STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Désirée Number: SI.0101.01
   Twinning Number: SI2001/IB/AG/02/TL
1.2 Title: Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund
1.3 Sector: AGRICULTURE
1.4 Location: SLOVENIA

2. Objectives

2.1 Overall Objective(s):
   Accreditation of the Paying Agency by the European Commission at the time of accession.

2.2 Project purpose:
   Finalization of paying, accounting and management procedures to fulfil requirements for EAGGF Guarantee Section accreditation.

2.3 Accession Partnership and NPAA priority
   (NPAA – electronic version of April 2000)
   **AP:**
   Medium term:
   · Reinforcement Common Agriculture Policy Management mechanisms and administrative structures
   · Reinforcement of administrative and judicial capacity, including the management and control of EU funds.

   **NPAA:**
   3.4.2. Agriculture (b, c, d)

3. Description

3.1 Background and justification:

   The Agency of the Republic Slovenia for Agricultural Markets and Rural development (AAMRD) was created in July 1999 on the basis of Act amending the organisation and competence of ministries act for the purpose of implementation of common market organisations and measures and policies in the field of agriculture. In December 1999 the Decree on accreditation criteria for AAMRD was issued, laying down the conditions, the method of operation and the competences and the obligations of the Agency. In March 2000, the rules on internal organisation and job systematisation of AAMRD were issued. The Agency has been developing its technical and staff capacity in order to assume the tasks relating to the implementation of SAPARD pre-accession aid and common agricultural policy measures.
The alignment of the Slovenian agricultural policy in the area of common market organisations will be carried out in compliance with the National development Programme for Agriculture, Food, Forestry and Fisheries for the period 2000 – 2002, adopted in September 1999 by the Slovenian Government.

The Agency will have responsibility for coordinaton in the context of the clearance of the accounts of the European Agricultural Guidance and Guarantee Fund after EU accession, and it’s indispensable to prepare accounting procedures and take organisational decisions with a clear knowledge of the EU requirements concerning the clearance of the accounts.

The AAMRD will be also responsible for carrying out tasks in the area of trade mechanisms, trade with third countries on agricultural markets, and the area of non-Annex I products. In 2001 and 2002, the AAMRD will gradually take on tasks related to the implementation of import and export licences and securities.

According to the Programme of Agricultural Policy Reform, no later than 31 December 2002 AAMRD will be qualified to carry out all tasks defined by the acquis in this area (administration and management of import and export licences and securities, implementation of the export refunds system, management of tariff quotas, management of the movement of intervention products and the verification of the use and/or destination of intervention products, reporting and communicating with the Commission).

Farm Registry (FM 99) – SL98/IB/AG/02 and Agricultural markets (FM 99) – SL98/IB/AG/04 twinnings ) are providing assistance for implementation of all market regulation measures, but will not cover any of the financial or control commitment.

This project is a logical continuation of the process of establishing and upgrading all necessary departments and units of the AAMRD. There are certain deadlines to be reached before the full membership of the Republic of Slovenia in EU (all institutions will be fully operational according to EU requirements and regulations no later 31 December 2002). For the implementation of the programme for measures to be financed under EAGGF upon accession, the Guarantee Section of Accounting Department within AAMRD was established. Part of the staff of the Accounting Department is already in place (see Attachment) and the team should be reinforced following the implementation of activities. Technical assistance is needed in preparation of documentation as well as training for performance of all activities and procedures concerning financial aspects and accounting according to EAGGF system.

With this project the operational EAGGF system of advance payments according to the EAGGF Guarantee Section will be fully implemented and as such complete the process of accreditation of the Paying Agency.

The national accreditation will be adopted in September 2002 and all activities in this project are going to be performed in this time frame.

The project will cover:
• technical assistance component for the preparation of annual accounts for
the Guarantee section of Accounting Department within the Financial
Sector of AAMRD expenditure Table 104, 105 and “x” tables, administrative operations for clearance of accounts procedures, managing of public storage expenditures,…
• training component according to the needs and working plans of the Guarantee section of Accounting Department within the Financial Sector of AAMRD, based on technical assistance component;
• preparation of documents component.

3.2 Linked activities:

PHARE

Establishment of Agency for Agricultural Markets and Rural Development (FM 99) – SL98/IB/AG/03 – with Germany, Austria and Greece as partners
Twinning on Rural Structural Development with the Objective to establish the Department of Rural Development within AAMRD and be fully operational in accordance with requirements with the EU membership.

SPP/SAPARD - (SL98/1B/SPP-01) – with UK as a partner
Training programme for key personnel of AAMRD for SAPARD and Paying Agency.

Farm Registry (FM 99) – SL98/IB/AG/02 – with Germany and Austria as partners
The twinning on Farm Registry with the Objective to set-up the IACS – Department of the AAMRD and to bring key elements of IACS (farm register, animal identification register, linkages between and to other information systems) in line with EU requirements.

Agricultural markets (FM 99) – SL98/IB/AG/04 – France and Austria as partners
The twinning programme with the Objective to establish the Agricultural Markets Department within the AAMRD.

LINKED ACTIVITIES BY NATIONAL GOVERNMENT:
Accounting Department within Financial Sector of AAMRD was established and the staff is in place. Some basic training and study tours for understanding Paying Agency role and activities were provided in the field of preaccession measure SAPARD.
3.3. Results:

3.3.1. General Result:
- Finalization of paying, accounting and management procedures to fulfill requirements for EAGGF Guarantee section accreditation.

3.3.2. Results of the Twinning light:
- Staff, which is already in place, applies all necessary procedures within Guarantee Section of Accounting Department within the Financial Sector of AAMRD (verification, submission of documents, payments and control, reporting, accountancy, security management…) according to EU system.
- All necessary rules of procedures, manuals, forms, application and other, will be prepared and ready to apply by the staff at the date of accreditation and EU membership;
- budgetary discipline concerning Member States declarations of expenditure to the Commissions
- Procedure, plan of actions and databases necessary for the protection of financial interest of the Community will be prepared;
- Protocol for delegation of functions prepared.

3.4 Activities:
- Training for staff in European standard procedures, relating to EAGGF financial management.
  One preliminary workshop in Slovenia is envisaged for all employees of Accounting department within Financial Sector of AAMRD, for Heads of other 2 Departments within Financial Sector and for possibly for maximum 2 other officials from AAMRD (max. 10). On this workshop it will be decided also for the further training in Slovenia (on monthly basis or individually).
  A study tour to the selected Member State(s) to become acquainted with procedures, general rules and legislation of a Member State.
- Implementation of reporting system for EAGGF Guarantee Section, table 104, 105 and "x" tables etc.
- Set up an accounting system for EAGGF Guarantee section in a compliance with Community rules
- Preparation of the annual accounts EAGGF Guarantee Section expenditure Table 105 and Communication with Commission within administrative operations for clearance of accounts procedure
- Establishment of tables of recovering sums, judicial and administrative procedures instituted in view of recovering sums.
- Preparation of the Protocol for delegation of functions.

STUDY TOURS financed from Slovenian budget:
Study tours to Member States are important part of training and will be financed through national budget of the Republic of Slovenia. The experiences from other twinnings related to the establishment and functioning of AAMRD, proved that “learning by doing” on the spot: on procedures, forms and data processing while observing staff in similar institutions in Member States, was the most successful form of training. In that frame 3 more specific study tours are envisaged.
4. Institutional Framework

Newly established Agency for Agricultural Markets and Rural Development is performing Paying Agency activities and is a part of the Ministry of Agriculture, Forestry and Food of the Republic of Slovenia. MAFF is acting as implementing authority for all PHARE programmes including twinnings and as such responsible for preparation and implementation of these projects.

Agency of Agricultural Markets and Rural Development and its Accounting Department within the Financial Sector of AAMRD is a beneficiary of the project and as such will complete the necessary functions for the accreditation of the Paying Agency.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Support</th>
<th>Total Phare (=I+IB)</th>
<th>National Cofinancing*</th>
<th>IFI*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Building</td>
<td>Institution</td>
<td>0.15</td>
<td>0.15 (50%)</td>
<td>0.15 (50%)</td>
<td>0.30 (100%)</td>
</tr>
</tbody>
</table>

* In cases of co-financing only

The national component is already earmarked in the National Budget. 150,000 EUR from national component (50% of the total amount) will be used for financing costs of working place, study tours and travel costs for training on the spot to be carry out abroad in selected Member State, translation and other assistance needed by experts.

The project will be implemented as a twinning light for 6 months.

Based on experiences from previous twinnings dealing with Paying Agency an important part of training has to be carried out on spot in the Partner Country. It is the matter of small group which spend a certain time in similar institution in partner country and have an opportunity to watch working procedures and try to do same tasks by themselves. The type of activities to be trained, the number of persons to be involved and time limits will be based on the progress and demands of this twinning light activities. Local budget will cover travel costs, lodging and per diem for Slovenia staff. The second part of the local component will cover costs of organization of workshops and seminars in Slovenia (conference and workshops halls, interpretation, technical assistance, local transfer etc.).

6. Implementation Arrangements

6.1 The Implementing Agency:
CFCU, Ministry of Finance
Beethovenova 11
1000 Ljubljana.
Responsible person: Mr. Peter Škofič, PAO.
Tel.: +386 1 478 6203, fax.: +386 1 478 6204
E-mail: peter.skofic@mf-rs.si
6.2 The Implementing Authority
Ministry of Agriculture, Forestry and Food of RS
Contact person
Mr. Marko Verbič, IA - PIU, SPO, Head of Department for International Cooperation
Dunajska 56-58
1000 Ljubljana
Slovenia
Tel.: +386 1 478 9115/6, fax.: +386 1 478 9155,
E-mail: marko.verbic@gov.si.

Project Manager of the Project:
Mr. Dušan Vujadinovič, Head of Department for EU Affairs, MAFF
tel.: +386 1 478 9148, fax.: +386 1 478 9155,
E-mail: dusan.vujadinovic@gov.si
Ministry of Agriculture, Forestry and Food of RS
Dunajska 56-58
1000 Ljubljana

Beneficiary is AAMRD:
The Deputy Project Manager will be:
Ms. Alenka Šurk, AAMRD
Dunajska 160, 1000 Ljubljana
Tel.: +386 1 478 9258, fax.: +386 1 478 9206
E-mail: alenka.surk@gov.si
The beneficiary is Accounting Department in AAMRD.

Representatives of the Project Team, MAFF, AAMRD and representatives of EC Delegation and Governmental Office for European Affairs of RS will compose the Steering Committee.

6.3. Twinning Light
The project is designed to be implemented as a twinning light package, consisting of short-term experts, study tours and specialist training.

6.4. Non-standard aspects
DIS manual will be strictly applied and followed, no other non-standard aspect is foreseen.

6.5. Contracts
MAFF will be the Contracting Authority for this project. There will be one contract (Twinning Light Covenant) with a selected Member State.

Tendering and contracting shall be carried out in co-operation with CFCU in the Ministry of Finance. The contact person is Mr. Peter Škofič, Head of CCU, tel.: ++386 1 478 6305, fax.: 386 1 478 6204, e-mail: peter.skofic@mfi.sigov.mail.si.
The tendering and contracting of the projects components shall follow standard DIS procedures where applicable, including the twinning manual. Financial management is responsibility of CFCU, implementation and monitoring by MAFF.
7. **Implementation Schedule**

7.1 Start of tendering/call for proposals  
2\textsuperscript{nd} Quarter 2001

7.2 Start of project activity  
January 2002

7.3 Project Completion  
June 2002

8. **Equal opportunity**  
Participation will be open to both: female and male personnel. Records of staff participating in training and other project activities will reflect this statement.

9-11 **Environment/Rates of return/Investment criteria**  
Not relevant. (Not an investment project).

12. **Conditionality and sequencing**  
Timetable of commitments in NPAA and deadlines for fully operational Paying Agency activities concerning EAGGF Guarantee Fund could come into deadlock with project activities (i.e. signature of FM).  
All elements for project implementation are already in place. The only condition needed for successful implementation is that the project ends by June 2002 (this is a deadline for Agency National accreditation in September 2002).

The accreditation of the Paying Agency by the European Commission will be given by the time of Slovenian accession to EU.
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. Reference to feasibility /pre-feasibility studies. For all investment projects, the executive summary of the economic and financial appraisals, and the environmental impact assessment should be attached (compulsory)
5. List of relevant Laws and Regulations (optional)
6. Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies etc) (optional)
### LOGFRAME PLANNING MATRIX FOR PROJECT

#### Programme name and number
- **Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund**
- **SI.0101.01**

<table>
<thead>
<tr>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.09.2003</td>
<td>15.09.2004</td>
</tr>
</tbody>
</table>

| Total budget: 300,000 Eur | Phare budget: 150,000 Eur |

#### Overall objective

- Accreditation of the Paying Agency by the European Commission.

#### Objectively verifiable indicators

- Accreditation of Paying Agency by European Commission by December 2002.

#### Sources of Verification

- National Decree on Accreditation of Paying Agency
- Official Journal RS
- Notification of EC accreditation
- Accreditation review.

#### Project purpose

- Implementation of all requirements by EAGGF Section by the end of June 2002.

#### Objectively verifiable indicators

- Positive appraisal of pre-accreditation by the National Fund and accreditation review by the end of June 2002.

#### Sources of Verification

- MF Audit Report
- Agency internal audit report
- Procedures manuals of Paying Agency

#### Assumptions

- Successfully completed twinnings: SL98/IB/AG/02, SL98/IB/AG/03

#### Results

- Staff applies EU standard procedures within Guarantee Section Section within the Accounting Department of AAMRD;
- All necessary documents for Paying Agency accreditation
- Set up a financing system for EAGGF Guarantee Section in a compliance with Community rules (verification of procedures for payment and control, documents for submission, reporting, accountability, securities management,)
- Vouchsafing of Budgetary discipline concerning Member States declarations of expenditure to the Commissions
- Set up coordination for collecting necessary information for the protection of financial interest.

#### Objectively verifiable indicators

- Guarantee Section within the Accounting Department of AAMRD staff understands requirements of relevant EU legislation
- Regular application of procedure documents.
- Creation of database for irregularities.

#### Sources of Verification

- technical assistance reports
- Agency records
- MF Audit Report
- Reports by EC auditors.

#### Assumptions

- Timetable of commitments in NPAA and deadlines for fully operational Paying Agency activities concerning EAGGF Guarantee Fund could come into deadlock with project activities (i.e. signature of FM).
- Envisaged employment positions in the Accounting Department are occupied in a due time.
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Training for staff in European standard procedures, relating to EAGGF</td>
<td>• Short term experts</td>
<td>The successful completion of this twinning light project at the end of June 2002. This is also a precondition for a successful National accreditation in September 2002.</td>
</tr>
<tr>
<td>• Implementation of reporting system for EAGGF Guarantee Section;</td>
<td>• Training</td>
<td></td>
</tr>
<tr>
<td>• Training for preparation of EAGGF Guarantee section of advances (penultimate fax, fax of the 10th, final fax, monthly declarations of expenditures – Table 104, management of budgetary nomenclature, monthly payment of advances, managing of public storage expenditure,) through study tours;</td>
<td></td>
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</tr>
<tr>
<td>• Training for preparation of the annual accounts EAGGF Guarantee Section expenditure Table 105 and Communication with Commission within administrative operations for clearance of accounts procedure;</td>
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<td></td>
</tr>
<tr>
<td>• Establishment of tables of recovering sums, judicial and administrative procedures instituted in view of recovering sums.</td>
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<tr>
<td>• Preparation of the protocol for delegation of functions.</td>
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</tbody>
</table>

**Preconditions**

A large part of the project is linked with the successful results of Agricultural Market Twinning and the Farm registry twinning. The full establishment of procedure for market support procedure and the enforcement of AICS are basic requirements for the implementation of advance or accounting EAGGF procedure.
## Annex 2: Implementation time chart

<table>
<thead>
<tr>
<th>2001</th>
<th>2002</th>
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<tr>
<td>J F M A</td>
<td>J F M A</td>
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<td>J J A S</td>
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<td>O N D</td>
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**Institution Building**

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<tr>
<th>2001</th>
<th>2002</th>
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<tr>
<td>x x x x x x</td>
<td>x x x x x x</td>
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</tbody>
</table>
Annex 3: Contracting schedule (sheet 1)

| Name and Number of programme | Investment in the Acquis | Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund | SL0101.01 |

<table>
<thead>
<tr>
<th>Date</th>
<th>3/31/01</th>
<th>6/30/01</th>
<th>9/30/01</th>
<th>12/31/01</th>
<th>3/31/02</th>
<th>6/30/02</th>
<th>9/30/02</th>
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<th>12/31/03</th>
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<tbody>
<tr>
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</tr>
</tbody>
</table>

NB: all contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM
Annex 3: Disbursement schedule (sheet 2)

<table>
<thead>
<tr>
<th>Name and Number of programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in the Acquis</td>
</tr>
<tr>
<td>Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund</td>
</tr>
<tr>
<td>SI.0101.01</td>
</tr>
</tbody>
</table>

CUMULATIVE DISBURSEMENT SCHEDULE (EUR million)

<table>
<thead>
<tr>
<th>Date</th>
<th>3/31/01</th>
<th>6/30/01</th>
<th>9/30/01</th>
<th>12/31/01</th>
<th>3/31/02</th>
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<th>12/31/03</th>
<th>3/31/04</th>
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<tbody>
<tr>
<td>TOTAL</td>
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<td>0.075</td>
<td>0.075</td>
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</table>

NB all disbursements must be completed within 36 months of signature of the FM
Annex 3: Contracting and disbursement schedule (sheet 3)

<table>
<thead>
<tr>
<th>Name and Number of programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in the Acquis</td>
</tr>
<tr>
<td>Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund</td>
</tr>
<tr>
<td>SI.0101.01</td>
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</table>

<table>
<thead>
<tr>
<th>CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>3/31/01</td>
</tr>
<tr>
<td>Contracted</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Disbursed</td>
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<td></td>
</tr>
</tbody>
</table>

NB: 1. All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM

2. All disbursements must be completed within 36 months of signature of the FM
Annex 5: List of Relevant Laws and Regulations

Regulation (EEC) No 2052/69 of the Council of 17 October 1969 on the Community financing of expenditure arising from the implementation of the Food Aid Convention


Council Regulation (EEC) No 3730/87 of 10 December 1987 laying down the general rules for the supply of food from intervention stocks to designated organizations for distribution to the most deprived persons in the Community

Commission Regulation (EEC) No 411/88 of 12 February 1988 on the method and the rate of interest to be used for calculating the costs of financing intervention measures comprising buying-in, storage and disposal

Commission Regulation (EEC) No 1643/89 of 12 June 1989 defining the standard amounts to be used for financing material operations arising from the public storage of agricultural products

Commission Regulation (EEC) No 2734/89 of 8 September 1989 on the factors to be taken into consideration for determining expenditure pursuant to Article 37 (2) of Regulation (EEC) No 822/87 to be financed by the EAGGF Guarantee Section

Council Regulation (EEC) No 3492/90 of 27 November 1990 laying down the factors to be taken into consideration in the annual accounts for the financing of intervention measures in the form of public storage by the European Agricultural Guidance and Guarantee Fund, Guarantee Section


Commission Regulation (EEC) No 147/91 of 22 January 1991 defining and fixing the tolerances for quantity losses of agricultural products in public intervention storage

Commission Regulation (EEC) No 3149/92 of 29 October 1992 laying down detailed rules for the supply of food from intervention stocks for the benefit of the most deprived persons in the Community

Council Regulation (EC) No 1469/95 of 22 June 1995 on measures to be taken with regard to certain beneficiaries of operations financed by the Guarantee Section of the EAGGF

Commission Regulation (EC) No 1663/95 of 7 July 1995 laying down detailed rules for the application of Council Regulation (EEC) No 729/70 regarding the procedure for the clearance of the accounts of the EAGGF Guarantee Section

Commission Regulation (EC) No 296/96 of 16 February 1996 on data to be forwarded by the Member States and the monthly booking of expenditure financed under the Guarantee Section of
the Agricultural Guidance and Guarantee Fund (EAGGF) and repealing Regulation (EEC) No 2776/88

Commission Regulation (EC) No 745/96 of 24 April 1996 laying down detailed rules for the application of Council Regulation (EC) No 1469/95 on measures to be taken with regard to certain beneficiaries of operations financed by the Guarantee Section of the EAGGF

Council Regulation (EC) No 723/97 of 22 April 1997 on the implementation of Member States' action programmes on control of EAGGF Guarantee Section expenditure

Council Regulation (EEC) No 595/91 of 4 March 1991 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the common agricultural policy and the organization of an information system in this field and repealing Regulation (EEC) No 283/72

94/442/EC: Commission Decision of 1 July 1994 setting up a conciliation procedure in the context of the clearance of the accounts of the European Agricultural Guidance and Guarantee Fund (EAGGF) Guarantee Section

Council Regulation (EC) No 1258/1999 of 17 May 1999 on the financing of the common agricultural policy
APPENDIX – LIST OF STAFF OF ACCOUNTING DEPARTMENT WITHIN FINANCIAL SECTOR OF AAMRD

ORGANISATIONAL STRUCTURE OF AAMRD

6 EMPLOYEES OF THE ACCOUNTING DEPARTMENT:

**Preparation of Guidelines and Manuals**

1. Head of Department (Mr. Silvo Arnuš)*
   B.Sc. in Economy
2. Adviser to the Director of AAMRD (will be employed until 31. December 2001)
   B.Sc. in Economy
3. Senior Adviser (Ms. Šurk Alenka)
   B.Sc. in Economy

**Control and Reporting:**

4. Senior Advisor (will be employed until 31. December 2001)
   B.Sc. in Economy
5. Junior Adviser (will be employed until 31. December 2001)
   B.Sc. in Economy
6. Assistant 1 (Ms. Levstik Danica)
   Secondary school.

Additionally to the above-mentioned employees the following will work on:

a) **Guidelines and Manuals:**
   Ms. Mateja Nemanič, B.Sc. in Economy, AAMRD

b) **Control and Reporting:**
   Mr. Rasto Raven, B.Sc. in Economy, AAMRD
   Mr. Jelen Robert, B. Sc. In Economy, AAMRD

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* Mr. Arnuš resigned and the procedure for his replacement has already been launched.
TERMS OF REFERENCE

Programme Title: PHARE National Programme 2001 AGRICULTURE

Project Title and Number: Accounting, system of reporting and system of securities management for EAGGF Guarantee Fund

SI.0101.01

Twinning Number: SI2001/IB/AG/02/TL

1. BACKGROUND INFORMATION

1.1. Recipient Institution:

Ministry of Agriculture, Forestry and Food (MAFF).

1.2. Project Beneficiary:

Agency of the RS for Agricultural Markets and Rural Development (AAMRD).

1.3. Relevant Country Background:

Slovenia is undergoing a process of institutional, policy and legislative reform in order to strengthen the work on European integration. A new Law on Agriculture, adopted on June 17, 2000, provides a comprehensive basis for agricultural policy, which has to be completed by secondary regulations.

A Program of Agricultural Policy Reform for the years 1999-2002 was adopted in 1998 and will be implemented during the period 1999-2002. A detailed National Program for the Implementation of the Agricultural Policy Reform was decided which outlines in detail institutions responsible for implementation, time schedules, etc.

The alignment of the Slovenian agricultural policy in the area of common market organisations will be carried out in compliance with the National development Programme for Agriculture, Food, Forestry and Fisheries for the period 2000 – 2002, adopted in September 1999 by the Slovenian Government.
The Agency will have responsibility for coordination in the context of the clearance of the accounts of the European Agricultural Guidance and Guarantee Fund after EU accession, and it’s indispensable to prepare accounting procedures and take organisational decisions with a clear knowledge of the EU requirements concerning of the clearance of the accounts.

The AAMRD will be also responsible for carrying out tasks in the area of trade mechanisms, trade with third countries on agricultural markets, and the area of non-Annex I products. In 2001 and 2002, the AAMRD will gradually take on tasks related to the implementation of import licences and securities, and no later than 31 December 2002 it will be qualified to carry out all tasks defined by the *acquis* in this area (administration and management of import and export licences and securities, implementation of the export refunds system, management of tariff quotas, management of the movement of intervention products and the verification of the use and/or destination of intervention products, reporting and communicating with the Commission).

### 1.4. Current State of Affairs Sector

The Agency of the Republic Slovenia for Agricultural Markets and Rural development (AAMRD) was created in July 1999 on the basis of Act amending the organisation and competence of ministries act for the purpose of implementation of common market organisations and measures and policies in the field of agriculture. In December 1999 the Decree on accreditation criteria for AAMRD was issued, laying down the conditions, the method of operation and the competences and the obligations of the Agency. In March 2000, the rules on internal organisation and job systematisation of AAMRD were issued. The Agency has been developing its technical and staff capacity in order to assume the tasks relating to the implementation of SAPARD pre-accession aid and common agricultural policy measures.

This project is a logical continuation of the process of establishing and upgrading all necessary departments and units of the AAMRD. There are certain deadlines to be reached before the full membership of the Republic of Slovenia in EU (all institutions will be fully operational according to EU requirements and regulations no later 31 December 2002). For the implementation of the programme for measures to be financed under EAGGF (measure for enhancing the agriculture structure, for modernisation and adaptation of the food processing industry, integrated rural development programme, forestry measures) upon accession, the Guarantee Section of AAMRD was established. The staff is already in place, but it needs technical assistance in preparation of documentation as well as training for performance of all necessary activities, procedures according to EAGGF system.
With this project the operational EAGGF system of advance payments according to the EAGGF Guarantee Section will be fully implemented and as such complete the process of accreditation of the Paying Agency.

The national accreditation will be adopted in September 2002 and all activities in this project are going to be performed in this time frame.

The project will cover:

- technical assistance component for the preparation of annual accounts for the Accounting Department within the Financial Sector of AAMRD - expenditure Table 104, 105 and “x” tables, administrative operations for clearance of accounts procedures, managing of public storage expenditures,…
- training component according to the needs and working plans of the Guarantee sections, based on technical assistance component;
- preparation of documents component.

1.5. Related Projects

Establishment of Agency for Agricultural Markets and Rural Development (FM 99) – SL98/IB/AG/03 – with Germany, Austria and Greece as partners

Twinning on Rural Structural Development with the Objective to establish the Department of Rural Development within AAMRD and be fully operational in accordance with requirements with the EU membership.

SPP/SAPARD - (SL98/1B/SPP-01) – with UK as a partner

Training programme for key personal of AAMRD for SAPARD and Paying Agency.

Farm Registry (FM 99) – SL98/IB/AG/02 – with Germany and Austria as partners

The twinning on Farm Registry with the Objective to set-up the IACS – Department of the AAMRD and to bring key elements of IACS (farm register, animal identification register, linkages between and to other information systems) in line with EU requirements.

Agricultural markets (FM 99) – SL98/IB/AG/04 – Germany and Austria as partners

The twinning programme with the Objective to establish the Agricultural Markets Department within the AAMRD.

LINKED ACTIVITIES BY NATIONAL GOVERNMENT:
Accounting Department within Financial Sector of AAMRD was established and part of the staff is already in place. Some training and study tours for understanding Paying Agency role and activities were provided in the field of pre-accession measure SAPARD.

2. OBJECTIVES

2.1. General Objective

Accreditation of the Paying Agency by the European Commission by the time of accession.

2.2. Specific Objective of the Project

Finalization of paying, accounting and management procedures to fulfil requirements for EAGGF Guarantee Section accreditation.

3. ASSUMPTIONS

3.1. Assumptions in the Project Intervention

All elements for project implementation are already in place. The only condition needed for successful implementation is that the project ends of June 2002 (this is a deadline for Agency National accreditation in September 2002).

The accreditation of the Paying Agency by the European Commission will be given by the time of Slovenian accession to EU.

3.2. Risks

Timetable of commitments in NPAA and deadlines for fully operational Paying Agency activities concerning EAGGF Guarantee Fund could come into deadlock with project activities (i.e. signature of FM).

Very important for the implementation of the project is that envisaged employment positions in the Accounting Department are occupied in a due time.
4. SCOPE OF THE WORK

4.1. Specific activities:

1- Training for staff in European standard procedure relating.. Providing information on up to date Commission guide line or documentation issued by EAGGF committee Information and training on audit procedure concerning EAGGF clearance of account Establishment of financial planning for EAGGF expenditure and EAGGF advance payment after accession in order to plan national budgetary adjustment. Establishment of a centralised register of security

2- Implementation of reporting system of EAGGF Guaranty section Providing up to date Commission documentation on this issue Training on the management of budgetary nomenclature Training on accounting related to public storage

3- EAGGF Guaranty section of advance Two times one month study tour in two different Members state intervention agency (or the adequate structure) for step by step following the advance procedure. Establishment of necessary contact for providing accurate data in order to foresee EAGGF expenditure.

4- Training for the annual account EAGGF Guarantee Training on establishment of table 105 and study tour in at least on Member state Information on main causes of Commission refusal of clearance of account in the last year Training on the EU clearance of account procedures

5- Establishment of tables of recovering sums Implementation of identification mechanisms for all outstanding debts toward EAGGF Establishment of a centralised official register of outstanding debts Checking the Slovene national regulation concerning way of recovering sums, and provided if necessary improvement proposals in order to guaranty the financial interest of the community budget.
5. LOGISTIC AND TIMING

5.1. Project Location

The activities shall be performed in Slovenia (workshop(s)), at the premises of AAMRD and in the Paying Agency of the selected Member State.

5.2. Project Period

The overall duration of the project will be 6 months. The work will commence immediately on the signing of the Contract. The contractor is requested to give an outline time schedule as part of the tender offer.

6. EXPECTED OUTPUTS

The activities proposed under this project will deliver the following outputs:

• Staff applies EU standard procedures within Guarantee Section;
• All necessary documents for Paying Agency accreditation
• Set up a financing system for EAGGF Guarantee Section in a compliance with Community rules: (a) verification of procedures for payment and control (b) preparation of documents for submission, reporting, accountancy, securities management:
  - Establishment of financial planning for EAGGF expenditure and EAGGF advance payment
  - Establishment of centralised register of security;
  - Establishment of necessary contact for providing accurate data in order for foresee EAGGF expenditure;
  - Establishment of centralised official register of outstanding debts;
  - Agency records;
• Achievement of Budgetary discipline concerning Member States declarations of expenditure to the Commissions
• Set up coordination for collecting necessary information for the protection of financial interest.

Verifiable indicators for the above mentioned outputs:
• Accounting Department within Financial Sector of AAMRD staff understands requirements of relevant EU legislation.
• Regular application of procedure documents.
• Creation of database for irregularities.
Means of their measurement:
- Technical assistance reports
- Agency records
- MF Audit Report
- Reports by EC auditors.

7. REQUIRED INPUTS

The Implementing Agency:
CFCU, Ministry of Finance
Beethovenova 11
1000 Ljubljana.
Responsible person: Mr. Peter Škofič, PAO.
Tel.: +386 1 478 6203, fax.: +386 1 478 6204
E-mail: peter.skofic@mf-rs.si

Implementing Authority
Ministry of Agriculture, Forestry and Food of RS
Contact person
Mr. Marko Verbič, IA - PIU, SPO, Head of Department for International Cooperation
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Slovenia
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Project Manager of the Project:
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tel.: +386 1 478 9148, fax.: +386 1 478 9155,
E-mail: dusan.vujadinovic@gov.si
Ministry of Agriculture, Forestry and Food of RS
Dunajska 56-58
1000 Ljubljana

Beneficiary is AAMRD:
The Deputy Project Manager will be:
Ms. Alenka Šurk, AAMRD
Dunajska 160, 1000 Ljubljana
Tel.: +386 1 478 9258, fax.: +386 1 478 9206
E-mail: alenka.surk@gov.si

The Contractor’s duties are to provide:
- administrative and financial management;
- technical support;
- support for the local and international technical assistance;
- expertise as specified below;
- logistical and organisational support for the training activities as specified below
7.1. Manpower

The following Experts input will be required:

<table>
<thead>
<tr>
<th>Area of Expertise</th>
<th>Time Provision</th>
<th>Experts Profile*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expert in the audit procedure concerning EAGGF clearance of accounts</td>
<td></td>
<td>5 years of experience in accreditation for EAGGF</td>
</tr>
<tr>
<td>Expert for Accounting and Financial EU procedure</td>
<td></td>
<td>5 years of experience in Intervention Agency, Accounting Department</td>
</tr>
<tr>
<td>Expert for Accounting and Financial EU procedure</td>
<td></td>
<td>5 years of experiences. He/she should be a national expert attending EAGGF Committee.</td>
</tr>
</tbody>
</table>

* (requirements for all experts)
  - university degree
  - excellent communication skills, both written and oral;
  - good working knowledge of English language;
  - computer literacy.

7.2. Other inputs

In addition to the fees of the experts to be provided, the Contractor shall make provision for:
  - local and international travel expenses;
  - operational costs;
  - training costs.

7.3. The Contractor

The Contractor will be responsible for the accurate and timely delivery of the services as specified above.

7.4. Reports

The submission of reports
The contractor shall submit the following reports to the Implementing Authority, Ministry of Agriculture, Forestry and Food, Dunajska 56, 1000 Ljubljana (contact person: Mrs. Marko Verbič, tel. 4789116; fax 4789155), CFCU (Head of Unit, Mr. Peter Škofič, tel. 478 62 03; fax 478 62 04) and EC Delegation (Head of Phare section, Mr. Gianluca Grippa, tel. 4251 303; fax 4252 085):

- An Inception Report one month after the start of the project which will cover the capacities and the methodology of work of all counterparts with recommendations for improvements;
- Monthly reports;
- Final Report shall be submitted no later that two weeks after the end of the project.

All the Reports must include the description of all activities that have been performed as well as the problems encountered and solutions proposed. The Final Report should include the Executive Summary. Reports will be approved by the Ministry of Agriculture, Forestry and Food.

The reports shall be written in English language.

The Contractor shall produce 3 copies for each report.

8. **MONITORING AND EVALUATION**

The success of the project is closely linked with the achievement of the expected results.