ANNEX

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

1. IDENTIFICATION

Beneficiary SLOVAK REPUBLIC
Programme Transition Facility National Programme 2006
CRIS-Number 2006/018-175
Year 2006
Cost € 5,170,000
Implementing Authority Slovak Ministry of Finance (CFCU)
Expiry Date Contracting: 15 December 2008
Execution of contracts: 15 December 2009
Sector Code (according to DAC-list)

<table>
<thead>
<tr>
<th>Objective</th>
<th>Code</th>
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</thead>
<tbody>
<tr>
<td>Objective 1</td>
<td>Agriculture</td>
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<tr>
<td>Objective 2</td>
<td>Internal market</td>
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<tr>
<td>Objective 3</td>
<td>Financial Control</td>
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<td>Objective 4</td>
<td>Nuclear Safety</td>
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<td>Objective 5</td>
<td>Health</td>
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<td>Objective 6</td>
<td>Administrative capacity</td>
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</tbody>
</table>

Budget Line 22 03 01
Commission Task Manager Mrs. Verena Wessely - Financial Assistance Post Accession Unit-DG Enlargement
2. **SUMMARY**

For the period 2004-2006, a Transition Facility has been created by Art 34 of the Act of Accession to fund certain Institution Building actions in the new Member States. The present Financing Proposal represents the 2006 Transition Facility National Programme for the Slovak Republic.

The purpose of the Transition Facility is to continue to assist the new Member States in their efforts to strengthen their administrative capacity to implement and enforce Community legislation and to foster exchange of best practice, as an extension to support provided under Phare.

The 2006 Transition Facility National Programme for the Slovak Republic will focus on the following main objectives: Agriculture, Internal Market, Financial Control, Nuclear Safety, Health and Administrative Capacity.

3. **STRATEGY**

*Programming priorities*

The 2003 Commission Comprehensive Monitoring Report (CMR) for Slovakia and the continuous monitoring performed by the Commission in the run up to Slovakia’s accession constitute the main sources for identifying institutional weaknesses that the Transition Facility could assist in addressing. The above-mentioned report points to a number of areas where further improvements are needed in the context of political and economic criteria and related to the adoption, implementation and enforcement of the *acquis*, and calls for actions to be taken. Other findings and recommendation from the overall monitoring process (peer-reviews, Commission missions, etc.) were also taken into account when setting up this programme.

*Project selection and lessons learned*

On the basis of the priorities outlined in the above-mentioned documents, and in line with the principle of ownership and the Transition Facility Planning Document 2004-2006, the Slovak authorities submitted a number of project proposals for institution building. These projects have been discussed in detail with the relevant Commission Services.

The final selection of projects for this Commission Decision was based on the overall quality of the individual proposals, taking into account inter alia the strategic framework of the projects, their expected impact, and the implementation arrangements. In designing the 2006 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Phare programme in previous years. Lessons learnt are usually drawn on a case by case basis, building upon relevant experience in the implementation of previous projects in a specific area. Relevant information in that respect is provided in each project fiche. Provision of necessary background documentation supporting project proposals (sectoral strategies, etc.) is emphasised during the programming process.

Careful attention has been paid to co-ordinating with previous and ongoing assistance to build on the results achieved and to promote synergy effects with other Community financial instruments. The programme includes projects which should not overlap with any action that is financed by other financial assistance programmes such as the Schengen Facility or the Structural and Cohesion Funds, or with any actions previously financed by Phare or other donors. Actions, studies and all other types of activities eligible for support under Structural Funds technical assistance measure shall be excluded from the scope of this programme. The
implementing beneficiary body retains the responsibility for the coordination of activities funded under this programme with regard to those financed through existing or planned EC or international funding, in particular Structural and Cohesion funds, Schengen Facility, etc., in order to ensure consistency, compatibility and removing the risk of double funding.

4. OBJECTIVES AND DESCRIPTION

The 2006 Transition Facility National Programme for the Slovak Republic focuses on the following areas:

Objective 1 Agriculture

Project 2006/018-175.01.01 – Strengthening the capacities and quality of control services of the Central Controlling and Testing Institute in Agriculture (CCTIA)

The aim of this project is to further enhance the CCTIA's control capacity in the area of food safety. To this end Transition Facility assistance (to be provided in the form of a twinning light scheme) will cover a set of practical and theoretical trainings on plant protection as well as on environmental analytical chemistry and quality control procedures. The start of these activities is conditional upon the purchase and delivery of a software package for laboratory data evaluation and processing to be financed by CCTIA. The software to be acquired will then be used during the twinning light trainings.

Objective 2 Internal Market

Project 2006/018-175.02.01 – Reinforcement of administrative structures for the coordination of social security schemes in light of rulings of the European Court of Justice

To ensure a more effective implementation of the acquis on the coordination of social security schemes and to facilitate the free movement of workers across the European Union, this twinning light project will assist the Ministry of Labour, Social Affairs and Family and other relevant institutions in developing a manual outlining inter alia procedures for applying current as well as future ECJ rulings in the field. In addition, the project will provide for a number of specialized trainings for trainers. The training activities will include the development of a training documentation file and the organisation of a study visit.

Objective 3 Financial control

Project 2006/018-175.03.01 – Strengthening the internal auditors' independence in the public sector by creating audit committees

This project addresses a recommendation from a SIGMA (Support for Improvement in Governance and Management) project carried out in Slovakia in 2003. Its aim is to increase the effectiveness of the internal audit function in the public sector by establishing audit committees at the Ministry of Finance and other state administration bodies.

In particular this Twinning project will assist in the drafting of key documents such as a) a strategy outlining the practical steps for the establishment and introduction of audit committees, b) necessary amendments to the Slovak legislation, c) an audit committee handbook, d) an audit committee charter and e) an ethical code for audit committee members.
Following the above-mentioned activities, support for the actual establishment of an audit committee at the Ministry of Finance will be provided. Furthermore, Transition Facility assistance will be used to train relevant staff from the Ministry of Finance, the Central Harmonization Unit and line ministries on various topics related to International standards and best practices for internal auditing. The training will also encompass the training of trainers, the organisation of a study visit as well as activities aimed at disseminating information on and relevant for audit committees.

**Project 2006/018-175.03.02 – Audit and ex-post financial control of the EU own resources**

To further strengthen and protect the European Communities' financial interests, this project's purpose is to enhance Slovakia's audit and financial control capacity in relation to EC own resources.

In particular Transition Facility assistance for the Ministry of Finance and other authorities established under its responsibility as well as the Ministry of Agriculture and the Agricultural Paying Agency will cover a range of specialised trainings and provide for the elaboration of documentation relating to the performance of control. Support will also be given in carrying out on-the-spot controls and audits. To supplement the training activities in Slovakia, a study visit will be arranged.

**Objective 4  Nuclear Safety**

**Project 2006/018-175.04.01 – Strengthening human resources management at the Slovak Nuclear Regulatory Authority**

To maintain a high level of nuclear safety, this Technical Assistance project aims to enhance the skills and knowledge of the Nuclear Regulatory Authority's staff by developing a permanent training tool. In particular, Transition Facility assistance will be used to a) elaborate a strategy outlining the authority's long term training policy, b) design a formal modular training programme, c) develop a user-friendly computer-based testing and certification tool, including the drafting of a manual for its use and d) organise a pilot course, including its subsequent evaluation.

The training programme will be designed in such a way so as to allow for the subsequent inclusion of additional modules or the later adaptation of modules in light of regulatory changes in the nuclear field.

**Objective 5  Health**

**Project 2006/018-175.05.01 – Strengthening the occupational health and safety structure**

The aim of this project is to strengthen Slovakia's labour inspection system and reinforce capacities in the field of occupation health and safety.

Transition Facility assistance (to be provided in the form of a twinning scheme) will focus on two areas: the prevention of major industrial accidents and the collection and processing of data on occupational accidents.
Regarding the prevention of major industrial accidents, the project will provide support for the installation of software to be used for purposes such as the classification of exposure (danger) zones. Prior to the installation of the software, the twinning will assist in analysing available European and Slovak chemical substances databases and in subsequently elaborating the required software's technical specifications. The purchase of the software itself will be financed by national funds. Furthermore, Transition Facility assistance will cover a set of trainings on software applications used inter alia for emergency plans and the evaluation of safety reports.

Concerning the collection and processing of data on occupational accidents, a set of trainings on the prevention of occupational accidents and diseases, including relevant acquis and methodologies, will be organised. Moreover, support will be provided for the elaboration of methodological guidelines and manuals.

Project 2006/018-175.05.02 – Improving and broadening the care for the re-socialization and rehabilitation of persons addicted to psychoactive substances

The purpose of this project is to increase the quality of rehabilitation and re-socialization services for persons addicted to psychoactive substances.

In particular this project will assist in a) carrying out a detailed analysis on the current scope, quality and functioning of re-socialization services and b) elaborating recommendations and standards (in terms of personnel and professional qualification requirements) regarding the provision of re-socialization services in Slovakia.

Moreover, assistance will focus on the identification of trainings needs and the drafting of a training module for specialized staff working at re-socialisation centres. The practical implementation of the proposed training will be supported by local experts.

Finally, activities aimed at improving the quality of rehabilitation and re-socialization services will also be supported by a small grant scheme, the administration of which will be ensured by technical assistance.

Project 2006/018-175.05.03 – Improving analyses and risk assessments regarding residue pesticides

To improve protection against the negative impacts of pesticides and plant protection products on human health this project aims to strengthen the capacities of the central and regional public health authorities.

Transition Facility assistance will cover the purchase of laboratory equipment as well as the provision of a set of specialized trainings and practical exercises focussing on topics such as the global harmonized system of classification and labelling, calculations of the national estimated intake and new methods in analysing residue pesticides in infant and baby food. Transition Facility support will also be used to develop training materials and methodical procedure guides. A number of books and journals on risk assessment in the field of residue pesticides will be purchased from national funds.
Objective 6 Administrative capacity

Project 2006/018-175.06.01 – Unallocated Institution Building Facility

Transition Facility funding has been earmarked for an envelope of yet unspecified Institution Building projects to provide support through twinning, twinning light or technical assistance to meet the requirements related to specific urgent and unforeseen needs. This facility may help to assist in completing the adoption and implementation of acquis in particular areas where assistance is still necessary and to strengthen the institutional and operational capacity of public administration bodies in view of their role in the implementation of the EU acquis and developing human resources of public administration institutions relevant for the implementation of the EU acquis. The Commission must approve the use of these funds.

Project 2006/018-175.06.02 – Interim Evaluation of Transition Facility projects

According to the acquis of Chapter 28 and related principles of Sound Financial Management the Slovak Republic needs to build the capacity for monitoring and evaluation of Community funds. Commission Regulation 2342/2002 stipulates that aid programmes shall be periodically evaluated during their implementation to allow the evaluation findings to be taken into account for any further actions.

The project aims to assist the Slovak Government in its task to provide for the evaluation of the Transition Facility Programme. Specifically, it should provide for a series of Interim Evaluation and Country Summary Evaluation reports.
5. **BUDGET**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Institution Building (IB)</th>
<th>Investment (I)</th>
<th>Transition Facility Total IB+I</th>
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<tr>
<td>Objective 1: Agriculture</td>
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<tr>
<td>Project 2006/018-175.01.01 – Strengthening the capacities and quality of control services of the Central Controlling and Testing Institute in Agriculture (CCTIA)</td>
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<td>Objective 2: Internal Market</td>
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<td>Project 2006/018-175.02.01 – Reinforcement of administrative structures for the coordination of social security schemes in light of rulings of the European Court of Justice</td>
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<td>Project 2006/018-175.03.01 – Strengthening the internal auditors' independence in the public sector by creating audit committees</td>
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<tr>
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<td><strong>TOTAL</strong></td>
<td><strong>4,870.000</strong></td>
<td><strong>300.000</strong></td>
<td><strong>5,170.000</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 public expenditure.

6. **SPECIAL CONDITIONS**

In the event that agreed commitments are not met for reasons which are within the control of the Government of the Slovak Republic, the Commission may review the programme with a view, at the Commission's discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Transition Facility.

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