Standard Summary Project Fiche for the Transition Facility

1. Basic Information
   1.1 CRIS Number: 2005/017-495-01-01
   1.2 Twinning Contract LV/2005-IB/AG/01
   1.3 Title: Adjustment to the requirements of the Common Agricultural Policy reform and improvement of quality of underlying statistics
   1.4 Sector: Agriculture
   1.5 Location: Republic of Latvia
      Ministry of Agriculture
      Republikas laukums 2, Riga, LV- 1981;
      The Rural Support Service
      Republikas laukums 2, Riga, LV- 1981
      Central Statistical Bureau of Latvia
      Lacpleša iela 1, Riga, LV- 1301
      Food and Veterinary Service
      Republikas laukums 2, Riga, LV-1981
      State Agency "Agricultural date centre"
      Citadeles street 3, Riga, LV-1010

2. Objectives

2.1. Overall Objective:

   To allow the agriculture administration to comply with the requirements of the Common Agricultural policy (CAP) reform and to improve the quality of agricultural statistics

2.2 Project purpose:

   The project has two main purposes:
   2.2.1. Upgrade the capacity of the agricultural administration in order to implement the single payment scheme, in particular the rules on cross compliance;
   2.2.2. Improve the scope and quality of agriculture statistical data based on a better link with and usage of administrative data sources.

2.3. Justification

   The agriculture chapter covers a large number of binding rules, many of which are directly applicable. The proper application of these rules and their effective enforcement by an efficient public administration are essential for the functioning of the common agricultural policy. This includes the setting up of management systems such as a Paying Agency and the Integrated Administration and Control System.

   The Rural Support Service was assigned on 7 January 2004 as a Paying Agency to be responsible for the administration of national and EU support to rural areas, agriculture and forestry.

   The acquis in the field of statistics requires adoption of basic principles such as impartiality, reliability, transparency, confidentiality of individual data and dissemination of official statistics. It also covers methodology, classifications and procedures for data collection in various areas such as statistical infrastructure, macro-economic and price statistics, business statistics, transport

3. Description

3.1. Background and Justification:

3.1.1. CAP reform

As a Member State the Republic of Latvia has to apply the whole acquis including the new regulations relating to fundamental 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, and definition and development of the new payment entitlement system, including national legislative basis

Taking into account that the new regulation of the reformed CAP contains legal norms which are directly applicable to the old member states it will be useful to get experience from the old member states for the successful implementation of CAP reform. Regarding implementation of the new administration system the opinion of EC experts of the Management Committee of direct payments is that the new Member States have to use the possibility to learn from those Member States which have already started to implement the new system.

- Assessment and improvement of any modifications necessary to IACS and the Paying Agency procedures as a result of the move to the new scheme.

The Paying Agency will be responsible for maintenance of payment entitlement register, allocation of entitlements, registration of transfers, controls. It means that the Paying Agency will have increased administrative capacity.

- Implementation of cross-compliance.

The justification for the cross compliance component is that Article 3 of Council Regulation (EC) No 1782/2003 says that a farmer receiving direct payments shall respect the statutory management requirements referred to in Annex III of this regulation according to the timetable fixed in that Annex III, and the good agricultural and environmental condition.

These statutory management requirements in the areas of public animal and plant health, environment and animal welfare should be controlled in accordance with Article 25 of Council Regulation (EC) No 1782/2003: Member States shall carry out on-the-spot-checks to verify whether the farmer complies with the obligations (of cross compliance) referred to in Chapter 1 of Council Regulation (EC) No 1782/2003.

Member States may make use of their existing administration and control systems to ensure compliance with the statutory management requirements and good agricultural and environmental condition.

Latvia has intended to make cross compliance control system by incorporation it into IACS, as IACS contains comprehensive database, which could be used for needs of cross compliance checks to ensure quality of received data.

Therefore, it is planned that competent national authority will be the Rural Support Service that will coordinate work of the cross compliance system such as collecting control results from competent control authorities.

Necessary legislation for the implementation of cross compliance standards is already in place and incorporated in national legislation. There are also institutions assigned for
administration of corresponding sectors and already making checks each in its own field. They are: State Environmental Service, Regional Environmental Boards, Nature Protection Board, The Food and Veterinary Service, State agency ‘Agricultural Date Centre’, State Plant Protection Service. It is planned that all these institutions will be competent control authorities under cross compliance system.

Under the cross compliance system it will be necessary to coordinate all the checks, to make proper risk analysis, administrate the process of receiving checklists, content of checklists etc.

To make the cross compliance system work, it is planned to implement a separate module for cross compliance system in IACS to collect all the necessary data for calculation of payments, sanctions and administrative checks.

3.1.2. Statistics

At present, the data on agricultural statistics are obtained, using statistical surveys but parallel to them there are some administrative sources of data, containing identical information as used in statistical surveys. There are some individually functioning data registers containing useful information for statistics such as the livestock register, register of animal housing in the State Agency "Agricultural Date Centre" (ADC), IACS the register of applicants for EU aid and land parcel register in the Rural Support Service (RSS), and register of organic farms in the Food and Veterinary Service (FVS).

To improve the quality of statistical information and easier access to administrative data sources, to make easy data collection, storing and exchange, to reduce the administrative burden to data providers, it is necessary to get familiar with the situation in Latvia, to develop proposals for solving the existing problems with data compatibility from several data sources (IACS for example deals with the blocs of land – Central Statistical Bureau (CSB) Farm register with land division in accordance with land cadastre) and to set up the system for use of administrative data sources for the purpose of agricultural statistics in accordance with Regulations (EC) 68/2003 and (EC) 2467/1996, which have been adopted on the basis of Regulation (EEC) 571/88 and Council Directives 93/24/EEC, 93/23/EEC, 93/25/EEC.

By setting this system up, access to a vast scope of information will be ensured on regional and farm level, a qualitative and transparent exchange with information between Latvia and European institutions will be secured, as well as access to data and use will be optimized in order to improve the process of preparation of economic accounts of agriculture and their inclusion into national accounts.

3.2. Linked activities:

3.2.1 CAP reform

Phare “Integration into EU: Law Approximation “ LE-99/IB/OT/01c
One part of this twinning project between Latvia and Sweden “Management of the reform of the Common Agricultural Policy” was aimed for development of appropriate structures and institutions for an effective implementation and enforcement related to the adoption of the acquis in the CAP area.

Project covered following activities:

- Analysis of the IACS-regulation in order to identify important parts that must be taken into account when preparing an administration. Collecting information regarding possible solutions for the implementation of IACS, incl. experiences, problems etc.;
- Analysis of the implications for Latvia to implement the IACS and preparations for pilot activities regarding agricultural blocks in Latvia;
• Producing a report with recommendations on the implementation of the IACS in Latvia. The report will also include an identification of registers that need to be developed in order to achieve an integrated data base; This twinning project was the base for establishment of the Land parcel register.

Phare “Development of the management mechanisms of the Latvian agriculture in line with the EU Common Agricultural Policy” LE 01.02.02. Twining project LV/2001/IB-AG-01 between Latvia and Netherlands was aimed to prepare background for registration and mapping of agricultural land parcels on the basis of existing (but outdated) digital aerial photography and give assistance for preparations for the technical implementation of the Integrated Administration and Control System.

Phare “Provision of the Operation of the Land Parcel System” No 2003/004-979-03.02 PHARE 2003 project No 2003/004-979-03.02 is aimed to produce orthophotos of the territory of Latvia and up-date the graphical part of the Land Parcel Register to avoid incorrect and double area payments and to improve quality of Land Parcel System and IACS.

Project is covering following activities:
• Service contract for taking aerial photos;
• Training for SLS in producing orthophotos from aerial photos, use of satellite imagery for the control and orthophoto image interpretation;
• Training for RSS on use GPS equipment for on-the-field inspectors, on quality control of Land Parcel Register and on remote control for area – based payments;
• Supplies of equipment for orthophotos and digitalisation.
• Supplies of GPS equipment for on-the-field control.
• Supplies of satellite images
• Supplies of IT (hardware and software), GPS equipment and satellite images of territory of Latvia near the Russian border.

Twinning light project “Implementation and strengthening of measures of Common Agricultural Policy Reform”.

The objective of this project - to implement the CAP reform provisions in Latvia and ensured smoother and optimal transition from the single area payment scheme to the single payment scheme. During the Twinning light project one of the main results is expected: a decision draft on implementation of CAP reform in Latvia is elaborated, which will provide well-grounded justification of plus and minus on optional implementation and optional transition period, regional implementation. The decision should be approved latest at the end of 2005, in order to provide clear tasks for building of administrative system for CAP reform provisions.

It is foreseen that Twinning light project will start at third quarter of 2005 and will finished at the end of 2005.

The Twinning light project Implementation and strengthening of measures of Common Agricultural Policy Reform will be the first step in order to start actively establish legislative and administrative framework for implementation of CAP reform in Latvia. The Ministry of Agriculture will prepare decision draft on implementation of CAP with support of this Twinning light counterpart defining chosen policy measures and options. Therefore, this project will ensure good and definite basis for realization of the next step of implementation of CAP reform - to prepare and strengthen administrative capacity for the single payment scheme.

Following step of implementation will be institutional building providing administrative capacity, which is planned to realize in 2006 with assistance of Transition Facility project Improvement of the agriculture administration according to requirements of the Common Agricultural policy reform”.

3.2.2. Statistics
Pilot project “Improvement of the Statistical Farm Register in Latvia”

The project has financed by Phare multi-country Programme ESTAT/FO/2000/0001 (No SFCC – 011/2002). The main aim of the project was to improve the Farm Register, which is serving as basis for Farm Structure Surveys and other agricultural surveys.

The project covered following activities:

- Describing the state of the present register and its use;
- Describing the methods to update using the 2001 agricultural census data and other data sources;
- Giving guidelines for the possible use of the coming IACS system.

3.3 Results/Outputs:

3.3.1. CAP reform:

Mandated Results:

1) a detailed plan on introduction and implementation of the CAP reform single payment scheme elements in Latvia according to EC Regulations No 1782/2003; 795/2004; 796/2004 is developed, in particular the new cross compliance requirements (Twinning);

2) an improved system of information exchange between the Rural Support Service and other competent institutions providing the monitoring of execution cross compliance standards is improved (Twinning);

At the moment competent control bodies are ensuring controls according to each of their own standards and procedures. There should be made detailed control lists and risk analysis upon implementation of cross compliance controls to meet requirements of IACS regulations and administrative capacity. Paying agency should provide control bodies with information of applicant’s applicant data for control bodies to know which farmers should be controlled to make up at least 1% of necessary control amount. As well as control bodies should provide Paying Agency with information of control results. Therefore there is a need to build up a system of data exchange – to unify data standards between different bodies to allow electronically data exchange.

There is also possibility for the new member states to implement requirements before application of the CAP reform – Latvia should consider such a possibility.

3) a detailed plan for establishment of register of payment entitlement is developed (Twinning);

Latvia needs to make up plan for establishment of the payment entitlement system to create timeframe for implementation of this system, working out necessary procedures required for implementation, establish payment entitlement register as a part of IACS, and implement necessary changes in national legislation and to make system work in time. The plan should be ready for planning the budget of implementation of Payment entitlement system.

4) special hardware (Supply Contract No 2) for cross compliance system module and any modifications to the existing IACS and Paying Agency systems that may be necessary (Supply).

3.3.2. Statistics

1) a summary report of current situation on availability of agricultural statistics and administrative data sources and their information system is elaborated (Twinning);

2) recommendations on necessary improvements in system of information exchange between institutions are developed (Twinning);

3) proposals on development of necessary indicators and aggregated summary forms according the EU legislation and national needs are developed (Twinning);

4) the methodology of compiling statistical indicators based on administrative data sources is prepared (Twinning);
5) the electronic link to administrative data sources of MoA from CSB of Latvia is ensured (special software for CSB (Supply Contract No 3) is delivered).

3.4. Activities:

Twinning

Profile of RTA:
Expert should meet the following requirements:
- experience in working for the EU Member State government institutions in agricultural sector at least 5 years;
- experience in working with the practical administration as well as with the IACS matters and implementation of the EU Common Agricultural Policy measures at least 2 years;
- experience to give theoretical and practical advises for CAP administration and reporting requirements;
- experience in coordination and management of Twinning activities;
- understanding of work with the information systems and data bases;
- understanding of work and tasks of Paying Agency matters;
- University degree;
- fluent conversational and written English.

The Twinning Contract will elaborate the precise number, tasks and working days of experts.

The main task of training activities is to increase the number of qualified staff with knowledge regarding the support system and administrative procedures of the CAP reform, the performance and administration of payment schemes, paying functions and control. The training activities have to include the seminars for the employees of the Rural Support Service and the Ministry of Agriculture who are involved in agricultural and rural support policy.

3.4.1. CAP reform

1) To develop a detailed plan on implementation of the CAP reform elements in Latvia according to Regulation No 1782/2003, 795/2004, 796/2004;
   – twinning expertise for approx (40) m/d in total. Expertise should be linked with sub-activities (a, b, c)
   a) to elaborate a summary report of current situation in agricultural administration system;
      – twinning expertise for approx. 14 m/d in total;
   b) seminar on the CAP reform implementation for MoA and RSS;
      – seminar – twinning expertise for approx. 3 m/d in total
   c) to develop a detailed plan and procedures for the administration of payments according cross compliance provisions;
      – twinning expertise for approx. 20 m/d in total;
      – study trip – 6 people for approx.5 m/d.

2) To improve the system of information exchange between the RSS and other institutions providing the monitoring of compliance of cross compliance standards;
   – twinning expertise for approx. 5 m/d in total
a) to improve the existing risk analysis for cross compliance;
   – twinning expertise for approx. 10 m/d in total

b) to improve checklists for controls under cross compliance system
   – twinning expertise for approx. 10 m/d in total

c) to elaborate a documentation for development and incorporation of cross compliance system module in the existing IACS;
   – twinning expertise for approx. 10 m/d in total.

3.) To develop a detailed plan for establishment of the payment entitlement register;
   – twinning expertise for approx. 20 m/d in total

   a) to elaborate basic principles and procedures for the implementation of the payment entitlement system
      – twinning expertise for approx. 20 m/d in total;
      – study trip on – approx. 6 people for approx 5 m/d;

   b) to elaborate procedures of payment entitlement allocation, sales and transfer in different cases
      – twinning expertise for approx. 10 m/d in total;

4.) To deliver special hardware (Supply Contract No2) for cross compliance system module and the payment entitlement register for RSS.

Requirements for short-term experts:

• Relevant University degree;
• experience to give theoretical and practical advises for CAP administration;
• At least five-year working experience in similar EU MS institution and experience in EU and national legislation drafting;
• Preferably experience in delivery of training;
• Fluent conversational and written English.

3.4.2. Statistics

1) To elaborate a summary report of current situation on availability of agricultural statistical and administrative data sources and their information system:
   – twinning expertise for approx. 10 m/d;

2) To develop a recommendations on necessary improvements in system of information exchange between institutions:
   – Twinning expertise for approx. 5 m/d;
3) To develop proposals on development of necessary indicators and aggregated summary forms according to the EU legislation and national needs:
   - Twinning expertise for approx. 15 m/d;

4) To the methodology of compiling statistical indicators based on administrative data sources;
   a) to prepare the methodology with a view to achieve compatibility of IACS registers with CSB farm register:
      - Twinning expertise for approx. 15 m/d;
   b) to prepare the methodology with a view to achieve compatibility of ADC registers of the State agency with CSB farm register:
      - Twinning expertise for approx. 10 m/d;
   c) to prepare the methodology with a view to achieve compatibility of FVS register of organic farms with CSB register of rural holdings:
      - Twinning expertise for approx. 5 m/d;

   – Common mean for items 3 and 4 of 3.4.2.: study trip 6 people 5 days to one of MS to exchange experience (Twinning counterpart should recommend to visit one of MS, which would be more appropriate for Latvian experts);

5) Special software for CSB and technical solutions to improve use of administrative information for statistical purposes (Contract No 3), this contract should include also training.

Requirements for short-term experts:

- Relevant University degree;
- Previous working experience relating to Agriculture statistics (including Statistical Register);
- Understanding in organization of use of administrative data for statistical needs;
- Understanding of work with the information systems and databases;
- Good analytical and organizational skills;
- Fluent conversational and written English.

4. Institutional Framework

The overall responsibility of the envisaged project lays with the Ministry of Agriculture, which is responsible for the elaboration of policy and legislation, implementation of the EU acquis, while RSS and CSB is responsible for the technical implementation of the project.

Rural Support Service was established by the Regulation of Cabinet of Ministers No 504 “On Rural Support Service”. RSS within the scope of its competence organizes and carries out the state management functions in respect to rural and agricultural development:

- the State support to rural areas, agriculture, forestry and fisheries in the field of administration, payments and control;

- administration, payment and control of the EU pre-accession measures in agriculture and rural development.

The Central Statistical Bureau of Latvia (CSB) is a state administrative institution under the supervision of the Ministry of Economy, and it is responsible for the organisation of the state statistical work in the Republic of Latvia.
The CSB activity is regulated by The Law on State Statistics, that Saeima adopted on 6 November 1997, by the CSB regulations, annual state programme of statistical information approved by the Cabinet of Ministers, as well as other legislative acts.

The basic task of the CSB is to establish in the country a unified system of statistical information based on the international standards and methodology that would provide inland and foreign users with timely, accurate, easily comprehensible and internationally comparable statistical information on economical, demographic and social phenomena and processes going on in the society and the environment.

Experts from the institutions that will be responsible for the administrations of cross compliance standards should be involved in the activities for the successful implementation of this project.

These institutions are the following:

- **State Environmental Service** – environmental requirements (conversation of wild birds, protection of groundwater against population caused by certain dangerous substances, protection of the environmental, an in particular of the soil, when sewage sludge is used in agriculture, protection of waters against pollution caused by nitrates from agriculture sources, conservation of natural habitats and of wild flora and fauna);

- **Regional Environmental Boards** (supervisory institutions under the Ministry of Environment) – environmental requirements (conversation of wild birds, protection of groundwater against population caused by certain dangerous substances, protection of the environmental, an in particular of the soil, when sewage sludge is used in agriculture, protection of waters against pollution caused by nitrates from agriculture sources, conservation of natural habitats and of wild flora and fauna);

- **Nature Protection Board** - environmental requirements (conversation of wild birds, conservation of natural habitats and of wild flora and fauna);

- **State Forest Service** – environmental requirements (conversation of wild birds, conservation of natural habitats and of wild flora and fauna);

- **The Food and Veterinary Service** – food safety, animal health and animal welfare;

- **State agency "Agricultural Date Centre"** – identification and registration of animals;

- **State Plant Protection Service** – plant health (placing of plant protection products on the market).

Project Steering Committee will be established to monitor project implementation. The Steering Committee will comprise representatives from competent authorities and competent institutions – Ministry of Agriculture and RSS and CSB.

Steering Committee and it will review and approve the project reports and make recommendations in regard of the project activities for the following period.
5. Detailed Budget

<table>
<thead>
<tr>
<th>€M</th>
<th>Transition Facility support</th>
<th>Co-financing</th>
<th>Total cost (TF plus cofinancing)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total TF (=I+IB)</td>
</tr>
<tr>
<td>Year 2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract No 1 - Twinning</td>
<td></td>
<td></td>
<td>0.6075</td>
</tr>
<tr>
<td>Supply Contract No2:</td>
<td>0.04</td>
<td>0.04</td>
<td>0.0134*</td>
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<tr>
<td>Supply Contract No3:</td>
<td>0.02</td>
<td>0.02</td>
<td>0.0067*</td>
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<tr>
<td>Total</td>
<td>0.06</td>
<td>0.6075</td>
<td>0.6675</td>
</tr>
</tbody>
</table>

*contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises
**private funds, FIs loans to private entities

6. Implementation Arrangements

6.1 Implementing Agency

- Central Finance and Contracting Agency, Ministry of Finance, Smilšu iela 1, Riga LV-1919;
  PAO Mrs. Inta Vasarudze, Under 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. Janis Briedis, Director of the Internal Relation Department, Ministry of Agriculture; Phone: +371 7027567; Fax: +371 7027193, e-mail: janis.briedis@zm.gov.lv.

6.2 Twinning

- National Twinning Contact Point - Ministry of Finance, Smilšu iela 1, Riga LV-1919
  Ms Ruta Konstante - Administrative Officer for Twinning projects; phone 7095622, fax 7095625; e-mail Ruta.Konstante@fm.gov.lv

For the Twinning Covenant counterpart will be the Ministry of Agriculture; Republikas sq. 2, Riga, LV-1981;

- Contact person: Contact person: Mrs. Rigonda Lerhe, Director of the Common Agricultural Policy Department, Ministry of Agriculture; Republikas sq. 2, Riga, LV-1010;
  Phone: (+371) 7027338; Fax: +371 7027246, e-mail: rigonda.lerhe@zm.gov.lv.
The operational counterpart of the Twinning will be:

- **Mrs. Ginta Uzulina**, Deputy Director of the Common Agricultural Policy Department, Ministry of Agriculture; Republikas sq. 2, Riga, LV-1010; Phone: (+371) 7027454; Fax: +371 7027246, e-mail: ginta.uzulina@zm.gov.lv;
- **Mr. Andis Rukmanis**, Deputy Director of Rural Support Service, Republikas sq. 2, Riga, LV-1010; Phone: +371 7027692, Fax: (+371) 7 027120; e-mail: andis.rukmanis@lad.gov.lv;
- **Mr. Uldis Apels**, Director of Information Department, Rural Support Service Address: Republikas sq. 2, Riga, LV-1981 Phone: +371 7 027396, fax +371 7 027385; e-mail: uldis.apels@lad.gov.lv;
- **Mr. Girts Kruminš**, Director of EU direct payment department, Address: Republikas sq. 2, Riga, LV-1981, Phone: +371 7 027424, fax +371 7 027861, e-mail: rolands.vacers@lad.gov.lv
- **Mr. Karlis Zeila**, Vice President of Central Statistical Bureau of Latvia, Lacpleša street 1, Riga, LV-1301 Phone: +371 733 2458, Fax: +371 736 6608; e-mail: Karlis.Zeila@csb.gov.lv
- **Mrs. Anita Raubena**, Deputy Director of Agriculture and Environment Statistics Department, Central Statistical Bureau of Latvia, Lacpleša street 1, Riga, LV-1301 Phone: +371 7333977, Fax: +371 7830137, e-mail: Anita.Raubena@csb.gov.lv

6.4. Non-standard aspects

The New Twinning Manual will be followed in case of twinning. Contract procedures will be followed under Extended Decentralised Implementation System. Ratio: if during project implementation the project cost for some reasons will decrease, the Transition Facility financing will also decrease proportionally. There will be no non-standard aspects regarding implementation of the project.

6.5. Contracts

1) **Contract No 1 – Twinning**: 607 500 EUR (parallel co-financing);

2) **Supply Contract No 2 – Special hardware for cross compliance system module and the payment entitlement register for RSS**: 53 400EUR (joint co-financing);

3) **Supply Contract No 3 – Special software for CSB**: 26 700EUR (joint co-financing)

7. Implementation Schedule (Indicative)

<table>
<thead>
<tr>
<th>Contract No</th>
<th>Start of tendering</th>
<th>Start of project activity</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Contract No 1 – Twinning</strong></td>
<td>IV Quarter of 2005</td>
<td>I Quarter of 2006</td>
<td>IV Quarter of 2006</td>
</tr>
<tr>
<td>2. <strong>Contract No 2 - Supply</strong></td>
<td>III Quarter of 2006</td>
<td>IV Quarter of 2006</td>
<td>I Quarter of 2007</td>
</tr>
<tr>
<td>3. <strong>Contract No 3 - Supply</strong></td>
<td>III Quarter of 2006</td>
<td>IV Quarter of 2006</td>
<td>I Quarter of 2007</td>
</tr>
</tbody>
</table>

8. Equal Opportunity

The main criteria in Tender process for the staff evaluation are professional and experience in similar assignments, but not their sex or age. There is equal opportunity for both – men and women.

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9. **Sustainability:**
Financial sustainability will be guaranteed. Latvian Government will cover future maintenance and operational costs.

10. **Conditionality and sequencing (please outline sequencing)**
Ensured co-financing by the state budget. Necessary legislation for the full implementation of the CAP reform will be adopted. Collection of the statistical indicators will be ensured for use of CSB.

**Abbreviations:**
MoA – Ministry of Agriculture  
FVS – Food and Veterinary Service  
RSS – Rural Support Service  
CSB – Central Statistical Bureau  
ADC - State Agency "Agricultural Date Centre"  
EC – Europe Commission;  
CAP – Common Agricultural policy  
SPO - Senior Programme Officer  
IACS - Integrated Administration and Control System  
SAPS - Single Area Payment Scheme

**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 Acquis
5. List of relevant national regulations
6. Reference to feasibility / pre-feasibility studies
## LOGFRAME PLANNING MATRIX FOR Project

**Programme name and number**

<table>
<thead>
<tr>
<th>Improvement of agricultural administration according to requirements of the Common Agricultural policy reform</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budget: 748 350 EUR</td>
<td>TF budget: 667 500 EUR</td>
<td></td>
</tr>
</tbody>
</table>

### Overall objective

To allow the agriculture administration to comply with the requirements of the Common Agricultural policy (CAP) reform and to improve the quality of agricultural statistics

### Objectively Verifiable Indicators

- Agricultural administration comply with the requirements of Common Agricultural policy

### Sources of Verification

- Commission regular report
- National regulations

### Project purpose

1. Upgrade the capacity of the agricultural administration and improve of the administration and control mechanisms by including the single payment scheme and the rules on cross compliance.

   - The detailed plan and procedures for improvement of the administration and control mechanisms by including the single payment scheme and the rules on cross compliance is submitted to Agricultural minister for the final decision adaptation.
   - Legislation and other documentation requiring parliamentary or official approval will be submitted to relevant institutions in time.

   - Commission regular report
   - Commission audit report
   - National regulations

2. Improve the scope and quality of agriculture statistical data based on a better link with and usage of administrative data sources

   - Collection of the statistical indicators from sources of the administrative data in way of compatibility of the different registers is ensured for used of CSB.

   - Commission regular report
   - National regulations
### Results

**CAP reform**

1. A detailed plan on introduction and implementation of the CAP and IACS elements in Latvia according Regulation No 1782/2003, 795/2004, 796/2004 is developed;
2. An improved system of information exchange between the Rural Support Service and other competent institutions providing the monitoring of execution cross compliance standards is improved;
3. A detailed plan for establishment of register of payment entitlement is developed;
4. Special hardware (Supply Contract No2) for cross compliance system module and the payment entitlement register for RSS is purchased.

**Statistics**

1) A summary report of current situation on availability of agricultural statistics and administrative data sources and their information system is elaborated (Twinning);
2) recommendations on necessary improvements in system of information exchange between institutions are developed (Twinning);
3) proposals on development of necessary indicators and aggregated summary forms according the EU legislation and national needs are developed (Twinning);
4) the methodology of compiling statistical indicators based on administrative data sources is prepared (Twinning);
5) the electronic link to administrative data sources of MoA from CSB of Latvia is ensured (special software for CSB (Supply Contract No 3) is delivered)

### Objectively Verifiable Indicators

- A detailed plan and procedures to develop the administration of payments according cross compliance provisions is submitted to Agricultural minister for the final decision adaptation;
- A detailed plan and basic principles and procedures for the implementation of the payment entitlement system is submitted to Agricultural minister for the final decision adaptation;
- Special hardware purchased relevant training is ensured.

- Involved institutions approve recommendations and proposals for exchange system of agricultural data.

### Sources of Verification

- National regulations
- Quarterly report

### Assumptions

- Support from other relevant institutions
- Adequate provision from state budget
- All necessary data and documentation are available to the experts in sufficient time.

### Activities

**CAP reform**

1. To develop a detailed plan on implementation of the CAP reforms elements in Latvia according Regulation No 1782/2003, 795/2004, 796/2004;
2. To elaborate a summary report of current situation in - Twinning RTA – 12 m/m
- Twinning expertise for approx 1-2x20m/d for development of a detailed plan;
- Twinning expertise for approx. 1-2x7m/d for analyses of existing system;
- Seminar 2-3x1w/d;
- Twinning expertise for approx 2x10m/d for

**Statistics**

1) a summary report of current situation on availability of agricultural statistics and administrative data sources and their information system is elaborated (Twinning);
2) recommendations on necessary improvements in system of information exchange between institutions are developed (Twinning);
3) proposals on development of necessary indicators and aggregated summary forms according the EU legislation and national needs are developed (Twinning);
4) the methodology of compiling statistical indicators based on administrative data sources is prepared (Twinning);
5) the electronic link to administrative data sources of MoA from CSB of Latvia is ensured (special software for CSB (Supply Contract No 3) is delivered)

**Means (Indicative)**

- Quarterly reports;
- Mission reports;
- Seminar checklists.

**Assumptions**

- RSS and CSB organisations recruit and retain adequate staff
- Effective co-operation with other institutions who set and use cross compliance system.
agricultural administration system;
a) seminar on the CAP implementation for MoA and RSS;
b) to develop a detailed plan and procedures for the administration of payments according cross compliance provisions;
2) To improve the system of information exchange between the RSS and other institutions providing the monitoring of compliance of cross compliance standards:
a) to improve the existing risk analysis for cross compliance;
b) to improve checklists for controls under cross compliance system

c) to elaborate a documentation for development and incorporation of cross compliance system module in the existing IACS;
3. To develop a detailed plan for establishment of the payment entitlement register:
a) to elaborate basic principles and procedures for the implementation of the payment entitlement system
b) to elaborate procedures of payment entitlement allocation, sales and transfer in different cases
4. To deliver special hardware (Contract No1) for cross compliance system module and the payment entitlement register for RSS

Statistics
1. To elaborate a summary report of current situation on availability of agricultural statistics and administrative data sources and their information system;
2. To develop a recommendations on necessary improvements in system of information exchange between institutions;
3. To develop proposals on collecting of statistical indicators from sources of administrative data of different institutions to provide statistics according the EU legislation and national needs;
4. To prepare the methodology of compiling statistical indicators based on administrative data sources

development of a detailed plan and procedures of cross compliance;
- Study trip 6 people for 5w/d;
- Twinning expertise for approx. 1x5m/d for information exchange between RSS and other institutions;
- Twinning expertise for approx. 2x5m/d for elaboration of risk analysis for cross compliance;
- Twinning expertise for approx. 2x5m/d for elaboration of checklists for controls under cross compliance system;
- Twinning expertise for approx. 2x5m/d for elaboration of the documentation for development and incorporation of cross compliance system module in the existing IACS;
- Twinning expertise for approx. 3x10m/d for the development of detailed plan for establishment of the payment entitlement register;
- Twinning expertise for approx. 2x15m/d for the elaboration of the basic principles and procedures for the implementation of the payment entitlement system;
- Study trip for 6 person – 5w/d;
- Twinning expertise for approx. 1-2x15m/d for elaboration of procedures for the payment entitlement allocation, sales and transfer in different cases;
- Supply Contract No2.

- Twinning expertise for approx. 10m/d for the elaboration of summary report of current situation;
- Twinning expertise for approx. 5m/d for the development of the recommendations;
- Twinning expertise for approx. 15m/d for the development of proposals on collecting of statistical indicators from sources of administrative data;
- Twinning expertise for approx. 15m/d for the preparation of the methodology with a view
a) to prepare the methodology with a view to achieve compatibility of IACS registers with CSB farm register.
d) to prepare the methodology with a view to achieve compatibility of ADC registers of the State agency with CSB farm register.
e) to prepare the methodology with a view to achieve compatibility of FVS register of organic farms with CSB register of rural holdings.

5. Common mean: study trip 6 people 5 days in one of MS to exchange experience according item 3 and 4 (Twinning counterpart (PAA or twinning experts) would recommend to visit one of MS, which would be more appropriate for Latvian experts)

6. Special software for CSB and technical solutions to improve use of administrative information for statistical purposes (Contract No 2), contract should include also training to achieve compatibility of IACS registers with CSB farm register;
- Twinning expertise for approx 10 m/d for the preparation of the methodology with a view to achieve compatibility of ADC registers of the State agency with CSB farm register;
- Twinning expertise for approx. 7 m/d for the preparation of the methodology with a view to achieve compatibility of FVS register of organic farms with CSB register of rural holdings;
- Study trip for 6 person – 5w/d;
- Supply Contract No 3.

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<th>Preconditions</th>
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<tr>
<td>✓ Law on Agriculture and Rural Development;</td>
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<td>✓ Official Statistics Law</td>
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16
**Detailed implementation chart (indicative)**

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<tr>
<th>Activities</th>
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<td><strong>Contract No 1 - Twinning</strong></td>
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<tr>
<td>Upgrade the capacity of the agricultural administration in order to implement the single payment scheme, in particular the rules on cross compliance</td>
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<tr>
<td>1. To develop a detailed plan on implementation of the CAP reforms elements in Latvia according Regulation No 1782/2003, 795/2004, 796/2004;</td>
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<tr>
<td>a) to elaborate a summary report of current situation in agricultural administration system</td>
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<td>b) seminar on the CAP implementation during visit of twinning experts for MoA and RSS</td>
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<td>c) to develop a detailed plan and procedures for the administration of payments according cross compliance provisions</td>
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<td>2. To improve the system of information exchange between the RSS and other institutions providing the monitoring of compliance of cross compliance standards</td>
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<td>a) to improve the existing risk analysis for cross compliance</td>
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<td>b) to improve checklists for controls under cross compliance system</td>
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<td>c) to elaborate a documentation for development and incorporation of cross compliance system module in the existing IACS</td>
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<td>3. To develop a detailed plan for establishment register of payment entitlement</td>
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<tr>
<td>a) to elaborate basic principles and procedures for the implementation of the payment entitlement system</td>
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<td>Study trip 6 people 5 w/d</td>
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<tr>
<td>b) to elaborate procedures of payment entitlement allocation, sales and transfer in different cases</td>
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Improve the scope and quality of agriculture statistical data based on a better link with and usage of administrative data sources
1. To elaborate a summary report of current situation on availability of agricultural statistics and administrative data sources and their information system
2. To develop a recommendations on necessary improvements in system of information exchange between institutions
3. To develop proposals on collecting of statistical indicators from sources of administrative data of different institutions to provide statistics according the EU legislation and national needs
4. To prepare the methodology of compiling statistical indicators based on administrative data sources s
   a) to prepare the methodology with a view to achieve compatibility of IACS registers with CSB farm register
   b) to prepare of methodology with a view to achieve compatibility of ADC registers of the State agency with CSP farm register
   c) to prepare the methodology with a view to achieve compatibility of FVS register of organic farms with CSP register of rural holdings

Study trip 6 people 5 w/d in one of MS to exchange experience

**Contract No 2 – Supplies.** To deliver special hardware for cross compliance system module and the payment entitlement register for RSS

**Contract No 3 – Supplies.** Special software for CSB and technical solutions to improve use of administrative information for statistical purposes, contract should include also training
### CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (MEUR)

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List of relevant Acquis


6) Council Decision of 22 March 2004 adapting the Act concerning the conditions of accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic and the adjustments to the Treaties on which the European Union is founded, following the reform of the common agricultural policy;


9) Council Directive 93/24/EEC of 1 June 1993 on the statistical surveys to be carried out on bovine animal production;


Annex 5

List of related national regulations

1) Law on Agriculture and Rural Development (07.04.2004);
2) Regulations No 584 of 06.07.2004 “Procedure for granting the national and the EU support to agriculture and rural development”;
3) Regulations No 369 of 20.04.2004 “Procedure for administration and monitoring of the national and the EU support to agriculture and rural development”
4) Official Statistics Law (06.11.1997);
5) Law on the Supervision of the Handling of Food (19.02.1998);
6) Plant Protection Law (05.10.1994).
Annex 6

Reference to feasibility / pre-feasibility studies

1) Results of Twinning (LE-99/IB/OT/01): Implementation of the Common Agriculture Policy will be available for introducing of this project

2) “Development of the management mechanisms of the Latvian agriculture in line with the EU Common Agricultural Policy” LE 01.02.02, including twinning project LV2001/IB/AG/01 and supplies component;

3) Twining project LV/2001/IB-AG-01 between Latvia and Netherlands is aimed to prepare background for registration and mapping of agricultural land parcels on the basis of existing (but outdated) digital aerial photography, and also to give assistance for preparations for the technical implementation of the Integrated Administration and Control System.
Annex 7

PHARE 2003 financed the following:

1. Data base servers with RISC architectures processors (Rack mounted)-2
2. SAN Storage: -1
3. Switches: -4
4. Tape Library: -1
5. Backup Software: -1
6. Rack: -1
7. UPS: -3

Computer engineering is fully used by operating with IACS and Geographical information system (GIS) of Land parcel register.

It is planned to purchase one server which will comply with current system architecture under TF project “Improvement of the agriculture administration according to requirements of the CAP reform”.