been gained which can be used for the management of the unallocated envelope and the preparation of projects to be covered from it:

• Proper sequencing must be ensured: considerable part of the twinning-light projects serves as an introductory phase for the future general twinning, technical assistance or investment projects. It must be ensured that there is sufficient time allowed for the finalisation of the twinning-light from the Unallocated Envelope in order to make sure that its results / recommendations are fully used / followed in the future.
• Expertise required must be carefully judged in order to decide on the type of the assistance – twinning-light / technical assistance - from the Unallocated envelope.
• Absorption and management capacity of the beneficiary institution must be considered when deciding about the assistance from the Unallocated envelope – twinning-light should only be used if it is clear that the beneficiary is already more or less in control of the implementation system in question but requires additional, focused assistance in well defined areas. I.e., it must be clear that the beneficiary can manage the project implementation.
• Project purpose, mandatory results and activities leading to them must be clearly explained / specified in the Detailed Project Fiches for the twinning-light / Terms of Reference for the technical assistance.

4. Institutional Framework

The Centre for Foreign Assistance (CFA) will collect proposals and provide their assessment and approval. Implementation will be governed by the rules for decentralised implementation system according to article 53(1)b of the Financial Regulation. In accordance with Article 10 of the Memorandum of Understanding.
between the European Commission and the Czech Government for the implementation of the Transition Facility, the projects to be financed from the unallocated envelope are subject to prior approval by the European Commission.

5. **Detailed Budget (in M€)**

<table>
<thead>
<tr>
<th>€M</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>Investment Support</td>
<td>Institution Building</td>
<td>Total Transition Facility (=I+IB)</td>
</tr>
<tr>
<td>year 2005</td>
<td>Unallocated Institutional Building Envelope</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Total</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
</tbody>
</table>

6. **Implementation Arrangements**

6.1 **Implementing Agency**
Responsible for the administration related to the procedural aspects of procurement, contracting accountancy will rest upon the CFCU. Mr. Jan Slavícek, Programme Authoring Officer (PAO), Ministry of Finance, Letenská 15, 118 10 Prague 1, Czech Republic, phone +420-2-5704-4551, fax +420-2-5704-4550, e-mail: jan.slavicek@mfcr.cz.

The Centre for Foreign Assistance (CFA) will be fully responsible for overall monitoring and evaluation of the project implementation. Main contact is Ms. Jana Hendrichová, Director of the CFA, Ministry of Finance, Letenská 15, 118 10 Prague 1, Czech Republic, phone +420 257 044 559, e.mail: jana.hendrichova@mfcr.cz.

6.2 **Twinning**
The contact person responsible for overall implementation of the Unallocated Envelope is Ms. Ludmila Lefnerová, Head of the Unit for Coordination of the Foreign Assistance, Ministry of Finance, Letenská 15, 118 10 Prague 1, Czech Republic, phone +420-257 044 562, fax: fax +420-2-5704-4550, email: ludmila.lefnerova@mfcr.cz. The responsible person from the respective beneficiary institution will be specified in each project proposal.

6.3 **Non-standard aspects**  N/A

6.4 **Contracts**
Due to the nature of the envelope it is not possible to foresee the number, value and type of contracts. However, the types of contracts will be limited to twinning light agreements, and technical assistance contracts.

7. **Implementation Schedule**

7.1 Start of tendering/call for proposals  4Q/2005
7.2 Start of project activity  1Q/2006
7.3 Project Completion  4Q/2008

For further details please see annex 2 of this project fiche. All projects shall be completed before the disbursement deadline of the Financing Memorandum.
8. Conditionality and sequencing

Please see 3.4 above.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule
LOGFRAME PLANNING MATRIX

Project Title: **Unallocated Institution Building Envelope**

<table>
<thead>
<tr>
<th>Overall Objective</th>
<th>Objectively verifiable indicators*</th>
<th>Sources of verification</th>
</tr>
</thead>
</table>
| • To ensure the ability of the Czech Republic to take on the obligations of the EU membership, including adherence to the aims of political, economic and monetary union  
• To create conditions for the Czech Republic’s integration to the EU by adjusting its administrative and judicial structures in order to ensure that the European Community legislation is implemented effectively. | Given the nature of the project fiche it is not possible to spell out exact OVIs (these will be included in the LFM s for individual projects. However, some example OVIs could be:  
• No safeguard clauses are invoked  
• Satisfactory management of the Transition Facility aid ensured - tender dossiers approved in time and conditions for following contracting and disbursement deadlines thus created  
• Majority of gaps indicated in the Comprehensive Monitoring Report of the EC being solved  
• The Czech Republic manages to use at least the average % of funds that present MSs do for the SFs and Cohesion Fund | For example  
• Official Journal  
• European Commission  
• Relevant Czech Ministries (MoF, MRD) |

<table>
<thead>
<tr>
<th>Project Purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| Strengthening of institutions with the aim to meet the Copenhagen criteria and Madrid criterion; most specifically the adoption and implementation of the acquis (3rd Copenhagen criteria), and ensuring that the conditions for integration are ripe through the adjustment of administrative and judicial structures (Madrid criterion). This especially includes the adoption of legal requirements for management of Structural funds / Cohesion fund assistance. | Given the nature of the project fiche it is not possible to spell out exact OVIs (these will be included in the LFM s for individual projects. For examples please see OVIs at the level of overall objectives above | For example  
• Individual project reports  
• Any reports produced by beneficiaries  
• Any evaluation reports (produced by externally contracted or public | The Czech Republic fulfils any remaining gaps necessary for the Copenhagen and Madrid criteria to be achieved. |
Concrete administrative structures and/or management systems in place and/or know-how transferred which address weaknesses identified in the Comprehensive Monitoring Report (published November 2003).

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given the nature of the project fiche it is not possible to spell out exact OVIs (these will be included in the LFM s for individual projects). For examples please see OVIs at the level of overall objectives above</td>
<td>For example</td>
<td>The CR fulfils all remaining IB weaknesses necessary for fulfilling the Copenhagen and Madrid criteria.</td>
<td>All other Phare / Transition Facility IB projects (particularly including the linked activities) are successfully implemented</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Given the nature of the project fiche, it is not possible to specify the precise activities (these will be indicated in the log frame matrices which will be part of the individual project documentation). The projects proposed will be subject of rigorous analysis by those bodies indicated in 4 below according to the following criteria:</td>
<td>• Twinning light</td>
<td>• The beneficiaries allocate appropriate human and financial resources to the specific tasks</td>
</tr>
<tr>
<td>• Each project must be directly targeted at the project purpose (see 2.2 above).</td>
<td>• Technical assistance</td>
<td></td>
</tr>
</tbody>
</table>
- Each project must be targeted, focused, and have clearly identified, concrete results, achievable realistically within the time and budget proposed.
- Each project will have guaranteed results that will be achieved by the end of the project.
- Each project must be implemented either through twinning light, or commercially contracted technical assistance.
- Each project must be drafted in the form of a logical framework matrix; beneficiaries must provide any other necessary documentation if requested by the Centre for Foreign Assistance.
- The projects proposals must be based on gaps identified by the Comprehensive Monitoring Report in the relevant sector and indicate what the basis is for each activity and be accompanied by draft ToR for each activity proposed.
- Project ideas must be subject to proper consultation with the relevant stakeholders, and not overlap previous/ongoing projects.

**Preconditions**
<table>
<thead>
<tr>
<th>Year Action</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender launch (for TA) /circulation (for twinning light)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects start</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects Completion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

### Cumulative Quarterly Contracting Schedule (M€)

<table>
<thead>
<tr>
<th>Project</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
<th>3Q/06</th>
<th>4Q/06</th>
<th>1Q/07</th>
<th>2Q/07</th>
<th>3Q/07</th>
<th>4Q/07</th>
<th>1Q/08</th>
<th>2Q/08</th>
<th>3Q/08</th>
<th>4Q/08</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated Institution Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.500</td>
</tr>
<tr>
<td>Envelope</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.400</td>
<td>0.600</td>
<td>0.800</td>
<td>1.000</td>
<td>1.200</td>
<td>1.350</td>
<td>1.450</td>
<td>1.500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Cumulative Quarterly Disbursement Schedule (M€)

<table>
<thead>
<tr>
<th>Project</th>
<th>2Q/05</th>
<th>3Q/05</th>
<th>4Q/05</th>
<th>1Q/06</th>
<th>2Q/06</th>
<th>3Q/06</th>
<th>4Q/06</th>
<th>1Q/07</th>
<th>2Q/07</th>
<th>3Q/07</th>
<th>4Q/07</th>
<th>1Q/08</th>
<th>2Q/08</th>
<th>3Q/08</th>
<th>4Q/08</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unallocated Institution Building</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.500</td>
</tr>
<tr>
<td>Envelope</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.200</td>
<td>0.400</td>
<td>0.600</td>
<td>0.800</td>
<td>1.000</td>
<td>1.100</td>
<td>1.200</td>
<td>1.300</td>
<td>1.400</td>
<td>1.450</td>
<td>1.500</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.500</td>
</tr>
</tbody>
</table>