

Regulation and Institutional System for the Introduction of the EU Funds

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Abstract. Over the last ten years, significant amount of the resources of the EU funds has been invested in EU Member States, which has improved the social and economic indicators of the regions of the Member States. From 1997 to 2010, Latvia has access to different EU funds for development. There are two periods marked in Latvia when it was possible to receive the support of the funds: the pre-accession period when the country was getting ready for accessing the EU and the post-accession period. This research clarifies the regulation of the EU funds as well as the related legislation and institutional system in Latvia.

Key words: funds, regulation, enactments, institutional system.

Introduction

Facilitating the development of the territories of the region has been a topical issue in most of the Member States of the European Union (EU) since the 1950s when the development of the territories was determined by the EU regional policy. The implementation instrument of the EU regional policy is the EU funds, with the help of which, the economic growth of the state and its regions and of separate industries is provided applying facilitating investment introduction methods.

The impact of EU funds on different development indicators of the Member States has been studied by EU theoreticians and practitioners, evaluating the financing of the funds as well as revealing different problems in the acquisition of the funds. S.Rynck and P.McAleavey (2001) emphasise the ignorance of the solidarity principle in the fund distribution. The Member States that have invested significant amounts of money in the common EU budget, wish to receive as possible larger financing through the support of the EU funds, not taking into consideration the convergence principle. When analysing the gains of Poland accessing the EU and attracting the EU funds, A.Mickiewicz and B.Mickiewicz (2010) conclude that along with attracting the EU funds to agricultural industry, farmers' revenues have increased, a positive impact on the labour market can be observed, new workplaces have been created, thus creating a multiplier effect in other industries. Introduction of the funds has caused a significant inflow of investment that fastened the modernisation of agricultural farms. The distribution of the financing of the EU Structural Funds between the Member States and their impact on different industries has been studied by I.Vaidere (2010) who has assessed the perspective of the Common Agricultural Policy in Latvia and the Member States. I.Haite (2010) has clarified the opportunities for sustainable development in Rēzekne city of Latgale region by attracting financing of the EU funds. V. Tetere (2010) has analysed the impact of the EU Structural and Cohesion Funds on the economy of Latvia, S.Čingule and I.Latviete (2010) have compared the EU offered possibilities in using Structural Funds in Latvia and Ireland. An important factor is the priorities for allocating financing as defined by each country and the choice of the support measure following the EU regulation, developing a corresponding regulatory and institutional system in the Member States.

The above-mentioned aspects also determined the **aim** of this research – to assess the normative regulation of the EU funds in the EU and the corresponding legislation and institutional system in Latvia.

The **hypothesis** of the research: Latvia has developed an adequate regulatory and institutional system to introduce the EU Structural Funds.

The following **tasks** were set to achieve the aim:

- 1) to get acquainted with the system of regulatory enactments in the EU for introducing funds;

2) to evaluate the main regulatory enactments and the institutional basis for introducing the EU funds in Latvia before and after accessing the EU.

Research subject – EU funds and programmes.

Research object – regulatory enactments and the institutional system for the introduction of the EU funds.

The analysis and synthesis, monographic and graphical methods, logically constructive, deduction and induction methods, analysis of documents, information grouping, and structuring were applied as the research **methods**.

The EU regulatory enactments as well as the ones of the Republic of Latvia for introducing the EU funds were analysed during the research.

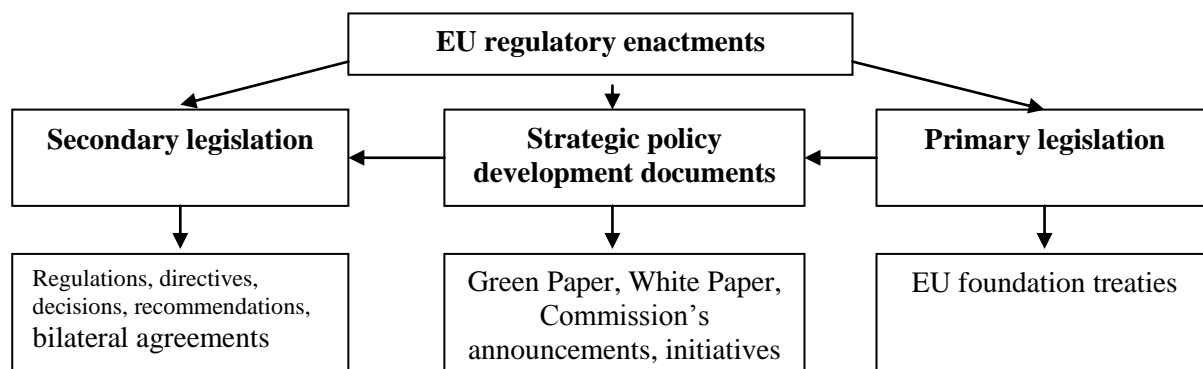
Results and discussion

1. The system of the EU regulatory enactments for introducing the EU funds

The rule of law is based on the EU. This means that the main regulatory enactments in the EU are treaties that the Member States have deliberately and democratically approved. The treaties signed in the past have been amended and renewed based on the changes in the society. In Figure 1 the authors have schematically presented the system of the EU regulatory enactments, in which it is possible to separate primary and secondary legislation as well as strategic policy documents which provide regulation and the institutional system for the introduction of the EU funds.

Primary legislation (Figure 1). The Treaty of Rome (1957) belongs to the primary legislation for the use of the EU funds. In the 1957 edition, the Treaty provided for the foundation of the European Social Fund (ESF). In addition, the European Agricultural Guidance and Guarantee Fund (EAGGF) was created to implement a Common Agrarian policy. This political decision was made in 1962 (Romas..., 1957). During the course of time the provisions of the Treaty of Rome were supplemented and amended according to the environmental, regional, social, and industrial policy. At the meeting of the EU Member States in December 1974 important political decisions were made on the necessity to establish the European Regional Development Fund (ERDF). It began operating in 1975. The Treaty of Maastricht (1992) indicates to the necessity to develop a new – Cohesion Fund (CF). This idea was implemented in 1994, which has to be considered the time when the Cohesion Fund was established, while the Treaty of Maastricht shall be considered its legal basis (Treaty..., 1992).

Strategic policy development documents (Figure 1) (Rokasgrāmata..., 2010). When preparing secondary legal enactments, the Commission bases its decisions on previously developed and discussed strategic policy development documents. These documents analyse and assess the legal regulation that is in force, its effectiveness, the situation in every specific industry as well as offer solutions to the identified problems. The task of the **Green Paper** is to enhance discussions and to start the consultation process on the European level about a specific topic within the EU competence. The **White Paper** is a document that comprises practical recommendations for the EU activities in specific fields.



Source: authors' construction based on Rokasgrāmata, 2010

Fig. 1. The system of the EU regulatory enactments

The **Commission's announcements** are prepared based on the practical recommendations of the White Paper and on the results of the discussions and consultations summarised in the Green Paper. The announcement is the final stage before preparing the draft EU legislative document.

It usually contains the basic provisions of the draft. A political decision is made based on the **initiatives**. If compared with the practical recommendations of the White Paper, initiatives are a horizontal document and their aim is to eliminate the common problems identified in several industries. Initiatives present the targets set and the action plan to attain the targets.

Secondary legislation (Figure 1). It should be developed as provided by the primary legislation. When adopting secondary legislation acts, their legal basis shall be indicated – the article of the Agreement on the EU Operation or the EU Treaty that provides competence in the respective issue. To attain the targets set in the EU policy, the EU Parliament together with the Council and the Commission adopt regulations, directives and decisions (Rokasgrāmata..., 2010).

A **Regulation** is issued either by the EU Council together with the Parliament or the EU Commission (EC). It is a general legislative document and it shall be applied in all its provisions. According to the Treaty of Rome (1957), regulations are generally applicable; they impose liabilities and are directly applicable in all Member States (Rokasgrāmata..., 2010).

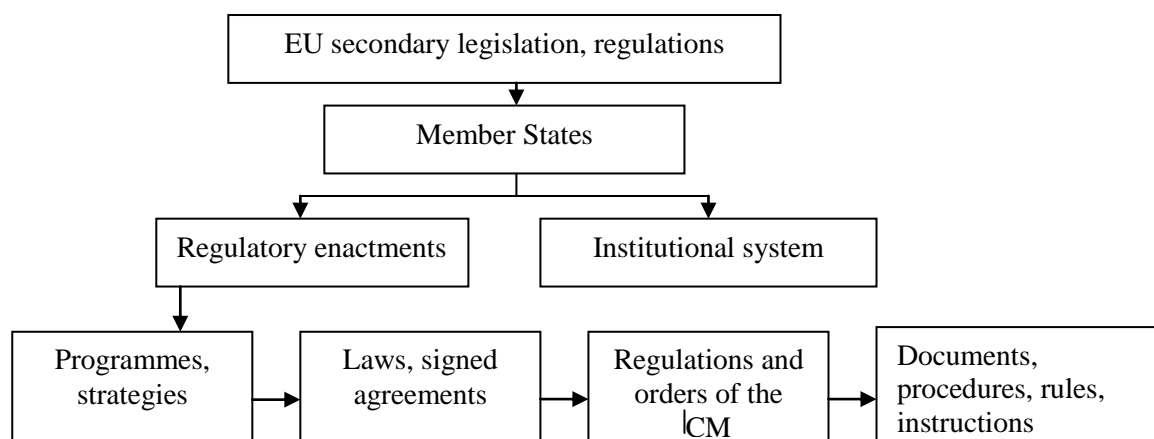
Directives shall not be directly applicable in the Member States and according to the Treaty of Rome, they impose liabilities concerning the attainable result but they allow countries to choose the forms and methods of attaining them (Rokasgrāmata..., 2010). **Decisions** impose liabilities on those who are addressed by the decision and a decision sets in force with the moment the addressee is notified about it. **Recommendations** are meant for encouragement and persuasion. They are used as indications to the desirable direction for the Member States or as a reflection of the opinion of the EU institutions. **Bilateral agreements** are secondary legal documents that have been of very big importance during the pre-accession period (Rokasgrāmata..., 2010).

2. The regulatory enactments and institutional system of Latvia for introducing the EU funds

Several funds and programmes have been introduced in Latvia from 1997 to 2010. The introduction of the EU funds can be divided into two periods, with corresponding regulation and institutional system:

- pre-accession period from 1997 to April 30, 2004;
- post-accession period from May 1, 2004 until present.

Based on the above division, the authors evaluated the peculiarities of both periods.



Source: authors' construction based on Rokasgrāmata, 2010, VSID, 2007

Fig. 2. **Normative regulation in Latvia for the introduction of the EU funds, 1997-2010**

The regulatory system is similar in both periods and it is based on the EU regulations issued as provided by the Treaties (Figure 2):

- 1) a Member State develops a strategy for introducing the EU funds and an action programme approved by the EC;
- 2) a Member State adopts a law on the management of the EU funds or signs a bilateral agreement with the EC;
- 3) the regulations of the Cabinet of Ministers (CM) on introducing the EU funds are adopted based on the approved law;
- 4) the Cabinet of Ministers regulates the development of documents that provide the procedures, order, instructions, etc. for the implementation of the EU funds.

The institutional system for introducing the EU funds in the Republic of Latvia is formed by all state administrative institutions that, according to the regulatory enactments, are stipulated to perform the functions of the EU funds administration. The authors of the paper will assess the institutional systems according to the periods of EU funds introduction: pre-accession and post-accession periods, dividing the post-accession period according to the planning periods of the funds.

Pre-accession period

On 12 July 1995 the Agreement on developing an association between the Republic of Latvia on the one hand and the European Community and its Member States on the other hand (Europe Agreement) was signed. Thus, Latvia was granted access to pre-accession funds to prepare to the EU accession.

Starting from 2000, the EU used three financial instruments to offer assistance to the Candidate Countries: PHARE, ISPA, and SAPARD. With the help of these programmes, Candidate Countries had the opportunity to attain the targets set in the EU pre-accession strategy (Pirmsiestāšanās..., 2009). In Table 1 the authors have summarised the regulatory enactments and institutional system of the pre-accession period for PHARE, ISPA, and SAPARD programmes. The operation of every programme was stipulated by an EU secondary legislation act – a regulation. Latvia had to undertake several activities to be able to start using the financing of the funds: implementation programmes had to be developed for the introduction of every fund, the necessary laws had to be developed and adopted, financial memoranda between the EU and Latvia had to be signed for both a specific period of time (SAPARD, PHARE) and every project measure separately (ISPA) (Pilvere, 2003, SAPARD, 2007).

Table 1

Legal basis and institutional system for attracting the EU funds in the pre-accession period in Latvia

EU regulations	Programmes in Latvia	Regulatory enactments in Latvia	Funds	Responsible institutions
3906/89 (PHARE)	Strategy of the Republic of Latvia for the Integration to the European Union (Stratēģija, 2000), Phare programme and the transition programme	The signed Memorandum between the EC and the Republic of Latvia on allocating financing, Law on EU financial instrument PHARE programme and Transition Programme, Regulations of the Cabinet of Ministers (CM)	ERDF	Ministry of Finance, industry ministries, State Treasury, 2 nd level intermediary institutions
1267/1999 (ISPA)	ISPA national strategy in the environment sector (2000)	Financial memoranda between the EU and Latvia on every measure	CF	VARAM (Ministry of Environmental Protection and Regional Development)
2222/2000 (SAPARD)	Rural Development Plan	Law of the Republic of Latvia on "Long-term Financial Agreement between the Republic of Latvia and the EC on behalf of the Community"	EAGGF	Ministry of Finance, Ministry of Agriculture, Rural Support Service (RSS)

Source: authors' construction based on Pirmsiestāšanās..., 2009, Pilvere, 2003, SAPARD, 2007

There are differences of the institutional system between the three pre-accession funds. The differences are related to the readiness of the institutions of Latvia to administer independently the pre-accession funds. The readiness was determined based on the results of the accreditation performed by the EC in Latvia. The institutional systems of PHARE and SAPARD were similar in Latvia. The Ministry of Finance was the leading institution and the industry ministries provided the correspondence of the measures implemented within the framework of the funds, the agency of the industry ministry was responsible for monitoring the projects implemented within the framework of the fund. ISPA fund had a different institutional system in Latvia. The EC signed a separate agreement with Latvia for every ISPA project and the Ministry of State Regional Development was the coordinating ministry in Latvia (Pirmsiestāšanās..., 2009, Pilvere, 2003, SAPARD, 2007).

Post-accession period

The requirements for introducing funds in Latvia after the EU accession are developed based on the provisions of the EU regulatory enactments. For Latvia as EU Member State they are the EU agreements. The authors of the research considered the corresponding regulation and institutional system for attracting the EU funds within two periods: 2004-2006 and 2007-2013.

In 2004-2006 (Table 2) the introduction of the EU funds in Latvia was regulated by two groups of regulatory enactments: the EU regulatory enactments and regulatory enactments of Latvia. The EU regulatory enactments are regulations that determined the introduction of structural funds and funds; while regulatory enactments of Latvia comprise laws, the Cabinet Regulations, and programmes.

Regulations (Table 2) that determined the introduction of the EU funds can be divided into two big groups: attributable to all Structural Funds and attributable to a specific fund. Regulations that are attributable to all funds provide for different procedures and rules that have to be followed introducing all EU funds, e.g. about the information and publicity measures, about the rules for using euro in Structural Funds budget administration, a.o.. Regulations that determine operation of specific funds provide measures and areas that are to be supported with the help of the respective fund (Kohēzijas..., 2011, Saistošie..., 2007).

The main laws of Latvia for introducing the EU funds:

- Law on Agricultural and Rural Development (2004) which provides that state and the EU support is granted to facilitate agricultural, rural, and fishery development (Lauksaimniecības..., 2004);
- Law on EU Structural Funds Management (2005), the goal of which is to facilitate the introduction of transparent and corresponding to financial management principles Structural Funds in Latvia in the overall management of Structural Funds (Eiropas..., 2005);
- Law on EU Cohesion Fund Management (2005) provides establishing an effective and transparent EU CF project management in Latvia (Kohēzijas..., 2005).

The Cabinet Regulations (Table 2) are issued in concordance with the Law on Regional Development, Law and the Rule of the CM, Law on Budget and Financial Management, and Law on the EU Structural Funds Management. The Cabinet Regulations prescribing the introduction of the EU Structural Funds can be divided into two groups: regulations attributable to all the funds and regulations attributable to the operation of a specific fund (Ministru..., 2010, MK Kohēzijas..., 2010).

Programmes. The *Single Programming Document* (Vienotais..., 2004) was developed for implementing Target 1 of the EU Structural Funds in Latvia from 2004 to 2006. The *Framework Document of the Cohesion Fund* (Kohēzijas..., 2005) stipulates how the Republic of Latvia uses the CF funding for financing projects in the environment and transport sectors. *Programme Supplement* (PP..., 2004) has been developed as a supplement to the Single Programming Document as provided by Item 4 of Article 9 of the Council Regulation (EC) No.1260/1999 of 21 June 1999. According to the SPD, the Programme Supplement provides five strategic

priorities. Particular areas of investment or measures that facilitate attaining the targets of the SPD are determined for every priority (Saistošie...,2007) .

Table 2

Legal basis for introducing the EU funds in Latvia from 2004 to 2006

EU regulatory enactments	Funds	Programmes	Regulatory enactments in Latvia
Structural Funds and funds			
Regulations (EC): No.1260/1999, No.1685/2000, No.643/2000, No.438/2001, No.1105/2003, 1145/2003, No.448/2004	ERDF, ESF, EAGGF, FIFG*	Single Programming Document (SPD) or the Development Plan of Latvia (2004) <i>Supplement to Latvia Target 1 Programme of the Single Programming Document 2004-2006 (2004)</i>	Law on Regional Development (2002) Law on Agricultural and Rural Development (2004) Law on European Structural Funds Management (2005) Cabinet Regulations: No.200 (30.03.2004.), No.727 (16.12.2003.), No.782 (07.09.2004.), No.543 (17.12.2002.), No.124 (02.3.2004.), No.88 (01.02.2005.), No.601 (16.08.2005.), No.385 (16.05.2006.), No.494 (20.06.2006.), No. 501 (20.06.2006.), No.502 (20.06.2006.), No.538 (27.06.2006.), No.546 (27.06.2006.), No.607 (25.07.2006.)
Regulations (EC)No.1783/1999, No.1685/2000	ERDF	Single Programming Document	Cabinet Regulations No.604 (25.07.2006)
Regulation (EC) No.1784/1999	ESF	Single Programming Document	Cabinet Regulations No.608 (25.07.2006.)
Regulation (EC) No.1257/99	EAGGF	Single Programming Document	Cabinet Regulations No.606 (25.07.2006.)
Regulation (EC) No.1263/1999 ^o	FIFG	Single Programming Document	Cabinet Regulations No.605 (25.07.2006.)
Regulation (EC) No.1164/94, Regulation (EC) No.1831/94 , Regulation (EC) No.1386/2002, Regulation (EC) No.16/2003, Regulation (EC) No.621/2004	CF	Framework Document of the Cohesion Fund <i>for the planning period of 2004-2006 (2006)</i>	Law on EU Cohesion Fund Project Management (2005) Cabinet Regulations: No.120 (14.02.2006.), No.487 (01.06.2006.), No.270 (04.04.2006.), No.537 (27.06.2006.), No.554 (04.07.2006.) No.555 (04.07.2006.), No.704 (29.08.2006.), No.809 (03.10.2006.), No.845 (10.10.2006.), Order of the CM No.686 (07.11.2008.), Instructions of the CM: No.14 (02.12.2008.), No.5 (04.04.2006.)

*Financial Instrument for Fisheries Guidance,

Source: authors' construction based on *www.essfondi.lv (2010), VPD..., 2004*

2007-2013. Both new amounts of the financing of Structural Funds and CF and the legal regulation of their use are determined and the corresponding planning documents for the supported territories are prepared with the beginning of the new long-term EU financial framework in 2007 (Table 3).

Regulations are the EU regulatory enactments for the introduction of the EU funds in Latvia. Similar to the period of 2004-2006, regulations can be divided into two groups: the ones attributable to all Structural Funds and the ones attributable to a particular fund (Regulas..., 2011, Zivsaimniecības..., 2011, Eiropas..., 2011).

The National Development Plan of Latvia (NDP) is one of the main regulatory enactments in Latvia (Table 3). The state level EU funds planning documents have been developed for the introduction of EU funds based on its provided strategic priorities, laws, and the Cabinet Regulations.

Laws

- A new law was not adopted to ensure the agricultural and rural development; the introduction of the EU funds was provided by the Law on Agricultural and Rural Development adopted by the Saeima on April 7, 2004 (Lauksaimniecības..., 2004).
- The Law on European Union Structural Funds and Cohesion Fund Management (2007) provides the rights and responsibilities of the institutions involved in the EU funds management and the rights and responsibilities of the beneficiary of the EU financing as well as the procedure for adopting, challenging and appealing the decisions made by the institutions involved in the EU funds administration (Eiropas..., 2007).

The Cabinet Regulations, like it was in the previous period, regulate the introduction of funds, starting with the project evaluation criteria, provisions for the approval procedure, terms of signing the agreement as well as offer project application forms and standard agreements for the project implementation (Saistošie..., 2011, Horizontālie..., 2011).

According to the provisions of the Council Regulation No.1083/2006 of 11 July 2006 that provides general terms about the ERDF, ESF and CF and withdraws the Regulation (EC) No.1260/1999, VSID is prepared by Latvia and submitted to the EC. VSID is prepared taking into consideration the conceptual document "The Growth Model of Latvia: People in the First Place", the National Development Plan, and the National Lisbon Programme of Latvia.

In compliance with the decision of the Cabinet of Ministers of 18 October 2005 on the Conception of the SF and CF Introduction Model, Latvia has designed three VSID action programmes (Saistošie..., 2010).

The *State Strategic Rural Development Plan of Latvia* has been developed and updated according to the National Development Plan for 2007-2013 (Latvijas..., 2006). The strategy is implemented with the Rural Development Programme for 2007-2013, which is planned to be introduced in the entire geographical territory of the country (Latvijas..., 2010).

The Ministry of Agriculture has developed a mid-term policy planning document "*Strategic Plan of Fishery Industry for 2007-2013*" (Zivsaimniecības..., 2006) and the Action Programme for the introduction of the European Fisheries Fund support in Latvia from 2007 to 2013 (Rīcības..., 2007), which offers detailed terms for the respective measures and activity implementation in a certain period of time.

The *Action Programme for the Introduction of European Fisheries Fund Support in Latvia for 2007-2013* (Rīcības..., 2007) has been developed to implement the principles of the Council Regulation (EC) No.1198/2006 on European Fisheries Fund and its priorities, the National Development Plan of Latvia for 2007-2013, and the Fisheries Industry Strategic Plan of Latvia for 2007-2013.

Institutional system in 2004-2006

On 2 September 2003, the Cabinet of Ministers determined the institutional system of the management, monitoring, control, and evaluation of the EU Structural Funds (Regulations No. 500 of the Cabinet of Ministers of September 2, 2003 "On the Institutional System of the Management, Monitoring, Control and Evaluation of EU Structural Funds") to ensure the management of the EU Structural Funds, as provided by the Council Regulation No. 1260/1999 of 21 June 1999.

According to these regulations, the institutional system of the management, monitoring, control, and evaluation of the EU Structural Funds consists of the Leading Institution, the Paying Institution, Steering and Management Committees, the 1st level intermediary institutions (industry ministries) and the 2nd level intermediary institutions and beneficiaries of the financing of Structural Funds (public authorities, municipalities, legal entities or natural entities registered in the Republic of Latvia, administrators of grant schemes).

In 2007-2013 the Law on EU Structural Funds and Cohesion Fund Management regulates the EU fund management in Latvia. The law provides the rights and responsibilities of the institutions involved in the EU funds management and beneficiaries of the financing of the EU

funds, the procedure for making, challenging and appealing the decisions of the institutions involved in the management of EU funds.

Table 3

Legal basis of Latvia for attracting the EU funds from 2007 to 2013

EU regulatory enactments	Funds	Programmes	Regulatory enactments in Latvia
Structural Funds and funds			
Regulations (EC): No.1083/2006, No.1828/2006, No.832/2010, No.8467/2009, No.1084/2006, No.284/2009, No.1341/2008, No.1082/2006.	ERDF, ESF, CF	State Strategic Framework Document (VSID) 2007-2013 (2007) Action programmes, supplements	Law on European Union Structural Funds and Cohesion Fund Management (2007) Cabinet Regulations: No.140 (16.02.2010.), No.1238 (27.10.2009.), No. 1155 (06.10.2009.), No. 210 (03.03.2009.), No. 952 (01.09.2009.), No. 464 (18.05.2010.), No. 455 (17.06.2008.), No. 65 (05.02.2008.), No. 918 (18.12.2007.), No. 524 (31.07.2007.), No. 740 (10.08.2010.), No. 484 (10.07.2007.), No. 441 (26.06.2007.), No. 419 (26.06.2007.), No.418 (26.06.2007.).
Regulations (EC): No.437/2010, No.397/2009, No.1080/2006.	ERDF	(VSID) 2007-2013 (2007) Action programme	The respective institution developed the Cabinet Regulations for every activity implemented by ERDF
Regulations (EC): No.396/2009 No.1081/2009	ESF	(VSID) 2007-2013 (2007) Action programme	The respective institution developed the Cabinet Regulations for every activity implemented by ESF
Regulations (EC): No.1290/2005, No.1320/2006, No.1975/2006, No.1698/2005. No.1974/2006, No.1290/2005.	ELFLA EAGF	<i>State Strategic Rural Development Plan of Latvia.</i> Rural Development Programme of Latvia for 2007-2013 (2010)	Law on Agricultural and Rural Development (2004) Cabinet Regulations: No.783 (14.07.2009.) No. 573 (17.06.2009.) No.644 (20.07.2010.)
Regulation (EC) No.1198/2006	EFF	<i>Fisheries Industry Strategic Plan for 2007-2013.</i> Action programme for the introduction of European Fisheries Fund support in Latvia for 2007-2013 (2009)	The Cabinet Regulations are developed for every measure implemented through EFF

Source: authors' construction based on Saistošie..., 2011, Horizontālie..., 2011, VSID., 2007, Eiropas..., 2007, Lauksaimniecības..., 2004, Regulas..., 2011, Zivsaimniecības..., 2011, Eiropas..., 2011.

The Ministry of Finance is the EU funds leading institution that is responsible for the EU funds management in Latvia. In 2007-2013 the EU funds management is ensured by the following institutions: the leading institution, responsible institutions, cooperation institutions, the paying institution, the audit institution, the certification institution, the steering committee, and the purchase-monitoring bureau.

Management of agricultural funds is ensured by the Ministry of Agriculture (MoA) as the leading and competent institution, the functions of the payment agency are performed by RSS, the certifying institution is chosen by the leading institution MoA in a form of a public tender attracting an independent auditor's company.

The institutions involved in the introduction of Fisheries fund are the leading, certifying and audit institution is the MoA, whose functions include establishing a steering committee. RSS is responsible for transferring payments.

Conclusions

1. The main documents of the system of regulatory enactments for the introduction of the EU funds are treaties signed by the Member States that significantly affect the legal system and the policy development directions of these countries.
2. Two periods are marked in Latvia when it is possible to receive the EU funds – pre-accession and post-accession periods. Each period has a similar regulation and institutional system which operation is provided by the EU regulations.
3. The institutional system of the EU funds in the Republic of Latvia consists of state administrative authorities that, according to the regulatory enactments, possess regulated administrative functions of the EU funds.
4. In the pre-accession period, the regulatory enactments of the EU funds are based on the Agreement of the Member State and European Community on establishing an association, because of which Latvia had access to the EU funds programmes PHARE, ISPA, SAPARD. The normative regulation introduced according to the EU regulations and the amount of financing was provided by the signed financial memoranda between the EU and Latvia. Programmes, laws of the Republic of Latvia and the Cabinet Regulations have been adopted and the institutional system has been developed in Latvia.
6. During the pre-accession period, the institutional system for the introduction of the EU funds is of two kinds: centralised and decentralised. PHARE and SAPARD programmes were introduced applying the decentralised model, the introduction of ISPA programme was centrally coordinated by the EU Commission. In the decentralised model, the programme administering institutions were accredited by EC, determining their correspondence to the programme introduction. The administering institutions performed programme development, monitoring, and administration.
7. In the post-accession period, the introduction of the EU funds in Latvia is provided by the agreements of the European Community. In both post-accession periods (from 2004 to 2006 and from 2007 to 2013) their introduction has been regulated by two groups of regulatory enactments: the EU regulatory enactments and regulatory enactments of Latvia. EU normative documents are regulations that are changed every financing period.
9. In 2004-2006, the necessity for introducing the EU funds in Latvia was determined by the Basic Statement of Regional Policy. The introduction of the EU funds is regulated by the laws of the Republic of Latvia, the Cabinet Regulations, and state level planning documents of the EU funds.
10. In 2007-2013, new Structural Funds and amounts of financing have been determined in the EU funds, new legal regulation for the EU funds has been developed, and the Member States have prepared new strategic and planning documents.
11. In the post-accession period, the institutional system for the introduction of the EU funds in Latvia is developed based on the EU regulations, laws of the Republic of Latvia, and Cabinet Regulations.

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