



**Minutes of the 2015 Annual Review Meeting (ARM)
 of the FEAD OP
 Riga, 24 November 2015**

Participants:

For Latvia		Part 1	Part 2
Lauma Grafa	Deputy State Secretary, Head of FEAD Managing Authority, Ministry of Welfare	✓	✓
Zane Kaljo	Senior Expert, FEAD Managing Authority, Ministry of Welfare	✓	✓
Jānis Bogužs	Senior Expert, Ministry of Welfare (MA)	✓	✓
Ilze Skrodele - Dubrovska	Deputy Head of Social Inclusion and Social Work Department, Ministry of Welfare (MA)		✓
Ligita Seisuma	Senior Expert, Ministry of Welfare (CA)		✓
Evija Kleina	Head of Structural Funds Monitoring Department, Society Integration Foundation		✓
Gunta Landsmane	Deputy Head of Structural Funds Monitoring Department, Society Integration Foundation		✓
Bruno Barons	Representative of NGO "EAPN-Latvia" (European Anti-Poverty Network)		✓
Ilze Rudzīte	Representative of NGO "Latvian Association of local and regional governments"		✓
Ingūna Prauliņa	Representative of NGO "The Union of managers of social service centres of local governments of Latvia"		✓
Inga Kleinšmite - Zunda	Representative of NGO "The Union of associations of large families of Latvia"		✓
Agita Kraukle	Representative of NGO "Samaritan Union of Latvia"		✓
Helēna Soldatjonoka	Representative of NGO "Latvian Red Cross"		✓
<i>Agnese Smiltiņa</i>	<i>SIA Baltic Translations</i>		✓
For European Commission, DG Employment, Social Affairs & Inclusion / (EC)			
Laurent Sens	Deputy Head of Unit, DG EMPL, Unit D5 Finland, Lithuania, Estonia, Latvia	✓	✓
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1. Part 1 of the Annual Review meeting: Technical pre-meeting between European Commission and national Authorities .

EC thanked the MA for including more stakeholders to the Advisory Working Group for FEAD (AWG), as was suggested in the reply to the Annual Implementation Report¹, as well as for inviting the stakeholders to the Annual Review meeting.

The additional AWG participants are the two main partner organisations (PO), the "Latvian Red Cross" and the NGO "Samaritan Union of Latvia". They represent 73% of all the locations of distribution of FEAD packages and implementation of additional measures. The NGO "Latvian Red Cross" participated in the food assistance programme led by DG AGRI in previous years.

In reply to the EC question regarding the way AWG functions, MA explained that AWG meets two times a year. In 2015 there has been one meeting for approval of the OP and presenting PO first experience with distribution. Since there were not many recipients at that point, PO did not raise many problems. However, the problems addressed are already solved. For example, the organisation representing elderly people pointed out the need for clear indicators for directions to the distribution centres, as some people went to the locations where DG AGRI food assistance programme's packages were distributed. At the beginning POs have received numerous complaints about the change of distribution points, however now recipients have adjusted to the change.

In response to the EC question about the feedback channels, MA explained that AWG is one the main feedback channels, however there is also active communication with POs on a regular basis.

Evaluation process will start this year. MA expects that the survey results will be more representative of the real situation, as POs reports may be biased.

EC asked about any technical issues regarding the management and control system. MA replied that there was delay in the final stage of designation due to IT related issues, explaining why the designation was finished later (July) than expected. Currently there are still some modules in the management and control system IT tool to be added (for CA), but not required for the execution of the daily tasks.

EC reminded about the need to provide the documents related to the accounts (management declaration annual summary, audit opinion and control report) in February 2016. EC congratulated MA with being one of the first MS that designated authorities and the very first MS that submitted Interim payment on FEAD.

MA informed about the state of play of the public procurement on school supplies – the contract with the selected provider is due to be signed on November 25th. *[The contract was indeed signed with SIA "HERMESS". The delivery is due to start in December, hopefully before Christmas.]* MA explained that the delay occurred because the safety standards of the first potential providers were not satisfying. In addition some tender bidders appealed the results of the public procurement.

Regarding the content of the hygiene and household goods products EC questioned the choice of liquid soap instead of solid soap. MA explained that potential providers were free to make a choice, moreover liquid soap is considered to be more hygienic.

EC asked why the number of beneficiaries of the soup kitchens was so low. MA explained that at the moment the client can choose one out of two options – to take the food package or to direct the package to the soup kitchen and receive 15 hot meals instead. Majority of people choose to take the food packages and cook themselves, but in the future MA plans to change the system. Since

¹ Ares(2015)4843819

the total number of deprived persons in the country is less than was foreseen (decreased), next year MA will direct the financial resources to make both – food packages and the soup kitchens – accessible to people without the need to choose one over the other. According to the information that MA received from the municipal social services soup kitchens are mostly needed in big towns. New call for proposals for potential soup kitchen providers will be announced soon, new POs will also be able to apply.

EC asked if MA has received any complaints from the POs regarding the flat rate and late payments, as this happened in some other MS. MA reported that no such complaints were received. MA suggests that POs are satisfied in comparison with the previous programming period with DG AGRI, when the flat rate was 1%. Now it is 5% for administrative costs, transport and storage of material assistance plus 5% for the accompanying measures undertaken.

EC raised a concern regarding the low number of participants in the accompanying measures. MA replied that they also have raised this question to POs, who explain low participation with the fact that these measures are voluntary. Moreover, those deprived who are caretakers cannot attend the events due to their family duties.

2. Part 2 of the Annual Review meeting: Commission, National Authorities and stakeholders

The agenda² was pre-agreed with the national authorities. The Latvian authorities provided the written answers to the EC questions on 4 November³. The answers and the presentations delivered during the meeting (Annex 1 – 5) are attached to the minutes.

2.1 Introduction

L.Grafa on behalf of MA welcomed all the participants, stressing that it is the first meeting in a new format where both representatives of the programme management and stakeholders are present.

EC congratulated Latvian authorities for the start of the implementation on the ground. EC welcomed the fact that Latvia is one of the first MS that have completed the designation of authorities procedure, as well as the first MS that has submitted an Interim payment.

2.2. State of play with programme implementation in 1st, 2nd and 3rd quarter of 2015, information about the difficulties encountered in programme implementation and solutions found, potential risks for the future, overview of communication activities.

The Intermediate Body, Society Integration Foundation (SIF) and MA presented the state of play with programme implementation on 30.09.2015, based on PO reports (see Table 1 and Annex 1).

SIF informed that as a Beneficiary it has published three public procurements for three types of packages in December 2014: **food packages, hygiene and household items packages and school supply packages**. Supply contract for 12 months was signed according to the plan for the first two types of package. For food and hygiene/household goods package there were two bidders for each tender and for school supplies there were three bidders, but the competition was suspended.

² Ares(2015)4843819 - 04/11/2015

³ Ares(2015)4843819

	Number of Packages/meals	Number of persons supported
Food packages	190 018	69 097
Hygiene packages	33 520	24 378
Meals	1 080	26
Complimentary measures	639	7 300

Table 1. Packages distributed and accompanying measures implemented.

Indicator	Unit of measurement	Quantity
<i>Output and result indicators on food support distributed</i>		
Meat, eggs, fish, seafood	tons	47.505
Flour, bread, potatoes, rice and other starchy product	tons	627.060
Sugar	tons	47.505
Milk products	tons	76.008
Fats, oil	tons	95.010
Total quantity of food support distributed	tons	893.084
Total number of meals distributed	pieces	1 080
Total number of food packages distributed	pieces	190 018
Total number of persons receiving food support	persons	69 097
<i>Output and result indicators on basic material assistance distributed</i>		
Total number of hygiene and household item packages distributed	pieces	33 520
Total number of persons receiving hygiene and household item packages	persons	24 378

Table 2. Output and Result Indicators on 30.09.2015.

MA presented the **content of both packages**. The food package for 2015 contains: whole milk powder (0,4kg), pasta (1kg), rice (0,4kg), buckwheat (0,4kg), manna (0,5kg), wheat flour (0,5kg), canned meat (pork, 0,25kg), oat flakes (0,5kg), rapeseed oil (0,5l) and sugar (0.25kg). The hygiene/household items package for 2015 includes: liquid soap (300ml), shampoo (300ml), toothpaste (50ml), toothbrush (1psc), universal laundry detergent (1l), laundry washing powder (400g), dishwashing liquid (500ml).

The school supply package procurement was suspended and in July a new procurement procedure has started. [The next day after the ARM took place, the contract with the supplier was signed]. Amendments have been made to the national regulation on FEAD implementation to extend the deadline for the recipients to receive school supplies package. The recipients who will not receive the support in 2015 will be able to get it until the end of May 2016. The school supply package will contain a school bag, exercise-books, pens, pencils, drawing utensils, ruler, colours, etc.

Next public procurements on the delivery of food packages and delivery of packages of hygiene and household items will be announced on November and December, 2015, for the period from 2016-2019; and for delivery of school supplies – in January 2016, for the same period.

SIF presented the **selection process of the POs**, noting that one of the important selection criteria was the territory coverage. 21 contracts with POs were signed in April 2015 – 12 with municipalities or their bodies and 9 with NGOs – covering all territory of Latvia with 479 support points and 6 soup kitchens. On average the packages are delivered to POs once a month (minimum once in two months). The delivery plan is based on PO requests. The frequency of the package distribution to the recipients is different: if a person has a statement of validity for 3

months, in this case he/she receives two food packages in the period of three months, but no more than one package in one calendar month.

Accompanying measures can be divided into three types: 1) informative measures (on employment opportunities, social issues, medical care, etc.); 2) individual and group work (counselling, support groups for solving social, psychological problems, parenting courses for families with children, etc.); 3) informal educational activities (development of practical living skills – cooking, laundry, house cleaning, household budgeting, etc.). SIF stressed that all activities are voluntary, however considers them to be well-attended. Nevertheless, EC was concerned with the low attendance in the accompanying measures (about 12% of recipients). SIF responded that possible reasons were that: 1) the implementation of measures has started in May and these measures are new to the recipients; 2) recipients come to get some package, not to receive some accompanying measures. SIF also stressed that the actual number of participants was higher than initially expected. SIF forecasts that it will increase if the quality of the measures is high. EC stressed the importance of more active participation in the accompanying measures, because FEAD stands not only for material support but also for overall social inclusion.

EC and Red Cross were concerned with a low number of people receiving hot meals (26 persons and 1080 meals). SIF explained that the numbers are very approximate and preliminary, taking into account that registration of each individual is forbidden. POs will provide estimated data on the number of unique users, but this data will be available only in April 2016.

EC asked to clarify how the persons in crisis situation are identified and how many they are comparing to the recipients with the status of deprived person. SIF informed that the statement for a person in crisis is issued by the local municipal social service and the amount of such recipients is approximately 2%. In order to obtain the status of a person in crisis, a person need to prove that he/she is currently in a short-term difficult situation that cannot be solved with own resources, for example, sudden loss of property, robbery, etc. The process of acquiring this status currently is very complicated, but it is planned to make amendments to the Regulations.

SIF informed about **difficulties encountered in the programme implementation:**

- a) new conditions for distribution compared with the previous period;
- b) growing number of packages approaching their expiry date because of inaccurate delivery forecasts (due to the unexpected decrease of the number of deprived persons);
- c) school supplies delivery delay;
- d) "flood" accidents. (For more information see the written answers, in annex).

SIF informed that there was a lot of interest in the **media** about new packages. Publications in Latvian- and Russian-speaking media resulted in raising interest among the public, SIF has received a large number of calls with requests for additional information. SIF maintains regular contact with POs and informs on updates, provides with visual material guidance, etc. One of the most useful communication tools so far is the Infochart "EU aid packages: who and how?" that explains all steps that a client has to take in order to obtain FEAD support. A new webpage www.atbalstapakas.lv with all the necessary information about the FEAD – for the target group, partner organisations, social services and other society – started to operate at the end of November 2015.

2.3. Update on the monitoring information system (developed by SIF) to collect and store FEAD data and state of play with the collection of FEAD data, incl. any problematic issues encountered.

SIF presented the Information system (PEVS) specially developed for monitoring of the FEAD programme (see Annex 2). PEVS has undergone the designation audit by CA, all the necessary

fields stipulated in the EU Regulation are included in the system. All authorities and stakeholders can access the system. Training was performed in October 2015.

The data on indicators are automatically updated on the SIF webpage. PEVS allows POs to request payments and submit information on indicators, etc. SIF foresees that in the future the paper-based approach to documentation will be reduced and, for example, contracts with POs will be managed through PEVS, and POs will be able to submit reports online.

EC congratulated Latvian authorities and SIF for being "on the right track" in terms of implementing the IT management tools, especially taking into the account that some other MS are experiencing difficulties in this area.

SIF presented preliminary data on the Output and Input Result Indicators (Table 2). The data on common indicators by recipients is not available for the time being and is expected to be provided by POs in spring 2016. EC recalled these data don't need to be exact, but rather informed estimations. EC is aware of the administrative burden to collect this data, however it is necessary to be able to report on the use of the FEAD.

3. Experience of programme implementation in 2015 of partner organization Samaritan Association (SA) of Latvia.

Samaritan Association (SA) of Latvia, one of the biggest and oldest NGOs in Latvia, has presented their organization and its contribution to the FEAD implementation on the ground (see Annex 3).

Up to 30.09.2015 SA has delivered 5890 food packages, 1158 hygiene/household goods packages. SA noted that the working hours of the distribution point are adjusted according to the timetable of the intercity buses. SA has so far conducted nine accompanying measures, such as cooking classes, IT class (how to use a computer, prepare a CV, apply for jobs), employment stimulating activities in cooperation with the State Employment Agency, etc. SA informed that currently one of the largest banks in Latvia – Swedbank – is working on a budget planning tool for most deprived families. SA also hopes to organize activity for kids – "Money school for children" – where children would gain knowledge about what is money, how it is earned, what kind of responsibility it brings, etc.

As the most effective communication tools SA mentioned posters (provided by SIF) and traditional media channels. The access to the Internet among the target group is very limited. SA observed that the majority of their recipients are in the pre-pension age category; as well as that there is a lot of interest in the school items.

SA raised challenges in the implementation:

- 1) municipal social services cannot provide the data on deprived children in local schools and their age distribution therefore the package cannot be always properly targeted. MA is hopeful that this problem is solved next year with a new project SPOLIS that is aimed at collecting data per age groups.
- 2) issues with unloading packages at delivery – the supplier does not follow the contract and does not provide assistance in unloading the packages. SIF confirmed that drivers of the supplier company are responsible for delivering the packages "to the premises" and informed the supplier of the issue.
- 3) some recipients are not able to visit the distribution point every month because the transport costs are disproportionately high – as a solution recipients cooperate with

neighbours or SA delivers packages home in very special circumstances (pregnant woman with many children, for instance);

EC asked to elaborate on the transport costs issue. SA explained that bus and train tickets are expensive in Latvia. Some people with large families need to be accompanied to carry all the packages, which doubles the costs. If they can't leave their children at home alone, then the tickets for children also add to expenses. Discounts exist in Riga, but not in the regions. Some children in Riga can use buses for free, however not trains.

4. Experience of programme implementation in 2015 of partner organisation Latvian Red Cross.

Latvian Red Cross (RC) representative presented the general history and activities of the NGO in Latvia, and in particular of the RC Daugavpils branch, located in the 2nd largest city in Latvia (see Annex 4).

RC has 343 distribution points. In Daugavpils RC branch, at the end of October, 184 371 food packages and 31 821 hygiene/household items packages were delivered. Daugavpils RC branch has also provided 22 accompanying measures (368 participants, among which 87 children). RC explains that the accompanying measures are new to the recipients and it takes time to distribute information and attract participants. RC also mentioned that some of activities, like consultations of a physiologist are expensive and it is challenging to provide high quality specialists with 5% flat rate funding. That is why RC is searching for less resource-consuming activities.

RC presented some problems that were indicated in the recipients' survey:

1) recipients would prefer to receive a package every month or once a month for three months period; However MA recalled that FEAD is additional support and includes 20% of daily nutritional value for 3 months period. The fund cannot provide 100% of support because it could lead to a lack of incentives to enter the labour market.

2) transport costs to the distribution points;

3) hygiene package to be available for adults as well; However families with children is the group at the largest risk of poverty, that is why these packages are provided based on number of children in the family. EC added that it had been a clear choice during the negotiations to focus on this target group.

4) school supplies availability also for children over 16 years old; MA commented that only secondary education is compulsory and as of 16 years old a person can enter a labour market. A representative of NGO "The Union of associations of large families of Latvia" disagreed, mentioning that the law restricts children from both working and studying at the same time. EC stressed that this question should be decided on a national level after estimating the available funding resources but that on the principle the EC does not object to the change of the target group age.

5) increase the amount of flower to 1kg; However MA received contradictory information on this issue.

6) increase the amount of washing powder;

7) quality of toothpaste;

8) slow procedure of issuing the validity statement in the municipal social service, alternative solutions are needed (for example, temporarily acknowledging that a person is in crisis or emergency situation until the person will acquire the status of a deprived person).

Problems that were raised by staff at the distribution points:

- 1) PO is forced to refuse people because social service issues a statement on crisis or emergency situation only in very rare cases;
- 2) difficulties to unload the delivered packages, because the supplier leaves the goods on the pallets outdoors and RC has to search for volunteers in order to bring the goods to the premises (at the moment the local border guards were helping on request);
- 3) due to the fact that the supplier leaves immediately after unloading the goods, RC can return damaged packages only after one month;
- 4) supplier does not always inform about the delivery;
- 5) recipients are anxious about the school supplies delivery;
- 6) difficult to organize accompanying measures and attract recipients to attend; there are no phone numbers of people, therefore RC cannot contact them about events apart from the moment when a client comes to receive a package;
- 7) soup kitchens should be able to get the food that is approaching the expiry date. In the future MA informed that there will be an option of transferring the food that is reaching expiration date to the soup kitchens

One of the successful accompanying measures is "Young parents' school" where the most deprived persons do not pay the attendance fee.

EC asked about the **refugee situation in Latvia**. MA commented that FEAD support will be available as soon as a person will obtain a refugee status, based on the same conditions as other deprived people in Latvia. Asylum seekers are expected to arrive in the first quarter of 2016. They will be supported by the refugee foundation.

EAPN raised a concern that refugees will not be able to participate in accompanying measures without the language knowledge and asked how it is to be solved. MA replied that there will be mentoring services available, in addition to other funds that are directed to refugee integration. SA added that refugees will get information from mentors. EC added that there will be also opportunities for refugees, provided by ESF programme, once a person receives the right to work.

5. Information on budget absorption in 2015, changes in the programme implementation in 2016.

MA presented information on accreditation and budget absorption in 2015 (see Annex 5). FEAD interim payment claim was submitted in October 2015 (EUR 698 778,74 - EU contribution), and one more payment claim is expected in December 2015 (EUR 495 928,60 – EU contribution). *[The second payment claim was submitted on December 3rd]*. In 2016 LV expects to declare EUR 3 642 760,00 (EU contribution).

MA informed about communication activities of MA and changes in the programme implementation in 2016 (see Annex 5). Since the number of deprived persons in LV has

decreased, MA decided to use extra available resources to improve the content of the food package by adding three components: egg powder, mashed potato powder and canned meat.

MA informed that there will be amendments to the Cabinet of Ministers Regulations that will specify criteria applicable for issuing the statement to the most deprived persons in crisis. As a result there will be more flexibility in evaluation process.

MA informed that next year the additional selection of PO for soup kitchen will be conducted. Recipients will be able to receive both hot meals and the food package without sacrificing one to another.

In 2015 MA has tested methodology developed for the evaluation purposes on 300 end recipients. In 2016 - 2017 the annual evaluation of the OP implementation will be provided with a help of external contractor. MA will use the gathered information to identify necessary changes based on recipients' opinion. MA noted that currently there is an ongoing discussion with the EC regarding the necessary amount of respondents (1000 or 3000 per year). In reply to RC question, MA explained that POs will not be asked to conduct the survey; the external contractor will approach the recipients in order not to create extra administrative and financial burden on POs.

After the meeting two site visits took place to NGOs providing hot meals, food and hygiene/household items packages – NGO "St. Johanniter Assistance" and NGO "Latvian Red Cross".

Conclusions & Follow up

- Good start of the FEAD programme in Latvia. The distribution of food and hygiene products started, the designation of authorities is completed and the first interim payment claims paid. The supply of school material was delayed but should start very soon.
- The data on common indicators are already partially available (for inputs and outputs). Data on results will be available in April.
- Even if there are some problems, most of the recipients seem to be satisfied with the FEAD. However it will be verified thanks to the structured survey of recipients (due in 2017).
- Important issues to be followed up:
 - Ensuring that the most deprived are able to get the packages
 - Increasing the uptake of accompanying measures by the most deprived
 - Development of soup kitchens
 - Implementation of the new procurements in order to ensure the continuity of provision of the assistance. It should also be the opportunity to solve problems with the delivery of packages to the POs.

