COMMISSION DECISION

C(2005) 2921 of 2/08/2005

on the financial contribution of Transition Facility for strengthening institutional capacity to the Republic of Latvia

(only the Latvian 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 administrative and control structures for agriculture, veterinary services and food safety, statistics, environment, justice and home affairs and internal market 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 areas of public health and 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) An Implementing Agency 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 Phare, as well as through a number of other checks, that those criteria are fulfilled by the Central Finance and Contracting Agency and the Society Integration Foundation.

(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 7 July 2005.
HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of € 8 768 050 as Transition Facility to the Republic of Latvia, 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 Republic of Latvia on 13 September 2004.

2. The Central Finance and Contracting Agency and the Society Integration Foundation shall be Implementing Agencies for the Programme.

Article 3

3. Contracts covered by the financial contribution shall be signed no later than 15 December 2007.

4. The deadline for execution of contracts shall be 15 December 2008.

Article 4

This Decision is addressed to the Republic of Latvia.

Done at Brussels, […]

For the Commission

[…]

Member of the Commission
ANNEX
FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN LATVIA FOR 2005

1. IDENTIFICATION

Beneficiary The Republic of Latvia
Programme Implementation of the Transition Facility in the Republic of Latvia for 2005
CRIS-Number 2005/017-495-01.01 to 2005/017-495-05-02.
Year 2005
Cost The total value of the actions to be financed from the Transition Facility: € 8 768 050.
Implementing Authority Central Finance and Contracting Agency (CFCA)
Society Integration Foundation (SIF)
Expiry Date Contracting: 15 December 2007

Execution of contracts: 15 December 2008
Sector Code Objective 1 Agriculture and food safety (31110)
Objective 2: Environment (14010) and Public health (12110)
Objective 3: Justice and home affairs (15030)
Objective 4: Internal market (32310) including statistics (16362)
Objective 5: Overall administrative capacity (43010)
Budget Line 22 03 01
Commission Task Gudrun Scheffer
Manager

2. SUMMARY

The overall aim of this Financing Proposal regarding the National Transition Facility Programme 2005 for Latvia is to further strengthen the administrative and institutional capacities of the Latvian administration in certain areas following accession. The programme comprises 10 projects designed to deliver assistance in several priority areas as well as an
institution building facility to address *acquis* related issues across the administration. The following priorities are planned:

1. **Agriculture and food safety** to take account of new developments regarding the CAP reform as well as underlying statistics; and to further adjust control capacities in the field of products of animal origin for human consumption.

2. **Environment and public health**, to further strengthen the monitoring capability to help enforcing EC water legislation; and to further develop the public health monitoring and reporting system;

3. **Justice and home affairs**, to assist Latvia in its efforts to integrate the non-Latvian speaking population, to develop a concept for the introduction of the biometric passport;

4. **Internal market and statistics**, to assist Latvia in its efforts to adjust to European standards in the building sector; to assist the Latvian Statistical Bureau to improve its administrative capacity through the introduction of quality management systems;

5. **Overall administrative capacity**, to provide for an Institution Building Facility for twinning light and technical assistance; to provide for interim evaluation of EU funded programmes.

3. **Strategy**

The priorities of the Transition Facility Programme 2005 for Latvia correspond to those outlined in Article 34 of the Act of Accession. In particular, the priorities addressed reflect findings of the monitoring exercise, peer reviews and other monitoring missions, which identify areas where further improvements of the administrative and technical capacity for the implementation and enforcement of the *acquis* are necessary. The programme is to provide assistance in those areas which compared to other Member States still show weaknesses in terms of administrative and technical capacity. It also takes into account recent developments of the *acquis*.

The Transition Facility Programme is based upon a careful selection of projects submitted by the Latvian authorities. The main criteria for selection of the projects are relevance, timeliness and quality of individual proposals. Projects have been consulted and discussed with relevant Commission Services.

The experience gained during the implementation of previous Phare projects in a specific sector has been taken into account. Lessons Learned are generally based on a case by case basis, building on relevant experience acquired during the implementation of previous Phare projects in a specific area. Information on supporting concept papers is provided on a case by case basis in each project fiche.

The programme includes projects which do not overlap with any action that can be 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 (Article 2.4 of Council Regulation (EC) No. 1260/1999 and Article 23 of Council regulation (EC) No. 1260/1999) or the Rural Development Programme Technical Assistance Measure (Article 33e of Council Regulation (EC) No. 1257/1999 as amended by the Act of Accession) are excluded from the scope of this programme. Attention was paid to co-ordinating with previous and ongoing pre-accession assistance to build on the results achieved.
4. OBJECTIVES AND DESCRIPTION

OBJECTIVE 1: AGRICULTURE AND FOOD SAFETY

2005/017-495-01-01 Adjustment to the requirements of the Common Agricultural Policy (CAP) reform and improvement of quality of underlying statistics

Twinning Contract LV/2005-IB/AG/01

Latvia has to apply the new regulations relating to reform of the CAP that were adopted on 26 June 2003. The key element of the reform is the introduction of the single payment scheme and cross compliance. There is a need for assessment of the options, definition and development of the new payment entitlement system based on the regional model, including the national legislative basis; assessment and implementation of any modifications relating to IACS and the paying agency procedures as a result of the move to the new scheme and implementation of cross compliance. As regards agricultural statistics, statistical data is currently compiled from different registers. In order to facilitate access to this data and to improve scope and quality of statistical information from various data sources, compatibility between these sources is to be ensured.

The aim of this project is to assist the Ministry of Agriculture a) to upgrade the capacity of the agricultural administration in order to implement the single payment scheme, in particular the rules on cross compliance, in accordance with EC Regulations 1782/2003, 795/2004 and 796/2004 and to provide the necessary hardware and systems modifications; and, b) to improve the scope and quality of agriculture statistical data based on a better link with and usage of administrative data sources.

2005/017-495-01-02 Adjustment of control of animal origin products foreseen for human consumption

Twinning Contract LV/2005-IB/AG/02

The project takes inter alia into account the findings of a mission carried out by the Commission’s Food and Veterinary Office in November 2004 as well as an earlier peer review. The operation of the classification of animal carcasses and the control of prices still require further improvements.

The aim of the project is to further build the system of controls in order to fully ensure meeting the EU food safety requirements of products of animal origin destined for human consumption as well as to further improve the price reporting system according to the classification of carcasses. Specifically, the project is designed to upgrade control procedures regarding products of animal origin, such as milk and milk products, poultry products and fish products and provide the necessary training. As to carcass classification, the project is to provide for further improvement of legislation and of the control system of classification of pig and bovine carcasses. Some small scale acquis related equipment for food inspectors may be included.

OBJECTIVE 2: ENVIRONMENT AND PUBLIC HEALTH

2005/017-495-02-01 Water quality

Twinning Contract LV/2005-IB/EN/01
Water monitoring programmes for water status of surface waters and groundwater within river basin districts are to be established and approved in 2005. In accordance with the Water Framework Directive they shall be fully operational by December 2006. Article 5 and in particular Annex II require river basin districts to be characterised and the environmental impact of human activities to be reviewed. In this respect, risk assessments play a significant role in the design of programmes.

The project is to assist the Latvian Environment and Meteorological Agency to develop modelling techniques for the assessment of water quality to support water quality monitoring with the aim of increasing the reliability and quality of monitoring data for various stakeholders. As a result best suitable models for Latvia will be selected, adapted to Latvian conditions and developed including a supporting IT system and tested. The relevant training on practical use modelling techniques will be provided.

2005/017-495-02-02 Development of public health monitoring and reporting system

Twinning Contract LV/2005-IB/SO/01

Currently, compilation of information on various factors related to public health is done by several different institutions. So far, a comprehensive analysis of this information and public health reporting have not been carried out. Therefore the establishment of an integrated public health monitoring system for the systematic and comprehensive collection and analyses of data over time is deemed to be necessary in order to provide a basis of information for decision makers and the public.

The aim of this project is to assist the Latvian Public Health Agency in developing a public health monitoring and reporting system in line with Community best practices. Specifically, it will include provision of concrete guidance for the development of the Public Health Report as well as training, and for the development of a relevant information system as well as some small-scale related equipment.

OBJECTIVE 3: JUSTICE AND HOME AFFAIRS

2005/017-495-03-01 Promotion of integration of society in Latvia

The Latvian Government has adopted the National Programme “Integration of Society in Latvia”. The main aim of this programme is to develop improved co-ordination of the existing efforts aimed at integration of society, such as Latvian language training and naturalisation as well as to establish a framework for new initiatives in this area. Some chapters of this Programme have been further developed as individual programmes, namely the “Civil Society Development Strategy for Latvia” and “National Plan for Combating Discrimination, Racism and Intolerance”.

The proposed project is aimed at promoting the integration process in Latvia in particular through actions in priority areas of the National Programme “Integration of Society in Latvia” in 2006. It will complement previous Phare society integration and Phare civil society development programmes/projects and will focus on issues not touched upon by previous programmes/projects. The project will broadly comprise two main activities: 1. Support to the National Programme for Latvian Language Training, and 2. Implementation of the National programme “Integration of Society in Latvia”.

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2005/017-495-03-02 Processing of personal biometric data

Twinning Contract LV/2005-IB/JH/01

The aim of the project is to develop the capability of the relevant Latvian administration of using biometric data in personal identification documents in accordance with Council Regulation (EC) 2252/2004 on standards for security features and biometrics in passports and travel documents issued by Member States and an amendment proposal for Council Regulation amending Regulation (EC) 1030/2002 laying down a uniform format for residence permits for third-country nationals and Council Regulation amending Regulation (EC) 1683/95 laying down a uniform format for visas.

Specifically, this project is designed to lay the ground for developing a scheme of institutional structure and internal organisation to ensure processing of biometric data, to prepare a concept and action plan on use of biometric data including amendments to legislative actions and to provide relevant training.

OBJECTIVE 4: INTERNAL MARKET INCLUDING STATISTICS

2005/017-495-04-01 Implementation of Eurocode in structural design practice

Twinning Contract LV/2005-IB/EC/01

Eurocodes are not directly required for the implementation of the Construction Products Directive 89/106/EEC. Nevertheless Eurocodes are deemed to be important European standards which need to be implemented in accordance with Commission Recommendation 2003/887/EC on the use of Eurocodes for construction works and structural construction products. According to this Recommendation “Member States should adopt the Eurocodes as a suitable tool for designing construction works, checking the mechanical resistance of the components, or checking the stability of structures”. Currently the requirements of Latvian building regulations and Latvian building codes do not fully correspond to classes used in Eurocodes and harmonized CEN standards, although all approved CEN product standards are adopted.

This project is to increase the administrative and professional capacity of the building department of the Ministry of Economy and other related bodies through relevant training, to assist in amending Latvian building codes and in the referencing of the Eurocode into the Latvian building codes.

2005/017-495-04-02 Administrative capacity of the Central Statistical Bureau


The steadily growing demand for the timely gathering, processing and disseminating statistical data is a challenge for the proper organisation of this process in order to ensure production of statistical data of high quality. In this regard, issues of quality management are crucial. Even though some improvements have been introduced by the Central Statistical Bureau, there is currently no comprehensive and systematic approach to ensure the quality of its operational activities.

The aim of this project is to enhance the administrative and professional capacity of the Central Statistical Bureau staff and management through the introduction of the total quality
management system and strategic management techniques including the balanced scorecard method for assessment of processes and achieved results.

**OBJECTIVE 5: OVERALL ADMINISTRATIVE CAPACITY**

**2005/017-495-05-01 Institution Building Facility**

The Institution Building Facility shall provide the possibility to respond, in a flexible way, to *acquis* related needs which arise between Financing Decisions in order to address specific self-contained institutional issues of limited scope, i.e. the structures are not complex and existing ones need little adjustment. The projects will be selected according to relevance and quality in order to address remaining institutional and administrative capacity weaknesses in the Latvian administration. The projects will be implemented by means of twinning light. Only in those cases where twinning light does not seem to be appropriate, projects may be implemented by technical assistance. Twinning light projects shall be submitted to the Commission for approval.

**2005/017-495-05-02 Evaluation of EU funded measures**

In accordance with Commission Regulation 2342/2002 aid programmes shall be periodically evaluated during their implementation to allow the evaluation findings to be taken into account for any further actions.

This project is to assist the Latvian administration to provide for independent evaluation of national aid programmes. Specifically, it will provide for a series of Interim Evaluation reports during the period January 2007 until December 2008 on all sectors supported by the Transition Facility Programme and related programmes.

**Programme Conditionality**

The Latvian Government will ensure that co-financing in accordance with the details included in the project fiches will be available in time. Unless otherwise specified in the project fiche, co-financing for services and supply contracts should be joint co-financing and the ratio between the Transition Facility and the national amount has to be applied to the final contract price.
## 5. Budget

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<th>CRIS number</th>
<th>Objective</th>
<th>Transition Facility</th>
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<tr>
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<td>Institution Building (IB)</td>
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<td>2005/017-495-01</td>
<td>Objective 1: Agriculture and Food safety</td>
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<td>- 01 Adjustment in view of CAP reform and improvement of quality of underlying statistics</td>
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<td>- 02 Adjustment of Control of animal origin products foreseen for human consumption</td>
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<td>2005/017-495-02</td>
<td>Objective 2: Environment and Public health</td>
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<td>- 01 Water quality</td>
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<td>- 02 Development of public health monitoring and reporting system</td>
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<td>2005/017-495-03</td>
<td>Objective 3: Justice and Home affairs</td>
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<td>- 01 Promotion of integration of society</td>
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<td>- 02 Processing of personal biometric data</td>
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<td>2005/017-495-04</td>
<td>Objective 4: Internal market and Statistics</td>
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<td>- 01 Implementation of Eurocode in structural design practice</td>
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<td>- 02 Administrative capacity of the Central Statistical Bureau</td>
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<td>Objective 5: Overall administrative capacity</td>
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<td>- 01 Institution building facility</td>
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<td>- 02 Evaluation of EU funded measures</td>
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<td><strong>TOTAL</strong></td>
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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\(^1\) public expenditure.

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6. **SPECIAL CONDITIONS**

In the event that agreed commitments are not met for reasons which are within the control of the Government of Latvia, 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.