STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. Désirée Number: ES01.07.02
Twinning Number: ES2001/IB/FI/01

1.2. Title: "Completing preparations for the Management of EU Structural Funds (SPP+)"

1.3. Sector: Finance

1.4. Location: Estonia, Tallinn

2. Objectives

2.1. Overall Objective:
- Establishing institutional structures and improving administrative capacity in order to achieve, upon accession, sound and efficient management of Structural Funds.

2.2. Project purpose:
- Legal and administrative framework and preparations for the programming and management of EU Structural Funds assistance to be completed.

In particular, the project will aim at achieving complete conformity with EU requirements in the setting up of the administrative bodies to which the Estonian Government has entrusted responsibilities in relation to management, payment and financial control for the future implementation of the Structural funds assistance. The project will provide assistance in four areas:

1. Preparation of the draft Single Programming Document (SPD) and draft Programme Complement;
2. Development of the capacity at the bodies designated by the Estonian authorities as future managing authority (MA) and paying authorities of the SPD;
3. Completion of legal framework and harmonisation of tasks related to payment, public internal financial control and audit of Structural Funds assistance;
4. Development of an adequate project pipeline in order to ensure the absorption capacity by assisting ministries and potential intermediate bodies or final beneficiaries in identifying and preparing projects to be financed by the Structural and Cohesion Funds.
2.3. Accession Partnership and NPAA priority

The following medium – term priorities are included in the Accession Partnership 1999:

- Reinforcement of administrative and judicial capacity, including the management and control of EU funds, improving the capacity of the public administration to implement and manage the acquis, in particular through ensuring minimum staffing levels and appropriate co-ordination between ministries;

- Strengthening of economic and social cohesion. Developing national policy for economic and social cohesion for the implementation of a regional development programme and Community initiatives; improving the administrative structures, in particular inter-ministerial co-ordination for structural funds on a regular basis; organising the budgetary system and its procedures according to Structural Funds standards, including appraisal and evaluation.

The European Commission Regular Report 2000 about Estonia

The European Commission Regular Report 2000 about Estonia noted that Estonia has taken steps to improve the programming and management of the pre-accession instruments. In particular, the government has taken steps to improve co-ordination between ministries and to accelerate the preparation of the National PHARE Programme. These new procedures have been implemented in respect of the 2001 programme. Still, considerable efforts to reinforce programming capacities need to be made in order to maximise the efficient use of PHARE funds.

A reform of the PHARE management system took place in 1998 and 1999 to improve the speed, efficiency, effectiveness and transparency of PHARE activities. The recent PHARE Review Communication in 2000 continues to refine these basic management structures by further improving the bridge towards accession and the use of the Structural Funds as follows:

First, management can be fully decentralised from 2002 if the strict pre-conditions set down in the Co-ordination Regulation 1266/99 are met.

Second, PHARE programming can be moved onto a multi-annual basis if supporting strategies are in place.

Third, the trends introduced in 1997 will continue with an increased role for Delegations, further streamlining of procedures and, lastly, increasing management emphasis on raising the impact of PHARE projects in institution building, investment in compliance with the acquis and economic and social cohesion.

Since 1999 progress has been limited in the field of regional policy. Government adopted in November 1999 Regional Development Strategy establishing main priorities in the area. As far as territorial organisation is concerned the State Statistics Act, amended in June 2000, constitutes the legal basis for the adoption of the NUTS classification.
With regard to the legislative framework, the new State Budget Act, which entered into force in January 2000, allows for co-financing and three-year programming of budgetary expenditure. Furthermore, amendment to the Local Government Organisation Act entered into force in October 1999 establishing that local budgets must be based on a multi-annual plan of at least three years.

Concerning the preparation of the National Development Plan (NDP), the Ministry of Finance of Estonia submitted its document along with three Regional Development Plans to the Commission in March 2001. Furthermore a Regional Development Committee of Ministers allocates resources between different sectors on the basis of the priorities of the National Development Plan and pre-selects regional development projects before they are submitted to the government. In order to enhance administrative co-ordination, the division of responsibilities between the Ministry of Internal Affairs and Minister without portfolio responsible for regional affairs have been specified within NDP. National Regional Policy Council is responsible for the co-ordination of different activities under regional policy. For the administration of regional development programmes, government has established foundation “Enterprise Estonia”, which has 2 subsidiaries in the North-East and in the South-East of Estonia.

As regards the evaluation and monitoring system, no particular progress has been highlighted in the a.m. progress report.

The National Programme for the Adoption of Acquis 2000 notes the following priority:

- Administration building for the Structural Funds administrating which has a close link to the regional policy. Adjustment of national regional development schemes and their administration similar to EU structural funds.

2.4. Contribution to National Development Plan (NDP)

The current project focuses mainly on capacity building in the administrative sector. The project will also make an important contribution to the preparation of the Estonian draft Single Programming Document, covering the period from accession to 2006, which will build on the experience acquired with the preparation of the NDP.

2.5. Cross Border Impact

not applicable

3. Description

3.1. Background and justification

The project is a follow up to the Special Preparatory Programme (SPP) for Estonia, which started on October 1998. The objective of the SPP programme was the development of administrative capacity and necessary structures and procedures at central and local government levels for the sound and effective management of the EU pre-structural funds.
At present the Estonian legal framework does not fully comply with EU requirements, while line ministries lack the experience and skills needed to programming and implementing Structural Funds and the Cohesion Fund assistance. According to OMAS, further training is necessary for improving appraisal, monitoring and evaluation skills of civil servants at the central and local government levels.

The Estonian government will allocate ministerial responsibilities for the management of Structural Funds and for the collaboration with social and economic partners. Government decided responsibilities of the ministries for the management of Structural Funds on April 3, 2001. There will be one Managing Authority and one Paying Authority for ERDF and ESF. Agricultural Registers and Information Board will be Paying Authority for EAGGF. The concrete structures for the implementation of the Single Programming Document need to be defined and established.

Until now the programming of EU funds has been complicated, since relevant procedures have not been elaborated in detail and there is inadequate exchange of information between actors at programming, implementing and monitoring levels.

At present social and economic partners lack adequate information for active participation in programming and monitoring activities and ministries do not have appropriate information systems for collecting data for monitoring purposes. County governments and local governments are not aware of the appraisal, programming and implementing requirements and they have not been involved adequately in the monitoring of the programmes.

It has been foreseen that before the start of this project external experts will interview Estonian civil servants and prepare a Training Needs Assessment (TNA) and Training Strategy for the preparation of the Estonian public sector for the management of EU Structural Funds (see also section 3.2.2.).

Taking into account their potential role as intermediate bodies or final beneficiaries, training on EU Structural Funds throughout the regional development agencies, and central and local administrations must be organised.

All legal preparations should be completed by accession, clearly defining responsibilities of the various administrative structures (horizontal) and levels (vertical), ensuring sound and efficient management of the Structural Funds.

Estonia will have to prepare one Single Programming Document for the second half of the current programming period. The SPD will be built on a National Development Plan, which should be ready by January 1st, 2003.

It is envisaged that SPD will also cover measures and actions specifically addressing the needs of regions and of local development. This priority would include those tasks that are the responsibility of counties and local governments, according to the legal division of labour.

According to Government decision Ministry of Finance will be Managing Authority, which under the SF Regulation has the overall responsibility for the management of Structural Funds assistance. In the Ministry of Finance, there will be a programming,  

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2 TNA will be financed in the framework of the on-going Phare programme ES9803.03.03
administrating and monitoring/evaluation task to support the Managing Authority of the SPD. All concerned line ministries will have to be involved in the implementation of the SF assistance. To this end, their tasks and relationship with the Managing Authority and Paying Authorities need to be defined.

Not all tasks will be carried out on the central level. Some Ministries will be having de-concentrated implementation, such as the Ministry of Labour (through the Employment Offices), the Ministry of Agriculture (offices in all counties), and Ministry of Education.

The following bodies are foreseen at this stage to be involved in the implementation of EU Structural Funds and Cohesion Fund assistance:

- **Agricultural Registers and Information Board (ARIB)** will starting from 2001 implement the SAPARD programme, which is aimed at developing agricultural and rural life. The headquarters of ARIB are located in Tartu and regional offices are located in 15 counties. The Ministry of Agriculture has foreseen that ARIB will be involved in the implementation of measures to be co-financed by the EAGGF Guidance Section.

- **Environmental Investments Center in the Ministry of Environment** will function as an IA for Cohesion Fund environment projects.

- **The National Road Authority** will become an IA for Cohesion Fund road projects. (Estonian Railway Board may become IA for Cohesion Fund railway projects).

- "Enterprise Estonia", which consists of 5 agencies (Technology, Tourism, Investment, Export and Regional Development Agency) and 3 regional bureaus, at present co-ordinates business centres and prepares business support schemes under PHARE programme. However, it has been foreseen that "Enterprise Estonia" will be involved in the implementation of measures to be co-financed by the ERDF.

Public awareness about EU Structural Funds is low. It has been estimated that about half of the requests submitted to the European Information Office in Estonia relate to the financing opportunities from EU programmes. Information campaigns must be organised to increase awareness about management of EU assistance. Administrative capacity and procedures for the management of Structural Funds must be ready by the time of Estonia’s accession to EU. An information management system must be established for the efficient programming and implementation of the EU Structural Funds.

Project will help Ministry of Finance to establish EU project management information system The a.m. system will enable line ministries and Ministry of Finance to monitor and evaluate the implementation of the programmes.

**Linked activities:**

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### 3.2.1. ES9624 Programme Management

The objective of the programme is to strengthen the programming capacity of the Ministry of Finance. In the framework of the programme management training has been provided to the programming officers of the Ministry of Finance and to PHARE project co-ordinators in the line ministries.

### 3.2.2. ES9803.03 Programme Management

The objective of the programme is to strengthen the project management capacity of the Ministry of Finance and line ministries. In the framework of the programme management training will be provided to the senior management of the Ministry of Finance and PHARE project leaders in the line ministries.

The Ministry of Finance has organised introductory seminars also on the programming and implementation of EU Structural Funds in the framework of this programme.
3.2.3. ES9803.04.01 The Special Preparatory Programme (SPP)

The objectives of the SPP were as follows:

- Legal and administrative framework for the preparation and implementation of a National Development Programme (NDP);
- Appropriate institutional framework and budgetary procedures for the sound financial control and management of pre-structural funds;
- National Development Programme which is similar to Single Programming Document of EU Member States which receive EU support under Objective 1;
- administrative capacity to manage the pre-accession instruments: ISPA and SAPARD.

In the framework of SPP Estonia has implemented 2 pilot projects since August 1999. The objective of the first pilot project has been the development of administrative capacity on central and regional level for the management of SAPARD (pre-accession instrument for European Agricultural Guidance and Guarantee Fund-EAGGF). This pilot project has enabled to raise public awareness about SAPARD programming and implementation procedures and test institutions that are responsible for the management of SAPARD at national, regional and local level.

This pilot project benefits directly 6 counties in Southern-Estonia (Põlva, Võru, Valga, Tartu, Jõgeva and Viljandi County).

SPP industrial pilot project develops regional information and co-operation network in order to develop innovative and high-tech-oriented entrepreneurship in Ida-Virumaa and South-East Estonia. Project links R&D potential of Tartu universities and the experience of innovative Tartu Science Park companies with the business and education community.

It has been identified that Estonian line ministries have gained most from the SPP project in the following areas:

- SPP helped a lot to increase the awareness of the Ministries about EC Regulations on EU Structural Funds' and EU Member States respective management practices;
- learned from SPP how to harmonise Estonian legislation with the acquis. Representative of the Ministry of Finance chaired the legal working group, which elaborated the Regulation on procedure for application and use of external assistance, for monitoring the use of external assistance and for assessment of the effectiveness of external assistance of the Government of the Republic;
- SPP helped also to increase awareness of different methods that are used in the EU Member States for the programming of Structural Funds. Officials of the Ministry learned how to prepare National Development Plan;
- Learned new macro-economic modeling and forecasting techniques that are in use in EU Member States and in other candidate countries;
- Gained experience from SPP how to prepare implementing agencies for accreditation;
- Got experience how to prepare procedures manuals for the management of EU pre-structural funds ISPA and SAPARD;
- Learned EU sound financial management and control practices;
• Estonian public officials and representatives of the local municipalities have learned networking via SPP e-mail list;
• Estonian public officials have established contacts in EU Member States for the exchange of information on EU Structural Funds management practices.

3.2.4. PHARE Consensus III Programme

PHARE Consensus III Programme increases administrative capacity of the Ministry of Social Affairs to operate according to the EU standards and to implement the social Acquis. Programme helps to prepare administration for joining the ESF. Specific training is provided for preparing action programmes; drafting legislation; designing ESF implementation scheme(s), programming guidelines and evaluation procedures.

3.2.5. ES9803.01.03 Fisheries project

Objective of the project is to prepare Estonian fisheries sector for the accession to the EU by rising the institutional and technical capacity of institutions in the fisheries sector and by improving the management of marine fisheries resources according to Council Regulation (EC) No 3699/93, which lays down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector and for the processing and marketing of its products.

Project enables to identify EU legislative requirements for controls to be applied to structural measures in the fisheries sector and provides advise on the implementation of such legislation in Estonian law. Project will provide manual for handling structural assistance tools and monitoring the implementation according to EU requirements together with appropriate training of the available staff. In the framework of the project also draft ministerial guidelines for financial assistance in the priority fields of operation (fishing fleet, ports) will be prepared.

3.2.6. IT Masterplan for Ministry of Finance.

The overall objective is to build up IT system within the Ministry of Finance for supporting the budget process by using modern software solutions and technology. The project is targeted on the public finance sector IT Master Plan implementation. The Ministry of Finance has the following departments as stakeholders in these projects: State Budget Department, Economic Analysis Department, Treasury Department, Foreign Financing Department, Governmental Accountancy Department, IT Department. The project will be finished on September 24, 2001.

3.2.7. PHARE 2000 ESC projects:

ES 0007-2 Economic and Human Resources development project of Ida-Viru;

ES 0007-3 Economic and Human Resources development project of South-Estonia.

Projects “Economic and Human Resources Development Project of South Estonia” and “Economic and Human Resources Development Project of Ida-Viru” will strengthen administrative capacity of the South-Estonian Development Agency.
(SEDA) and Ida-Viru Development Agency (IVDA). Project will support also development of the common information system.

3.2.8. ES0004-1 project “Support to the Balanced Development of the Labour Market Services”

The PHARE 2000 project “Support to the Balanced Development of the Labour Market Services” improves the scope and quality of public employment services. This is a step towards participation in European Employment Service (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 for establishing new standards for labour market services; upgrading skills of public employment service (PES) personnel; improving work of tripartite employment councils and investing in updating the PES information technology network.

3.2.9. PHARE 2001 project proposal: ESC Structures and Instruments for implementation of Business Support measures

Project will increase administrative capacity of the Enterprise Estonia sector agencies and regional bureaus for the implementation of Business Support Schemes and management of the European Regional Development Fund.

Project supports the establishment of Project preparation facility and provides TA for the preparation of projects for SME and R&D schemes (feasibility studies, EIA-s, preparation of procurement documentation) in order to prepare for the European Regional Development Fund (ERDF). Project will provide training and workshops for EE, incl. management of EU SF and MS best practice in the use of SF.

3.3. Results:

The results expected from this project are as follows:

1. Estonian legal framework ready for the management of Structural Funds according to EU requirements;

2. Macroeconomic modelling and forecasting framework for SPD ready;

3. High quality draft Single Programming Document and draft Programme Complement prepared for the management of SF mainstream funds;

4. Ex-ante evaluation of the Single Programming Document and Program Complement ready;

5. Managing Authority (MA) /Paying Authority or Authorities (PA) ready for the management of EU SF assistance; this involves the development of the capacity of line ministries to perform the tasks delegated by the MA (and possibly the PA) and of intermediate bodies to perform tasks on behalf of the MA or PA in relation to final beneficiaries or the bodies or firms carrying out operations.
6. Fully functional management and monitoring system established for the usage of EU SF programmes;

7. Project Management Information System in accordance with Articles 18(3)(e) and 34(1)(a) of Council Regulation No 1260/1999 in place.

3.4. Activities:

A) Twinning covenant:

1.1 PAA (1 year)

Tasks of PAA:

PAA will be responsible for providing advice on the following areas, as well as keeping permanent contact with the national authorities, and supervising project implementation in their specific area of activity, including the work of short and medium-term experts.

1. General:

a) Drafts twinning covenant in co-operation with the Ministry of Finance;
b) Contracts short-term EU twinning experts and assists Ministry of Finance in drafting Terms of Reference for TA.
c) Informs steering committee about the progress of the project on quarterly basis (incl. recommendations for updating Human Resource Development Plan).

2. Programming:

a) Assists in preparing a draft SPD and draft Programme Complement fulfilling the requirements of the SF Regulation, in particular Article 19 of Council regulation 1260/1999;
b) Assists in establishing the optimum institutional arrangements for inter-ministerial co-ordination and association of the partners in accordance with Article 8 of Reg. 1260/1999 for the preparation of the draft SPD;
c) Advises Ministry of Finance and appropriate inter-ministerial co-ordination body and working groups in the preparation of the draft Single Programming Document and draft Programme Complement;
d) Organises seminar for the SPD working groups on the methodology used for the preparation of the Estonian SPD;
3. Programme monitoring:

a) Conducts training on identification of indicators for monitoring, evaluation and assessment (based on MEANS systems).

b) Assists all the concerned ministries on how to collect and analyse statistical data, quantify objectives and targets in relation to the starting situation and select indicators.

c) Prepares manual for Monitoring Unit of the Ministry of Finance on how to use performance indicators for assessing efficiency, effectiveness and impact of the SF programmes;

d) Assists the Estonian authorities in setting up the Monitoring Committee of the SPD;

e) Organises study visit for members of the Joint Monitoring Committee, secretariat of the Joint Monitoring Committee for studying the monitoring system of Structural Funds in EU Member State³.

4. Programme implementation structure for Managing Authority:

(a) Assistance in setting up and establishing the capacity of the SPD managing authority to deliver the tasks defined in Council Regulation 1260/99

(b) Assisting the Estonian authorities in preparing administrative and institutional framework required for the implementation of SF assistance in line with Council Regulation 1260/99; this involves in particular the definition in detail of the relationship and co-operation mechanisms between the managing authority and the ministries and intermediate bodies performing certain tasks under its responsibility or on its behalf and the definition of these tasks; this must be done by ensuring that the managing authority will be able to effectively take up the overall responsibility for the management of the Structural Funds assistance and to co-ordinate activities at the levels required;

(c) Drafts appropriate administrative and budgetary procedures for Managing Authority (incl. prepares guidelines for multi-annual budget planning and co-financing of Structural Funds assistance) for the management of SF, and conducts information session for Ministry of Finance on budget management practices of the EU Structural Funds programmes.

5. Other training and information activities

a) Organises local general awareness raising training seminars on the management of SF for the line ministries, country governments and local governments;

b) Organises training to line ministries on allocation of State aid;

c) Organises training on project appraisal and on financial, administrative and legal requirements for SF management to ministries and bodies concerned according to the Training Strategy;

d) Organises training for all relevant bodies on public procurement requirements, environment and equality conditions;


f) Identifies needs for further training in order to strengthen administrative capacity for the programming of Structural funds assistance (incl. suggests publications related to programming EU Structural Funds);

³ Please note that there are no funds available under Phare CBC and Community/National Programmes for financing study trip no.2.4.10.
g) Organises professional training seminars for the "regional development agents" who will be responsible for promoting development projects (incl. project management training);

h) Organises workshop on the development of Project Management Information System for the Ministry of Finance and IS Information Resources Manager of the DG Regio;

i) Co-operates with local project manager for organising local training seminars and study tours.

Profile of PAA:

1. University degree (preferably at Master Level);
2. Working experience at least 10 years;
3. Experience in programming and managing EU Structural Funds Programmes 2000-2006 (preparation of SPD and Programming Complement);
4. Experience in establishing and co-operating with Monitoring Committee Secretariat;
5. Excellent inter-cultural communication skills;
6. Fluent English;
7. Previous work experience in Central and Eastern European Countries' public administration will be advantage;
8. Moderating skills.

1.2. Twinning package

1.2.1 EU Member State Project Leader (1 year)

1. Assists PAA with the project management (incl. settlement on invoices).

1.2.2 Short-term legal twinning expert (2 calendar months over 1 year)

Tasks of the short-term legal twinning expert:

1. Assisting the Estonian authorities in preparing the legislative framework required for the implementation of SF assistance in line with Council Regulation 1260/99;
2. Identifies legal acts that have to be prepared/amended for the harmonisation of the Estonian legal framework with the EU Requirements on Structural Funds;
3. Provides assistance to implement outstanding legal harmonisation tasks in the field of payment, financial control and audit with special regard to the decentralisation process;
4. Assists Estonian administration in drafting primary and secondary legislation for the harmonisation of the Estonian legal framework with the EU Requirements on Structural Funds.

1.2.3 Short term twinning expert on improving and sustaining the macroeconomic forecasting framework for the SPD and quantitative analysis of economic impact of the Structural Funds (3 months over 1,5 years)
Tasks of Short term twinning expert on macroeconomic forecasting framework:

1. Expert will assist the national macroeconomic modelling team to incorporate the Structural Funds as a growth mechanism into the Estonian macroeconomic model, with emphasis on external and domestic co-financing aspects and the role of public investment in infrastructure and human capital.

2. Expert will assist organise study trip for members of the Estonian macro-economic modelling teams to learn how macro models are used to examine impacts of Structural Funds in EU Member States; this should include a visit to the Regional Policy DG in Brussels (units REGIO.A.1/A.3) in order to discuss in more detail the preparation of such a model for Estonia.

3. Expert will conduct training in more advanced modelling techniques for members of the Estonian macro-economic modelling team.

4. Expert will conduct an information seminar for raising awareness of senior policy-makers on the uses of the Estonian macro-economic model for policy analysis, especially with respect to impact of the Structural Funds.

5. Makes recommendations for further training needs of the Ministry of Finance for improving the research and analytical capacity for macro-economic forecasting (including suggestions for procurement of publications related to macro-economic forecasting).

1.2.4. Twinning short-term expert on ex-ante evaluation of SPD (3 calendar months over 1 years)

Tasks of twinning short-term expert on ex-ante evaluation of SPD:

1. Conducts ex-ante evaluation of SPD;

Ex-ante evaluation should include:

- SWOT analysis;
- assessment of the consistency of the strategy and targets selected underpinning the SPD with the specific features of Estonia;
- assessment of the internal coherence of the SPD;
- assessment of the degree of consistency of the SPD with Community and national policies;
- assessment of the expected impact of the planned priorities for action, quantifying as far as possible their specific targets in relation to the starting situation, where they lend themselves thereto;
- assessment of the likely socio-economic impact;
- assessment of the likely environmental impact;
- assessment of the likely impact on equality;
- comments on the adequacy of the proposed implementation, delivery and monitoring arrangements;
- drafts and integrates ex-ante evaluation into the draft SPD and, as far as possible before the end of the contract, into the draft Programme Complement;
• provides training for the Ministry of Finance, concerned line ministries and other relevant bodies on evaluation of Structural Funds assistance, with a view to creating a core capacity of evaluation units for measures co-financed by ERDF, ESF, EAGGF guidance section and FIFG.

1.2.5. Twinning short-term expert for the establishment of Paying authorities and sound public financial management and control system over SF (3 calendar months over 1 year)

This component will assist the Paying Authorities in completing the system for payments and payment certification under the Structural Funds. Furthermore, the expert will support institution building related to the establishment of internal financial control and audit system of the future EU Structural Funds assistance, with special attention given to decentralised internal audit functions in line ministries and Intermediate Bodies (3 calendar months over 1 years). It is expected that the expert will co-operate very closely with the public officials from the Paying Authorities in order to increase their administrative capacity for developing and sustaining sound financial management and control system.

Tasks of the Twinning short-term expert for Paying Authorities for the establishment of sound public financial management and control system over SF (3 calendar months over 1 years):

(a) Assists setting up the structures or strengthening the existing structures that will become responsible for payment, certification of claims, internal financial control and audit of future Structural Funds assistance, including the paying authorities to be designated under Article 9(o) of Council Regulation 1260/1999, in line with:

- Commission Regulation 438/2001 of 2 March 2001 laying down the rules for the application of Council Regulation 1260/99 regarding management and control system and
- the Commission Regulation 448/2001 of 2 March 2001 regarding the procedures for making financial correction for assistance granted under the Structural Funds.

(b) Assists developing methodology for Financial Management and Control systems as well as for standardisation of audits, risk-analysis, audit plans and reports and prevention of irregularities in close co-operation with Financial Control Department of the Ministry of Finance, PAA of the Phare 2000 project "Strengthening Good Governance and Accountability in the Public Sector of Estonia by Building up Sound Financial Management and Control System" and the State Audit Office.

(c) Prepares list of eligible cost (factsheets) and manual for the implementation of EU SF Programmes for Paying Authorities;

(d) Prepares relevant financial management and control procedures manual for the Intermediate Bodies for the sound and efficient implementation of EU SF assistance.
(e) Organises study trip to 5 senior administrators from each Paying Authority to appropriate Paying Authorities in EU Member States.

1.2.6. Technical Assistance for the preparation of project pipeline (2 calendar month over 1 year)

In the framework of the Twinning Covenant activities related to the preparation of project pipeline for the preparation for EU Structural Funds and Cohesion Fund will be subcontracted to the private sector.

Tasks of the TA experts:

1. Assist Ministry of Social Affairs and Ministry of Agriculture in establishing Project Preparation Facility for the preparation of EU Structural Funds projects;
2. Assist Ministry of Transport and Communication and Ministry of Environment in establishing Project Preparation Facility for the preparation of EU Cohesion Fund projects;
3. Provide training to Ministries and Intermediate Bodies on the preparation of projects to be financed from EU Structural Funds and Cohesion Fund;
4. Assist Ministries and Intermediate Bodies in preparing environmental impact assessment and feasibility studies for projects to be financed from EU Structural Funds and Cohesion Fund;
5. Provide training to Ministries and Intermediate Bodies on preparing environmental impact assessment and feasibility studies for projects to be financed from EU Structural Funds and Cohesion Fund.

Profile of TA experts:

- Very good knowledge and experience (at least 5-10 years) in project management,
- Excellent knowledge of EU requirements for SF and CF projects;
- Fluent English;
- Experience in preparation of SF and CF projects is highly suggested;
- Working experience in Central and Eastern Europe is highly suggested.

1.2.7. Training and information activities

SPP+ will not support the establishment of Project Preparation Facility for the ERDF. Project Preparation Facility for the preparation of the ERDF type projects will be set up in the framework of the Phare 2001 project "ESC Structures and Instruments for implementation of Business Support measures".

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4 SPP+ will not support the establishment of Project Preparation Facility for the ERDF. Project Preparation Facility for the preparation of the ERDF type projects will be set up in the framework of the Phare 2001 project "ESC Structures and Instruments for implementation of Business Support measures".
PAA will organise with the help of EU ST twinning experts training and study tours according to the Training Strategy, which will be updated with assistance of twinning. Training Strategy will be based on training Needs Assessment.

The main target groups that will be trained during the implementation of the project will be:

- Deputy Secretary Generals
- Heads of Departments
- Senior Advisers/Specialists/Experts
- Managing Authority
- Paying Authorities
- Intermediate bodies

Each of them is likely to have different roles in relation to Structural Funds, and therefore require different training. Senior ministry staff will be concerned predominately with developing policies and strategies for Structural Funds, while Intermediate Bodies and Implementing Agencies are likely to concentrate on the Project Life Cycle as well as on very specific technical issues. Paying Authorities, on the other hand, will be most concerned with other technical matters and procedures.

The resulting classes of training will, in particular, consist of:

Administering Structural Funds: specific procedures, linked directly to an agreed Structural Funds Project Life Cycle (SFPLC):

- Phase 1: Pre-application;
- Phase 2: Application;
- Phase 3: Tendering, application of procurement rules, etc;
- Phase 4: Project implementation –budgetary control; contracting etc;
- Phase 5: Monitoring and Evaluation.

Indicative needs for training based on the Training Needs Analysis:

See Annex 4: Detailed list of TOP 10 Training Needs:
a) based on the importance of the subject
b) based on the gap between current knowledge level and required skills

B) Technical Assistance (TA) contracts:

2.1. **TA for the development of the Project Management Information System for the management of Structural Funds and Cohesion Fund programmes (6 calendar months over 1 years).**

Tasks of the Short-term experts for the development of Project Management Information System:

---

Concrete needs for training and study tours on SF will be identified in the Human Resource Development (HRD) Plan to be prepared by the HRD expert (see also point 2.2.).
1. Assist the future managing authority in setting up a system for the computerised collection and exchange of the data referred in Articles 36 and 43 of Regulation 1260/1999, in accordance with specific technical arrangements to be agreed with the European Commission; to that end, finalise development of software for the Project Management Information System (incl. projects register) at all levels of administration (national and regional) for managing Structural Funds assistance, which will be linked by an electronic and telecommunication network compatible with the Commission reporting system (also collects physical indicators of progress and impact for reporting) in close co-operation with Ministry of Finance

2. Train Ministry of Finance and line ministries to use Project Management Information System;

3. Develop and install functioning accounting information systems for the PA/IA and link them by an electronic network to the general Project Management Information System;

4. Train accountants of the Paying Agencies to use the accounting information systems and Project Management Information System.

C) Investment: supply contract

3.1. Procurement of software and hardware for IT system

- Foreign Financing Department of the Ministry of Finance will prepare Terms of Reference for the procurement of software and hardware for the Management Information System in co-operation with the Information Technology Department and PAA.

4. Institutional Framework

Foreign Financing Department

The beneficiary institution of the project is the Ministry of Finance, Foreign Financing Department. The Acting Head of Foreign Financing Department in the Ministry of Finance Mr. Ivar Sikk will be responsible for the development and overall execution of the project. Foreign Financing Department will serve as Secretariat for the project.

Foreign Financing Department was recently restructured. Department consists of 3 units: Programming Unit, Administration Unit and Monitoring Unit. Planning unit is responsible for planning Estonian foreign financing (both foreign assistance and loans). Administration Unit is responsible for the management of foreign loans and assistance. Monitoring Unit serves as secretariat for the Joint Monitoring Committee for the EU Programmes. Department is equipped with furniture and Personal Computers, which all have internet connection.

There are 13 public officials working in the Foreign Financing Department. All of them have higher education. All are fluent in English and have good computer skills. The average age of the officials is 28 years. Officials are trained for the preparation and implementation of Phare programmes. At least 4 officials managed also previous Phare Special Preparatory Programme for EU Structural Programmes.
Foreign Financing Department has Estonian Foreign Aid Database, which provides information for the preparation of Estonian Annual Foreign Assistance Reports for the Cabinet meetings, however it has been recognised that the database is outdated and has to be modernised, since it can not be up-dated at present via on-line. Database should become Estonian Common Database for EU Structural Funds.

Foreign Financing Department gets Technical Assistance from CFCU. CFCU has smaller database for on-going Phare programmes. CFCU has started the development of Management Information System.

Deputy Secretary General will chair the evaluation committee for selecting contractor for the further development of the Management Information System in the framework of the post-SPP project and appoint the “engineer” for the implementation of the software development component of the project.

It has been envisaged that IT system will be developed for the computerised exchange of data needed for the management, monitoring and evaluation of four EU Structural Funds and in the framework of the future single managing authority.

Following line ministries will become owners of the software licenses that will be procured in the framework of the project: Ministries of Economic Affairs, Social Affairs, Agriculture, Internal Affairs, Environment and Transport and Communications.

Acting Head of the Foreign Financing Department is responsible for submitting quarterly reports of the project to the Programming Officer.

In carrying out his responsibilities Acting Head of the Foreign Financing Department will be assisted by:

- Reference Group;
- Steering Committee;
- Local Project Manager;
- Programming Officer;
- Foreign Financing Department of the Ministry of Finance;
- International Relations Department of the Ministry of Finance;
- Ad hoc working groups;
- External experts.

The Reference Group
Secretary-General of the Ministry of Finance would set up a Reference Group by the time of the beginning of the project. It shall be composed of professional experts from private and public sector and the academic field. Reference Group will be responsible for advising Steering Committee on the strategic management of the project.

The Steering Committee
A Steering Committee will be established and chaired by Deputy Secretary-General Mr. Renaldo Mändmets. Local project leader will be responsible for the daily project management, co-operation with foreign experts and reporting to the Steering Committee. Project manager, Programming Officer and representative of line Ministries and Delegation of the European Commission will participate in the steering committee.
Local Project manager

Local Project manager will be hired by the Ministry of Finance. He/She will be responsible for co-operating with PAA.

Tasks of the Local Project manager:

b) Organises local training seminars and study tours (incl. sends invitations and agenda of the study tour at least 2 weeks before training to the trainees, organises translation for the seminars, arranges local and international travelling, accommodation, catering, training materials, rental of IT equipment etc.) and evaluates its effectiveness.

c) Organises procurement, translating and publishing of study materials (incl. organising editing of PowerPoint slides and publications on SF)
d) preparing requests for funds and quarterly reports of the project to the Head of the Foreign Financing Department
e) Organises Steering Committee meetings (incl. drafts minutes).

Programming Officer

Head of the International Relations Department, Mr. Andres Kuningas will be the Programming Officer of the project.

Programming Officer will be the employer of the project. Programming Officer is responsible for submitting semi-annual progress reports to the CFCU and for endorsing and submitting quarterly twinning reports to the CFCU.

Programming Officer is responsible for the co-ordination of the project with other on-going foreign assistance programmes under the governance of the Ministry of Finance.
5. **Detailed Budget (MEUR)**

| A+B | Institution Building | 0.965 | 0.965 | 0.445 | 1.410 |
| A   | Twinning            | 0.845 | 0.845 | 0.335 | 1.180 |
| 1.0 | Twinning covenant preparation costs (max 20 mandays) | 0.010 | 0.010 | 0.005 | 0.015 |
| 1.1 | Pre-Accession adviser (1 year) | 0.150 | 0.150 | 0.125 | 0.275 |
| 1.2 | Twinning package     | 0.685 | 0.685 | 0.205 | 0.890 |
| 1.2.1 | EU MS Project Leader (1 year) | 0.085 | 0.085 | 0.0 | 0.085 |
| 1.2.2 | Twinning short-term legal expert (2 calendar months) | 0.040 | 0.040 | 0.055 | 0.095 |
| 1.2.3 | Twinning short-term expert on improving and sustaining the macroeconomic forecasting framework for the SPD (3 calendar months) | 0.060 | 0.060 | 0.030 | 0.090 |
| 1.2.4 | Twinning short-term expert on ex-ante evaluation of SPD (3 calendar months) | 0.060 | 0.060 | 0.020 | 0.080 |
| 1.2.5 | Twinning short-term expert for the establishment of sound public financial management and control system over SF (3 calendar-months) | 0.060 | 0.060 | 0.060 | 0.120 |
| 1.2.6 | Technical Assistance for the preparation of project pipeline | 0.040 | 0.040 | 0 | 0.040 |
| 1.2.7 | Training and information activities | 0.340 | 0.340 | 0.040 | 0.380 |
| B  | Technical Assistance | 0.120 | 0.120 | 0.110 | 0.230 |
| 2.1 | TA for the development of the Project Management IS (6 calendar months) | 0.120 | 0.120 | 0.110 | 0.230 |
| C  | Investment          | 0.235 | 0 | 0.235 | 0.150 | 0.385 |
| 3.1 | Soft- and hardware for IT system (incl. bookkeeping software) | 0.235 | 0 | 0.235 | 0.150 | 0.385 |
| Total |                      | 0.235 | 0.965 | 1.200 | 0.595 | 1.795 |
National co-financing:
Ministry of Finance and line ministries will provide experts of the EU Member States with the required facilities for professional use free of charge. Ministries will pay MS experts’ telephone and fax bills and other office costs from the Estonian State Budget 2002-2003. Ministry of Finance will cover salary costs of the Local project manager and officials who will be responsible for the implementation of the project in co-operation with other involved ministries. Line Ministries will cover international travelling costs of the Estonian related to study tours to EU Member States.

PHARE:
PHARE will finance Twinning, TA and investment contracts. Daily allowances of the Estonian officials who will attend study tours to EU Member States will be covered by PHARE.

6. Implementation Arrangements

6.1. Implementing Agency

Central Financing and Contracting Unit (CFCU) of the Ministry of Finance will be the Implementing Agency for the project. The Commission will transfer funds to National Fund Department in accordance with the Memorandum of Understanding signed between the Commission and Estonian Ministry of Finance. The National Fund will transfer funds to the CFCU in accordance with Financing Agreement signed between the NF and the CFCU.

Transfer of funds will be based on cash-flow projections and detailed budget breakdown of the project in accordance with the PHARE 2001 Financing Memorandum. CFCU will make request for funds based on the semi-annual advance payment progress report prepared by the Programming Officer (PO). CFCU will be responsible for the payments to the contractor.

CFCU will be responsible for the tendering, contracting and disbursement of the TA and investment component of the project in line with the DIS procedure. CFCU will be also responsible for disbursements of the twinning component.

Programme Authorising Officer (PAO):
Mr Renaldo Mändmets
Deputy Secretary-General
Ministry of Finance
Suur-Ameerika 1, Tallinn 15006
Phone: (+372) 6 113 545
Fax: (+372) 6 966 810
E-mail: rendaldo.mandmets@fin.ee

Programme Officer (PO):
Mr Andres Kuningas
Head of Foreign Relations Department
Ministry of Finance
Suur-Ameerika 1, Tallinn 15006
Phone: (+372) 6 113 640
Fax: (+372) 6 966 811
E-mail: andres.kuningas@fin.ee

Contact data of the CFCU:
Mr. Marko Rillo
Director of the CFCU
Ministry of Finance
Suur-Ameerika 1, Tallinn 15006
Phone: (+372) 6 113 012
Fax: (+372) 6 966 811
E-mail: marko.rillo@fin.ee

6.2. Twinning

Beneficiary institution of the twinning covenant is Ministry of Finance.

Estonian PAA counterpart will be:

Mr Ivar Sikk, Acting Head of Foreign Financing Department
Phone: (+372) 6113011; ivar.sikk@fin.ee.

The Ministry of Finance will contract local project manager for the whole duration of the project.

According to the Twinning Covenant, activities related to the preparation of project pipeline for EU Structural Funds and Cohesion Fund (budget line 1.2.6) will be subcontracted to the private sector. Procedure for sub-contracting: initiated and tendered by the MS and CC project leader. CFCU undertakes contracting.

Local project manager will assist PAA in organising local seminars and study tours to the EU Member States.

<table>
<thead>
<tr>
<th>Short-term EU twinning experts</th>
<th>Estonian Counterpart in the Ministry of Finance</th>
</tr>
</thead>
</table>
| 1.1. PAA                      | Mr Ivar Sikk, Acting Head of Foreign Financing Department
|                               | Phone: (+372) 6113011; ivar.sikk@fin.ee         |
| 1.2.2 Twinning ST legal expert (2 calendar months) | Mr Ivar Sikk, Acting Head of Foreign Financing Department
|                               | Phone: (+372) 6113011; ivar.sikk@fin.ee         |
| 1.2.3 Twinning ST expert on improving and sustaining the macroeconomic forecasting framework for the SPD (3 calendar-months) | Mr Alvar Kangur;
|                               | Economic Analysis Department
|                               | Phone: (+372) 6113503; alvar.kangur@fin.ee      |
Twinning ST expert on ex-ante evaluation of SPD (3 calendar-months)  
Mr Ivar Sikk, Acting Head of Foreign Financing Department  
Phone: (+372) 6113011; ivar.sikk@fin.ee

Twinning short-term expert for the establishment of sound public financial management and control system over SF (3 calendar-months)  
Ms Kersti Karileet;  
Head of the National Fund Department  
Phone: (+372) 6 113 783  
Kersti.Karileet@fin.ee

6.3. Non-standard aspects  
The DIS Manual will be strictly followed.

6.4. PHARE Contracts (MEUR)  
A) Twinning covenant  
0.845 MEUR

B) Classical Technical Assistance:  
0.120 MEUR

2.1 TA for the development of software for the Project Management IS  
(6 cm)  
0.120

C) Investment contract:  
3.1 Supply contract: hardware for Project Management IT system  
0.235

Total PHARE support for the project:  
1,200

7. Implementation Schedule

7.1. Start of tendering/call for proposals  
July 2001

7.2. Start of project activity  
December 2001

7.3. Project Completion  
January 2003

8. Equal Opportunity

Equal opportunities for men and women will be assured and supervised by the Steering Committee.

9. Environment  
n/a

10. Rates of return  
n/a

11. Investment criteria
11.1 Catalytic effect: PHARE support catalyses the pre-preparation of the Estonian public administration for the management of EU Structural Funds.

11.2 Co-financing: The total co-financing from the National State budget is 595 000 EUR. All costs of the Estonian public officials concerning the project will be covered from the Estonian State Budget (See also section 5).

11.3 Additionality: PHARE funds will not replace other financiers.

11.4 Project readiness: Ministry of Finance will prepare twinning covenant by December 2001.

11.5 Sustainability: in order to ensure the sustainability of the Project Management Information System the Ministry of Finance will finance the operating costs of the system. Ministry of Finance will take measures for staff development in order to benefit fully from the experience and results gained during the implementation of this PHARE project.

11.6 Compliance with state aid provisions: Investments respect the state aid provisions of the Europe Agreement.

12. Conditionality and sequencing

- Inter-ministerial procedures and working groups for the preparation of the draft SPD and draft Programme Complement and for associating the partners in accordance with Article 8 of Council Regulation (EC) 1260/1999 decided by the Government of the Republic before the signature of the Financial Memorandum;
- Responsibilities of the Ministries for the management of Structural Funds assistance decided by the Government of the Republic; the future management authority and the future paying authorities should be formally designated before the signature of the Financial Memorandum;
- Training Needs Assessment for the strengthening of the administrative capacity for the management of EU Structural Funds ready;
- Feasibility study for the development of Project Management Information System ready.
### LOGFRAME PLANNING MATRIX FOR

**Completing preparations for the Management of EU Structural Funds (SPP+)**

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Number ES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Objective</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
</tbody>
</table>
| Legal and administrative framework in Estonian public sector ready for the sound and efficient programming and usage of EU Structural Funds. | 1. Single Programming Document approved by the Commission  
2. Implementing Agencies (IA) /paying agencies (PA) assessed by the European Commission  
3. Procedures of the Managing and Monitoring Committees for SF approved by the Government | 1-3.EC reports | 1. NDP implemented  
2. Estonian population supports integration to EU  
3. Estonian public sector manages effectively and efficiently EU Structural Funds;  
4. Structures ready for the administration of EU Structural Funds. |
| **Results** | **Objectively verifiable indicators** | **Sources of Verification** | **Assumptions** |
| 1. Estonian legal framework ready for the management of Structural Funds according to EU requirements;  
2. Macroeconomic modeling and forecasting framework for SPD ready;  
3. High quality Single Programming Document and Program Complement prepared for the management of SF mainstream funds according to EU requirements;  
4. Ex-ante evaluation of the Single Programming Document and Program Complement ready according to EU | 1.1 legal drafts ready by October 2002;  
2.1 macroeconomic modeling and forecasting framework for SPD ready by the end of 2001;  
2.2. Multi-institutional macro-economic team trained  
3.1 programming guidelines for consulting with social partners drafted by January 2003;  
3.2. Draft SPD and Programme Complements drafted by January 2003;  
2. SPD approved by the Estonian Government |
5. Managing Authority (MA) /Paying Authority (PA) and line ministries ready for the management of EU SF programmes according to EU requirements;

6. Fully functional management and monitoring system established for the usage of EU SF programmes according to EU requirements;

7. Project Management Information System in place;

8. Intermediate Bodies ready for the usage of the EU Structural Funds;

5.1 Procedures and criteria for the selection of investment and institution building projects within a SPD prepared by the end of 2002;

5.2. Manual for implementing agencies and intermediate bodies prepared, which gives overview of the eligible expenditures and tendering procedures for the Structural Funds programmes;

5.3. IA and intermediate bodies accredited by the Managing Authority by the end of 2002

6.1. Managing Authority and line ministries have trained staff (total 100 officials) by December 2002

6.2. Procedures for Managing Committee and Monitoring Committees prepared for the management of SF by mid 2002;

7.1. Computerised management and information system set up at MOF and line-ministries by January 2003.

7.1-8.2. Measured by the Project Steering Committee based on the contractor’s quarterly progress reports

8.1. 45 Regional Development Agents certified and 40 persons in Intermediate Bodies trained;

8.2. No of projects drafted

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs Phare</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Twinning</td>
<td></td>
<td>A. Twinning Covenant</td>
<td>A 0,845 MEUR</td>
</tr>
<tr>
<td>1.0 Twinning covenant preparation costs (max 20 mandays)</td>
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<tr>
<td>1.1 Pre-Accession adviser (1 year)</td>
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<tr>
<td>1.2 Twinning package</td>
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<tr>
<td>1.2.1 EU MS Project Leader( 1 year)</td>
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<tr>
<td>1.2.2 Twinning short-term legal expert (2 calendar months)</td>
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<tr>
<td>1.2.3 Twinning short-term expert on improving and sustaining the macroeconomic forecasting</td>
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<tr>
<td></td>
<td>Framework for the SPD (3 calendar months);</td>
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<tr>
<td>1.2.4</td>
<td>Twinning short-term expert on ex-ante evaluation of SPD (3 calendar months);</td>
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<tr>
<td>1.2.5</td>
<td>Twinning short-term expert for the establishment of sound public financial management and control system over SF (3 calendar-months)</td>
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<tr>
<td>1.2.6</td>
<td>Technical Assistance for the preparation of project pipeline</td>
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<tr>
<td>1.2.7</td>
<td>Training and Information Activities</td>
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<td></td>
</tr>
<tr>
<td>B. Technical Assistance</td>
<td></td>
<td>B. PHARE TA contracts</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>TA for the development of software for the Project Management IS (6 calendar months),</td>
<td>2.</td>
<td>TA service contract</td>
</tr>
<tr>
<td>C. Investment</td>
<td></td>
<td>C. Investment: Phare supply contract</td>
<td></td>
</tr>
<tr>
<td>3.1.</td>
<td>Soft- and hardware for IT system (incl. bookkeeping software)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>B. Total PHARE TA: 0,120 MEUR</th>
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<tbody>
<tr>
<td>2.</td>
<td>Phare support: 0,120 MEUR</td>
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<tr>
<td>C.</td>
<td>Phare support: 0,235 MEUR</td>
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<tr>
<td>Total Phare support: 1,2 MEUR</td>
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</tbody>
</table>

**Pre-conditions**

- Responsibilities of the Ministries for the management of EU Structural Funds decided by the Government of the Republic;
- Training Needs Assessment for the strengthening of the administrative capacity for the management of EU Structural Funds ready;
- Feasibility study for the development of Project Management Information System ready.
## TIME IMPLEMENTATION CHART

**Project Title:** Completing preparations for the Management of EU Structural Funds (SPP+)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity Details</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Twinning: PAA</td>
<td></td>
<td></td>
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<tr>
<td>1.2.2 Twinning short-term legal expert</td>
<td></td>
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<tr>
<td>1.2.3 Twinning short-term expert on improving and sustaining the</td>
<td>macroeconomic forecasting framework for the SPD</td>
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<td></td>
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<tr>
<td>1.2.4 Ex-ante evaluation of the SPD</td>
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<tr>
<td>1.2.5 Admin. framework for implementation of SF</td>
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<td></td>
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<tr>
<td>B) Technical Assistance</td>
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<tr>
<td>2.1 TA for the development of the Project Management System</td>
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<td></td>
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<tr>
<td>C) Investment</td>
<td></td>
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</tr>
</tbody>
</table>

| months | J | F | M | A | M | J | A | S | O | N | D | J | F | M | A | M | J | A | S | O | N | D |
| 1.1    |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 1.2.2  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 1.2.3  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 1.2.4  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 1.2.5  |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| B)     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 2.1    |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| C)     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

**ANNEX 2**
### Project Title: Completing preparations for the Management of EU Structural Funds (SPP+)

#### CUMULATIVE CONTRACTING SCHEDULE (MEUR)

<table>
<thead>
<tr>
<th>2001</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
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<tbody>
<tr>
<td>Institution Building</td>
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<td>0.965</td>
<td>0.965</td>
<td>0.965</td>
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<td>0.965</td>
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<tr>
<td>A) Twinning</td>
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<td>0.845</td>
<td>0.845</td>
<td>0.845</td>
<td>0.845</td>
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<tr>
<td>B) Technical Assistance</td>
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<td>0.120</td>
<td>0.120</td>
<td>0.120</td>
<td>0.120</td>
<td>0.120</td>
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<tr>
<td>2.1. TA for the development of software for the Project Management IS</td>
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<td>0.120</td>
<td>0.120</td>
<td>0.120</td>
<td>0.120</td>
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<tr>
<td>c) Investment</td>
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<td></td>
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<td>0.235</td>
<td>0.235</td>
<td>0.235</td>
<td>0.235</td>
</tr>
<tr>
<td>Supply Contract: hardware for IT system (incl. Bookkeeping software)</td>
<td></td>
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<td>0.235</td>
<td>0.235</td>
<td>0.235</td>
<td>0.235</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.120</td>
<td>0.965</td>
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<td>1.200</td>
<td>1.200</td>
<td>1.200</td>
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</tr>
</tbody>
</table>
## Project Title: Completing preparations for the Management of EU Structural Funds (SPP+)

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th></th>
<th></th>
<th>2002</th>
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<tbody>
<tr>
<td></td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
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<tr>
<td>Institution Building</td>
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<td>A) Twinning</td>
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<td>B) Technical Assistance</td>
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<td>0.112</td>
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<tr>
<td>2.1. TA for the development of software for the Project Management IS</td>
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<td>c) Investment</td>
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<td>0.235</td>
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<tr>
<td>Supply Contract: hardware for IT system (incl. Bookkeeping software)</td>
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<td>TOTAL</td>
<td>0.281</td>
<td>0.685</td>
<td>0.854</td>
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TRAINING NEEDS ANALYSIS IN RELATION TO STRUCTURAL FUNDS

Project Title: Completing preparations for the Management of EU Structural Funds and (SPP+)

<table>
<thead>
<tr>
<th>TOP 10 Training Needs based on the importance of the subject</th>
<th>TOP 10 Training Needs based on the gap between current knowledge level and required skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>(% showing importance)</td>
<td>(% showing gap)</td>
</tr>
<tr>
<td>1. EU background, institutions, law system etc.</td>
<td>1. Principles and methods of policy planning</td>
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<td>3. Presentation techniques and computer programmes for presentation</td>
<td>3. ERDF – European Regional Development Fund</td>
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<tr>
<td>4. Programming and administrating experiences of structural funds in EU countries</td>
<td>4. Presentation techniques and computer programmes for presentation</td>
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<tr>
<td>5. Supervision principles and procedures</td>
<td>5. Socio-economical evaluation</td>
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<td>6. Preparation and managing effective meetings</td>
<td>6. Preparation of manuals and procedures for structural funds</td>
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<tr>
<td>7. Effective teamwork</td>
<td>7. Public procurement, environment and equal opportunities</td>
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<td>8. Using project registers and databasis</td>
<td>8. Supervision and Evaluation principles and procedures</td>
</tr>
<tr>
<td>10. EAGGF – European Agricultural Guidance and Guarantee Fund</td>
<td>10. Time management</td>
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