FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of Estonia, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement of 12 December 1991 between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: ES0003 to ES0009
Title: 2000 National Programme for Estonia
Duration: Until 31 December 2002

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 23.693 MEUR hereinafter referred to as "THE EC GRANT".

ARTICLE 3 - DURATION AND EXPIRY

For the present MEASURE, THE EC GRANT is hereby available for contracting until 31/12/2002 subject to the provisions of his Memorandum. All contracts must be signed by this date. Any balance of funds of the EC GRANT which have not been contracted by this date shall be cancelled. The deadline for disbursement of THE EC GRANT is 31/12/2003. All disbursements must be completed by the deadline for disbursement. THE COMMISSION may however, in exceptional circumstances, agree to an appropriate extension of the contracting period or of the disbursement period, should this be requested in due time and properly justified by THE RECIPIENT. This Memorandum shall expire at the expiry of the disbursement period of the EC GRANT. All the funds which have not been disbursed shall be returned to the Commission.
ARTICLE 4 - ADDRESSES

Correspondence relating to the execution of THE MEASURE, stating THE MEASURE'S number and title, shall be addressed to the following:

for the COMMUNITY:

Delegation of the European Commission
Kohtu 10
10130 Tallinn
Estonia

Tel: 00 372 626 44 00
Fax: 00 372 626 44 39
E-mail: eudelest@delest.cec.eu.int

for THE RECIPIENT:

Mr Siim Kallas
Minister of Finance and National Aid Coordinator
Ministry of Finance
Suur-Ameerika 1
15006 Tallinn
Estonia

Tel: 00 372 61 13 444
Fax: 00 372 63 17 810

ARTICLE 5 - NUMBER OF ORIGINALS

This Memorandum is drawn up in duplicate in the English language.
ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Tallinn

Date 24.11.2000

for THE RECIPIENT

Minister of Finance
Mr Siim Kallas

for THE COMMUNITY

Head of the EC Delegation
Mr John Kjaer

Framework Agreement (Annexes A & B)

2. Special Provisions (Annex C)

3. Visibility/Publicity (Annex D)
ANNEX C : SPECIAL PROVISIONS

1. OBJECTIVES, DESCRIPTION AND CONDITIONALITY

Objective 1: Political Criteria

Project ES0003-1 : Integration and language training programme for ethnic minorities in Estonia

A key priority of the EU is to continue to support Estonia in its efforts to integrate non-citizens, in particular by supporting language training. This project builds directly upon previous Phare projects launched in 1995 and is planned within the framework of the recently approved State Integration programme 2000-07. Phare funds will be used to

- Support language training in the educational systems through the development of new language training materials and curricula for schools, teacher training, language camps and exchanges and purchase of reference material for libraries.

- Support adult language training with particular focus on disadvantaged groups. This will primarily be achieved through reimbursement of language course fees.

- Raise public awareness of the programme and the integration process in general through media broadcasts.

Technical assistance will be provided to improve the administrative capacity of the Non-Estonian’s Integration Foundation to implement this project.

Objective 2: Administrative Capacity

Project ES0004-1 : Strengthening good governance and accountability in the public sector of Estonia by building up sound financial management and control systems

Significant efforts are required before financial control systems in Estonia meet EU standards. Estonia must also prepare for greatly increased responsibility, firstly in managing the new pre-accession instruments and secondly, for the management of EU funds upon accession. This project builds directly upon existing Phare supported projects. Phare funds will be used to:

- Support the analysis and development of financial control systems

- Training of trainers and auditors

- Support drafting of legislation

- Development and capacity building of financial control departments.

The project will be implemented through a combination of twinning and technical assistance. The start of the project will be conditional upon the appointment of the new Vice-Chancellor for financial control in the Ministry of Finance. The project will also be
conditional upon the adoption of appropriate amendments to the Government of the Republic Act. This must give a full mandate to the Ministry of Finance to set standards for financial control systems covering all public monies.

**Objective 3: Internal Market**

**Project ES0005-1: Market surveillance**

Meeting EU requirements in the field of free movement of goods has been highlighted in the 1999 Regular Report as one of the most difficult challenges for Estonia. This project aims to develop Estonia’s market surveillance system by building upon previous Phare support in this area. Phare funds will be used to assist in:

- The production of a comprehensive market surveillance strategy for Estonia, with detailed implementation and financing plans. This strategy will also identify necessary institutional changes
- The drafting of the legal framework
- Training of staff in market surveillance institutions.

The project will be implemented through a combination of twinning and technical assistance.

**Project ES0005-2: Computerised master tariff system**

Customs duties were introduced by Estonia only at the beginning of 2000. A number of significant steps remain before Estonia is ready to fully implement the Common External Tariff of the EU. This project builds directly upon previous projects which have assisted in the implementation of the ASYCUDA systems and Customs Code. Phare funds will be used for

- Strengthening the institutional capacity of the Estonian National Customs Board to implement the Common External Tariff. This includes training of Estonian customs officials
- Software development for the computerised master tariff system. This system will form a direct link to the EU’s TARIC system and Estonia’s ASYCUDA system.

The project will be implemented through a combination of Twinning and technical assistance. The project will be conditional upon the adoption of the Estonian Customs Code (compatible with the EU Code) prior to the start of the project. This will ensure a stable legal framework for the development of the new system.
Objective 4: Employment and Social Affairs

Project ES0006-1 Support to the balanced development of labour market services

The aim of this project is to improve the scope and quality of public employment services. This is a step towards participation in EURES and the broader European Employment Strategy. The project builds upon previous Phare support to the National Labour Market Board of Estonia. Phare funds will be used to:

- Establish new standards for labour market services
- Upgrade skills of public employment service (PES) personnel
- Improve work of tripartite employment councils
- Invest in updating the PES information technology network.

The project will be implemented through a combination of twinning and technical assistance for IT supplies and services. The project is conditional on the adoption of a national Employment Action Plan, the adoption of legislation (Act on Labour Market Services and Act on Social Protection of Unemployed) and the adoption of a comprehensive training plan for PES personnel.

Objective 5: Justice and Home Affairs

Project ES0007-1 Development and implementation of national drug strategies and programme

In recognition of a growing problem, the EU has made the fight against drugs a priority. This covers both supply reduction (law enforcement) and demand reduction. The project builds upon Phare support which up until now has mainly been provided on a multi-country basis. This project aims to tackle the specific issues faced by Estonia. Phare funds will be used to:

- Support the development of a national drugs strategy
- Strengthen the Drugs National Contact Point (NCP) to EU standards, with a view to future participation in the European Monitoring Centre for Drugs and Drugs Addiction
- Develop treatment and rehabilitation centres and associated programmes.

The project will be implemented through a combination of Twinning, technical assistance and contracts for supplies. The project will be conditional upon establishing a legal status for the NCP.
Project ES0007-2: Police training and education system

The Estonian Government’s Police Development Programme has been a response to the relatively poor performance of the Police in tackling crime. Although there has been a reorganisation of personnel and increase in salaries, further support is required to upgrade skills at all levels. In this project, Phare funds will be used to

• Support the development of a police training strategy and associated implementation plan
• Provide initial training for police officers, including training of trainers
• Procure new training materials.

The project will be implemented through Twinning. This project is conditional upon the Estonian State setting aside adequate funds for the future implementation of the training strategy.

Project ES0007-3: Crime prevention

The Tampere European Council made the fight against crime a top priority for the EU. In Estonia, the relatively high crime rates have encouraged the government to develop a national strategy to reduce crime. Prisons are a key target since 70% of crime in Estonia is committed by repeat offenders. Phare funds will be used to:

• Support the Ministry of Justice in further developing the national crime prevention strategy and associated action plans
• Improve the educational system in Estonian prisons
• Improve the quality of social work in prisons.

The project will be implemented through Twinning. The project is conditional upon adequate human resources (teachers) being provided from Ministry of Education and the refurbishment of education facilities in prisons by the Ministry of Justice.

Objective 6: Agriculture

Project ES0008-1: Development of agricultural support system administration

Following the preparation (with Phare support) of the SAPARD agency during 2000, this agency will need to be further developed in order to meet the requirements of the EU’s Common Agricultural Policy. Phare funds will be used to:

• Develop the administrative capacity of the Agricultural Registers and Information Board (ARIB) to meet CAP requirements including preparation of legislation, introduction of new administrative procedures and training of staff
• Development of I.T. system necessary for the implementation of an EU standard Integrated Administration and Control System (IACS)
- Aerial photography and digitalisation of photos to create a complete digital map of Estonia.

This project will be implemented through a combination of Twinning and contracts for services/supplies. The project will be conditional upon the formal establishment of ARIB, the accreditation of ARIB for SAPARD purposes and the introduction of the legal basis for CAP type activities.

**Objective 7: Economic and Social Cohesion**

**ES0009-1: Estonian small municipalities water and wastewater EU accession investment project (SMIP)**

Estonia is required to meet demands of EU quality standards for drinking water and waste water treatment. This is a significant challenge not least because the costs of the investment infrastructure are extremely high. Whilst larger projects will be supported through ISPA, many of the smaller municipalities fall outside the scope of this instrument.

Where applicable, compliance with the Urban Waste Water Treatment directive (91/271/EEC as amended by Directive 98/15/EEC and related decision 93/48/EEC and the Sewage Sludge Directive 86/278/EEC will be ensured. Furthermore, an environmental impact assessment according to the EU Environmental Impact Assessment Directive (85/337/EEC as amended by 97/11/EC) will be carried out for all investment projects where applicable and according to this directive.

In this project, Phare funds will be used to support infrastructure investments in 5 municipalities. The infrastructure includes treatment plants, sewers, pipelines, pumping stations etc. The municipalities (Põlva, Võru, Jõgeva, Kiviõli, Otepää) are situated in the “target regions” identified in the National Development Plan as regions in particular need of support because of economic, social and environmental problems.

The project will be implemented through contracts for supplies/services. Cofinancing from the Estonian government, bilateral donors and IFIs amounts to 67%. This project is part of a wide programme covering 16 municipalities with a total investment of 25m€. The project is conditional upon financial support of the Nordic Investment Bank and NEFCO.

**ES0009-2: Economic and Human Resources Development Project of South Estonia**

Two “target regions” for Phare support have been identified in Estonia’s National Development Plan. The objective is to address economic and social disparities in less developed regions. A secondary objective is to develop regional capacity so that regions are able to actively and strategically tackle development issues. This will assist Estonia in its preparations for participation in the structural funds upon accession.

The South Estonia region is made up of 5 counties covering 27% of Estonia, inhabited by 300,000 people. The region is mainly rural with the exception of Tartu, the second largest town in Estonia and home to the main university. In this region, development
priorities have been identified as business development, tourism and human resources development. Phare 2000 funds will be use to:

- Improve the institutional capacity of the South-Estonia Development Agency (SEDA) and support the elaboration of a comprehensive business support strategy for the region
- Invest in both Tartu university and Tartu science park in order to develop capacity of the region to develop innovative technology companies and incubation facilities
- Invest in tourism infrastructure around the lake Peipsi and in the Haanja region
- Develop 2 vocational educational training centres for developing the skills of the region’s workforce. Development of career counselling services. Development of accredited institutions for awarding qualifications.

The project will be managed by SEDA. The CFCU will contract technical assistance and contracts for supplies. National cofinancing is 25%. Phare funding will be conditional upon the establishment and proper functioning of SEDA prior to the start of the project.

Project ES0009-3 : Economic and Human Resources Development Project of Ida-Viru

Ida-Viru in North East Estonia covers one county, 13.5% of Estonia and 195,000 people. It is a highly urbanised region, facing economic and environmental problems due to the declining oil shale industry. It also has a majority of Russian speakers, many of whom face difficulties in participating in the Estonian job market. In this project, Phare funds will be used to:

- Improve the institutional capacity of the Ida-Viru Development Agency (IVDA) and support the elaboration of a comprehensive business support strategy for the region
- Develop a regional innovation and incubation network
- Develop the oil-shale expertise centre with a view to developing technologically innovative products
- Invest in tourism infrastructure in the Toila-Ontika region
- Develop 2 vocational educational training centres for developing the skills of the region’s workforce. Development of career counselling services. Development of accredited institutions for awarding qualifications.

The project will be managed by IVDA. The CFCU will contract technical assistance and contracts for supplies. National cofinancing is 25%. Phare funding will be conditional upon the establishment and proper functioning of IVDA prior to the start of this project.
## 2. BUDGET

<table>
<thead>
<tr>
<th>Project N°</th>
<th>Title</th>
<th>Investment</th>
<th>Institution Building</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES0003</td>
<td>Objective 1: Political Criteria</td>
<td>127.800</td>
<td>3.012.200</td>
<td>3.140.000</td>
</tr>
<tr>
<td>ES0003-1</td>
<td>Social integration and language training programme for ethnic minorities in Estonia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0004</td>
<td>Objective 2: Administrative Capacity</td>
<td></td>
<td>1.000.000</td>
<td>1.000.000</td>
</tr>
<tr>
<td>ES0004-1</td>
<td>Strengthening good governance and accountability in the public sector of Estonia by building up sound financial management and control systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0005</td>
<td>Objective 3: Internal Market</td>
<td>1.500.000</td>
<td>2.300.000</td>
<td>3.800.000</td>
</tr>
<tr>
<td>ES0005-1</td>
<td>Market surveillance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0005-2</td>
<td>Computerised master tariff system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0006</td>
<td>Objective 4: Employment and Social Affairs</td>
<td>600.000</td>
<td>1.200.000</td>
<td>1.800.000</td>
</tr>
<tr>
<td>ES0006-1</td>
<td>Support to the balanced development of labour market services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0007</td>
<td>Objective 5: Justice and Home Affairs</td>
<td>495.000</td>
<td>1.357.000</td>
<td>1.852.000</td>
</tr>
<tr>
<td>ES0007-1</td>
<td>Support to the development and implementation of national drug strategies and programmes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0007-2</td>
<td>Police training and educational system</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0007-3</td>
<td>Crime prevention</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0008</td>
<td>Objective 6: Agriculture</td>
<td>1.290.000</td>
<td>690.000</td>
<td>1.980.000</td>
</tr>
<tr>
<td>ES0008-1</td>
<td>Development of the agricultural support system administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0009</td>
<td>Objective 7: Economic and Social Cohesion</td>
<td>8.321.000</td>
<td>1.800.000</td>
<td>10.121.000</td>
</tr>
<tr>
<td>ES0009-1</td>
<td>Estonian small municipalities water and wastewater EU accession investment project (SMIP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0009-2</td>
<td>Economic and Human Resources Development Project of South Estonia</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0009-3</td>
<td>Economic and Human Resources Development Project of Ida-Viru</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>12.333.800</td>
<td>11.359.200</td>
<td>23.693.000</td>
</tr>
</tbody>
</table>

*To be Committed under separate Financing Proposals during 2000 (provisional) :-*

| Participation in Community programmes 2000/2001 including 5th Framework Programme | 3.930.660 |
| Cross Border Cooperation 2000                                                  | 3.000.000 |
3. IMPLEMENTATION ARRANGEMENTS

General

The programme will be managed in accordance with the Phare Decentralised Implementation System (DIS) procedures. The National Aid Co-ordinator (NAC) will have overall responsibility for programming, monitoring and implementation of Phare programmes.

The National Fund (NF) in the Ministry of Finance, headed by the National Authorising Officer (NAO), will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. Appropriate financial control shall be carried out by the competent National Control Authority with respect to the implementation of the programme.

Transfer of Funds from the Commission to Estonia

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Estonia on 2 December 1998. Funds will be transferred following requests from the NAO. A payment of up to 20% of the funds to be managed locally will be transferred to the NF following signature of the Financing Memorandum and the Financing Agreements (FAs) between the NF and the Implementing Agencies (IAs)/Central Finance and Contracts Unit (CFCU). The provisions foreseen in articles 2 and 13 of the MoU on the NF must also be met. Furthermore, the NAO must submit to the Commission the designation of the PAOs and a description of the system put in place, highlighting the flow of information between the NF and the IA/CFCU and the manner in which the payment function will be carried out.

Four replenishments will be made of up to 20% of the funds to be managed locally or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 10% of the budget has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 30% of the total budget in force has been disbursed. The trigger point for the third replenishment is 50%, and for the final fourth instalment when 70% is disbursed. Save for express prior authorisation from the Commission HQs, no replenishment request may be made if the aggregate of the funds deposited in the NF and the IAs exceeds 10% of the total budget in force of the commitment. Exceptionally the NAO may request an advance payment of more than 20% in accordance with the procedures laid down in the aforesaid Memorandum of Understanding.
Project Implementation

All contracting and tendering will be carried out by the following implementing agency:

<table>
<thead>
<tr>
<th>Project number</th>
<th>Project name</th>
<th>Implementing agency</th>
<th>Sub-implementing agency</th>
<th>Non-standard contracting</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES0003-1</td>
<td>Social integration and language training programme for ethnic minorities in Estonia</td>
<td>CFCU</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>ES0004-1</td>
<td>Strengthening good governance and accountability in the public sector of Estonia by building up sound financial management and control system</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0005-1</td>
<td>Market surveillance</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0005-2</td>
<td>Computerised master tariff system</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0006-1</td>
<td>Support to the balanced development of labour market services</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0007-1</td>
<td>Support to the balanced development and implementation of national drug strategies and programmes</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0007-2</td>
<td>Police training and education system</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0007-3</td>
<td>Crime prevention</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0008-1</td>
<td>Development of the agricultural support system administration</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0009-1</td>
<td>Estonian small municipalities water and wastewater EU accession investment project (SMIP)</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0009-2</td>
<td>Economic and Human Resources Development Project of South Estonia</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>ES0009-3</td>
<td>Economic and Human Resources Development Project of Ida-Viru</td>
<td>CFCU</td>
<td>N/A</td>
<td>No</td>
</tr>
</tbody>
</table>

Except where indicated above, all contracting and tendering will respect normal Phare procedures. Where projects include Twinning, the Twinning arrangements will be established according to the procedures set out in the Commission’s Twinning Manual.

Management of Funds By Estonia

The National Fund will transfer funds to IAs, including the Central Financing and Contracting Unit (CFCU), in accordance with Financing Agreements (FAs) signed between the NFs and the IAs/CFCU where applicable. Each individual FA will be endorsed in advance by the European Commission. In cases where the NF is itself the paying agent for the CFCU/IA there will be no transfer of funds from the NF to the CFCU/IA. The CFCU and the IAs must each be headed by a Programme Authorising Officer (PAO) appointed by the NAO after consultation with the NAC. The PAO will be responsible for all the operations carried out by the relevant CFCU/IA.

A separate bank account, denominated in euros will be opened and managed by the NF in a separate accounting system in the Central Bank. In principle, all bank accounts will be interest bearing. Interest will be reported to the European Commission. If the Commission so decides, on the basis of a proposal from the NAO, interest may be
reinvested in the Programme. The same procedures will apply to any funds transferred to an IA or the CFCU.

The NAO and the PAOs will ensure that all contracts are be prepared in accordance with the procedures set out in the DIS Manual.

All contracts must be concluded by 31 December 2002. All disbursements must be made by 31 December 2003. Any funds not used by the expiry date of the programme will be recovered by the Commission.

For those contracts with funds retained for a warranty period extending beyond the end of the disbursement period of the programme, the overall total of funds related to those contracts, as calculated by the PAO and established by the Commission, will be paid to the Implementing Agency before the official closure of the programme. The Implementing Agency assumes full responsibility of depositing the funds until final payment is due and for ensuring that said funds will only be used to make payments related to the retention clauses. The Implementing Agency further assumes full responsibility towards the contractors for fulfilling the obligations related to the retention clauses. Interests accrued on the funds deposited will be paid to the Commission after final payment to the contractors. Funds not paid out to the contractors after final payments have been settled shall be reimbursed to the Commission. An overview of the use of funds deposited on warranty accounts - and notably of the payments made out of them - and of interests accrued will annually be provided by the NAO to the Commission.

4. MONITORING AND ASSESSMENT

A Joint Monitoring Committee (JMC) will be established. It will include the NAO, the NAC and the Commission. The JMC will meet at least once a year to review all Phare funded programmes in order to assess their progress towards meeting the objectives set out in Financing Memoranda and the Accession Partnership. The JMC may recommend a change of priorities and/or the re-allocation of Phare funds.

The JMC will be assisted by Monitoring Sub-Committees (MSC) and will include the NAC, the PAO of each IA (and of the CFCU where applicable) and the Commission Services. The MSC will review in detail the progress of each programme, including its components and contracts, on the basis of regular Monitoring and Assessment reports produced with the assistance of external consultant (in accordance with the provisions of the DIS Manual), and will put forward recommendations on aspects of management and design, ensuring these are effected. The MSC will report to the JMC, to which it will submit overall detailed reports on all Phare financed programmes.

5. AUDIT AND EVALUATION

The accounts and operations of the National Fund, and, where applicable, the CFCU and all relevant Implementing Agencies may be checked at the Commission’s discretion by an outside auditor contracted by the Commission without prejudice to the responsibilities of the Commission and the European Union's Court of Auditors as referred to in the General Conditions relating to the Financing Memorandum attached to the Framework Agreement.
The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

6. VISIBILITY/PUBLICITY

The appropriate Programme Authorising Officer will be responsible for ensuring that the necessary measures are taken to ensure appropriate publicity for all activities financed from the programme. This will be done in close liaison with the Commission Delegation. Further details are at the Annex 6 'Visibility/Publicity'.

7. SPECIAL CONDITIONS

In the event that agreed commitments are not met for reasons which are within the control of the Government of Estonia, the Commission may review the programme with a view, at the Commission’s discretion, to cancelling all or part of it and/or to reallocate unused funds for other purposes consistent with the objectives of the Phare programme.
### Annex 3 of the Financing Proposal

#### CUMULATIVE BUDGET (total 23.983 MEUR)

<table>
<thead>
<tr>
<th>Project Code</th>
<th>Project Description</th>
<th>Investment</th>
<th>Institution Building</th>
<th>(I+IB)</th>
<th>Recipient*</th>
<th>IFI*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES0003-1</td>
<td>Social integration and language training programme for ethnic minorities in Estonia</td>
<td>127.800</td>
<td>3.012.200</td>
<td>3.140.000</td>
<td>1.400.000</td>
<td>4.540.000</td>
<td></td>
</tr>
<tr>
<td>ES0004-1</td>
<td>Strengthening good governance and accountability in the public sector of Estonia by building up sound financial management and control systems</td>
<td>1.000.000</td>
<td>1.000.000</td>
<td>350.000</td>
<td>1.350.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0005-1</td>
<td>Market surveillance</td>
<td>1.700.000</td>
<td>1.700.000</td>
<td>430.000</td>
<td>2.130.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0005-2</td>
<td>Computerised master tariff system</td>
<td>1.500.000</td>
<td>600.000</td>
<td>2.100.000</td>
<td>500.000</td>
<td>2.600.000</td>
<td></td>
</tr>
<tr>
<td>ES0006-1</td>
<td>Support to the balanced development of labour market services</td>
<td>600.000</td>
<td>1.200.000</td>
<td>1.800.000</td>
<td>208.000</td>
<td>2.008.000</td>
<td></td>
</tr>
<tr>
<td>ES0007-1</td>
<td>EU-Phare support to development and implementation of national drug strategies and programme</td>
<td>301.000</td>
<td>477.000</td>
<td>778.000</td>
<td>60.000</td>
<td>838.000</td>
<td></td>
</tr>
<tr>
<td>ES0007-2</td>
<td>Police Training and educational system</td>
<td>390.000</td>
<td>390.000</td>
<td>130.000</td>
<td>520.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES0007-3</td>
<td>Crime prevention</td>
<td>194.000</td>
<td>490.000</td>
<td>684.000</td>
<td>250.000</td>
<td>934.000</td>
<td></td>
</tr>
<tr>
<td>ES0008-1</td>
<td>Development of agricultural support system administration</td>
<td>1.290.000</td>
<td>690.000</td>
<td>1.980.000</td>
<td>770.000</td>
<td>2.750.000</td>
<td></td>
</tr>
<tr>
<td>ES0009-1</td>
<td>Estonian small municipalities water and wastewater EU accession investment project (SMIP)</td>
<td>3.371.000</td>
<td>3.371.000</td>
<td>1.864.000</td>
<td>3.013.000</td>
<td>8.248.000</td>
<td></td>
</tr>
<tr>
<td>ES0009-2</td>
<td>Economic and Human Resources Development Project of South Estonia</td>
<td>3.300.000</td>
<td>1.100.000</td>
<td>4.400.000</td>
<td>1.450.000</td>
<td>5.850.000</td>
<td></td>
</tr>
<tr>
<td>ES0009-3</td>
<td>Economic and Human Resources Development Project of Ida-Viru</td>
<td>1.650.000</td>
<td>700.000</td>
<td>2.350.000</td>
<td>770.000</td>
<td>3.120.000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td>12.333.800</td>
<td>11.359.200</td>
<td>23.693.000</td>
<td>8.182.000</td>
<td>34.888.000</td>
<td></td>
</tr>
</tbody>
</table>

1 The same as Section 5 Budget in the Financing Proposal text.

* in case of co-financing
### Annex 2b of the Financing Proposal - CUMULATIVE DISBURSEMENT SCHEDULE

#### Phare 2000 Estonian National Programme

<table>
<thead>
<tr>
<th>CUMULATIVE DISBURSEMENT SCHEDULE (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td>ES0003-1 Social integration and language training programme of ethnic minorities in Estonia</td>
</tr>
<tr>
<td>ES0004-1 Strengthening good governance and accountability in the public sector of Estonia by building sound financial management and control systems</td>
</tr>
<tr>
<td>ES0005-1 Market surveillance</td>
</tr>
<tr>
<td>ES0005-2 Computerised master tariff system</td>
</tr>
<tr>
<td>ES0006-1 Support to the balanced development of labour market services</td>
</tr>
<tr>
<td>ES0007-1 Development and implementation of national drug strategies</td>
</tr>
<tr>
<td>ES0007-2 Police training and education system</td>
</tr>
<tr>
<td>ES0007-3 Crime prevention</td>
</tr>
<tr>
<td>ES0008-1 Development of agricultural support system administration</td>
</tr>
<tr>
<td>ES0009-1 Estonian small municipalities water and wastewater EU accession investment project (SMIP)</td>
</tr>
<tr>
<td>ES0009-2 Economic and human resources development project of South Estonia</td>
</tr>
<tr>
<td>ES0009-3 Economic and human resources development project of Ida-Viru</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
</tr>
</tbody>
</table>