



**Republic of Latvia
Ministry of Finance (Focal Point)
Financial Instruments Coordination Department**

***Annual Report on the Implementation
of the European Economic Area
Financial Mechanism in Latvia
July 2008 – August 2009***



Riga, September 2009

Glossary of Acronyms

APA - the Academic Programme Agency

ARBG - the Academic Research Block Grant

CFCA - the Central Finance and Contracting Agency

Civil society block grant - the block grant “Strengthening civil society and promotion of the integration of society”

EEA – the European Economic Area

Environmental programme - the programme “Environmental policy integration programme in Latvia”

Financial mechanism - the European Economic Area Financial Mechanism

Financial mechanisms - the Norwegian Financial Mechanism and the European Economic Area Financial Mechanism

FMO - the Financial Mechanism Office

FP - the Focal Point

GA – the Grant Agreement

IB - the Intermediate Body

MoF – the Ministry of Finance

MoU - the Memorandum of Understanding on the Implementation of the European Economic Area Financial Mechanism 2004 – 2009

NGO – the Nongovernmental Organization

OC - the Open Call

PCR – the project Completion Report

PIR – the Project Interim Report

SBG - the Scholarship Block Grant

SIF - the Society Integration Foundation

SMF – the Seed Money Fund

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Introduction

According to the Article 5 of the MoU as well as the Article 3.3 of the *Reporting and monitoring guidelines*, the MoF, acting as the FP for the implementation of the Financial Mechanism in Latvia, prepared the “*Annual report on the implementation of the European Economic Area financial mechanism in Latvia July 2008 – August 2009*”.

The document aims to present the process of the implementation of the Financial Mechanism in Latvia, provides overview of the actual state of implementation and describes activities planned for the next reporting period: September 2009 – August 2010.

This document will be discussed during the annual meeting with representatives from the donorstates – Kingdom of Norway, Iceland and Lichtenstein - planned for October 2009. Taking into account the requirement set out in the MoU, before submission to the donorstates the report has been approved in the written procedure on 11 September 2009 by the Monitoring Committee for the Financial Mechanisms.

1. Implementation framework and regulatory environment

Within the reporting period following legislative and structural changes were introduced which made an impact on the implementation of the Financial Mechanism:

- Administrative Territorial Reform;
- Changes in the rates of the value added tax (hereafter – VAT);
- State Administration Structural Reform.

Administrative Territorial Reform

From 1 July 2009 in the result of the Administrative Territorial Reform in Latvia there will be 109 amalgamated municipalities and 9 republican cities (Daugavpils, Jekabpils, Jelgava, Jurmala, Liepaja, Rezekne, Riga, Ventspils, Valmiera). Due to respective reform the district municipalities' level was excluded. As certain amount of the project promoters and partners were district municipalities the change of legal status of the respective project promoters and project partners are in process. In July 2009 the FP has agreed with the FMO that conversion table with an overview of all projects where changes in promoters' and partners' names are needed will be presented officially from the FP side; and the FMO will approve respective conversion table in order to avoid necessity to change each GA affected by this territorial reform.

Changes in the rates of the VAT

The amendments in the Law "On Value Added Tax" took place on 12 December 2008 (effected from 1 January 2009). These amendments foresee that starting from 1 January 2009 a rate of the VAT is increased from 18% to 21% and for certain goods and services, for example, the pharmaceutical and medical equipment supplies, from 5% to 10%. As applications in the 2nd OC for individual projects were received in June 2008 and at that time such increase of the VAT rate could not be foreseen, in January 2009 the FP has agreed with the FMO that promoters of the prioritized projects from this OC will have possibility to revise detailed project's budget. Regarding individual projects of the 1st OC it was agreed that cost savings in projects' activities could be transferred for coverage of increased VAT.

State Administration Structural Reform

Taking into account economical crisis in Latvia and difficult situation of the state budget the State Administration Structural Reform is in process. It affects state budget institutions, state established universities and health care institutions which are promoters of the Financial Mechanism's projects.

From 1 January 2009 state established universities and state research institutions changed status from budget institutions to budget financed institutions, therefore the state budget finances only co-financing part (for the 1st OC individual projects – national co-financing of state budget's part in full; the 2nd OC – max 7,5% from the project's eligible costs). There are no more full pre-financing possibilities available from the state budget for these institutions. Taking into account actual economical situation when financing of the budget financed institutions is very limited such project promoters have complications with pre-financing of the project's activities. Considering above mentioned in January 2009 the FP has agreed with the FMO that for respective projects 10% advance payment from the donorstates will be allocated. The advance payments were also allocated for health care institutions which shareholder is the state.

Regarding structural reform of the hospitals, it was foreseen that largest hospitals will retain, but smaller and regional hospitals will be closed or merged, therefore this reform will most probably not affect project promoters within the priority “Health”, although it could affect some projects’ partners. New Structural Plan of Health Care Institutions shall be approved by the Government till the end of 2009.

Regarding reorganization of state institutions – some of the state agencies are closed or merged with other institutions, but the reorganization is still in process. The FP will inform the FMO on necessary changes of the GAs if some of promoters will be affected by this reform. Already regarding reorganization of the state institutions the FMO approved changes of project LV0034 in July 27: the previous promoter - State Agency “The New Three Brothers” - was closed and new promoter of the respective project will be the Ministry of Culture.

Taking into account difficult situation of the state budget, the Government at the end of 2008/beginning of 2009 took decisions to cancel or limit premiums, benefits and other additional payments for employees of state institutions and to decrease remuneration fund of state institutions for 20%. These decisions affect also projects financed from the Financial Mechanism. Respective decrease of management costs of state budget institutions could be transferred to other project activities, but in some cases this will create certain savings (unused funds) within projects.

Taking into account overall state administration’s optimization process, the preparatory work on simplification of the Financial Mechanism implementation system is initiated in the MoF. The objective of the simplification of the management system is aimed at:

- reduction of administration costs of institutions involved in the management of the Financial Mechanism, as well as project promoters;
- speed up the flow of documentation and decision making process on project reports (PIRs, PCRs) thereby contributing to more effective and quicker acquisition of available funds from the Financial Mechanism.

The FP, CFCA and the Paying Authority held discussions regarding proposals aiming at rising of efficiency and improvement of the management of the Financial Mechanism. The FP would like to propose to discuss proposals for simplification of the Financial Mechanism during the Annual Meeting. It is foreseen that certain proposals for optimization of the management system will require amendments of the Annex 1 of the MoU. During September/October 2009 it is foreseen that the Financial Mechanism’s optimization plan will be concealed with the MoF.

2. Progress made towards selection and implementation of individual projects

Within the 2nd OC in national evaluation 28 applications were prioritised for grant assistance from both Financial Mechanisms. From these applications 13 were sent to the FMO for approval from the EEA Financial Mechanism (within the period from the end of October till the end of December 2009), the rest - for approval from the Norwegian Financial Mechanism, except one application with split funding - 50 % from each of the Financial Mechanisms. All applications sent to the FMO were approved by donorstates.

In accordance with national legislative acts individual project (hereof - project) can be implemented (also the start date for eligibility of expenditures) only after signing the Cooperation agreement. At this moment implementation of all projects from the 1st OC financed from the Financial Mechanism has successfully started. Almost all Cooperation agreements (except two LV0073, LV0075 – will be signed in the III quarter of 2009) were signed by the end of August 2009 and thereby implementation of projects from the 2nd OC has also started. Taking into account that projects of the 2nd OC are in implementation only for couple of months and the first PIRs will be filled in by promoters only in the 4th quarter of 2009, the substantial results have not been achieved yet.

Average grant applied for in approved projects was approximately 500 000 EUR. The average duration of approved projects from the Financial Mechanism is about 18 months with the shortest duration 8 months and the longest – 36 months.

Almost all first PIRs of projects from the 1st OC have been submitted to the FMO for approval. The first PIRs of projects from the 2nd OC will be submitted to the FMO in fall/winter 2009.

Taking into account that Latvian budget revenue keeps falling and that the financial resources from the state budget for the implementation of state budget institutions' projects are planned as a pre-financing of the total project expenses, the FP instructed all state institutions to set reporting periods in PIPs no longer than 6 months starting from fall 2009. Thereby maximum 6 months reporting period system for state budget institutions will help to speed up the disbursements received from the FMO and to maximize cash flow in the state budget.

During the reporting period completion dates stated in Project Implementation Plans of some projects were postponed and the latest results show that the following number of projects financed from the Financial Mechanism is planned to be completed till final date of eligibility: 2 during 2009, 11 during 2010, 9 during 2011.

Please find exhaustive statistical data showing the results of OCs of both Financial Mechanisms in the Appendix 1 as well as main publicity activities about the Financial Mechanism in the Appendix 2.

Description of the overall benefit of the Financial Mechanism`s priority sector in question, including the impact on the respective target groups

Protection of the environment and Sustainable development priority

Eight projects have been approved from the both Financial Mechanisms which comply with the aim of the priority "Protection of Environment" – environment protection decreasing pollution and facilitating use of renewable energy resources. Six projects have been approved from the both Financial Mechanisms which comply with the aim of the priority "Sustainable development" goal – to promote sustainable

development by improving use and management of resources. Please find below information about projects' compliance with sub-priorities of respective priority defined in the Annex 2 of the MoU:

Table 1 - Projects' compliance with sub-priorities of respective priority

Sub-priority	Number of projects
Protection of the environment priority	
1. Integrated pollution prevention and control	0
2. Encouraging the use of renewable energy	6
3. Improved monitoring systems of pollution, especially from agricultural activity	1
4 Development of electric and electronic equipment waste management systems	1
Sustainable development priority	
1. Competence building in the field of sustainable development and possible establishment of the Sustainable Development Institute	2
2. Encouraging organic agriculture	0
3. Increased natural resources management and efficient use	4

In the priority "Protection of Environment" within the framework of separate projects activities are being implemented to reduce CO2 emissions, to use alternative energy extraction technologies, as well as to inform society about the use of technologies applied during the project implementation. Thus the society receives information and practical examples in the field of CO2 emission reduction and application of alternative energy extraction technologies.

The projects implemented in the priority "Sustainable development" are oriented towards sustainable use of resources. Plans are made implementation of which would result in more optimal use of resources available in Latvia for longer time. In the result of these projects the society receives both guidelines for sustainable development and various practical benefits – for example, arranged territories, promoted environment-friendly tourism in Natura 2000 territories, information about possibilities of environment-friendly recreation in Latvia, as well as implemented pilot project for management of small lakes.

Direct target groups:

- public institutions performing in the environment sector;
- municipalities;
- NGOs performing in the environment and rural tourism sector;
- private companies.

Indirect target groups:

- citizens of respective municipalities;
- all society.

The objective and expected results of projects are in compliance with following national strategic documents:

Table 2 - Compliance with national strategic documents

National, regional or local strategic document	Respective objective/task	Respective projects	
		Environment	Sustainable
Latvia's National Development Plan 2007-2013	<ul style="list-style-type: none"> - Educated and creative citizen - Technological distinction and elasticity of companies - Development of science and research 	LV0049	LV0052
		LV0051	LV0070
		LV0073	LV0071
		LV0075	LV0072
		LV0047	LV0081
		LV0053	LV0045
		LV0062	
		LV0097	
National Environment	Increased use of local renewable resources and	LV0049	LV0052

Policy Plan 2004–2008	effective use of energy resources	LV0051 LV0075 LV0062 LV0097	LV0081 LV0045
National Programme for Biological Diversity	Study tendencies of species dissemination in human created biotopes and keep up with dynamics of these processes	LV0047	LV0052 LV0070 LV0072 LV0081
Latvia's Sustainable Development Guidelines	<ul style="list-style-type: none"> - Ensure integration of environment issues and develop broad application of environment policy mechanisms in other field policies - Develop accountability of the society for natural resources and continuously increase effectiveness of the use of resources - Ensure sufficient measures for preservation of biological diversity and protection of ecosystems 	LV0051 LV0075 LV0047 LV0062 LV0097	LV0052 LV0070 LV0072 LV0081 LV0045
Climate Change Reduction Programme 2005–2010	Ensure measures for reduction and restriction of greenhouse effect gas emissions and for promotion of carbon dioxide attraction	LV0049 LV0051 LV0075 LV0062 LV0097	LV0071 LV0045
Latvian Rural Development National Strategy Plan for 2007-2013	Improvement of quality of life in rural areas and promotion of diversification of economic activities by improving the competitiveness of agricultural and forestry sector with promotion of knowledge and improvement of human potential	LV0047	LV0081

Conservation of European heritage priority

Six projects have been approved from the both Financial Mechanisms which comply with the aim of the priority – to improve preservation, protection, study and availability of culture heritage in Latvia by facilitating development and diversification of culture heritage economic activity forms. Please find below information about projects' compliance with sub-priorities of respective priority defined in the Annex 2 of the MoU:

Table 3 - Projects' compliance with sub-priorities of respective priority

Sub-priority	Number of projects
1. Training craftsmen in restoration	2
2. Restoration of historic centres of Latvian towns	3
3. Establishment of an Art-Nouveau centre in Riga	0
4. Documentation and preservation of Soviet period non-conformist heritage	2
5. Restoration of wooden architecture	3

Main benefits:

- four projects supported envisage restoration of culture heritage buildings in different regions of Latvia; three of them (LV0033, LV0091, LV0094) are related to preservation of wooden architecture;
- museum infrastructure developed and modernized varying and improving services provided by museums and thus attracting new visitors, including such target groups as youth, tourists, as well as physically disabled persons;
- within the framework of two projects cooperation with foreign experts is foreseen in order to train restorer and craftsmen thus preparing qualified specialists who will be

able to continue the work also after completion of the project to ensure preservation of these and other culture heritage objects;

- the goal of two other projects (LV0034, LV0092) is to ensure preservation and availability of nonconformist art heritage, as well as activate the meaning of art in society.

In the result of project implementation preservation, study and popularization of culture heritage in Latvia is facilitated, sustainable and wholesome functioning of culture heritage objects for the interests of society is facilitated. Implementation of all projects is oriented towards citizens in regions, as well as increasing interest of local and foreign tourists in culture and history of cities and regions of Latvia.

Direct target groups:

- museums and their employees;
- restorers and craftsmen;
- citizens in regions.

Indirect target groups:

- society of Latvia;
- local and regional tourists.

The objective and expected results of projects are in compliance with following national or regional strategic documents:

Table 4 - Compliance with national or regional strategic documents

National, regional or local strategic document	Respective objective/task	Respective projects
Latvia's National Development Plan 2007-2013	Improve preservation, protection, study and availability of culture heritage in Latvia paying special attention to society education on the role of culture heritage in sustainable development of the country	LV0033 LV0091 LV0034 LV0092 LV0093 LV0094
National Culture Policy Guidelines 2006–2015 “National Country”	Strengthen national identity and unity of civil society in Latvia based on national culture values and facilitate balanced development of culture processes and availability of culture in the whole territory of Latvia	LV0033 LV0091 LV0034 LV0092 LV0093 LV0094
National Programme “Culture” (2000-2010)	Ensure preservation, study and inclusion of national heritage in today's culture circulation, as well as facilitate establishment of culture centres out of Riga. Oriented towards ensuring wholesome culture environment in all Latvia	LV0033 LV0091 LV0034 LV0092 LV0093 LV0094
Kurzeme Region Development Strategy (till 2013)	Increase availability of culture and facilitate development of tourist attraction infrastructure (renovation and arrangement of old towns, culture heritage objects, establishment of new tourist attraction objects etc.)	LV0033
Zemgale Planning Region Development Programme for 2008–2014	Establishment of qualitative life environment, including preservation and development of culture heritage and creative environment	LV0091
Vidzeme Planning Region Development Programme for 2007–2013	Develop culture infrastructure and services, renovate and arrange culture environment and preserve historic traditions in culture	LV0094
Latgale Planning Region Territory Planning 2006 – 2026	- Spatial development perspective - Region Territorial Planning Guidelines	LV0093

Health priority

Seven projects have been approved from the both Financial Mechanisms which comply with the aim of the priority – improvement of public health popularizing healthy way of life and facilitating disease prevention, increasing the quality, effectiveness and availability of health care services, as well as facilitating public awareness and involvement in health improving measures. Please find below information about projects' compliance with sub-priorities of respective priority defined in the Annex 2 of the MoU:

Table 5 - Projects' compliance with sub-priorities of respective priority

Sub-priority	Number of projects
1. Reduction of mortality and spread of communicable diseases	1
2. Reduction and prevention of lifestyle-related diseases	0
3. Improvement of mental health care	1
4. Improvement of technical and professional capacity of health care institutions	7

Projects envisage complex approach to solution of current problems – performing reconstruction of premises, procuring equipment, training personnel, developing and implementing health prevention programmes. Within one project it is planned to build and arrange a new building to ensure that the hospital complies with modern requirements, to improve the quality of provided health care services, as well as work conditions for employees. Implementation of these projects will increase the range of hospital services and create a demand for additional specialists – it means a benefit to citizens, for example, spreading of infectious diseases will be limited, the time needed to receive the doctor's opinion will be reduced, the number of jobs in hospitals will be increased.

Direct target groups:

- employees of hospitals, who in the result of trainings will receive new qualitative knowledge, abilities and practical skills;
- clients of hospitals' ambulatory divisions.

The direct target group has been chosen on the basis of their interests and needs to participate in the project – a wish to broaden their view and get possibility to acquire new qualification.

Indirect target groups:

- employees and clients of hospitals, because the projects will result in a possibility to provide informative materials and best practice examples;
- patients and general public, because the projects will result in a possibility to provide qualitative medical services to all citizens.

The objective and expected results of projects are in compliance with following national strategic documents:

Table 6 - Compliance with national strategic documents

National, regional or local strategic document	Respective objective/task	Respective projects
Action Plan for Implementation of Hospital and Stationary Health Care Service Provider Development Programme 2005-2010	<ul style="list-style-type: none">- Improve quality of provided health care services- Ensure availability of rational health care service to patients	LV0027 LV0029 LV0079 LV0084
Hospital and Stationary Health Care Service Provider Development	<ul style="list-style-type: none">- Ensure further development of integrated health care system optimizing the number of service providers and their location	LV0025 LV0026 LV0027

Programme	- Improve quality of provided health care service, cost efficiency and rational availability to patients	LV0028 LV0029 LV0079 LV0084
Guidelines “Improving Mental Health of Citizens 2006–2016”	Define development of the mental health sector and public actions aimed at improving public mental health in Latvia	LV0084
Action Programme for Implementation of the Public Health Strategy 2004–2010	Establish operative, computerized mental health service information system for effective organization and planning of psychiatric help	LV0084
Action Programme for Implementation of the Public Health Strategy 2004–2010	Ensure measures for reducing the spreading of antimicrobial resistance and infectious diseases, including nosocomial diseases	LV0025
Programme “Development of Human Resources in the Field of Health Care 2006–2015”	Ensure human resources and their development in the health care sector in long term	LV0029
Latvia’s E-health Strategy	Ensure introduction of national e-health standards	LV0028 LV0027 LV0026 LV0025

Children with special needs priority

Four projects have been approved from the both Financial Mechanisms which comply with the aim of the priority – to increase integration into society of those children, who have physical or mental health problems and require special care and treatment as well as to improve their life quality. Please find below information about projects which comply with the aim of the sub-priority of respective priority defined in the Annex 2 of the MoU:

Table 7 - Projects’ compliance with sub-priorities of respective priority

Sub-priorities	Number of projects
1. Improved access and treatment of children with special needs in the health care system	2
2. Integration of children with special needs in the educational system	2

Main benefits:

- established or improved premises for children with special needs (improved accessibility and improvement of living conditions);
- trained personnel for work in multidimensional centres for children with special needs;
- trained parents of children with special needs;
- ensured rehabilitation services for children with special needs.

Direct target groups:

- children with special needs;
- families of children with special needs;
- personnel of multidimensional centres for children with special needs;
- teachers who work with children with special needs;
- NGOs which work with children with special needs.

The results of implemented projects are important for all society of Latvia. Within the priority the integration of children with special needs into society is improved in complex way by establishing multifunctional centre for children with special needs at

national and regional level (Zemgale, Kurzeme and Vidzeme). The objective and expected results of projects are in compliance with following national, regional or local strategic documents:

Table 8 - Compliance with national, regional or local strategic documents

National, regional or local strategic document	Respective objective/task	Respective projects
Concept „Equal Opportunities for Everyone” (2003-2010)	Provide the disabled with education opportunities that corresponds their capabilities	LV0030 LV0065 LV0095 LV0031
Concept “Equal Rights for All”	Integrate all persons with disability to in the society (including labour market)	LV0030 LV0065 LV0095 LV0031
Guidelines „Children Friendly Latvia”	Ensure equal opportunities for disabled children and children with special needs to have wholesome life in the society, more specifically, to ensure medical, rehabilitation and social services for the disabled children and children with special needs	LV0030 LV0065 LV0095 LV0031
Operation Program „Human Resources and Employment” on Infrastructure (2007 – 2013) - promotion of social inclusion	Integrate children with special needs in the all-round education system	LV0030 LV0065 LV0095 LV0031
“Latvia - Appropriate Country for Children”	Decrease and avoid the reasons for disability, to ensure as early as possible discovery of disability, medical and social care and rehabilitation for children with special needs	LV0030 LV0065 LV0095 LV0031
Society Integration Program	Integrate people with disabilities into the society and ensure accessible public infrastructure	LV0030 LV0065 LV0095 LV0031
Zemgale Planning Region Development Programme 2008 – 2014, „Educated, Creative and Competitive Individual”	Facilitate development of the educational institution infrastructure and facilities	LV0030
Ventspils City Development Programme 2007-2013	Ensure adequate services for disabled persons and integration of respective persons into the society	LV0095

Human recourse development and education priority

Ten projects have been approved from the both Financial Mechanisms which comply with the aim of the priority – development of human resources by means of strengthening education and training at municipal, regional and national level and building administrative or public service provision capacity of municipalities or their institutions, as well as involving them into democracy building measures. Please find below information about projects’ compliance with sub-priorities of respective priority defined in the Annex 2 of the MoU:

Table 9 - Projects’ compliance with sub-priorities of respective priority

Sub-priority	Number of projects
1. Improvement of education, training and lifelong education systems	10
2. Strengthening of civil society and society integration in accordance with the priorities set out in the national programme for civil society development, including language training	0

Seven projects are being implemented in the higher education field (LV0040, LV0042, LV0044, LV0063, LV0086, LV0088, LV0089) with the aim to prepare new study courses or study programmes, develop training materials, train academic personnel, as well as improve material-technical basis to ensure the study process. Within the framework of three projects (LV0040, LV0044, LV0063) training of the academic personnel has been started – seminars, conferences and working groups have been held; within four projects (LV0040, LV0042, LV0044, LV0063) the work has been started on development of study materials; within two projects (LV0042, LV0063) the technical basis was prepared – room repairs, procurement of software and hardware, preparatory work for renovation.

In elementary education from June 2009 one project is being implemented (LV0087), envisaging development and implementation of new multimedia training supplementary aid in the elementary school. In the life-long learning field six projects are being implemented (LV0040, LV0042, LV0043, LV0087, LV0088, LV0090) envisaging training of employees of central and local government institutions, heads and employees of enterprises in different fields – innovations and entrepreneurship, environment protection and public health, creativity. One project is being implemented in the further education field envisaging building capacity of teachers of vocational schools and teachers of adult vocational further education, therefore facilitating vocational further education in Vidzeme planning region. In the field of informal education one project is being implemented envisaging development of informal educational programme for pupil and student.

It is planned to develop training programmes in the multimedia field within seven projects (LV0040, LV0043, LV0044, LV0063, LV0086, LV0087, LV0089), including five projects in the higher education field, one project in the elementary education field and one project in the vocational further education field.

It is planned to develop and implement training programmes in the environment protection field within four projects (LV0042, LV0044, LV0087, LV0090). It is planned to develop multimedia materials in the environment protection field within three projects – two in the higher education (LV0042, LV0044), one in the elementary education (LV0087).

Direct target groups:

- students of higher educational establishments;
- academic personnel of higher educational establishments;
- employees of central and local government institutions;
- pupil of general schools;
- teachers of general schools;
- teachers of vocational schools and teachers of adult vocational further education;
- heads and employees of enterprises.

Projects approved within the priority comply with the key goals in the education sector:

- to improve quality of higher education;
- to promote development of creativity and innovations;
- to promote development of life-long learning education;
- to promote development of e-education;
- to promote development of environment education.

The objective and expected results of projects are in compliance with following national strategic documents:

Table 10 - Compliance with national strategic documents

National, regional or local strategic document	Respective objective/task	Respective projects
Latvia's National Development Plan 2007-2013	<ul style="list-style-type: none"> - Ensure qualitative and available pre-school and elementary education, as well as mandatory secondary and competitive higher education - Improve offer of higher education to the job market developing inter-disciplinary and inter-university study programmes - Modernize education infrastructure - Achieve qualitative acquisition of general knowledge and skills, including in natural science, environment science and mathematics 	LV0040 LV0042 LV0043 LV0044 LV0063 LV0086 LV0087 LV0088 LV0089
Long-term Policy Guidelines "State Culture Policy Guideline 2006 – 2015"	<ul style="list-style-type: none"> - Develop and use full potential of culture for lifelong education of society facilitating development of the knowledge society based on human values - Improve cooperation between culture and economy for promotion of cultural diversity in Latvia and sustainable development of creative economy (strategic goal) 	LV0063 LV0086 LV0088 LV0089
Action plan 2007 – 2009 for implementation of the education system computerization programme "Information and Communication Technologies for Education Quality"	<ul style="list-style-type: none"> - Facilitate educated and creative personality increasing knowledge and skills of students in application of information and communication technologies 	LV0040 LV0042 LV0043 LV0044 LV0063 LV0086 LV0087 LV0088 LV0089
Education Development Guidelines 2007 – 2013	<ul style="list-style-type: none"> - Broaden the further education offer of universities, their branches and adult educational establishments related to regional development fields - Improve competitiveness of higher education and ensure preparation of high qualification specialists (masters, doctors) according to current requirements 	LV0040 LV0042 LV0043 LV0044 LV0063 LV0086 LV0087 LV0088 LV0089

Partnerships with donorstates

Partners from Latvia and the EEA-EFTA countries were welcomed and encouraged to participate in projects, therefore now certain number of partners are actively involved in the activities of approved projects. Please find the assessment of the effects on the bilateral relations with the donorstates in the Appendix 3.

Assessment of the impact of projects on the cross-cutting issues

Sustainable development – environmental aspects - will be ensured in following way:

- Elaborated and implemented strategic documents and programmes in the field of environment education will develop knowledge level of the society about environment protection issues;
- Elaboration of environment management system will facilitate reduction of energy and resources costs;

- Usage of environment-friendly technologies and effective utilization of resources will stimulate reduction of CO² emissions;
- Construction works will be agreed with the Regional Environmental Board of the Republic of Latvia which will evaluate potential impact of reconstruction works to the environment and issue its technical regulations;
- Any residual or extracted material from the construction will be reused, recycled, treated and/or deposited in an environmentally sound manner;
- The elaborated activity plans on tourism development in nature parks will improve nature resources management and effectiveness of use of the nature park territory;
- Elaboration of improved legislation in the field of surveillance of air pollution caused by tractor techniques will help to prevent air pollution in the nearest future;
- By protecting and ensuring good conditions for species and biotopes;
- The purchased equipment for implementation of professional education programmes will help to observe modern requirements on energy savings.

Sustainable development – economical aspects - will be ensured in the following way:

- Cooperation network between several health care service providers will promote health care service accessibility and quality, as a result health of society will be improved;
- Cooperation between education and research institutions, entrepreneurs and local governments for development of entrepreneurship and innovations in the region, in order to facilitate spatial development and innovation activities and economic growth, by increasing number of work places and number of new and competent companies;
- Investments in infrastructure in order to solve economic problems;
- Seminars in lifelong learning field for entrepreneurs and staff of local governments;
- Establishment of *Environment Modelling Centre* will facilitate implementation of different economic activities in territorial planning. Such centre will work also in the fields of science and research by stimulating economic growth;
- Establishment of *Vidzeme Continuing Education Centre* will create a possibility for Vidzeme region inhabitants to obtain professional growth;
- Development of new study courses and programmes will create preconditions for the raise of Latvian inhabitants' education level;
- Due to better social and health care, and education, children with special needs will be able to integrate in working life much better;
- As the parents will have safe and appropriate place where to leave their children during working day, they will have more chances to reintegrate in labour market (part time work);
- Developed and diversified service of tourism will have positive influence on economical situation;
- Developed and advanced infrastructure and collections of museums will have positive influence on economical situation by increased number of tourists and museum visitors.

Sustainable development – social aspects - will be ensured in the following way:

- Improvement of quality of diagnostic radiology services will provide accessibility of such services for all groups of population in respect of age, gender and place of living;
- Strengthening of human capacity which will help to improve provision of public services and planning;
- Maintenance of effective and environmentally friendly city infrastructure will ensure good living standards for present and future generations;
- Development of new study courses will facilitate social dialogue between state, local governments, private and NGOs sector in order to secure that the study content corresponds with current economic situation and needs of Latvian inhabitants;
- Increasing quality of life for one of the least advantaged social groups – children with special needs and their families;
- Access to free medical and social services on regular basis will help to improve health of children with special needs;
- Promotion of tolerance towards children with special needs;
- Continuation of social dialogue between municipalities and NGOs involving also parents of children with special needs in this dialogue;
- Access possibilities to materials of the cultural heritage will guarantee a continuous cultural education of the society and the development of the social environment.

Gender equality will be ensured in following way:

- Exclusion of any kind of negative discrimination towards any gender both at projects' management level or activities' implementation level;
- The training of target groups and publicity measures will be targeted at both sexes without any restrictions;
- As far as women in Latvia are still involved in child care at much greater extent than men, implemented projects will help to provide opportunities for women engagement in social activities and part time jobs while their children will be in the established children centres;

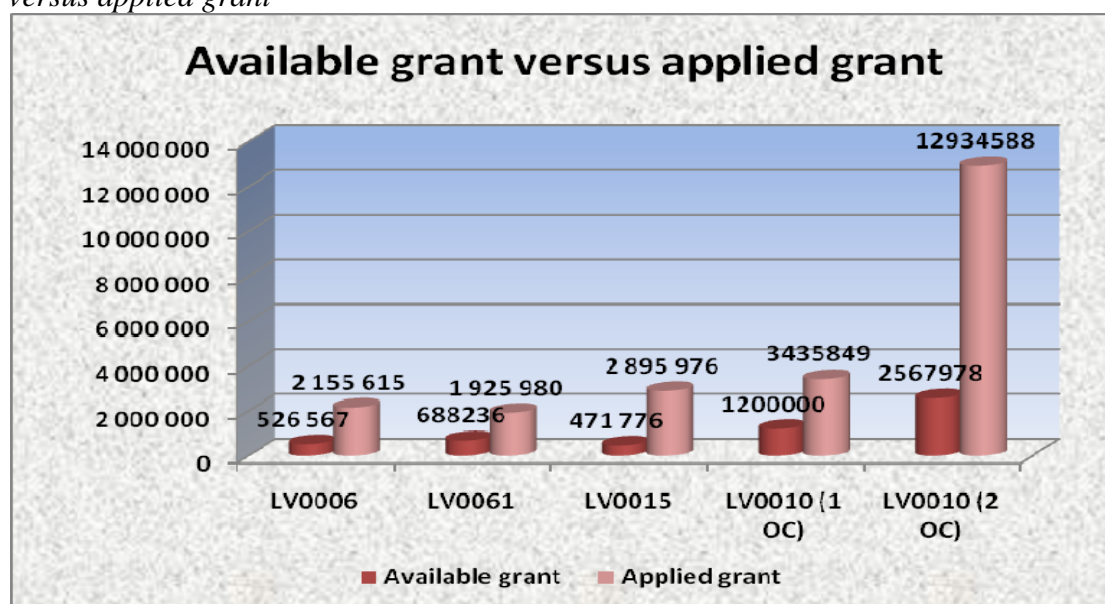
Good governance will be ensured in following way:

- Selection of project management team in compliance with qualifications and competences;
- Provision of transparency in the management of projects and implementation of activities;
- Access possibilities to information about projects' implementation and achieved results by ensuring publicity activities;
- Application of requirements of national legislation, as well as application of conditions set out in Grant Agreements and Cooperation Agreements;
- Purchase of goods and services is done according to the national procurement legislation;
- Projects' compliance with national, regional and local strategic planning documents.

3. Progress made towards implementation of programmes and block grants

Almost all OCs for subprojects within programmes/block grants have been completed during the reporting period. Only within the Scholarship block grant the APA will announce two more OCs in September and December 2009. Main attention of Intermediaries was focused on publicity and OCs announcement activities, then evaluation of received subprojects and signing of implementation contracts with approved promoters of subprojects. During the reporting period only one programme - Environmental programme - requested to prolong implementation of the programme till April 2011. Please find main publicity activities held within programmes/block grants in the Appendix 2 as well as statistical data of OCs for subprojects concluded till the end of reporting period in the Appendix 4. The graph below shows available grant versus applied grant and it can be concluded that in all programmes/block grants applied grant is much greater than the available grant:

Graph 1 - Available grant in OCs for subprojects within programmes/block grants versus applied grant



Description of the overall benefit of the Financial Mechanism's priority sector in question, including the impact on the respective target groups

Seed money facility (SMF)

The aim of the SMF is to support institutions in preparation of qualitative project applications, therefore the target groups of the SMF were institutions willing to prepare project applications and claim to receive financing from the individual projects' OCs. The SMF was completed in November 2008; and all supported subprojects were successfully implemented. Based on framework of these subprojects individual project applications were prepared by promoters and in total 24 subprojects out of 33 within the SMF approved subprojects applied for a grant in the 2nd OC for individual projects. 8 of them were approved and received a grant from EEA Financial mechanism: LV0070, LV0079, LV0094 and from Norwegian Financial mechanism: LV0076, LV0068, LV0080, LV0086, LV0087.

The SIF within OCs received 45 applications from NGOs, 43 from private companies, 38 from local governments and 15 from state institutions. The division of subprojects approved within the block grant is as follows:

- 11 - sub-projects implemented by NGOs;
- 8 - by municipalities or their institutions;
- 5 - by private companies,
- 5 - by public administration institutions or state founded educational institution;
- 4 - by Planning Regions.

The SIF has ensured supervision over 33 supported sub-projects by reviewing 30 informative reports and making appropriate advance payments, ensuring 3 on spot checks of subprojects, introducing 59 implementation contract amendments and by reviewing and approving 33 project completion reports. All supported projects have been implemented successfully. In total a grant in amount of EUR 525 950 has been allocated for approved projects. On the basis of the information provided in the project completion reports and decisions taken by the SIF about eligible expenditure in subprojects, it can be concluded that subprojects have acquired 94% or EUR 494 754 of available grant for sub-projects.

NGO fund

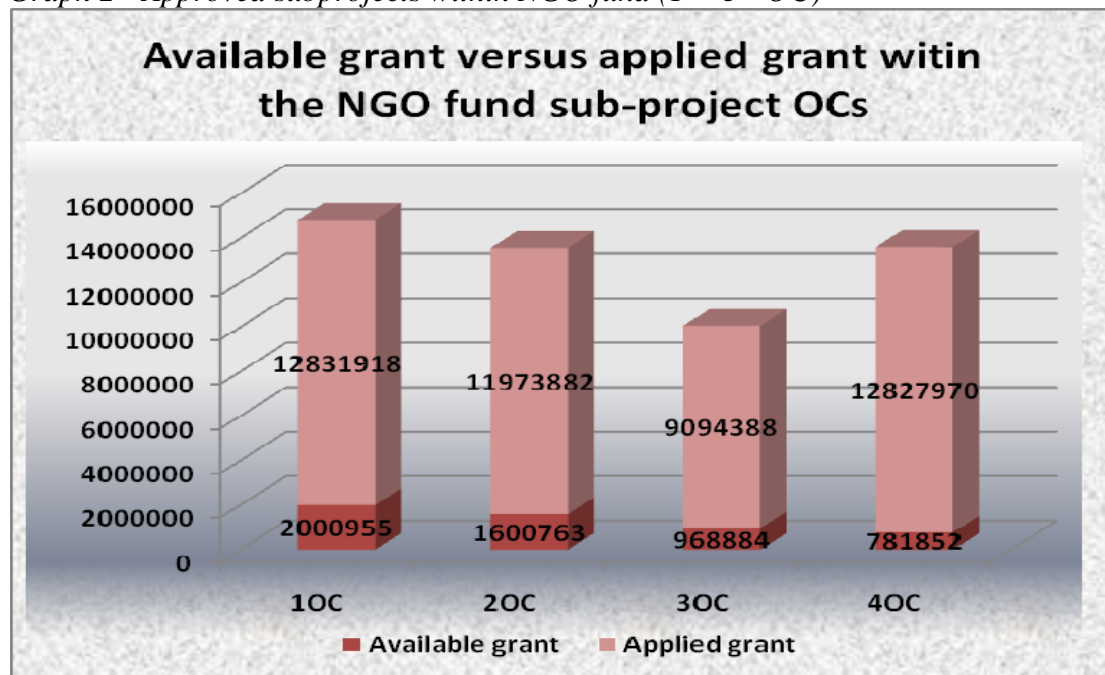
Target groups of “NGO activity support measure” and “NGO capacity strengthening measure” were NGOs to contribute to development and strengthening of civil society. Subprojects are being implemented by local, regional and national organizations, therefore the target groups is both towns and rural areas. NGOs act in the fields related to protection of the environment, gender equality, people with special needs, socially vulnerable persons, representatives of different nations etc. In “NGO project measure” projects are being implemented directly oriented towards needs of the target group and solving social problems in such fields as protection of the environment, people with special needs, youth, minorities, persons facing the social exclusion risk etc. The objective and expected results of the fund are in compliance with following national strategic documents:

Table 11 - Compliance with national strategic documents

Document	Respective objective/task
State Programme “Society Integration in Latvia”	<ul style="list-style-type: none"> - Facilitate civil participation – participation of individuals in social and national life supporting establishment and performance of NGOs and stimulating involvement of individuals in the NGO work. - Strengthen links between individuals and social groups and between individuals/social groups and state.
Guidelines for Civil Society Strengthening Policy 2005–2014	<ul style="list-style-type: none"> - Increase in the number of persons in Latvia who build the social capital through formal and informal cooperation in favour of their or public goals. - Increased effectiveness of participatory of citizens, informal groups and public organization in policy processes at municipal, state administration and European Union level. - Develop environment for sustainable purposeful work of NGOs.

Subprojects’ applicants were very active in all 4 OCs. As it can be seen in the graph below the applied grant is noticeably greater than the available grant:

Graph 2 - Approved subprojects within NGO fund (1st - 3rd OC)



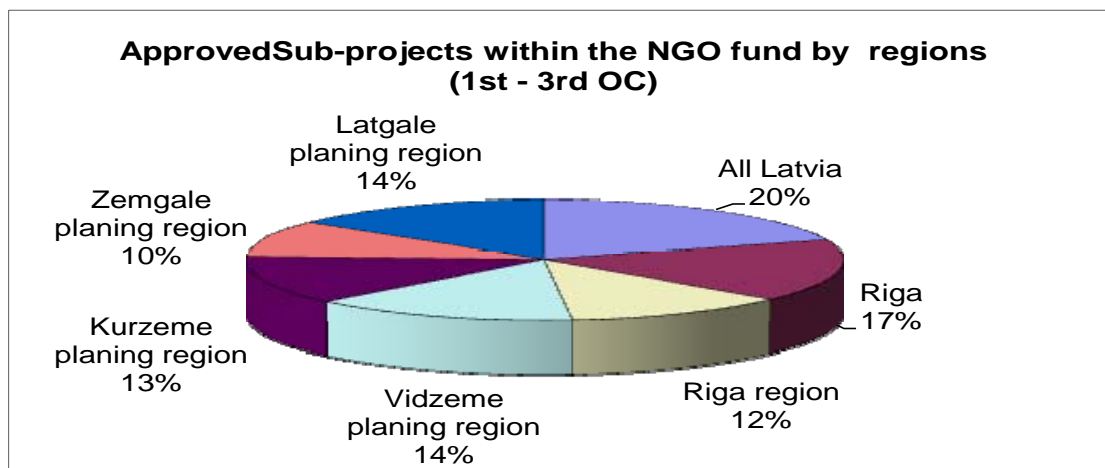
35 sub-projects approved in the “NGO activity support measure” are being implemented successfully. Implementation of operational programmes of 2009 continues. All operational programmes of 2007 have been implemented and all completion reports have been approved. 28 operational programmes have been implemented in 2008. Within the reporting period 26 completion reports or 93% of completion reports have been approved.

Implementation of 20 subprojects approved within the 1st OC of the “NGO capacity strengthening measure” has been finalized and project completion reports have been approved. 24 subprojects approved in the 2nd and 3rd OCs are being implemented successfully. One of projects approved within the 2nd OC has been completed and its completion report has been approved during the reporting period.

Implementation of 23 subprojects approved within the 1st, 2nd and 3rd OCs of the “NGO project measure” continues. Implementation of 4 subprojects approved in the 1st OC and 1 subproject approved in the 2nd OC has been completed, their completion reports have been approved during the reporting period.

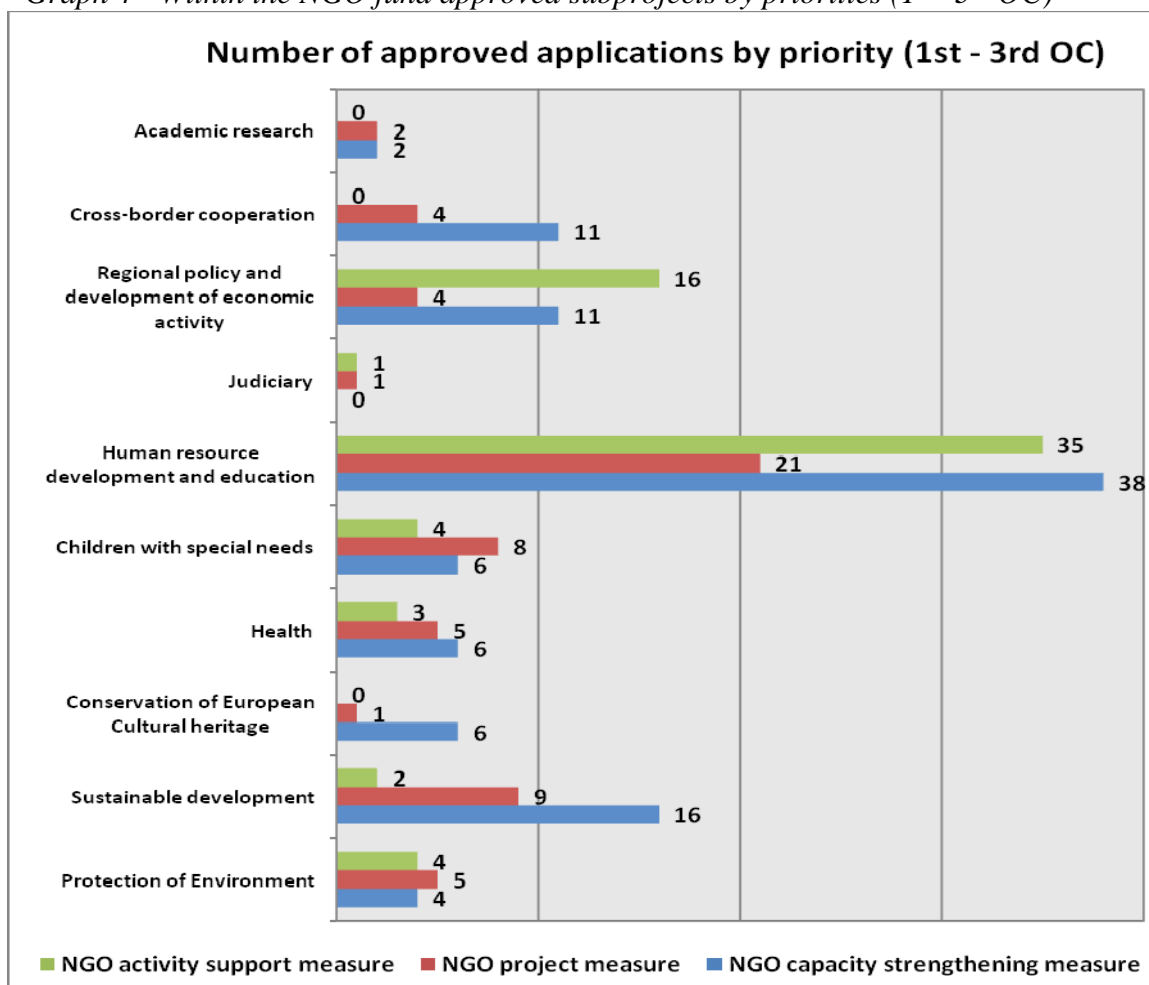
The graph below shows approved subprojects in the 1st, 2nd and 3rd OCs within all three measures by regions:

Graph 3 - Available grant within the NGO fund's OCs for subprojects versus applied grant



The graph below shows all priorities in which NGO sub-projects take part implementing activities. Some sub-projects are counted in more than one priority, because subproject's activities can overlap a number of priorities:

Graph 4 - Within the NGO fund approved subprojects by priorities (1st - 3rd OC)



The data shows that most subprojects were approved in priority *Human resources development and education* – 35 applications in “NGO activity support measure”, 21

in “NGO project measure” and 38 in “NGO capacity strengthening measure”. In the second place is priority *Regional policy and development of economic activity* with respectively 16, 4 and 11 sub-project applications, it was followed then by priorities *Sustainable development* and *Children with special needs*.

For the next programming period 2009–2014 the SIF has proposed following recommendations:

- Until now the biggest number of projects has been submitted in “NGO project measure” and “NGO activity support measure” which could continue also in the next period if modified according to results of the final evaluation and discussions with representatives of NGO sector.
- Within “NGO project measure” it would be necessary to focus support fields to avoid the double financing risk (for example, with Swiss-Latvian Cooperation Programme NGO fund financing, EU international programmes for informal education, youth, culture, environment etc. projects and other national grants) and to increase the impact of the Financial Mechanism on achievement of particular goals, as well as to avoid creation of unjustified expectations in project applicants and to decrease the number of refused projects, therefore decreasing administrative work of the Intermediary. So it would be necessary to set smaller number of particular priorities on which the NGO fund would focus in particular period of time.
- “NGO capacity strengthening measure” should not be separated as an independent programme. Instead it should be included as a component of “NGO project measure” or “NGO activity support measure”. This programme could be replaced with a programme at a new quality level which would focus on regional NGOs development, organizational consolidation and establishment and strengthening of mutual cooperation nets, integration of Latvian organizations in international cooperation nets.

Scholarship block grant (SBG)

Mobility helps to disseminate and improve knowledge, as well as to promote cooperation between Latvia and donorstates. Target groups are students of universities in Latvia, prospective/new pedagogic students and academic and administrative personnel of schools and universities, as well as administrative personnel in other state and municipal institutions in the field of education. The objective and expected results of the SBG are in compliance with following national strategic documents:

Table 12 - Compliance with national strategic documents

Document	Respective objective/task
National Development Plan 2007–2013	Facilitate development of educated and creative person.
Performance strategy of the Ministry of Education and Science 2007–2009	Ensure qualitative and available education.
Education Development Guidelines 2007–2013	Promote education possibilities throughout the whole life.

Having evaluated previous implementation of the SBG from the performance indicator perspective it can be concluded that there are considerable difficulties only regarding the *Mobility for Teacher Assistantships* in which until now only 3 sub-projects were received indicating that planned results will not be achieved within this mobility neither in respect of the number of scholarship holders, nor in respect of the number of received applications. Having evaluated this situation during the 5th OC

after consultations with the FP and the FMO the APA channelled part of financing initially planned for this Mobility to the *Mobility for Teachers, University Lecturers, and Education Management Staff* where there is larger interest, thereby ensuring acquisition of the SBG financing in sufficient amount. Regarding the *Student Mobility and Mobility for Teachers, University Lecturers, and Education Management Staff*, although the planned number of applications has not been received yet, the initially planned number of scholarship holders has already been achieved by the end of the 5th OC in April 2009.

Environmental policy integration programme in Latvia (Environmental programme)

Within the framework of approved subprojects different policy integration, evaluation and communication tools and methods will be developed in different fields of sustainable development, for example, construction, air quality control, waste management, as well as effective use of recyclable raw materials. Subprojects are concrete contribution in the field of energy efficient technology solutions improving purification of waste water, recycling of non-ferrous metals and recycling of production waste. Target groups are public, regional and local institutions and their employees, scientific and research organizations, NGOs and entrepreneurs, environment specialists, and general society as a target and user of the product and services. By summarizing the data about applicants of both OCs it was clarified that private companies submitted 39 applications, state institutions – 17, NGOs – 13 and local governments – 3. The objective and expected results of the programme are in compliance with following national strategic documents:

Table 13 - Compliance with national strategic documents

Document	Respective objective/task
Environment Policy Guidelines 2009–2015	<ul style="list-style-type: none"> - Ensure implementation and compliance with new EU directives for air quality improving. - Facilitate implementation of new technologies and rational utilization of resources thus achieving reduction of air pollutant emissions in energy, production, transport and agriculture sectors, as well as households. - Coordinate and follow introduction of the best technical means, more environmentally friendly technologies and cleaner production methods in national economy. - Increase more effective and rational utilization of energy resources, including by means of supporting projects aimed at increasing energy efficiency and improving heat insulation of buildings. - Promote cooperation among commercial entities, public institutions and municipalities aimed at increasing environment and people safety. - Facilitate development and introduction of effective and environmentally friendly technologies to increase energy efficiency and utilization of renewable energy resources. - Facilitate scientific studies in the field of climate change reduction and adjusting. - Ensure communication to inform all public groups about climate changes and promote initiative at local level.
National Environment Policy Plan 2004–2008	<ul style="list-style-type: none"> - Introduce low-residue production based on modern technologies ensuring high energy efficiency and establishing dangerous waste management infrastructure. - Improve air quality applying economic and organization methods. - Ensure wide public information and involve the society in dealing with environment issues. - Integrate environment policy in all branches of national economy in Latvia, as well as at national, regional and local planning level.

	<ul style="list-style-type: none"> - Orient towards increase in environment measure effectiveness, broader application of economic methods and modernization of technological processes. - Update environment related legislative acts and environment institutional system. - Update environment information gathering and processing system.
Latvian Sustainable Development Policy and Guidelines	<ul style="list-style-type: none"> - Restrict processes speeding the global warming. - Control and restrict emissions of persistent chemical pollutants. - Make investment in sustainability profitable both in public and private sectors. - Orient studies towards knowledge and solutions for sustainable development.

Academic research block grant (ARBG)

The ARBG goal is to contribute to the human resources development, education and research supporting scientific studies, as well as supporting cooperation and partnership among researchers of Latvia and EEA-EFTA states. Target groups are scientific institutions carrying out academic research in different fields corresponding with respective priorities - health, protection of the environment, sustainable development and human recourse development and education. The APA within both OCs received 106 applications from state institutions and 6 from private companies. The objective and expected results of the ARBG are in compliance with following national strategic documents:

Table 14 - Compliance with national, regional or local strategic documents

Document	Respective objective/task
National Development Plan 2007-2013	<ul style="list-style-type: none"> - Focus public attention to common goal ensuring coordinated and balanced actions, purposeful channelling of resources for achievement of national development goals and creating necessary pre-conditions for it.
Higher Education, Science and Technology Development Guidelines 2002-2010	<ul style="list-style-type: none"> - Strengthen leading role of universities in higher education and science development. - Renew scientific potential and develop research in the innovative technology field.
National Investment Concept	Promote the economy in Latvia open to innovations.
Performance Strategy of the Ministry of Education and Science 2007-2009	<ul style="list-style-type: none"> - Ensure national policy making in the higher education and scientific activities facilitating creation of knowledge society and economy in Latvia. - Ensure national policy implementation in higher education and scientific activities.

Due to decreased state financing for scientific research the Financial Mechanism's grant is an urgent financing for implementation of scientific projects in Latvia. Wide range of priorities gives a possibility for scientists from all fields to apply for the grant; however it hinders objective evaluation of sub-projects due to priorities related to very different fields and science branches. For future it would be necessary to separate research in sciences and humanities.

Strengthening civil society and promotion of the integration of society (Civil Society Block Grant)

The block grant is almost the only support mechanism of this kind available for minority organizations. State financed programmes for support of minorities and ethnic integration have been stopped. Therefore the block grant is a significant support for minority communities in Latvia. The SIF within the OC received 48

applications from NGOs, 22 from private companies and 15 from local governments. The objective and expected results of the block grant are in compliance with following national strategic documents:

Table 15 - Compliance with national strategic documents

Document	Respective objective/task
State Programme "Society Integration in Latvia"	Facilitate preservation and development of culture, language and religious identity of minorities.
Guidelines for Civil Society Strengthening Policy 2005– 2014	<ul style="list-style-type: none"> - Increase in the number of persons in Latvia who build the social capital through formal and informal cooperation in favour of their or public goals. - Increased effectiveness of participatory of citizens, informal groups and public organization in policy processes at municipal, state administration and European Union level. - Develop environment for sustainable purposeful work of NGOs.
State Programme "Roma in Latvia" 2007–2009	Facilitate development of Roma community culture in Latvia and preservation of their identity, as well as promote activities of NGOs in Latvia aimed at participation of Roma in civil society.

Within the 1st OC of ARBG there are no sub-projects approved with partners from donorstates. Whereas sub-projects submitted within the 2nd OC of ARBG have much more partners from donorstates in comparison with submitted sub-projects during the 1st OC. These sub-projects as well as subprojects of Civil society block grant are in evaluation process now and the results will be known in the fall 2009. Please find the assessment of the effects on the bilateral relations with the donorstates within programmes/block grants in the Appendix 3.

Assessment of the impact of the programmes/block grants on the cross-cutting issues

Sustainable development – environmental aspects - will be ensured in following way:

- Any residual or extracted material from the construction will be reused, recycled, treated and/or deposited in an environmentally sound manner.
- Researches in the environmental field facilitate protection of environment, new technologies and development of life sciences.
- Within Environmental programme – by development of sustainable solutions in environment sector, cooperation between elaborators and implementers of politics, scientists and entrepreneurs giving special attention to interdisciplinary research and analysis of politics.

Sustainable development – economical aspects - will be ensured by results of subprojects due to improved education, social and health care possibilities. Within Environmental programme – by development of wider use of new, innovative and scientific ideas and their connection with specific market segment. Several subprojects from this programme deal with energy efficiency issues by use of renewable energy resources; expansion of choice for accessible technologies; elaboration and demonstration of projects for new and innovative technologies.

Sustainable development – social aspects - will be ensured by increasing quality of life for social groups and promotion/continuation of the social dialogue between elaborators of politics in national, regional and local governments' level and the

society, because development of many researches and political instruments is based on wide consultations and dialogue between social partners and within the development of politics involved participants.

Gender equality will be ensured by exclusion of any kind of negative discrimination towards any gender both at programmes'/block grants' and sub-projects' level.

Good governance will be ensured in following way:

- Access possibilities to information about implementation and results of projects for the entire society at funds as well as subprojects level.
- Purchase of goods and services is done in compliance with national procurement legislation.
- Provision of transparency in the management of funds. During subprojects' evaluation principles for prevention of conflict of interests and corruption are taken into account.
- Application of requirements of national legislation, Grant Agreements, Cooperation Agreements and internal normative acts of Intermediaries.

4. Commitments made and disbursements effected

From the date when the MoU was signed –December 2004 - till the end of reporting period the cumulative commitment ceilings for Latvia constitute 18 666 144 euro. Calculation of commitment ceilings is made taking into account the donorstates' management costs (5%) and costs for appraisal, monitoring and ex-post evaluation (1.5%) (taking into account the FMO's decision to reduce this percentage from 3% to 2% and afterwards to 1,5% expressed in the letter dated 31 August 2007 and 15 April 2009).

Actual commitments of funds and individual projects constitute 18 666 082 euro by 30 June 2008. Please find detailed breakdown of commitment ceilings between funds and individual projects in Appendix 5. Comparing actual commitments made with cumulative commitments it can be concluded that actual commitments almost correspond to cumulative commitment ceilings (distinction/ leftover – 62 euro). This distinction squares as the actual commitment of the Norwegian Financial Mechanism is exceeds 3 397 euro.

Please find disbursements effected from the date when the MoU was signed till the end of the reporting period in the Appendix 6. By 31 August 2009 approximately 20.4% from the commitment has been disbursed to Latvia by donorstetes.

There are some circumstances, which effected actual disbursements received from the FMO:

- mostly only first and second PIRs of individual projects of the 1st OC were approved and following disbursements were made;
- first approved individual projects from the 2nd OC started only in May 2009.

The main obstacle which delayed request and reception of disbursements was time consuming procedure of PIRs' review in Latvia. Unfortunately the PIRs' review time is often postponed, because many adjustments of PIRs and additional supporting documents are requested by the CFCA from the promoter. Therefore actual time spent for the total review and approval of PIRs could take up to 6 months. The FP together with the CFCA and the Paying Authority has elaborated proposals for simplification of the Financial Mechanisms' management system (including speed up of PIRs' approval process at national level). Proposals shall be concealed with the MoF during September/October 2009.

5. Summary of audits

According to the national normative acts within the management of the Financial Mechanisms there are following types of controls and audits:

- on spot check carried out by the CFCA, the Intermediary and the IB;
- system audit of the Financial Mechanisms management and control carried out by the Internal Audit Structures of institutions involved within the management of the Financial Mechanisms;
- control of programmes, block grants, individual projects and subprojects financed by the Financial Mechanisms carried out by the Internal Audit Department of the MoF;
- selective control on eligibility of expenses presented in reports carried out by the CFCA or its authorized auditor company.

Please find more detailed information regarding on spot checks for funds and individual projects carried out by the CFCA (there was no on spot checks carried out by the IBs within the reporting period) and on spot checks for sub-projects carried out by the Intermediaries in the Appendix 7. On-spot checks were carried out by the Intermediaries only within some funds - LV0006, LV008 and LV0011. For other funds such checks were not carried out, because subprojects were approved only recently. Considering that applicants of subprojects of the LV0014 are students (individuals) on spot checks are not foreseen within this block grant.

The list of carried out system audits is included in the Appendix 7. Within the reporting period only one system audit report is finalised and it is presented in the Appendix 8.

Within the reporting period two controls of individual projects (LV0042 and LV0052) and one control of subproject (“NGO Fund” subproject ““Two sides in one” – ensuring the basic activity, popularization and expositions of the Society “More Museum””) were carried out by the Internal Audit Department of the MoF. Audit of the project LV0040 is in process (duration - 1 June 2009 till 23 September 2009). Please find summary of respective audit reports (except regarding LV0042, because the audit report is in the preparation process) attached to this report in the Appendix 8.

Within the reporting period one selective control on eligibility of expenses presented in reports regarding project LV0006 was carried out by the CFCA’s authorized auditor company “Auditing and Management Consultations”. The respective report is attached in the Appendix 8. The CFCA has no plans to carry out such selective checks till the end of 2009.

Within the reporting period one external monitoring visit carried out by the donorstates is planned for the block grant LV0008 in the last quarter of 2009.

In compliance with the national legislation the control and audit plan is elaborated within the calendar year. Therefore information about planned controls and audits for the next reporting period is available only for the period September-December 2009. The control and audit plan for the year 2010 will be known in February 2010. Latvian control and audit plan for the period September - December 2009 is presented in the Appendix 9.

6. The work plan for the next reporting period

Latvian action plan including publicity and information activities for the next reporting period is presented in the table below:

Table 16 – The work plan

Scope	Task	Quarter			
		Sept. 2009	IV 2009	I 2010	II 2010
Implementation of the 1 st OC for individual projects	Signing of three-sided project implementation agreement between the IB, the CFCA and the project promoter (LV0053)	X			
	The PA sends to the FMO the PIRs	X	X	X	X
	The PA sends to the FMO the PCRs				X
Implementation of the 2 nd OC for individual projects	Signing of GAs	X			
	Signing of three-sided project implementation agreements between the IBs, the CFCA and the project promoters	X	X		
	The PA sends to the FMO the PIRs			X	X
Calls for subprojects' proposals	Announcement of the 7 th OC within the SBG	X			
	Announcement of the 8 th OC within the SBG		X		
Optimization of the implementation system	Elaboration of the amendments of the Memorandum of Understanding between the EEA-EFTA States and the Republic of Latvia		X	X	X
	Elaboration of the draft amendments of the law " <i>Law of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism</i> " and relevant secondary legislation; approval by the Cabinet of Ministers	X	X	X	X
	The approval of draft law " <i>Law of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism</i> " in the Saeima			X	X
Publicity	Press releases (about progress of projects' implementation and achieved results)				
	- Conservation of European heritage			X	
	- Protection of the environment and Sustainable development	X	X	X	X
	- Academic research		X	X	
	- SBG				X
	- NGO fund	X		X	

	- Strengthening civil society and promotion of the integration of society	X			X
	Seminars				
	– NGO fund (for projects' applicants)		X	X	
	- Health (about progress of projects' implementation)	X	X	X	X
	- Strengthening civil society and promotion of the integration of society (about achieved results)		X		X
	- Environmental programme (for projects' applicants)	X			
	Web pages (about progress of projects' implementation; publication of relevant normative acts and methodology)				
	– Conservation of European heritage www.km.gov.lv	X	X		X
	– Protection of the environment and Sustainable development www.vidm.gov.lv	X	X	X	X
	– Health www.vm.gov.lv	X	X	X	X
	– SBG www.apa.lv	X	X	X	X
	– NGO fund www.lsif.lv	X	X	X	X
	– Strengthening civil society and promotion of the integration of society www.lsif.lv		X		

Conclusions

- The FP considers that during the reporting period substantial progress in the implementation of the Financial Mechanism in Latvia has been achieved. All main actions of the FP and other institutions responsible for the implementation of the Financial Mechanism in Latvia in the reporting period were concentrated on the national evaluation of applications from the 2nd OC - preparation of information and documentation for evaluation of applications from the FMO side (replays on Requests for Additional Information, Detailed Appraisal Reports), provisions of actions related with procedure of signing of the GAs and the Cooperation agreements. Huge workload was also done in monitoring implementation of the 1st OC projects – review of PIRs, GA amendment requests and monitoring/audit reports.

- It has taken between 4 to 6 months for the IBs to evaluate all 140 individual projects' applications from the 2nd OC. The time spent for evaluation of applications in respective IB depended on number of received applications in respective field. The FP succeeded to forward all prioritized and reserve applications to the FMO during November/December 2008 thereby facilitating timely review of applications since all grant decisions had to be taken till the end of April 2009. Therefore total time spent for evaluation of applications took 7 to 11 months, which is quicker than in the previous OC - even up to 14 months, although the length of evaluation could be considered as still too long.

- Two OCs announced for individual projects financed from both Financial Mechanisms resulted in large number of applications (358) submitted to IBs and high over-subscription rate - in average five times more. More than a half of applications received were submitted by local governments and state institutions - 64%, whereas NGOs and social partners were represented with 19% of all received applications and private companies – with 17%. 25% of all received applications were rejected during the administrative check. From 66 approved projects 59 are being implemented by local governments and state institutions, while 4 projects - by private companies and 3 – by NGOs. It can be concluded that the Financial Mechanism for private companies are in reality unattractive, because even if the company is allowed to apply for the grant up to 60% usually due to the revenue generation within the project the grant is reduced significantly and in most cases the applicant refuses to implement project with such a small grant rate. Besides that projects submitted by the private companies usually need to be coordinated with the EC in respect of state aid, which even more prolongs and complicates the approval process.

- During reporting period 19 OCs within five programmes/block grants were launched and successfully closed. The over-subscription rate varied a lot starting from none in the SBG and going up to even 18 in the NGO fund's Project Measure. There will be no more OCs for subprojects launched, except the SBG, in the next reporting period.

- Partners from Latvia and the EEA-EFTA countries were welcomed and encouraged to participate in projects. As a result 32% of all within individual projects' OCs submitted applications had partnerships with donorstates. From approved individual projects nearly 40 % are with direct or indirect partnerships from donorstaes. This can also be explained by Latvia's geographic, historical and economic ties build over the years between Latvia and the EEA-EFTA countries.

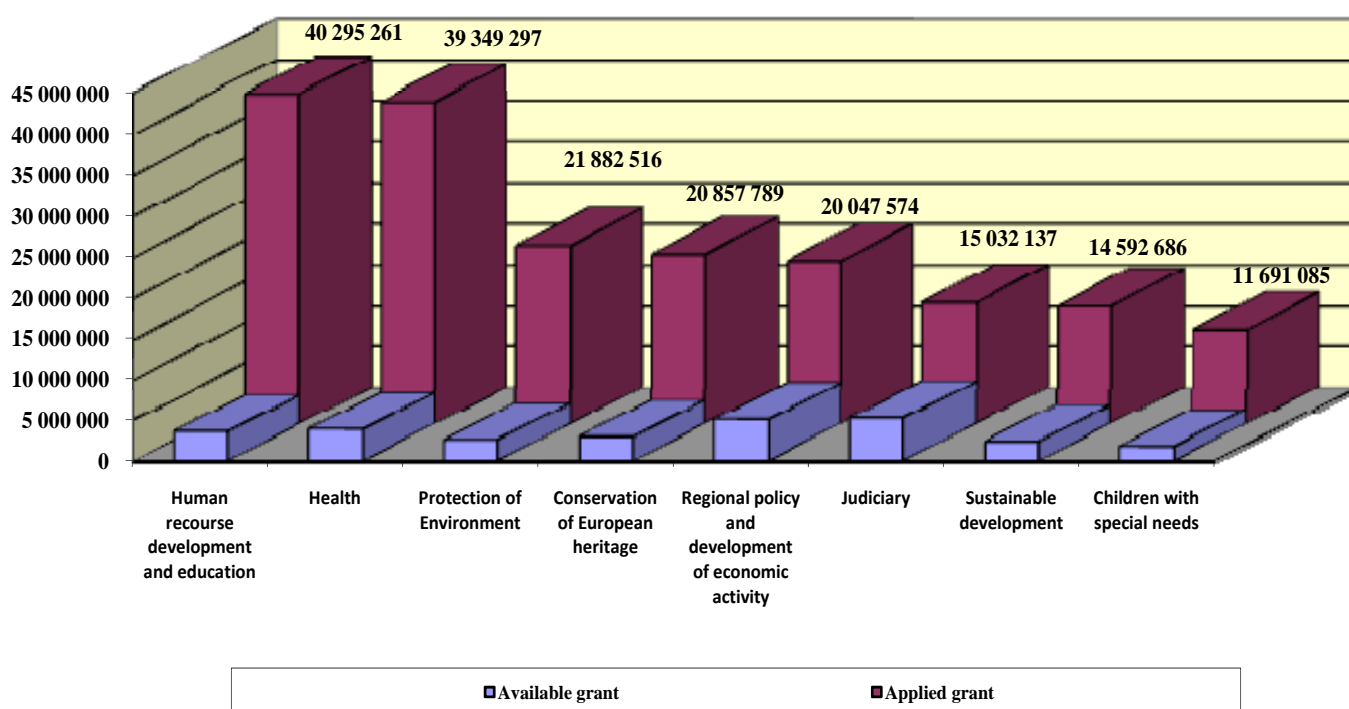
- By the end of commitment deadline all funds available for Latvia from the Financial Mechanism were successfully committed. By 31 August 2009

approximately 20% from the commitment has been disbursed to Latvia by donor states. The substantial disbursements have not been received yet, because only major part of the first PIRs and couple of the second PIRs of projects from the 1st OC have been disbursed, whereas projects of the 2nd OC are in implementation only for couple of months and the first PIRs will be filled in by promoters only in the 4th quarter of 2009.

Statistical data regarding OCs for individual projects

358 applications in total for € 183 748 345 were received from applicants during OCs: during the 1st OC 218 applications were received in total for €116 860 419 and during the 2nd OC - 140 applications in total for € 66 887 926.

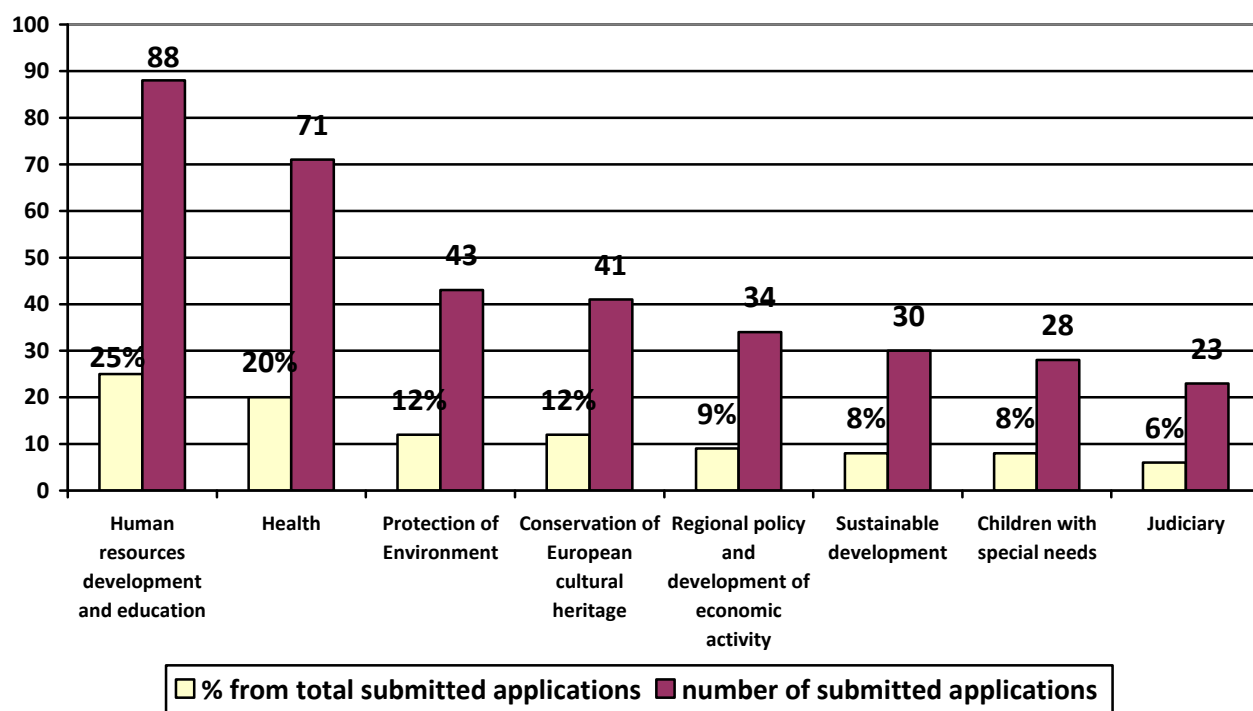
Available grant versus applied grant by priorities (EUR)



The data shows that the most attractive priority for the applicants was *Human resources development and education* priority where 88 applications were received for total value of € 40 295 261, which shows that 25 % of all applications were submitted within this priority. A wide range of activities were supported under projects of *Human resources development and education* priority like improvement of technical base for the study and research process, support of education programmes, development of e-learning opportunities, strengthening of human resources capacity in educational institutions, development of study and research environment and strengthening of cooperation network between educational institutions and project partners.

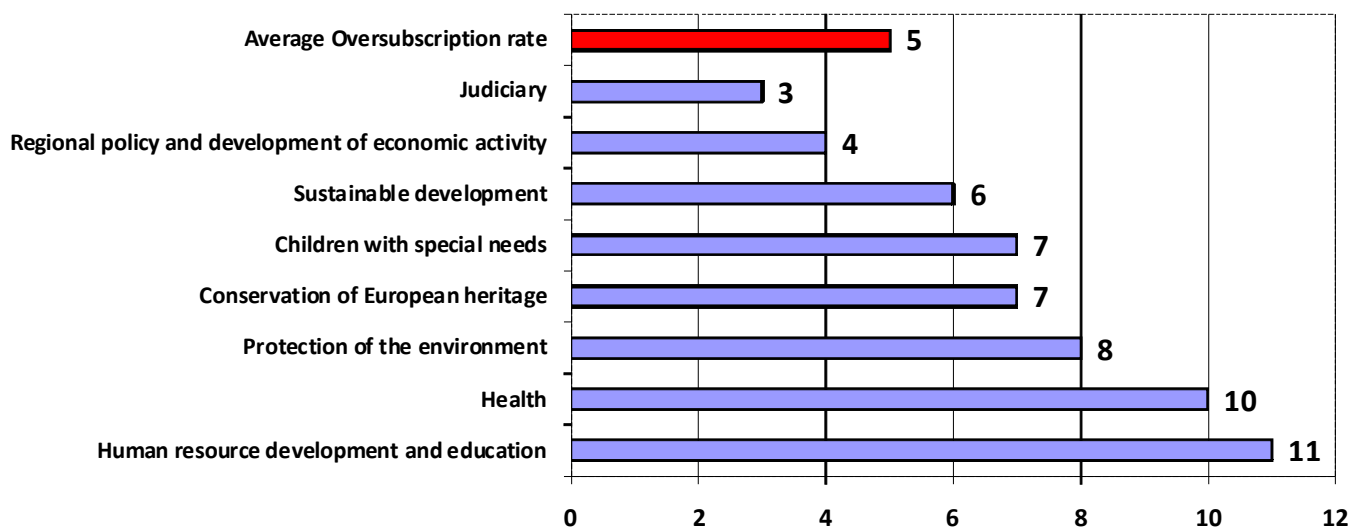
Very close to the top was *Health* priority with 71 applications for total value of € 39 349 297, while *Protection of environment* priority received 43 applications for total value of € 19 517 042 and took the third place.

Number of the submitted applications by priority



The total requested amount of grant 5 times exceeded the available amount of grant. *Human resources development and education* priority had the highest oversubscription rate - 11, while the lowest oversubscription rate had *Judiciary* priority – 3 due to the specifics of this field.

Oversubscription rate per priority

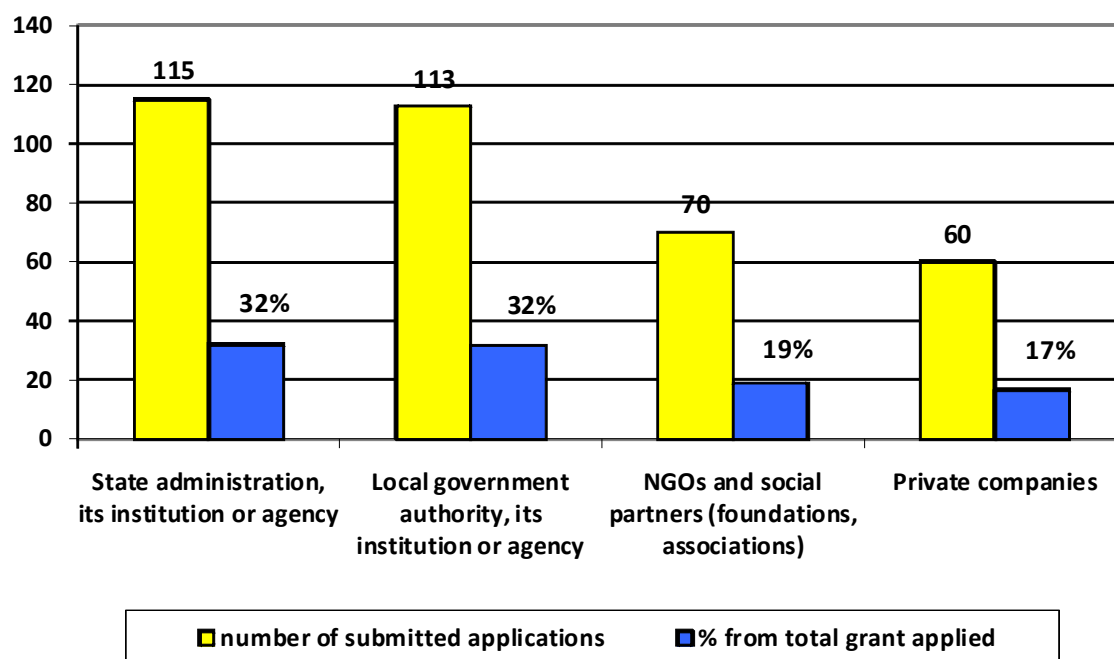


By summarizing the data about applicants it was clarified that more than a half of applications received were submitted by local governments and state institutions, i.e., in total 228 applications or 64%. NGOs and social partners were represented with 70 applications or 19% of all received applications. The private companies have submitted 60 applications or approximately 17% of all received applications.

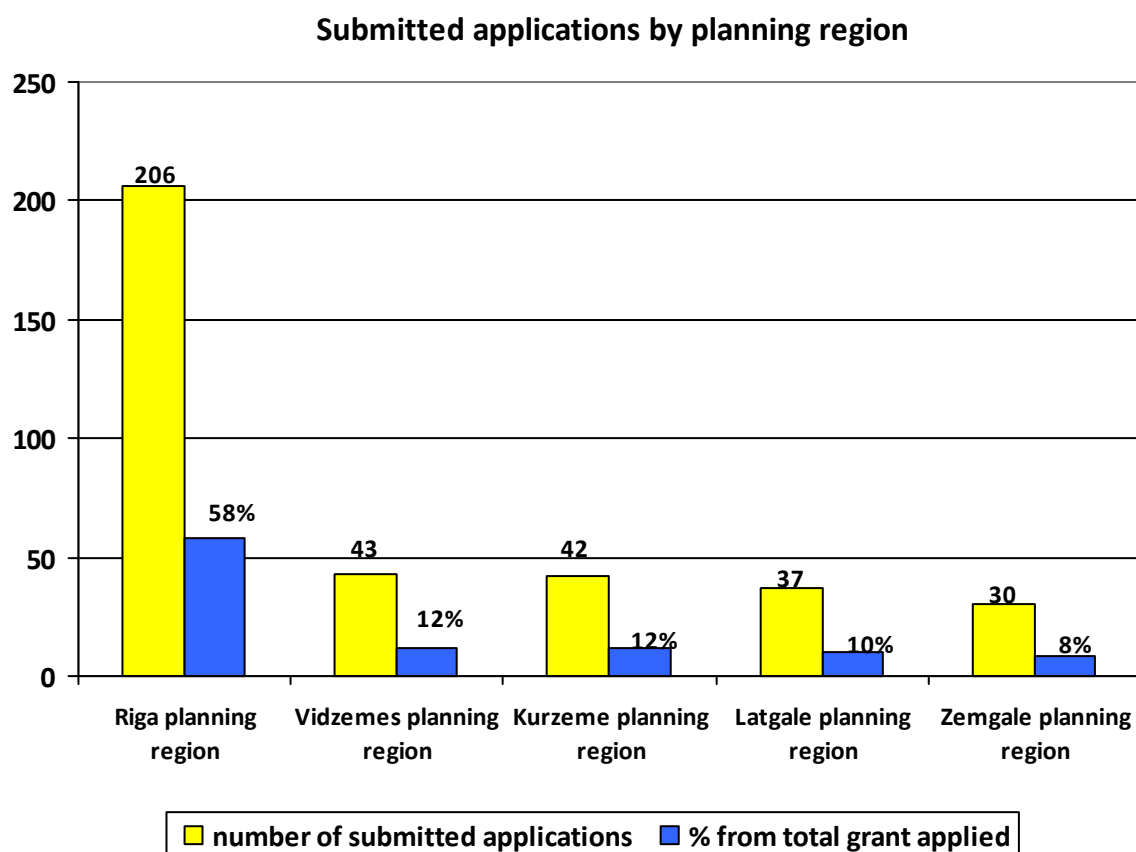
The applicants from state institutions and local governments dominate over other applicants' categories like NGOs and private companies during both OCs. The greatest interest of local governments and state institutions was observed in *Human resources development and education* and *Health* priorities, moreover local governments dominates the most in *Regional policy and development of economic activity* priority. This tendency is quite argumentative because local governments are responsible for the development of sustainable regional and economical policy and *Regional policy and development of economic activity* priority's funding gives such opportunity through promotion of local development programmes, strengthening of administrative capacity, promotion of public-private partnership projects and sharing of experience on local development with project partners.

The most of applications from private companies were submitted in *Protection of the environment* priority and were focused on its two subpriorities: "Development of electric and electronic equipment waste management system" and "Encouraging the use of renewable energy".

Submitted applications by applicants



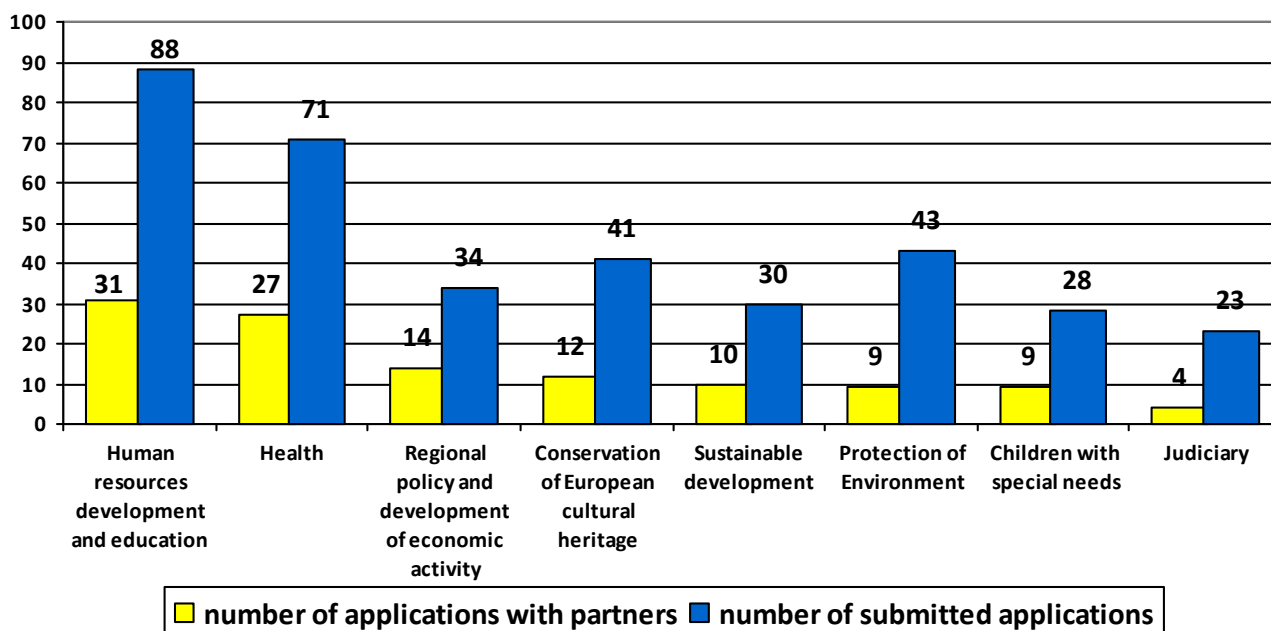
The next chart shows distribution of grant assistance within the territory of Latvia, the breakdown of data by 5 planning regions - Riga, Vidzeme, Kurzeme, Latgale and Zemgale - was used.



The results of open calls show that 58% of the applications were received from Riga planning region. The reason of such allocation of grant assistance could be explained by historical approach to spatial development of Riga city as a monocentric city. Riga is defined as the main administrative, industrial, financial and transportation centre in Latvia, thus Riga versus the rest regions of Latvia has an important advantages in attracting EU funding and now also EEA and Norwegian grants. Furthermore, the most of state institutions, private companies and NGOs have the legal addresses in Riga, which was taken into account in summarizing of data for previous chart.

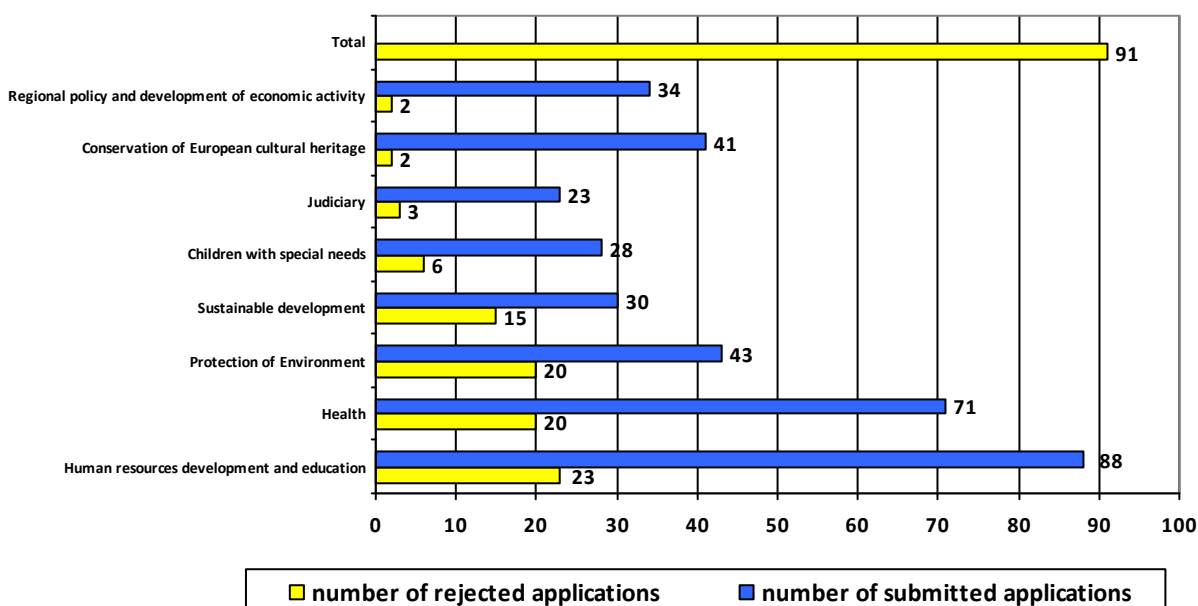
The data shows that partnerships between Latvia and donorstates are planned in 116 applications which is 32% of all submitted applications. The highest number of applications with partnerships was within *Health* priority – 9 %, then *Human resources development and education* priority – 8% and *Regional policy and development of economic activity* priority – 4%. From approved individual projects nearly 40 % are with direct or indirect partnerships from donorstaes. The relatively high number of partnerships could be explained by Latvia's geographic, historical and economic ties build over the years between Latvia and Norway and efforts of the Royal Norwegian Embassy in Riga in distribution of partnerships idea and its support to potential applicants in funding of partners.

Number of the submitted applications with partners from donorstates by priority



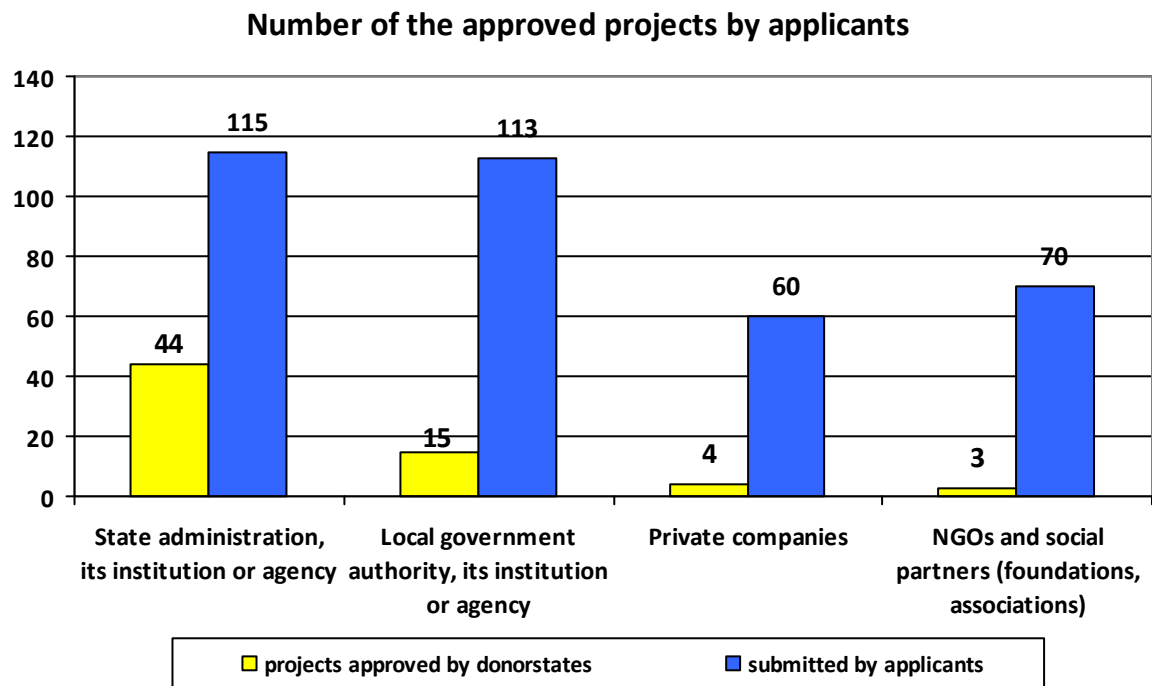
All applications were examined and evaluated by the IBs in accordance with the administrative criteria. The number of applications rejected in the administrative evaluation within the 2nd OC is even higher as in the 1st OC (the 1st OC – 24%, the 2nd OC – 31%). By summarizing the results of both OCs it was clarified that in total 91 applications or 25% of all submitted applications were rejected during the administrative check. *Human resources development and education* priority had the greatest number of the rejected applications – 23, while *Health* and *Protection of Environment* priorities were in the second place each with 20 rejected applications.

Number of applications rejected during administrative check



By end of December 2008, 71 applications in total have been forwarded to the FMO. Of these, 66 applications have been approved by donorstates (38 in the 1st OC and 28 in the 2nd OC), 2 projects were rejected and promoters of 3 projects have themselves refused to implement the projects.

From 66 approved projects in the OCs 59 projects for a total grant of € 30 692 401 are being implemented by local governments and state institutions, while 4 projects for total grant of € 720 528 are being implemented by private companies and 3 projects for a total grant of € 1 146 551 – by NGOs.



Information and publicity activities

Time	Type of activities	Short description of activities
III quarter of 2008	<i>Press releases</i>	Press release spread to mass media about the announcement of the 3 rd OC within the NGO fund.
	<i>Seminars</i>	Informative seminars for potential applicants about the: 1) 1 st OC of the ARBG organized by the APA; 2) 3 rd OC of the NGO fund organized by the SIF.
	<i>Web page</i>	Information about the announcement of the: 1) 3 rd OC and results of the 2 nd OC within the SBG published on www.apa.lv ; 2) submitted individual projects and evaluation process within the priority "Human resource development and education" published on www.izm.gov.lv . English version of SIF home page www.lsif.lv about SMF, NGO fund and Civil society block grant developed.
IV quarter of 2008	<i>Press releases</i>	Press release spread to mass media about: 1) submitted sub-projects of the 3 rd OC within the NGO fund; 2) the 1st OC of the Environmental programme.
	<i>Printed materials</i>	Booklets about the SBG prepared and disseminated by the APA.
	<i>Seminars</i>	Informative seminars for potential applicants about the: 1) 4 th OC of the SBG organized by the APA in the regional universities; 2) 1st OC of the Environmental programme organized by the Ministry of Environment.
	<i>Web page</i>	Information about: 1) the announcement of the SBG 4 th OC in the <i>Mobility for teachers, university lectures and education management stuff</i> published on www.apa.lv ; 2) the announcement of the 1 st OC within the Environmental programme has been published on www.vidm.gov.lv ; 3) subprojects' results within the SMF published on www.lsif.lv .
I quarter of 2009	<i>Press releases</i>	Press release spread to mass media about the: 1) announcement of the 2 nd OC and planned seminars within the ARBG; 2) 2 nd OC within the Environmental programme; 3) OC within the Civil society block grant; 4) results of the 3 rd OC and announcement of the 4 th OC of the NGO fund.
	<i>Seminars</i>	1) 5 informative seminars about the 4 th OC for potential applicants of the NGO fund and 4 informative seminars about the OC of the Civil society block grant organized by the SIF; 2) Informative seminar for potential applicants about the 2 nd OC of the Environmental programme organized by the Ministry of Environment.
	<i>Web page</i>	Information about the: 1) ARBG has been published on www.apa.lv for potential applicants; 2) supported subprojects of the NGO fund published on www.lsif.lv ; 3) announcement of the SBG's 5 th OC and its results published on www.apa.lv ; 4) results of the 1 st OC within the Environmental programme published on www.vidm.gov.lv ; 5) supported individual projects of the 1 st OC within the priority "Human resource development and education" published on www.izm.gov.lv .
	<i>Other</i>	APA represented the SBG in the International Exhibition for Education „School 2009”.
II quarter of 2009	<i>Press releases</i>	Press release spread to mass media about the: 1) OCs of the NGO fund; 2) SBG in the newsletter of APA - "ESI Latvija" (<i>Be in Latvia</i>); 3) Civil society block grant.
	<i>Seminars</i>	Informative seminars for potential applicants about the: 1) 2 nd OC of the ARBG organized by the APA; 2) 4 th OC of the NGO fund organized by the SIF;

		3) 6 th OC of the SBG organized by the APA; 4) OC of the Civil society block grant organized by the SIF.
	<i>Web page</i>	Information about: 1) implemented sub-projects within the NGO fund published on www.lsif.lv ; 2) the announcement of the SBG's 6 th OC within the <i>Mobility for teachers, university lectures and education management stuff</i> published on www.apa.lv ; 3) supported individual projects of the 2 nd OC within the priority "Conservation of European heritage" published on www.km.gov.lv , "Human resource development and education" published on www.izm.gov.lv with short descriptions about supported projects.
III quarter of 2009	<i>Press releases</i>	2 press releases spread to mass media about activities of the NGO fund.
	<i>Web page</i>	Information about: 1) supported subprojects of the ARBG and SBG published on www.apa.lv ; 2) results of the 2 nd OC within the Environmental programme published on www.vidm.gov.lv ; 3) supported individual projects of the 2 nd OC within the priority "Health" published on www.vm.gov.lv ; 4) last activities of the individual projects within the priority "Protection of the Environment"/"Sustainable development" published on www.vidm.gov.lv , "Conservation of European heritage" published on www.km.gov.lv .
	<i>Other</i>	Ministry of Health supported promoters of the individual project within the priority "Health" to organize conferences and seminars.

Assessment of the effects on the bilateral relations with the donorstate

Individual projects

Priority	Description of bilateral relations
Protection of the environment	<ul style="list-style-type: none"> • Limazi District Council and Radoy commune (LV0062) <p>Activities: exchange of experience regarding set up of earth heating system, distribution of information and encouragement of local authorities to use renewable energy resources.</p>
Sustainable development	<ul style="list-style-type: none"> • Daugavpils District Council and Governor County Administration (LV0070) • Ministry of Agriculture and Statistics Norway (LV0081) <p>Activities: development of integrated plan regulating tourism development in nature park „Daugavas loki”.</p> <p>Activities: exchange of experience regarding implementation and maintenance of national account systems for forests.</p>
Conservation of European heritage	<ul style="list-style-type: none"> • Valmiera City Council with Norwegian museum Randsfjormuseene Ltd. (LV0094) <p>Activities: exchange of experience visits, consulting and trainings organized, training programme elaborated.</p>
Health	<ul style="list-style-type: none"> • Daugavpils Regional Hospital with Skill Medical Technology (LV0027) • Pauls Stardins Clinical University Hospital and Landspítali - University Hospital (Iceland) (LV0028) <p>Activities: exchange of experience with Norwegian hospitals and health care institutions about provision of health care services, exchange of experience about use of IT in management of hospitals and health care services.</p> <p>Activities: experience of exchange, training seminars, transfer of knowledge in fields of new IT solutions for implementation and use of software.</p>
Children with special needs	<ul style="list-style-type: none"> • Dauguli Special Elementary Boarding-school and Rud Upper secondary school (LV0031) <p>Activities: transfer of knowledge and experience in fields of social care and integration of children with special needs into the society.</p> <p>Within the project LV0065 there is <u>indirect partnership</u> established between National Rehabilitation Centre “Vaivari” and different rehabilitation and education establishments in Norway (like Oslo University College etc.).</p>
Human recourse development and education	<ul style="list-style-type: none"> • Riga International School of Economics and Business Administration with Norwegian University of Life Sciences (LV0040) • Vidzeme University College with Adger University Collage and Rud Upper Secondary School (LV0043) <p>Activities: conferences, working groups, exchange of experience visits organized, cooperation established in university education and continuing education fields.</p>

Programmes/block grants

Title	Description of bilateral relations
SBG	<p>There is <u>indirect partnership</u> foreseen, because all three motilities take place in the donorstates. Within the <i>Student mobility programme</i> cooperation between home and donorstate's universities is necessary, therefore following cooperation agreements between universities were signed:</p> <ol style="list-style-type: none"> 1. Riga Technical University with Norwegian University of Science and Technology and Ostfold University; 2. University of Latvia with Norwegian University of Science and Technology and University of Bergen; 3. University of Agriculture with Norwegian University of Life Sciences; 4. Vidzeme University College with Buskerud University College. <p>Activities: studies, exchange of experience, conferences, teaching practice, taking part in professional courses.</p>
Environmental programme	<p>Within the 1st OC "Multidisciplinary research and capacity building for environmental policy integration measure":</p> <ol style="list-style-type: none"> 1. Riga Technical University in cooperation with University of Bergen (Social Science Faculty, Department of Geography, System Dynamics Group) realize sub-project "System Thinking Integration in Environmental Policy"; 2. Society "Green houses" in cooperation with Det Norske Veritas realize sub-project "Development and Implementation of a Valuation Tool for Sustainable Building".
NGO fund	<ol style="list-style-type: none"> 1. Society "Oleru muiza" with Society "Friends of Land Museum" realize sub-project "To understand a wooden house". Activity: informative seminar. <p>8 sub-projects have <u>indirect partnership</u> with Norwegian institutions:</p> <ol style="list-style-type: none"> 1. Society "Centre for Education Initiatives" with lecturer Gunvor Sønnesyn - director of the Institute of Applied Pedagogy 2. Society Rehabilitation Center „Mēs esam līdzās” (<i>We are beside you</i>) with the NGO ULOBA center 3. Society "The House of Fairy Tales UNDINE" with Dokka Delta Wetland center 4. Society "Farmers Parliament" with expert from Skjetlein Resource Center 5. Society „LATVIANS ABROAD - Museum and Research Center" with director of Norwegian Emigrant Museum 6. Society "Zalais Virziens" (<i>Green Direction</i>) with Norwegian Forum for Environment and Development 7. Children and Youth Union „Liepajas Jaunie Vanagi" (<i>Liepaja New Hawks</i>) with IFM-SEI 8. Society "Liepājas Neredzīgo biedrība" (<i>Liepaja Blind Association</i>) with Rogaland Blind Association <p>Activities: exchange of experience, guest lectures and experts' visits, creativity workshops.</p>
SMF	<p>9 sub-projects have <u>indirect partnership</u> with Norwegian institutions:</p> <ol style="list-style-type: none"> 1. "Diplomatic service medical centre" Ltd. with Aker University 2. Riga Stradins University with Bekkadal Consultancu&Engineering Services (Trondheima) 3. Society "Contra Cancrum Coli" with Norwegian Rikshospitalet (dr.Lars Aabakken) 4. „Baltic Computer Academy" Ltd. with Telemark University College 5. Food and Veterinary Service's National Diagnostics Centre with National Veterinary Institute 6. State Probation Service with Minister of Justice and the Police of Norway 7. Charitable fund "Ceribu bura" (<i>The Sail of Hopes</i>) with Sarpsborg Prison 8. Zemgale Planning Region with SIVATECH AS 9. Zemgale Planning Region with Industrial Development Corporation of Norway <p>Activities: exchange of experience, guest lectures and experts' visits.</p>

Subprojects' OCs calendar and statistics

Title of programme/ block grant	Available funds for subprojects EUR	Announcement of OC		Number of applications		Oversub- scription rate
		Beginning	End	Received	Approved	
Seed money facility	526 567	23.03.2007	23.05.2007	141	33	4.1
NGO fund; 1st Open call						
NGO activity support measure (1 st measure)	947 821	23.03.2007	24.05.2007	88	18	4.6
NGO capacity strengthening measure (2 nd measure)	421 254	23.03.2007	24.05.2007	69	20	3.7
NGO project measure (3 rd measure)	631 880	23.03.2007	23.05.2007	108	9	11
NGO fund; 2nd Open call						
1 st measure	652 943	18.10.2007	18.12.2007	64	10	6
2 nd measure	315 940	18.10.2007	18.12.2007	43	15	3
3 rd measure	631 880	18.10.2007	10.01.2008	108	10	11.2
NGO fund; 3rd Open call						
1 st measure	337 003	01.08.2008	30.09.2008	66	7	9.9
2 nd measure	210 627	01.08.2008	30.09.2008	56	10	5.7
3 rd measure	421 254	01.08.2008	30.09.2008	78	9	10.8
NGO fund; 4th Open call						
1 st measure	168 501	13.03.2009	13.05.2009	75	<i>in evaluation</i>	12.8
2 nd measure	105 313	24.04.2009	03.08.2009	95	<i>in evaluation</i>	14.3
3 rd measure	508 038	24.04.2009	24.07.2009	175	<i>in evaluation</i>	18
Academic research block grant						
1 st Open call	192 498	12.05.2008	12.08.2008	37	6	5.1
2 nd Open call	299 607	01.04.2009	30.06.2009	75	<i>in evaluation</i>	6.5
Civil society block grant	688 236	27.03.2009	27.05.2009	85	<i>in evaluation</i>	2.1
Environmental programme						
Multidisciplinary research and capacity building for environmental policy integration measure	1 200 000	10.10.2008	11.12.2008	18	7	2.9
Environmental technology and eco-innovation measure	2 567 978	06.02.2009	06.04.2009	54	10	5.4
Scholarship block grant; 1st Open call						
Student mobility to continue or finish their studies in the EEA-EFTA countries (1 st measure)	560 000	28.03.2008	28.04.2008	30	29 (5 later refused)	n/a
Mobility for teachers, university lecturers and education management stuff (2 nd measure)	35 000	28.03.2008	28.04.2008	9	9	n/a
Teacher assistantships in schools in the EEA-EFTA countries (3 rd measure)	89 851	28.03.2008	28.04.2008	0	0	n/a
Scholarship block grant; 2nd Open call						
2 nd measure	51 504	03.06.2008	03.07.2008	20	20 (1 later refused)	n/a
Scholarship block grant; 3rd Open call						
1 st measure	362 346	03.09.2008	03.10.2008	13	13 (1 later	n/a

					refused)	
2 nd measure	51 784	03.09.2008	03.10.2008	15	15	n/a
3 rd measure	89 851	03.09.2008	03.10.2008	0	0	n/a
Scholarship block grant; 4th	Open call					
2 nd measure	59 554	05.12.2008	05.01.2009	16	16	n/a
Scholarship block grant; 5th	Open call					
1 st measure	840 746	03.03.2009	03.04.2009	98	96 (4 later refused)	n/a
2 nd measure	139 016	03.03.2009	03.04.2009	81	76 (1 later refused)	n/a
3 rd measure	89 851	03.03.2009	03.04.2009	3	3	n/a
Scholarship block grant; 6th	Open call					
2 nd measure	49 884	02.06.2009	02.07.2009	27	27	n/a
Scholarship block grant; 7th	Open call					
1 st measure	195 146	1.09.2009	1.10.2009			
2 nd measure	35 000	1.09.2009	1.10.2009			
3 rd measure	48 451	1.09.2009	1.10.2009			
Scholarship block grant; 8th	Open call					
2 nd measure	35 000	12.2009	01.2010			

Commitments made by 30 April 2009

Field	LV00	Project title	Commitment date (dd/mm/yy)	Commitment (EUR)
Individual projects				
Health	27	Transition to Digital Radiology and Implementation of Patient Management Systems in Daugavpils Regional Hospital	22.02.2008	389 310
	28	ANGIO – e-Health Project for Angio Surgery in Latvia	14.03.2008	338 377
	79	Improvement of Quality, Effectiveness and Accessibility of Health Services through development of Technical and Professional Capacities of Health Centre	27.02.2009	397 387
	84	The establishment of Ambulatory Department in Daugavpils Psychoneurological Hospital	25.03.2009	1 290 485
Children with Special Needs	31	Improvement of social integration quality of children with special needs in Dauguli special elementary boarding-school	27.11.2007	250 002
	65	National multifunctional support centre for children with special needs in Vaivari	04.02.2009	649 994
	95	Establishment of multifunctional support centre for children with special needs	08.04.2009	149 095
Conversation of European Heritage	34	Documentation and preservation of Soviet period non-conformist cultural heritage for the collection of the Contemporary Art Museum of Latvia	11.02.2008	449 121
	92	Preservation of graphic issues from nonconformist art during Soviet period in Latvia and provision of required materials and equipment	27.02.2009	439 803
	93	Restoration and re-use of Water Tower in Daugavpils Fortress	06.03.2009	547 723
	94	Landscape Along the Gauja River - Revitalization of Historical Center of Valmiera	25.03.2009	590 680
Sustainable Development	52	Sustainable use and management of nature resources in the NATURA 2000 territories - popular and potential tourism destinations in Latvia	28.01.2008	208 778
	70	Promotion of sustainable development through improved resources use and management in the territory of nature park "Daugavas loki"	04.02.2009	302 550
	71	Surveillance measures for reduction of air pollution from exhaust fumes engines caused by tractor techniques in Latvia	04.02.2009	248 068
	72	Sustainable Management of Nature Resources in Zemgale Region	05.02.2009	326 228
	81	Development of Integrated Environmental and Economic Forest Accounts in Latvia	21.04.2009	539 922
Protection of the Environment	49	Utilization of local biomass for production of environmental-friendly fuel in Karsava	08.01.2008	368 739
	51	North Vidzeme Biosphere Reserve Environmental education and information centre –an example of environmentally friendly renewable energy usage	09.04.2008	284 617
	73	Installation of electric and electronic waste sorting and recycling facility in the existing waste recovery centre in Tume	15.03.2009	198 197
	75	Use of Sea Heat as Renewable Energy in Centralized Heat Supply System for Salacgriva Town Budget	27.03.2009	927 305

		Institutions		
Human Resources Development and Education	40	Developing and delivering innovative training modules for Baltic executives using an interdisciplinary approach to entrepreneurship and advanced technologies	15.05.2008	238 011
	42	Establishment of Environmental Modelling Centre in Riga Stradins University	28.01.2008	273 203
	43	Vidzeme - Development of Vidzeme Continuing Education Technology Centre	2.10.2008	604 882
Total:				10 012 477
Funds (Annex B of MoU)				
Protection of the Environment and Sustainable Development	10	Environmental policy integration programme in Latvia	20.07.2007	3 481 412
Human Resources Development and Education	61	Strengthening civil society and promotion of the integration of society	26.05.2008	650 000
Academic Research	15	Academic research	23.08.2007	450 254
Total:				4 581 666
Funds (Annex C of MoU)				
Annex C	08	NGO fund	17.01.2007	2 517 145
	06	Seed money facility	09.01.2007	227 985
	07	Technical assistance fund for 2006-2011	20.10.2006	580 998
	14	Scholarship block grant	11.07.2007	745 811
Total:				4 071 939
TOTAL (Individual projects and Funds):				18 666 082

Disbursements effected by 31 August 2009

Project number	Type of disbursement	Disbursement (EUR)	
		Date	Amount
LV0006	advance	25.07.2007	2 487
LV0008	advance	25.07.2007	49 731
LV0006	interim	01.11.2007	195 221
LV0008	interim	01.11.2007	200 196
LV0006	interim	17.04.2008	4 463
LV0008	interim	17.04.2008	272 812
LV0007	interim	16.05.2008	27 225
LV0031	advance	27.05.2008	25 000
LV0052	advance	26.06.2008	20 878
LV0008	interim	20.10.2008	556 405
LV0007	interim	11.11.2008	53 267
LV0014	interim	11.11.2008	145 301
LV0015	interim	02.12.2008	85 157
LV0043	advance	18.02.2009	60 489
LV0031	interim	17.03.2009	6 989
LV0028	interim	17.03.2009	5 262
LV0061	interim	17.03.2009	265 653
LV0008	interim	21.04.2009	281 839
LV0049	interim	21.04.2009	66 204
LV0027	interim	05.05.2009	5 961
LV0014	interim	26.05.2009	136 636
LV0051	interim	10.06.2009	101 534
LV0070	advance	01.07.2009	30 255
LV0093	advance	01.07.2009	54 772
LV0010	interim	17.07.2009	651 269
LV0034	interim	31.07.2009	96 619
LV0084	advance	22.07.2009	129 048
LV0014	interim	12.08.2009	238 404
LV0028	advance	20.08.2009	33 838
Total:			3 802 915

List of audits for July 2008–August 2009

System audits carried out by the internal audit structures of institutions involved in the management of the Financial Mechanism

The auditor	Date of Audit	Title	Status of Audit Report
SIF	15.10.-03.12.08	SMF conclusion of projects and post evaluation control	In the approval process
SIF	30.10.-31.12.08	Accomplishment of projects of the NGO Fund programme "NGO capacity strengthening"	In the approval process
Ministry of Education and Science	11.03.-14.08.08	Implementation of Financial Mechanisms	Please see the summary in the Appendix 8
SIF	04.03.-23.04.09	Performance audit on the NGO Fund programmes "NGO project programme" and "NGO support programme" subprojects in 2008	In the approval process
SIF	28.04.-03.06.09	Management and control of the NGO Fund management, monitoring, reporting, finance, cash flow and projects' registration system	In the elaboration process

On spot checks of funds and individual projects carried out by the CFCA

Project No.	Date of check	Short description of main fundamental deficiencies established
LV0006	17.12.08	n/a
LV0008	17.12.08	n/a
LV0014	18.-19.12.08	n/a
LV0015	18.-19.12.08	n/a
LV0034	18.06.09	n/a
LV0031	29.06.09	Set term in the concluded contract on "Constriction works according to detail design of "Renovation of building of Dauguli special elementary boarding-school" does not comply with set term in the documentation of the procurement.
LV0052	12.08.09	Preparation of report in process
LV0007	11.08.-11.09.09	On spot check in process

On spot checks of subprojects carried out by the SIF within LV0006

Title of subproject	Date of check	Short description of main fundamental deficiencies established
Development and implementation of presence and distance education programs for children's with special needs in math's, physics, chemistry and biology	10.19.08	n/a

On spot checks of subprojects carried out by the SIF within LV0008

Title of subproject	Date of check	Short description of main fundamental deficiencies established
Activity Support for the House of Fairy Tales UNDINE	17.04.09	n/a
Strengthening Organisational Network for Gender Equality Policy and Women's Rights Advocacy in Latvia	24.04.09	n/a
Long-term activity of the Valmiera Region Community Foundation for development of community philanthropy	21.04.09	n/a
Let's keep by the roots	22.04.09	n/a
Support for initiatives of the Latvian Green Movement	30.10.-	It was established that the accounting of

for promotion of sustainable development and advocacy of interests	26.11.08	the sub-project is not accordingly with agreement of sub-project financing. In the repeated on spot check was established that deficiencies were eliminated.
Activity of the Liepaja NGO Support Centre in the name of transparency, involvement, equality and justice	23.09.08	n/a
Activity Support for Zemgale NGO Support Centre	11.09.08.	n/a
Support for Public sports club "Spriditis"	19.11.08	n/a
Integration of inhabitants of Latgale region into the European society	26.11.08	n/a
„Program for a WOMAN in a civil society”	01.- 03.12.08	The decoration works of premises were not carried out within activity no 5.1.
„Program for a WOMAN in a civil society”	07.01.09	Within the repeated on spot check was established that activity 5.1 is realised.
Unity of society	02.02.09	n/a
“YMCA Liepaja” – youth organization for the YOUTH	03.02.09	n/a
Launching and raising capacity of Association “Management of project cycles”	28.01.09	n/a
Exchange of information and promotion of cooperation for increasing efficiency of energy resource use and facilitation for changing consumer patterns in the Baltic States	19.01.09	n/a
Raising consumers' awareness for a healthier choice of daily goods	19.01.09	n/a
Accessible nature for people with motional and perceptual disabilities	17.04.09	n/a
To understand a wooden house	20.08.09	n/a

Summaries of audit reports

I Summary of system audits carried out by the internal audit structures of institutions involved within management of the Financial Mechanism

Summary of report on the Internal Audit No. 06-04/8.3.3./08 “Implementation of the Financial Mechanisms”

Riga

August 14, 2008

Legal Justification of the Audit

According to the work plan of the Internal Audit Department of the Ministry of Education and Science approved by the State Secretary of the Ministry of Education and Science on 28.01.2008 the Head of Structural Fund Audit Division of the Internal Audit Department G. Salmane-Lipčika performed the audit No. 06-04/8.3.3./08 “Implementation of the Financial Mechanisms”.

Audit Objective

Gain assurance that administration of the Financial Mechanisms resources is done according to requirements of the legislative acts regulating implementation, monitoring, evaluation and control of the Financial Mechanisms in the Ministry of Education and Science as an intermediate body and in the APA as a block grant intermediary.

Scope of the Audit

During the audit the auditor analysed and evaluated compliance of system's internal control measures with legislative acts in the time period from January 1, 2006 till June 30, 2008. During the audit compliance of the Ministry of Education and Science and APA with requirements of external legislative acts of the Republic of Latvia referring to administration of the Financial Mechanisms – development of tender regulation, announcement of the tender, evaluation, performance of checks, as well as financial planning was checked. Analysis of requirements of external legislative acts in developed internal legislative acts was carried out.

Application of conditions regarding implementation of the technical assistance fund according to requirements of the contract signed between the Ministry of Education and Science and Ministry of Finance, the CFCA on implementation of the technical assistance fund was checked. In cooperation agreements signed by the APA implementation of intermediary's obligation regarding the provision of separate financial account and carrying out separate accounting was checked.

Sample check was carried on 20 project applications out of 56 submitted on the basis of the regulation of the first open call announced by the Ministry of Education and Science to evaluate the process of receipt, attribution of ID number, evaluation, information of project application and managing authority about the results according to requirements of internal and external legislative acts.

Sample check was carried out on 15 project applications out of 39 submitted on the basis of the regulation of the open sub-project call for scholarship block grants announced by the APA to evaluate the process of receipt, attribution of ID number, evaluation, information of project application and managing authority about the results according to requirements of internal and external legislative acts.

During the audit repeated check of administrative and quality criteria was not carried out. Administration of administrative expenditure of the APA was not checked, which would include the check of justifying documents. Administration of project applications submitted on the basis of the regulation of the second open call in the Ministry of Education and Science and administration of academic research project

applications was not checked because their deadlines are June 12, 2008 and 12 August, 2008, respectively.

Summary

1. Internal control system established by the Ministry of Education and Science for the administration of the Financial Mechanisms works and implementation of necessary functions is ensured, however in separate cases weaknesses have been identified due to noncompliance with corresponding legislative acts, and separate improvements shall be introduced in the system.
2. Internal control system established by the APA for the administration of the Financial Mechanisms works and implementation of necessary functions is ensured, however in separate cases weaknesses have been identified due to noncompliance with corresponding legislative acts, and separate improvements shall be introduced in the system.

II Summary of project audits carried out by the Internal Audit Department of the MoF

Summary of report on the European Economic Area and the Norwegian Financial Mechanisms block grant's "NGO Fund" subproject "Two sides in one" – ensuring the basic activity, popularization and expositions of the Society "More Museum" audit **Audit objective**

Provide assurance about performance of the internal control system, established for implementation of the Financial Mechanisms project and eligibility of reported expenditure according to requirements of the Financial Mechanisms and the Republic of Latvia, expenditure supporting documents and traceability of expenditure.

Scope

<i>Block grant:</i>	NGO Fund
<i>Project:</i>	“Two sides in one” – ensuring the basic activity, popularization and expositions of the Society “More Museum”
<i>Total sum of the project:</i>	EUR 30 430.49
<i>SIF grant:</i>	EUR 27 380.49
<i>Advance payment to the SIF final beneficiary:</i>	EUR 15 880.67

The audit was performed in the Society Integration Foundation (hereinafter – SIF) and society “More Museum” (hereinafter – Society) on the project implementation period from September 4, 2007 till August 4, 2008.

The following was checked during the audit:

- > Financing Agreement No. 2007.NVOF2.1./2-2/09 signed on September 21, 2007 (hereinafter – Financing Agreement) between the final beneficiary – Society and Block Grant Intermediary – SIF;
- > bills and other documents justifying eligibility and compliance of expenditure;
- > established Project management system, including administrative, technical and financial, document registration and storage system;
- > compliance with publicity, procurement, environmental, gender equality and sustainable development requirements;
- > planned and achieved results of the Project;
- > Project implementation process, including changes in the scope, time etc.;
- > traceability of audit stages;
- > risk of double financing.

Time of the audit, auditors

The audit was started on August 4, 2008 and finished on September 5, 2008. The audit was conducted by the Senior Desk Officer of the European Union Financed Programmes and Projects Audit Division of the Internal Audit Department of the Ministry of Finance L. Seisuma.

During the audit interviews were held with the Head of Special Programme Project Management Division of the CFCA - A. Rumba and Head of Special Programme Financial Management Division A. Prišcepova, Deputy Head of the SIF Monitoring Division J. Šaicāne, Project Manager A. Bule and Senior Accountant E. Turka, as well as Society's Chairman of the Board, Project Manager A. Brača and Head of "D. Martuzānes birojs" Ltd. – Project Account D. Martuzāne.

Conclusions

1. At the moment of the audit total amount of the expenditure was EUR 22 223.96, including eligible expenditure EUR 7729.41 considered as such according to budget estimate and procurement performed, procurement expenditure in amount of EUR 14 364.31, as well as EUR 130.24 exceeding the budget estimate at the moment of the audit considered as non-eligible expenditure.
2. In general, the management and control system for implementation of the CFCA, SIF and Society's project has been established and it works, although it was identified that the SIF has not developed separate procedures for management of the block grant, it is done according to PHARE programme manual supplemented with separately developed forms.
3. At the moment of the audit, 4 advance payments were made to the SIF final beneficiary in amount of EUR 15 880.67 according to Clause 4.3 of the Financing Agreement.
4. The Society, submitting the 1st and 2nd Informative Report, has not complied with Financing Agreement, Supplement 2, Clause 2.L stating that the final beneficiary shall add to the report detailed information about the expenditure incurred till the end of particular reporting period.
5. Procurement No. 2007/11/01 made by the Society "Repair of premises in More Museum" does not comply with requirements of the CoM Regulations No. 179 "Regulations on the procedure for the projects financed by the contracting authority", therefore the auditor hold an opinion that expenditure of the Procurement No. 2007/11/01 "Repair of premises in More Museum" in amount of EUR 14 364.31 shall be deemed as non-eligible expenditure.
6. Simultaneously with the NFM project, the Society is also implementing the project co-financed by the state agency "Tēvijas sargs" "Two sides in one" – co-financing of More battle museum exposition popularization as a culture history, education and tourism object", where the activities included are similar to activities indicated in the signed Financing Agreement.
7. The Society has signed contracts with employees involved in the project – employment contracts and agreements on voluntary work; however assessment of voluntary work of three employees in money contradicts with the Financial Agreement.

Recommendations

1. The CFCA shall assign a task to the SIF to carry out a control to ensure that expenditure incurred by the final beneficiary in the Procurement No. 2007/11/01 "Repair of premises in More Museum" in amount of EUR 14 364.31 is deducted from the eligible expenditure of the project (see Conclusion No. 5).
2. To avoid possible risk of double financing the CFCA shall assign a task to the SIF, at receiving Completion Report, to gain assurance that activities have not

- been covered from the resources of the state agency's "Tēvijas sargs" co-financed project (see Conclusion No. 6).
3. The CFCA shall request the SIF, draw attention of the Society, that in future informative reports shall be supplemented with detailed information about the expenditure incurred till the end of particular reporting period according to requirements of the Financing Agreement (see Conclusion No. 4).
 4. The CFCA shall assign a task to the SIF to ensure assessment and accounting of voluntary work of employees involved in the Society's project according to requirements of the Financing Agreement (see Conclusion No. 7).

***Summary of the report on the Financial Mechanisms' co-financed project
"Sustainable use and management of nature resources in the NATURA 2000
territories - popular and potential tourism destinations" audit (LV0052)***

Audit Objective

Provide assurance about performance of the internal control system, established for implementation of the Financial Mechanisms' co-financed project "Sustainable use and management of nature resources in the NATURA 2000 territories - popular and potential tourism destinations", and eligibility of reported expenditure according to requirements of the Financial Mechanisms and the Republic of Latvia, expenditure supporting documents and traceability of payments.

The audit was performed in the Latvian Rural Tourism Association "Lauku celotajs" (hereinafter – LRTA "Lauku celotajs") and in the "Latvijas Dabas fonds" (hereinafter – "LDF").

Time of the audit, auditors

The audit was started on 19.02.2009 and finished on 24.03.2009. The audit was conducted by senior desk officers N.Voroncova and E.Klarka of the Ministry of Finance, Internal Audit Department, European Union Financed Programmes and Projects Audit Division.

During the audit interviews were held with the Deputy Head of Special Programme Project Management Division of the Special Programme and Project Department of the CFCA I. Skangale, President of the LRTA "Lauku ceļotājs" – Project Manager A.Ziemele, Chief Accountant of the LRTA "Lauku ceļotājs" – Project Accountant K.Pētersone, "LDF" Project Manager B.Strazdiņa and "LDF" Project Financial Assistant Z.Pulkstene.

Conclusions

1. Total audited sum for the time period from 21.05.2008 till 30.09.2008 is LVL 34 097.00, including:

- 1) **LVL 31 803.00** considered as eligible expenditure;
- 2) **LVL 2294.00** non-eligible expenditure included in the interim report No. 1.
 2. In general, Project finance accounting system ensures accounting and traceability of all financial transactions made within the Project.
 3. With 10 employees out of 11 involved in the Project implementation employment contracts have been signed, and with one employee an enterprise contract has been signed. The time worked within the Project has been recorded in the time recording tables for each employee, except one employee working on the basis of enterprise contract. In the one exceptional case a work delivery and receipt act is prepared every month for the work done.
4. Both the LRTA "Lauku ceļotājs" and "LDF" ensured Project identification in the accounting system. On 05.01.2009, the LRTA "Lauku ceļotājs" updated the

chart of accounts providing separate accounts for Project accounting, and the Project can be identified by the code attached. For the Project financial accounting the “LDF” made sub-accounts in the chart of accounts.

5. Payments made by means of bank transfers – the LRTA “Lauku ceļotājs” from the Treasury account designated specially for this purpose, the “LDF” – from the Fund’s account.
6. In general, payments refer to the Project, are made timely and supported with documents.
7. During the audit in the LRTA “Lauku ceļotājs” auditors did not gain assurance that terms for documentation storage will be observed according to requirements of the Cooperation Agreement, because the LRTA “Lauku ceļotājs” has not developed classification of cases.
8. In general procurements made within the Project – “Bus rent”, “Computer”, “Digital camera”, “Car rent” and “Project employee and expert competition” comply with corresponding requirements; however it was identified that the LRTA “Lauku ceļotājs” has not set terms for storage of documentation.
9. LRTA “Lauku ceļotājs” and “LDF” have complied with publicity requirements set in the Cooperation Agreement.
10. Project implemented complying with principles set in the gender equality policy and guidelines.
11. Project implemented complying with sustainability policy and guidelines.

Recommendations

The CFCA shall set tasks to ensure that the LRTA “Lauku ceļotājs” carries out storage of documentation according to Clause 7.1.6 of the Cooperation Agreement, namely, till 30.04.2021.

III Certified auditor’s report on selective control on eligibility of expenses of LV0006

Auditor report by LTD “Auditing and Management Consultations” for the CFCA

It was carried out an audit on eligibility of the expenses for period 01.03.2007 – 30.11.2008 included in the project interim reports (including eligibility of the expenses within the sub-projects) (hereafter – Reports) of the Cooperation Agreement No LV0006 “On block grant “Seed Money Facility” implementation and payment of co-financing of the Financial Mechanisms (hereafter – Cooperation Agreement) signed on 18 July 2007 between the CFCA and the Society Integration Foundation (hereafter – Co-financing receiver). Management of Co-financing receiver is responsible for preparation of financial reports. Based on carried out audit, we are responsible for providing of the statement of auditor regarding respective financial reports. Besides, we are auditing the actions of the Co-financing receiver regarding fulfilment of Cooperation Agreement (including on spot checks of sub-projects), compliance with terms of the Cooperation Agreements and requests of the normative acts of the Republic of Latvia stipulated in the Cooperation Agreement, and compliance with principles stipulated in the guidelines elaborated by the FMO and approved by the Financial Mechanisms’ Committee and the Norwegian Ministry of Foreign Affairs.

Auditing was carried out accordingly International Standards on Auditing concerning Report audit and auditing of compliance. Respective standards determine that the planning and carry out of auditing shall be done in order to get confidence that the Reports do not contain material errors and that the Co-financing receiver has

observe terms of the Cooperation Agreements and requests of the normative acts stipulated in the Cooperation Agreement. Selective control on amount included in the Report and supporting document was carried out within the auditing. Auditing included as well the evaluation of content of the management's assumptions taken within the process of the preparation of the Reports, principles of accountancy and financial reports. We consider that the carried out auditing gives the sufficient justification on submission of the statement.

In our consideration:

(a) Reports ensures obvious and real confidence on project's eligible expenses for period from 01.03.2007 till 30.11.2008 accordingly cash principle accountancy and terms of Cooperation Agreement;

(b) the Co-financing receiver in all relevant aspects has observed terms of the Cooperation Agreement and requirements of the Public Procurement Law.

We confirm that following transactions were executed:

Total costs of the Co-financing receiver, EUR	Non-eligible costs of the co-financing receiver, EUR	Eligible costs of the co-financing receiver, EUR	Total sum of the state budget and other financing, EUR	Disbursement request from funding of FMs
(1+2)	(1)	(2)	(3)	(4)
533 605	263	533 342	80 001	-82 571*

* including remaining amount in bank account.

This report is foreseen only for objective mentioned in the first paragraph of this report and information for you and it shall not be used for any other purposes.

/signature/ Zigrīda Šneidere

Certified auditor, Certificate No. 110

Member of the board of "Auditing and Management Consultations" LTD

Licence No 79

In Riga, in Latvia on 20.02.2009

Control and audit plan for September-December 2009

No	The auditor	Time of audit	Title
1	CFCA	September	On spot check of LV0027
2	CFCA	September	On spot check of LV0040
3	CFCA	September	On spot check of LV0042
4	CFCA	September	On spot check of LV0010
5	CFCA	September	On spot check of LV0049
6	Ministry of Culture	September	On spot check of LV0092
7	APA	September	On spot check of LV0015 sub-project "The relationship between neopterin and inflammatory markers in atherosclerosis patients"
8	APA	September	On spot check of LV0015 sub-project "Impact of geophysical factors on demographic processes and spatial organization of human environment"
9	SIF	September	On spot check of LV0008 sub-project "Support for participation of the Latvian Fund for Nature in society involvement and decision-making processes in the field of nature protection"
10	SIF	September	On spot check of LV0008 sub-project "Activity Support for the Union "Farmers Parliament""
11	SIF	September	On spot check of LV0008 sub-project "Liepaja Association of Blind – impulsive force for development of equal society in Liepaja"
12	SIF	September	On spot check of LV0008 sub-project "Our stability and development – for the civil society of Kurzeme region"
13	SIF	September	On spot check of LV0008 sub-project "The informed and active civil society program for the development of the society in Jaunsvirlauka municipality"
14	SIF	September	On spot check of LV0008 sub-project „Program for a WOMAN in a civil society"
15	SIF	September	On spot check of LV0008 sub-project "Gender equality promotion in economical and social environment, developing NGOs activity in Latvia"
16	SIF	September	On spot check of LV0008 sub-project "Active – youth policy in Bauska district"
17	SIF	September	On spot check of LV0008 sub-project "Promoting positive change: organizational support to Transparency International Delna"
18	SIF	September	On spot check of LV0008 sub-project "Support of development of civil society in Cesu area"
19	SIF	September	On spot check of LV0008 sub-project "Strengthening capacity of the "Latvian Apartment Owner Association""
20	Ministry of Health	September/ October	System audit on implementation of the Financial Mechanisms
21	Ministry of Environment	September/ November	System audit on management and monitoring of the Financial Mechanisms` co-financed projects
22	SIF	October	On spot check of LV0008 sub-project "Activity Support for Jurmala Defence Society"
23	SIF	October	On spot check of LV0008 sub-project "Long-term action plan and work programme of the NGO „Parents for Jurmala""
24	SIF	October	On spot check of LV0008 sub-project "Activity Support for Daugavpils District Partnership"
25	SIF	October	On spot check of LV0008 sub-project "Activity support programme of Preili NGO Centre for strengthening the civil society in Preili district"
26	SIF	October	On spot check of LV0008 sub-project "Development of Latvian Diaspora Museum „Latvians Abroad""
27	SIF	October	On spot check of LV0008 sub-project "We are beside!"
28	APA	October	On spot check of LV0015 sub-project "Aging society: social security, inequality and risks of labour market in Baltic States"
29	SIF	November	On spot check of LV0008 sub-project "Philanthropy development in Latvia 2009 – 2011"

30	APA	November	On spot check of LV0015 sub-project “Elaboration of crop breeding strategy for organic farming”
31	APA	November	On spot check of LV0015 sub-project “Investigation of the standardization methods for semen analyses for the development of the optimal standardization system in Latvia”
32	Ministry of Culture	November	On spot check of LV0034
33	CFCA	December	On spot check of LV0014
34	CFCA	December	On spot check of LV0043
35	Ministry of Culture	December	On spot check of LV0094
36	APA	December	On spot check of LV0015 sub-project “Research on AIS microsatellite technologies, its usage and building possibilities in Latvia”
37	Ministry of Environment	December	On spot check of LV0010 sub-project “Transition of environmental technology in the waste paper recycling plant in Valmiera – by diversifying the production of company and decreasing emissions of carbon”