



**Republic of Latvia  
Ministry of Finance (Focal Point)  
European Union Funds Monitoring Department**

***Annual Report on the Implementation of  
the EEA Financial Mechanism 2004 –  
2009 in Latvia  
September 2009 – August 2010***



**Riga**

## **Glossary of Acronyms**

**APA** - the Academic Programme Agency  
**CFCA** - the Central Finance and Contracting Agency  
**EEA** – the European Economic Area  
**Financial mechanism** - the Norwegian 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 Norwegian Financial Mechanism 2004 – 2009  
**NGO** – the Nongovernmental Organization  
**OC** - the Open Call  
**PCR** – the project Completion Report  
**PIP** – the Project Implementation Plan  
**PIR** – the Project Interim Report  
**SEDA** - the State Education Development Agency  
**SBG** - the Scholarship Block Grant  
**SIF** - the Society Integration Foundation  
**SMF** – the Seed Money Fund  
**TAF** - the Technical Assistance 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 EEA mechanism in Latvia September 2009 – August 2010*”.

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 2010 – August 2011.

This document will be discussed during the annual meeting with representatives from the donorstate – Kingdom of Norway - planned for 11 November 2010. 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 7 October 2010 by the joint Steering and Monitoring Committee for the Financial Mechanisms.

## **1. Implementation framework and regulatory environment**

Within the reporting period the Administrative Territorial Reform and State Administration Structural Reform were still in process which made an impact on the implementation of the Financial Mechanism.

### **Administrative Territorial Reform**

Succession of rights and obligations (including implementation of projects) due to changes of legal status of municipalities regarding Administrative Territorial Reform had to be managed till 1 January 2010. The FP on 3 February 2010 sent to the FMO a letter regarding overview of projects where changes in promoters’ and partners’ names due to respective reform took place. The FMO officially approved changes in all relevant GAs on 26 February 2010.

### **State Administration Structural Reform**

Taking into account circumstances that the state established universities from 1 January 2009 had no more entitlement for full pre-financing from the state budget and had to finance projects from their own resources as well as difficult economical situation, the FP (on 15 December 2009) proposed to the FMO to consider possibility to assign additional advance payment (exceeding 10% border) for universities implementing projects under the Financial Mechanism. The exceptional advance payment for the project LV0043 was approved by the FMO on 3 February 2010.

Mostly actions regarding reorganization of state institutions were done by the end of 2009. Intermediary of the block grant LV0014 and LV0015 – the State Agency “Academic Programme Agency” – was liquidated and from 1 January 2010 the implementation of both block grants was undertaken by the SEDA. Respective changes in the GAs were approved by the FMO.

### **Simplification of Management System**

Within reporting period the work on simplification of the Financial Mechanism implementation system continued. Informative statement “*On Simplification of Management System of EEA Financial Mechanism and Norwegian Financial Mechanism*” was approved by the Government on 5 January 2010.

The simplification of the management system foresees following main measures:

- delegation of the approval of PIRs and PCRs to the CFCA on behalf of the FP, in order to reduce time period of evaluation and approval of PIRs and PCRs at the national level;

- merging of the Monitoring Committee and the Steering Committee in joint committee – the Monitoring and Steering Committee, in order to reduce number of institutions involved within management of the Financial Mechanism;
- 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 necessary changes in legal acts which regulate management of the Financial Mechanisms is in process).

FP's proposal for amendments of the MofU regarding merging of the Monitoring Committee and the Steering Committee was sent to the FMO on 3 March 2010. The Rules of Cabinet of Ministers "*Monitoring and Steering committee of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism*" were approved by the Government on 29 June 2010.

Due to simplification of management system of the Financial Mechanism the corresponding amendments in the "*Law of the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism*" were approved by the Parliament of Latvia (Saeima) on 6 May 2010 and (came into force on 2 June 2010). Elaboration of necessary amendments in corresponding secondary legislation – Rules of Cabinet of Ministers – is in process and necessary amendments are planned to be made till the end of 2010.

## 2. Progress made towards implementation of individual projects

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 between the project promoter, the CFCA and the IB. During reporting period last 3 Cooperation Agreements were signed (LV0073, LV0075, LV0081).

In total 66 individual projects (including TAF) are implemented within the Financial Mechanisms. From these projects 42 are financed by the Norwegian Financial Mechanism, 21 - from the EEA Financial Mechanism and 3 projects (LV0007, LV0052, LV0095) are with split funding - 50 % from each of the Financial Mechanisms.

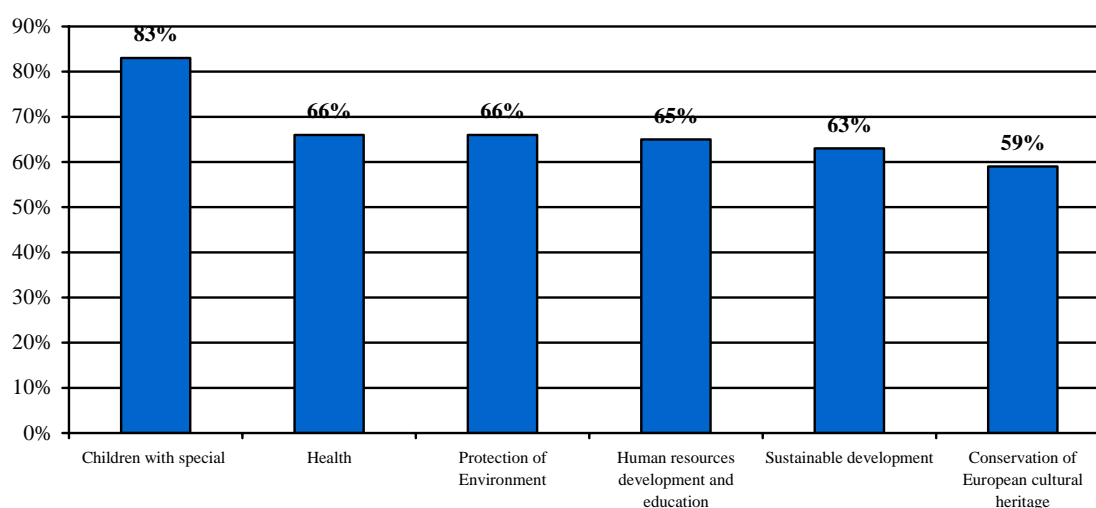
From 24 individual projects co-financed from the Financial Mechanism:

- 2 has been completed by 31 August 2010;
- 8 are planned to be completed during September-December 2010;
- 13 are planned to be completed till 30 April 2011;
- TAF is prolonged till 30 April 2012.

It is planned that till 31 October 2011 last PIRs of projects will be submitted to the FMO for approval. Taking into account the experience gained so far last PCRs will be submitted to the FMO latest till the end of February 2012, thereby financial flow, i.e., disbursements are foreseen also in the first quarter of 2012.

Please find statistical data showing actual average progress of projects` estimated percentage complete certain field by the end of reporting period in the graph below:

*Graph 1 – Projects` estimated percentage complete within priorities till 31 August 2010\**



*\* as stated by projects` promoters in latest PIRs received at national level. The best estimate, on the day of submission of the PIR, of the percentage of the project scope as defined in the indicators that have been completed*

The high result within *Children with special needs* priority could be explained by the fact that three-sided agreements on implementation of the individual projects within the priority were signed without delay and the projects can be started according to the planned schedule.

The lowest percentage of individual projects` implementation progress is within *Conservation of European cultural heritage* priority in which it does not exceed 59%. The result is based on the fact that two individual projects were approved within the first open call for individual projects and four individual projects - within the second open call. The implementation of the last ones started only in the second and third quarter of 2009.

There are 2 projects in total for 669 952 EUR (3,54% from the total allocation) completed during the reporting period reaching the objectives set in the PIP and both PCRs are already approved by the FMO:

- In the result of the project LV0027 “Transition to Digital Radiology and Implementation of Patient Management Systems in Daugavpils Regional Hospital” the digital radiology system and patient management system at the Daugavpils Regional Hospital is developed. The project facilitates interlinking of Daugavpils Regional Hospital with other Latvian hospitals. Therefore after the completion of the project patients of Daugavpils or its region are able to receive highly qualified medical consultations from the Latvian experts. As e-health technologies in Latvian hospitals is not so widely distributed as it is in other EEA countries, the implementation of the project activities is an important step towards better e-health policy and practical tools at national and EEA level.

PCR was approved by the FMO on 7 July 2010 and 100% of the grant is used.

- Within the project LV0051 “North Vidzeme Biosphere Reserve Environmental education and information centre – an example of environmentally friendly renewable energy usage” demonstration platform was build for heat supply using environmentally friendly energy sources, that is, the reverse cycle modulated compression system is implemented and solar panels, which are a clean and environmentally sound means of collecting solar energy, are installed.

As the above-mentioned heating system ensures economy of heating expenses and reduces SO<sub>2</sub> and CO emission, the project consequently improves the quality of environment, and it complies with consumers’ needs. Within the project build demonstration platform will serve as an example of rational usage of renewable energy resources informing wider society about the possible solutions of protection of natural resources and the use of innovative solutions in regional development.

PCR was approved by the FMO on 29 September 2010 and 98,6% of the grant is used.

Partners from Latvia and donorstates were welcomed and encouraged to participate in projects, therefore certain number of partners during reporting period were actively continuing their participation in approved projects and some new partnerships were created. In total from 64 (excluding TAF) individual projects 26 (41%) have established fruitful bilateral partnerships. Please find the assessment of the effects on the bilateral relations with donorstates in the Appendix 1.

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

The impact on direct target groups in each priority area from projects financed from both Financial Mechanisms has been estimated in the Appendix 2.

The objective and expected results of projects are in compliance with certain national, regional and local strategic documents in each priority area, which can be seen in the Appendix 3.

[Please find below summary information about main results](#) achieved in each priority area by implementation [of projects](#) funded from both Financial Mechanisms.

#### ***Children with special needs priority***

The main result reached under the priority is already established infrastructure for children with special needs in Jelgava city and Dauguli special educational school. The positive impact will be reached as well by the implementation of new approaches of development of mentally disabled children and strengthening ties between families with disabled children through the education of social workers from municipalities, NGOs and parents. The attention of the

society to the problems and needs of disabled children will be drawn during publicity activities planned within the projects.

The direct target groups which will be affected in the result of implementation of projects are children with special needs, families of children with special needs, teachers, social workers and NGOs, which work with children with special needs.

Please find below information about current projects' results achieved within sub-priority of respective priority defined in the Annexes B of the MoUs:

*Table 1 – Projects' results by sub-priorities of respective priority*

| <b>Sub-priority</b>   | <b>Results till 31 August 2010</b>  |
|---|---|
| 1. Improved access and treatment of children with special needs in the health care system | <ol style="list-style-type: none"> <li>1. Multifunctional Support Center operational concepts was developed</li> <li>2. Development of video material for information of society about the Multifunctional Support Center was completed</li> <li>3. 1000 copies of booklet were issued about the activities of the Multifunctional Support Center</li> <li>4. 599 m2 premises for multifunctional rehabilitation centre for children with special needs were renovated</li> <li>5. Working Programme and Guidelines for Children Early Functional Evaluation was developed</li> </ol> |
| 2. Integration of children with special needs in the educational system                   | <ol style="list-style-type: none"> <li>1. Three kinds of pedagogical materials was prepared for children with special needs</li> <li>2. Educational, health and children school life quality was improved, as the result 58 children with special needs could continue their educational process in newly renovated and equipped boarding school</li> <li>3. 4 days non-formal educational activity for 40 children with special needs was held</li> <li>4. 3 training seminars for 11 parents and 10 specialists were took place</li> </ol>  |

### ***Health priority***

The financing received from the Financial Mechanisms under this priority has been sufficient for achievement of within the individual projects' planned objectives and results. The main benefit for the priority is the introduction of e-health solutions as this includes the possibility to improve the quality of hospital services, to reduce the number of paper work and to use more modern technologies in health care sector. Other benefits under the priority are as follows:

1. Accessibility to the cancer diagnostic services and quality of these services will be ensured, which is vitally important for early diagnostics and early treatment of cancer.
2. Construction of a new building for outpatient department providing new types of psychiatric care has a positive impact on development of health care.
3. Improvement of overall efficiency of blood-vessel surgery will be ensured by developing specific information system for blood-vessel surgery purposes.
4. Increased public awareness about health care services.

The direct target groups which will be affected in the result of implementation of projects are national and regional hospitals, employees of hospitals and clients of hospitals.

Please find below information about current projects' results achieved within sub-priority of respective priority defined in the Annexes B of the MoUs:

*Table 2 – Projects' results by sub-priorities of respective priority*

| <b>Sub-priority</b> | <b>Results till 31 August 2010</b> |
|---------------------|------------------------------------|
|---------------------|------------------------------------|



|   |  |
|---|--|
| 1. Reduction of mortality and spread of communicable diseases                     | <ol style="list-style-type: none"> <li>1. 4 (total target 9) microbiologists about usage of WHONET software (collection of microbiological data) were trained</li> <li>2. 4 hospitals (total target 6) in Valmiera, Daugavpils, Ventspils and Liepaja city are using unified protocols for resistance testing of most important nosocomial infections</li> </ol>   |
| 2. Reduction and prevention of lifestyle-related diseases                         | 3 health prevention programmes were elaborated in Ilukste county   |
| 3. Improvement of mental health care  | <ol style="list-style-type: none"> <li>1. 2 multi-disciplinary teams in Daugavpils Psychoneurological Hospital were created</li> <li>2. New Ambulatory Department building in Daugavpils Psychoneurological Hospital was constructed</li> </ol>  |
| 4. Improvement of technical and professional capacity of health care institutions | <ol style="list-style-type: none"> <li>3. Digital radiology system in Daugavpils Regional Hospital and digital image transition system in Riga Eastern Clinical University Hospital was introduced</li> <li>4. Secure wireless network in 15 departments of Traumatology and Orthopedics Hospital was established</li> <li>5. Mobile mammography unit to "Health Centre 4" was delivered and it is ready to work in whole country</li> </ol> |

### ***Protection of the environment and Sustainable development priority***

Five projects from seven projects within the priority "Protection of Environment" and five projects from six projects within the priority "Sustainable development" are still in the implementation process. But it is already clear that positive impact from both priorities will be reached within environmental field. The main benefits after projects' completion for both priorities will be the following:

1. Improvement of the long-term maintaining of environment quality.
2. Introduction of the new testing possibilities regarding important environmental contaminants.
3. Facilitation of further possibilities for determination and evaluation of important environmental pollutants.
4. Increase of capacity of municipalities, environmental NGOs and owners of protected areas in the elaboration of nature protection plans.
5. Development of social dialogue between tourism and environment facilitating development of green tourism and reducing negative impact on environment.
6. Transfer of knowledge to broader target groups and thereby facilitating the development of aquaculture system in Latvia.
7. Sustainable development and usage of Natura 2000 territories by elaborating of nature protection plans municipalities receives tools for better management and development of territories of Natura 2000 territories.
8. Facilitation of communication and understanding between public institutions, NGOs, stakeholders, forest owners and other involved persons.
9. Strengthening of sustainable development of the nature park's area.
10. Increase of the level of understanding of the society about environmental issues, environment protection and sustainable development.
11. Decrease of the heating costs and reduction of maintenance costs within the municipality by installation of ground source heating systems and insulation of buildings.

The direct target groups which will be impacted in the result of implementation of projects are public institutions and NGO performing in environment sector, municipalities and private companies.

Please find below information about current projects' results achieved within sub-priority of respective priority defined in the Annexes B of the MoUs:

*Table 3 – Projects' results by sub-priorities of respective priority*

| Sub-priority   | Results till 31 August 2010  |
|--|--|
| <b>Protection of the environment priority</b>  |  |
| 1. Integrated pollution prevention and control   | <ol style="list-style-type: none"> <li>1. Evaluation of environmental pollution from fish factories regarding polycyclic aromatic hydrocarbons (PAH) as well as freshwater fish contamination with dioxins was performed, as the result 50 analysis on PAH in 5 fish processing factories were taken</li> <li>2. Assessment of the PAH content in surrounding environment of fish factories was done, as the result 1 report of PAH content was produced</li> <li>3. 26 fish processing enterprises were informed via seminars and buckets about PAH concentrations in surrounding environment</li> </ol>  |
| 2. Encouraging the use of renewable energy   | <ol style="list-style-type: none"> <li>1. 18 m2 solar panels for heating water were installed in Environmental Education and Information Centre of North Vidzeme Biosphere Reserve</li> <li>2. 675 m2 area of Environmental Education and Information Centre of North Vidzeme Biosphere Reserve was heated by ground source heat pumps</li> </ol>  |
| 3. Improved monitoring systems of pollution, especially from agricultural activity   | <ol style="list-style-type: none"> <li>1. Method for making dioxin analysis in Latvia was established</li> <li>2. 4 experts from fish processing enterprises were trained in dioxin analysis</li> </ol>  |
| 4. Development of electric and electronic equipment waste management systems   | <p>Results will be achieved in the next reporting period:</p> <ol style="list-style-type: none"> <li>1. Infrastructure for collection and storage of electric and electronic waste will be created, as the result 1 storage place (shed), 1 supply line and 1 sorting line will be purchased for increase of the scope of recyclable WEEE waste</li> <li>2. Education campaign in 20 schools will be carried out to inform about WEEE and protection of environment by collecting and sorting WEEE waste</li> </ol>  |
| <b>Sustainable development priority</b>  |  |
| 1. Competence building in the field of sustainable development and possible establishment of the Sustainable Development Institute | <ol style="list-style-type: none"> <li>1. Local management of inland waters' fish resources and aquaculture by establishment of information system was improved</li> <li>2. 10 academic education modules were developed in the field of aquaculture</li> </ol>  |
| 2. Encouraging organic agriculture   | No projects were approved under this sub-priority  |
| 3. Increased natural resources management and efficient use  | <p>Results will be achieved in the next reporting period:</p> <ol style="list-style-type: none"> <li>1. 5 tourism development plans will be developed to contribute in the products and services that are well demanded in the market</li> <li>2. Guideline document for management of Natura 2000 territories based on principles of sustainable development will be prepared</li> <li>3. 6 elaborated nature protection plans will be developed to improve national park management capacity, public knowledge and existing infrastructure</li> <li>4. national accounting system will be developed for the forest sector based in monetary values that allow</li> </ol> |

|  |                                       |
|--|---------------------------------------|
|  | integration of environmental concerns |
|--|---------------------------------------|

### ***Human recourse development and education priority***

The overall benefits of priority will be reached by the following activities:

1. Improvement of education, training and lifelong education system:
  - the highest impact is in university education area.
  - in the general education area one new multimedia studying software for natural science studies is under development;
  - in the lifelong learning area.
1. Organisation of trainings for improvement of professional skills of employees of central and local government institutions, management and employees of enterprises in the field of innovation and entrepreneurship, environmental protection and health.
2. Improvement of professional skills of teachers of vocational schools and teachers of adult vocational further education.
3. Introduction of non-formal methods for environmental education for pupils and academic personal.
4. Supporting education programmes in multi-media field and environmental protection.
5. Improvement of quality of general, vocational distance and university education, thus helping to increase the possibilities for the Latvian higher education export.
6. Awareness of the society on the issues of environment and sustainable development, creativity and innovation will be raised.

The direct target groups which will be affected in the result of implementation of projects are students and academic personnel of higher educational establishments, pupil of high schools, employees of state and municipality institutions, teachers of high schools, vocational schools and teachers of adult vocational further education and management and employees of enterprises.

Please find below information about current projects' results achieved within sub-priority of respective priority defined in the Annexes B of the MoUs:

*Table 4 – Projects' results by sub-priorities of respective priority*

| <b>Sub-priority</b>  | <b>Results till 31 August 2010</b>   |
|--|--|
| 1. Improvement of education, training and lifelong education systems   | <ol style="list-style-type: none"> <li>1. 330,8 m2 premises of Liepaja University for new media art education were renovated</li> <li>2. Methodological resource room in Riga Teacher Training and Educational Management Academy was established for the research in creativity</li> <li>3. Environmental Modelling centre in Riga was established</li> <li>4. 6 (total target 8) study courses/ training modules for employees of state and municipality institution were developed</li> <li>5. 12 (total target 14) study materials' packages in environmental science for university level study programmes was developed</li> </ol> |
| 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 | No projects were approved under this sub-priority  |
| 3. Support to education programmes in  | 1. E-platform for lifelong education programmes  |

|  |  |
|--|--|
| multi-media field and environmental protection | realization was improved<br>2. 6 (total target 8) multimedia educational materials in environmental science were developed |
|--|--|

### ***Conservation of European heritage priority***

All approved six individual projects are still in the implementation process, but it is already clear that positive impact from the priority will be reached within preservation of cultural heritage field.

The Financial Mechanisms' grants are very important for the culture, especially for the preservation of Latvian cultural heritage and sustainable and efficient functioning of historical cultural objects for needs of the society. With co-financing of Financial Mechanisms historical town centers are preserved, historical wooden buildings are restored, valuable art works are purchased, renowned and digitalized, as well as services offered by museums are diversified and improved. All of above mentioned cultural heritage objects are with high social-economic and tourism potential.

The positive impact on the society of Latvia and its quality of life will be reached by the promotion of understanding and interest in Latvian cultural heritage, especially in art and architecture. The number of local visitors and foreign tourists could rise due to restoration and modernization of the infrastructure of museums. The new opportunities to diversify exhibitions and services as well as to make them more accessible and attractive to regional residents, disabled people and youth will increase a positive impact on all society of Latvia. Thanks to the improved and modernized museums' infrastructure and the purchased, restored and digitalized art works the cultural heritage will become available to a larger part of the society.

The direct target groups which will be affected in the result of implementation of projects are museums and their employees, restorers and craftsmen.

Please find below information about current projects' results achieved within sub-priority of respective priority defined in the Annexes B of the MoUs:

***Table 5 – Projects' results by sub-priorities of respective priority***

| <b>Sub-priority</b>  | <b>Results till 31 August 2010</b>  |
|--|---|
| 1. Training craftsmen in restoration                                       | 5 (from 10) craftsmen were trained  |
| 2. Restoration of historic centres of Latvian towns                        | Results will be achieved in the next reporting period:<br>1. Guidelines for restoration and maintenance of Daugavpils Fortress will be developed<br>2. Development and regeneration plan for Valmiera old town will be drawn up<br>3. Historic centres of Daugavpils, Kuldiga and Valmiera will be partially restored |
| 3. Establishment of an Art-Nouveau centre in Riga                          | No projects were approved under this sub-priority   |
| 4. Documentation and preservation of Soviet period non-conformist heritage | 1. 1057 (total target 1108) art works were restored and 2439 (total target 4910) art works were digitalised<br>2. 3 (total target 5) restorers specialised in contemporary art were trained<br>3. 83 artworks were added to collection of non-conformist art  |
| 5. Restoration of wooden architecture                                      | 1. Kuldiga County Museum premises was restored<br>2. Wooden architecture restoration centre in Kuldiga city was created   |

### 3. Progress made towards implementation of programmes and block grants

In Latvia there are 9 programmes/block grants in total financed from both Financial Mechanisms: 3 are financed by the Norwegian Financial Mechanism, 3 - from the EEA Financial Mechanism, and 3 are with split funding - 50% from each of the Financial Mechanisms. From 6 programmes/block grants co-financed from the Financial Mechanism, one has been completed in the end of 2007 (SMF), one will be completed in the last quarter of 2010 (the Civil society block grant), and 4 in April 2011.

It is planned that till 31 October 2011 last PIRs will be submitted to the FMO for approval. Taking into account the experience gained so far last PCR's will be submitted to the FMO latest till the end of February 2012, thereby financial flow, i.e., disbursements are foreseen also in the first quarter of 2012.

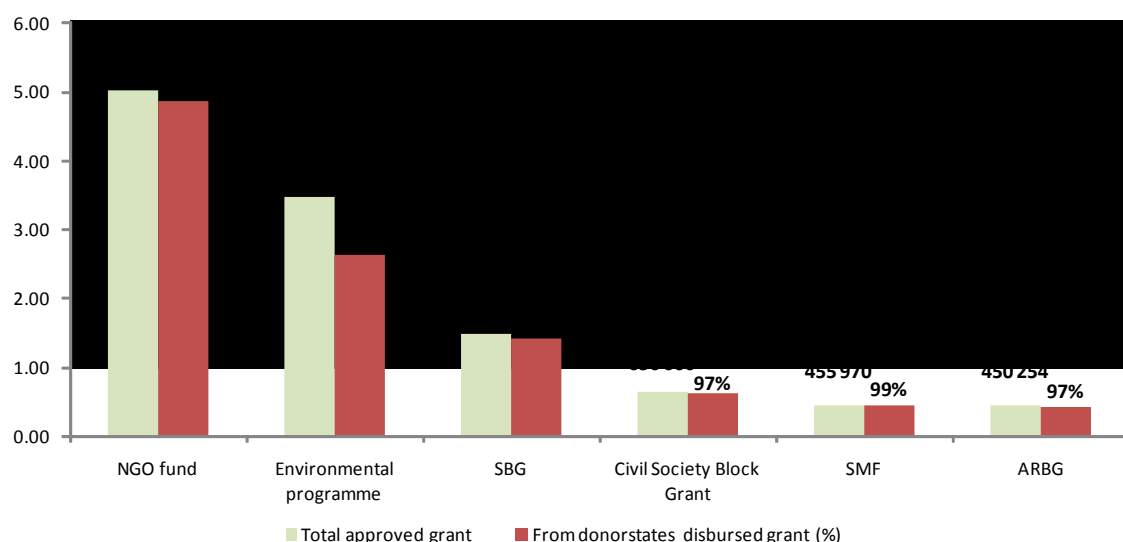
There were only several OCs for subprojects left to be announced and completed during the reporting period, which were within the SBG. Therefore main attention of Intermediaries was focused on signing of implementation contracts with approved promoters of subprojects, controlling implementation of subprojects by verifying progress reports, amendment requests, as well as publicity activities. Please find statistical data regarding OCs for subprojects in the Appendix 4 as well as main publicity activities in the Appendix 5.

Partners from Latvia and donorstates were welcomed and encouraged to participate in projects, therefore certain number of partners during reporting period were actively continuing their participation in approved programmes and block grants and some new partnerships joined during this period. In total from 133 subprojects implemented during reporting period 29 (22%) have established direct or indirect bilateral partnerships. Please find the assessment of the effects on the bilateral relations with donorstates in the Appendix 1.

Information about objectives of particular programme/block grant compliance with the national strategic documents as well as target groups, benefiting from respective programme/block grant, can be seen in the Appendix 6.

The graph 2 shows available grant of programmes and block grants approved by the donorstates versus from donorstates disbursed grant amount in percents. Disbursements are more than 70% in all programmes/block grants.

*Graph 2 – Within programmes/block grants available grant versus disbursed grant, million EUR*



### **Seed Money Facility (SMF)**

The SMF is the first block grant which is completed in Latvia. The PCR has been successfully approved in March 2010. 99.4% of the available grant was used.

Summarising all results it can be concluded that the SMF was implemented successfully. 141 proposals (45 from NGOs, 43 - private companies, 38 - local governments, 15 - state institutions) were received within the single OC and 33 subprojects were approved (4 in the priority "Protection of the Environment"; 3 - "Sustainable development"; 3 - "Conservation of European cultural heritage"; 5 - "Health"; 4 - "Children with special needs"; 7 - "Human resources development and education"; 3 - "Judiciary"; 4 - "Regional policy and development of economic activity").

All supported subprojects were successfully implemented. Nine were implemented in cooperation with various organizations from Norway. The cooperation included involving guest lecturers or experts (from universities, state institutions and cooperation) and organizing numerous experience exchange activities. No partnership was established with partners from Liechtenstein and Iceland.

31 out of 33 promoters, submitted applications for grant in the 2nd OC for individual projects. 10 of them were approved and received a grant from the EEA Financial Mechanism: LV0070, LV0079, LV0094 and from the Norwegian Financial Mechanism: LV0076, LV0077 LV0068, LV0080, LV0083 LV0086, LV0087.

### **Strengthening Civil Society and Promotion of the Integration of Society (Civil Society Block Grant)**

32 subprojects from 85 submitted applications were supported in September 2009. In October 2009 the Intermediary organized a kick-off seminar for the subproject promoters. Subprojects implementation period was from 1 December 2009 till 30 June 2010. All 32 subprojects were completed on time and the Intermediary received all final reports for evaluation, from which 8 are approved by 31 August 2010.

Following results are achieved:

- strengthened operational capacity of ethnic minority NGO – 6 subprojects;
- supported cultural activities of ethnic minority groups – 7 subprojects;
- supported activities aimed at informing society about culture, traditions and religion of ethnic minority groups – 4 subprojects;
- supported translation of literature works from languages of ethnic minority groups to Latvian language and from Latvian language to languages of ethnic minority – 3 subprojects;
- supported activities aimed at informing society about ethnic integration issues – 6 subprojects;
- supported extra curricula activities of schools aimed at promoting co-operation of pupils from different ethnic origins – 6 subprojects.

### **NGO Fund**

During the reporting period 25 subprojects were supported within the final, 4<sup>th</sup>, OC in following sub-measures:

- within the *NGO activity support measure* 7 subprojects from 75 submitted;
- within the *NGO capacity strengthening measure* 6 subprojects from 95 submitted;
- within the *NGO project measure* 12 subprojects from 176 submitted.

On 31 August 2010 in total implementation of 48 subprojects are completed within the *NGO capacity strengthening measure*, 23 within the *NGO project measure* and 18 within the *NGO activity support measure*.

On 28 April 2010 the SIF in collaboration with the Royal Norwegian Embassy and the association “Civic Alliance - Latvia” organised the seminar “NGO Fund in Latvia” which was held in Riga. The objective of the seminar was to obtain a retrospective view on results and achievements under the NGO Fund before the next planning period. Report on seminar’s course, participants and results are published in the SIF’s webpage (<http://lsif.lv/en/funded-projects/eea-and-norwegian-financial-mechanism>). NGOs admit that multiyear projects of the capacity development for the organizations extremely welcome to strengthen capacity of the civil society groups. As well as the research “Opinion of applicants and beneficiaries about the management of the Financial Mechanisms’ NGO fund” carried out in the November 2009 is published in the SIF’s webpage.

Following results are achieved:

- strengthened professionalism of human resources acting in NGOs – performed trainings of NGOs’ staff, developed strategies, increased number of the NGOs’ members, etc.;
- improved material and technical basis of NGOs – created new home pages, carried out repair works, purchased equipment, etc.;
- promoted cooperation of NGOs – exchanged experience within NGOs in Latvia and other countries, created new NGOs, participation in international arrangements, etc.;
- improved quality of services provided by NGOs for the target groups – provided trainings, organized different arrangements – conferences, forums, information days, etc.;
- provided uninterrupted and active operation of NGOs in different fields (for example – protection of environment, protection of society’s health, gender equality, promotion of democracy, advocacy and integration of different social groups);
- promoted society’s participation in NGOs through publications, TV broadcasts and different activities organized by the NGOs;
- provided participation of NGOs in policy-making processes in Latvian municipalities, state administration and at EU level;
- implemented NGO projects in different fields.

### **Environmental Policy Integration Programme in Latvia (Environmental Programme)**

Within 2<sup>nd</sup> OC 17 subprojects are approved in following sub-measures:

- *Multidisciplinary research and capacity building for environmental policy integration measure* – 7 subprojects;
- *Environmental technology and eco-innovation measure* – 10 subprojects.

Implementation of 2 subprojects from the 2<sup>nd</sup> measure are completed and the final reports are approved by the Intermediary.

Following results are achieved:

- provided educational and informational arrangements for environmental organizations about subprojects’ results;
- developed proposals for improvement of environmental standards;
- carried out questionnaires and researches in specific environmental areas;
- promoted international cooperation;
- promoted entrepreneurship – developed technical specifications and different documentation in the environmental technology area, created homepage [www.videsrisinajumi.lv](http://www.videsrisinajumi.lv) for entrepreneurs acting in environmental area, etc.;
- informed society about environmental questions through booklets, TV and radio broadcasts, etc.;
- purchased specific production and processing equipments.

On 22 April 2010 in the site of one subproject *force majeure* situation happened. A fire occurred at the production facilities of the subproject promoter, Ltd. Vekover, and all

technologies, including the ones obtained within the subproject, had burned down. The cause of fire was examined by responsible authorities. On 7 July 2010 an expert opinion about performance of fire technical expertise was made by the Forensic Department, stating that the cause of fire breakout was the impact of artificially caused ignition source on combustible materials. Taking into account that during the criminal investigation process conclusion was made that there are no features of offense on 21 September 2010 the decision was made to finish criminal procedures and to close the case.

### **Scholarship Block Grant (SBG)**

Due to reorganization of state institutions the APA (the Intermediary) has been liquidated and starting from January 2010 its functions, including implementation of the SBG, were taken over by the SEDA.

In September 2009 the 7th OC in all three sub-measures was announced. In the result 32 subprojects (from 85 submitted) in Students' mobility, 20 subprojects (from 41 submitted) in Education Staff mobility and 5 subprojects (from 5 submitted) in Teacher Assistants' mobility were approved.

Due to the liquidation of the APA the last, 8<sup>th</sup>, OC in Education Staff mobility was postponed and launched on 30 March 2010 (planned in December 2009). In the last open call 109 applications were received from which 27 were approved.

Within all OC 371 applications were approved:

- 156 in Students' mobility (versus 117 planned in the PIP);
- 207 in Education Staff mobility (versus 100 planned in the PIP);
- 8 in Teacher Assistants' mobility (versus 17 planned in the PIP).

Following results are achieved – improved quality of education, established cooperation between Latvian and donorstates higher educational institutions, provided opportunity for students from Latvia to study in donorstates, for teachers, lectures and management staff to attend courses, lectures and to exchange experience in donorstates.

### **Academic Research Block Grant (ARBG)**

Due to reorganization of state institutions the APA (the Intermediary) has been liquidated and starting from January 2010 its functions, including implementation of ARBG, were taken over by the SEDA.

In September 2009 11 subprojects were approved (from 75 submitted) within the 2<sup>nd</sup> OC. In total 17 subprojects were approved in 2<sup>nd</sup> OC.

Implementation of 2 subprojects from the 1<sup>st</sup> OC is completed and 1 final report is approved by the Intermediary. Following results are achieved:

- carried out questionnaires and researches in specific areas (for example, environment, health, working place), developed research methods;
- provided business trips to Norway and other EEA states, as well as other countries;
- provided educational and informational materials for target groups;
- provided educational and informational arrangements – seminars, presentations, publications (in foreign countries as well), etc.;
- promoted bilateral relations through exchange experience visits to Norway's and Iceland's universities and from Norway's universities to Latvia.



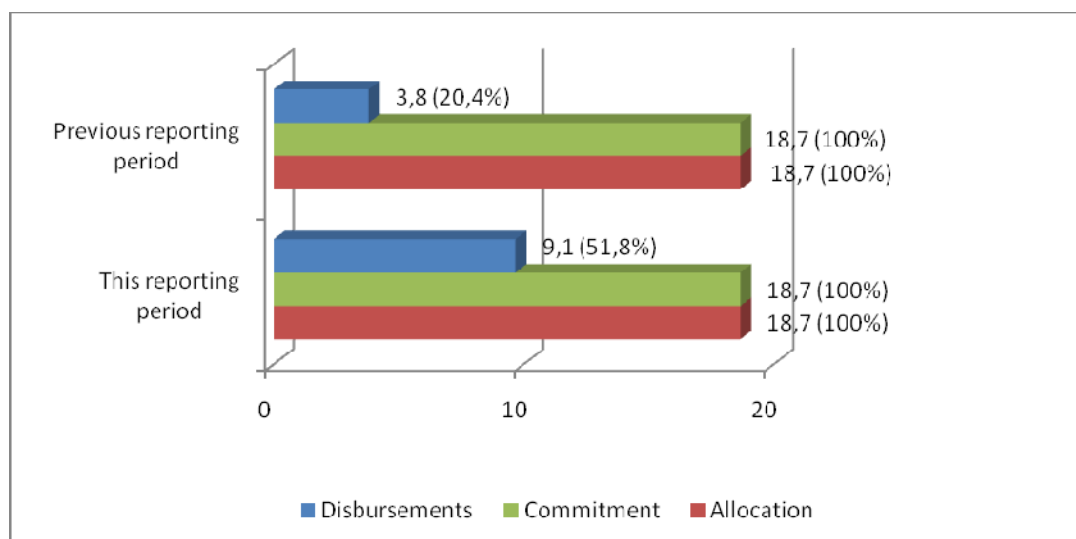
#### 4. Commitments made and disbursements effected by the FMO

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).

By the end of commitment deadline actual commitments of funds and individual projects constitute 18 666 083 euro. Comparing actual commitments made with cumulative commitments it can be concluded that actual commitments almost correspond to cumulative commitment ceilings 100%.

Disbursements effected from the date when the MoU was signed till the end of the reporting period are 9 610 364 euro or approximately 51,8% from the commitment, which shows 31,4% disbursement progress in comparison to the situation described in the last Annual report.

*Graph 3 - Commitment ceiling, committed amounts and disbursements by 31.08.2010, million EUR*



## 5. Summary of cross-cutting issues

By assessing the impact of projects, programmes and block grants (financed from both Financial Mechanisms) on the cross-cutting issues, it can be concluded, that:

### 1. Sustainable development – environmental aspects - are ensured in following way:

- Any residual or extracted material from the construction is reused, recycled, treated and/or deposited in an environmentally sound manner;
- Established association for managing of the nature park “Daugavas loki” ensures cooperation on local and regional level in the development of nature park;
- Performed evaluation of environmental pollution from fish factories regarding polycyclic aromatic hydrocarbons (PAH) helps to prevent negative impact on environment from fish processing;
- Established benzo(a)pyrene origination reasons in fish production technological processing and recommendations given to fish production factories about diminishing benzo(a)pyrene level in fish production technological processing improve the control system for content of the benzo(a)pyrene in Latvian fish products and provide the national authorities with an exhaustive information about compliance of fish production with the requirements of EU legislation;
- Installed solar panels for heating water and ground source heat pumps ensure reduction of CO<sup>2</sup> emissions and implementation of new environment-friendly technologies;
- Established Environmental Modeling centre provide an opportunity for students as well as state and municipal specialists to gain knowledge about environmental pollution spread at various surroundings and to perform practical as well as research work using pollution modelling computer programmes.

### 2. Sustainable development - economical aspects - are ensured in the following way:

- Developed planning and sectoral documents for municipalities of Kurzeme region, elaborated regional impact projects and increased qualification of specialists of the municipalities within the seminars and experience exchange visits facilitate the development of sustainable, competitive and balanced economic environment in Kurzeme region;
- Balanced and sustainable development of Zemgale region is ensured through the elaborated innovative instruments regarding spatial and development planning of region and elaborated tools for facilitation of development of business activities;
- Assessed various PPP schemes for street renovation and maintenance in Jelgava provide a contribution to the improvement of infrastructure in one of largest cities of Latvia;
- Developed e-health oriented information systems in Daugavpils Regional Hospital facilitates interlinking of Daugavpils Regional Hospital with other Latvian hospitals as well as provides an opportunity for patients from Daugavpils city and all Latgale region to receive highly qualified medical consultations from Latvian experts;
- Mobile mammography unit delivered to “Health Centre 4” in Riga improves early cancer diagnostics;
- Elaborated 3 new health prevention programmes (cardiovascular; for prevention of health from diseases emerging from wrong diet or lifestyle; reproductive) increase awareness of inhabitants of Latgale region in health prevention issues and facilitate improvements in health condition of inhabitants;
- Contribution to human resource development is made through cooperation and transfer of knowledge between Norway and Latvia;

- Developed 6 training modules using MBA-PhD level concepts introduce innovative teaching methods and create preconditions for raising of Latvian inhabitants' education level.

**3. Sustainable development – social aspects** – are ensured in the following way:

- Reconstructed Multidimensional Support Centre for Children with Special Needs in Jelgava city provides possibilities to receive social, educational and medical services for children with special needs;
- Trained local craftsmen in restoration of wooden buildings facilitate the preservation of wooden architecture, which has an effect on the development of social culture environment;
- Established complex program for the rehabilitation of former convicts provide an opportunity for them to leave the risk group of social exclusion and to integrate into the society;
- Presented information regarding environment-friendly touring routes and interesting site in Natura 2000 territories facilitates the environment-friendly tourism.

**4. Gender equality** is ensured in following way:

- Exclusion of any kind of negative discrimination towards any gender at individual projects', programmes', block grants' and sub-projects' level;
- The publicity measures is targeted at both sexes without any restrictions;
- Structure of project management team is based on qualifications and competences of respective person;
- Projects implementation is targeted to improve the quality of life for both genders (for example, improved quality of medical services is accessible for all groups of population in respect of age and gender).

**5. Good governance** will be ensured in following way:

- Purchase of goods and services is done according to the national procurement legislation;
- Provision of transparency in the management of funds;
- Reduction of the corruption risk within the project through the site visits and monitoring by national authorities and the FMO;
- The implementation of the approved individual projects', programmes' and blocks grants' according to the GAs and tree-sided Cooperation Agreements.

## 6. Summary of audits and irregularities

Within reporting period according to the national normative acts in the management of the Financial Mechanisms following types of controls and audits were carried out:

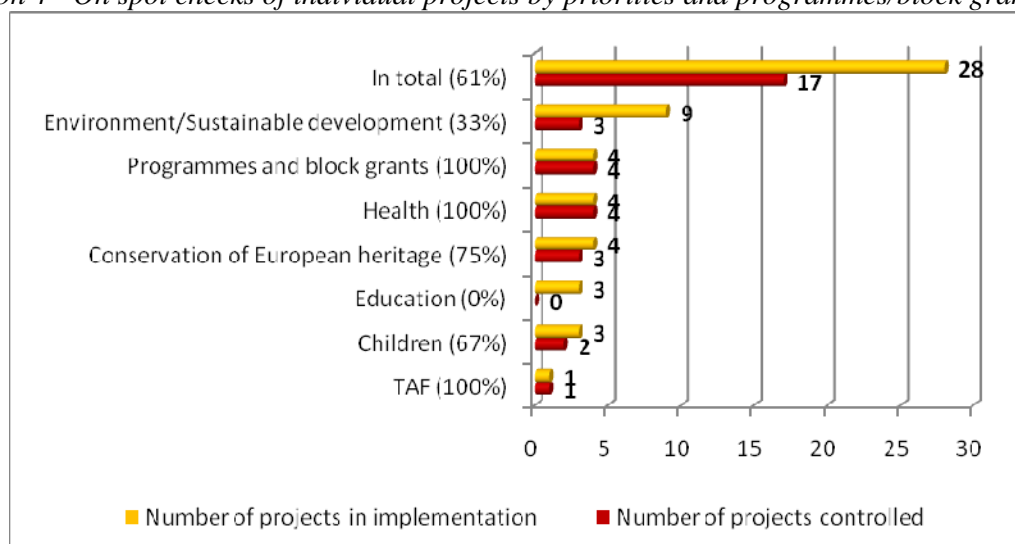
- on spot checks and site visits carried out by the CFCA, Intermediaries and IBs;
- system audits of the Financial Mechanisms management and control carried out by the Internal Audit Structures of institutions involved within the management of the Financial Mechanisms;
- control of programmes, block grants, individual projects and subprojects financed by the Financial Mechanisms carried out by the Internal Audit Department of the MoF.

Please find a list of audits, controls and external monitoring visits carried out within reporting period in the Appendix 7.

### On spot checks

The graph below shows that during reporting period in total 17 (61%) from 28 (including TAF) individual projects, programmes and block grants co-financed by the Financial Mechanism were controlled.

*Graph 4 - On spot checks of individual projects by priorities and programmes/block grants*



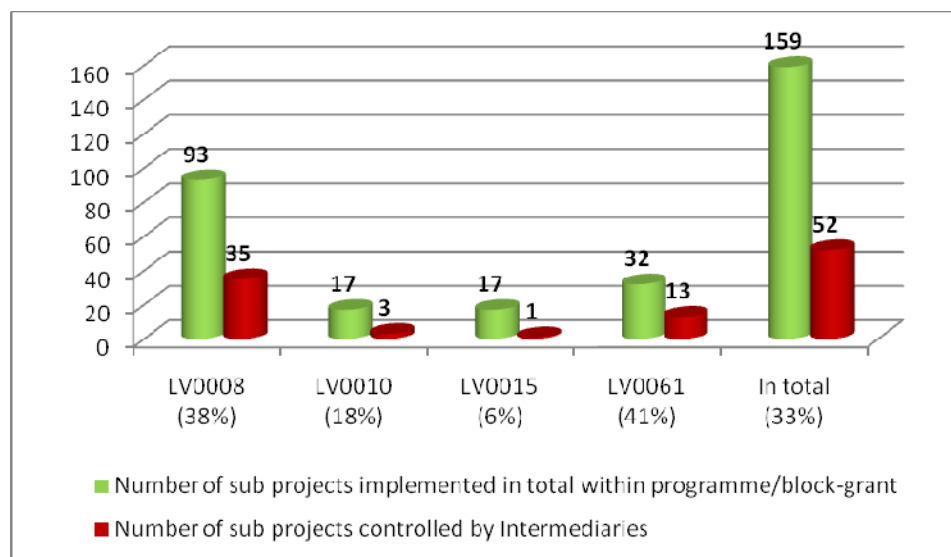
In general in the reports of all on spot checks no significant deficiencies were identified. Mainly, identified deficiencies were related to improvement of institutions' internal normative acts according to requirements, in order to improve good governance, noncompliance with project's activities implementation deadlines, need for improvement of publicity measures and accounting' system as well as reassessment of risks according to current situation and ensurance of project's sustainability. Recommendations on prevention of deficiencies are implemented or are in process of implementation by Intermediaries and project promoters.

### Site visits

Site visits of sub projects were carried out by Intermediaries within all funds, programmes and block grants except SBG considering that applicants of subprojects of SBG are students (individuals).

The graph below shows that in total 52 (33%) of 159 subprojects implemented during reporting period within programmes and block grants were checked by Intermediaries.

*Graph 5 – Site visits of subprojects within programmes and block grants (except SBG)*



### System audits

Within reporting period one project control was performed by the internal audit structure of the MoF, one system audit was performed by the IB and one system audit by the Intermediary. Identified deficiencies mostly are related to improvement of institution's internal normative acts, storage of documents according to requirements, justification of external service costs and ensurance of publicity, as well as to organization of on spot checks of subprojects, review of subprojects' reports and financial requests. Recommendations proposed for prevention of deficiencies identified in all system audits have been implemented or are in progress. They are monitored by the IBs or Intermediaries respectively.

### External monitoring visits

Besides audits and controls at national level 5 external monitoring visits (4 block grants and 1 individual project) were carried out by the FMO's contracted monitoring agents. Recommendations indicated by them are noted by the IBs, Intermediaries and project promoters. The FP has provided the FMO with requested information regarding fulfillment of recommendations and suggested follow-up measures mentioned in the monitoring reports. The FP, IBs and Intermediaries continue to monitor implementation process of recommendations in order to ensure successful implementation of projects.

### Irregularities detected

During reporting period one irregularity was identified within one subproject of SBG and properly reported to the FMO as well as appropriate measures regarding irregularities were taken by the FP. The Intermediary of the SBG has ensured that final beneficiary, who had no rights on funding, has repaid financing in full amount 2580 euro (including 1096.50 euro grant), which is 0.15% from planed total eligible costs of the SBG (co-financing from both financial mechanisms, 50% each).

## 7. 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 6 – The work plan

| Scope                                      | Task   | Quarter       |        |         |          |
|--|--|---------------|--------|---------|----------|
|  |  | Sept-Dec 2010 | I 2011 | II 2011 | III 2011 |
| Implementation of individual projects      | Completion of 18 projects  | X             |        |         |          |
|  | Completion of 10 projects  |               | X      |         |          |
|  | Completion of 29 projects (Apr`11)   |               |        | X       |          |
| Implementation of programmes /block grants | Completion of subprojects  | X             | X*     |         |          |
|  | Completion of programmes/block grants (Apr`11)   | X**           |        | X       |          |
| Optimization of the implementation system  | Elaboration of the amendments of the Cabinet of Ministers Rules about implementation system of FMs and about the payment procedures and approval by the Cabinet of Ministers   | X             | X      |         |          |
|  | Approval of the extension of the TAF LV0007 till 30 April 2012   | X             |        |         |          |
| Publicity                                  | Press releases (about progress of projects' implementation, completion and achieved results)   |               |        |         |          |
|  | - Health   | X             |        |         |          |
|  | - Conservation of European heritage  | X             | X      | X       |          |
|  | - SBG, ARBG  |               |        | X       |          |
|  | - NGO Fund   |               |        | X       |          |
|  | - Environmental program  |               | X      |         |          |
|  | Seminars   |               |        |         |          |
|  | - NGO Fund (about results of implemented subprojects and proper reporting for final beneficiaries)   |               | X      | X       |          |
|  | - Health (on progress and results achieved)  | X             |        |         |          |
|  | - Environmental program (about implementation results)   |               | X      |         |          |
|  | Web pages (about progress of projects' implementation, achieved results, stories of success; publication of relevant normative acts and methodology)                           |               |        |         |          |
|  | - Conservation of European heritage <a href="http://www.km.gov.lv">www.km.gov.lv</a>   | X             | X      | X       | X        |
|  | - Protection of the environment and Sustainable development <a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a> (about LV0049 and LV0070 closing events and achieved results) | X             |        | X       |          |
|  | - Environmental program <a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a>   |               | X      |         |          |
|  | - Health <a href="http://www.vm.gov.lv">www.vm.gov.lv</a>  |               |        | X       |          |

|  |  |   |   |   |   |
|--|--|---|---|---|---|
|  | – Children with special needs<br><a href="http://www.lm.gov.lv">www.lm.gov.lv</a>                |   | X | X |   |
|  | – Human recourse development and<br>education <a href="http://www.izm.gov.lv">www.izm.gov.lv</a> | X | X | X | X |
|  | – SBG, ARBG <a href="http://www.viaa.gov.lv">www.viaa.gov.lv</a>                                 | X | X | X | X |
|  | – NGO Fund <a href="http://www.lsif.lv">www.lsif.lv</a>  | X | X | X | X |
|  | Conferences  |   |   |   |   |
|  | - SBG, ARBG (final/closing conference)   |   |   | X |   |

*\*LV0010 - till 28 February 201;*

*\*\*LV0014 - till 31 December 2010; LV0061- till 30 November 2010*

## 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 monitoring of implementation of programmes, block grants and individual projects: review of PIRs/PCRs, requests for amendments of GAs and monitoring/audit reports. During reporting period last 3 Cooperation Agreements were also signed, at the same time one of individual project promoter`s refused implementation of a project and the respective GA had to be terminated.
- During reporting period last OCs within the SBG were lunched and successfully closed. All other OCs within programmes/block grants were completed already in the previous reporting period.
- Partners from Latvia and donorstates were welcomed and encouraged to participate in implementation of individual projects or subprojects. As the result 41% of individual projects` promoters and 22% of subprojects` promoters had established fruitful bilateral partnerships. This can also be explained by Latvia`s geographic, historical and economic ties build over the years between Latvia and donorstates.
- By the end of reporting period 51.5% (56.9% till 30 September 2010) from available funding has been disbursed to Latvia by donorstates.
- Nearly all programmes and block grants will be implemented till the final date of eligibility – 30 April 2010, except the Civil Society Block Grant with the completion date December 2010, and the SMF, which has been complited already in November 2008.
- There are still 56 individual projects financed from the grant assistance from both Financial Mechanisms, which have to be implemented during the period September 2010 - April 2011, as only 9 individual projects from both Financial Mechanisms are completed by 31 August 2010 (13 projects will be completed till 31 October 2010). The TAF project was agreed to be prolonged till 30 April 2012. The greatest part of individual projects was prolonged because of following reasons:
  - delays in organization of procurement procedures, aappeals against procurement results which caused delays in conclusion of procurement contracts;
  - savings gained from optimization of expenses and from decrease of prices in the market were used for better achievement of targets and indicators of the projects, therefore also requiring more time for implementation;
  - difficulties with possibilities to receive a loan in order to secure necessary pre-financing of project`s activities caused by economic crises in the country.



## Assessment of the effects on the bilateral relations with donorstates

### Individual projects

| Title/Description of bilateral relations  |
|---|
| <b>Conservation of European culture heritage</b>  |
| <ul style="list-style-type: none"> <li>Valmiera City Council with <b>Randsfjormuseene Ltd. (LV0094)</b></li> </ul> <p>The promoter has signed a partnership statement with the partner prior to project submission on 12.05.2008. In accordance with the national legislation and in order to ensure free competition Randsfjormuseene Ltd. participated in service tender „<i>Training of craftsmen in Norway</i>” (VPP 2009/083P) organized by the promoter. The Partnership Agreement with the partner has been signed on 18 March 2010.</p> <p>The partner takes part in the implementation of activity „<i>Publicity</i>” and „<i>Training of craftsmen</i>”, which is closely connected with the implementation of the activity „<i>Restoration and renovation of two museum buildings at Pilskalns 2, in Valmiera, and construction of a jetty</i>”. Subactivity „<i>Training of craftsmen in Norway</i>” has been implemented by Randsfjormuseene Ltd. in March 2010. Five local craftsmen were trained in restoration of wooden cultural heritage in Norway. It has been planned to use Randsfjormuseene Ltd. as training base for Latvian craftsmen in Norway.</p>  |
| <b>Childcare</b>  |
| <ul style="list-style-type: none"> <li>Dauguli Special Elementary Boarding-school and <b>Rud Upper secondary school (LV0031)</b></li> </ul> <p>The partnership is based on cooperation agreement. Cooperation and experience exchange visits between the promoter and the partner is progressing as planned. The cooperation has been built on existing ties and experience of both schools. The focus of this cooperation is on involvement of parents into education process of their children as well as continuous education of teachers and staff in Dauguli special school. The activity includes mutual study visits to Rud and to Dauguli both for teachers and for children.</p> <p>Two visits were organised during previous reporting period. During this reporting period the third visit to Norway took place in November 2009 – teachers and children from Dauguli special school visited Rud school. The fourth and fifth visit took place in February and May 2010 - the working group and pupils of Rud school visited Dauguli special school. During the fifth visit project main publication and conclusion seminar was held. Cooperation without any formal agreement is taking place at Dauguli special boarding school biannually: in March representatives from Rud School visited Valmieras Pargauja secondary school and Dauguli special boarding school. Sport's games took place in June 2010 in Norway and will take place in September 2010 in Latvia, where pupils and teachers from both countries will participate.</p> <p>The partner has taken part in the activity “Information and publicity activity”. The project has positive impact on bilateral relations between Latvia and Norway. Two educational institutions have deepened their cooperation and understanding of each other while providing the services to children with special needs.</p> |
| <b>Human recourse development</b>   |
| <ul style="list-style-type: none"> <li>Riga International School of Economics and Business Administration with <b>Norwegian University of Life Sciences (LV0040)</b></li> </ul> <p>The Partnership agreement has been signed in May 2007. In accordance with the agreement partner provides: participation in the Steering Committee and the Project Management Team; input on the research methodology and results; participation in the development of 4 executive training modules and the guidelines for the local Baltic Case studies; training activities for Baltic Executives and local faculty; active involvement in e-government tasks.</p> <p>The partner has participated in: discussions for joint activities with Latvian Saulkrasti Jazz Festival, including proposal preparation and submission; the workshop “Brainstorming: Jazz and other creative arts for Executive and Entrepreneur Training” (in February 2010 at Riga); the mini-summit “Creating the Next Wave of Entrepreneurs” (in February 2010 at Riga); authored 2 Baltic case studies as benchmarks with 3 more cases in process; prepared training material for the 4<sup>th</sup> executive training module to be delivered in Fall 2010 as twinning activity.</p>  |
| <ul style="list-style-type: none"> <li>Vidzeme University College with <b>Rud Upper Secondary School</b> (partner No.1) and <b>University of Adger</b> (partner No.2) <b>(LV0043)</b></li> </ul> <p><u>Partner No.1</u></p> <p>Partnership agreement has been signed in September 2009. The partner provides exchange of experience and examples of best practice in technology use in vocational education, possibility to test its e-learning platform,</p>   |

helps to develop 3 new continuing education programmes for adults. The Partner has provided on-line support in design and development of 3 new continuing education programmes for adults at three vocational schools. The Partner came to Valmiera in September and October 2009 to plan the project work. Teacher training for adults in Latvia started with the seminar in Valmiera and teachers from Latvian vocational education schools visited Rud Upper Secondary school in October 2009 (the partner has provided an exchange of a hands-on experience in using "It's learning" platform and, the teachers took part in ordinary lectures at Rud and participated in a seminar on technology use in vocational education in Norway), meeting in Valmiera was held in March 2010 when the aim of visit was to have a look through the e-teaching material already produced by the three schools and in May 2010 Latvian teachers visited Rud Upper Secondary School. They introduced the Rud colleagues with the progress of 3 new continuing education programmes. An evaluation from the Rud teachers has been received. A lot of practical work on material development for 3 programmes was done during this visit to Norway.

#### Partner No.2

Partnership agreement has been signed in July 2009. The partner carries out a research on the use of ICT and virtual and supplemented reality technologies in university continuing education in Scandinavian countries, provides exchange of experience and examples of best practice in technology use in university continuing education and in lifelong learning management, e-learning, distance learning, and material development, helps with development of a teacher training programme and adult teacher training in the use of technologies for programme development.

Vidzeme University College representatives first time visited the partner and partner's representative visited Latvia in previous reporting period. Second visit to the University of Agder was held in September 2009 when common scientific research plan was developed. Two Vidzeme University teachers were trained in the University of Agder programme „e-Teaching” from September 2009 till April 2010. Partner has already presented the first results of its research. It continues to carry out the research on the use of ICT and virtual and supplemented reality technologies in Norway.

#### **Promotion of sustainable development**

- Ministry of Agriculture of Latvia and **Statistics Norway (LV0081)**

Partnership agreement was signed in August 2009. Main activities were exchange of experience regarding implementation and maintenance of national account systems for forests, transfer of best experience. The partner's advisers visited Riga in October 2009. The main activities of the partner are consultations via e-mails, which are supposed to become more intensive after investigation results on available information in Latvia (about surplus of trees stumps and branches after disafforestation, CO2 absorption and intensity per area in different kind of forests, etc.) will be summarized.

The partner informed Latvia's side about Forest Account System's development: the first two (summaries) reports were received in the Ministry of Agriculture of Latvia. It is agreed that in September 2010 the partner will visit Riga and take part in the seminar "Results of the Test of Latvian integrated environmental and forest economic account model".

### **Programmes and block grants**

| Title/Description of bilateral relations  |
|---|
| <b>SBG (LV0014)</b>   |
| <u>Indirect partnerships:</u><br>All three mobilities (student, education staff and teacher assistant mobility) take place in the donorstates. Within the <i>Student mobility programme</i> cooperation between home and donorstates' universities is necessary, therefore following cooperation agreements between universities were signed:<br><ol style="list-style-type: none"> <li>1. Riga Technical University with <b>Norwegian University of Science and Technology</b> and <b>Ostfold University</b>;</li> <li>2. University of Latvia with <b>Norwegian University of Science and Technology</b> and <b>University of Bergen</b>;</li> <li>3. University of Agriculture with <b>Norwegian University of Life Sciences</b>;</li> <li>4. Vidzeme University College with <b>Buskerud University College</b>.</li> <li>5. Latvian Academy of Culture with <b>Norwegian University of Science and Technology</b> and <b>University of Tromsø</b>.</li> </ol> Activities include: studies, exchange of experience, conferences, teaching practice, taking part in professional courses, etc. |
| <b>NGO fund (LV0008)</b>  |
| <u>Direct partnerships:</u><br><ol style="list-style-type: none"> <li>1. The society "Oleru muiza" with <b>the society "Friends of Land Museum"</b> realized the sub-project "To understand a wooden house".</li> </ol>   |

|  |
|--|
| <p>Activity: informative seminar – partnership activities successfully completed.</p> <p><u>Indirect partnerships:</u></p> <ol style="list-style-type: none"> <li>1. The society “Centre for Education Initiatives” with the lecturer Gunvor Sønnesyn - director of <b>the Institute of Applied Pedagogy</b> – partnership activities successfully completed;</li> <li>2. The society Rehabilitation Center „Mes esam līdzas” (<i>We are beside you</i>) with <b>the NGO ULOBA center</b> - partnership activities successfully completed;</li> <li>3. The society “The House of Fairy Tales UNDINE” with <b>Dokka Delta Wetland center</b> – partnership activities successfully completed.</li> <li>4. The society „LATVIANS ABROAD – Museum and Research Center” with the director of <b>Norwegian Emigrant Museum</b> – partnership activities successfully completed;</li> <li>5. The society “Zalais Virziens” (<i>Green Direction</i>) with <b>Norwegian Forum for Environment and Development and Technology Ceter "Energi Garden", Statoil Hidro</b> – partnership activities successfully completed;</li> <li>6. The Children and Youth Union „Liepajas Jaunie Vanagi” (<i>Liepaja New Hawks</i>) with <b>IFM-SEI</b> – partnership activities are ongoing;</li> <li>7. The society “Liepajas Neredzigo biedriba” (<i>Liepaja Blind Association</i>) with <b>Rogaland Blind Association</b> – partnership activities successfully completed;</li> <li>8. The association “Elementary Boarding School of Liepna and Pupils' Families Support Union” with <b>the NGO from Iceland “Heimili og skool”</b> – partnership activities successfully completed;</li> <li>9. The society "Support for the development of Balvu community "SAVI" with <b>Kristiansund Komunne Sentraladministrasjon, Voss kulturskule, Voss komunne</b> - partnership activities successfully completed;</li> <li>10. The NGO "Social service agency- Family Crisis Center" with <b>Lillehamer College</b> - partnership activities successfully completed;</li> </ol> <p>Activities: exchange of experience, guest lectures and experts` visits, creativity workshops etc.</p> <p>Note! The society “Farmers Parliament” with expert from <b>Skjetlein Resource Center</b> - partnership failed because the expert in charge did not expressed the interest to participate in the project activities (instead cooperation established with an expert from Innovation Centre for Bioenergy and Environmental Technology, Denmark).</p> |
| <p align="center"><b>Environmental programme (LV0010)</b></p>  |
| <p><u>Direct partnerships:</u></p> <ol style="list-style-type: none"> <li>1. Riga Technical University in cooperation with <b>University of Bergen</b> (Social Science Faculty, Department of Geography, System Dynamics Group) realizes the sub-project “System Thinking Integration in Environmental Policy” – partnership is in the progress;</li> <li>2. Riga Technical University in cooperation with Professor John Rekstada scientists’ team from <b>University of Oslo</b> realizes the sub-project “Compact Solar and Pellet Module” – in the result of cooperation joint scientific publication and analysis of the project activities will be done.</li> <li>3. Latvian Environmental Investment Fund with <b>public enterprise “Enova SF” owned by the Royal Norwegian Ministry of Petroleum and Energy</b> realizes the sub-project “The latest technological solutions for successful implementation of environmental projects”.</li> <li>4. Ltd „BRZA Agro” in cooperation with Norwegian Centre for Renewable Energy (SFFE - Senter For Fornybar Energi) realizes the sub-project „Environment harmless hydroelectric power plant’s approbation”. The Centre for Renewable Energy (SFFE) combines the competence of the Norwegian research institutes and their scientist’s.</li> </ol> <p>Note! Cooperation between the society “Green houses” and <b>Det Norske Veritas</b> failed within the sub-project “Development and Implementation of a Valuation Tool for Sustainable Building”. Cooperation discontinued, because partner’s Det Norske Veritas offer was not acceptable, because of high expenses.</p>  |
| <p align="center"><b>Civil society block grant (LV0061)</b></p>  |
| <p>Stikli boarding-school with <b>Helsepedagogisk Rudolf Steinerskolen</b> and <b>Grobun boarding-school</b>.</p> <p>Activities: Latvian school delegation had a study visit to Norway</p>   |

## Impact on direct target groups in priority areas

| Direct target groups  | Impact  |
|---|---|
| <b>Protection of the environment and Sustainable development priority</b> |   |
| Public institutions performing in environment sector                      | <ol style="list-style-type: none"> <li>1. Increased awareness of effective use of renewable energy sources.</li> <li>2. Development of the dialogue between tourism and environment protection sectors through discussions, presentations, seminars, conferences.</li> <li>3. Prepared renovation and construction proposals including renewable energy sources in the city.</li> <li>4. Improved collaboration with public institutions to aware knowledge about the economic value of forests. It facilitates improvement the legal regulations towards forest owners and other players in forestry and timber sectors.</li> <li>5. Collaboration with public institutions to develop methodology for reduction of the air pollution from exhaust fumes caused by tractor techniques and preparation of procurement documentation.</li> </ol>   |
| Municipalities  | <ol style="list-style-type: none"> <li>1. Incorporated Tourism development plans into the municipality planning documents.</li> <li>2. Obtained knowledge of the use of renewable resources and facilitated awareness on effective use of renewable energy sources for heat production.</li> <li>3. Established long-term relations and developed contacts with other municipalities in donor states.</li> <li>4. Gained knowledges and raised capacity of municipalities will help in future to manage protected areas more effectively.</li> </ol>  |
| NGOs performing in the environment and rural tourism sector               | <ol style="list-style-type: none"> <li>1. Obtained knowledge of the use and effectiveness of renewable resources and awareness of true economic value of forests.</li> <li>2. Encouraged NGO's members to participate in development of tourism products.</li> <li>3. Increased knowledge on development of tourism products and services.</li> <li>4. Received equipment for further training of aquaculture farmers.</li> <li>5. Increased capacity of local NGO's performing in tourism sector.</li> <li>6. Raised possibility to participate in management of the nature protected area.</li> </ol>   |
| Private companies   | <ol style="list-style-type: none"> <li>1. Obtained knowledge of the use and effectiveness of renewable resources improved knowledge of environmental-friendly production and technologies.</li> <li>2. Increased knowledge on development of tourism products and services.</li> <li>3. Raised knowledge level about nature protection of private companies.</li> <li>4. Raised understanding about possibilities to participate in management of the nature protected areas and coordination of business according to main area protection and sustainable development principles.</li> </ol>  |
| <b>Conservation of European heritage priority</b>                         |   |
| Museums and their employees   | <ol style="list-style-type: none"> <li>1. Improved quality and accessibility of museums' collections.</li> <li>2. Modernized collection storage possibilities.</li> <li>3. Developed and modernized museums' infrastructure.</li> </ol>   |
| Restorers and craftsmen   | <ol style="list-style-type: none"> <li>1. Trained and qualified specialists which will be able to carry out restoration of significant historical wooden buildings and will continue training prospective craftsmen after the completion of the projects.</li> <li>2. Established restoration center where information on wooden architecture and its restoration will be provided.</li> </ol>  |
| <b>Health</b>   |   |
| Hospitals and employees of hospitals                                      | <ol style="list-style-type: none"> <li>1. Increased knowledge of employees in infection control and usage of Whonet program for microbiological data entry.</li> <li>2. Introduced new software and modern technologies in hospitals which allow reduced work of paper documentation.</li> <li>3. Implemented new information system which will provide following benefits: <ul style="list-style-type: none"> <li>- saved time on each patient's health care and all the daily treatments therefore improving the overall efficiency of health care inside the hospital.</li> <li>- information about patients in a single database improving the availability of all the necessary information about patients and their health statuses.</li> <li>- information stored electronically will have lower integrity risks, as well as higher security.</li> </ul> </li> <li>4. Improved early cancer diagnostics and increased accessibility of the diagnostic</li> </ol> |

|   |   |
|---|---|
|   | <p>services.</p> <ol style="list-style-type: none"> <li>Modernized diagnostic radiology infrastructure in hospitals.</li> <li>Provided positive, productive and client-oriented quality of the services.</li> <li>Developed specific information system for blood-vessel surgery purposes.</li> </ol>   |
| Clients of hospitals  | <ol style="list-style-type: none"> <li>More operative and adequate treatment for patients with nosocomial infections.</li> <li>Reduced risk of hospital infections, as patients' awareness of importance of daily hygiene and possibilities of infections is increased.</li> <li>Improved quality of hospital services as the clients of hospital will be able to receive improved health care services mainly due to the faster attendance time and information availability.</li> <li>Improved early cancer diagnostics and increased accessibility in diagnostic services.</li> <li>Improved health care services for national and regional hospitals.</li> </ol>  |
| <b>Children with special needs</b>  |   |
| Children with special needs   | <ol style="list-style-type: none"> <li>Establishment of regional multifunctional support centres will ensure free of charge qualitative rehabilitation services and trainings.</li> <li>Improved life quality and life skills.</li> </ol>   |
| Families of children with special needs   | <ol style="list-style-type: none"> <li>Improved ties between children and their families as well as strengthened relations between parents of disabled children.</li> <li>Strengthened ties between Dauguli and Rud School.</li> <li>Involvement of parents in the exchange of experience visits and seminars about work with their children at home and other subjects.</li> <li>Prevented disabilities through education of parents and early intervention with the babies in the risk group.</li> </ol>  |
| Teachers and social workers who work with children with special needs                           | <ol style="list-style-type: none"> <li>Prepared pedagogical materials for children with special needs.</li> <li>Trainings for social workers of municipalities.</li> </ol>  |
| NGOs which work with children with special needs  | <ol style="list-style-type: none"> <li>Positive effect on educational, healthcare and life quality of children with mental disabilities in Valmiera region as well as in Jelgavas and Ventspils cities.</li> <li>NGO participated in methodology elaboration work as well as provided the link between other project partners and local NGO sector.</li> </ol>  |
| <b>Human resource development and education priority</b>  |   |
| Students of higher educational establishments   | <ol style="list-style-type: none"> <li>New opportunities in education by establishment of study in 3 new study programmes: New Art Media master and doctoral programme, Creative Psychology master programme (3 programmes are under development).</li> <li>Improved quality of educational materials.</li> <li>Developed new study courses, introducing new study methods and materials in the field of environmental modelling, entrepreneurship and innovation, environmental protection and health.</li> <li>Improved study and research environment, e-learning environment, by giving opportunity to use modern technologies in the study process.</li> <li>Increased academic skills through participation in international workshops and seminars.</li> </ol> |
| Academic personnel of higher educational establishments   | <ol style="list-style-type: none"> <li>Increased level of knowledge and academic skills within universities of Latvia as new study materials are disseminated and trainings and workshops, international exchange experience provided in the field of New art media, Creative Psychology, Environmental education and modelling, environmental protection and health, entrepreneurship and innovation.</li> <li>Improved ICT skills for a qualitative study process.</li> <li>Improved study and research environment.</li> </ol>   |
| Teachers of high schools, vocational schools and teachers of adult vocational further education | <ol style="list-style-type: none"> <li>Opportunity to use new multimedia studying software for natural science studies.</li> <li>Improved the ICT skills for a qualitative study process.</li> <li>Increased level of professional skills in 3 vocational education programmes and in using e-technologies in the study process (trainings provided).</li> <li>Equipped premises and technological base for providing e-learning opportunities in the vocational education process.</li> </ol>  |
| Pupils of high  | <ol style="list-style-type: none"> <li>Developed new multimedia studying software for natural science studies (under</li> </ol>   |

|  |  |
|--|--|
| schools  | development).<br>2. Developed new tool of non-formal environmental studies (under development).  |
| Employees of central and local government institutions | Increased level of knowledge and professional skills in the field of executive training and environmental modelling (training seminars, workshops and twinning activities have been held).   |
| Management and employees of enterprises                | 1. Increased level of knowledge and professional skills in the field of executive training (training seminars, workshops and twinning activities have been held).<br>2. Developed cooperation network between education establishments and enterprises in the field of New Media Art, vocational education, innovation and entrepreneurship. |

**Individual projects' compliance with national, regional or local strategic documents in priority areas**

| National, regional or local strategic document   | Respective objective/task  | Respective projects  |  |
|--|--|--|--|
| <b><i>Protection of the environment and Sustainable development priority</i></b>       |  | <b>Environ<br/>ment</b>  | <b>Sustain<br/>able</b>                                  |
| Latvia's National Development Plan 2007-2013   | <ul style="list-style-type: none"> <li>- Educated and creative citizen</li> <li>- Technological distinction and elasticity of companies</li> <li>- Development of science and research</li> </ul>  | LV0049<br>LV0051<br>LV0073<br>LV0075<br>LV0047<br>LV0062<br>LV0097 | LV0052<br>LV0070<br>LV0071<br>LV0072<br>LV0081<br>LV0045 |
| Environmental Policy Strategy 2009-2015 (approved by the Government on July 2009)      | Provide the public with opportunity to live in a clean and well-arranged environment through sustainable development, preservation of environmental quality and biological diversity, sustainable use of natural resources and to increase use of local renewable resources and effective use of energy resources  | LV0049<br>LV0051<br>LV0075<br>LV0062<br>LV0097<br>LV0047           | LV0052<br>LV0081<br>LV0045<br>LV0070<br>LV0062           |
| National Programme for Biological Diversity  | Study tendencies of species dissemination in human created biotopes and keep up with dynamics of these processes   |  | LV0052<br>LV0070<br>LV0072                               |
| Sustainable Development of Latvia until 2030 (approved by the Parliament on June 2010) | <ul style="list-style-type: none"> <li>- Ensure integration of environment issues and develop broad application of environment policy mechanisms in other field policies</li> <li>- Develop accountability of the society for natural resources and continuously increase effectiveness of the use of resources</li> <li>- Ensure sufficient measures for preservation of biological diversity and protection of ecosystems</li> <li>- Ensure use of renewable energy resources and development of technologies and services of ecosystems outline the transition to "green" economy.</li> </ul> | LV0051<br>LV0075<br>LV0047<br>LV0062<br>LV0097<br>LV0073<br>LV0049 | LV0052<br>LV0070<br>LV0072<br>LV0081<br>LV0045<br>LV0071 |
| 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<br>LV0051<br>LV0075<br>LV0062<br>LV0097                     | LV0071<br>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   |
| <b><i>Conservation of European heritage priority</i></b>                               |  |  |  |
| Latvia's National Development Plan 2007-2013   | Improve preservation, protection, study and availability of cultural heritage in Latvia paying special attention to society education on the role of cultural heritage in sustainable development of the country   | LV0033 LV0091<br>LV0034 LV0092<br>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   | LV0033 LV0091<br>LV0034 LV0092<br>LV0093 LV0094                    |  |



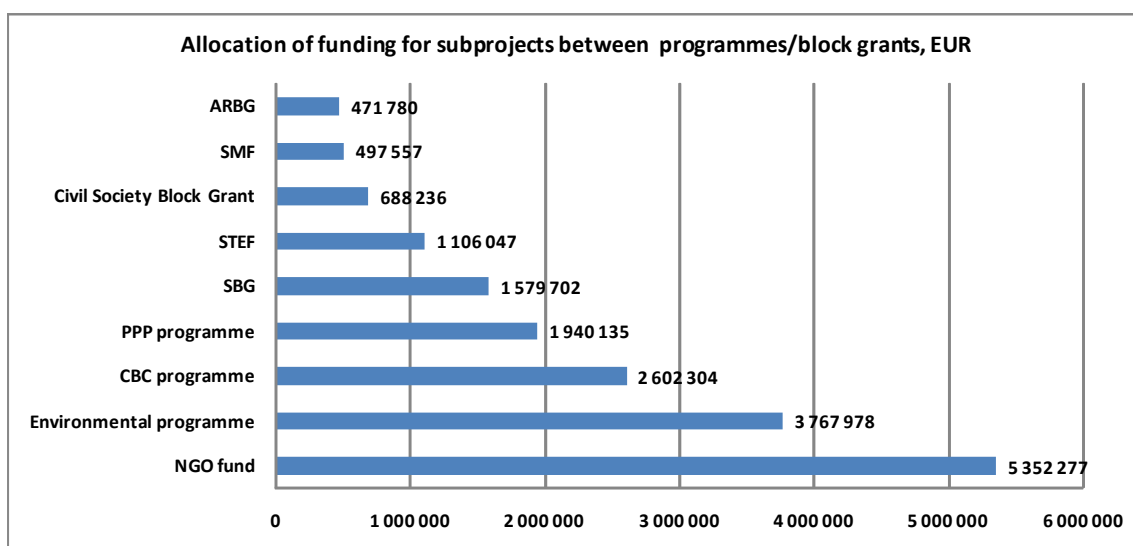
|  |   |   |
|--|---|---|
|  | territory of Latvia   |   |
| National Programme "Culture" (2000-2010)   | Ensure preservation, study and inclusion of national heritage in today's culture circulation, as well as facilitate establishment of culture centres out of Riga. Oriented towards ensuring wholesome culture environment in all Latvia   | LV0033 LV0091<br>LV0034 LV0092<br>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, cultural heritage objects, establishment of new tourist attraction objects etc.)   | LV0033  |
| Kurzeme Planning Region Territory Planning 2006–2026   | Ensure preservation of cultural heritage and development of contemporary culture environment  | LV0033  |
| Zemgale Planning Region Development Programme for 2008–2014  | Establishment of qualitative life environment, including preservation and development of cultural heritage and creative environment   | LV0091  |
| Zemgale Planning Region Territory Planning 2006–2026   | Ensure sustainable maintenance of environment, natural resources and cultural heritage and creation of new cultural values  | 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  |
| Vidzeme Planning Region Territory Planning 2007–2027   | Ensure preservation and renovation of cultural monuments  | LV0094  |
| Latgale Planning Region Territory Planning 2006–2026   | Preservation, protection and development of natural and cultural heritage considering it as valuable future development potential   | LV0093  |
| <b>Health</b>  |   |   |
| Action Plan for Implementation of Hospital and Stationary Health Care Service Provider Development Programme 2005-2010   | <ul style="list-style-type: none"> <li>- Improve quality of provided health care services</li> <li>- Ensure availability of rational health care service to patients</li> </ul>   | LV0027<br>LV0029<br>LV0079<br>LV0084                      |
| Hospital and Stationary Health Care Service Provider Development Programme   | <ul style="list-style-type: none"> <li>- Ensure further development of integrated health care system optimizing the number of service providers and their location</li> <li>- Improve quality of provided health care service, cost efficiency and rational availability to patients</li> </ul> | LV0025 LV0026<br>LV0027 LV0028<br>LV0029 LV0079<br>LV0084 |
| Guidelines "Improving Mental Health of Citizens 2009–2014"   | 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<br>LV0026 LV0025                            |
| <b>Children with special needs</b>   |   |   |
| Concept „Equal Opportunities for Everyone" (2003-2010) which is actual within year 2010 and will be replaced with "UNO convention for person with disabilities right implementation guidelines 2013-2019". | Provide the disabled with education opportunities that corresponds their capabilities   | LV0030<br>LV0065<br>LV0095<br>LV0031                      |



|   |  |  |
|---|--|--|
| Concept "Equal Rights for All"  | Integrate all persons with disability to in the society (including labour market)  | LV0030 LV0065<br>LV0095 LV0031   |
| New guidelines „Children Friendly Latvia” approved in June, 2010  | 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<br>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<br>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<br>LV0095 LV0031   |
| Society Integration Program   | Integrate people with disabilities into the society and ensure accessible public infrastructure  | LV0030 LV0065<br>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   |
| <b>Human resource development and education priority</b>  |  |  |
| Latvia's National Development Plan 2007-2013  | <ul style="list-style-type: none"> <li>- Ensure qualitative and available pre-school and elementary education, as well as mandatory secondary and competitive higher education</li> <li>- Improve offer of higher education to the job market developing inter-disciplinary and inter-university study programmes</li> <li>- Modernize education infrastructure</li> <li>- Achieve qualitative acquisition of general knowledge and skills, including in natural science, environment science and mathematics</li> </ul> | LV0040<br>LV0042<br>LV0043<br>LV0044<br>LV0063<br>LV0086<br>LV0087<br>LV0088<br>LV0089 |
| Long-term Policy Guidelines “State Culture Policy Guideline 2006 – 2015”  | <ul style="list-style-type: none"> <li>- Develop and use full potential of culture for lifelong education of society facilitating development of the knowledge society based on human values</li> <li>- Improve cooperation between culture and economy for promotion of cultural diversity in Latvia and sustainable development of creative economy (strategic goal)</li> </ul>  | LV0063<br>LV0086<br>LV0088<br>LV0089   |
| Action plan 2007 – 2009 for implementation of the education system computerization programme “Information and Communication Technologies for Education Quality” | Facilitate educated and creative personality increasing knowledge and skills of students in application of information and communication technologies  | LV0040 LV0042<br>LV0043 LV0044<br>LV0063 LV0086<br>LV0087 LV0088<br>LV0089             |
| Education Development Guidelines 2007 – 2013  | <ul style="list-style-type: none"> <li>- Broaden the further education offer of universities, their branches and adult educational establishments related to regional development fields</li> <li>- Improve competitiveness of higher education and ensure preparation of high qualification specialists (masters, doctors) according to current requirements</li> </ul>   | LV0040 LV0042<br>LV0043 LV0044<br>LV0063 LV0086<br>LV0087 LV0088<br>LV0089             |

### Statistical data regarding OCs for subprojects

In total within the all programmes and block grants 18 006 016 euro were available for subprojects (including national co-financing 15%). Allocation of funding for subprojects between programmes and block grants is shown in the graph below:

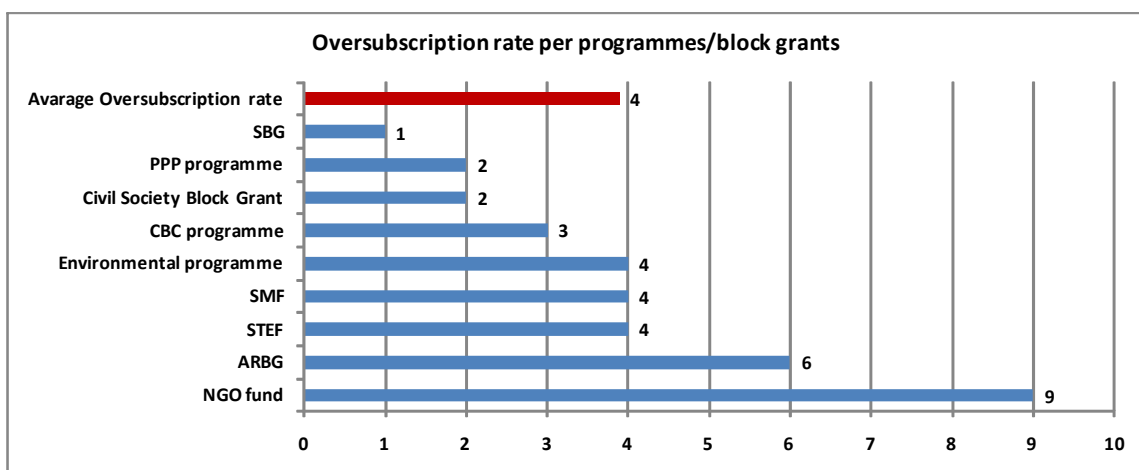


From all programmes and block grants the highest amount of funding was available for the NGO Fund's and the Environmental Programme's subprojects, but for the ARBG and the SMF the lowest. End-beneficiaries could receive funding through OCs announced by Intermediaries, number of OCs for each programme and block grant was stated in GAs – funding within the SBG was made available in 8 OCs, for the NGO Fund in 4 OCs, for the Environmental Programme, the ARBG and the STEF in 2 OCs and for the PPP Programme, the CBC Programme and the Civil Society Block Grant in 1 OC.

During programmes' and block grants' implementation process there were several transfers of the available funding for subprojects made:

- on 5 May 2009 donorstates approved the additional funding for the NGO Fund's (86 595 euro) and the ARBG's (86 781 euro) subprojects;
- on 25 June 2009 donorstates approved Intermediary's request to transfer 135 362 euro from the management costs to subprojects within the CBC Programme in order to assure effective use of the allocated funding;
- on 31 May 2010 donorstates approved the Intermediary's request to transfer savings gained within subprojects 55 276 euro to new activity "Educational and informational activities for the society" within the STEF.

Within all OCs the total requested amount of grant in average 4 times exceeded the available amount of funding. The NGO Fund had the highest average oversubscription rate – 9, while the lowest oversubscription rate had the SBG – 1. Please see oversubscription rates by the programmes and block grants in the graph below:

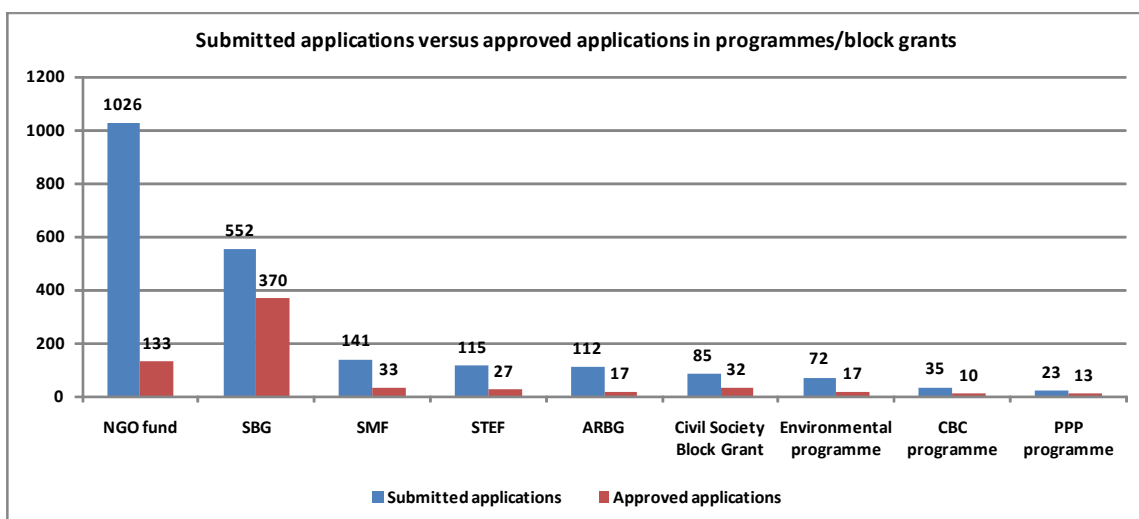


The NGO Fund beneficiaries were very active during all 4 OCs and especially in the last OC, when the oversubscription rate in *NGO activity support measure* achieved 12.8, *NGO capacity strengthening measure* – 14.3 and *NGO project measure* – 18.

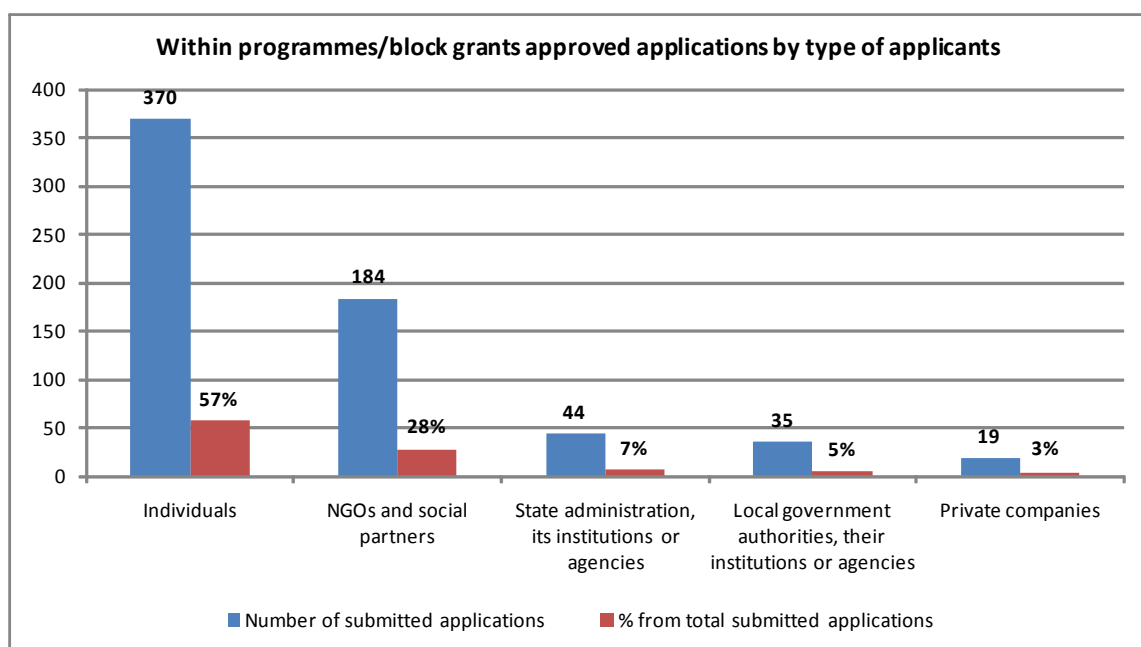
Whereas in the SBG attractiveness of beneficiaries was the lowest and therefore the oversubscription rate on average was 1. In the first OCs submitted applications were very few, so the oversubscription rate we could see only in the last OCs – 7<sup>th</sup> and 8<sup>th</sup> which were announced in September 2009 and March 2010. But it shall be noted that the interest rose with each OC, because the Intermediary adjusted requirements for applicants and adequate publicity events were held. Only in the 'Teacher Assistants' mobility there was no over subscription at all.

Summarizing data about submitted and approved applications it can be concluded that the highest amount of applications were submitted and approved in the NGO Fund's announced four OCs and in the SBG announced eight OCs. Whereas the lowest number of subprojects was submitted and approved within the PPP Programme and the CBC Programme, because just one OC was announced for each programme.

Taking into account that in some programmes/block grants number of submitted subprojects was so high, it created additional burden to management costs as evaluation costs of all submitted applications were higher than initially expected. The number of submitted and approved applications under programmes/block grants is shown in the graph below:



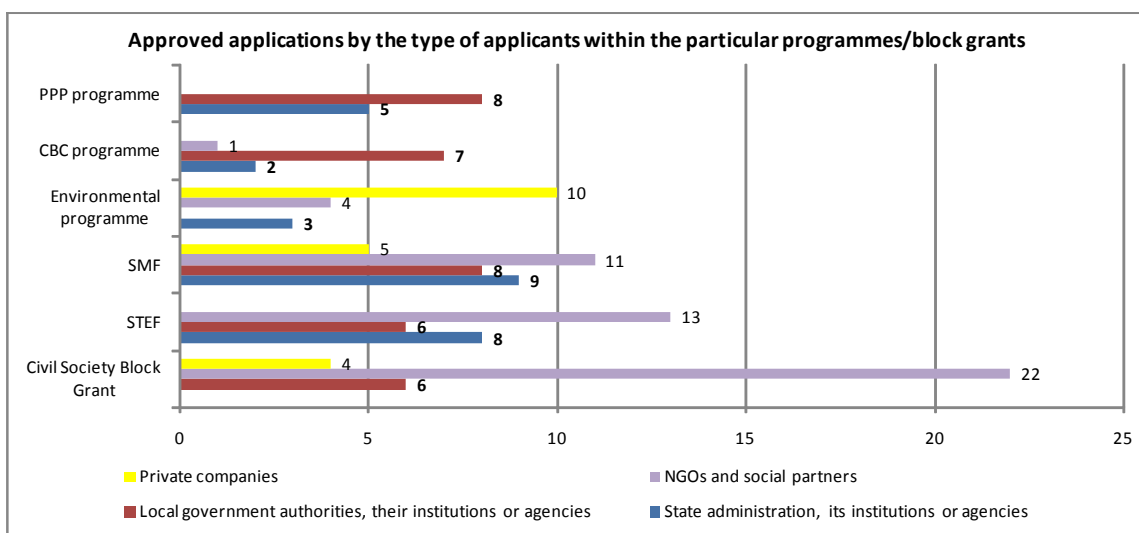
By summarizing the data about applicants it can be concluded that more than a half of approved applications (57%) were submitted by individuals. All 370 applications were approved within the SBG. In the SBG maximum available amount of subproject grants was less than for other programmes and block grants, therefore so much applications were approved. NGOs and social partners were represented with 184 applications or 28% of all approved applications. 44 or 7% applications approved were submitted by the state administration, its institutions or agencies and 35 or 5% by local government authorities, its institutions or agencies. Fewer applications were submitted by the private companies 19 or 3%, because private companies could submit applications only in the Civil Society Block Grant, the SMF and the Environmental Programme. Data on approved applications by the type of applicants are showed in the graph below:



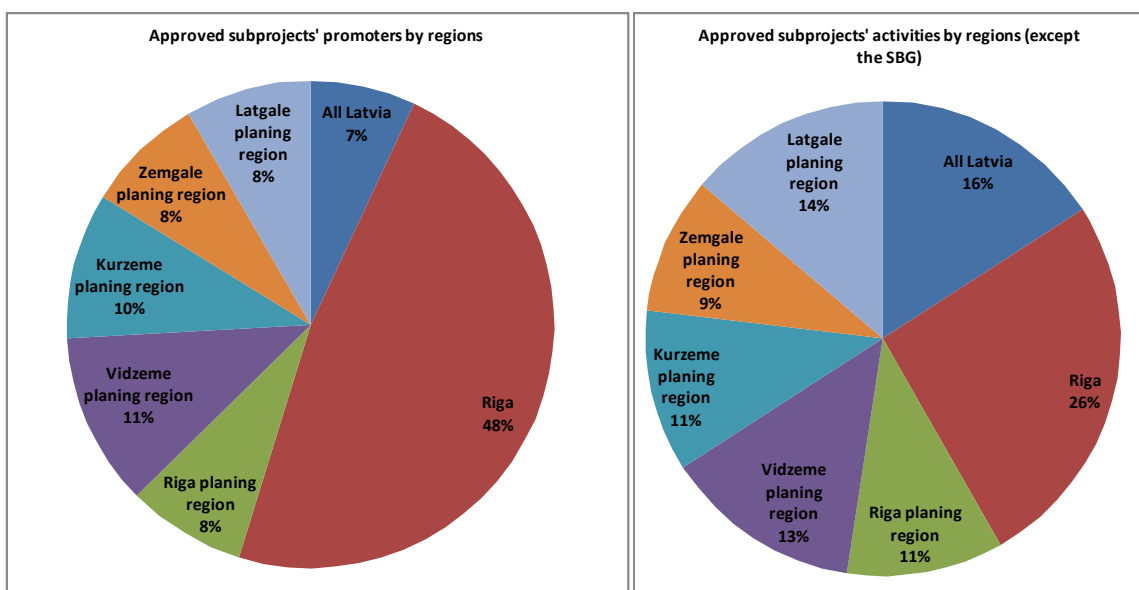
The next graph shows distribution of approved applications by the type of applicants in particular programmes and block grants. In the chart information about the NGO Fund, the ARBG and the SBG is not included, because in these only specific types of applicants were allowed to submit applications:

- in the NGO Fund – NGOs and social partners;
- in the ARBG – officially recognised higher educational establishments and research institutions;
- in the SBG – students and teachers.

Within the PPP Programme applications could be submitted only by central government institutions (ministries) and municipalities (regional and local). Under the CBC Programme applications could be submitted by national, regional/local public authorities, legal bodies equivalent to public bodies, as well as NGOs, but in the result only 1 NGO's application was approved. Within the Environmental Programme and the SMF applications could be submitted by all four applicant groups showed in the chart below. In the Environmental Programme most applications were approved from the private companies, while there were applications approved from the local government authorities. It is obvious that within the Civil Society Block Grant most of approved applications were submitted by NGOs. Also within the STEF most approved applications were submitted by NGOs.

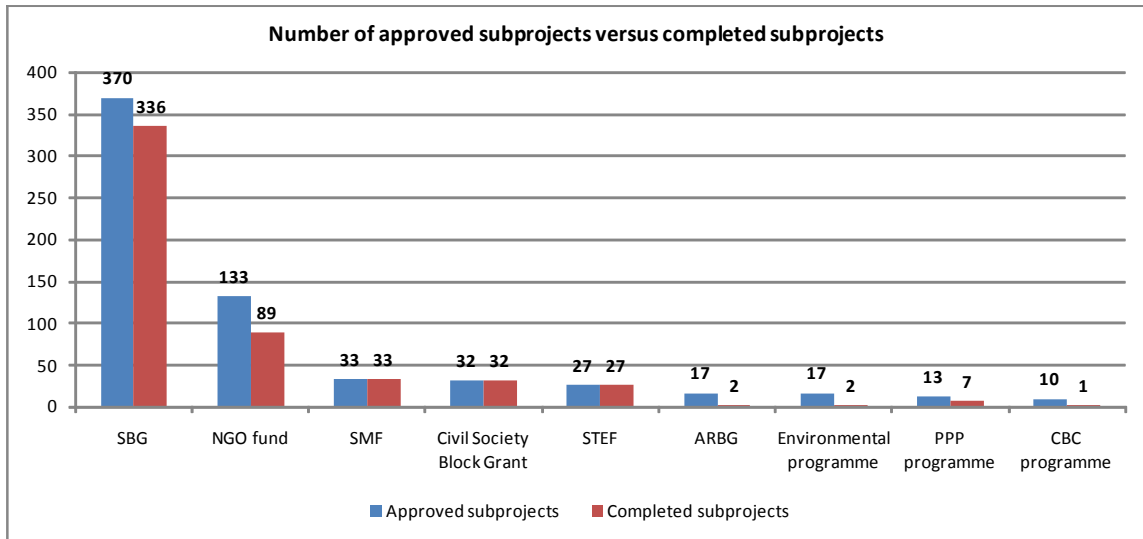


The next graph shows distribution of applicants by Latvian regions. The diagram on the left side includes information about applicants' distribution by regions under all programmes and block grants. The diagram on the right side shows information about regions where the subprojects' activities are implemented, excluding the results of the SBG because all subprojects' activities (scholarships, trainings) took place in donorstates. Taking into account that most of higher educational institutions are situated in Riga, within the SBG it is clear that 240 (from 370) project promoters' are located in the capital city.



The diagram on the right side shows that despite the fact that in Riga most of subprojects are being implemented, in general distribution of subprojects by regions is relatively equal.

The next graph shows number of approved subprojects versus completed subprojects till the end of reporting period.



In 3 block grants (the STEF, the Civil Society Block grant and the SMF) all subprojects are completed. The SIF is still reweaving submitted final reports of subprojects of the Civil Society Block Grant from which 8 final reports are approved. Within the NGO Fund from 89 completed subprojects 83 final reports are approved, within the PPP Programme from 7 completed subprojects one final report is approved, within the ARBG from 2 completed subprojects 1 final report is approved.

## Information and publicity activities

### About individual projects

| Type of activities    | Short description of publicity activities within the priority  |
|-----------------------|--|
| <i>Press releases</i> | <p>Press releases spread out to mass media:</p> <ol style="list-style-type: none"> <li>1) within priority “Conservation of European heritage” about approved individual projects of the 2<sup>nd</sup> OC;</li> <li>2) within priority “Conservation of European heritage” about individual projects’ implementation progress.</li> </ol>  |
| <i>Web sites</i>      | <ul style="list-style-type: none"> <li>• Within priority “Health” on <a href="http://www.vdm.gov.lv">www.vdm.gov.lv</a> - general information about the Financial Mechanisms and progress report of projects in implementation;</li> <li>• Within priority “Children with special needs” on <a href="http://www.lm.gov.lv">www.lm.gov.lv</a> - general information about the Financial Mechanism and about progress of individual projects’ implementation;</li> <li>• Within priority “Conservation of European heritage” on <a href="http://www.km.gov.lv">www.km.gov.lv</a> - general information about the Financial Mechanism and regarding projects’ implementation. Also the layout of the web site was improved;</li> <li>• Within priority „Sustainable development”/”Protection of the Environment” on <a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a> - general information about the Financial Mechanism and about the International Rural Tourism Workshop in the project LV0052.</li> <li>• Within priority “Human resource development and education” on <a href="http://www.izm.gov.lv">www.izm.gov.lv</a> – general information about the Financial Mechanism and the supported individual projects and block grants.</li> </ul> |
| <i>Seminars</i>       | <p>Within priority “Human resource development and education” informative seminar organized by the Ministry of Education and Science the for the project promoters about the conditions of the implementation of the individual projects (Dec 2009).</p>   |

### About programmes and block grants

| Time           | Type of activities    | Short description of activities   |
|----------------|-----------------------|---|
| Sep - Dec 2009 | <i>Press releases</i> | <p><i>Press release spread to mass media about:</i></p> <ul style="list-style-type: none"> <li>• <i>approved results of the 4<sup>th</sup> OC for proposals within the NGO fund sub-measures “NGO Activity Support Measure”, “NGO Capacity Strengthening Measure”, “NGO Project Measure” and selected projects under the Civil society block grant;</i></li> <li>• <i>Environmental programme on web page <a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a> of the Intermediary.</i></li> </ul>  |
|                | <i>Seminars</i>       | <p><i>Consultation day organised by the APA for students, education staff and teacher assistants about the SBG (8.09.2009).</i></p> <p><i>Informative seminars organized by:</i></p> <ul style="list-style-type: none"> <li>• <i>The Ministry of Environment about accepted sub-projects within the Environmental programme (22.10.2009);</i></li> <li>• <i>The SIF about observation of conditions set in contracts, public procurement procedures, reporting and networking for beneficiaries of the NGO fund and the Civil society block grant. 6 seminars in total.</i></li> </ul>  |
|                | <i>Web page</i>       | <p><i>Information published on:</i></p> <ul style="list-style-type: none"> <li>• <i><a href="http://www.lsif.lv">www.lsif.lv</a> about approved results of 4<sup>th</sup> OC for proposals on block grant’s NGO fund sub-measure “NGO Activity Support Measure”, “NGO Capacity Strengthening Measure”, “NGO Project Measure” and selected projects under the Civil society block grant;</i></li> <li>• <i><a href="http://www.apa.lv">www.apa.lv</a> about SBG and ARBG (description of the block grant, eligible activities, eligible final beneficiaries, application forms, FAQs, allocated financing etc.);</i></li> <li>• <i><a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a> about actual activities within the Environmental programme.</i></li> </ul> |

|                             |                   |   |
|-----------------------------|-------------------|---|
| I<br>quarter<br>of<br>2010  | Seminars          | <p>Consultation days organised by the SEDA for education staff about the Education staff mobility of the SBG (20.01.2010, 17.02.2010 and 9.03.2010).</p> <p>Informative seminar organized by:</p> <ul style="list-style-type: none"> <li>• The SIF for beneficiaries about the Public procurement procedures applied for project implementation within the NGO fund (29.01.2010);</li> <li>• The Ministry of Environment for beneficiaries about preparation of subprojects interim reports within the Environmental programme (25.02.2010).</li> </ul>                         |
|                             | Web page          | <p>Information published on:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.lsif.lv">www.lsif.lv</a> about funded subprojects updated within the NGO fund;</li> <li>• <a href="http://www.viaa.gov.lv">www.viaa.gov.lv</a> about updates in the SBG and the ARBG;</li> <li>• <a href="http://www.vidm.gov.lv">www.vidm.gov.lv</a> about a seminar within the Environmental programme.</li> </ul>  |
|                             | Other             | Information and photos prepared about some subprojects within the programmes and block grants and sent to FMO for preparation of common information material.   |
| II<br>quarter<br>of<br>2010 | Press releases    | Press release spread to mass media about the Seminar “NGO Fund in Latvia” held on 28 April 2010.  |
|                             | Seminars          | <p>Consultation days organised by the SEDA for education staff about the Education staff mobility of the SBG (6.04.2010, 13.04.2010, 20.04.2010 and 27.04.2010).</p> <p>Informative seminars organized by the SIF for beneficiaries about the “NGO Fund in Latvia” (28.04.2010).</p>  |
|                             | Web page          | <p>Information published on:</p> <ul style="list-style-type: none"> <li>• <a href="http://www.lsif.lv">www.lsif.lv</a> about the seminar “NGO Fund in Latvia” held on 28 April 2010 and information about funded sub projects updated;</li> <li>• <a href="http://www.viaa.gov.lv">www.viaa.gov.lv</a> about updates in the SBG and the ARBG.</li> </ul> <p>NGO Fund Project Search developed and available at <a href="http://www.lsif.lv">www.lsif.lv</a>. Information about all supported projects, and the results of already completed projects available on internet.</p> |
|                             | Printed materials | Booklets about the seminar “NGO Fund in Latvia” (held on 28 April 2010) prepared and disseminated.  |
| Jul-<br>Aug<br>2010         | Seminars          | Seminar organized by the SIF for Civil society block grant beneficiaries with the purpose to remind and explain the requirements for development of the final subprojects reports and discuss the issues regarding the block grant result presentation event (15.07.2010).  |
|                             | Web page          | <p>Report on Seminar “NGO Fund in Latvia” published on <a href="http://www.lsif.lv">www.lsif.lv</a> in Latvian and English languages (<a href="http://www.lsif.lv/node/1017">http://www.lsif.lv/node/1017</a>).</p> <p>The list of approved subprojects published on <a href="http://www.viaa.gov.lv">www.viaa.gov.lv</a> within the last open call in Education staff mobility of the SBG.</p>   |



**Programmes' and block grants' compliance with national, regional or local strategic documents and main target groups**

| Strategic document  | Respective objective/task of strategic document   | Target groups  |
|---|---|--|
| Strengthening Civil Society and Promotion of the Integration of Society (Civil Society Block Grant) |   |  |
| State Programme “Society Integration in Latvia”   | Facilitate preservation and development of culture, language and religious identity of minorities.  | Ethnic minority NGOs   |
| Guidelines for Civil Society Strengthening Policy 2005– 2014  | <ul style="list-style-type: none"><li>- 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.</li><li>- Increased effectiveness of participatory of citizens, informal groups and public organization in policy processes at municipal, state administration and European Union level.</li><li>- Develop environment for sustainable purposeful work of NGOs.</li></ul>  |  |
| 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.   |  |
| NGO Fund  |   |  |
| State Programme “Society Integration in Latvia”   | <ul style="list-style-type: none"><li>- 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.</li><li>- Strengthen links between individuals and social groups and between individuals/social groups and state.</li></ul>  | Local, regional and national NGOs organizations  |
| Guidelines for Civil Society Strengthening Policy 2005– 2014  | <ul style="list-style-type: none"><li>- 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.</li><li>- Increased effectiveness of participatory of citizens, informal groups and public organization in policy processes at municipal, state administration and European Union level.</li><li>- Develop environment for sustainable purposeful work of NGOs.</li></ul>  |  |
| Environmental Policy Integration Programme in Latvia (Environmental Programme)                      |   |  |
| Environment Policy Guidelines 2009–2015   | <ul style="list-style-type: none"><li>- Ensure implementation and compliance with new EU directives for air quality improving.</li><li>- 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.</li><li>- Coordinate and follow introduction of the best technical means, more environmentally friendly technologies and cleaner production methods in national economy.</li><li>- 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.</li><li>- Promote cooperation among commercial entities, public institutions and municipalities aimed at increasing environment and people safety.</li><li>- Facilitate development and introduction of effective and environmentally friendly technologies to increase energy efficiency and utilization of renewable energy resources.</li><li>- Facilitate scientific studies in the field of climate change reduction and adjusting.</li><li>- Ensure communication to inform all public groups about climate changes and promote initiative at local level.</li></ul> | Public, regional and local institutions and their employees, scientific and research organizations, NGOs and entrepreneurs, environment specialists. |
| National Environment Policy Plan 2004–  | <ul style="list-style-type: none"><li>- Introduce law-residue production based on modern technologies ensuring high energy efficiency and establishing dangerous waste management infrastructure.</li></ul>   |  |

|  |   |   |
|--|---|---|
| 2008   | <ul style="list-style-type: none"><li>- Improve air quality applying economic and organization methods.</li><li>- Ensure wide public information and involve the society in dealing with environment issues.</li><li>- Integrate environment policy in all branches of national economy in Latvia, as well as at national, regional and local planning level.</li><li>- Orient towards increase in environment measure effectiveness, broader application of economic methods and modernization of technological processes.</li><li>- Update environment related legislative acts and environment institutional system.</li><li>- Update environment information gathering and processing system.</li></ul> |   |
| Latvian Sustainable Development Policy and Guidelines                            | <ul style="list-style-type: none"><li>- Restrict processes speeding the global warming.</li><li>- Control and restrict emissions of persistent chemical pollutants.</li><li>- Make investment in sustainability profitable both in public and private sectors.</li><li>- Orient studies towards knowledge and solutions for sustainable development.</li></ul>  |   |
| Scholarship Block Grant (SBG)  |   |   |
| National Development Plan 2007–2013  | Facilitate development of educated and creative person.   | Students of universities in Latvia, prospective/new pedagogic students and academic and administrative personnel of higher educational institutions, as well as administrative personnel in state and municipal institutions in the field of education. |
| 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.  |   |
| Planned Measures for Necessary Reforms in Higher Education and Science 2010-2012 | Improve strategical development, quality and international competitiveness of higher education and science.   |   |
| Academic Research Block Grant (ARBG)   |   |   |
| National Development Plan 2007-2013  | <ul style="list-style-type: none"><li>- 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.</li></ul>  | Scientific institutions carrying out academic research in different fields  |
| Higher Education, Science and Technology Development Guidelines 2002–2010        | <ul style="list-style-type: none"><li>- Strengthen leading role of universities in higher education and science development.</li><li>- Renew scientific potential and develop research in the innovative technology field.</li></ul>  |   |
| 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"><li>- Ensure national policy making in the higher education and scientific activities facilitating creation of knowledge society and economy in Latvia.</li><li>- Ensure national policy implementation in higher education and scientific activities.</li></ul>  |   |
| Planned Measures for Necessary Reforms in Higher Education and Science 2010-2012 | Improve strategic development, quality and international competitiveness of higher education and science.   |   |

**List of audits, controls and external monitoring visits  
for September 2009–August 2010**

| The Auditor/Monitoring agent                              | Time of audit        | Project Nr./Title of audit  |
|---|----------------------|---|
| <b>On spot checks</b>                                     |                      |   |
| Ministry of Environment                                   | Mar 2010             | LV0049  |
|   | Jul 2010             | LV0070  |
|   | Aug 2010             | LV0075  |
|   | Dec 2009 – Apr 2010  | LV0010  |
| Ministry of Culture                                       | Dec 2009             | LV0092  |
|   | Apr 2010             | LV0094  |
|   | Jun 2010             | LV0093  |
| Ministry of Health  | Aug 2010             | LV0079  |
|   | Aug 2010             | LV0084  |
| Ministry of Welfare                                       | July 2010            | LV0031  |
|   | July 2010            | LV0095  |
| CFCA  | Sept 2009            | LV0007  |
|   | Sept 2009            | LV0010  |
|   | Oct 2009             | LV0027  |
|   | Dec 2009             | LV0028  |
| SIF   | Jan – Aug 2010       | LV0061  |
|   | Sept 2009 – Aug 2010 | LV0008  |
| SEDA  | Jun -2010            | LV0015  |
| <b>System audits</b>                                      |                      |   |
| Ministry of Environment                                   | Sept 2009–Jan 2010   | Management and monitoring of the Environmental programme's implementation (LV0010)        |
| SEDA  | Mar-Apr 2010         | Subprojects` selection, implementation and co-financing payments within the ARBG (LV0015) |
| <b>Control by the internal audit structure of the MoF</b> |                      |   |
| MoF   | Mar - Sept 2009      | LV0042  |
| <b>FMO external monitoring visits</b>                     |                      |   |
| Integration GmbH  | Nov–Dec 2009         | LV0006  |
| Integration GmbH  | Nov–Dec 2009         | LV0008  |
| Integration GmbH  | Nov–Dec 2009         | LV0061  |
| Norconsult/Nordic Consulting Group                        | May 2010             | LV0010  |
| Cross Czech a.s.  | May 2010             | LV0049  |