

Standard Summary Project Fiche

1. Basic Information

- 1.1 **CRIS Number: 2003/004-979-06-02**
- 1.2 Title: **External Border Initiatives in Latvia**
- 1.3 Sector: Regional Policy
- 1.4 Location: Latvia, Latgale and Vidzeme planning regions
Latgale Region Development Agency, Riga Street 2, Daugavpils LV-5403
Vidzeme Development Agency, Lacpleša street 1, Valmiera LV-4201

Objectives

1.5 Overall Objective

The overall objective of the project is to prepare to implement the forthcoming INTERREG programme at future EU external borders in Latvia.

1.6 Project purpose

The purpose of the project is to support social and economic activities in regions bordering the future EU eastern border thus increasing the capacity of regional and local institutions and their socio-economic partners in the identification, facilitation, preparation and management of projects of cross-border nature.

1.7 Accession Partnership and NPAA priority

Accession partnership:

Regional policy and co-ordination of structural instruments:

- Develop the technical preparation of projects eligible for Structural Funds assistance (project pipeline).

NPAA:

- preparation work with the EU pre-accession financial instruments, and the Structural and Cohesion Funds.

2.4. Cross Border Impact

The External Borders Initiatives project will contribute to the development of cross border cooperation across the future EU external border areas, and will promote projects with clear cross border impact. The project will encourage development of links between the communities and other relevant institutions in the Latvian – Russian and Latvian – Belarus border regions. Russian and Belarus partners will be involved in project activities whenever appropriate and possible, using the already existing cooperation links and establishing new contacts. Ideally, some joint pilot activities will be co-financed by Tacis Cross Border Cooperation (CBC) programme (as Latvian partners can submit projects applications for Tacis CBC).

2. Description

2.1 Background and justification:

After accession to the EU, Latvia will be eligible for the Community Initiative INTERREG III, which has 3 strands– cross-border (A), trans-national (B) and interregional (C).

Latvia already at this stage participates in the INTERREG IIIB and IIIC programmes, being involved in the INTERREG IIIB Baltic Sea Region Monitoring and Steering Committees and establishing a Sub-committee for INTERREG IIIB programme. As regards INTERREG IIIC programme, Latvia participates in the North zone

programme and is a member of the Monitoring and Steering Committee. However until now there has been no experience gained in working with A-type (cross border cooperation) programmes. Therefore special attention should be paid to preparation of these programmes, especially as after accession, Latvia's eastern border with Russia and Belarus will become the EU external border.

Following the communication of the Commission there will be 2 new A-type priorities introduced within the INTERREG IIB Baltic Sea Region programme – the first will cover eligible territories for cross-border cooperation in Latvia, Estonia and Russia and the second will cover the eligible territories in Latvia, Lithuania and Belarus. The ministry of Regional Development and Local Governments (MRDLG) being nominated as responsible institution for INTERREG in Latvia will take the lead in drafting and submission of the necessary documentation for both new INTERREG IIIA priorities, in full co-operation with representatives from respective regional and local authorities.

Cooperation among the municipalities and institutions of Latvia, and the neighbouring countries is increasing. For example, there is euroregion "Country of Lakes", with representatives from Latvia, Belarus and Lithuania and the Cross Border Co-operation Council between Latvia, Estonia and Russia. The activities carried out involve the organization of seminars, conferences but as regards the real implementation of cooperation projects where Russian and Belarusian counterparts are involved, recently there has been only one project in the euroregion "Country of Lakes" started. The small number of cross border cooperation projects reflects the different – and complex - procedures of cross border cooperation programmes operating in Latvia (Phare CBC), Belarus (Takis CBC) and Russia (Takis CBC). Also (i) the lack of information on cross border cooperation programmes and their possibilities; (ii) lack of knowledge on how to prepare and manage cross-border cooperation projects; (iii) lack of funding necessary for the preparation of project and (iv) shortage of required co-funding, could be identified as important problems.

Therefore this project will address the capacity building issues and support the small-scale people-to-people project preparation activities in order to prepare respective Latvian regional and local authorities to receive funding from INTERREG IIIA priorities.

2.2 Linked activities:

Phare 2003 Institutional Capacity Building in regions (project proposal has been submitted to European Commission). It is planned that this project will increase the capacity of regional institutions and their socio – economic partners in the identification, facilitation, preparation and management of the projects co – financed by EU Structural funds, especially European Regional Development Fund as well as build and strengthen partnership on regional level. The building of the capacity will be carried out through set of activities related to the assessment of current situation in the regions and following the strengthening of planning and programming capacity of regional authorities and socio – economic partners with an orientation towards programming of Structural Funds' type projects as well as strengthening partnerships and improving methods for attracting financing of the Structural Funds. It is expected that project will start in the last quarter of 2003.

Twinning Light project "Support for the Preparation of the Community Initiative INTERREG III" (project proposal has been submitted to European Commission). The objective of the project is to support actors involved in implementation of the Community Initiative INTERREG III (in particular strand A). The specific objective of project is to build capacity of work with INTERREG III (in particular strand A) in the MRDLG and strengthening the project preparation capacity in municipalities and Euroregions by providing information and elaboration of project pipeline for border areas with Estonia and Lithuania. The project foresees also organization of seminars and workshops in the border area of Latvia with Lithuania and Estonia to raise awareness about INTERREG programme.

The activities of the proposed External Borders Initiatives project and the two above described projects are interlinked but do not overlap. The Institutional Capacity Building project is targeted to the whole Latvia (all regions) and Structural Funds (not to Community Initiatives); within the project, overall training on project cycle management will be provided and projects for Objective 1 programmes will be identified (large scale, regional and national level projects). This project will start already at the fourth quarter of 2003, thus creating a background for further, more specific capacity building activities. The Twinning Light project will be the assistance to the national authority bearing responsibility for INTERREG in order to prepare the two new

cross border cooperation priorities. The only activity within the Twinning project, which is linked to regions, is five awareness rising seminars (one in each region) about INTERREG in general and about differences between the three strands.

The proposed External Borders Initiatives project will be targeted to pure cross border cooperation (small scale, people-to-people) activities in two regions bordering with Russia and Belarus. The main targets are to identify cross-border cooperation projects and to develop project pipeline, to provide training on how to develop good cooperation idea into a project and how to manage a cross-border cooperation project.

It is very important to coordinate activities of the three projects in order to avoid overlapping during the implementation phase. This will be ensured by the MRDLG.

Promotion of SME development in the territory of Euro region “Country of lakes” through cross border co-operation activities (LE0004/0010) - The project aim is to promote cross-border cooperation in business (SME) sector, to maximize existing business potential in sector, to contribute to regions future economic growth and creation of new jobs in the whole area of Euroregion “Country of lakes”. One of the objectives is to promote direct contacts between SME’s of Latvian, Lithuanian and Belarus border area by organizing contact days and individual consultations. The implementation of the project activities started in October 2002 and will be finished in September 2003.

Economic and Social Cohesion Measures in the Latgale (LE 0012.02) and Zemgale (LE 0012.03) – addressing the regional disparities and social cohesion challenges through sustainable economic development. It is planned that the competitive nature of the ESC 2000 programme (funding projects that display real economic development potential and partnership focus) will promote innovation in project proposal development. The implementation of the project activities started in January 2002 and will be finished by the end of 2003. The programme had territorial focus, namely all assistance is targeted to only two regions - Latgale and Zemgale. As it regards the capacity building activities in the regions, separate components within the projects were planned in order to establish Regional partnerships in Latgale and Zemgale region. The results reached within the Regional Partnership components will be used when starting the implementation of this project.

Bilateral programme *Transform* with Germany in Vidzeme region was aimed assisting in preparation and implementation of Vidzeme regional development plan (paying special attention to economic development activities), and preparation of Action plan for economic development in Vidzeme region. Unfortunately the Action Plan for Economic development was not finished and further assistance and work on the plan is needed, special attention need to be paid to the priorities sectors identified in the Vidzeme regional development plan. Within this project regional projects database was reviewed and updated with new project ideas, concrete project proposals were started to develop. Within the project monthly training seminars for mainly regional political level were carried out with the main aim to develop sound working principles based on partnership among the representatives in the Regional Development Council.

2.3 Results:

As a result of the project, the capacity of the local and regional authorities, social partners, NGOs representing the eligible external border regions under INTERREG IIIA programme will be strengthened in cross-border cooperation project identification, development and planning, project preparation, implementation and coordination as well as in building the relevant cross-border partnership. Also, project pipeline for the INTERREG IIIA programme covering eligible external border regions/territories will be established.

By implementing the project, it is expected that:

- 2.3.1 Capacity to act as a coordinating structure for the implementation of INTERREG A-type projects in future will be developed;
- 2.3.2 Staff of municipalities, Vidzeme and Latgale regional development agencies and socio-economic partners and other counterparts will be trained in cross border cooperation

projects identification, preparation, and management (project cycle management), paying a special attention to project preparation phase;

2.3.3 Respective cross border cooperation documents reviewed and analysed;

2.3.4 The partnerships with Belarus and Russia authorities established;

2.3.5 Cross border co-operation project pipeline established;

2.3.6 A number of cross border projects and project applications for INTERREG IIIA programme prepared.

Cross border cooperation means that partners from both sides of borders are involved. Until now Russian and Belarus partners have not been very active – mainly due to lack of information, financing, knowledge on available financing and language problems. It is planned to invite Russian and Belarus partners to participate in project Steering Committee and in project activities where appropriate and whenever it appears possible. When identifying possible cooperation projects, possibility to finance activities from Tacis CBC will be explored – as Latvian partners now can submit Tacis CBC applications, it is essential to have knowledge about this possibility on Latvian side.

2.4 Activities

The activities to be implemented within the project are as follows:

- To assess current situation in the border regions/territories in terms of existing capacity in projects preparation;
- To identify needs regarding the capacity building activities in the respective territories;
- To elaborate training programme for the respective institutions;
- To provide training and workshops;
- To strengthen possible future coordinating structures for INTERREG IIIA programme.
- To review the existing cross border cooperation documents and to assess their compliance with relevant INTERREG IIIA programmes
- To organize seminars and workshops on project idea identification and project pipeline development
- To provide expertise in project idea formulation and project preparation
- To develop project ideas (project pipeline) and to implement some as pilot activities.

Direct beneficiaries of the project activities are relevant municipalities as well as respective NGOs, economic and social partners and regional development agencies.

Required input:

For the implementation of the above-mentioned activities following expertise is required:

- 1 EU long term expert, input 12 m/months;
- 2 local long term experts, total input 12 m/months;
- 1 EU short term expert on capacity assessment in the regions; input – 2 m/months;
- 1 EU short term expert on provision of training on project cycle management – 1 m/month;
- 2 EU short term expert on project pipeline development; input – 2 m/month;
- 2 EU short term experts on provision of consultancy in the project preparation; input – 4 m/month;
- 1 local short term expert on capacity assessment; input - 2 m/months;
- 1 local short term expert on provision of training on project cycle management – 1 m/month;
- 2 local short term experts on project pipeline development; total input – 6 m/months;
- 3 local short term experts on provision of consultancy in the project preparation; input – 6 m/months

Profile of EU experts:

- Comprehensive and practical 5 years experience in the required specialisation;
- Ability to think strategically;
- Excellent English language skills and computer literacy.

Profile of local experts:

- Comprehensive and practical 5 years experience in the required specialisation;
- Ability to think strategically;
- Excellent Latvian language and English language skills and computer literacy.

The experts will be based in the respective regional development agencies and will work in close cooperation with the staff of the agencies, municipalities of the respective regions and the MRDLG.

2.5 Lessons learned

Experience gained from work with Phare Cross Border Co-operation programmes shows that there is an urgent need to increase the level of project preparation capacity in Latvia. When evaluating the range of project proposals submitted for previous CBC programmes in the past, the number of projects corresponding to INTERREG IIIA type of activities has been limited, therefore special attention should be paid to the capacity building in development of the cross-border cooperation projects, taking into account that the largest part of funding for INTERREG III activities will be channelled to INTERREG IIIA strand. The experience gained in developing the cross-border cooperation (for example, there are several Euroregions established in Latvia, some of them have already elaborated development strategy) should serve as basic guidelines for further capacity building and project development.

3. Institutional Framework

The overall responsibility for the implementation of the project components will be under the Ministry of Regional Development and Local Governments (MRDLG). The MRDLG will be responsible also for technical implementation of the project.

The Programme Authorising Officer (PAO), State Secretary of the Ministry of Finance, will bear responsibility for administrative and financial management of the project.

For the coordination of the activities to be carried out, a Steering Committee shall be established consisting of representatives from Vidzeme and Latgale¹ planning regions and chaired by the representative of the MRDLG. In addition the respective cooperation partners from Belarus and Russia will be invited.

The main tasks for the Steering Committee:

- If necessary, to initiate changes within the programme implementation process;
- To coordinate and monitor the implementation process of project;
- To review and approve the project implementation time schedule.

The main beneficiaries of the project will be respective regional development agencies, regional and local municipalities of the regions as well as social partners.

The activities of all project Components will take place in the respective planning regions. The responsible institutions in each of the planning regions are:

- Latgale Region Development Agency, Riga Street 2, Daugavpils LV-5403, phone: +371 54 28 111, fax: + 371 54 10 078;
- Vidzeme Development Agency, Lacpleša street 1, Valmiera LV-4201, phone: + 371 42 81 711, fax: +371 42 81 711;

¹ Definition of eligible territories depends on Governments decision which is still to come.

4. Detailed Budget

	Phare Support			National Co-financing			
	Investment Support	Institution Building	Total Phare (=I+IB)	Eligible costs	Non-eligible costs	IFI	TOTAL eligible costs
Service Contract	-	1 350 000	1 350 000	135 000*	24 390	-	1 485 500
Total	-	1 350 000	1 350 000	135 500	24 390	-	1 485 500

* Parallel co-financing applied. National financing will cover the office costs of local transport, telephone, fax, internet connection, copying and printing services, preparation of the premises.

5. Implementation Arrangements

5.1 Implementing Agency

PAO: Mrs Valentina Andrejeva
State Secretary, Ministry of Finance
Smilsu street 1, Riga, LV-1919
Tel. +371 7212 726
Fax. +371 7095 421

SPO: Ieva Verzemniece
Deputy State Secretary, Ministry of Regional Development and Local Governments
Raina bulv. 4, LV-1050
Tel. +371 7 321 752
Fax +371 7 223 148

CFCU: Mr Armands Eberhards
Director
Smilsu street 1, Riga, LV-1919
Tel. +371 7094 342
Fax +371 7094 348

5.2 Twinning

N/A

5.3 Non-standard aspects

During the project implementation EDIS Manual will be strictly followed and contracts will be signed according to the procedures provided in Practical Guide for Phare, ISPA and SAPARD Contracting Procedures. Prior to EDIS accreditation, DIS will be followed. EDIS will apply from the date of accession at latest. Ratio: if during project implementation the project cost for some reasons will decrease, the Phare financing will also decrease proportionally.

5.4 Contracts

Service Contract – total value 1 350 000 EUR (parallel co-financing)

6. Implementation Schedule

6.1 Start of tendering/call for proposals

It is expected to start tendering in September 2003.

6.2 Start of project activity

It is expected to start implementation in March / April 2004.

7.3 Project Completion

All project Components must be implemented by April 2005.

7. Equal Opportunity

Participation in the project will require professional qualifications and competence in the particular area and will allow equal opportunity for men and woman to participate in implementation of the projects. Access to the project results will be equal for men and women.

8. Conditionality

- Agreement with regions reached and government decision made about eligible territories for each of the new INTERREG cross border priority;
- Agreement with regions reached and government decision made on division of INTERREG financial allocation between strands and priorities;
- Provision of planned project co-financing
- Proper human resource capacity for project management and monitoring purposes in the MRDLG and regional development agencies;

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and Disbursement Schedules

Phare log frame

LOGFRAME PLANNING MATRIX FOR Project External Border Initiatives in Latvia	Programme name and number	
	Contracting period expires	Disbursement period expires
	Total budget: 1.485.500 EUR	Phare budget: 1.350.000 EUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
To prepare to implement the forthcoming INTERREG programme at future EU external borders in Latvia.	Increase of cooperation activity on Latvian border with Russia and Belarus	<ul style="list-style-type: none"> - Commissions reports - Studies by international institutions 	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> - to support social and economic activities in regions bordering the future EU eastern border thus increasing the capacity of regional and local institutions and their socio-economic partners in the identification, facilitation, preparation and management of projects of cross-border nature. 	<ul style="list-style-type: none"> - number of regional administration able to manage projects 	<ul style="list-style-type: none"> - National reports - Commission reports 	<ul style="list-style-type: none"> - Continuing and improving government commitment to the aims of project; - Availability of qualitative technical assistance
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • Capacity to act as a coordinating structure for the implementation of INTERREG A -type projects in future will be developed; • Staff of municipalities, Vidzeme and Latgale regional development agencies and socio-economic partners and other counterparts will be trained in project cycle management, paying a special attention to project preparation phase; • Respective cross border cooperation documents reviewed and analysed; • The partnerships with Belarus and Russia authorities established; • Cross border project pipeline established; • A number of cross border projects and project applications for INTERREG IIIA programme prepared. 	<ul style="list-style-type: none"> - number of involved institutions - number of trained staff - number of projects identified - number of projects prepared 	<ul style="list-style-type: none"> - Monitoring reports - Service provider's reports - Applications prepared within the project applying for funding from INTERREG IIIA 	<ul style="list-style-type: none"> - Availability of qualitative technical assistance - Efficient coordination between the implementing authorities, service provider and other involved parties; - Efficient coordination with other relevant assistance projects
Activities	Means		Assumptions
<ul style="list-style-type: none"> • To assess current situation in the border regions/territories in terms of existing capacity in projects preparation; • To identify needs regarding the capacity building activities in the respective territories; • To elaborate training programme for the respective institutions; • To provide training and workshops; • To strengthen possible future coordinating structures for INTERREG A programme. • To review the existing cross border cooperation documents and to assess their compliance with relevant INTERREG IIIA programmes 	One service contract		<ul style="list-style-type: none"> - timely availability of technical assistance - effective use of resources and expertise

<ul style="list-style-type: none"> • To organize of seminars and workshops on project idea identification and project pipeline development • To provide expertise in project idea formulation and project preparation • The develop project ideas and implement some pilot activities . 			
Preconditions <ul style="list-style-type: none"> - Agreement with regions reached and government decision made about eligible territories for each of the new INTERREG cross border priority; - Agreement with regions reached and government decision made on division of INTERREG financial allocation between strands and priorities; - Provision of planned project co-financing - Proper human resource capacity for project management and monitoring purposes in the MRDLG and regional development agencies; - 			

DETAILED IMPLEMENTATION SCHEDULE OF THE PROJECT ACTIVITIES

	2003												2004												2005											
(all components)	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Elaboration of Terms of Reference for Service provider																																				
Tender for service providers																																				
Contracting																																				
Implementation of project																																				

CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE (IN EURO)

	2004				2005			
	I	II	III	IV	I	II	III	IV
Service Contract								
Contracted total:								
Phare:		1 350 000						
National:								
Disbursed total:								
Phare:		810 000		1 012 500		1 350 000		
National:		27 100		81 300		135 500		