Standard Summary Project Fiche

1. Basic Information
1.1 CRIS Number: 2003/004-979-02.03
1.2 Twinning Light Number: LV/2003/IB/EC-03
1.3 Title: Market surveillance in food sector
1.4 Sector: Internal Market / Agriculture
1.5 Location: Republic of Latvia
   Ministry of Agriculture of Latvia; Republikas sq.2, Riga, LV 1981
   Food and Veterinary Service; Republikas sq.2, Riga, LV 1981

2. Objectives

1.4.2.1 Overall Objective:
   Ensure quality and safety of food products.

1.4.2.2 Project purpose:
   • Implementation of the control system of fresh fruit and vegetables marketing standards according to EC Regulation 1148/2001;
   • Ensuring proper functioning of milk producers register and animal herds register according to EU Directives 64/432/EEC and 97/12/EC.

1.4.3 Accession Partnership and NPAA priority

Accession Partnership
   Upgrade the capacity of the agricultural administration and complete preparations for the enforcement and practical implementation of the management mechanisms of the common agricultural policy, in particular the integrated administrative and control system and the paying agency, as well as for the implementation and enforcement of veterinary and phytosanitary and food safety legislation;
   Complete the process of transposition of all New Approach and sectoral with the acquis, in particular as concerns food legislation, fertilisers, and the renewal of existing marketing authorisations for pharmaceuticals;
   Reinforce national accreditation system, upgrade the national metrology system, complete the reform of the market surveillance system, designate the appropriate bodies regarding notification procedure and ensure their functioning;
   Ensure the effectiveness of administrative structures involved in market surveillance.

National Program for Adoption of Aquis
   • Stabilisation of agricultural market by implementing the CAP policy instruments (LA – 029 - agricultural products - “Ensuring of requirements of safety, harmless and quality for agricultural products”);
   • Development of administrative capacity needed for structural changes, promotion of agricultural and rural development within support programs of the EU pre-accession and Structural Funds (LA-043).

3. Description

1.4.3.1 Background

**Fresh fruit and vegetables**
   Acquis communautaire in the area of the marketing standards has to be applicable to fresh fruit and vegetables control mechanisms from the date of accession into EU.

   Food and Veterinary Service (FVS) is the only official institution responsible for state surveillance and control of food, both animal and plant origin. Surveillance of products of plant origin is a new function for FVS, from January 2002.

   The legal basis for food quality control is Food Circulation Surveillance Law and Regulations of Cabinet of Ministers No 130 “Hygiene Requirements in Food Circulation” (adopted from April 14, 1998).

   Surveillance and control executed by regional food inspectors include:
   - control of foodstuffs;
   - surveillance and control of food enterprises;
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- evaluation and registration of food enterprises.

The Ministry of Agriculture in 2001 has elaborated implementation plans of the elements of all Common Market Organizations (CMO’s) mechanisms including the control of the marketing standards applicable to fresh fruit and vegetables. The Latvian State Standards in line with EU standards of the marketing of fresh fruits and vegetables were adopted in 1999 by non-profit state organization with limited liabilities “Latvian Standard”. However there are no enforcement provisions and standards are applied voluntary and quality control of fresh fruit and vegetables is not carried out yet.

To provide legal basis of control of marketing standards of fresh fruits and vegetables draft regulations “On the control of the marketing standards of fresh fruit and vegetables” are under elaboration. It is planned that Cabinet of Ministers will adopt it until June 2003, and it will come into force from 1st October 2003.

According to the EU legislation (EC Regulation No. 1148/2001) the inspector authorized by the competent inspection body carries out checks on conformity for fresh fruit and vegetables at each stage of marketing. According to the Regulations of the Cabinet of Ministers of the Republic of Latvia No 112 (adopted in March 12, 2002) Food and Veterinary Service is designated as the only inspection body in food area in Latvia.

According to the EC Regulation No 1148/2001, to carry out the checks on conformity, inspection guidelines recommended by the Nations Economic Commission for Europe have to be adopted and inspectors have to be trained on implementation of adopted guidelines. EC Regulation demands to inform Commission on the results and non-conformities found during the inspections as well as checks of conformity.

As regards control of fresh fruit and vegetables, up to now inspector’s control:
- hygiene in fresh fruit and vegetable packing and washing enterprises, in warehouses and marketing places;
- safety of fresh fruits and vegetables, including pesticide residues.

As FVS will have to implement the functions of the above mentioned regulations “On the control of the marketing standards of fresh fruit and vegetables” the implementation of the project would be a support for start-up of these activities.

National Animal Register of Animals and Herds

Latvian State Domestic Animal Pedigree Information Data Processing Centre (LSDAPIDPC) was founded in 1997. The LSDAPIDPC maintains State Herd and Animal Register and it is functioning since 1998. Herd Register contains data on bovine, sheep, goat, pig, horse, poultry, fur-bearing animals, rabbit flocks, and wild animals in confined areas, beehives and fishponds. Animal register contains individual records on bovine, sheep and goat and group-type records on pig. As a part of in conjunction with animals and herds registers a milk producers register is maintained as well (see annex 10).

Pig register:

New EU legislation demands individual swine identification from the year 2006, therefore new national swine register complied with principle of unique record for each individual animal is needed. Information on each individual animal identification and movement must be recorded and maintained. Since national animal registers for other species (cattle, sheep and goat) already are established on this principle, new approach will help and facilitate organize holding related information across registers of all domestic animals. Today swine information is the only one kept in shape of number of animals not the individual records.

At present herd owners are reporting the fixed numbers of pigs at the beginning and the end of month along with their distribution in different groups (suckling group, feedlot stock, breeding group etc.) and number of movements (including newborn piglets and out and in movement) on monthly basis to the LSDAPIDPC. Pig movement among different holdings (herds, slaughterhouses etc.) is registered in special form - animal movement declaration, which is veterinary approved document. Data tables from two information sources mentioned are not linked at present.

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89/503/EEC).

To operate animal register data base LSDAPIDPC uses DBCS - MS SQL Server 7.0. Data input is
organized on 32 PC, age from P2 to P4.

In Latvia several private breeding organisations maintain data bases for pig individual recording.
Those data bases are not connected with central data base in LSDAPIDPC. The individual recording systems
are not using the information from LSDAPIDPC and recorded information is not delivered to the register. The
link between the LSDAPIDPC and pig recording data systems has to be created, providing two-way
synchronisation of commonly used data items. Further development of information exchange among the
existing individual pig register systems (Latvian Agricultural Advisory and Training Centre, Centre of Pigs
Hers, Agrosels) should be compatible with existing data basis system in LSDAPIDPC.

The national legislation provides that after the end of the recording year herd owners must submit to the
LSDAPIDPC recording information regarding their herds. The LSDAPIDPC must collect this information and
publish once a year a summary of the previous year’s recording results. The recording information constitutes
the following data: productivity – the number of live-born piglets, still-born piglets, unviable piglets,
anomalies, the number of piglets added or taken away, the number of weaned piglets and their age. At present,
it is impossible to add information collected in other registers, as there is no individual register of pigs, but
only a herd’s register at the LSDAPIDPC.

It is planned that within regional units of LSDAPIDPC information received from pig herds’ owners
will be fed in information system and further entered into the LSDAPIDPC individual register of pigs. In the
result precise data would be available on each animal and it would be possible to assess the situation on pig
meat market. In Annex 10 the current technical means and the scheme as well as the ongoing exchange with
information (flow) of existing animals register are delineated with an uninterrupted line and the planned model
to be established is delineated with a dotted line. It envisages acquisition and installation of SQL servers,
computers, development of software as well as training of the staff who will work with the new program.

Milk producer’s register

Starting from accession date milk production quota systems have to be introduced. New regulations of
the Cabinet of Ministers are elaborated “Order of distribution, allocation, data collection and administration of
milk quota” and will be accepted in the 2-nd quarter 2003. The draft regulations determine that milk quota for
each producer will be calculated by LSDAPIDPC. Rural Support Service (RSS), LSDAPIDPC and purchaser
will administrate milk quota. For the calculation of the levy, the producer's real fat content of the milk
delivered shall be compared with his representative fat content and the milk quantities delivered
adjusted accordingly. Milk quantities and real fat content will have to be adjusted with the representative fat
content for the calculation of the super levy. State Breeding Inspection will control milk quota. The Rural
Support Service will collect payments of penalties for exceeded quota and submit to Commission annual
questionnaire on the application of the arrangements on additional levies on milk and milk products in Latvia.

The reference laboratories functions will be under of the State Veterinary Medicine Diagnostic Centre
Laboratory subordinated to the Food and Veterinary Service. The State Pedigree Inspection will carry out
controls on accountancy of sold milk, milk buyers and owners of milk quotas who will be granted direct
marketing quotas. Treated and processed milk quantities presented by purchasers will have to be comprised
with representative fat content every month.

According to new National regulations and Council regulations EEC No. 1255/1999 and EEC No 3950/92 the Latvian State Domestic Animal Pedigree Information Data Processing Centre will be responsible for:

1. operation of milk producers’ register;
2. registration of applications for milk quota;
3. calculation and allocation of delivery and direct trade quota for producers;
4. summary of milk delivery and direct trade data;
5. reports on completion of quota for producers;
6. registration of deals with quota;
7. penalty calculation on exceeded quota;
8. annual report to RSS, purchasers and producers on completion of State quota, amount of penalties and
   their payments;
9. surveillance of contracts of delivery and completion of quota;
10. provision of necessary information to milk buyers, the Rural Support Service, the State Pedigree
    Inspection and the Ministry of Agriculture.
Currently the register of milk producers has been set up and the database on milk producers who supply milk to dairies is being maintained. Milk buyers (dairies) also are registered in the database.

Milk Producers Register Division of LSDAPIDPC was created and financed in 2000. The legal basis for Milk Producers Register is Regulation of Cabinet of Ministers Nr. 491 “Rules of raw milk, processing and milk products”. This Regulation of Latvia came in force in 1 January 2002 and point 7 of it state’s that “each enterprise has to account all bought milk and twice a month report to LSDAPIDPC the following information on each milk producer: amount of milk and fat content”. After an accession to the EU Latvia will follow the EU legislation. The register of milk producers has been set up and the database on milk producers who supply milk to dairies is being maintained. Milk buyers (dairies) also are registered in the database.

In 2002 data on quantity and fat content from 91% of all milk realised in Latvia was collected in Milk Producers Register. In year 2002 data of milk fat content was not independently tested and updated in milk producers’ register. In current situation laboratories that provide fat content belong to processing companies and give this service only for their clients.

The Independent Dairy Laboratory (see annex 5) was established only at the end of 2002 and started to operate in the beginning of 2003. It will be accredited in June 2003. In further this laboratory will provide independently verified data of milk fat content, quality and harmless (somatically cells and bacteriology) on each milk producer and their will be a direct information exchange with Milk Producer Register. Milk quota supervisee institution RSS will use laboratories data for verifying and comparing with processing companies fat content data.

At the moment the max capacity of Independent Dairy Laboratory concerning to fat content is 30 000 analyses per month and it is sufficient to carry out independent control functions all over Latvia. The test results are stored in one computer (server MS SQL 2000) using the Borland Delfi software and also in a written form on paper in archive.

In order to provide information exchange between independent laboratory LSDAPIDPC, State Animal Breeding Inspection, animal owners and milk processing enterprises it is necessary to improve IT equipment: servers, computer hardware and software. The information system is necessary for collection and treatment of data after analyses. All milk producers, purchasers and processors as well as administration and control organisations of milk quotas, will use the results of analysis. Thus they have to be connected in common IT system.

Thus timely updating of information contained in the Register of Animals and Herds and the Milk Producer Register of LSDAPIDPC will be assured and identification of errors and their correction will be simplified.

3.2 Linked activities:

„Pilot project to support an animal identification system in line with EU standards” LE97-5388.00 was developed from May 1998 till February 1999. This project evaluated Herd and Animal register functionality and legislation compliance with EU directives and founded register of bovine animals.

Twinning Project LE-99/IB/OT/01 “Integration into the European Union: Law Approximation”. One of the components was devoted to the implementation of the Common Agriculture Policy by harmonization of legislation and the determination of necessary changes in Latvia legislation before the accession. The project concentrated on the legal part of the implementation of the Common Market Organizations. It was completed in April 2002. The project helped to prepare the legal background for the administration of the Common Market Organizations, including the marketing standards control mechanisms.

LE9904.02 “Modernisation and Capacity Building of Food Control at National and Regional Level”. The project consisted of four components: (a) Design of the Control System and Capacity Building for Ministry of Welfare through Twinning; (b) Supply of equipment to the Ministry of Welfare and the Ministry of Agriculture; (c) Training for State control and supervision system; (d) Implementation of the Communication system.

Implementation of the Communication system was meant to improve the capacity of the Ministry of Agriculture, FVS in food safety and quality control. In spite of the number of problems raised during the implementation of this part of the project (including temporary stopping of the implementation stage) the system analysis has been made that will be of great help for Latvian state surveillance authorities in the future.
To ensure effective work with data of laboratory analysis (samples taken during the inspections) the **Testing Samples System** (TSS) was established.

The TSS – is a database where information about the specimen taken and test reports is saved. TSS is installed in all branch offices of Food and Veterinary Service and at the Central office where the final data processing is carried out. After taking the specimen or when the testing report is received, an inspector inputs the information into the database. Branch officers do the data input and data summary is sent to the Central office once in the month. There is a possibility to do data analysis, in order to make regular reviews, and it is not necessary to review paper documents any longer. In regional boards local databases are formed on the results of samples taken in facilities of enterprises and their test results. Before the next inspection it is possible to see analysis of test results from the previous laboratory tests of the enterprise, in order to execute inspection more successfully.

The database for specimen input is made in Ms Access 2000 environment. This product was already part of the infrastructure of Food and Veterinary Service.

Information of specimen and inquiry results is as follows: (1) Identification of specimen, description, holding and forwarding time; (2) Information about the method of specimen sampling (whether it has been sampled from the product, raw materials, washing-off); (3) Laboratory the specimen is sent to; (4) Type of specimen (meat, meat products, milk, cheese…); (5) Object - where specimen was taken (concrete shop, cafe, department.), type of object; (6) Firm or Organization owning the object; (7) Inspector that sampled and sent specimen; (8) At central level information is needed from the administration that information is received from; (9) Inquiry types; (10) Inquiry results

Basic functions of the TSS: (1) Specimen input; (2) Results (testing reports) input; (3) Object kind input: (4) Specimen kind input; (5) Enterprise, its object input; (6) List of inspectors; (7) Inquiry kind input; (8) Preparation of the information to be sent to the centre; (9) Information load into the centre’s database; (10) Resume upon input specimen-report on the administrative level.

The proposed project will not overlap with the previous assistance in food control area, but is building a logical continuation and follow up of activities supported by Phare 1999 project. If the Phare 1999 project was aimed to establishing of the legislative and institutional framework for food control system and elaboration of system analysis then Phare 2003 project is targeted to enhance the capacity of the established system in the area of quality control of fresh fruit and vegetables as well as establishing registration system so filling the gaps not covered by previous assistance. For more detailed information see Annex 7.

**Latvian-Danish bilateral project “Establishment of Nation-wide Independent Milk Laboratory in Latvia” (11.2001 - 06.2003).** The independent Dairy Laboratory has been established within the project. The project aims at delivering equipment for analysis and training of the staff to perform the analysis. Founders of the laboratory were public organizations and joint stock companies, dealing with production and processing of qualitative milk. The State Breeding Information Data Processing Centre was also among the founders (see Annex 5).

**Phare 2001 project “Development of the management mechanisms of the Latvian agriculture in line with the EU Common Agricultural Policy”** is aimed at establishing the appropriate structure for an Integrated Administrative Control System (IACS) and strengthening the role of the Rural Support Service (RSS) as paying and implementing agency for SAPARD and CAP as well as of the Ministry of Agriculture to ensure they can meet the requirements of accreditation for implementation of the CAP. LSDAPIDPC does not take part in this project.

**Phare 2002 project “Food chain surveillance”** (01.05.2003. – 01.05.2004.), it is envisaged within project to strengthen capacity of food chain surveillance institutions particularly Food and Veterinary Service by developing risk management system and implementation of Rapid Alert System. It is also foreseen to purchase laboratory equipment for State Veterinary Medicine Diagnostic Centre as well as for inspectors of Food and Veterinary Service that will be help to carry out food safety inspection (contact thermometers, cold boxes for sample transportation and refrigerators for sample storage, see annex 8).

### 3.3 Results:

**Fresh fruit and vegetables**

The twinning shall provide following guaranteed results:
Guidebooks on control of marketing standards of fresh fruits and vegetables for FVS inspectors according to recommended guidelines by the Nations Economic Commission for Europe are adopted and available in Latvian language;

Staff of FVS capable to implement marketing standards control mechanisms for fresh fruits and vegetables (training);

Notification system of the results of check on conformity for fresh fruit and vegetables is elaborated and ready to use.

**Investments**

Equipment for the control of the producers for the marketing standards supplied (FVS).

**National Animal register and Herds register**

Information exchange system between LSDAPIDPC, State Animal Breeding Inspection and Independent Dairy Laboratory established ensuring proper functioning of milk producers’ register in line with EU legal acts;

Information exchange system between LSDAPIDPC and State Animal Breeding Inspection established ensuring proper functioning of pig recording system in line with EU legal acts.

Regional livestock experts, staff of the LSDAPIDPC and Independent Dairy Laboratory are trained to use develop information exchange system.

3.4 **Activities:**

**Fresh fruit and vegetables**

*Twinning light* (see indicative budget twinning light breakdown in annex 9)

- Adaptation of the guidebooks on control of marketing standards of fresh fruits and vegetables for FVS inspectors according to recommended guidelines by the Nations Economic Commission for Europe.

**Means (indicative):**

- short term experts 3m/m on procedural mechanisms (FVS);

**Expert’s profile:**

- At least five-year experience on related issue;
- Experience in development of procedures and proposals;
- Working experience in similar EU Member state body;
- Relevant University degree;
- Fluency in English.

- Training of FVS staff on implementation of the marketing standards control mechanisms for fresh fruits and vegetables;

**Means (indicative):**

- short term experts 2m/m;
- 2 training seminars on the administration of the quality control mechanisms for fresh fruit and vegetables for approximately 27 regional and 5 border inspectors to create better understanding of the control mechanisms;
- 1 study tour for 5-7 people learn on experience of the Member State on setting up specific requirements.

**Expert’s profile:**

- At least five-year experience on related issue;
- Experience in development of procedures and proposals;
- Working experience in similar EU Member state body
- Relevant University degree
- Fluency in English.
• Elaboration of notification system of the results of check on conformity for fresh fruit and vegetables.

**Means (indicative):**
- 1 short expert 5 m/m

**Expert’s profile:**
- At least five-year experience on related issue;
- Experience in elaboration and / setting up notification system;
- Working experience in similar EU Member state body
- Relevant University degree
- Fluency in English.

**Investment:**
• Supply of fresh fruits and vegetables marketing standards control equipment (see indicative budget breakdown in annex 12).

**Means:**
- Contract 3 (supply contract).

**National Animal register and Herds register**

**Service**
• Development of software for information exchange systems between LSDAPIDPC, State Animal Breeding Inspection and Independent Dairy Laboratory;

• Elaboration of technical specifications for IT equipment supplies;

• Training of LSDAPIDPC staff and regional livestock experts to handle when feeding in and transmitting information;

**Means:**
- Contract 2 (service contract).

**Investments**
• Supply of operational hardware, software and equipment delivered for the FVS and LSDAPIDPC (see indicative detailed budget breakdown in annex 9);

**Means:**
- Contract 3 (supply contract);
- Contract 4 (supply contract).

3.5 **Lessons learned:**

According to the final report of the Latvia – Sweden Twinning Project LE/IB/OT/01 “Integration into the European Union: Law Approximation” the main problems identified are that current human resources available at the Food and Veterinary Service are insufficient for the practical administration of fruit and vegetables quality control. There is extra staff necessary and this staff must be trained to do its functions properly, detailed instructions and visual aids should be made for training.

4. **Institutional Framework**

The overall responsibility of the envisaged project lies with the Ministry of Agriculture, while Food and Veterinary Service is responsible for the technical implementation and realisation of the Twinning part and investment part (contract 3) this project whilst Latvian State Domestic Animal Pedigree Information Data
Processing Centre (LSDAPIDPC) is responsible for the implementation of the service part and second investment part (contract 4).

Project Steering Committee will be established to monitor project implementation. The Steering Committee will comprise representatives from competent authorities and competent institutions – European Commission Delegation, Ministry of Agriculture, Food and Veterinary Service and Latvian State Domestic Animal Pedigree Information Data Processing Centre (LSDAPIDPC).

The Steering Committee will be led by Senior Programme Officer and it will review and approve the project reports and make recommendations in regard of the project activities for the following period.

According to the relevant legislation Food and Veterinary Service will be responsible for the carrying out the conformity checks on marketing standards of fresh fruit and vegetables in the local market as well imported production.

Ministry of Agriculture, Rural Support Service, individual milk producers and processing company will use the milk register data of LSDAPIDPC.

The LSDAPIDPC and Rural Support Service are the responsible organizations for implementation of milk quota system. According with regulation of Cabinet Nr. 491 (1 January 2002) “Regulation of milk, processing milk and milk products” LSDAPIDPC is delegated to collect data from milk purchasers about each farmers produced milk amount and fat content. To support National Milk Register the LSDAPIDPC shall maintain information exchange system between milk producers, milk processing enterprises, milk sellers and independent laboratory updating information on milk quality and quantity.

According with draft legislation concerning milk quota the LSDAPIDPC will be responsible for keeping records of milk purchase from individual milk producers. The special computer program will keep data about milk amount and milk fat contents from each producer. The LSDAPIDPC will use data of milk fat content and bad quality and harmless (Somatically cells and bacteriology) of Independent Dairy Laboratory. Food and Veterinary Service will use these data for state food market supervision and control.

It is planed that the Independent Dairy Laboratory will be reorganised to found limited company that will secure the independence of the laboratory tests. The overall goal of the laboratory is to improve the quality of raw milk and the finished dairy products in order to strengthen the market position and consequently to get better returns on milk produce. The wider objectives is to develop a rational nation-wide laboratory structure, in order to significantly improve the quality of raw milk supplies and strengthen the profitability within the agricultural and dairy sector. Thus, meeting the EU requirements defined in Directive 92/64 EEC and Latvian legislation (Regulations of the Cabinet of Ministers No 491 of 20 November 2001). By 1 June 2003, the laboratory is planning to accomplish the accreditation procedure and to acquire the status of an Independent Laboratory.

Within the project it is planned to establish the IT data basis system on milk analysis. The fat content of the analysis will be used as the fat basis for calculation of milk quotas.

The Veterinary and Food Department of Ministry of Agriculture is the legislative body, which elaborates the Regulations of the Cabinet of Ministers “On the control of the marketing standards of fresh fruit and vegetables” according to the EU legislation.

5. **Detailed Budget (in EUR)**

<table>
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<tr>
<th>Phare Support</th>
<th>National Cofinancing</th>
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<tr>
<td></td>
<td>Investment Support</td>
</tr>
<tr>
<td>Contract 1 (twinning light)</td>
<td>144 000</td>
</tr>
<tr>
<td>Contract 2 (Framework contract (service – LSDAPIDPC))</td>
<td>55 000</td>
</tr>
<tr>
<td>Contract 3 (investments – FVS)</td>
<td>97 500</td>
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</tbody>
</table>
Contract 4 (investments LSDAPIDPC) | 319 000 | 319 000 | 106 500** | 19 170 | 425 500
---|---|---|---|---|---
Total | 471 500 | 144 000 | 615 500 | 173 500 | 28 350 | 789 000

* Parallel co-financing. Parallel co-financing will be applied for covering of office costs for experts, infrastructure facilities and travel costs for national counterparts.
** Joint co-financing, excluding all taxes and duties.

### 6. Implementation Arrangements

#### 6.1 Implementing Agency
- Central Financing and Contracting Unit, Ministry of Finance, Smilši iela 1, Riga LV 1919;
  - PAO Mrs Valentina Andrejeva, State Secretary of the Ministry of Finance;
- The overall technical responsibility is under the Ministry of Agriculture; Republikas laukums 2, Riga, LV-1010;
  - Contact person SPO: Mr Aivars Lapinš, Deputy State Secretary, Ministry of Agriculture; Phone: +371 7027112; Fax: +371 7830272, e-mail: Aivars.Lapins@zm.gov.lv

#### 6.2 Twinning
For the twinning Covenant a counterpart will be the Ministry of Agriculture; Republikas laukums 2, Riga, LV-1981;
- Contact person: SPO: Mr Aivars Lapinš, Deputy State Secretary, Ministry of Agriculture.
  - Phone: +371 7027112; Fax: +371 7830272, e-mail: Aivars.Lapins@zm.gov.lv

The operational counterpart of the Twinning will be:
- Mr. Viktors Grapmanis, Director of the Veterinary and Food Department, Ministry of Agriculture.
  - Phone: (+371) 7027245; Fax: +371 7027205, e-mail: viktors.grapmanis@zm.gov.lv; Food and Veterinary Service, Ministry of Agriculture; Republikas sq. 2, Riga, LV-1010;
- Mr Vinets Veldre, Head of Food and Veterinary Service.
  - Phone: +371 7325446, Fax: (+371) 7322727; e-mail: vinets.veldre@pvd.gov.lv
- Mrs Biruta Amolina, Head of International Projects Department.
  - Phone: +371 7095269, Fax: (+371) 7322727; e-mail address: biruta.amolina@pvd.gov.lv; Latvian State Domestic Animal Pedigree Information Data Processing Centre (LSDAPIDPC)

#### 6.3 Non-standard aspects
There will be no non-standard aspects regarding implementation of the project. Standard procedures of the Commission in accordance with Practical Guide to PHARE, ISPA and SAPARD contract procedures as well as twinning manual will be followed under Extended Decentralised Implementation System.

Ratio: if during project implementation the project cost for some reasons will decrease, the Phare financing will also decrease proportionally.

#### 6.4 Contracts (Phare)
- Contract 1 – Twinning Light Covenant: 144 000 EUR (parallel co-financing);
- Contract 2 – Framework contract for elaboration of IT solution for Milk producers register and Animal herd register (LSDAPIDPC): 73 500 EUR (joint co-financing, excluding all taxes and duties)
- Contract 3 – Supply contract for purchase of inspection equipment (FVS): 130 000 EUR (joint co-financing, excluding all taxes and duties).
- Contract 4 – Supply contract for purchase of IT equipment (LSDAPIDPC): 425 500 EUR (joint co-financing, excluding all taxes and duties).

### 7. Implementation Schedule

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<th>Start of tendering</th>
<th>Start of project activity</th>
<th>Completion</th>
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8. Equal Opportunity

The main criteria in the tender process for the staff evaluation are professional and experience in similar assignments, but not their sex or age. Equal opportunity for both – men and woman will be ensured.

9. Environment
N/A

10. Rates of return
N/A

11. Investment criteria

11.1 Catalytic effect:

The project will assist to implement Community acquis regarding market regulation measures.

11.2 Cofinancing:

The project will be cofinanced by national budget sources in amount of 173 500 EUR.

11.3 Additionality:

Phare grants will not displace other financiers as none have been identified for this present project.

11.4 Project readiness and Size:

Total project cost is 789 000 EUR. Twinning size 144 000 EUR, service 73 500 EUR, investment components size is 555 500 EUR. Project is ready for implementation as soon as funds are available.

11.5 Sustainability:

Financial sustainability will be guaranteed. Latvian Government will cover future maintenance and operational costs.

11.6 Compliance with state aids provisions

State aids provisions of the Europe Agreement will be respected.

11.7 Contribution to National Development Plan

N/A

12. Conditionality and sequencing

- Regulations of the Cabinet of Ministers “On the control of the marketing standards of fresh fruit and vegetables” are adopted by Cabinet of Ministers and in force before the project implementation starts;
- Ensured co-financing by the state budget;
Abbreviations:

FVS – Food and Veterinary Service
MoA – Ministry of Agriculture
LSDAPIDPC – Latvian State Domestic Animal Pedigree Information Data Processing Centre

ANNEXES TO PROJECT FICHE
1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. List of relevant Laws and Regulations (optional)
5. Subordination of Independent Dairy Laboratory
6. Administrative structure of control mechanisms
7. LE9904.02 “Modernisation and Capacity Building of Food Control at National and Regional Level”
**Phare log frame**

<table>
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<tr>
<th>LOGFRAME PLANNING MATRIX FOR Project</th>
<th>Programme name and number</th>
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<tr>
<td>Improvement of market surveillance in food sector.</td>
<td>Contracting period expires Disbursement period expires</td>
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<tr>
<td>Total budget: 789 000 Euro</td>
<td>Phare budget : 615 500</td>
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<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
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<tr>
<td>Ensure quality and safety of food products.</td>
<td>Complete information available on food quality in market according to requirements of acquis communautaire.</td>
<td>Statistics on agricultural production; Regular Progress Report.</td>
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<table>
<thead>
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<th>Project purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
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<tbody>
<tr>
<td>Implementation of the control system of fresh fruit and vegetables marketing standards according to EC Regulation 1148/2001; Ensuring proper functioning of milk producers register and animal herds register according to EU Directives 64/432/EEC and 97/12/EC.</td>
<td>Joint control system of the marketing standards of fresh fruits and vegetables implemented by the end of project; LSDAPIDPC has complete information on agricultural output – produced milk quantity and quality and amount and identification of pigs; Timely updating and control of information in pigs register and milk producers register is ensured.</td>
<td>Commission regular report; FVS regular reports; LSDAPIDPC reports.</td>
<td>Legislation and other documentation requiring parliamentary or official approval will be submitted to relevant institutions in time;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh fruit and vegetables</td>
<td>Guide book of fresh fruits and vegetable marketing standards control elaborated; Food inspectors of FVS trained to apply marketing standards fresh fruits and vegetables; Notification system of control results of fresh fruits and vegetables elaborated; Verified data on more than 80% of produced milk quality available in milk register; The animal register has complete data on pig breeding in Latvia.</td>
<td>Reports of technical experts; Report on testing results and monitoring; FVS annual reports; LSDAPIDPC reports.</td>
<td>Support from other relevant institutions; All necessary data and documentation are made available to the experts in sufficient time.</td>
</tr>
<tr>
<td>National Animal register and Herds register</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Information exchange system between LSDAPIDPC, State Animal Breeding Inspection and Independent Dairy Laboratory established ensuring proper functioning of milk producers’ register in line with EU legal acts;
• Information exchange system between LSDAPIDPC and State Animal Breeding Inspection established ensuring proper functioning of pig recording system in line with EU legal acts;
• Regional livestock experts, staff of the LSDAPIDPC and Independent Dairy Laboratory are trained to use develop information exchange system.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh fruit and vegetables</td>
<td>• Short term experts 3 m/m adoption of the guidebooks for FVS; • Short term experts 2 m/m on procedural mechanisms; • 2 training seminars for 27 regional and 5 border inspectors; • 1 study tour in memberstates for 5-7 persons; • 1 short term expert 5 m/m on elaboration of notification system; • two supply contracts; • service contract.</td>
<td>• Appropriate administrative support (premises, office supplies) are provided; • Staff in FVS familiar with requirements of relevant regulations and directives.</td>
</tr>
<tr>
<td>National Animal register and Herds register</td>
<td>• Development of software for information exchange system between LSDAPIDPC, State Animal Breeding Inspection and Independent Dairy Laboratory; • Elaboration of technical specifications for IT equipment supplies; • Training of LSDAPIDPC staff and regional livestock experts to handle when feeding in and transmitting information; • Purchase of operational hardware, standard software and equipment delivered for the LSDAPIDPC.</td>
<td></td>
</tr>
</tbody>
</table>

Preconditions

• Regulations of the Cabinet of Ministers “On the control of the marketing standards of fresh fruit and vegetables” are adopted by Cabinet of Ministers and in force before the project implementation starts;
• Ensured co-financing by the state budget;
Annex 2
Detailed implementation chart
Project Title: Market surveillance in food sector

<table>
<thead>
<tr>
<th>Contract 1: Twinning</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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</thead>
<tbody>
<tr>
<td>Adaptation of guidebooks for FVS inspectors according to recommended guidelines by the National Economic Commission for Europe in Latvian;</td>
<td></td>
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<tr>
<td>Training of FVS staff on implementation of the marketing standards control mechanisms for fresh fruits and vegetables</td>
<td></td>
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<tr>
<td>Elaboration of the system of notification for fresh fruit and vegetables checks of conformity</td>
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<table>
<thead>
<tr>
<th>Contract 2: Service (LSDAPIDPC)</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>Elaboration of technical specifications for IT equipment supplies.</td>
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<tr>
<td>Development of software for information exchange system between LSDAPIDPC, State Animal Breeding Inspection and Independent Dairy Laboratory.</td>
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<tr>
<td>Training of LSDAPIDPC staff and regional livestock experts to handle when feeding in and transmitting information.</td>
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<tr>
<td>Contract 3: Investments (FVS)</td>
<td></td>
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<td>-----------------------------</td>
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<tr>
<td>Purchasing of equipment for the control of the marketing standards</td>
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</table>

<table>
<thead>
<tr>
<th>Contract 4: Investments (LSDAPIDPC)</th>
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<tbody>
<tr>
<td>Purchasing of software and hardware for LSDAPIDPC to ensure operation of the data base and network.</td>
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## CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (EUR)

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</tbody>
</table>

* Paralel co-financing
** Joint co-financing excluding all taxes and duties
Annex 4

Sector related Aquis:

2. Commission Regulation (EC) No 1148/2001 of 12 June 2001 on checks on conformity to the marketing standards applicable to fresh fruit and vegetables
25. Commission Regulation (EC) No 1543/2001 of 27 July 2001 laying down the marketing standard for lettuces and curled-leaved and broad-leaved (Batavian) endives


29. Commission Regulation (EC) No 2396/2001 of 7 December 2001 laying down the marketing standard applicable to leeks


Annex 5

Ministry of Agriculture

LSDAPIDPC

Independent Dairy Laboratory

Latvian Dairy Committee-34%
Latvian Milk producer’s association-11%
Vidzeme Milk recording association-11%
Preili Milk recording association-11%
Kurzemes Milk recording laboratory-8%
Siguldas Milk recording laboratory-8%
Latgales Milk recording laboratory-8%
Latvian state animal breeding information and data processing centre-6%
Latvian milk breeders association-3%
Annex 6
Planned Administrative structure of control mechanisms of the marketing standards applicable to fresh fruit and vegetables (elaborated by MoA and FVS)

<table>
<thead>
<tr>
<th>Owner of the product (Producer, packer, seller – retail trade, wholesale, market, importer, exporter, processor)</th>
<th>Food and Veterinary Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notifies of incoming consignments (importer, processor) notifies of the necessary control (exporter)</td>
<td>Carries out quality control of products</td>
</tr>
<tr>
<td></td>
<td>Unconformable to marketing standarts</td>
</tr>
<tr>
<td></td>
<td>Notifies of unconformity, issues unconformity certificate</td>
</tr>
<tr>
<td>Handles the product in a manner to make it conformable to the standart</td>
<td>Communicates to the EU Commission</td>
</tr>
<tr>
<td></td>
<td>Notifies of the need for repeated control</td>
</tr>
<tr>
<td></td>
<td>Unconformable to marketing standarts</td>
</tr>
<tr>
<td></td>
<td>Notifies of unconformity, issues unconformity certificate</td>
</tr>
<tr>
<td>Decides to deliver for processing, animal feed production, disposal</td>
<td>Checks the use of product for purposes indicated in the certificate</td>
</tr>
</tbody>
</table>
Annex 7

LE9904.02 “Modernisation and Capacity Building of Food Control at National and Regional Level”

The first component
Design of the Control System and Capacity Building for Ministry of Welfare through Twinning is meant to combine the experience from the EU with the enhancement of the food safety, hygiene and quality in Latvia. Expected activities within this component were a) strengthening of state control and supervision system; b) harmonisation of legislation; c) design of investment needs for upgrading of accredited food control laboratories; d) communication system on food safety (assistance in the assessment of the present communication tools in the institutions involved in the project). According to establishment of a joint service responsible for food safety surveillance the further technical leadership of the project was committed from Ministry of Welfare to the Ministry of Agriculture.

The second component
Supply of equipment to the Ministry of Welfare and the Ministry of Agriculture for food hygiene testing. The supply of laboratory equipment for food control was accomplished successfully.

The third component
Training is meant to improve the state control and supervision system through training and exchange of experience. Within the project food inspectors from the Ministry of Welfare and Ministry of Agriculture were trained with the purpose to improve the efficiency of practical control through experience of the inspectors of EU Member States (the Netherlands).

The fourth component
Implementation of the Communication system is meant to improve the capacity of the Ministry of Agriculture, FVS in food safety and quality control. The system analysis has been made that will be of great help for Latvian state surveillance authorities in the future and the information system to ensure effective work with data of laboratory analysis (samples taken during the inspections) is established.
### Contract 3 - Indicative equipment list for control of marketing standards of fresh fruit and vegetables Annex 8

<table>
<thead>
<tr>
<th>No.</th>
<th>Name of equipment</th>
<th>Number</th>
<th>Unit price (EUR)</th>
<th>Total price (EUR)</th>
<th>EC regulations</th>
</tr>
</thead>
</table>
| 1.  | Portable automatic digital refractometer          | 38     | 1,800           | 68,400           | Commission Regulation (EC) No 1093/97 of 16 June 1997 laying down marketing standards applicable to melons and watermelons  
Commission Regulation (EC) No 2789/1999 of 22 December 1999 laying down the marketing standard for table grapes  
Commission Regulation (EC) No 790/2000 of 14 April 2000 laying down the marketing standard for tomatoes                                                                                                    |
Commission Regulation (EC) No 1666/1999 of 28 July 1999 laying down detailed rules for the application of Council Regulation (EC) No 2201/96 as regards the minimum marketing characteristics for certain varieties of dried grapes  
Commission Regulation (EC) No 175/2001 of 26 January 2001 laying down the marketing standard for walnuts in shell                                                                                       |
Commission Regulation (EC) No 831/97 of 7 May 1997 laying down marketing standards applicable to avocados  
Commission Regulation (EC) No 1455/1999 of 1 July 1999 laying down the marketing standard for sweet peppers  
<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
<th>Description</th>
</tr>
</thead>
</table>

**TOTAL:** 128 820