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REGIONAL POLICY
Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden
The Director

Brussels,
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VIA SFC2007

Subject: Observations on the Annual Implementation Report (AIR) 2011, article 67§4 of EC Regulation 1083/2006

Ref.: Operational Programme
2007LV161PO002

Please note that all correspondence should mention the registration number which you will find next to the date

Dear Mr Eberhards

On 05 June 2012, the Commission received the Annual Implementation Report (AIR) 2011 for the Operational Programme "Infrastructure and Services" 2007-2013 which has been approved in written procedure by the Monitoring Committee on 28 May 2012.

On 18 June 2012 the Commission declared the Annual Implementation Report admissible. The Commission services appreciate that the AIR include a short summary in English.

In line with Article 67.4 of Regulation (EC) 1083/2006, the Commission services have now finalised the qualitative assessment of the report and found it satisfactory.

However, you will find in annex comments for improving the implementation or subsequent reports.

Yours sincerely

Charlina Vitcheva

Annex: Comments

Mr Armands Eberhards
Deputy State Secretary
Ministry of Finance
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Comments on the Annual Implementation Report for Operational Programme "Infrastructure and Services" (2007LV161PO002) for year 2011

1. As a preparation for the next programming period, the next report should present more qualitative analyses, evaluations and studies of the implementation, identifying gaps, shortcomings and bottlenecks, based on accurate coherent data;
2. The number of approved projects and concluded contracts is rather high; however the payments made to final beneficiaries are still low, in particular under the priorities 3.2, 3.3, 3.4, and 3.8 which are less than 30%. Please elaborate on how the situation will be improved. Annex 1 show that the progress made in 2011 compared to 2010 is only 15%. Please provide the measures planned to improve the absorption performance;
3. We appreciate the examples of good practice that reflects OP achievements. In the next report it would be useful to include an analysis whether the strategic measures have had the planned effect and if not, what could be improved or changed in order to achieve more impact;
4. Problems linked to public procurement seem to be one of the most relevant implementation bottlenecks in 2011. The impact of these problems should be analysed and measures could be described in more detail, at measures level, if necessary, suggesting possible changes for example to legislation, administrative reforms, strengthening the capacity of the contracting authorities and of the Procurement Monitoring Bureau if necessary.

The next report should provide a review of the actions undertaken and a detailed assessment of their impact on the OP objectives;

5. Problems and any significant obstacles should be assessed in terms of impact to the OP objectives. A more detailed description of actions already done or planned in this respect should be provided in report and a more detailed list of main tasks for the coming year should be included in the chapter "Conclusions and further actions"; particularly for negative progress in output or result indicators, a specific comment in the relevant chapter is necessary;
6. The source of data presented in tables and graphs should be indicated;
7. Concerning the reporting on monitoring indicators and evaluating the progress achieved in the physical implementation of the OP, a table should be provided reporting specifically on output and result indicators of the OP, as approved by the Commission. The table should contain the type and title of the indicator, targets to be achieved by the end of the period and by the end of next reporting year; results should be both in absolute and relative terms. Any factor having substantial impact on the progress of the indicators and planned measures to improve the situation should be appropriately described;

Regarding reporting on result indicators which show an achievement level lower than the initial baseline, no percentage should be given but a comment relevant to the assessment of the progress should be given, e.g. in annex 4.3;

8. More detailed information about the expenditures on information and publicity measures should be provided, such as, total expenses spent per year, total expenditures spent from the beginning of the programming period, in absolute terms and as percentage of the total allocation for communication activities. The following points could be included:
 - a. Main challenges and difficulties which were encountered in implementing the Communication Strategy;
 - b. An objective assessment of the results of public opinion surveys;
 - c. The impact of these results on actions planned for the following years;