COMMISSION DECISION
C/2006/3371 OF 01/08/2006

on the financial contribution of the Transition Facility for strengthening institutional capacity to the CZECH REPUBLIC
(Only the Czech 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 veterinary services and administrative capacity-building relating to food safety, internal market, environment, justice and home affairs, nuclear safety and statistics 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) Implementing Agencies 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 pre-accession aid, as well as through a number of other checks, that those criteria are fulfilled by the Central Financing and Contracting Unit (CFCU) and Nadace Rozvoje Obcanske Spolecnosti (NROS).

(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 €7,160,000 as Transition Facility to the Czech Republic 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 Czech Republic on 27 September 2004.

2. The CFCU and NROS shall be the Implementing Agencies 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 Czech Republic.

Done at Brussels, […]

For the Commission

[...]  
Member of the Commission
ANNEX

FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN THE CZECH REPUBLIC FOR 2006

1. IDENTIFICATION

Beneficiary: The Czech Republic
Programme: Transition Facility National Programme 2006
CRIS-Number: 2006/018-182
Year: 2006
Cost: € 7,160,000
Implementing Agencies:
- Central Finance and Contracts Unit (CFCU, Ministry of Finance)
- Nadace Rozvoje Obcanske Spolecnosti (NROS)¹
Expiry Dates:
- Contracting: 15 December 2008
- Execution of contracts: 15 December 2009
Sector Codes (DAC):
- Objective 1 – Political Criteria (15050, 11120)
- Objective 2 – Agriculture (31110)
- Objective 3 – Internal Market (16310, 15020, 11110, 16362)
- Objective 4 – Environment (41010, 14050)
- Objective 5 – Justice and Home Affairs (15030)
- Objective 6 – Nuclear Safety (23064)
- Objective 7 – Administrative Capacity (99810)
Budget Line: 22 03 01
Commission Task Manager:
- V. Wessely - Financial Assistance Post Accession Unit-
- DG Enlargement

2. SUMMARY

For the period 2004-2006, the Transition Facility (TF) has been established by Article 34 of the Act of Accession to provide temporary assistance to the new Member States to develop and strengthen their administrative capacity to implement and enforce Community legislation, and to foster the exchange of best practice among peers. The TF is thus mainly a continuation of assistance provided under Phare to fund institution building activities according to the same principles.

The present Financing Proposal represents the 2006 Transition Facility National Programme for the Czech Republic.

¹ Nadace Rozvoje Obcanske Spolecnosti (NROS - Civil Society Development Foundation) is a Czech Non-Governmental Organisation (NGO) which is the main Implementing Agency for Phare grant schemes in the NGO and human rights sectors
The 2006 Transition Facility National Programme for the Czech Republic will focus on the following main objectives: Political Criteria, Agriculture, Internal Market, Environment, Justice and Home Affairs, Nuclear Safety and Administrative Capacity.

The financial and administrative structures and procedures for the implementation of the Transition Facility are laid down in a Memorandum of Understanding signed between the Commission and the Czech Republic. This Memorandum is based closely on the existing Phare Memorandum of Understanding on the Establishment of the National Fund, updated to take account of the fact of the accession of the Czech Republic and the application of the Financial Regulation. The present programme will be implemented by the Implementing Agencies, the Central Finance and Contracting Authority (CFCU) at the Ministry of Finance, and Nadace Rozvoje Obcanske Spolecnosti (NROS), a Non-Governmental Organisation.

3. STRATEGY

Programming priorities
The TF should focus on those areas where weaknesses in administrative and institutional capacity have been found to remain. The key indicator for these weaknesses is the Comprehensive Monitoring Report on the Czech Republic’s preparations for membership (CMR) issued by the Commission in November 2003, reflecting the situation at the end of September 2003. In addition to the CMR, other findings and recommendations from the overall monitoring process (SIGMA Reports, peer-reviews, Commission missions, etc.) were also taken into account when setting up this programme.

Project selection and lessons learned
On the basis of the priorities outlined in the above-mentioned documents, and in line with the principle of ownership, the Czech authorities submitted a number of project proposals for funding under the Transition Facility. These projects have been discussed in detail with the relevant Commission Services. The final selection of projects for this Financing Proposal was based on the overall quality of the individual proposals, taking into account inter alia the strategic framework of the projects, their expected impact, and their implementation arrangements.

In designing the 2006 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Phare programmes in previous years. Lessons learnt are usually drawn on a case by case basis, building upon relevant experience in the implementation of previous projects in a specific area. Provision of necessary background documentation supporting the various project proposals has been emphasised during the programming process. Relevant information on lessons learnt and on the supporting background documentation is provided 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 – Political Criteria

Project 2006/018-182.01.01- Promoting Roma children and youth education in out-of-school activities

This grant scheme project addresses a CMR priority and aims at promoting the education of Roma children and youth in out-of-school activities.

Activities should include inter alia: innovative actions to improve language skills, actions targeted at parents to gain their support for the programme and training of Roma children and youth in obtaining recognition and confidence in non-Roma communities. To ensure a better sustainability of project results, a specific needs analysis of the grant schemes' target group will be conducted prior to the launch of the grant scheme in order to fine-tune the scope of the measures to be financed.

The minimum TF contribution to any grant will be € 30,000, the maximum TF contribution will be € 50,000. In addition, final beneficiaries are required to provide co-financing from other sources for a minimum of 20% of the project cost. Up to 7% of the grant scheme allocation could be used to cover the management costs incurred by the Implementation Agency (NROS) in the management of the scheme.

Objective 2 – Agriculture

Project 2006/018-182.02.01- Quality Control and Quality Assurance in the Central Institute for Supervising and Testing in Agriculture (CISTA)

This project is aimed at addressing remaining weaknesses in the area of food safety, in particular in light of Regulation (EC) No 882/2004 which requires Member State laboratories to be accredited according to certain standards.

One component of this project (to be provided through technical assistance) will hence focus on the accreditation/certification of CISTA's laboratory equipment and procedures. The start of this component's implementation will however be conditional upon the termination of a twinning light project to be financed under the Unallocated Institution Building Envelope which will inter alia define the best adoption of quality control and quality assessment criteria in different branches of CISTA.

The project's two other components will provide CISTA specialists with a set of trainings (including study visits) and with laboratory equipment enabling a uniform sample preparation in all CISTA laboratories. These components will be implemented through a twinning light scheme and a supply contract.
Project 2006/018-182.02.02 - Enhancing the Capacity of the Czech Agriculture and Food Inspection Authority (CAFIA)

This project reflects general food safety requirements, as established in Regulation (EC) No 178/2002, and responds to the findings of two recent FVO (Food and Veterinary Office) missions to the Czech Republic.

Transition Facility assistance will be used to provide CAFIA staff from both headquarters and regional inspectorates with training on a variety of topics such as the application and enforcement of recent acquis and the auditing of laboratories authorized for the official control of foodstuff. Training for CAFIA's laboratory staff will also include the organisation of study visits. In addition, to enable the analysis of certain pesticides and broaden the range of analyses, some laboratory equipment will be acquired.

The project will be implemented through a twinning light scheme and a supply contract.

Objective 3 – Internal Market

Project 2006/018-182.03.01 - Strengthening of the Czech Social Security Administration (CSSA) capacity in the field of social security coordination

To ensure a more effective implementation of the acquis on the coordination of social security schemes and to facilitate the free movement of persons across the European Union, this twinning project will assist in improving the capacity of the Czech Social Security Administration and other Czech institutions involved in the area.

In particular, the project will provide for a set of specialized trainings (including study visits and training for trainers) and an up-date of the existing as well as the development of new training modules and materials. Additionally, activities will include the formulation of recommendations as to how rulings of the European Court of Justice should be implemented in the national practice.

Project 2006/018-182.03.02 - Strengthening of the Czech Social Security Administration (CSSA) capacity in the field of social security premium collection, claims and bankruptcy in international environment

This twinning project focuses on two components related to the collection and claiming of social security contributions.

The first component addresses the area of bankruptcy proceedings and aims to provide relevant training for staff of the Czech Social Security Administration. Activities under this component will also include the formulation of recommendations concerning international cooperation and procedures related to the activities of bankruptcy trustees and the drafting of a methodology for the CSSA staff members acting in bankruptcy proceedings.

The second component deals with financial control and data administration in the field of social insurance. Transition Facility assistance will cover a) an analysis of the CSSA's current premium collecting system and recommendations for its improvement as well as the necessary up-dating of the CSSA's guidelines, b) an evaluation of the CSSA's integrated
economic information system and c) a variety of trainings (including study visits) with a special emphasis on relevant acquis and EU practices.

*Project 2006/018-182.03.03 - The extension of the State treasury system*

This twinning light project aims at supporting the reform of public finance management and control, by establishing a functioning State Treasury system. The importance of undertaking steps towards the consolidation of public finance was a priority mentioned in the CMR.

The project should result in increased efficiency and transparency of the budgetary process, allowing for adequate management of debt services and cash flows, which should thus reduce both size and frequency of public budget deficits. The project builds on the CZ0204.02 “Design and Establishment of State Treasury” project and is the third phase in the process of developing a comprehensive State Treasury system. The first and second phase has been supported by TF 2004 and TF 2005 respectively. Unlike the first and the second phase, this twinning light project shall encompass specific entities such as state funds and state contributory organisations connected to the state budget.

*Project 2006/018-182.03.04 - Strengthening of the general system of Recognition of Professional Qualification*

The purpose of this twinning light project is to verify the proper functioning of the current national system for recognizing professional qualifications and to further enhance the skills of staff from recognition bodies, advisory bodies and the Ministry of Education, Youth and Sports.

In particular, Transition Facility assistance will be used to assess the present general system with respect to its effectiveness, efficiency and compatibility with the acquis and to propose amendments where necessary. Training activities will *inter alia* focus on the transfer of practical skills and also include the organisation of a study visit.

*Project 2006/018-182.03.05 - Strengthening of the Czech Statistical Office (CZSO) Administrative Capacity by the implementation of Statistical Metainformation System*

This project's aim is to improve data quality by effectively associating data and metadata at all stages of the data life cycle and to decrease the burden of enterprises and households in gathering statistical data.

Built on the national strategy for the Statistical Metainformation System, Transition Facility assistance will cover the design, development, implementation and putting into operation of a set of separate modules to be incorporated – together with two already developed modules – in a system architecture to be designed as part of this project's activities. Support is also foreseen for a) the preparation of relevant user documentation, b) the initial loading of data and c) the training of the system's users.

The project will be implemented through technical assistance.
Objective 4 – Environment

Project 2006/018-182.04.01 - Reinforcement of Environmental Data Gathering and Information Provision

This project aims to improve the availability, relevance, quality and reliability of environmental data and information, thereby following-up on a recommendation of the Phare twinning project CZ 2003/004-338.04.02.

In particular, the project will assist the recently established Czech Environmental Information Agency (CENIA) in developing and equipping a laboratory for receiving, processing and analysing satellite data. Additionally, Transition Facility assistance will provide for training on the operation of satellite signal decoders and the processing and analysis of satellite image data.

The project will be implemented through technical assistance and a supply contract.

Project 2006/018-182.04.02 - Strengthening of State Administration Efficiency in Technical Protection of the Environment

The aim of this project is to improve access to environmental data relevant for strategic environmental assessments, environmental impact assessments and integrated pollution prevention and control.

To this end, Transition Facility assistance will support CENIA in interconnecting its existing systems and databases into one fully operational system and provide training on this new system to staff from both CENIA and the Ministry of Environment.

The project will be implemented through technical assistance and a supply contract.

Project 2006/018-182.04.03 - Integrated Approach to the Regional Waste Management in the Czech Republic

The purpose of this twinning light project is to promote integrated waste management in the Czech Republic.

In particular, the project should result inter alia in a) approved methodologies for the implementation of the integrated waste management system, b) approved methods for economically feasible waste management treatment and final disposal, c) a methodology for the promotion of waste management treatment of different waste flows, d) a description of integrated waste management systems in other Member States, e) the availability of draft provisions aimed at the implementation of the EU Thematic Strategy for the prevention and recycling of waste in the Czech Republic, f) a summary of obligations for waste producers under the waste management plan and g) enhanced skills of persons involved in waste management in the Czech Republic.
Objective 5 – Justice and Home Affairs

Project 2006/018-182.05.01 - Improved Efficiency in the Fight against Crime by Building-up a Quality System in Police Forensic Laboratories

This technical assistance project aims to improve efficiency in the fight against crime by establishing a quality system for Czech police forensic laboratories.

Specifically, the project will support the Institute of Criminalistics Prague (ICP), a body forming part of the Czech police, in preparing a quality management system to be accredited after the termination of the project. Project activities will also include training for staff in the quality system (such as quality managers, internal auditors, etc) as well as training on inter-laboratory comparisons.

Objective 6 – Nuclear Safety

Project 2006/018-182.06.01 - Strengthening of RAWRA (Radioactive Waste Repository Authority) Corporate Management Tools on the Safety of Nuclear Waste Repositories

To enable a more effective and safer transfer and storage of data required for the monitoring of nuclear waste repositories, this Institution Building (Technical Assistance) project will focus on the development of an integrated information system as well as on the establishment of new effective and computerized corporate management tools. In particular, Transition Facility assistance will provide for a) a review of the existing quality assurance and quality control (QA/QC) systems as well as information technology tools, b) the design of a new Corporate Management and Information System, c) proposals for updated and new corporate management and QA/QC rules and manuals and d) the development, pilot operation and testing of a new integrated information system, including the drafting of manuals for its maintenance and operation.

Objective 7 – Administrative Capacity

Project 2006/018-182.07.01 - Unallocated Institution Building Envelope

A maximum of 1.5 M€ will be reserved to cover any ad hoc Institution Building needs. Sectors that could benefit from this support are, 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 is subject to prior approval of the European Commission.
### 5. BUDGET (M€)

<table>
<thead>
<tr>
<th>Objective/Project</th>
<th>Transition Facility Funding</th>
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<tbody>
<tr>
<td></td>
<td>Institution Building (IB)</td>
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<tr>
<td><strong>Objective 1: POLITICAL CRITERIA</strong></td>
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<tr>
<td>Project 2006/018-182.01.01- Promoting Roma children and youth education in out-of-school activities</td>
<td>500.000</td>
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<tr>
<td><strong>Objective 2: AGRICULTURE</strong></td>
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<td>Project 2006/018-182.02.01- Quality Control and Quality Assurance in the Central Institute for Supervising and Testing in Agriculture (CISTA)</td>
<td>440.000</td>
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<tr>
<td>Project 2006/018-182.02.02- Enhancing the Capacity of the Czech Agriculture and Food Inspection Authority (CAFIA)</td>
<td>160.000</td>
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<td><strong>Objective 3: INTERNAL MARKET</strong></td>
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<tr>
<td>Project 2006/018-182.03.01- Strengthening of the Czech Social Security Administration (CSSA) capacity in the field of social security coordination</td>
<td>400.000</td>
</tr>
<tr>
<td>Project 2006/018-182.03.02- Strengthening of the Czech Social Security Administration (CSSA) capacity in the field of social security premium collection, claims and bankruptcy in international environment</td>
<td>400.000</td>
</tr>
<tr>
<td>Project 2006/018-182.03.03- The extension of the State treasury system</td>
<td>250.000</td>
</tr>
<tr>
<td>Project 2006/018-182.03.04 - Strengthening of the general system of Recognition of Professional Qualification</td>
<td>140.000</td>
</tr>
<tr>
<td>Project 2006/018-182.03.05 - Strengthening of the Czech Statistical Office (CZSO) Administrative Capacity by the implementation of Statistical Metainformation System</td>
<td>750.000</td>
</tr>
<tr>
<td><strong>Objective 4: ENVIRONMENT</strong></td>
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<tr>
<td>Project 2006/018-182.04.01- Reinforcement of Environmental Data Gathering and Information Provision</td>
<td>290.000</td>
</tr>
<tr>
<td>Project 2006/018-182.04.02- Strengthening of State Administration Efficiency in Technical Protection of the Environment</td>
<td>290.000</td>
</tr>
<tr>
<td>Project 2006/018-182.04.03- Integrated Approach to the Regional Waste Management in the Czech Republic</td>
<td>160.000</td>
</tr>
<tr>
<td><strong>Objective 5: JUSTICE AND HOME AFFAIRS</strong></td>
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<td>Project 2006/018-182.05.01 - Improved Efficiency in the Fight against Crime by Building-up a Quality System in Police Forensic Laboratories</td>
<td>650.000</td>
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<tr>
<td><strong>Objective 6: NUCLEAR SAFETY</strong></td>
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<tr>
<td>Project 2006/018-182.06.01- Strengthening of RAWRA (Radioactive Waste Repository Authority) Corporate Management Tools on the Safety of Nuclear Waste Repositories</td>
<td>400.000</td>
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<td><strong>Objective 7: ADMINISTRATIVE CAPACITY</strong></td>
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<tr>
<td>Project 2006/018-182.07.01-Unallocated Institution Building Envelope</td>
<td>1,500.000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>6,330.000</td>
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</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 must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible 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 the Czech Republic, the Commission may review the programme with a view, at the 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.

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