

STANDARD SUMMARY PROJECT FICHE

1. Basic Information

- 1.1 CRIS Number:** 2003/004-979-08-04
Twinning Light LV/2003/IB/TL
Envelope Comp. 1
- 1.2 Title:** Institution Building Facility
- 1.3 Sector:** Various
1.4 Location: Latvia

2. Objectives**2.1 Overall Objective(s):**

Strengthening the institutions and administrative capacity for the full application of the *acquis communautaire* in Latvia.

2.2 Project purpose:

- To strengthen the institutional and administrative capacity by means of twinning light assistance to fulfill specific institution building tasks that have been identified within the frame of the [Monitoring Process](#) and the Action Plan 2002 for preventing shortages identified in the Annual European Commission Progress Report for Latvia in order to reinforce Latvia's administrative and judicial capacity.
- [Evaluations conducted in accordance with the requirements of the *acquis*](#)

2.3 Accession Partnership and NPAA priority

Accession Partnership:

„At its meeting in Madrid in 1995, the European Council stressed the need for the candidate States to adjust their administrative structures to ensure harmonious operation of Community policies after accession and at Luxembourg, in 1997, it stressed that incorporation of the *acquis* into legislation is necessary, but not in itself sufficient; it is necessary to ensure that it is actually applied. The Feira and Gothenburg European Councils in 2000 and 2001 respectively confirmed the vital importance of the applicant countries' capacity to implement and enforce the *acquis*, and added that this required important efforts by the applicants in strengthening and reforming their administrative and judicial structures.”

Regional policy and coordination of structural instruments:

- complete legal and administrative framework which allows for the implementation of the *acquis* in this area, in particular with regard to financial management and control;
- set up evaluation and monitoring systems.

3. Description**3.1 Background and justification:**

Institution Building Facility:

Numerous accession-related institution-building projects have been completed or are being completed by drawing on the expertise of Member States experts. The Institution Building Facility shall provide the possibility to respond to emerging tasks in a more flexible and immediate way to address specific well-circumscribed self-contained subjects of limited scope. Within the National PHARE budget an unspecified envelope will be earmarked, from which the approved projects will be financed. Projects will be supported in the high priority areas identified during the programming process, which will be carried out by the respective working-group led by the European Integration Bureau and comprising the representatives from the Ministry of Finance and the Ministry of Foreign Affairs. The following documents as Accession Partnership 2002 - 2003, Annual Progress Report, Action Plan 2002 for preventing shortages identified in the annual Progress Report for Latvia approved on 6 January, 2003 by the European Integration Council will serve as a basis for strategic programming of Institution Building Facility.

Technical assistance for evaluation of Phare programs and know-how transfer

The financial acquis of Chapter 28 and related principles of Sound Financial Management require Candidate Countries to build the capacity for monitoring and evaluation of Community funds, including preaccession funding. According to implementation Rules of Financial Regulation (1605/2002 of 25 June 2002) programs shall be periodically evaluated during their implementation, to allow the evaluation findings to take into account for the decision making process.

The responsibility for monitoring of Phare funding was decentralized to Latvian administration in the year 2000. In the context of Extended Decentralized Implementation System (EDIS) the preparations for decentralization of evaluation function to Latvia should be started in 2003.

In order to ensure the common evaluation principles, such as independence of evaluation function the assistance to Latvian National Aid coordinator's office should be provided in setting up the proper organizational structure to manage the evaluation as well as to transfer the *know-how*.

3.2 Linked activities:

- All institution building projects financed by PHARE since 1998
- The TAIEX Multi-beneficiary Programme, which acts as a complement to the national Phare programmes and is coordinated with them, responding to individual requests not covered in these programmes by tailor-made actions for each country in all fields of the *acquis*.
- SIGMA Multi-beneficiary Programme, which advises on the modernisation of general management systems of public institutions, oriented to accession priorities and complementing National Programmes for Institution Building and twinning.
- Multi country "Phare assessment scheme" project (ZZ0003) (In November 2002 closed for contracting), covering the interim evaluation managed by the EC of Phare assistance.

3.3 Results:

- Concrete administrative structures and management systems in place which satisfy the requirements of the *acquis communautaire* for a number of areas of limited scope.
- Interim evaluation of implementation of Phare programs provided.
- Latvian administration capable to manage the evaluation function on decentralized basis.

3.4 Activities:

Component I Institution Building Facility

An envelope for as yet unspecified **institution building** (twinning light and technical assistance projects) would be established.

Funded projects will rest on a number of fundamental principles:

- Projects will be based on priorities identified in the revised Accession Partnership for 2002 and 2003, the NPAA and the Action Plan 2002 for preventing shortages identified in the annual Progress Report for Latvia in order to reinforce Latvia's administrative and Judicial Capacity.
- The project will target very specific areas of limited scope where a concrete, operational result is to be achieved
- The beneficiary lays out a clear work programme, how it intends to achieve the result and what means it will deploy. The project should make the commitment of the beneficiary to achieve the guaranteed result explicit
- Size and budget of projects will be subject to individual assessment
- Type of assistance - twinning light - will be subject to individual assessment depending on the nature of assistance requested. Technical assistance will be used only in those cases where twinning light would not appear the appropriate instrument.
- All projects should be in full compliance with the respective Commission's guidelines and procedures for implementation of projects identified under this Facility

Component II

Technical assistance for evaluation of Phare programs and *know-how* transfer

- To **provide evaluation on the implementation of Phare** pre-accession aid and provide recommendations for corrective actions and, where appropriate, for future project/programme design leading to minimisation of possible shortfalls in implementation and maximising the project impact.
 - to produce a number of evaluation reports in the sectors agreed by Joint Monitoring Committee. In carrying out the evaluation, the Contractor will be expected to consult on an ongoing basis with NAC service, relevant implementing bodies and beneficiaries.
- To **transfer know-how** in terms of monitoring and evaluation to the country's administration and provide the training:
 - Development of monitoring and evaluation methodologies:
 - Prepare clear and detailed recommendations concerning the set up of the monitoring and the evaluation scheme in the country.
 - Elaborate an action plan to tackle the recommendations.
 - Provide training in following issues:
 - Evaluation and Monitoring. The training should provide the staff of the National Aid Coordinator's office and bodies responsible on monitoring and evaluation of Community funds:
 - Monitoring and Evaluation design and management
 - Selection and use of indicators for monitoring and Evaluation
 - Monitoring and Evaluation techniques and tools
 - Identifying Required Capability, Developing Capacity for Monitoring and Evaluation
 - in evaluation skills and report drafting (including ex-ante, interim, as well as ex-post evaluation). The training should be provided to domestic evaluators identified by National Aid Coordinator. Also the training on evaluation team leader functions should be provided to one or two staff members nominated by National Aid Coordinator.
 - on detailed requirements as regards the reporting requirements of the Member States towards the Commission for use of the Structural Funds on the basis of the best practice in Member states. The training should be provided to all parties involved in the administration of the pre-accession funds (and those possibly involved in management of Structural funds).

Means:

Service contract:

- Team Leader (minimum 15 years of experience with EC funded programmes in Member States and/or CCs) responsible for the project;
- Pool of international **and local** experts-evaluators in different areas, such as: macroeconomics and development, human resource development and employment, infrastructure projects, grant schemes, regional development;
- Training seminars on:
 - Evaluation and Monitoring;
 - evaluation skills and report drafting
 - on detailed requirements as regards the reporting requirements of the Member States towards the Commission for use of the Structural Funds
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Experts profile:

- experience of European integration and accession issues in general, in particular familiarity with pre-accession matters in the Candidate Countries (past experience in Latvia is welcome);
- professional experience in public administration, programming, project management, implementation, monitoring and evaluation);
- knowledge of programming, monitoring and implementation of Community funds with a good understanding of structural fund mechanisms (especially application of 1260/1999 and 438/2001 Regulations);
- professional experience in management or evaluation of EU funded programmes;
- professional experience in EU matters, preferably in EC funded programmes in the Member States;
- familiarity with EC procedures and terminology, experience in EC would be welcome;
- experience with performance audit, economic and impact studies;
- professional training skills;
- good communication skills and experience in consultancy or advising activities;
- fluency in English with excellent drafting capability and with at least a Masters qualification.
- capability to provide the reports in Latvian language

3.5. Lessons learned

The ad-hoc report on Transition towards Monitoring and Evaluation of Structural and Cohesion Funds Programmes prepared by OMAS consortium in March 2001 provides a number of recommendations, which were taken into account during preparation of the proposal:

“The Commission Services may consider a continuous delivery of training on monitoring and evaluation to the CC on national and regional level.” The company EMS during 2002 provided a number of training courses to national authorities on monitoring of Phare programs. Until now no training is provided on evaluation matters. As the effective operation of the Phare de-centralised Monitoring system and the Interim Evaluation scheme will depend on the commitment of the CC (e.g. implementation of recommendations of Interim Evaluations, effectiveness of SMSC and JMC), the quality of the Monitoring Reports, the quality of the Interim Evaluations etc., the continuous delivery of training is of high importance.

“The administrative authorities of the CC should become acquainted with the practice of organising efficiently the various evaluations.” *“In order to develop external evaluation capacities in the CC, the Commission Services could propose that the CC identify a number of academic institutions, management consultancy firms, or research organisations which are potentially capable to deliver evaluations. On this basis, the contractor providing interim evaluations under the Interim Evaluation scheme, could perform joint evaluation exercises with or provide relevant training to these organisations.”* Within the project it is foreseen to build up the local evaluation capacity in organizing the evaluation process as well as on the practical evaluation.

4. Institutional Framework*Institution Building Facility*

The project beneficiaries of the unspecified IBF envelope will be different institutions applying for financial support. Decision on projects to be submitted for financing within the budget will be taken by the Working group responsible for co-ordination of preparation of the Institution Building Facility headed by the European Integration Bureau comprising the Ministry of Finance and the Ministry of Foreign Affairs. This existing executive body (Working group) supervises the programming and implementation of PHARE programme preparation and is responsible for setting priorities for each National Programme. The Working group will make the first selection and decide on which proposals will be submitted to the Delegation of the European Commission to Latvia.

Technical assistance for evaluation of Phare programs and know-how transfer

The main beneficiary of the Technical assistance will be Ministry of Finance - the National Aid Coordinators office (Foreign Assistance Coordination Department of Ministry of Finance). In the implementation of the component will be involved following bodies within Ministry of Finance:

- Internal Audit Department,
- Projects Evaluation Department,
- Structural Instruments Department,
- National Authorizing Officer's Task Execution Coordination Division

Project Steering Committee will be established to monitor project implementation. The Steering Committee will comprise representatives from competent authorities and competent institutions European Commission Delegation and Ministry of Finance.

The Steering Committee will be led by Senior Programme Officer 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

	Phare Support					
	Investment Support	Institution Building	Total Phare (=I+IB)	National Cofinancing*	IFI *	TOTAL
Institution Building facility		1 000 000	1 000 000	100 000*		1 100 000
TA for evaluation of Phare programs and know-how transfer		300 000	300 000	34 000*		334 000
Total		1 300 000	1 300 000	134 000		1 434 000

** parallel co-financing - will be applied for covering of office costs for experts, infrastructure facilities and travel costs for national counterparts.*

6. Implementation Arrangements

6.1 Implementing Agency

Implementing agency of the project will be the Central Finance and Contracting Unit of the Ministry of Finance (CFCU). CFCU will be responsible for the financial and administrative management of the project in accordance with Extended Decentralized Implementation System.

Central Finance and Contracting Unit – Mr. Armands Eberhards, Director
 1 Smilšu street, Riga, Latvia, LV-1050
 Tel: +(371) 7094342;
 Fax: +(371) 7094348

Programme Authorising Officer – Ms. Valentina Andrejeva, State Secretary of the Ministry of Finance
1 Smilšu street, Riga, Latvia, LV-1050
Tel: +(371) 7212726; Fax: +(371) 7095413

Component I

The European integration bureau will be responsible for the strategic management (priority identification, programming, monitoring) of the Component I – Institution building facility.

Mr. Edvards Kušners, Director of European Integration Bureau, National Twinning Contact Point
Tel: +(371) 7287904
Fax: +(371) 7286672

After approval of individual Twinning light projects Senior Programme Officer (SPO) of respective project ministry will be overall responsible for practical and financial project implementation.

Component II

Senior Programme Officer: - Mr. Gints Freimanis, Deputy State Secretary of Ministry of Finance
Tel: +(371) 7095585
Fax: +(371) 7095697

6.2 Twinning:

Beneficiary institutions are not determined, due to the nature of the envelope.

For all projects, the beneficiary institution shall be solely and entirely responsible for the overall output (guaranteed result) and the majority of the inputs necessary to achieve it.

6.3 Non-standard aspects

There will be no non-standard aspects regarding implementation of the project. Standard procedures of the Commission in accordance with Practical Guide to PHARE, ISPA and SAPARD contract procedures as well as Twinning manual will be followed under Extended Decentralized Implementation System. 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.

6.4 Contracts

- Institution Building Facility: 1 000 000 EUR (parallel co-financing)

It is expected that between 6 – 7 projects will be financed out of the Institution Building Facility by means of Twinning light or technical assistance.

- Service contract (TA for evaluation of Phare programs and know –how transfer): 300 000 EUR (parallel co-financing)

7. Implementation Schedule

7.1 Start of tendering/call for proposals

Institution Building Facility: Continuously. (First possible tendering: III quarter 2003)

TA for evaluation of Phare programs and know–how transfer: IV quarter 2003

7.2 Start of project activity

Institution Building Facility: I quarter 2004 (Last project must start at least 2 months before the expiry date of the contracting period.)

TA for evaluation of Phare programs and know-how transfer: II quarter 2004

7.3 Project Completion

Institution Building Facility: III quarter 2006

TA for evaluation of Phare programs and know-how transfer: II quarter 2005

8. Equal Opportunity

Equal opportunity for men and women will be guaranteed.

9. Environment

Not applicable.

10. Rates of return

Not applicable.

11. Investment criteria

Not applicable.

12. Conditionality and sequencing

The Institution Building Facility will be actually used only if there are enough concrete applications fulfilling the criteria identified.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. Indicative detailed budget breakdown

Phare log frame

LOGFRAME PLANNING MATRIX FOR Project		Programme name and number	
Institution Building Facility unspecified envelope		Contracting period expires	Disbursement period expires
		Total budget : 1 434 000 EUR	Phare budget : 1 300 000 EUR
Overall objective	Objectively verifiable indicators	Sources of Verification	
Strengthening the institutions and administrative capacity for the full application of the <i>acquis communautaire</i>	Increasing number of Latvian institutions completely ready to apply the <i>acquis communautaire</i>	Accession partnership Regular Report Action Plan	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
<input type="checkbox"/> To strengthen the institutional and administrative capacity by means of twinning light assistance to fulfill specific institution building tasks that have been identified within the frame of the <i>Monitoring</i> Process and the Action Plan 2002 for preventing shortages identified in the Annual European Commission Progress Report for Latvia in order to reinforce Latvian administrative and judicial capacity. <input type="checkbox"/> Evaluations conducted in accordance with the requirements of the <i>acquis</i>	Acceleration of the progress within ministries/institutions towards meeting the requirements of the <i>acquis</i>	<ul style="list-style-type: none"> Minutes of the monthly project review report Monitoring reports 	The identified tasks are completed in time and effectively
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<ul style="list-style-type: none"> Concrete administrative structures and management systems in place which satisfy the requirements of the <i>acquis communautaire</i> for a number of areas of limited scope. Interim evaluation of implementation of Phare programs provided. Latvian administration capable to manage the evaluation function on decentralized basis. 	Specific identified tasks have been completed with the help of MS experts Number of monitoring and evaluation trainers before and after the contract Number of evaluation reports prepared by evaluators Number of training seminars carried out	<ul style="list-style-type: none"> Twinning light experts reports Monitoring reports 	The beneficiaries allocate appropriate human and financial resources to the specific task
Activities	Means		Assumptions
Component I Establishment of a facility providing Institution Building expertise Component II <ul style="list-style-type: none"> To provide evaluation on the implementation of Phare pre-accession aid and provide recommendations for corrective actions and, where appropriate, for future project/programme design leading to minimisation of possible shortfalls in implementation and maximising the project impact. <ul style="list-style-type: none"> to produce a number of evaluation reports in the sectors agreed by Joint Monitoring Committee. In carrying out the evaluation, the Contractor will be expected to consult on an ongoing basis with NAC service, relevant 	An unattributed envelope will be earmarked from which a number of projects will be financed Service contract: <ul style="list-style-type: none"> Team Leader responsible for the project; Pool of international and local experts-evaluators in different areas, such as: macroeconomics and development, structural adjustment, support to businesses/SME, human resource development and employment, infrastructure projects, grant schemes, regional development; Training seminars 		Appropriate twinning partners will be found

<p>implementing bodies and beneficiaries.</p> <ul style="list-style-type: none"> • To transfer know-how in terms of monitoring and evaluation to the country's administration and provide the training: <ul style="list-style-type: none"> - Development of monitoring and evaluation methodologies: <ul style="list-style-type: none"> ○ Prepare clear and detailed recommendations concerning the set up of the monitoring and the evaluation scheme in the country. ○ Elaborate an action plan to tackle the recommendations. - Provide training in following issues: <ul style="list-style-type: none"> ○ Evaluation and Monitoring. The training should provide the staff of the National Aid Coordinator's office and bodies responsible on monitoring and evaluation of Community funds: <ul style="list-style-type: none"> • Monitoring and Evaluation design and management • Selection and use of indicators for monitoring and Evaluation • Monitoring and Evaluation techniques and tools • Identifying Required Capability, Developing Capacity for Monitoring and Evaluation ○ in evaluation skills and report drafting (including ex-ante, interim, as well as ex-post evaluation). The training should be provided to domestic evaluators identified by National Aid Coordinator. Also the training on evaluation team leader functions should be provided to one or two staff members nominated by National Aid Coordinator. ○ on detailed requirements as regards the reporting requirements of the Member States towards the Commission for use of the Structural Funds on the basis of the best practice in Member states. The training should be provided to all parties involved in the administration of the pre-accession funds (and those possibly involved in management of Structural funds). 			
		<p>Preconditions</p> <p>The beneficiaries allocate appropriate human & financial resources to the specific task. Full participation of senior management</p>	

ANNEX 2

Institution Building facility

Detailed implementation chart

Component		2003.					2004.										2005.										2006.																								
		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	J	F	M	A	M	J	J	A	S	O	N									
Institution Building Facility		D	D	D	D	D	D	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T	T					
													I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I	I			
TA for evaluation of Phare programs and know-how transfer					T	T	T	T	T	T	I	I	I	I	I	I	I	I	I	I	I	I																													

D: Design

T: Tendering and contracting

I: Implementation

Due to the nature of the Institution Building Facility the various phases of the project cycle will most probably run parallel contract by contract.

Annex 3**CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE**

Contracts		06/ 2003	09/ 2003	12/ 2003	03/ 2004	06/ 2004	09/ 2004	12/ 2004	03/ 2005	06/ 2005	09/ 2005	12/ 2005	03/ 2006	06/ 2006	09/ 2006	12/ 2006
IB Facility	Contracted			500 000					1 000 000							
	Disbursed								500 000						1 000 000	
TA for evaluation of Phare programs and know-how transfer	Contracted				300 000											
	Disbursed				180 000		225 000		300 000							

Due to the nature of the Institution Building Facility the contracting and disbursement schedule can be estimation only

ANNEX 4

INDICATIVE DETAILED BUDGET BREAKDOWN

Institution Building Facility

	PHARE	National Co-financing	TOTAL
IB facility	1 000 000	100 000	1 100 000
Envelope for as yet unspecified institution building (twinning light and technical assistance projects)			
Service Contract	300 000	34 000	334 000
○ Team Leader (12 m/m) responsible for the project;	180 000	18 000	198 000
○ Pool of international and local experts-evaluators in different areas (total input approx. 6 m/m)	105 000	11 000	116 000
○ Training seminars on: <ul style="list-style-type: none"> • Evaluation of the Monitoring reports and their further development; • in assessing Evaluation reports and in quality control • in evaluation skills and report drafting • on detailed requirements as regards the reporting requirements of the Member States towards the Commission for use of the Structural Funds 	15 000	5 000	20 000
TOTAL	1 300 000	134 000	1 434 000