

**Project No: LE9805.04**

**Title: Capacity Building for Management of Programmes**

**1. Location**

**Ministry of Finance**, Smilðu Street 1, LV-1919 Rīga  
Valentīna Andrejeva, State Secretary

**2. Project Objectives**

**General Objective**

Enhancement of the efficiency of utilisation and co-ordination with budget resources of Phare programmes, bilateral foreign assistance and pre-structural funds.

**Specific Objectives**

- Strengthening of the management capacity of the Ministry of Finance, including the establishment of the National Fund.
- Strengthen the capacity of the Ministry of Finance in implementation of Phare funds and enhance the capability of the Ministry of Finance in supporting line ministries with the planning and programming.
- Strengthening of the capacity of line ministries in the management and implementation of foreign assistance and structural funds projects.
- In particular the Ministry of Welfare will be strengthened in dealing with international contract and financial audits.
- Establishment of a management structure for the 5<sup>th</sup> Framework Programme in RTD.

**National Programme for European Integration**

**National Programme for European Integration:**

Priority Theme: Improving the Administrative Capacity.

\* Sub-priority 1, Measure 1.2 Training and development in the civil service

**Accession Partnership:**

Short-term (1998) and Medium-term

**Reinforcement of institutional and administrative capacity:** further structural reform of public administration

### **3. Description, project components & inputs**

#### **Sub-component 1 – Programming and management of external funds**

The project will provide support to the Ministry of Finance in the programming and management of external funds. The project will have an emphasis on the co-ordination of external resources with that of the budget. The project will in particular support the Foreign assistance Programme Co-ordination department, the National Fund and the Pre-structural Funds Co-ordination Unit.

#### **Sub-component 2 – Planning, design and implementation of projects**

The project will provide assistance to line ministries, which need future capacity building for programming, design and implementation of project. It is envisaged (but not exclusively) that institutions in the field on Justice & Home Affairs, Education, and Social Sector will be candidates for further support. The support will focus on creating real capacity in selected ministries for the above mentioned areas.

#### **Sub-component 3 – Financial Audits and Management of International Contracts**

This project component will provide specific support to the Ministry of Welfare in the areas of financial audits and management of international contract. The inputs are envisaged to be technical assistance, experts advise and training

#### **Sub-component 4 – Management Structure for 5<sup>th</sup> Framework**

In order for Latvia to be able to benefits form the 5<sup>th</sup> Framework for RTD, which the Latvian government will sign up for; it is intended that this project should provide support to the establishment of a management structure. The input will be assistance with the preparation of the information materials documentation required for association with the programme. Funds will be made available for the support of a management unit. Initial and necessary research equipment will be provided in Genetic Analysis System, Advanced multimedia technology, and a Helium temperature closed cycle refrigerator.

#### **Expected results and outputs**

- Enhanced capacity and skill with Ministry of Finance staff for the planning and programming of external funds.
- Enhanced capacity of the Central Financing and Contracting Unit in the implementation of the Phare decentralised implementation system.
- Enhanced capacity of line ministries in preparing, implementing and monitoring of projects and programmes.

### **4. Institutional Framework**

The Ministry of Finance is responsible for co-ordination of foreign assistance, implementation of the Phare programme and structural funds management. The Foreign Assistance Programme Co-ordination Department and The Central Financing and Contracting Unit are a department and an institution under the Ministry of Finance.

The Foreign Assistance Programme Co-ordination Department is responsible for foreign assistance co-ordination and structural funds co-ordination and management. The

National Fund (to be established in May/June 1998) will be part of the Ministry of Finance. The Structural Funds Co-ordination Unit will be established in May 1998 as part of the Foreign Assistance Programme Co-ordination Department.

The Central Financing and Contracting Unit (established in January 1998) is already responsible for the decentralised implementation of the Phare programme.

## 5. Budget

	Investment	Institution building	Total Phare (=I+IB)	Recipient* (state budget)	IFT*	TOTAL*
1. Programming and Management of external funds	N/A	400.000	400.000	65.000	N/A	465.000
2. Planning, design and implementation of projects	N/A	350.000	350.000	50.000	N/A	400.000
3. Financial Audits and International Contracts	N/A	100.000	100.000	10.000	N/A	110.000
4. management structure for 5th Framework RTD	137.000	N/A	137.000	70.000	N/A	207.000
<b>TOTAL</b>	<b>137.000</b>	<b>850.000</b>	<b>987.000</b>	<b>195.000</b>	<b>N/A</b>	<b>1.182.000</b>

\* In cases of co-financing only

## 6. Implementation Authority

### *Technical Implementation:*

Foreign Assistance Programme Co-ordination Department, Ministry of Finance

### *Contractual & Financial Implementation*

CFCU, PAO – Valentîna Andrcjeva, State Secretary Ministry of Finance

## **7. Implementation Schedule**

The project is in the planning stage. The expected time frame and implementation schedule after the confirmation, specification and assignment of financing of the project is planned to be the following:

- start of tendering activities in August 1998,
- start of the project activities in January 1999,
- completion of the project implementation in January 2000.

## **8. Equal Opportunity**

The Latvian public administration is an equal opportunity employer.

## **9. Conditionality and Sequencing**

- The Ministry of Finance will establish the National Fund in May/June 1998.
- The Pre-structural Funds Co-ordination Unit will be established in May 1998.
- Continued support to the Central Contracting and Financing Unit is a prerequisite for the ongoing activities.
- Line ministries should be committed and set forward own resources for planning and implementation of projects
- Coordination of the above outlined assistance together with line ministries
- Provision of sufficient local staff to work and learn from experts provided under the above outlined project

## Annex 1

				Date of drafting: April 1998
<b>LOGFRAME PLANNING MATRIX FOR <i>General Technical Assistance Facility – Capacity Building for Management of Programmes</i></b>			Contracting period expires: 31.10.00	Disbursement period expires: 31.10.01
<i>Project Number LE9805.04</i>			Total Budget:(1,377 MECU)	Phare contribution: (1,187 MECU)
<b>Wider Objective</b>	<b>Indicators of Achievement*</b>	<b>How, When and By Whom Indicators Will Be Measured</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>Enhancement of the efficiency of utilisation and co-ordination with budget resources of Phare programmes, bilateral foreign assistance and pre-structural funds</li> </ul>	<ul style="list-style-type: none"> <li>Well co-ordination budget and external resources proces</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and line ministries</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to support implementation of projects and programmes</li> <li>Availability of staff for training</li> <li>Trained staff stay within the Ministry</li> </ul>	
<b>Immediate Objectives</b>	<b>Indicators of Achievement*</b>	<b>How, When and By Whom Indicators Will Be Measured</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>Strengthening of management, implementation capacity supporting capacity of Ministry of Finance and line ministers</li> </ul>	<ul style="list-style-type: none"> <li>Improved implementation and monitoring of programme</li> <li>Better planning and design of projects and programmes</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and line ministries</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to support implementation of projects and programmes</li> <li>Availability of staff for training</li> </ul>	
<b>Outputs</b>	<b>Indicators of Achievement*</b>	<b>How, When and By Whom Indicators Will Be Measured</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>Enhanced capacity and skills with ministry staff</li> <li>Enhanced skills of line ministry staff</li> <li>Trained staff in ministries</li> </ul>	<ul style="list-style-type: none"> <li>Staff able to design and implemented programmes without TA</li> <li>Structure in place for management of programmes</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and line ministries</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to support implementation of projects and programmes</li> <li>Availability of staff for training</li> </ul>	
<b>Inputs</b>	<b>Indicators of Achievement*</b>	<b>How, When and By Whom Indicators Will Be Measured</b>	<b>Assumptions and Risks</b>	
<ul style="list-style-type: none"> <li>TA &amp; Training</li> <li>Equipment</li> </ul>	<ul style="list-style-type: none"> <li>TA &amp; training completed</li> <li>Equipment in place</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and line ministries</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to support implementation of projects and programmes</li> <li>Availability of staff for training</li> </ul>	

\* Must be **quantified** and **measurable**

## ANNEX 2 Detailed Cost Breakdown - LE 9805.04

	1999			2000			Total
Component	Budget	Phare	Other	Budget	Phare	Other	
<i>Institution Building</i>							
1. Programming & Management of external funds	65.000	400.000					465.000
2. Planning design and implementation of projects	50.000	350.000					400.000
3. Financial Audits and International Contracts	10.000	100.000					110.000
<i>Investment</i>							
4. Management Structure of 5 <sup>th</sup> Framework	70.000	137.000					207.000
<b>Total</b>	195.000	987.000					1.182.000

### Annex 3

IMPLEMENTATION SCHEDULE OF THE PROGRAMME - LE 9805.04					Date of Drafting	24.04.98
					Planning Period	31.10.98 – 31.10.00
Programme Title	General Technical Assistance Facility – Capacity Building for Management of Programmes					
Projects Sub-Projects	Implementation Schedule (Semesters)				Budget Allocation Cost Estimate	
	P L A N N E D					
	I Oct 98-Mar 99	II Apr 99-Sep 99	III Oct 99-Mar 00	IV Apr 00-Sep 00		
1. Programming and Management of external funds	D+C+I	I	I		400.000	
2. Planning design and implementation of projects	D+C+I	I	I		350.000	
3. Financial Audits and International Contracts	D+C+I	I	I		100.000	
4.Managemetn structure for 5 <sup>th</sup> Framework RTD	D+C+I	I	I		137.000	
Total Programme					ECU 987.000	
Legend						
D = Design of sub-project						
C = Tendering and contracting						
I = Contract implementation and payment						

# Annex 4

<b>COMMITMENT (CONTRACT) SCHEDULE - LE 9805.04</b>					Date of Drafting	24.04.98
					Planning Period	Oct. 98 – Sep. 00
<i>Programme Title</i>	<b>General Technical Assistance Facility – Capacity Building for Management of Programmes</b>					
<b>Projects</b>	<b>Expected Contractual Commitments (Semesters)</b>					<b>Budget Allocation</b>
<b>Sub-Projects</b>						<b>Cost Estimate</b>
	<b>P L A N N E D</b>					
	<b>I</b> <b>Oct 98-Mar 99</b>	<b>II</b> <b>Apr 99-Sep 99</b>	<b>III</b> <b>Oct 99-Mar 00</b>	<b>IV</b> <b>Apr 00-Sep 00</b>		
1. Programming and Management of external funds	400.000	400.000	400.000	400.000	400.000	
3. Planning design and implementation of projects	350.000	350.000	350.000	350.000	350.000	
4. Financial Audits and International Contracts	100.000	100.000	100.000	100.000	100.000	
5. Managemetn structure for 5 <sup>th</sup> Framework RTD	137.000	137.000	137.000	137.000	137.000	
<b>Total Programme</b>	987.000	987.000	987.000	987.000	ECU 987.000	



# Annex 4

<b>DISBURSEMENT (PAYMENT) SCHEDULE - LE 9805.04</b>				Date of Drafting	24.04.98
				Planning Period	31.10.98 – 31.10.00
<i>Programme Title</i>	<b>General Technical Assistance Facility – Capacity Building for Management of Programmes</b>				
<b>Projects</b>	<b>Disbursement (Payment) Schedule (Semesters)</b>				<b>Budget Allocation</b>
<b>Sub-Projects</b>					<b>Cost Estimate</b>
	<b>P L A N N E D</b>				
	<b>I</b> <b>Oct 98-Mar 99</b>	<b>II</b> <b>Apr 99-Sep 99</b>	<b>III</b> <b>Oct 99-Mar 00</b>	<b>IV</b> <b>Apr 00-Sep 00</b>	
1. Programming and Management of external funds	160.000	320.000	400.000	400.000	400.000
3. Planning design and implementation of projects	140.000	280.000	350.000	350.000	350.000
4. Financial Audits and International Contracts	50.000	100.000	100.000	100.000	100.000
5.Managemetn structure for 5 <sup>th</sup> Framework RTD	100.000	137.000	137.000	137.000	137.000
<b>Total Programme</b>	450.000	837.000	987.000	987.000	ECU 987.000

## **ANNEX 5**

### **LE 9805.04**

- Support has been given to relate projects in the areas of technical assistance co-ordination and implementation of Phare programmes under previous Phare programmes from 1991 to 1997. This assistance has in particular focused on supporting the Foreign Assistance Programme Co-ordination Department with its key functions. In the latter year this assistance has been changed into a more focused assistance for strengthening the capacity of the department.
- The Ministry of Welfare has received support in related, however slightly different areas relating to the reform of the Ministry, social security and labour market.
- This is the first time that Phare support is provided in the field of RTD.