



LATVIJAS-ŠVEICES SADARBĪBAS PROGRAMMA  
LATVIAN-SWISS COOPERATION PROGRAMME



MINISTRY OF FINANCE  
REPUBLIC OF LATVIA

Republic of Latvia  
Ministry of Finance (the National Coordination Unit)  
European Union Funds Monitoring Department

*Annual Report on the  
Implementation of the  
Swiss–Latvian Cooperation Programme  
in Latvia  
April 2015 – March 2016*

In Riga  
March 2016

## Glossary of Acronyms

**AIPY** – the Agency for International Programs for Youth  
**ALTUM** – the State joint-stock company “Latvian Development Financial Institution Altum”  
**CA** – Court Administration  
**CFCA** – the Central Finance and Contracting Agency  
**CFRR** - the World Bank Centre for Financial Reporting Reform  
**CRUS** – the Rectors’ Conference of the Swiss Universities  
**EA** – Executing Agency  
**EU** – European Union  
**Fire safety project** - Support for fire safety measures in local government general education institutions  
**HEI** - Latvian higher education institution  
**MoE** – the Ministry of Economics  
**MoEPRD** – the Ministry of Environmental Protection and Regional Development  
**MoES** – the Ministry of Education and Science  
**MoF** – the Ministry of Finance  
**MoJ** – the Ministry of Justice  
**NCU** – the National Coordination Unit  
**PA** – Project Agreement  
**PCR** – Project Completion Report  
**PIR** – Project Interim Report  
**ROSC** - Report on the Observance of Standards and Codes on Accounting and Auditing  
**Sarkandaugava project** – Remediation of historically polluted areas in Sarkandaugava  
**School busses project** – Implementation of local governments activities by ensuring the transportation of school children and related support measures  
**SCIEX** – Scientific Exchange programme  
**SCO** – Swiss Contribution Office in Riga  
**SEDA** – the State Education Development Agency  
**SES** – the State Environment Service  
**SIF** – the Society Integration Foundation  
**SRDA** – the State Regional Development Agency  
**Swiss Programme** – the Swiss-Latvian Cooperation Programme  
**Swiss researchers’ activities** – Swiss researchers’ activities in Latvia  
**TAF** – the Technical Assistance Fund  
**Youth initiatives project** - Support for the development of youth initiatives in peripheral or disadvantaged regions  
**World Bank project** – Financial Reporting Technical Assistance Project

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## Summary

The document aims to present the process of implementation of the Swiss Programme in Latvia and describes activities planned for the next reporting period: April 2016 – June 2017. This document will be discussed during the annual meeting with the donorstate planned in April 2016. Main actions of the NCU and other institutions responsible for the implementation of the Swiss Programme in Latvia undertaken in the reporting period were concentrated on tasks related to the successful implementation/completion of projects, announcement and completion of relevant procurements, carrying out information activities and performing audits, controls and on spot checks.

The commitment for Latvia constitutes 56.7 million CHF (100%). Reimbursements in amount of 46.1 million CHF (81%) are received from Switzerland, inc. during 2015 - 5.6 million CHF which is only less for 0.5 million CHF estimated in the Indicative Disbursement Plan 2015 in the previous Annual Report.

Already 8 projects out of 12 are successfully completed (2 in 2012 – the School busses project and the Project Preparation Facility; 2 in 2013 – the NGO Fund and the Modernization of courts project; 3 in 2015 – the Microlending programme, the Fire safety project and the Swiss researchers' activities; 1 in 2016 – the Scholarship fund). Remaining 4 projects (the Sarkandaugava project, the Youth initiatives project, the World Bank project and TAF) will be completed in 2017. Projects are implemented according to focus areas set in the Framework Agreement in order to reach overall and specific objectives of the Swiss Programme. Funding is used for investments in peripheral or disadvantaged regions, environmental protection, courts modernisation, education and research, NGO and private sector.

Overall progress made so far towards implementation of the Swiss Programme against the conceptual framework can be assessed as very successful, taking into account that target indicators of projects are even overreached mainly due to savings of exchange rate fluctuations, procurements, and possibility to prolong projects' implementation, where it's necessary. Additional video conference and audio recording equipment units were installed within the Modernization of courts project, 12 more subprojects were implemented within the NGO Fund, for 25% more micro loans were issued within the Micro lending programme, fire blankets were purchased within the Fire safety project, external evaluations were carried out in the Court project, in the NGO fund, in the Swiss researchers' activities, 5 more youth centres were established in regions within the Youth initiatives project and 3 more will be established, additional remediation works in the Sarkandaugava project will be implemented, additional capacity building activities will be performed to implement International Standards of Auditing in the World Bank project.

From already completed projects' activities following impact has been achieved:

- Within the World Bank project all planned 17 seminars for enhancement of the institutional capacity to implement *International Financial Reporting Standards*, *International Standards on Auditing* and enhance the relationship between tax and accounting were delivered to 621 participants from various Latvian institutions and all planned reports, including ROSC report, delivered in order to improve national legislation and reduce administrative burden for companies;
- Within the Youth initiative project 22 youth initiative centres were opened in all regions of Latvia where young people can realize their ideas and activities, spend their free time and gain new experience and knowledge in informal way. As well as more

than 4`000 youth and persons involved in youth work have participated in trainings and other events organised by the EA, which they find very interesting, valuable and targeting their needs and providing sustainable capacity for their future ideas and work;

- Within the Scholarship Fund 27 SCIEX scholarships supported;
- Within the Swiss researchers' activities 92 mobilities supported and at least 6`500 students and academic staff members participated in lectures and research activities;
- Within the Fire safety project fire protection systems are installed in 57 local governments in 115 schools thus more than 14`430 school children benefiting from safe environment and the web game about fire safety and civil protection issues for school children developed;
- Within the Micro lending programme in less than 2 years around 2`803 new jobs were created and existing ones safeguarded;
- Within the Modernization of courts project 94 video conference equipment and 308 audio recording equipment units were installed in court rooms and prisons Latvia's justice system has become technologically more advanced thus adding to general public security and safety;
- Within the NGO Fund 14`483 children and youth as well as 6`216 seniors benefited from being target groups within 62 implemented subprojects thus further promoting civil society's contribution to economic and social cohesion;
- Within the School busses project 110 school buses were delivered to 59 municipalities thus access to qualitative education was enhanced as well as safety of school children in peripheral and disadvantaged regions of Latvia increased;
- Within the Project Preparation Facility 3 feasibility studies were prepared and gained data was further used for elaboration of 2 Final Project Proposals.

During this reporting period following results were reached in projects which are still in implementation stage:

- In the Sarkandaugava territories remediation works are ongoing and already 801 tons of floating oil products in groundwater are pumped out;
- 5 youth centres were opened, 35 trainings, the Regional Forum and the Regional Conference were organised for youth and persons involved in work with youth;
- 4 reports ("Tax and Accounting Report for Latvia", "Tax Reporting Rules", "Oversight and Quality Assurance in Latvia: Observance", ROSC) delivered by the CFRR to EA, 1 training for tax inspectors and 1 study visit to Vienna took place.

Within in TAF media monitoring, Annual meeting/site visits were carried out, organization/participation in the 8<sup>th</sup> Baltic Retreat was insured. For the next period it is planned to proceed with media monitoring, to perform closing publicity and to carry out Final Financial Audit.

The NCU considers that implementation of the Swiss Programme is well perceived and highly appreciated in Latvia, because it contributes in priorities defined in the NDP<sup>1</sup> and in general all projects are orientated on promotion and reduction of economic and social disparities between Latvia and the most progressive countries within the enlarged EU and between dynamic centres of cities and structurally weak regions of periphery. The overall implementation of projects is effective. Information on risks detected in projects and mitigation of them please see in the Sections 1.2. - 1.5 of this report.

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<sup>1</sup> National Development Plan of Latvia for 2014-2020

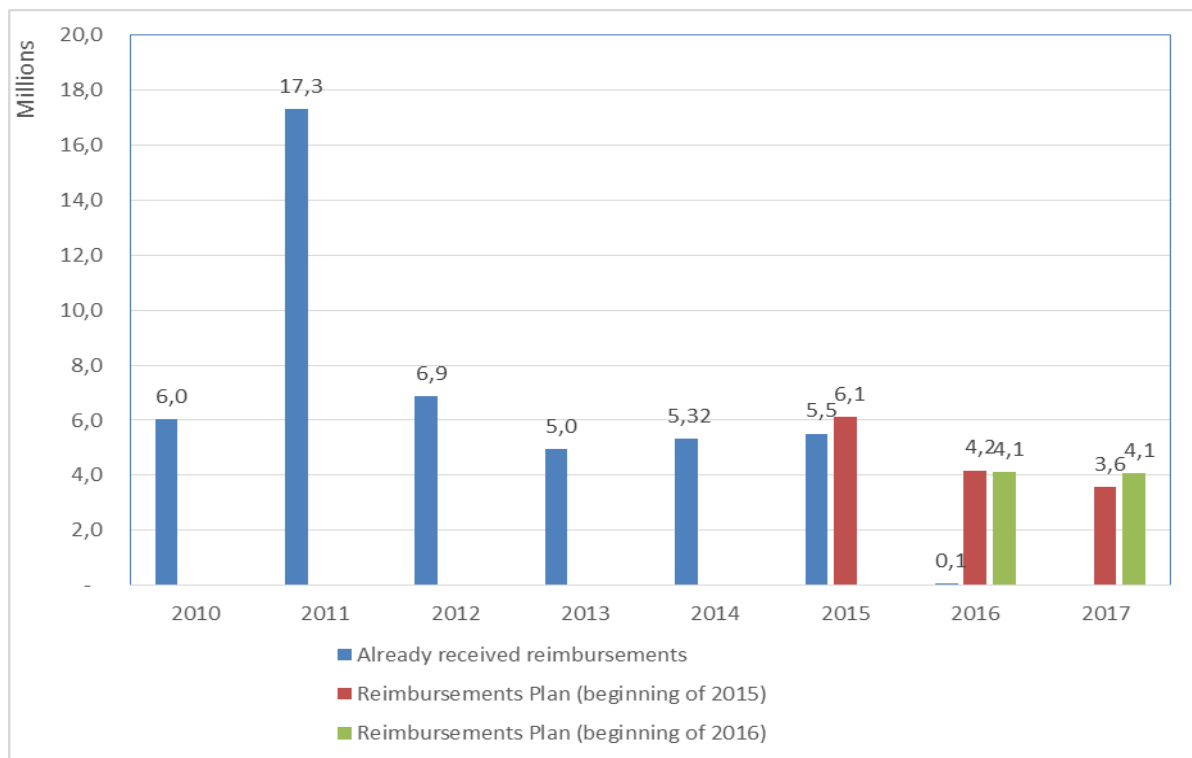
## 1. Reporting on the status of focus areas

### 1.1. Financial progress of focus areas

The commitment for Latvia constitutes 56.7 million CHF (100% of available funding (excluding the Swiss Programme's and CRUS management/evaluation committee costs). Reimbursements received by the end of the reporting period are 46.1 million CHF (81%). During this reporting period the reimbursements from Switzerland increased for 5.2 million CHF (9%) comparing to the end of the previous reporting period (31 March 2015). During 2015 reimbursements from Switzerland were received in the amount of 5.5 million CHF which is 91% from estimated in the *Indicative Disbursement Plan 2015* in the previous Annual Report – 6.1 million CHF.

The next chart shows actually received reimbursements by the end of reporting period and nationally planned reimbursements for 2016-2017.

*Chart 1 “Actual and planned reimbursements for projects for time period 2010-2017 in comparison with in previous reporting period presented reimbursement (disbursement) plan, million CHF”*



However planned reimbursements in 2017 differs mainly due to planned prolongation of World Bank project.

The *Indicative disbursement plan 2016-2017(CHF)* and projects' reporting schedule to SCO divided by projects please see in the Annex 7 of this report.

Swiss Programme covers 4 priority sectors with 5 focus areas and special allocations. Data presents financial progress achieved in each focus area.

Table 1 "Priorities and financial progress, exc. national co-financing"

Priority sector	Focus area	Title of the project	EA/Line ministry	Committed grant, CHF	Utilized grant within the project, CHF (till end of 2015)	% (utilized grant vs. committed grant)		Reimbursements received from Switzerland (till end of February 2016)	% (reimbursements received vs. committed grant)		Unused funds within the project, CHF (till end of 2015)	Project completion dates
						till Dec 2015	till Dec 2014		till end of February 2016	till end of February 2015		
I. Security, stability and support for reforms	1.Regional development initiatives in peripheral disadvantaged regions	School busses project	SRDA/MoEPRD	13 769 767	13 769 767	100	100	13 769 767	100	100	0	30.06.2011
		Fire safety project	SRDA/MoEPRD	2 379 730	2 228 610	93.6	89	2 221 727	93.3	85	151 120	31.05.2015
		Youth initiatives project	AIPY/MoES	4 000 000	3 049 120	76	66	2 740 258	69	59	950 880	31.03.2017
	2.Modernisation of the judiciary	Modernization of courts project	CA/MoJ	8 000 000	7 963 162	99.5	99,5	7 963 162	99.5	99.5	36 838	31.12.2013
II.Environment and infrastructure	3.Rehabilitation and modernization of basic infrastructure	Sarkandaugava project	SES/MoEPRD	13 000 000	8 562 187	66	36	6 647 556	51	23	4 437 813	28.02.2017
III.Promotion of the Private Sector	4.Improved regulation of the financial sector and improving access to financing	World Bank project	MoF	1 533 827	1 211 247	79	65	1 047 322	68	49	322 580	30.06.2016
		Micro lending programme	ALTUM/MoE	7 923 078	7 923 078	100	100	7 923 078	100	98	0	31.01.2015
IV.Human and Social Development	5.Research and development	Scholarship fund	CRUS/SEDA	2 100 503*	2 045 647	97	78	2 045 647	97	78	54 856	31.03.2016
		Swiss researchers activities	SEDA/MoES	216 212	210 295	97.3	62	206 393	95.4	44	5 917	30.09.2015
Special allocations	NGO fund	NGO fund	SIF	3 500 000	3 332 503	95	95	3 332 503	95	95	167 497	30.04.2013
	TAF	TAF	MoF	132 255	110 945	84	63	107 590	81	44	21 310	14.06.2017
	PPF	PPF	MoF	141 343	141 343	100	100	141 342	100	100	0	30.06.2011
<b>Total</b>				<b>56 696 715</b>	<b>50 547 904</b>	<b>89</b>	<b>80</b>	<b>48 146 345**</b>	<b>85</b>	<b>75</b>	<b>6 148 811</b>	
										<b>Including completed</b>	<b>361 372</b>	
										<b>Including in implementation</b>	<b>5 787 439</b>	

\*Excluding CRUS management costs and evaluation committee costs

\*\*Including reimbursements received for projects within the Scholarship Fund

## 1.2. Priority sector “Security, stability and support for reforms”

### Fire safety project

The development of the web game “Droša Diena (Safe Day)” on fire safety and civil protection issues was completed. The game is developed in 4 different environments – house, school, nature and backyard, offering 10 different tasks in each environment for 3 different age groups from the 1<sup>st</sup> up to the 9<sup>th</sup> grade. The game is published in 3 different platforms to be easily accessible to all interested parties with different capabilities – in the game’s website <http://www.drosadiena.lv/>, Google Play for Android OS, in the social networks [www.facebook.com/drosadiena](http://www.facebook.com/drosadiena) and [www.draugiem.lv/drosadiena](http://www.draugiem.lv/drosadiena). As well as methodological material for teachers was prepared and published in the website [www.drosadiena.lv](http://www.drosadiena.lv) to explain the importance of fire safety and to promote the use of the game in the educational process at schools. Methodological material gathers additional information about educational aspect included in the web game tasks and the comprehensive explanation of different situations. Fire safety experts in collaboration with the education experts were attracted in the development of methodological material. Also due to saving in the project it was possible to procure and to distribute to educational institutions 1`200 fire blankets at the end of May 2015.

#### Amendments in the PA

During the reporting period amendments were initiated by EA for prolongation of the project implementation period for 3 months, until the end of May 2015 taking into account that extra time was needed to ensure qualitative implementation of the web game as well as to additionally purchase fire blankets. The amendments were approved and successfully implemented.

### Youth initiatives project

#### Activity “Establishment of Multifunctional youth initiative centres”

5 additional centres (in Aizpute, Rēzekne, Riebiņi, Jaunjelgava and Iecava Districts) were opened besides 17 already opened in previous reporting periods. Due to the savings 3 more centres will be established (in Balvi, Skrunda and Valka Districts) by the end of 2016. Therefore almost all 26 centres (except last one from the reserve list – currently under discussions) from the list of approved applications for establishment of Centres evaluated by the Evaluation Committee within the MoES have received the support needed. The map of all 25 centres placed by regions can be seen in the Annex 1 as well as in website<sup>2</sup>.

In 2015 EA carried out 2 on spot checks of the centres (in Riebiņi and Aizpute) before final payment to the respective municipalities was made. As well as EA ensured 13 post-completion checks in youth initiative centres (in Rūjiena, Kocēni, Salacgrīva, Gulbene, Alūksne, Pļaviņas, Madona, Saldus, Kandava, Ozolnieki, Jelgava, Dagda, Līvāni), were no irregularities were detected.

#### Activity “Trainings for youth and persons involved in youth work”

In 2015 EA organized 21 **trainings for youth** on self-development of creative thinking and innovative ideas using different approaches and methods, about non-formal education for

<sup>2</sup> <http://jaunatne.gov.lv/lv/sveices-programma/jauniesu-centri>



youth with sight problems and peer education. In total already **86% of target indicators** (100 trainings; ~2000 participants) are reached. Trainings were performed in all planning regions: of Latvia. As well as 14 **trainings for persons involved in youth work** were organized about storytelling as an approach in youth work, education through experience and outdoor activities and social inclusion. In total **92% of target indicators** (60 trainings; 1200 participants) are reached.

*Table 2 “Indicative training plan for youth and persons involved in youth work by year”*

Number of	Target	2011	2012	2013	2014	2015	Total 2011-15	2016	2017	Planned result
<b>trainings for youth/ participants</b>	<b>100/ 2000</b>	5/ 95	20/ 391	21/ 421	19/ 373	21/ 345	<b>86/ 1`625</b>	18	3	<b>107/ 2087</b>
<b>trainings for persons involved in youth work/ participants</b>	<b>60/ 1200</b>	5/ 87	10/ 203	14/ 286	12/ 212	14/ 291	<b>55/ 1`079</b>	10	4	<b>70/ 1387</b>

Activity “Forums and conferences about youth work in regions”

The 4<sup>th</sup> Regional Conference in Kurzeme region about youth work in regions was held in May 2015 with the aim to discuss the role and significance of youth work in promotion of youth activities in the region, as well as to promote co-operation between young people and other involved parties in youth field, to meet and to share experiences. The 4<sup>th</sup> Regional Forum in Riga planning region about youth work in regions was held in November 2015 with the aim to promote exchange of best practices between workers of youth centres and youth workers and to assist in building mutual co-operation.

*Table 3 “Events for youth and persons involved in youth work by year”*

Event/ Number of participants	Target	2012	2013	2014	2015	2016	Planned result
<b>1 International Conference</b>	<b>1/250</b>	n/a	n/a	Jurmala/ 250	n/a	n/a	<b>1/250</b>
<b>2 National Forums</b>	<b>2/250</b>	n/a	Riga/ 250	n/a	n/a	Riga	<b>2/250</b>
<b>5 Regional Forums, one in each planning region</b>	<b>5/500</b>	Latgale/ 100	Kurzeme/ 100	Vidzeme/ 100	Riga/ 100	Zemgale	<b>5/500</b>
<b>5 Regional Conferences, one in each planning region</b>	<b>5/500</b>	Vidzeme/ 100	Zemga- le/ 100	Latgale/ 100	Kurze- me/ 100	Riga	<b>5/500</b>

Activity “Methodological material”

EA in total plans to elaborate ~15 methodological materials and learning materials, in this reporting period 3 materials were elaborated: audio book about non-formal education activities; methodological material about team leadership; youth initiatives and development of competences.

In total EA has already developed 15 methodological materials – 2 in Braille, 3 handbooks (*Youth coaching guide, All about the Youth-pass, Youth participation guide - second edition in 2015 due to high demand of this material*), informative material about multifunctional

youth centres “*Open doors, open yourself!*” and 5 video materials. All these materials are available on EA’s web page.<sup>3</sup>

### Risks

In the reporting period there are 2 remaining risks with low impact/probability:

- 1) to reduce risk of **low number of participants** EA proposed **diversity of training** topics according to the needs of persons who are involved in youth work and youth. As well as **cooperation with regional coordinators** turned out very successful, thus number of participants, who would not attend trainings in the last minute, has decreased. Number of applications for trainings and events is high. Regional coordinators even prepare **reserve list** of participants, thus if someone cancels participation, the next person in line is invited to attend the event.
- 2) risk that centres would not be established as planned within the available budget is low, because agreements with municipalities include responsibility to cover financial deficit, if it appears.

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<sup>3</sup> <http://jaunatne.gov.lv/lv/sveices-programma/citi-resursi>

### 1.3. Priority sector “Environment and infrastructure”

#### Sarkandaugava project

Remediation works in the Site I/II are on-going according to the schedule and will be completed by the end of February 2017. Also remediation works in the Site III were started within the reporting period, waterproof barrier was build and building of drainage system along the costal line was commenced. The supervision of construction works is performed during all works' period in accordance with the Construction Agreement and the *International Federation of Consulting Engineers`* regulations.

By the end of February 2016 in the Site I/II 803.88 tons or 89% (the increase of 59% comparing to previous reporting period) and in the Site III 312.54 tons or 58.3% of floating oil products in groundwater were pumped out according to the target set in the Logframe. In the Site I/II also surface-active substance injection in wells was performed, whereas in the Site III 4`500 tons of polluted ground was excavated and transported to landfill.

The remediation works` service provider in summer 2015 made an additional research for estimation of situation and for possible additional works which could be done due to accrued savings because of favourable Swiss exchange rate.

According to the information provided from the *Riga Regional Environmental Board*, a structural unit of SES, which implements the national environmental protection policy in the cities of Riga, Jurmala and 20 regions, during the reporting period in none of wells pollution of oil products younger than 20 years was recognized.

#### Amendments in the PA

In order to utilize savings accrued and better ensure sustainability of the project`s results the parties agreed on following amendments in the PA to perform additional works:

Site II:

- 1) construction of 2 additional extra wells with a 110 meters drainage system and related works like excavation and transportation of contaminated soil of 110 m3;
- 2) excavation works of viscose oil product contaminated soil of around 350 m3, if there will be enough financing.

Site III:

- 1) a new pumping well construction and operation;
- 2) prolonging of the barrier wall and construction of respective drainage system by 35 metres (additional to already constructed barrier of 328 metres) and related works;
- 3) the excavation works of polluted soil (approximately 90 m3) during the prolongation of the barrier wall and excavation works of polluted soil, if there will be enough financing.

#### Risks

For the ongoing remediation works EA holds weekly/monthly operational meetings; and thereby progress reports of works are evaluated by the engineer and EA is regularly informed about any issues, thereby **the risk of delays** in the schedule is dealt with.

To prevent **the risk of cost overruns**, a financial reserve of 327 thousand CHF for remediation works is envisaged in the project`s budget, but taking into account that all procurement procedures for Site I/ II/ III are finished with no cost overruns, this risk is very low. It is planned to discuss the use of reserve funds in the next Project Steering Committee meeting on 30 March 2016.

#### 1.4. Priority sector “Promotion of the Private Sector”

##### World Bank project

In October 2015 MoF organized Financial Interpretation Training for Tax Inspectors in Riga where participants from the MoF, the State Revenue Service, and the Treasury participated.

##### *Development of IT systems in the reporting period*

1. IT system for Latvian medium and small size commercial companies of sworn auditors (LASA`s IT system) was developed by the end of September 2015; and it is currently operational.
2. MoF announced procurement for IT Software system for the oversight of the sworn auditors (Database) in January 2016, in the result 6 offers were received and currently are evaluated. It is planned that the service provision contract will be signed in April 2016.

The project partner CFRR delivered all planned 4 final reports to MoF (“Tax and Accounting Report for Latvia”, “Tax Reporting Rules”, “Oversight and Quality Assurance in Latvia: Observance” and “ROSC” as well as organized study visit “Law to implement Base Erosion and Profit Shifting - related transfer pricing requirements” for Latvian participants to Vienna in January 2016.

##### *Amendments in the PA*

During the reporting period EA initiated prolongation of the project by almost a year, until 13 June 2017, taking into account that development of the Database may require extra time. Also in case some savings occur additional capacity building activities for MoF on implementation International Standards on Auditing will be performed. The amendments will be submitted to the SCO in April 2016.

##### *Risks*

To mitigate the risk of **delays in development of the Database**, EA has foreseen fines in the supply contract in case supplier exceeds the set terms. As well as EA has initiated prolongation of the project in order to have sufficient time to deal with issues within testing period. Probability of the **disuse risk** of the Database is evaluated as very low, since it will be used by MoF as the Competent Authority (Latvia as EU member state has to ensure the oversight of the sworn auditors and their professional activities and responsibilities of the Competent Authority are established in the Law on Sworn Auditors).

The probability of the **disuse risk of LASA`s IT system** is evaluated as very low, since it is **used by ~20** Latvian medium and small size commercial companies of sworn auditors. According to the signed partnership agreement between LASA and MoF as EA, LASA ensures sustainability – in the second full year after the LASA`s IT system is delivered, it will be used by at least twenty medium and small size commercial companies of sworn auditors.

## 1.5. Priority sector “Human and Social Development”

### Swiss researchers’ activities and Scholarship Fund

#### *Scholarships*

All fellowship projects were successfully completed by the end of October 2015. EA participated in the SCIEX closing conference "*Preparing Young Researchers for Europe of Tomorrow*" organized by the Rectors' Conference of the Swiss Universities of the Scholarship Fund in Switzerland in the end of September 2015.

Average fellowship was ~ 72`730 CHF. 7 (out of 58 eligible ones) higher educational and research institutions from Latvia because most of organizations haven't doctor and post-doctor study programmes as well as based on already existing contacts in Swiss Higher education institutions and 16 – from Switzerland were involved. 24 scholarships were approved with duration 12-18 months and only 2 – with duration 6-8 months.

Following main results were achieved:

- within available funds 27 (out of 65 received) the highest quality fellowships applications were approved in 6 open calls, 15 doctoral candidates and 12 post-doctoral researchers (14 male and 13 female);
- 32 short term research visits took place;
- 50 international research publications, incl. 30 together with Swiss researchers.

#### *Swiss researchers*

In order to **use savings**, an extra open call No.6 for applicants was announced during April 2015, but due to lack of time for project implementation (approximately 1 month till 30<sup>th</sup> June 2015) **only 1 application** from the Latvia University of Agriculture was received, evaluated and approved. Also SDA performed 6 on-sight sub-project visits (3 to the University of Latvia; 3 to the BA School of Business and Finance) and no irregularities were detected. Implementation of all sub-projects was successfully finished by the end of June 2015.

Average sum of a subproject is ~ 2`000 CHF. Half of all subprojects are from 2 higher education institutions – the School of Business and Finance (34%), the Jāzeps Vītols Latvian Academy of Music (19%). Most demanded fields were business and economics (49%), musicology (21%) and veterinary (8%). 25% of subprojects targeted higher education institutions in regions and 75% – in Riga. **13 (out of 58 eligible ones)** higher education institutions from Latvia (basically organizations with already existing contacts in Swiss Higher education institutions) and 29 – from Switzerland were involved.

Following main results were achieved:

- 92 (out of 102 received) subprojects approved in 6 open calls (please see in the Annex 2 the list of approved applications within the 5<sup>th</sup>/6<sup>th</sup> open calls). Initial plan – **at least 45 fellowships**: as most of **visits were relatively short** (5-12 days), the **number of fellowships is so high**;
- 6`500 students, academic staff, researchers participated in lectures and research activities (3 times more against initially planned – ~ 2`000 final beneficiaries: as

opportunity to participate at lectures was highly appreciated, the number of participants is much higher);

- 30 partnerships established as initially planned, including 14 long-term partnerships. Moreover several Swiss researchers and organizations participated in projects repeatedly;
- upgrade in a study program facilitated;
- 6 international research publications;
- 12 synergy cases between Swiss researchers' activities and Scholarship Fund.

Infographics about booth Funds on used financing, approved applications and achieved results has been developed and published in SEDA's webpage and accounts in the social media like *Face-book* and *Twitter* (please in the Annex 9 as well as in website<sup>4</sup>).

EA organised joint closing conference for booth Funds at the end of September 2015 in which more than 40 participants took part (SCO, MoES, NCU, CFCA, SEDA, Universities, Swiss researchers, and fellows). The information on overall achieved results were presented and stories of good practice were shared. Moreover, a discussion panel took place with participation of the representatives from MoES and rectors of several Latvian Universities about programme`s challenges, good practices and future perspectives.

An independent external evaluation was carried out by an independent external evaluator Dr.Manuel-Joaquin Fernandez-Gonzalez, director and leading researcher at the Scientific Institute of Pedagogy, Department of Education, Psychology and Arts University of Latvia. The evaluation was divided into two parts (sent to SCO on 4 March 2016):

1. implementation of Swiss researchers activities and Scholarship Fund (August 2010 - June 2015);
2. vocational education in Latvia and Switzerland, comparison of 2 education systems.

In the 1<sup>st</sup> part the evaluator indicated that in general:

- **Swiss researchers'** activities contributed to strengthening of international cooperation and faculty expertise; and to improvement of universities` performance quality and study course quality, whereas they had a **relatively low impact on the universities' scientific performance**;
- **Scholarship Fund** contributed to the creation of multi-disciplinary groups of scientists by strengthening international reputation and competitiveness and will play a leading role in innovation. Participants started the process of integration in international research consortia and cooperation projects, taking part in international research platforms.

MoES will take into account Final Conclusions and Recommendations from both evaluations within planning of EU Funds 2014-2020 period for: elaboration of justification for possible investments in the higher education; drafting support projects in vocational education field. Activities like work-based learning and improvement of educational content are planned to be launched already in 2016.

Please find in the Annex 10 summaries of results/main recommendations of both parts of the evaluation.

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<sup>4</sup> [http://viaa.gov.lv/eng/international\\_cooperation/swiss\\_contribution/swiss\\_information\\_materials/](http://viaa.gov.lv/eng/international_cooperation/swiss_contribution/swiss_information_materials/)

## 2. Progress made towards implementation of the Swiss Programme against the conceptual framework

### 2.1. Assessment of context information and development trends in Latvia

**Most substantial achievements** in 2015 were – good governance of the Latvian Presidency of the EU Council (the Presidency); launching EU Funds 2014–2020 planning period and steady Latvia's economic growth – thus showing economic and financial development of Latvia.

The Presidency lasted January–June and was very important challenge and opportunity for Latvia. Latvia succeeded to put into **practice the Investment Plan for Europe** on 25 June 2015. This is an excellent example of good and operative cooperation between EU member states thus demonstrating that important decisions could be taken fast. Launching the Plan will provide the substantial incentives for economic growth that will directly impact EU member states, enterprises and inhabitants, thus reducing economic and social disparities within Latvia and EEA. The governance of the Presidency was very well assessed at EU level. Launching of EU Funds 2014–2020 planning period is the most relevant opportunity for Latvian economic growth, which will foster the creation of new job places, supporting competitiveness of enterprises and improve living quality of inhabitants. EU Funds will be invested on well-grounded considerations thus ensuring effective, sustainable and expediency investment of financial resources according to NDP.

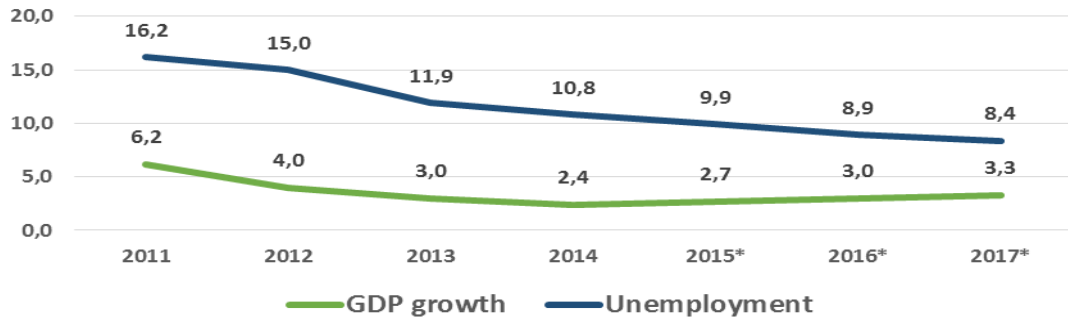
In 2015 the economic growth in EU continued at a moderate speed, accelerating to 1.9% in the first three quarters. The economic recovery was supported by low oil prices, the relatively weak exchange rate of euro and accommodative stand of monetary policy. At the same time, negative factors including slower growth in China, unstable global trade and high geopolitical tension, were having a negative effect on Europa's economic growth.

Despite unfavourable external conditions in 2015, economic growth increased up to 2.7 % compared to 2.4% in 2014, and exceeded EU average growth rate by ~0.8%. In 2015, Latvian exporters overcame successfully the sanctions imposed by Russia and dealt with the decreasing demand in the neighbouring country, which experienced a recession. Although exports of goods to Russia decreased by 24.4%, Latvia is the only Baltic country, which has managed to increase the total amount of exports, which grew by 1.2%. From the expenditure side, the main driver of Latvia's economic growth has been private consumption (increase by 3.3%), public consumption (increased by 3.1%) as well investment growth resumed with 2.6% increase. From production side, the largest contribution to GDP growth was by trade, manufacturing, real estate as well as agriculture and forestry sector. As well as an economic growth is related with inflation dynamics. In 2015, changes in consumer price level remained very moderate, as a result of declining oil and unprocessed food prices in the world market. Annual average inflation in 2015 was at a historically low level of 0.2%.

The rapid economic growth of previous years continued to show up in rising earnings. The average gross wage in 2015 increased by 6.8% year on year, reaching 863 EUR, while real wages grew by 7.4%, driven by low inflation and reduction of labour tax (personal income tax rate was decreased from 24% to 23%, while the minimum wage was raised from 320 EUR to 360 EUR and in 2016 it raised to 370 EUR). In 2015 wages grew faster in private sector where salary rose by 7.9%, while wages in the public sector increased by 5.2%. The highest average gross wage still is recorded in Riga region - 925 EUR, while the lowest – in Latgale region – 564 EUR, demonstrating still evident regional disparities and challenges. Overall last trends shows positive effect on real earnings, bolstering both domestic demand and private consumption, as well as business environment and investments thus reducing economic and

social disparities between Latvian regions and Europa. Steady economic growth has a positive effect on the situation in labour market and unemployment rates are decreasing since 2010. The unemployment rate in 2015 decreased to 9.9% and was the lowest since the pre-crisis period.

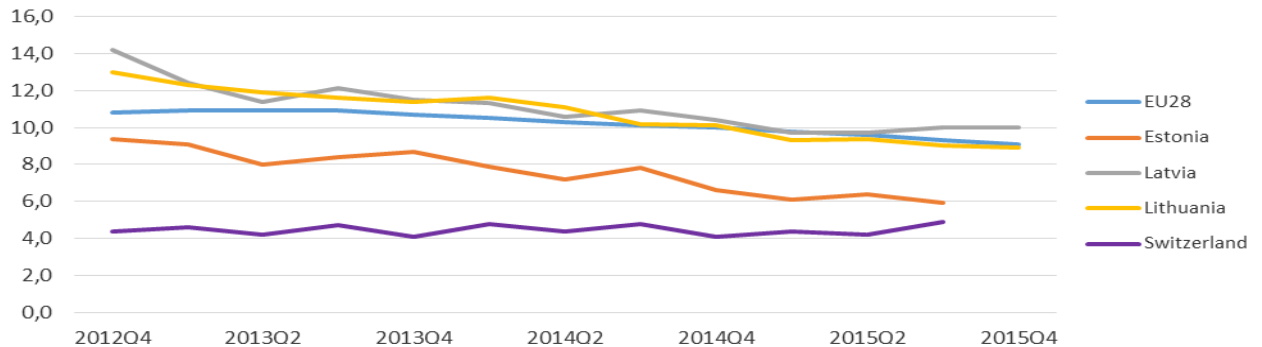
Chart 2 “GDP growth rate and unemployment dynamics in Latvia, %”



Source: Central Statistical Bureau of Latvia, Ministry of Finance forecast (February, 2016)<sup>5</sup>

The highest unemployment rate still was registered in Latgale region (18.5%), while the lowest in Riga region (5.4%). According to data (see the Chart below) the unemployment rate in Latvia still is relatively high compared to neighbour-countries, EU average and Switzerland.

Chart 3 “Seasonally adjusted unemployment rate 2012-2015, %”



Source: Eurostat, \* OECD estimated value

**Main risks** to Latvia’s economic growth are still related to the **geopolitical situation** in the region and further **slowdown of global economic** growth. Other downside risks **include low investment level** in Latvia as well as **wage growth** higher than productivity growth undermine Latvia’s competitiveness. On the positive side, economic growth might be boosted by more rapid lending expansion and stronger economic growth in Latvia’s main trade-partner countries. As positive incentive is Investment Plan launched by the European Commission that could trigger faster economic growth in EU than currently expected. As a result, economic growth is projected to be at 3.0% in 2016, accelerating to 3.3% in 2017 according to the latest MoF forecasts (February, 2016)<sup>5</sup>.

Latvia has got closer to EU medium level of the living standards since joining the EU, which is a major achievement. But still Latvia is at GDP per capita of less than 40 % below the EU-28 average and is the 4<sup>th</sup> poorest EU country following Bulgaria, Romania and Croatia. Thus Cohesion policy, together with other EU initiatives, the Swiss Programme and the EEA/Norway Grants in the targeted areas play an important role for further economic growth and achievement of national objectives of Latvia.

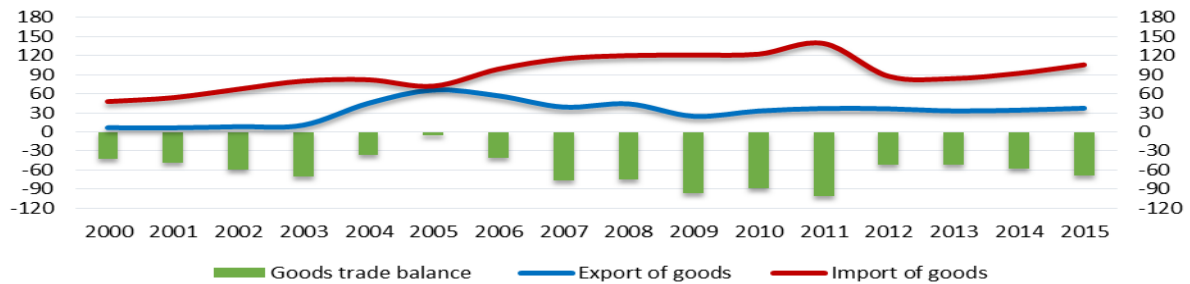
<sup>5</sup> [http://www.fm.gov.lv/en/s/macroeconomics/main\\_macro-economic\\_indicators/](http://www.fm.gov.lv/en/s/macroeconomics/main_macro-economic_indicators/)



## 2.2 Economic cooperation between Latvia and Switzerland

The cooperation is fruitful year over year. Latvia’s commodity export’s value to Switzerland after 2010 grew up and remained relatively constant as well in 2015. Total Latvian export’s value to Switzerland year over year has increased by 9.1% in 2015 however import’s value from Switzerland has much greater scale.

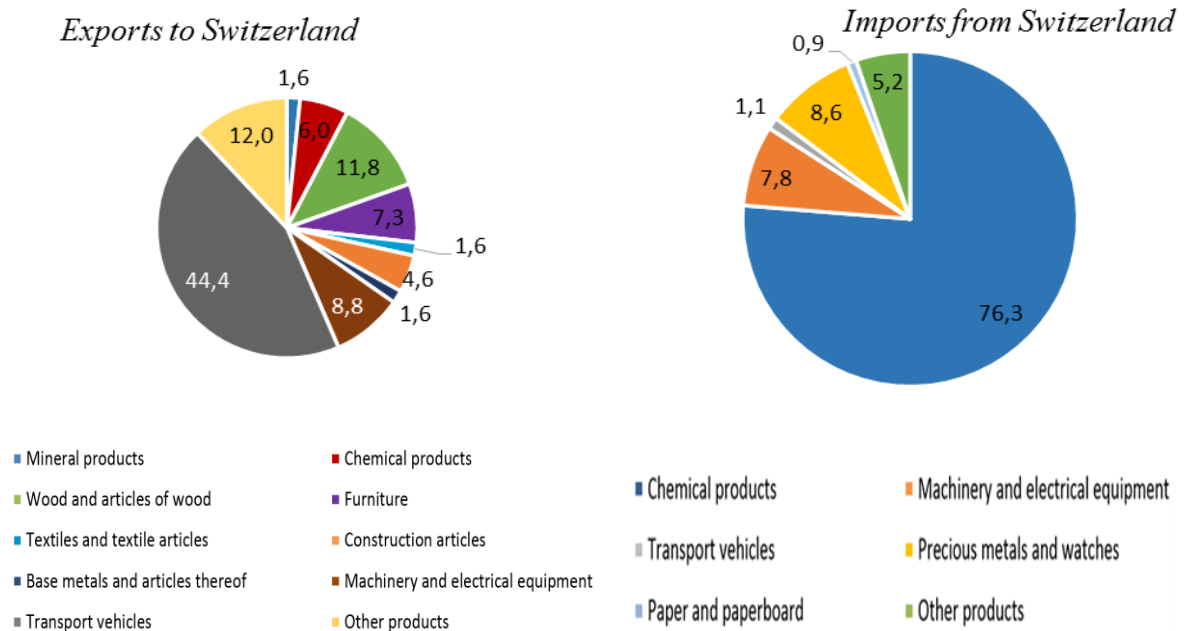
Chart 4 “Latvian and Swiss foreign trade of goods 2000-2015, M EUR”



Source: Central Statistical Bureau of Latvia

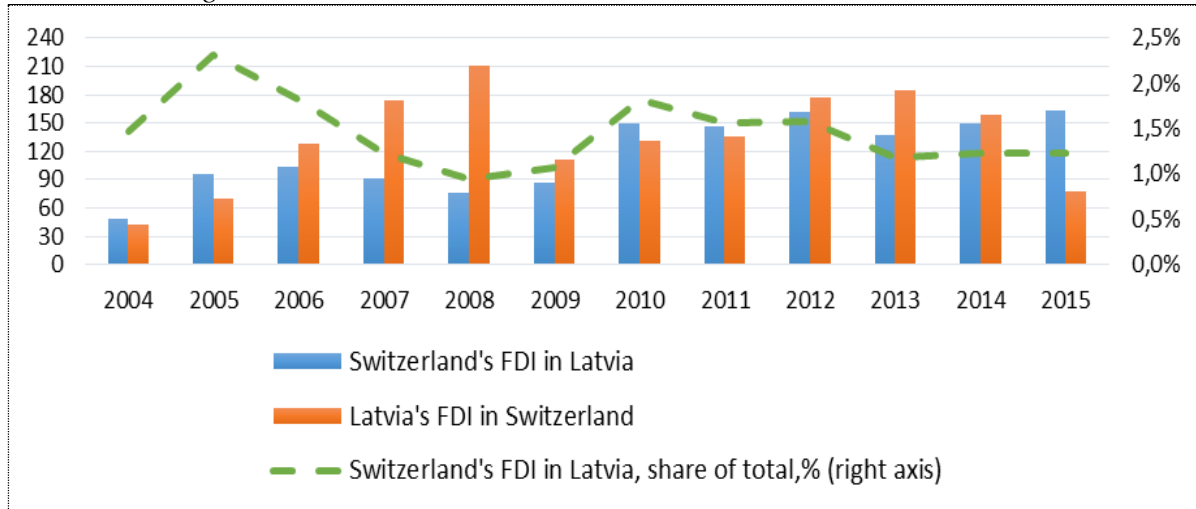
Over recent years Latvian commodity exports structure to Switzerland has important changes, but **import structure from Switzerland** has been relatively stable. Until 2008 base metals and mineral products consistently has been the largest valued commodity, but gradually by 2015 these exported goods’ shares has decreased. Instead stable export growth of transport vehicles/its accessories reached a peak in 2015 (by 6.9% higher compering to 2014) and wood/its articles was the 2<sup>nd</sup> largest commodity category (with 11.8%). Comparing to 2014 among the most **rapidly growing** exports commodities in 2015 were **chemical products and furniture**. Regarding **imports**, the data for 2015 show that most of goods imports from Switzerland are **chemical and pharmaceutical products** – 76.3%.

Chart 5 “Structure of export and import, % in 2015”, source Central Statistical Bureau of Latvia



From 2010 **exports of services** to Switzerland returned to positive growth and by 2015 value of exports of services grew by 3.1% and was almost **10 times higher than exports of** reaching 367 million EUR (9.1%) of total Latvia's services exports in 2015. Most of services were provided in transportation sector (especially rail and sea transport), which is closely related to foreign direct investments (FDI) from Switzerland to transportation and storage sector.

Chart 6 "Foreign direct investment stock 2004-2015, M EUR"



Source: The Bank of Latvia

FDI from Switzerland in Latvia noticeably decreased in 2013, then already in 2014 FDI stocks returned to positive growth and continued growth in 2015 (9.6% compared to 2014) reaching historically highest level – 163.7 million EUR. Switzerland's FDI in Latvia's economy was mainly concentrated in transportation and storage sector. Latvia's FDI stock in Switzerland decreased in 2015 due to some one-off factors like repayment of a loan from a Swiss subsidiary to Latvian parent company and sale of assets of a Latvian company in Switzerland

### 2.3. Swiss programme's overall and specific objectives

The **overall objectives** of Swiss programme's projects are to contribute to the **reduction of economic and social disparities** between Latvia and the more advanced countries of the enlarged EU as well as Latvia's national disparities between the dynamic urban centres and the structurally weak peripheral regions.

EU Cohesion policy and other foreign financial assistance, like Swiss Programme and EEA/Norway Grants, are most important investment policies, which make relevant impact for beneficiary states. The macroeconomic disparities between Switzerland and Latvia still clearly justifies the need for cohesion. Considering the size of Swiss Programme to Latvia as well as the areas of support the impact to the Latvian economy would be difficult to measure, nevertheless the contribution is of great value as funding is targeted in areas which are important for Latvia. Each project has contributed to achievement of the overall or specific objectives of Swiss Programme in its own focused and complimentary way, as it can be seen in the table below:

*Table 4 "Projects' impact under specific objectives "*

<b>Specific objective</b>	<b>Projects contributing to specific objective</b>	<b>Description of impact</b>
Promoted economic growth and enhanced employment conditions	Micro lending programme	Promoted economic growth through financial resources with lighter conditions for micro enterprises. Promoted creation on new job places and safeguarded already existing ones.
	Swiss researchers' activities	Possibility to apply for new knowledge has enhanced the development of human capital.
	Scholarship fund	Promotion of research based higher education's development reduced separation between education and research in Latvia. Gained awareness of international quality standards due to provided opportunity for Latvia to participate in the international scientific community.
	Youth initiatives project	Provided trainings for youth workers rose awareness of labour market, career planning and ensured volunteering work experience. Provided trainings and seminars for youth from less developed regions involving them in youth work and non-formal activities, thereby minimizing regional disparities of human capital.
	World Bank project	Enhanced institutional and regulating capacity of Latvia in preparing and auditing financial reporting of private sector. Enhanced qualitative and reliable information presented by Latvian companies due to strengthened financial reporting platform. Measures supported to put in place regulatory and institutional frameworks that implement the

Specific objective	Projects contributing to specific objective	Description of impact
		financial reporting requirements of the <i>acquis communautaire</i> and provide monitoring
Preserved environment	Sarkandaugava project	Reduced pollution inflow in the Daugava River and the Baltic Sea by restoring and improving quality of environment (soil, ground, groundwater, surface water quality) at the polluted areas. Protected people from hazardous pollution by improved public bathing water quality in Bolderaja area (part of the Capital City).
Enhanced social security	Youth initiatives project	Provision of access to youth activities, social networking and necessary information has fostered involvement in the decision – making process and promotion of active citizenship.
	School busses project	Through improved school transportation system safety of school children on roads has increased.
Enhanced security and safety	Youth initiatives project	Qualitative and secure environment created for youth by establishment of new multifunctional youth initiative centres. Improved youth' social skills leading to reduction of crime.
	Modernization of courts project	Through use of new technologies improved access to justice system in Latvia. The whole court proceeding system speeded up and general public security and safety ensured by the use of new video conference equipment.
	Fire safety project	Improved safety of educational institutions (pre-school and school where children stay overnight) by installed fire safety systems.

More detailed information about each projects`specific contribution please see in the Swiss Programme`s Annual report 2013<sup>6</sup> Section 3.3 and Annual Report 2014 Section 2.3<sup>7</sup>.

<sup>6</sup> [http://www.swiss-contribution.lv/upload/swiss\\_annual\\_report\\_april\\_2013\\_march\\_2014.pdf](http://www.swiss-contribution.lv/upload/swiss_annual_report_april_2013_march_2014.pdf)

<sup>7</sup> [http://www.swiss-contribution.lv/upload/swiss\\_annual\\_report\\_2015.pdf](http://www.swiss-contribution.lv/upload/swiss_annual_report_2015.pdf)

### 3. Publicity activities and Swissness

#### Publicity

The special webpage [www.swiss-contribution.lv](http://www.swiss-contribution.lv) designed for the Swiss Programme has been regularly updated with all newest and most important information related to the Swiss Programme. The information and nearly all documentation is available there both in Latvian and in English. During the reporting period NCU participated in following publicity activities organized at the project level:

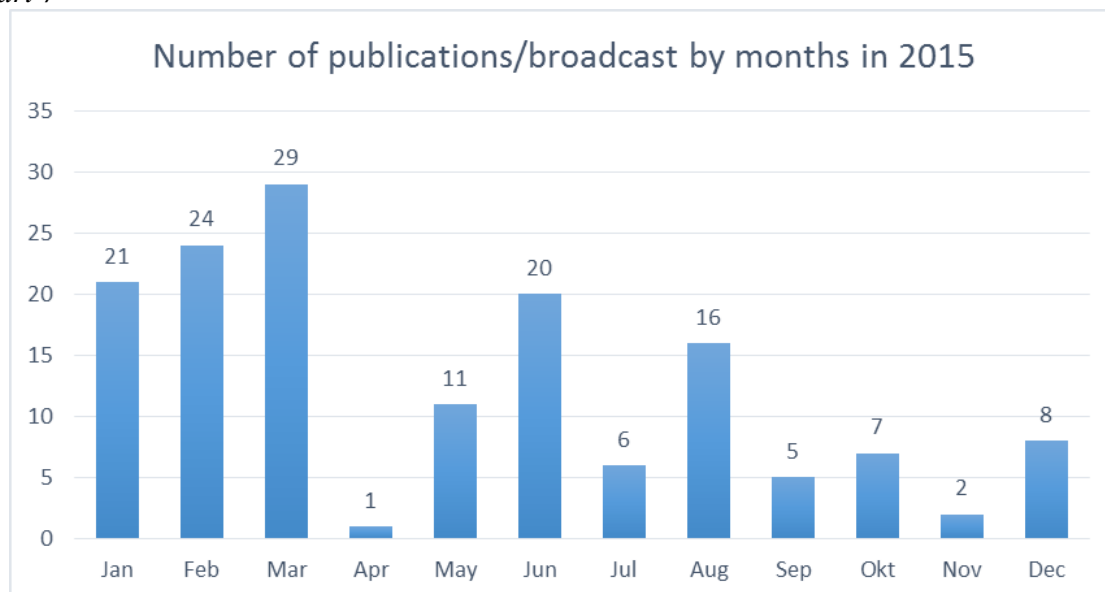
- closing conference of the Fire safety project on 7 May 2015;
- opening event of youth centre in Aizpute on 29 May 2015;
- media event at the site of Sarkandaugava remediation territory OVI Riga on 25 August 2015;
- closing conference of the Swiss researchers' activities and the Scholarship Fund on 23 September 2015;
- SCIEX closing event of the Scholarship Fund in Switzerland on 25 September 2015.

Detailed overview about publicity measures and information activities carried out at the project level during the reporting period is provided in the Annex 3 of this report.

CA on 23 October 2015 in Banja Luka (Bosnia and Herzegovina) was awarded with a special **“Crystal Scales of Justice” prize** for the project "Recording of court hearings with technical means" within the **Modernization of courts project**. The 2015 European Crystal Scales of Justice prize is organised by the Council of Europe, rewarding innovative judicial practices applied by European judicial institutions.

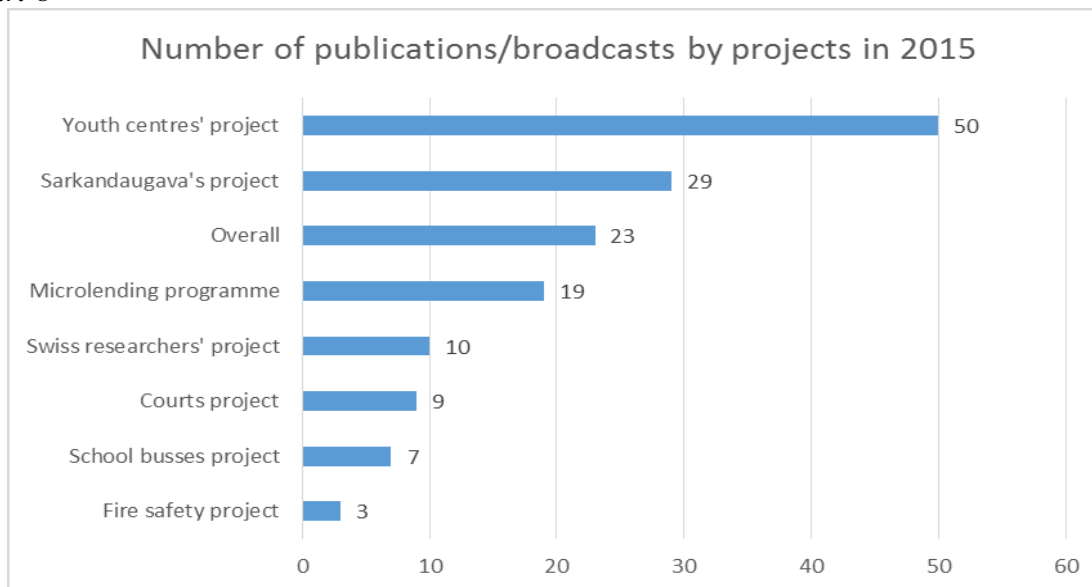
During the Swiss Programme's media monitoring procured by NCU in total 150 publications/broadcasts in the Latvian press, radio, TV and Internet were gathered in 2015; in average 12 – 13 publications monthly. This was the 2<sup>nd</sup> year of media monitoring, publications/broadcasts increased by 48 (47%) comparing to 2014. Monitoring is planned to be continued also in 2016 and in the 1<sup>st</sup> half of 2017.

Chart 7



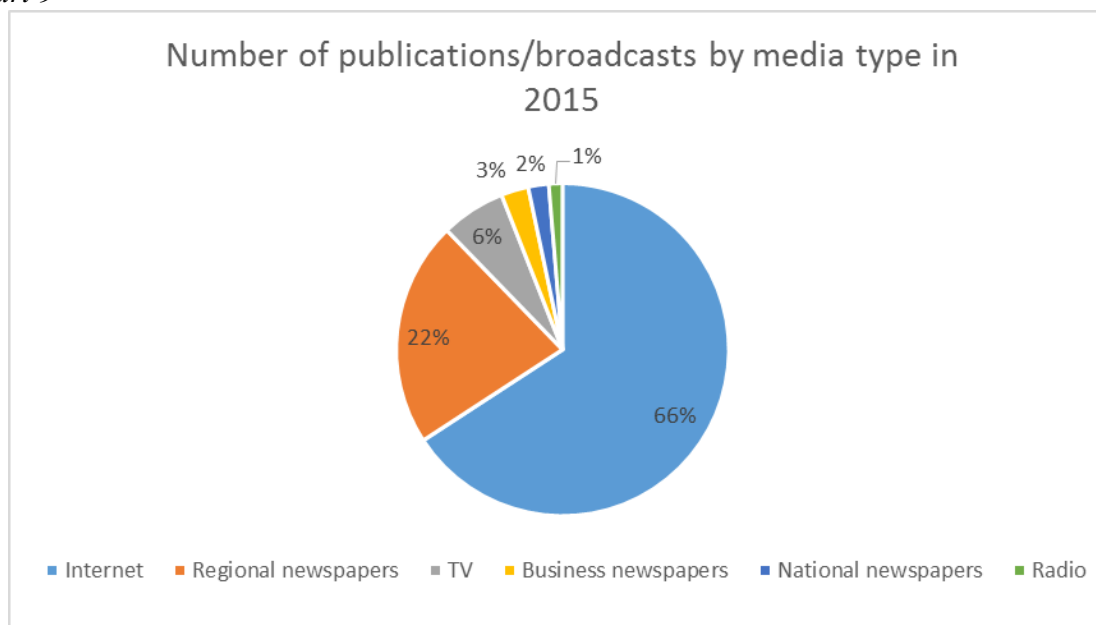
High publicity was observed in the 1<sup>st</sup> quarter of 2015 when media reflected such activities as organization of trainings for youth, opening of the youth centre in Rogovka, information about remediation works in Sarkandaugava project.

Chart 8



Mainly publications covered internet and regional press because projects' activities are more targeted to regions as well as information is closer to the target audience. Information about the openings of the youth centres in Rogovka, Riebiņi, Aizpute, Iecava and Sarkandaugava project's publicity event was showed on the main TV news (LNT, TV3, TV5) as well as information regarding Fire safety project's web game and Sarkandaugava project was broadcasted on the radio stations.

Chart 9



Publications were mainly positive (95%); only 7 negative articles were recognised (5%). These were mainly about the Sarkandaugava project's co-financing.

## Swissness

### Priority sector - Security, stability and support for reforms

#### *Youth initiatives project*

During reporting period AIPY in cooperation with SCO`s representatives participated in opening of multifunctional youth initiative centres in Aizpute (May 2015) and Iecava (December 2015) in order to emphasize the role played by the Swiss Contribution. In Iecava new centre also Art and Music School is located which provides more opportunities for youth.



*Photo from opening of multifunctional youth initiative centres in Iecava. From the left Mr.Janis Pelss (Chairman of Iecava Council), Ms.Ineta Pilverte (Director of Iecava Art and Music School), Mr.Markus Niklaus Paul Dutly (Ambassador of Swiss Confederation in Latvia)*

#### *Fire safety project*

The Swiss project partner (the Institution of Fire Safety and Natural Disasters Prevention in the canton of Vaud) visited Latvia on 6-10 May 2015. They participated in the project`s closing conference and visited the boarding school in Kuldiga district where fire protection systems are installed. In the conference: it was emphasised that the partnership was very important aspect for both sides in terms of gained experience; experience of training work organization and other events for children and employees in area of fire safety were presented; State Fire and Rescue service of Latvia explained current changes in legislation and future plans.

### Priority sector - Environment and infrastructure

#### *Sarkandaugava project*

In the end of October 2015 a Swiss expert from *CSD Ingenieur* visited project site and during the meeting with SES discussed the research results and provided SES with valuable recommendations towards additional remediation works to be carried out in the Site II/III.

### **Priority sector - Promotion of the Private Sector**

The high level visit of the State Secretary of Switzerland Ms. Marie-Gabrielle Ineichen-Fleisch took place in May 2015. She had a meeting with the State Secretary of MoF Ms. Baiba Bane about the overall implementation of Swiss Contribution and the meeting with ALTUM about the Microlending programme, where representatives of NCU and SCO also participated. As well as she visited one company (*Diamond technologies LLC*) which received a micro loan under the Microlending programme.



*Photo from the visit of the State Secretary Ms. Marie-Gabrielle Ineichen-Fleisch at the company Diamond technologies LLC. In Riga*



#### 4. Summary of audits

In 2015 a system audit, on the spot checks and several project external financial audits were carried out according to the audit plan presented in the previous Annual Report. Please find information about them in the table below:

Table 5 “Performed audits in 2015”

Audit title	Audit institution	Audit time	Audited entity(ies)
<b>System audit</b>			
Sarkandaugava project	MoEPRD	February – May 2015	SES
<b>External financial audits</b>			
Final financial audit of <b>Micro lending</b> programme	External audit organization – “Ernst & Young Baltic Ltd.	June – July 2015 <i>Report submitted to SCO on 10.09.2015</i>	ALTUM
Final financial audit of <b>Fire safety project</b>	External audit organization – “Revīzija un vadības konsultācijas” Ltd.	July – September 2015 <i>Report will be submitted to SCO in March 2016</i>	SRDA
Intermediary financial audit of <b>Sarkandaugava project</b>	External audit organization – “KPMG Baltics” Ltd.	October – December 2014 <i>Report submitted to SCO on 05.05.2015</i>	SES
Final financial audit of <b>Swiss researchers’</b> activities	External audit organization – “Revīzija un vadības konsultācijas” Ltd.	November – December 2015 <i>Report will be submitted to SCO in March.2016</i>	SEDA
<b>On the spot checks</b>			
Fire safety project	CFCA	IV quarter	3 elementary schools of Lādezers, Umurga, Baumanis Kārlis in Viļķene and 1 gymnasium in Limbaži district

The main conclusion is that all recommendations set by the auditors are implemented except recommendations set by Internal Audit department of MoEPRD to SES within Sarkandaugava project’s management and implementation system audit (recommendations are in process of implementation and shall be implementation by April 2016). Detailed information on main conclusions and progress achieved in implementation of audits’ recommendations is presented in the Annex 4.

CFCA participated in following monitoring visits organised by SCO:

1. On 2 July 2015 to two municipalities in Kurzeme region (Vārme; Snēpele) which received school busses. It was concluded that some busses have damaged or missing Swiss Programme’s logos. New logos were placed on respective busses.

2. On 6 August 2015 to Vidzeme University of Applied Sciences as subprojects implementer under the Swiss researchers' activities. Discussion regarding subprojects' implementation and reporting issues as well as about publicity took place.

Additionally from the Swiss side **Independent evaluation of the Swiss Contribution to the Enlarged EU** took place from 7 to 11 September 2015, where auditors had meetings with representatives of SCO, NCU, Paying Authority, CFCA, EA's of Micro lending programme, Swiss researcher's activities, Modernization of courts project, Youth initiatives project, NGO Fund as well as with the final beneficiaries. Evaluation was focused on the assessment of the effectiveness of the Switzerland's Contribution to the Enlarged EU and to highlight areas of success or in need of improvement. The conclusions of this evaluation (received at the NCU on 21 March 2016) could be discussed during the upcoming Annual meeting.

In compliance with national legislation the Control and Audit Plan of Public Institutions has to be elaborated for the calendar year. Therefore information about planned system audits for the next reporting period currently is available for the period April – December 2016 (please see in the Annex 8).

## 5. Post completion

### School busses project

The project results shall be operational at least 6 years after project's completion (till June 2017). Post-completion obligation is observed by EA through review of yearly municipalities' reports about operation of school busses and post-completion visits to municipalities.

In 2016 all 59 local governments (please see Annex 5 or in website<sup>8</sup>) submitted reports to EA on exploitation of buses for the year 2015. Total cost of exploitation (fuel, repair costs, maintenance inspection costs, road tax, insurance etc.) of all busses in 2015 was 1.3 million EUR, decreased by 9.7% comparing to 2014. There were 178 routes of school children busses, this number has decreased by 38 comparing to 2014. On average a buss performed 1-6 routs per day thus promoting traveling of school children to educational institutions and increasing safety of school children on roads. Average number of school children transported per day per way was 6`798 which is 76 children or 1% less comparing to 2014. There were 4 school buses' road accidents in 2015 where no children nor adults suffered and busses were repaired (in 2014 no accidents). Post completion monitoring revealed that buses are used for the project's objective – to provide transportation of school children to and back from school. Part of local governments besides the primary project objective still use buses also for different learning activities outside schools and/or for performance of local government's functions.

In the reporting period EA performed on the spot checks of 15 school busses` exploitation in 8 local governments and EA found that by municipalities maintained school busses are in good technical condition.

### Fire safety project

All 57 local municipalities submitted Reports for the Year 2015 to EA on the operation of the fire protection systems in all 115 educational institutions. In the reporting period EA performed on the spot checks in 3 education institutions in 3 municipalities. All installed fire protection systems in the buildings are operational. In 2015 the system has worked 8 times mainly in school kitchens, classrooms and house-hold cabinet due to fumes and power fault cases (in 2014 - 19 times). Overall 14.4 thousand (out of 242 thousand) or 6.2% children in schools and preschool educational institutions are provided with safer environment by means of the installed fire protection systems. Educational institution have also annually or biannually organized trainings and other activities for employees, pupils, preschool children in the field of fire safety.

The project has to be operational at least 5 years after completion. Since 2009 up to now based on municipalities' decisions on reorganization or liquidation several educational institutions of municipalities are reorganized or closed. Municipalities have taken this decision in coordination with the responsible Line Ministry - the MoES - based on work quality of the educational institution, learning programmes, achievements, children' access to education, provided transport and district's development conception of the educational institutions network including workload of schools. Thereby 2 elementary schools (in Viļaka and Riebiņi municipalities) were closed already, respectively in July/August 2014, and 2 more

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<https://www.google.com/maps/d/viewer?ll=57.359127%2C24.730225&spn=2.468234%2C8.453979&msa=0&mid=zq4GBhtCLOD4.kNQaDtbleojg>

educational institutions (in Alūksne and Bauska municipalities) are planned to be closed in July 2016. Also Broceni municipality has informed EA, that pupils staying in the secondary boarding schools in the upcoming years may reduce.

In accordance with contracts signed between EA and local municipalities as project partners, the partner undertakes responsibility to ensure that general educational institution's buildings where fire safety systems are installed, shall remain as project partner's property providing educational and social services for public during the post completion period. EA has informed that municipalities with closed or for closing planned schools already use or will use these premises to provide educational or social services for citizens and special target groups:

1) Riebiņi municipality - organizes children's camps and accommodates families with children which are in the crisis situation. Future plans are to establish a rehabilitation and support centre for families with children who are in need for short-term social rehabilitation.

2) Viļaka municipality - organizes trainings for unemployed. Future plans are to establish a social home for people with mental disabilities - for trainings and integration into society.

3) Alūksne and Bauska municipalities have future plans respectively to establish a social home and general type retirement home.

In 2015 170 citizens received social services within premises of closed schools.

### **Modernization of courts project**

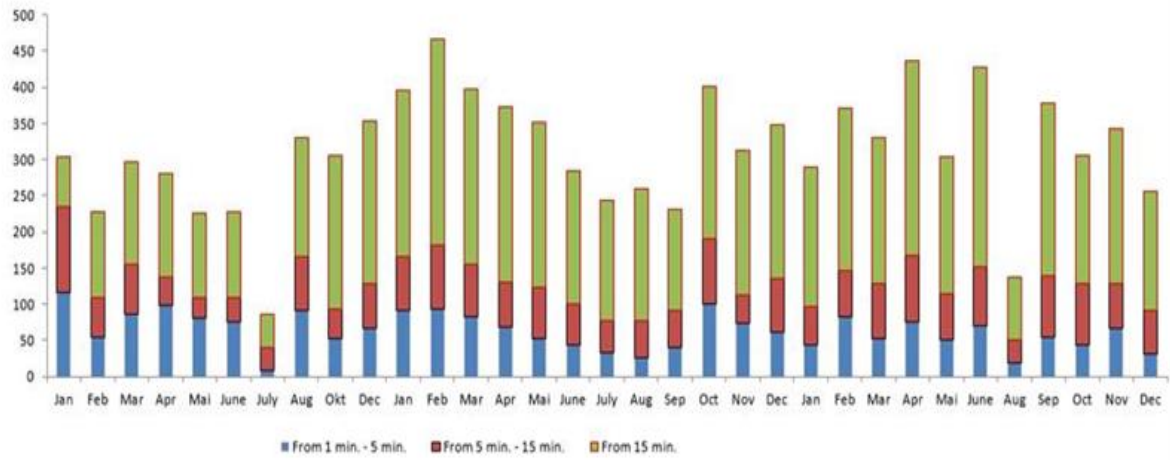
According to PA, project's results shall be operational at least 5 years after project's completion (till December 2018). This is ensured by EA through several measures:

- established Project Sustainability Group is responsible for ensuring regular project's sustainability procedures; within the reporting period 3 meetings took place;
- defined responsible person for each project's activity provides planning functions for concrete activity, sets concrete tasks and responsibilities for separate works within the activity and provides supervision of documents to be updated;
- statistics regarding videoconference and sound recording system has been compiled;
- additional trainings for videoconference users (court case secretaries) has been organized;
- performance of information kiosks has been checked regularly;
- national court portal [www.tiesas.lv](http://www.tiesas.lv) has been regularly updated, for example, for prosecutors the tasks calendar has been developed;
- Court Informative System has been updated regularly, improving its performance and attracting new system users;
- during the reporting period 6 post completion visits in 25 Court Houses and Prisons were carried out, the conclusion was - all installed equipment is in place and is used according with project's objectives.

Additionally there is also Strategic Planning Working Group established in the Line Ministry (MoJ), which is responsible for supervision of strategic project's sustainability procedures and decision making regarding cross-border cooperation issues and where EA reports regularly about current status. Within the reporting period an annual meetings took place.

Trend for using videoconferences is slowly but steadily growing (please see the chart below), the courts become more accessible and involved persons may communicate from another city or state, as well as it helps to increase security of the society as accused person is able to provide evidence directly from a prison.

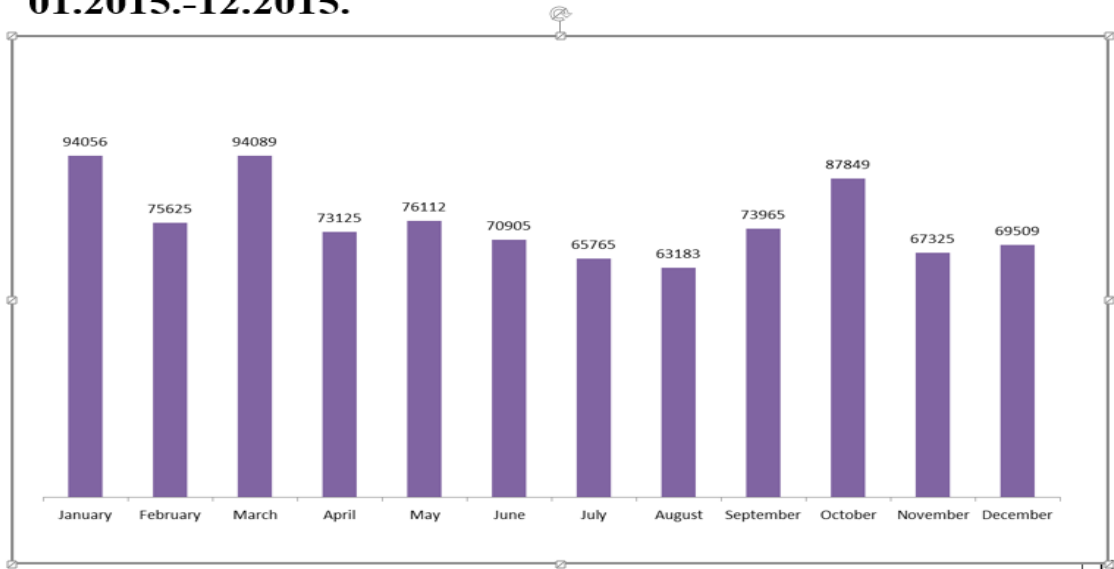
Chart 10 “Usage of videoconference (number per month), 01.2013. - 12.2015“



By the end of project's implementation (the end of 2013) the indicator “usage of national court portal increased up to 40%” was reached, whereas by the end of 2015 the achieved result was even 125%. The usage is very good and stable (please see the chart below), moreover visitors of the website have very high interest in the e-service online information about court cases.

Chart 11

**Usage of national court portal www.tiesas.lv  
01.2015.-12.2015.**



**Micro lending programme**

According to PA, after completion of the project all repayments of the Loan Fund shall be assigned for the re-granting of new micro loans until the Loan Fund is closed (30 June 2020). By the end of February 2016 1`188 micro-loans were allocated for a total amount of 9.8 million EUR (out of these, 1`162 loan contracts signed for the amount of 9.6 million EUR, out of these 1`140 micro-loans are disbursed for the amount of 9.2 million EUR). Separately in the post completion period (February 2015 - March 2016) 104 new micro loans were

allocated for an amount of 0.8 million EUR. The demand for micro-loans after completion remains stable, meeting the set targets. The same amounts are planned also for the next reporting period. Since the EU funded programmes, including microloans, do not support the businesses in agricultural sector, the Micro Lending Programme mainly supports agricultural and rural micro-businesses (please in the Annex 6). Average size of a micro-loan is 8 thousand EUR. Allocated micro-loans are regionally well balanced. According to the business plans of allocated micro loans, 2`217 jobs will be safeguarded and 586 newly created after completion of projects. The current size of the Loan portfolio is 2.9 million EUR. The quality of the loan portfolio can be evaluated positively: non-performing loans ratio by the end of reporting period was 2.4% (in 12 cases delay of payments exceeded more than 90 days). Up to now 35 cases are recognized as written-off loans for a total amount of 219 thousand EUR. Regarding the repayments, by the end of reporting period repaid amount was in size of 6 million EUR.







**Annex 2 “List of projects approved in the 5<sup>th</sup> and 6<sup>th</sup> open calls within the Swiss researchers` activities”**

No.	Applicant	Project	Project field	Sending institution	Visit term	Swiss grant= total eligible costs, CHF
<b>5<sup>th</sup> Open call (available grant 25 958 CHF)</b>					<b>Total contracted: 13 655 CHF</b>	
1.	University of Latvia	International development of Contract Law	Jurisprudence	University of Geneva	May 2015	1 505
2.	Vidzeme University of Applied Sciences	Intercultural relations Eastern/Western Europe	History	University of Geneva	June 2015	4 650
3.	Vidzeme University of Applied Sciences	Conceptual History of the 20 <sup>th</sup> and 21 <sup>st</sup> century: anti-Semitism, victimology, humanitarianism	History	University of Fribourg	June 2015	2 430
4.	Riga Technical University	Flow cytometry (FCM) use for quality and biological stability control of drinking water	Physics	EAWAG	April 2015	2 060
5.	Riga Technical University	Safety of supply chains	Management and business	Cross-border Research Association (CBRA)	May 2015	1 505
6.	University of Latvia	Innovative approach in teaching foreign languages	Linguistics	University of Geneva	May 2015	1 505
<b>6<sup>th</sup> Open call (available grant 12 303 CHF)</b>					<b>Total contracted: 1 690 CHF</b>	
1.	Latvia University of Agriculture	Essence and further development of Study Programme of Geodesy	Geodesy	ETH Zurich	May-June 2015	1 690
<b>Grand total contracted: 15 345 CHF</b>						

### Annex 3 “Publicity measures and information activities within projects”

No.	ES's activity	Target and audience	Date and place
<b>Youth initiatives project</b>			
1.	Information on EA's web page www.jaunatne.gov.lv updated regularly	To inform general public, project target group and all interested bodies about the project activities	<a href="http://jaunatne.gov.lv/lv/sveices-programma/latvijas-sveices-sadarbibas-programma">http://jaunatne.gov.lv/lv/sveices-programma/latvijas-sveices-sadarbibas-programma</a>
2.	Press releases about trainings for youth: <ul style="list-style-type: none"> <li>on development of creative thinking and innovative ideas using different approaches and methods;</li> <li>with sight problems about non-formal education and its methods;</li> <li>on development of creative thinking and innovative ideas using different approaches and methods;</li> <li>about peer education</li> </ul>	To inform young people in all planning regions about the training within the project and the role played by the Swiss Contribution	February – May, July – November 2015 in various regional web sites and social networks
3.	Publications and press releases about seminars for persons involved in youth work: <ul style="list-style-type: none"> <li>about storytelling as an approach in youth work;</li> <li>education through experience and outdoor activities;</li> <li>about social inclusion</li> </ul>	To inform persons involved in youth work and others who work with youth in all planning regions about the training within the project and the role played by the Swiss Contribution	February – May, July – November 2015 in various regional web sites and social networks
4.	Press release about the 4th regional conference "Participate!"	To inform all interested parties about events within the project and the role played by the Swiss Contribution	April - May 2015 in various regional and national web sites and social networks
5.	Online video translation of 4th regional conference “Participate!”		www.nvotv.lv
6.	Video of 4th regional conference “Participate!”		<a href="https://www.youtube.com/watch?v=Qa-5cYGZmow">https://www.youtube.com/watch?v=Qa-5cYGZmow</a>
7.	Online Video translation of 4th regional forum “Co-Operate!”		www.nvotv.lv

No.	ES's activity	Target and audience	Date and place
8.	Video of 4th regional forum "Co-Operate!"	To inform all interested parties about events within the project and the role played by the Swiss Contribution	<a href="https://www.youtube.com/watch?v=nLEXohuxQag">https://www.youtube.com/watch?v=nLEXohuxQag</a>
9.	Press release about 4th regional forum "Co-Operate!"		October – November 2015 in various regional and national web sites and social networks
11.	Opening of additional Multifunctional Youth Initiative Centres in Riebiņi, Aizpute, Rogovka, Iecava	To inform general public about establishment of youth centres and the role played by the Swiss Contribution	May – December, 2015 <a href="http://jaunatne.gov.lv/lv/raksti/pec-rekonstrukcijas-atklats-multifunkcionalais-jaunatnes-iniciativu-centrs-pakapieni">http://jaunatne.gov.lv/lv/raksti/pec-rekonstrukcijas-atklats-multifunkcionalais-jaunatnes-iniciativu-centrs-pakapieni</a> ; <a href="http://jaunatne.gov.lv/lv/raksti/pec-rekonstrukcijas-atklats-aizputes-novada-multifunkcionalais-jaunatnes-iniciativu-centrs">http://jaunatne.gov.lv/lv/raksti/pec-rekonstrukcijas-atklats-aizputes-novada-multifunkcionalais-jaunatnes-iniciativu-centrs</a> ; <a href="http://jaunatne.gov.lv/lv/raksti/rezeknes-novada-atklats-rogovkas-multifunkcionalo-jaunatnes-iniciativu-centrs">http://jaunatne.gov.lv/lv/raksti/rezeknes-novada-atklats-rogovkas-multifunkcionalo-jaunatnes-iniciativu-centrs</a> ; <a href="http://jaunatne.gov.lv/lv/raksti/lielaka-ziemassvetku-davana">http://jaunatne.gov.lv/lv/raksti/lielaka-ziemassvetku-davana</a>
12.	Press releases about opening of additional Multifunctional Youth Initiative Centres		
13.	Billboards and commutative plaques	To inform general public and target groups about the project	May – December 2015
14.	Two seminars	To inform new trainers and regional coordinators about establishment of youth centres, trainings and events in year 2015 and 2016 for youth and trainings for persons involved in youth work and the role played by the Swiss Contribution	February 2015, February 2016
15.	Press releases and publications in various sites and newspapers about trainings and seminars organized within project	To inform general public and target groups about the project	January – December 2016
16.	Information materials	To inform general public and target groups about the project	February – December 2016
<b>World bank project</b>			
1.	Information on EA's web page <a href="http://www.fm.gov.lv">www.fm.gov.lv</a> updated regularly	To inform general public and other interested bodies about the project	<a href="http://www.fm.gov.lv/lv/sadals/gramatvedibas_un_revizijas_po_litika/projekts_tehniska_palidziba_finansu_parskatu_sagatavosana/">http://www.fm.gov.lv/lv/sadals/gramatvedibas_un_revizijas_po_litika/projekts_tehniska_palidziba_finansu_parskatu_sagatavosana/</a>
2.	Financial interpretation training for tax inspectors		October , 2015 MoF

No.	ES's activity	Target and audience	Date and place
<b>Scholarship fund</b>			
1.	Information on EA's web page www.viaa.gov.lv updated	To inform PhD students, post-docs, HEI, research institutions and other interested persons	<a href="http://www.viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/stipendiju_fonds/">http://www.viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/stipendiju_fonds/</a>
2.	Infographics about used funds, approved applications, gained results produced	PhD students, post-docs, participants of closing conference	September 2015 <a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveice_informativie_materiali/">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveice_informativie_materiali/</a> , <i>facebook</i> and <i>twitter</i> accounts
3.	Closing conference	Swiss researchers, SCO, Higher education institutions, research institutions, PhD students, post-docs, MoES, NCU	September 2015 <a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/?text_id=38495">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/?text_id=38495</a>
<b>Swiss researchers' activities</b>			
1.	Information on EA's web page www.viaa.gov.lv updated	To inform general public, potential applicants and other interested bodies about project	<a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_petnieki_latvija/">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_petnieki_latvija/</a>
2.	Information on the 6th open call spread via emails and on webpages	Higher education institutions, research institutions – potential sub-project applicants and sub-project partners	April 2015 <a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/</a> ;
3.	Individual consultations carried out by SEDA about the project's possibilities		<a href="http://www.izm.gov.lv">www.izm.gov.lv</a> , <a href="http://www.crus.ch">www.crus.ch</a>
4.	Infographics about used funds, approved applications, gained results produced	PhD students, post-docs, Higher education institutions, research institutions, participants of closing conference, all the interested persons	September 2015 <a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveice_informativie_materiali/">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveice_informativie_materiali/</a> ; <i>facebook</i> and <i>twitter</i> accounts
5.	Closing conference	Swiss researchers, SCO, Higher education institutions, research institutions, PhD students, post-docs, MoES, NCU	September 2015 <a href="http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/?text_id=38495">http://viaa.gov.lv/lat/starpt_fin_intrumenti/sveices_sadarbibas_programma/sveices_jaunumi/?text_id=38495</a>
<b>Sarkandaugava project</b>			
1.	Publications in EA's web page	To inform general public and all	<a href="http://www.vvd.gov.lv/projekti/latvijas-sveices-sadarbibas-">http://www.vvd.gov.lv/projekti/latvijas-sveices-sadarbibas-</a>

No.	ES's activity	Target and audience	Date and place
	www.vvd.gov.lv	interested bodies about the project remediation works carried out at the polluted territory of Sarkandaugava and the role played by the Swiss Contribution	<a href="#">programma/</a>
2.	TV story about the project in "Rīga TV 24"		<a href="https://www.youtube.com/watch?v=Wk9wWodhwwg&amp;feature=youtu.be">https://www.youtube.com/watch?v=Wk9wWodhwwg&amp;feature=youtu.be</a>
3.	Publicity event with participation of media		August 2015 Sarkandaugava teritory Site III
4.	Publication about Sarkandaugava object		September 2015 press release in Dienas Bizness
5.	Radio story		September 2015 radio story on LR4 <a href="http://lr4.lsm.lv/lv/lr/arhivs/?channel=4&amp;y=2015&amp;m=9&amp;d=6">http://lr4.lsm.lv/lv/lr/arhivs/?channel=4&amp;y=2015&amp;m=9&amp;d=6</a>
<b>Micro lending programme</b>			
1.	EA's web page www.altum.lv updated	General public; applicants; potential applicants	<a href="http://www.hipo.lv/lv/attistibas_programmas/mikrokreditesanas_programma">http://www.hipo.lv/lv/attistibas_programmas/mikrokreditesanas_programma</a>
<b>Fire safety project</b>			
1.	Information on EA's web page www.vraa.gov.lv updated	To inform general public, project partners and other interested bodies on the project activities and news as well as about the Swiss contribution	<a href="http://www.vraa.gov.lv/lv/sveice/ugunsdrosiba/">http://www.vraa.gov.lv/lv/sveice/ugunsdrosiba/</a> May and June, 2015 2 article
2.	WEB game "Drošā diena" (Safe day) published	To educate children, young people about fire safety issues and for teacher use	<a href="http://www.drosadiena.lv">http://www.drosadiena.lv</a> , Google Play for Android OS, in social networks; <a href="http://www.facebook.com/drosadiena">www.facebook.com/drosadiena</a> , <a href="http://www.draugiem.lv/drosadiena">www.draugiem.lv/drosadiena</a>
3.	Booklet produced and spread	To inform general public, project partners, education institutions, and other interested bodies on the project activities and news as well as about the Swiss contribution and to promote WEB game	May 2015 closing conference in Riga, May- October, 2015 in 5 planning regions
4.	Closing conference	Educational institutions, cooperation partners, MoES, MoEPRD, State Fire Safety and Rescue Service, planning regions, NCU, SCO	May 2015

#### Annex 4 “Main conclusions and progress of implementation of recommendations on audits performed in 2015”

<b>System audit of Sarkandaugava projects’ management and implementation system in SES carried out by the Internal Audit department of MoEPRD</b>	
<b>Main conclusions</b>	<p>Internal Control System (ICS) is established in SES; and it is functional. In general the implementation of the project is performed according to the rules and conditions of the Project Implementation Agreement, however, improvements are needed to ensure that ICS will work more efficiently and according to the requirements of normative acts. Following <b>recommendations were expressed</b>:</p> <ol style="list-style-type: none"> <li>1) when SES will update description of the ICS, the scheme for cooperation between involved institutions shall be updated including CFCA in it;</li> <li>2) in order to ensure that actual condition of the Project’s Partnership Agreement correspond to the amended project proposal, to update internal regulation about proposed amendments in the Project’s Partnership Agreement and to include requirement that amendments shall be discussed in the Steering Committee meeting and done timely. At the same time, to add condition in the draft amendment of the Project’s Partnership Agreement about Riga Council's responsibility to ensure 15% co-financing from the project funds according to the approved project proposal.</li> <li>3) to ensure that planned funds in the national state budget are sound, traceable and according to the endorsed project's Indicative Budget;</li> <li>4) SES shall update description of the detailed budgeting procedures of the Internal Control System including preparation of financial plans according to the existing practise and requirements of normative acts. To determine what kind of information is used for budget planning and what information is saved to ensure data traceability and validity;</li> <li>5) in order for the Steering Committee to take appropriate decisions about measures to be taken, the project manager shall regularly inform the Steering Committee about EUR/CHF exchange rate`s fluctuation and its impact to the implementation of the project's activities;</li> <li>6) SES shall improve supervisory control procedures in the description of the Internal Control System;</li> <li>7) ensure that movement sequence of the payment documents are according to the SES's description of the internal control system, if necessary the description of the internal control system must be updated according to the existing practise;</li> <li>8) SES shall initiate amendments in the Project Implementation Agreement in order to amend the procedure for project reports' submission and review according to the instruction published in the Swiss programme's website;</li> <li>9) SES shall initiate amendments in the Project’s Partnership Agreement updating information about the Steering Committee members, indicating only position's title of the representing institution as well as describe procedure about coordination of the Steering committee meeting's protocol;</li> <li>10) SES shall ensure that project`s documentation shall be available 10 years after completion of the project, i.e., till 2027.</li> </ol>
<b>Implementation progress</b>	All recommendations shall be implemented by SES till 1 April 2016; and currently they are in the process of implementation.
<b>Projects’ External Financial Audits</b>	
<b>1.Final Financial Audit of the Microlending programme</b>	
<b>Main conclusions</b>	Financial information was properly disclosed in PCR for the period 1 July 2011 till 31 January 2015 and the reported financing has been appropriately used in a cost effective manner and in compliance with the Project Budget and PA.

<b>Implementation progress</b>	Following <b>recommendations were issued</b> about: 1) employees' working time recording tables; 2) incorrect information about contribution provided by ALTUM and Swiss side in the Loan Fund. <b>Audit report was submitted to the Swiss side on 10 September 2015.</b>	<b>Recommendations' status:</b> Both are implemented - 1) IT solution ensuring that working time data entered by the employee in the system is electronically confirmed by the line manager thus so-called "four eyes" principle is ensured; 2) in the Section 3 of PCR a technical error had occurred about the contribution provided by ALTUM and Swiss side to the Loan Fund (the currency exchange rate was calculated incorrectly) - corrected in PCR preparation stage
<b>2.Final Financial Audit of the Fire safety project</b>		
<b>Main conclusions</b>	Financial statements provide true and fair view of the eligible expenditures of the project for the period from 1 February 2012 till 31 May 2015 in accordance with the budgetary provisions of the Implementation Agreement and in PA; and EA has, in all material respects, complied with the terms and conditions of the Implementation Agreement and the laws and regulations on public procurement.	
<b>Implementation progress</b>	Following <b>recommendations were issued</b> about: 1) to make sure that supporting documents correspond to eligible expenditure to avoid the necessity to make corrections in calculations and financial statements; 2) to monitor utilisation of publicity materials in accordance with the approved plan of measures and time schedule during the project's implementation; 3) to consider bringing publicity materials to regional local governments by the end of audit; 4) to upgrade the accounting software to enable it to reflect payroll calculations by the project. <b>Audit report will be submitted to the Swiss side on in March 2016.</b>	<b>Recommendations' status:</b> 1) - 3) recommendations are implemented; 4) recommendation EA has passed to the responsible body for the system – MoEPRD.
<b>3.Final financial audit of the Swiss researchers' activities</b>		
<b>Main conclusions</b>	PIRs` and PCR provide true and fair view of the eligible expenditures of the Fund for the period from 1 July 2011 till 30 September 2015 in accordance with the implementation provisions and the budget and the Fund; and the Intermediate Body has, in all material respects, complied with the implementation provisions of the Programme and the laws and the regulations governing public procurement.	
<b>Implementation progress</b>	<b>No recommendations</b> were issued. <b>Audit report will be submitted to the Swiss side on in March 2016.</b>	
<b>On the spot check of Fire safety project</b>		
<b>Main conclusions</b>	Installed systems are functional Swiss Programme's publicity requirements were observed.	

Annex 5 “Distribution of School busses by municipalities”





## Annex 6 “Statistical data about Micro Lending programme”



**Annex 7 “Indicative disbursement plan 2016-2017 (CHF) and projects’ reporting schedule to SCO”**

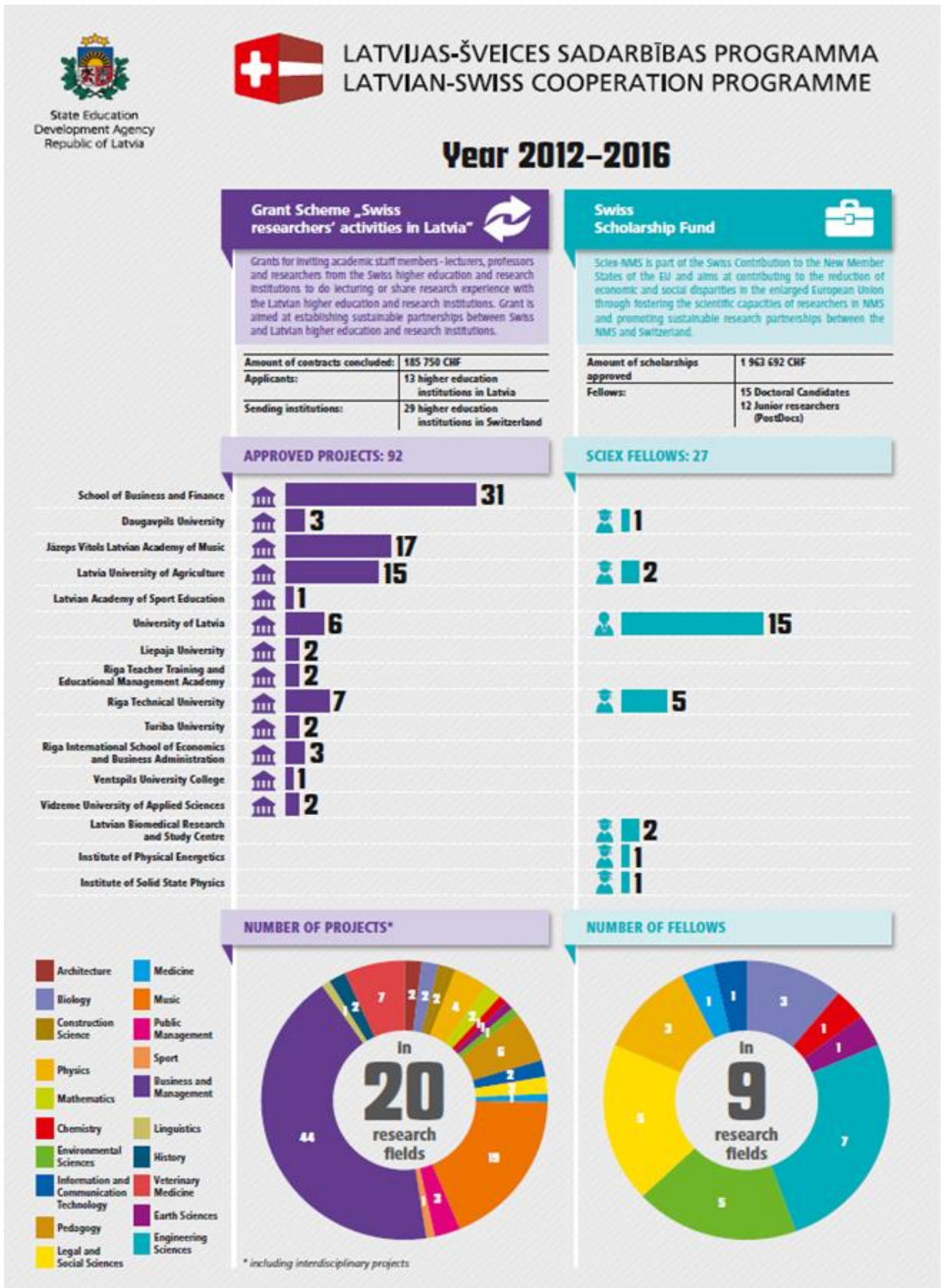
<b>Title</b>	<b>2016</b>	<b>2017</b>	<b>Total for 2016-2017</b>	<b>Last report to SCO</b>
1. TAF	6 207	18 458	24 665	08.03.2016 PIR
2. World Bank project	185 803	300 702	486 505	16.03.2016 PIR
3. Sarkandaugava project	3 159 248	3 193 195	6 352 443	End of March 2016 PIR
4. Youth initiatives project	691 480	568 262	1 259 742	End of March 2016 PIR
5. Swiss researchers’ activities	76 507	0	76 507	End of March 2016 PIR
6. Fire safety project	6 883	0	6 883	02.03.2016 PCR
<b>TOTAL</b>	<b>4 126 128*</b>	<b>4 080 617</b>	<b>8 206 745</b>	

*\*Out of this 72,6 thousand CHF were received by the end of February 2016*

## Annex 8 “Audit plan for 2016 and 2017”

<b>The Auditor</b>	<b>Time of audit</b>	<b>Title of the project</b>
<b>System audits</b>		
MoF	I – II quarter 2016	Internal audit of Swiss programme’s administration in NCU (MoF and CFCA), Certifying Authority (State Treasury)
<b>External final financial audit</b>		
Will be chosen within a procurement	2017	Sarkandaugava project
	2017	Youth initiatives project
	2017	TAF
Internal Audit Department of MoF	2017	World Bank project
<b>On the spot checks</b>		
CFCA	I quarter 2016	Modernization of courts project
	III quarter 2016	Sarkandaugava project

Annex 9 “Results reached in the priority sector Human and Social Development”



## **Annex 10 “Summary of Final Evaluation for priority sector Human and Social Development”**

**Final conclusions and recommendations from the “Evaluation of Swiss researchers’ activities in Latvia and Swiss Scholarship fund in the period 19.08.2010 – 30.06.2015”<sup>9</sup>**

### ***On the effectiveness of the Program management***

The program’s management was excellent. Participants expressed great satisfaction with the Program administration and communication with the organizers. The bureaucratic (report) work was adequate, but could be made easier. Support for participants was good, but additional support is needed for housing and health insurance issues. **Scientific support was excellent.** The scholarship amount and payment terms were satisfactory, but it could be improved by taking into account the needs of fellows’ family members and other aspects of the implementation of the program. Some of the program requirements (duration, participants) could be made more flexible without losing the high scientific quality of the program. The main **recommendations** for the improvement of the efficiency of the management of the program are as follows:

1. To **improve information** on the Program in Latvia, and to enhance doctoral students’ interest on SCIEX activities, expanding advertisements of the program to other Latvian universities. For example, at the middle of the Program implementation, a verification of the Latvian HEIs that have not yet participated could be carried out and then these institutions could be specifically targeted by organizing informative seminars on location for potential participants on both Block grant and Scholarship fund programs. It is important also to inform institutions in a timely manner about the sub-project development principles (at least one year before the start of the sub-projects).
2. It is extremely important to explain better to the Swiss partners the importance of this Project and to ask to the Swiss HEIs managers to **support their lectors to come to Latvia**. It is important also to widely advertise the Latvian educational institutions in Switzerland and to fund partnership visits to address new institutions in Switzerland.
3. To **facilitate** the process of **finding a mentor**; more initiative from Switzerland’s HEIs presenting concrete research topics, as well as researchers contacts who would be interested in the projects, would be very convenient.
4. **Faster** Block grant **sub-project review**; revisit the necessity of joining electronic boarding cards to the final reports.
5. To **improve the information for the fellows**: send more information about the Program projects; ensure the availability of information in English; help to find budget accommodation and accessible health insurance; examine the possibilities to provide health insurance for fellows; develop a set of practical advice for life in Switzerland (differences between cantons regarding house holding, taxes, work schedule etc. should be considered).
6. To improve the financial support (Scholarship fund): to take into account the family status in determining the amount of scholarships; clearly indicate that the grantees will receive real gross wages; raise additional financing in the amount of up to 5000 CHF (maybe from the amount of money allocated to mentor exchange visits?) and to facilitate its use; provide a budget for the purchase of materials (up to 2500 CHF).

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<sup>9</sup> Extract from Dr.Manuel-Joaquin Fernandez-Gonzalez report “Evaluation of Swiss researchers’ activities in Latvia and Swiss Scholarship fund in the period 19.08.2010 – 30.06.2015”, 2015

7. To improve the financial support (Block grant): to provide new funding lines: new salaries (interpreter, organizational –contact person, administration), the amount of salaries (professors), support materials; improve pre-financing and payment procedures (so that visitors / organizers do not have to advance their own funds), to make a first payment of 50%.
8. Expand the options for possible actions (Block grant): the minimum sub-project length could be reduced to 3 days; give the opportunity to lecturers and doctoral students to participate, without compromising the quality of the program; enable Swiss researchers to come with their students; foresee a procedure for switching mentors when necessary.

#### ***About the impact of the program***

The program had a **very positive impact** in various areas: future professional activities of scholarship recipients, quality of the work of the participating universities (new projects, attraction of funding for science, internationalization of higher education institutions, improving the quality of studies, faculty professional development, etc.) and the Latvian higher education and science. The program's impact on the Latvian economy as a whole is still developing. **Key recommendations** to increase the impact of the program are as follows:

1. To promote scientific and institutional cooperation with smart specialization partners, creating synergies between various sectors; to organize seminars on technology transfer opportunities.
2. Ensure adequate practices and research opportunities to former fellows to ensure the sustainability of Program's impact; the greatest benefit would come from offering them activities similar to the one that provides grants to Swiss researchers in Latvia. It would provide an incentive for Latvian scholars to return to Latvia and to help launch a project in their "home university".
3. Actively develop public awareness on the impact of science on quality of life and working environments to ensure the financial support of policy-makers.
4. Ensure that fellows' home scientific institutions are more involved in the Program at institutional level, planning long term collaboration.
5. Expand the circle of recipients of the scholarship: create a similar program for outstanding Master's students with the subsequent opportunity to join the Swiss doctoral programs.
6. Provide for the possibility of extending the sub-projects by 3-6 months to promote further cooperation.
7. Motivate Latvian scientists to actively participate in research in the Swiss research institutions.
8. To give greater opportunity for Latvian university faculty and researchers to go to the Swiss universities for the development of scientific expertise.

#### ***About the formation of synergies between both Programs***

The synergy between the two Programs **was relatively high**. Awareness of the other program was good and many synergy cases were referred, both regarding the positive impact of Block grants on Scholarship fund activities and vice-versa. The main obstacles to synergies were the institutions' lack of time and difficulties to establish contacts with the Swiss researchers. The main **recommendations** for the promotion of synergies are as follows:

1. To improve the provision of information to the participants in one Program about the other Program.

2. To increase the students' interest and HEI management's motivation for creating synergies.
3. Facilitate the development of contacts between potential partners, foreseeing visit on both sides.

***About the development of co-operation and future plans***

Both the Block grant and Scholarship fund developed strong and productive cooperation contacts. There are many examples of cooperation resulting from the Scholarship fund and Block grant. The most common forms of cooperation were the **academic and scientific staff mobility and knowledge and technology transfer**. The most **significant barriers** to collaboration were guest **lecturers' workload** and a lack of **funding** for higher education institutions. Cooperation should be developed in scientific projects and in particular by creating cooperation with economic partners. The main **recommendations** for the development of cooperation in the future are as follows:

1. To organize a broader range of joint activities to continue the cooperation.
2. Cooperation should take place at the level of higher education institutions, rather than individually; cooperation between university teachers and their doctoral and master students should be promoted.
3. To improve the effectiveness of the visits and exchanges: to provide visits for the preparation of sub-project applications (3-5 days); to provide the option of shorter visits of 2 days (Block grant); to allow students to accompany their teachers on visits; to create an opportunity for short-term visits by fellows after the end of the sub-project in order to foster continued cooperation.
4. Promote a more active cooperation between the mentors (joint reports; allowing 4-5 SCIEX visit not only 3; several teaching staff exchanges, etc.).
5. Evaluate the possibility of extensions (3-6 months) to sub-projects when they are fully implemented and both sides are satisfied with the cooperation.
6. Encourage the Swiss teaching staff to participate in conferences that are held in Latvia (Scholarship fund).
7. The receiving institution lecturers, researchers and students should do also visits to Switzerland (Block grant).
8. Create an informal collaboration with the Swiss colleagues.
9. To enable Latvian HEIs to provide a joint doctorate in conjunction with the Swiss HEIs.
10. Include representatives of the economic sector on the potential partner list.

## **Recommendations for implementation from the Report “Possibilities of bilateral collaboration between Latvia and Switzerland in the field of Vocational Education and Training (VET)”<sup>10</sup>**

### **1.1. General and priority forms of cooperation**

Switzerland's status in the Erasmus+ program currently prohibits the implementation of internships and exchange of experience in Switzerland through mobility projects, even though the **interest** from members of the education sector, VET included, is **substantial**. This is why it would be important to find a way to implement similar mobility-based projects, because they are the primary format of international cooperation of VET institution (VETIs) in Latvia. Mobility could be offered in the frame of a program with an overall objective that could be reached through some mobility actions among others (as in the case of E+ KA2 - strategic partnerships).

Desired forms of cooperation are **multilateral partnership projects** (employers, employers' representative organizations, scientific institutions, students of VETIs), and **mobility projects**, such as:

- mobility projects for students and staff of VETIs, which would include seminars, training, meeting with small businesses (similar in size to Latvian enterprises), training and internships or traineeships in the municipalities, private or public institutions in Switzerland. Mobility support measures for staff for a period of 2 to 4 weeks, and 4 to 24 weeks for students, which would include foreign language learning and ICT skills as well as practical training to work with the latest technology;
- preparation visits at Swiss vocational education institutions (contact seminars, work group formation);
- Swiss experts involvement in specific vocational education institution issues, aiming to improve the quality of education;
- Swiss guest lecturers in Latvian VETIs.

### **1.2 Suitable forms of cooperation by sector**

This section lists the **most appropriate forms of cooperation** in each of the previously mentioned areas:

#### ***Increasing the attractiveness of VET***

- Swiss expert involvement in supervision of school activities and quality;
- Elaboration of a joint education quality management handbook, which would include procedures, requirements and guidelines for quality assurance in both Latvia and international WBL training;
- financial support for investigation and integration of VETI students' opinions, in order to create a more attractive and better quality VET environment (for example, students suggested that, similarly to the former "school bus" program, a "school tractor" or other equipment program could be implemented according to the specific VETI program offer and objectives);
- inter-school cooperation in various research projects;
- joint development of inner enterprises within the school, so that vocational education students can learn and work in their chosen professions with mentor guidance and coordination (e.g. support for business creation, which would enable students to learn and work in an environment similar to real work environment, this would allow the institution and students to legally engage in business);

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<sup>10</sup> Extract from Dr.Manuel-Joaquin Fernandez-Gonzalez report “Possibilities of bilateral collaboration between Latvia and Switzerland in the field of Vocational Education and Training (VET)”, 2015



- financial and consulting support for modern material and technical provision and expertise on implementation of practical activities using the latest technology.

#### ***Development of VET programs***

- Joint development approbation and implementation of educational programs (including distance learning, e-learning), including work environment-based program, development of teaching materials and books (both paper and digital form). For example - there is a lack of textbooks for car mechanics, mechatronics, mechanical engineering. Implementation of pilot projects and programs;
- development of “bridge” course (1 year preparatory course) for students who dropped out of school and must now learn a profession (Riga City Council, 2015). Methods to be used in the “bridge” course: learning in a team, learning outside of school, training in small groups, learning about life and the world, attracting external partners, professional counselling. The student's biographical analysis in order to determine the cause of dropping out is also important;
- joint vocational education program development and implementation for adults (including professional development and continuing education programs);
- joint implementation of the programs of informal education (simulation games, camps, etc.).

#### ***Students` lifelong learning competence development***

The following forms of cooperation **were identified as beneficial for students`** lifelong learning competence development:

- joint activities for promoting social skill - projects that focus on young people's abilities and skills: self-discovery, presentation skills; justification of point of view; time management; critical thinking, information analysis; responsible decision-making;
- implementation of international cultural education activities for the development of intercultural competence in both teachers and students; the involvement of students in all of the school's implemented projects and activities;
- mobility projects for supporting foreign language learning improvement (both students and teachers);
- promotion of the creation of international educational businesses; intergenerational cooperation and transfer of skills and knowledge;
- transnational activities and training programs for both students and their teachers, also involving employers;
- joint projects, conferences, seminars implemented both in person and remotely, using the opportunities offered by ICT;
- the implementation of such mobility projects that promote the exchange of experience and knowledge between educational institutions and businesses;
- development of a separate training module for the development of lifelong learning competences, which could be integrated into any existing curriculum;
- joint development of curriculum contents for developing lifelong learning skills, according to the new situations (technical, technological, language, social, initiative and entrepreneurial expertise, etc.).

#### ***Work based learning (WBL)***

- Joint labour market research activities in collaboration with scientific research institutions, in order to identify future training needs;
- development of joint models for cooperation with employers, work-environment based learning implementation;

- practical cooperation for development of study practices system; development of professional development course for training managers in enterprises;
- joint cooperation projects that contribute to school - company - student synergy;
- development of joint proposals for policy-makers to motivate companies to engage in work-based learning implementation; consultations with Swiss policymakers for the implementation of work based learning policies and procedures for supporting WBL.

#### ***Vocational education methodology***

When cooperating with Switzerland it would be necessary to become acquainted with their experience in VET implementation, their educational methods and approaches. It would be important to include teachers, students, school administration and employers in the discussions about methodological questions.

The most **adequate forms of cooperation** for facilitating the acquisition of new teaching methods and approaches are:

- organization of joint workshops and focus group discussion between vocational education teachers from both countries on teaching methods and innovation in the development of methodological materials;
- mobility projects allowing to become acquainted with Swiss experience in the implementation of VET for young people with special needs;
- jointly develop and implement free time and adventure-based pedagogical approaches in order to reinvigorate students who have low motivation to learn;
- attend theoretical and practical courses at Swiss VET institutions, perhaps even participating as both students and the teachers.

#### ***Cooperation with employers***

The following **forms of cooperation** were identified for promoting cooperation with employers and adopting Swiss experience:

- the creation of a support network between VET competence centres in Latvia and similar institutions in Switzerland; the creation of a unified work group for enhancing collaboration with employers;
- development and implementation of a joint mentoring system for improving the professional competency of directors of VET institution;
- involvement of Swiss experts in the organization of cooperative activities (seminars, workshops, roundtable discussions) with the participation of employers, VET system management experts, school representatives etc.;
- cooperation with employers on organizing craft mastery competitions.

#### ***Final notes:***

Legal and structural reforms are being implemented quite fast in the field of VET in Latvia. Thus, it is quite difficult to foresee now the topical need of VET in Latvia in two years. These proposals should be re-evaluated before the implementation of the program, to adapt them to the future circumstances. For the elaboration of more concrete proposals it would be necessary to establish personal contacts with VET institutions in Switzerland, organizing preparatory bilateral visits. Previous experience shows also the crucial importance of explaining very well to the potential Swiss partners the importance of this kind of projects and to ask the Swiss VET managers to support Swiss VET institutions to involve in this collaboration.

For the **success of the bilateral collaboration** it is important to plan wide **advertisements** of the program among Latvian VET institutions.

It is also **important** to widely **advertise the Latvian VET institutions** in Switzerland, putting forward the Latvian success stories, and to fund partnership visits to establish sound relations with VET institutions in Switzerland.