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: 2002/000-579
Title: Phare National Programme for Estonia in 2002 – Second Part
Duration: Until 30/11/2004

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of 25.307.650 € 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 30/11/2004 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 30/11/2005. In the case of the project 05.04: “Minimalisation of number of rabies cases among wild and domestic animals in Estonia”, however, the deadline for disbursements is 31 March 2006, given the fact that the last vaccination campaign will take place in autumn 2005.

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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 Harri Ounapuu  
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.
for THE RECIPIENT

for THE COMMUNITY

Encl.
1. Framework Agreement (Annexes A & B)
2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)
FRAMEWORK AGREEMENT

The Commission of the European Communities, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Economic Community, hereinafter referred to as "the Community"
of the one part, and

The Government of Estonia, of the other part,

and together, jointly referred to as "the Contracting Parties".

Whereas until 31.12.1991 Estonia is eligible to be a recipient under the Community's programme of Technical assistance to the USSR as provided for in Council Regulation (EEC, EURATOM) n° 2157/91 of 15 July 1991,

Whereas from 1.1.1992 Estonia will be eligible to be a recipient under the Community's aid programme PHARE as provided for in Council Regulation No 3906/89 of 18 December 1989 as last amended by Regulation No

Whereas it is fitting that the technical, legal and administrative framework within which MEASURES financed in Estonia under the Community's aid programme shall be executed, should be laid down.

HAVE AGreed AS FOLLOWS:

ARTICLE 1

In order to promote cooperation between the Contracting Parties with a view to supporting the process of economic and social reform in Estonia, the Contracting Parties agree to implement MEASURES in the field of financial, technical, and other forms of cooperation as specified in the said Regulation, which shall be financed and implemented within the technical, legal and administrative framework laid down in this Agreement. The specific details of each MEASURE (or set of MEASURES) shall be set out in a memorandum to be agreed between the Contracting Parties (hereinafter referred to as "the financing memorandum"), a model of which is provided in annex C.

Estonia takes all necessary steps in order to ensure the proper execution of all measures.

ARTICLE 2

Each MEASURE which is financed within the framework of this Agreement shall be implemented in accordance with the General Conditions set out in Annex A hereto, which shall be deemed to be incorporated in each financing memorandum. The financing memorandum may vary or supplement the General conditions as may be necessary for the implementation of the measure in question.
ARTICLE 3

For matters relating to the MEASURES financed within the framework of this Agreement, the COMMISSION shall be represented in Estonia by its Delegation in Tallin once it is established which shall ensure, on behalf of the COMMISSION, that the MEASURE is executed in accordance with sound financial and technical practices.

ARTICLE 4

When the Contracting Parties so agree, the COMMISSION may delegate all or part of its responsibility for implementation of a MEASURE to a third party.

In that event the terms and conditions of such delegation shall be set forth in an agreement to be concluded between the COMMISSION and the third party, subject to the consent of the Government of Estonia.

ARTICLE 5

Any dispute relating to this Agreement which cannot be resolved by consultation shall be settled according to the arbitration procedure referred to in Annex B.

ARTICLE 6

This Agreement is drawn up in the English language in two original copies.

ARTICLE 7

This Agreement shall enter into force on the day the Contracting Parties inform each other of its approval in accordance with the existing internal legislation or procedure of each of the Parties. The Agreement shall continue to be in force for an indefinite period unless terminated upon written notification by one of the Contracting Parties to the other.

On termination of this Agreement any MEASURE still in the course of execution shall be carried out to its completion in accordance with the terms of the financing memorandum relating thereto, and of the General Conditions set out herein.

ARTICLE 8

The provisions of this Agreement shall also apply to technical cooperation and other operations convened between the Contracting Parties which by their nature are not covered by a specific memorandum financed under the PHARE aid programme at the request of the Government of Estonia.
The Annexes shall be deemed an integral part of this Agreement.

Done at Tallinn on

THE GOVERNMENT OF ESTONIA

THE COMMUNITY
ANNEX A
GENERAL CONDITIONS RELATING TO FINANCING MEMORANDA

In these General Conditions the term "THE RECIPIENT" shall be understood as referring to the Government of the Republic of Estonia.

TITLE I - FINANCING OF PROJECTS

ARTICLE 1 - COMMITMENT OF THE COMMUNITY

The commitment of the Community, hereinafter referred to as "the EEC Grant", the amount of which is laid down in the financing memorandum, shall determine the limit within which commitment and execution of payments shall be carried out through duly approved contracts and estimates.

Any expenditure over and above the EEC Grant shall be borne by THE RECIPIENT.

ARTICLE 2 - AVAILABILITY OF THE EEC GRANT

Where the execution of a MEASURE depends on financial commitments from THE RECIPIENT'S own resources or from other sources of funds, the EEC Grant shall become available at such time as the financial commitments of THE RECIPIENT and/or the other sources of funds, as set out in the financing memorandum, themselves become available.

ARTICLE 3 - DISBURSEMENT

Contracts are eligible for disbursements under this financing memorandum only if they are concluded before the expiry date of the Financing Memorandum. Disbursements on such contracts may take place during a maximum period of 12 months after the expiry date of the Financing Memorandum. Any exceptional extension of this period must be approved by the Commission.

Within the limit set on the EEC Grant, requests for funds in the form of a work programme shall be presented to the Commission Delegation by the RECIPIENT in accordance with the schedule set out in the financing memorandum. Documentary evidence relating to payments made in respect of THE MEASURE shall be made available in support of the request for funds, where the Commission so requires.

However, certain contracts covered by THE MEASURE may provide for direct payment by THE COMMISSION to the contractors. Each contract shall lay down the rate and the time of such payments, together with the documentary evidence to be produced.

For the part of the programme implemented by the Recipient, the Implementing Authority shall submit in a Work Programme and not later than 9 months before the expiry date of the Financing Memorandum, for approval by the Commission the contracts that still have to be concluded for the implementation of the programme. The Work Programme should include proposals for the utilisation of the net interests accrued on the accounts opened in the implementation of the programme, under the condition that the whole of the EC grant will be previously committed.

As regards MEASURES executed on the basis of prepared estimates, a first payment instalment which, save where the financing memorandum otherwise provides, shall not exceed 20% of the amount of the estimate approved by THE COMMISSION, may be made in favour of THE
RECIPIENT in order to facilitate the launching of THE MEASURE. Other payment instalments shall be made available, at the request of THE RECIPIENT, subject to the same conditions set out in the paragraph 2 above.

**TITLE II - PROCUREMENT**

**ARTICLE 4 - GENERAL**

The procedure to be followed for the conclusion of works, supplies, and technical cooperation contracts, shall be laid down in the financing memorandum following the principles set out below.

**ARTICLE 5 - CONDITIONS OF PARTICIPATION**

1. Save under the conditions of art.6 THE COMMISSION and THE RECIPIENT take the MEASURES necessary to ensure equality of conditions for participation in such contracts, in particular by publication, in due time of invitations to tender. Such publication is to be made for the Community at least in the Official Journal of the European Communities and for the beneficiary states in the appropriate official journal.

2. General conditions of contracts shall be drawn up in conformity with the models in international use, such as the general regulations and conditions for supply contracts financed from PHARE funds.

**ARTICLE 6 - DEROGATION FROM STANDARD PROCEDURES**

Where the urgency of the situation is recognized or where justified on account of the nature, minor importance, or particular characteristics of certain MEASURES, (for example two stage financing operations, multi-phased operations, particular technical specifications, etc.), and related contracts, THE RECIPIENT may, in agreement with THE COMMISSION, exceptionally authorize:

- the placing of contracts after restricted invitations to tender;
- the conclusion of contracts by direct agreement;
- the performance of contracts through public works departments.

Such derogation shall be laid down in the financing memorandum.

**ARTICLE 7 - AWARD OF WORKS AND SUPPLIES CONTRACTS**

THE COMMISSION and THE RECIPIENT shall ensure that for every operation, the offer selected is economically the most advantageous, particularly in view of the qualifications and guarantees offered by the tenderers, the cost and quality of the services, the nature and conditions for execution of the works or supplies, their cost of utilization and technical value.

Results of the invitations to tender shall be published in the Official Journal of the European Communities as quickly as possible.

**ARTICLE 8 - TECHNICAL COOPERATION CONTRACTS**

1. Technical Cooperation contracts, which may take the form of studies, supervision of works or technical assistance contracts, shall be concluded after direct negotiation with the consultant or when technical, economic or financial reasons so justify, following invitation to tender.

2. Contracts shall be drawn up, negotiated and concluded either by THE RECIPIENT or by THE COMMISSION when the financing memorandum so provides.
3. Where contracts are to be drawn up, negotiated and concluded by THE RECIPIENT, THE COMMISSION shall put forward a short list of one or more candidates on the basis of criteria guaranteeing their qualifications, experience and independence and taking into account their availability for the project in question.

4. When there is to be a direct negotiation procedure and THE COMMISSION has proposed several candidates, THE RECIPIENT may freely choose the candidate with which it intends to conclude the contract from among those put forward.

5. When there is recourse to a tendering procedure, the contract shall be awarded to the candidate which has submitted the offer which is acknowledged by THE RECIPIENT and THE COMMISSION to be economically the most advantageous.
TITLE III - GRANT OF FACILITIES

ARTICLE 9 - GENERAL PRIVILEGES

Personnel taking part in Community financed MEASURES and members of their immediate family may be accorded no less favourable benefits, privileges and exemptions than those usually accorded to other expatriates employed in the state of THE RECIPIENT under any other bilateral or multinational agreement or arrangements for economic assistance and technical cooperation programmes.

ARTICLE 10 - ESTABLISHMENT, INSTALLATION, ENTRY AND RESIDENCE FACILITIES

In the case of works, supply or service contracts, natural or legal persons eligible to participate in tendering procedures shall be entitled to temporary installation and residence where the importance of the contract so warrants. This right shall be acquired only after the invitation to tender has been issued and shall be enjoyed by the technical staff needed to carry out studies preparatory to the drawing up of tenders; it shall elapse one month after the contractor is designated.

THE RECIPIENT shall permit personnel taking part in works, supplies or services contracts financed by the Community, and members of their immediate family, to enter the state of THE RECIPIENT, to establish themselves in the State, to work there and to leave the said State, as the nature of the contract so justifies.

ARTICLE 11 - IMPORT AND RE-EXPORT OF EQUIPMENT

THE RECIPIENT shall grant the permits necessary for the importation of professional equipment required to execute THE MEASURE, subject to existing laws, rules and regulations of THE RECIPIENT.

THE RECIPIENT shall further grant natural and legal persons who have executed works, supplies or services contracts the permits required to re-export the said equipment.

ARTICLE 12 - IMPORTS AND EXCHANGE CONTROL

For the execution of MEASURES, THE RECIPIENT undertakes to grant import authorizations and authorizations for the acquisition of the foreign exchange, and to apply national exchange control regulations without discrimination between Member States of the Community, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Former Yugoslav Republic of Macedonia.

THE RECIPIENT shall grant the permits necessary to repatriate funds received in respect of THE MEASURE, in accordance with the foreign exchange control regulations in force in the state of THE RECIPIENT.

ARTICLE 13 - TAXATION AND CUSTOMS

1. Taxes, customs and import duties shall not be financed out the EEC Grant.

2. Imports under supply contracts concluded by the authorities of THE RECIPIENT and financed out of the EEC Grant shall be allowed to enter the state of THE RECIPIENT without being subject to customs duties, import duties, taxes or fiscal charges having equivalent effect.

- THE RECIPIENT shall ensure that the imports concerned will be released from the point of entry for delivery to the contractor as required by the provisions of the contract and for immediate use as required
for the normal implementation of the contract, without regard to any delays or disputes over the settlement of the above-mentioned duties, taxes or charges.

3. Contracts for supplies or services provided by the Republic of Estonia or external firms, financed out of the EC Grant shall not be subject in the state of THE RECIPIENT to value added tax, documentary stamp or registration duties or fiscal charges having equivalent effect, whether such charges exist or are to be instituted.

4. Natural and legal persons, including expatriate staff, from the Member States of the European Community executing technical cooperation contracts financed out of the EEC Grant shall be exempted from business and income tax in the state of THE RECIPIENT.

5. Personal and household effects imported for personal use by natural persons (and members of their immediate families), other than those recruited locally, engaged in carrying out tasks defined in technical cooperation contracts shall be exempt from customs duties, import duties, taxes and other fiscal charges having equivalent effect, the said personal and household effects being either re-exported or disposed of in the state in accordance with the regulations in force in the state of THE RECIPIENT after termination of the contract.

6. Natural and legal persons importing professional equipment, as provided for in Article 11, shall, if they request, benefit from the system of temporary admission as defined by the national legislation of THE RECIPIENT in respect of the said equipment.

TITLE IV - EXECUTION OF CONTRACTS

ARTICLE 14 - ORIGIN OF SUPPLIES

THE RECIPIENT agrees that, save when otherwise authorized by THE COMMISSION, materials and supplies required for execution of contracts must originate in the Community, Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and the Former Yougoslav Republic of Macedonia.

ARTICLE 15 - PAYMENT PROCEDURES

1. For contracts financed out of the EEC Grant, tenders shall be drawn up and payments made, either in European Currency Units (ECU), or in accordance with the foreign exchange laws and regulations of the RECIPIENT in the currency of THE RECIPIENT, or in the currency of the state where the tenderer has a registered place of business, or in the currency of the state where the supplies were produced.

2. When tenders are drawn up in ECU, payments relating thereto shall be made, as appropriate, in the currency named in the contract, on the basis of the equivalent value of the ECU on the day preceding payment.

3. THE RECIPIENT and THE COMMISSION shall take all measures necessary to ensure execution of payments within the shortest possible time.
TITLE V - COLLABORATION BETWEEN THE COMMISSION AND THE RECIPIENT

ARTICLE 16 - INSPECTION AND AUDIT

1. THE COMMISSION shall have the right to send its own agents or duly authorised representatives to carry out any technical or financial mission or audit that it considers necessary to follow the execution of THE MEASURE. However, THE COMMISSION shall give the authorities of THE RECIPIENT advance notice of such missions.

THE RECIPIENT shall supply all information and documents which shall be requested of it, and take all suitable measures to facilitate the work of persons instructed to carry out audits or inspections.

2. THE RECIPIENT shall:

(a) maintain records and accounts adequate to identify the works, supplies or services financed under the financing memorandum in accordance with sound accounting procedures;
(b) ensure that the aforementioned agents or representatives of THE COMMISSION have the right to inspect all relevant documentation and accounts pertaining to items financed under the financing memorandum, and assist the Court of Auditors of the European Communities to carry out audits relating to the utilization of the EEC Grant.

The Commission may also carry out an ex-post evaluation and a final audit of the programme. The ex-post evaluation will assess the achievement of the objectives/targets of the programmes as well as the impact on the development and restructuring of the sector concerned.

The final audit will review the local financial data of the programme, providing an independent opinion on the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum. The audit will establish the balance of uncommitted and/or undisbursed funds which shall be reimbursed to the Commission.

ARTICLE 17 - FOLLOW-UP OF MEASURES

In following the execution of THE MEASURE, THE COMMISSION may request any explanation and, where necessary, may agree with THE RECIPIENT on a new orientation for THE MEASURE which is deemed to be better adapted to the objectives in view.

THE RECIPIENT shall make reports to THE COMMISSION following the time-schedule laid down in the financing memorandum, throughout the period of execution of THE MEASURE and after completion thereof.

The Commission will in the light of the reports and where appropriate of the ex-post evaluation, proceed to the official closure of the programme and will inform the recipient country of the date of official closure of the programme.

TITLE VI - GENERAL AND FINAL PROVISIONS

ARTICLE 18 - CONSULTATION - DISPUTES

1. Any question relating to execution or interpretation of the financing memorandum or these General Conditions shall be the subject of consultation between THE RECIPIENT and THE COMMISSION, leading, where necessary, to an amendment of the financing memorandum.

2. Where there is a failure to carry out an obligation set out in the financing memorandum and these General Conditions, which has not been the subject or remedial measures taken in due time, THE COMMISSION may suspend the financing of the MEASURE, after consultation with THE RECIPIENT.
3. THE RECIPIENT may renounce in whole or in part the execution of THE MEASURE. The Contracting Parties shall set out the details of the said renunciation in an exchange of letters.

**ARTICLE 19 - NOTICE - ADDRESSES**

Any notice and any agreement between the parties provided for herein must be the subject of a written communication referring explicitly to the number and title of THE MEASURE. Such notices or agreements shall be made by letter sent to the party authorized to receive the same, and sent to the address notified by the said party. In case of urgency, telefax, telegraphic or telex communications shall be permitted and deemed to have been validity served, provided that they are confirmed immediately by letter. The addresses are set out in the financing memorandum.
ANNEX B

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ANNEX B - ARBITRATION

Any dispute between the Contracting Parties, arising out
the Framework Agreement or a financing memorandum, which
is not settled by applying the procedures laid down in
Article 18 of the general conditions relating to
financing memorandum, shall be submitted to arbitration
by an Arbitral Tribunal as hereinafter provided.

The parties to such arbitration shall be THE RECIPIENT on
the one side and THE COMMISSION on the other side.

The Arbitral Tribunal shall consist of three arbitrators
appointed as follows:

- one arbitrator shall be appointed by THE RECIPIENT
- a second arbitrator shall be appointed by THE
  COMMISSION
- the third arbitrator (hereinafter sometimes called "THE
  UMPIRE") shall be appointed by agreement of the parties
  or, if they shall not agree, by the Secretary-General of
  the United Nations.

If either side fail to appoint an arbitrator, such
arbitrator shall be appointed by THE UMPIRE.

Should any arbitrator appointed in accordance with this
provision resign, die or become unable to act, another
arbitrator shall be appointed in the same manner as the
arbitrator whose place he takes: such successor shall
have all the powers and duties of the original
arbitrator.
ANNEX C: SPECIAL CONDITIONS

1. Objectives, Description and Conditionality

Objective 1: Administrative capacity

Project 2002/000-579.01.01: Reinforcement of the administrative and operational capacity of the Estonian Customs Board (ECB)

The project aims at reinforcing the administrative and operational capacity of the ECB, in order to contribute to Estonia’s preparations to enforce the EC Common Customs Code effectively upon accession.

Support will be provided for:

- Institution building: in particular, support for application of EU compatible customs procedures; improvement of internal and external communication, notably toward the business community; strengthening of border and inland controls; post-clearance control systems, including improvement of control management systems and procedures; improving investigation and surveillance capacities of the ECB; training in the above mentioned areas as necessary

- Investment: including assessment of the investment needs and preparation of tender documents; assistance for procurement of customs related control and surveillance equipment, including related training; provision of logistical support for the project.

The project is directed towards institution building and related investment in the Acquis. It will be implemented through technical assistance and investment. In particular, Phare assistance should be used to procure essential equipment dedicated to improving the control, investigation and surveillance capacities of the ECB. The institution building part may be implemented through a direct contract with the Eurocustoms Consortium. Alternatively, procurement will be carried out in accordance with normal Phare rules and procedures.

The project will be conditional upon the approval by ECB’s Customs Council of the new Customs border management strategy and the definition of training needs related to the implementation of the new Customs Code. Procurement of the customs equipment covered by Phare assistance will be conditional upon a clear definition through a feasibility study (needs assessment) of priority equipment needs for an EU efficient national Customs administration, before investment takes place.

Objective 2: Transports

Project 2002/000-579.02.01: Creation of the system of licensing and supervision of aviation personnel in compliance with EU and JAA requirements

This project aims at increasing air safety in Estonia by bringing the level of Estonian relevant aviation personnel to the level of JAA requirements by means of flight training and theoretical instruction. It therefore aims at helping the Estonian Civil Aviation Administration to meet the conditions of membership of the European Joint Aviation Authority. To reduce the number of flight hours required in conventional training, the
purchase of a Flight and Navigation Procedures Trainer (FNPT II) is foreseen in the scope of this project.

Phare funds will be used for:

- Evaluation of existing inspector and flight examiner qualifications and development of individual profiles identifying skills and training needs, and development of training programmes for converting national licenses to JAR-FCL licenses with instructor ratings.

- Delivery of theoretical knowledge training

- Purchase of flight and navigation procedure trainer (FNPT) and computers

- Synthetic flight training on the FNPT and flight training

The project is aimed at institution building and will be implemented through technical assistance and investment in the Acquis. The investment consists of a supply contract for the purchase of the flight simulator and four additional computers to perform the training of pilots. All operating and maintenance costs for the FNPT will be borne by the national budget.

The investment component is conditional upon preparation of the necessary premises for the FNPT.

**Project 2002/000-579.02.02: Strengthening Enforcement of Maritime Safety**

This project aims at proper enforcement of the Acquis on Maritime safety by improving competence and qualification of the Estonian Maritime Administration (MA) specialists through the establishment of a Continuous Training Unit (CTU) in the Estonian Maritime Academy.

Phare funds will be used in order to:

- Support and advice the Ministry of transport and Maritime Administration regarding legal, procedural and administrative arrangements and enforcement of the acquis, with particular emphasis inter alia on Flag state control, Port State control, audit of ISM code and Vessel traffic Safety.

- Establish a national ice-breaking programme

- Strengthen personnel skills via the provision of training to the Maritime Administration and development of a sustainable continuous training programme for the MA and its inspectors.

- Purchase a Vessel traffic simulator in order to provide for continuous training in Estonian language.

Any additional cost that might arise from the purchase of the simulator on the basis of technical specifications to be produced before the tender is launched will be supported on national budget, as well as all maintenance costs of the VTS simulator.
This project aims at institution building and will be implemented through twinning and associated investment. The investment component is dedicated to the purchase of a VTS simulator.

The project is conditional upon:

- A formal written commitment from all involved institutions to participate in the training.

- The availability of premises adapted for the training courses and VTS simulation.

**Objective 3: Trade - Internal Market**

**Project 2002/000-579.03.01: Enforcement of EU intellectual and industrial property legislation**

The project will help to achieve a better level of implementation and enforcement of the acquis related to intellectual and industrial property protection in particular by an increased co-operation between all involved administrations, in particular the Ministry of Culture, the Ministry of Economic Affairs, the Patent Office, the Customs and Police Boards, and collective management organisations (NGOs).

Phare funds will be used for:

- Alignment of the Estonian Copyright Act with the Acquis.

- Institution strengthening: co-ordination of activities between different state authorities dealing with intellectual and industrial property, setting rules for effective co-operation.

- Training of enforcement authorities (Police Board, Customs Board and collecting societies) for effective enforcement of the legislation.

- Setting up two collections of cases on copyright and related rights, and industrial property rights from the years 1995-2002.

- A public awareness campaign, comprising seminars and media campaign aimed at both users of IP (authors, performers, producers of phonograms, etc.) and general public.

The project is focussed on institution building and will be implemented through a combination of twinning and service contracts.

The project will be conditional upon a formal written commitment of co-operation between all involved bodies in the implementation of the project, including a commitment to participate in the training.

A study on the level of piracy and counterfeiting, and on the performances of the enforcement system in Estonia will be conducted before the start of the project. The project results will be adapted as required on the basis of the results of such study under supervision of the steering committee of the project.

**Project 2002/000-579.03.02: Implementation of INTRASTAT system in Estonia**
The project aims at helping the Estonian administration setting up a fully operational INTRASTAT system by Accession in order to monitor the flow of goods between Member States. It is complementary to two multi-country Phare projects.

Phare funds will be used to:

- Set up the procedures and management structures for the operation of the Estonian Intrastat system

- Provide training and study visits for the staff of the Statistical Office on the use of the system, and the elaboration of Intrastat methodology manuals.

- Provide information and training on the Intrastat system for data suppliers (enterprises), which will be expected to complete the Intrastat questionnaire on a monthly basis.

- Create a new data processing environment (software development)

- Procure the corresponding hardware.

The project is directed towards institution building and related investment in the Acquis. It will be implemented through twinning, technical assistance and investment. The investment component will be used for software development and purchase of the relevant hardware.

The project will be conditional upon a formal written agreement of co-operation between the Statistical Office and the Tax Board on the communication of data and the successful conclusion of the Phare 99 Multi-country programme on technical assistance in the field of Intrastat.

The Estonian authorities commit themselves to ensure that sufficient human and financial resources will be allocated to the Foreign Trade Statistics section of the SOE to implement Intrastat as from 2003.

**Objective 4: Social Services**

**Project 2002/000-579.04.01: Enhancing employment opportunities for people with disabilities**

This project aims at facilitating the integration of disabled people into the labour market by strengthening the institutional network of rehabilitation teams and public institutions, by increasing the awareness of employers about recruitment of disabled people and increasing the awareness of disabled people about rehabilitation provisions.

The PHARE project will be used to:

- Perform an analysis of the existing support framework services for people with disabilities as well as of current services provided by the rehabilitation teams, regional social insurance departments, public employment services and regional vocational training centres.
• Provide recommendations on possible changes required in the legal framework, including the design of complementary labour market and rehabilitation measures to support employment of disabled people.

• Develop training programmes on institutional co-operation among relevant actors to promote a multidisciplinary approach for the rehabilitation of disabled people.

• Set up an information campaign targeted at both disabled people and potential employers on the different available resources.

• Design and develop a work place adaptation scheme to be implemented under the National Employment Action Plan on national resources from 2004. To ensure the sustainability of the scheme, it has to be shaped for possible future ESF eligibility and should be consistent with the priorities identified in the Single Programming Document on implementation of structural funds.

The project is focussed on Institution Building and will be implemented through twinning. The investment part corresponds to printing information materials.

The project will be conditional upon the adoption of formalised written agreements for co-operation between the different institutions involved in the implementation of the project.

Project 2002/579.04.02: Implementation of the social security co-ordination rules in the frame of the free movement of persons

This project is aimed at achieving full implementation of the social security co-ordination rules (EC Regulations 1408/71 and 574/72) by the date of Accession, as a follow up of the Consensus twinning (EE99-CO-01).

Phare funds will be used to:

• Elaborate a client service management system in order to implement social security schemes according to EC Regulations 1408/71 and 574/72, on the basis of an analysis of the existing system. This includes preparation of client services standards, elaboration of rules for exchanging information with clients, elaboration of rules for co-operation with relevant institutions in other EU Member states.

• Develop a training strategy and training of the staff of the Social Insurance Board, National Labour Market Board, Health Insurance Foundation and their local offices.

• Develop software for electronic exchange of data.

• Procure hardware for the database development.

This project is focussed on institution building and related investment. Institution building will be implemented mainly through twinning. The investment part will be used for the development of an IT system for exchange of data (software design and procurement of hardware).
For the purpose of this project, Estonian authorities will, as a conditionality, ensure sufficient staffing, and guarantee resources for maintenance of the IT system. Possible additional costs will be borne by the national budget.

The project is conditional upon formalised written agreements for cross-use of data between the different national institutions involved.

The development of the IT system (contract 2 and 3) is conditional upon approval by the PAA of the results of the feasibility study; existence of bilateral agreements with Member States for electronic data exchange, and applicability of digital signature provisions.

**Project 2002/000-579.04.03: Increasing the coverage and effectiveness of Occupational Health services in Estonia**

As a follow up of an on-going twinning project, this project aims at extending the coverage and effectiveness of the occupational health network throughout the country, by training family doctors and agricultural advisers in addition to professional occupational health services in order to increase the detection level of occupational diseases in Estonia.

Phare funds will assist in:

- Elaborating a joint action plan for public health and occupational health and safety administration for the years 2003-2005.

- Developing a national policy and strategy for the recognition of occupational diseases and setting up the administrative structure and institutional capacity.

- Training health personnel, family doctors and agricultural advisers on diagnosis, care and prevention of work-related diseases.

- Developing guidelines for “Good occupational health practices” for the use of specialists.

- Increasing awareness of the public by dissemination of information on occupational health services and work-related diseases.

The project is directed towards institution building and will be implemented through twinning and a supply contract for the provision of information documentation (investment).

The training is conditional upon formal written agreement of the participants to continue to participate in the network after completion of the project, in order to ensure the sustainability of the project results.

The Occupational Health Action Plan 2003-2010 has to be approved by the Minister of Social Affairs before the project starts.

After completion of the project, the Estonian authorities will perform further training to extend the network through national financing.
Objective 5: Agriculture

Project 2002/000-579.05.01: Development of administrative capacity for monitoring and evaluation of the agri-environment measures.

The project aims at developing the administrative and technical capacities of the institutions involved in the monitoring and evaluation of the agri-environmental measures according to regulations EC 2078/92 and 1257/99.

Phare funds will be provided for:

- An analysis of the overall situation in the field of monitoring the impact of agricultural production on the environment.

- Analysis of the quality of the data currently collected and of the scheme used for data collection under the pilot projects and development of a set of indicators for monitoring and evaluation of the agri-environment measures.

- Development of a monitoring and evaluation scheme, preparation of manuals for monitoring and evaluation.

- Development of a training plan and training of the relevant staff.

This project is dedicated to institution building and will be implemented through twinning.

It is conditional upon the reinforcement of the staff of the Control Center of Plant Production dedicated to the monitoring and evaluation of the agri-environment measures, and to a formal written agreement of co-operation between the Ministries of Agriculture and Environment on the use of the system.

Project 2002/000-579.05.02: Strengthening of TSE Control System in Estonia.

Concerning its BSE status, the EU classified Estonia in category 3 (probable BSE cases). This project aims at assisting Estonia to elaborate and to implement a system for epidemi-surveillance and to test for transmissible spongiform encephalopathies according to Regulation 999/2001/EC.

Phare funds will be used to:

- Elaborate a national monitoring programme for epidemi-surveillance and testing of TSE in 2003.

- Organise a training system for veterinary officials and authorised veterinarians on the national programme, handling of suspect cases, and sampling procedures for TSE examinations.

- Training of animal owners, slaughterhouse personnel, animal breeders and animal dealers, and providing training material.

- Purchase of test kits for approximately 30,000 analyses in 2003 by using Biorad-Platelia EIA and Western-Blot methodologies.
• Procurement of the necessary equipment for routine rapid testing, histological and immunohistological examinations for confirmative tests, Western Blot as alternative rapid test.

The project is directed towards institution building and related investment. It will be implemented through twinning light and supply contracts for the purchase of the tests kits and other equipment.

Concerning the investments, Phare assistance will support Estonia by providing a flat contribution of 15€ per test kit, in line with the contribution provided by the Community budget to the Member States.

Only 3 suppliers are recognised by Annex X, Chapter C, paragraph IV of Regulation No 999/2001. Of these Bio-Rad Platelia BSE ELISA and Western-Blot should be used for rapid tests by the relevant institutions in Estonia. Since tendering for the equipment among the 3 possible suppliers could lead to replacement of equipment and thus necessary and expensive re-training of staff, the additional equipment for rapid testing will be purchased through direct agreements with Bio-Rad and Prionics AG.

Some of the equipment foreseen is non-EU origin. In relation to the BSE test equipment to be procured under this project, and in accordance with regulation 3906/89 (18/12/1989 OJ L375 of 23/12/1989) and relevant Commission decisions, the Commission services may, on a case by case basis and upon justified request by National authorities, authorise expections to the rules of origin and nationality.

For the purpose of this project, Estonian authorities will ensure that laboratory specialists will be contracted before the start of the project.

**Project 2002/000-579.05.03: Development of Agricultural Information Management Systems**

In order to ensure a full implementation of CAP support measures and related veterinary controls from the date of Accession, this project aims at the installation of two complementary information systems:

- A fully operational Integrated Administration and Control System (IACS) for administering CAP direct support measures and its connections with agri-environment area based measures of regulation 1257/1999

- An IT system for animal identification, herd registration, tracking and tracing system.

Phare funds will be used for:

• Assistance to Ministry of Agriculture on control management of software development, project quality planning, risk management, audit and report format, tendering, training on the use of the system.

• Development of fully compatible IACS and animal tracing software.

The necessary hardware to implement the system will be purchased through national co-financing.
This project aims at institution building and investment in the Acquis. It will be implemented through a twinning light to ensure consistency of the overall investment, technical assistance for software development and supply contract for the procurement of hardware.

For the purpose of this project, Estonian authorities will ensure sufficient staffing in ARIB and VFB. The Estonian authorities committed themselves to support any additional cost that might arise during the project period for a full implementation of IACS and the animal register on their own budget.

This project is conditional upon:

- The approval by the Ministry of Agriculture of an Information system strategy involving all relevant institutions before project activities start.

- The adoption of all necessary legislation before the project starts, as listed in the feasibility study.

**Project 2002/000-579.05.04: Minimalisation of the number of rabies cases among wild and domestic animals in Estonia.**

This project foresees the implementation of a three years national programme, as a first step for eradication of rabies in Estonia. It is focussed on an oral vaccination campaign directed towards foxes and racoon dogs, covering 15000 km².

Phare funds should cover:

- Assistance in the elaboration of the rabies eradication programme for the years 2003-2005.

- Training of veterinary officials and veterinarians on rabies eradication and sampling procedures.

- Contribution to the costs of the vaccine baits and distribution costs.

- Purchase of laboratory equipment to assess the samples taken from suspected and target animals.

- Analysis of samples for rabies detection and vaccine intake control.

This project is dedicated to institution building and related investment. It will be implemented through twinning light and supply contracts for the purchase of the baits, their distribution, laboratory equipment and analysis of samples.

It is conditional upon a commitment from Ministry of Agriculture to pursue such an eradication plan after completion of the project on national resources, and upon the fact that laboratory specialists be contracted before the training can start.

A memorandum of understanding will be signed between the Veterinary and Food Board and Veterinary Food Laboratory on the implementation of the eradication plan.

**Objective 6: Fisheries**
Project 2002/000-579.06.01: Successful implementation of Common Fisheries Policy

This project aims at ensuring the establishment of the institutional framework for the implementation of the market policy of fisheries products and of the structural policy (Financial instrument of Fisheries Guidance - FIFG) upon Accession.

Phare assistance will support:

- Review and implementation of legislative requirements.
- Identification of training needs and training for administrative services, inspection services and producers’ organisations.
- Information activities on both market policy and structural policy for the fishery sector.
- Elaboration of marketing data collection scheme.
- Elaboration of procedures and manuals for FIFG implementation.

This project is directed towards institution building and will be implemented through twinning.

It is conditional upon a formal written agreement between the ministries of agriculture and environment on full co-operation for the implementation of the project. As far as FIFG is concerned, the Ministry of Finance, as the managing authority for the SPD, must be consulted to ensure consistency with activities organised under two other Phare Twinning projects on structural funds (SPP+: Project ES01.07.02 and SPP++: Project 2002/000-579.08.03).

Objective 7: Environment

Project 2002/000-579.07.01: Development of Estonian Air Quality Management System

Building upon the conclusions of a previous project on air quality, this project aims at setting up a comprehensive air management system allowing monitoring, modelling, creation of a database and of data publication on air quality in order to implement EU legislation in this sector.

The Phare project will be used to:

- Upgrade the Tallinn ambient air monitoring station and the background monitoring stations in Lahemaa, Saarejärve and Vilsandi of Tallinn and Kohtla-Järve to meet the requirements of EU Air quality directives.
- Elaborate an air quality monitoring and modelling system for the whole country based on a national emission inventory database and establish an interconnected on-line meteorological database.
- Procure automatic meteostations.
• Procure equipment for laboratory and calibration centre to fulfil the new requirements.

• Train the users of this system at national, county and municipalities level.

• Draft emergency action plans, and legal acts on air quality.

• Ensure public access to air quality information.

This project is focused on the investment related to the Acquis in the Air quality sector. It will be implemented through supply and technical assistance contracts, for preparation of the technical specifications of the air quality management system and development of the system. A twinning light will provide assistance on the legal and institutional strengthening part (drafting emergency plans and legal acts).

The development of the system is conditional upon agreement of all stakeholders on the technical specifications of the system and a formal commitment as to the implementation of the system. Relevant legal changes will be made before start of the project.


This project aims at strengthening the administrative capacity of the competent authorities - in particular at regional (environmental departments) and local levels (water companies, local authorities) - in order to ensure efficient and cost-effective implementation of the mentioned directives, including preparation of cost-effective investment projects and training of staff in the competent authorities.

Phare funds will help in:

• Elaborating Water management financial and administrative instruments.

• Establishing the relevant legal Water Management framework in accordance with the directives.

• Training public officials and relevant experts.

• Preparing Terms of References for priority investment projects to meet the criteria set by the directives.

• Elaborating guidelines for carrying out feasibility studies for the investment projects in line with technical requirements for the implementation of EU directives.

• Determining and prioritising active implementation measures for the implementation of Drinking Water directive, Urban Wastewater Treatment directive and dangerous substances directive in line with the established programme for implementation and with technological methods foreseen.

The project is directed toward institution building and will be implemented through twinning.
Objective 8: Economic and Social Cohesion

Project 2002/000-579.08.01: Development of work-linked training programmes and network in the Northeast, South and Island regions in Estonia.

This project aims at introducing work-linked training programmes in the three target regions covered by NDP regional development plans. It is designed to address the problems of early-school leavers and drop-outs from the educational system by offering them specific training directly targeted to the needs of the local industry. The curricula should be implemented by the Regional Training Centres (RTCs) in the target regions under the supervision of the Foundation for Vocational Education Training Reform (FVETRE) and in co-operation with selected enterprises.

Phare funds will be used for:

- Developing a concept for work-linked off-the-job and on-the-job training programmes.
- Developing criteria and methodology for accrediting work-linked enterprises.
- Elaborating co-operation agreements between the employers’ organisations, Ministry of education, enterprises and the training institutions for the implementation of the training schemes.
- Assisting RTCs in developing methodology, curricula, course support materials and competence-based testing materials, organising training needs assessment and training for the instructors and school-based teachers.
- Organising training for the selected target.
- Installing teaching and curriculum related equipment in the training institutions.

The project is focussed on economic and social cohesion and includes investment. It will be implemented through technical assistance and supply contract for the equipment.

The project is conditional upon the results of a survey on the labour market and its potential changes in the target regions on the basis of which the steering committee will select the relevant activity sectors.

The investment contract is conditional upon the results of a feasibility study including evaluation of costs to be conducted prior to the launch of the tender.

Continuity of the financed activities after completion of the project must be ensured by designing the measures for possible eligibility under ESF upon Accession.

Project 2002/000-579.08.02: Special Programme for Strengthening the Civil Society and preparing for Accession of Estonia.

As a follow up to previous Access programmes, this project aims at strengthening the operational capacity of NGOs/NPOs. Co-financed grants will be provided for in the fields of socio-economic development and social inclusion of risks groups. NGOs/NPOs will also be encouraged to participate in the activities of the European wide platform and networks.
NGOs/NPOs officially registered and operating in Estonia can present projects in the following sectors, inter alia concerning:

- Activities for socio-economic development: promotion of social dialogue; partnership approaches for local development; local entrepreneurship; reintegration of unemployed or disadvantaged populations groups to the labour market; equal treatment for women and men, etc;

- Activities in the social sector: contribution to the social reintegration, promotion of sustainable health, and social support for marginalised groups, etc.

- A networking facility will provide support for NGOs/NPOs wishing to participate in activities at EU level.

- An independent evaluation will be conducted on the results of the project after its completion.

The project should be implemented through a supply contract providing technical assistance for the implementation of the programme (€ 45 000) and a grant scheme financing micro (€ 5000 to € 50 000) and macro (€ 50 000 to € 200 000) projects in the above mentioned fields.

The grant scheme will be implemented by CFCU fully in accordance with the practical guide for Phare and ISPA, including systematic ex-ante approval from the EC delegation.

This project will be co-financed by the State budget and by the project applicants.

**Project 2002/000-579.08.03 Completing preparations for the management of EU Structural Funds – Phase II**

As a follow up of an on-going Phare project (ES01.07.02), this project aims at setting up the necessary administrative capacity for a satisfactory implementation of Structural Funds upon Accession.

Phare funds will be used to:

- Finalise the administrative framework for a full implementation of Structural Funds including all necessary agreements between institutions.

- Elaborate relevant financial management, internal audit and money flow procedures.

- Provide training to all involved institutions (managing and paying authorities, intermediate bodies), and raise awareness for final beneficiaries.

- Ensure administrative preparations for participation to EQUAL.

- Provide for a project preparation facility to allow the preparation of projects to be submitted for Structural Funds support from the date of Accession (project pipeline).

This project is dedicated to institution building and will be implemented through twinning, which also includes technical assistance, and twinning light.
For the awareness campaign, the support structure must be settled before the local consultant can be contracted to provide training.

The activities of this project will avoid any overlap with the current on-going project (Project ES 01.07.02) and build upon its results.

Objective 9: Participation in Community Programmes and Agencies

Project 2002/000-579.09.01: Participation in Community Programmes and Agencies

On the basis of Association Council decisions and Memoranda of understanding, candidate countries may participate in certain European Community programmes and agencies. The Phare programme can be used to help a candidate country to meet, with increasing contributions by the candidate country, part of the costs of participating in those programmes and agencies. As from 2001, these funds are made available each year as part of the Phare national programme so as to co-finance the financial contribution to be paid by the country to participate in these programmes and agencies in the following year.

A maximum of 10% of the Phare national programme may be used to co-finance participation in Community programmes and Agencies other than the Research and Development framework programme. Participation in the R&D programme does not count towards the 10% limit.

Within Phare 2002, funds would therefore be used to support Estonia’s possible participation in 2003 in the following Community programmes, inter alia: Socrates, Leonardo, Youth, 6th Framework Programme for Research and Development, Culture 2000, Media Plus, Public Health Programme, Gender Equality programme, Social exclusion programme, Employment, LIFE III, Enterprise and Entrepreneurship, EC energy programmes (SAVE, ALTENER), IDA, Fiscalis, Customs 2002, e-content. Funds will also cover Estonia’s participation to the European Environment Agency. (See also detailed budget table attached). Participation for SAVE and social exclusion is also foreseen for the year 2002.

It should be noted that the proposed participation and the related amounts are subject in certain cases to approval of Memoranda of understanding. Therefore, the amounts related to Community programmes and Agencies may be revised within the overall proposed budget envelope.

Programme conditionality

The Estonian Government will ensure that appropriate co-financing in accordance with the details included in the project fiches will be available on time. The ratio between the Phare and the national amount has to be applied to the final contract price.

2. Budget
<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Name</th>
<th>IB</th>
<th>INW</th>
<th>Total Phase</th>
</tr>
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<tr>
<td>01</td>
<td>ADMINISTRATIVE CAPACITY</td>
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<tr>
<td>2002/000-579.01.01</td>
<td>Reinforcement of the administrative and operational capacity of the Estonian Customs Board (ECB)</td>
<td>1.500.000</td>
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<td>02</td>
<td>TRANSPORT</td>
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<td>2002/000-579.02.01</td>
<td>Creation of the system of licensing and supervision of aviation personnel in compliance with EU and JAA requirements</td>
<td>451.000</td>
<td>382.000</td>
<td>833.000</td>
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<td>2002/000-579.02.02</td>
<td>Strengthening Enforcement of Maritime Safety</td>
<td>1.173.000</td>
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<td>03</td>
<td>TRADE - INTERNAL MARKET</td>
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<tr>
<td>2002/000-579.03.01</td>
<td>Enforcement of EU intellectual and industrial property legislation</td>
<td>655.000</td>
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<tr>
<td>2002/000-579.03.02</td>
<td>Implementation of INTRASTAT system in Estonia</td>
<td>605.000</td>
<td>187.500</td>
<td>792.500</td>
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<td>04</td>
<td>SOCIAL SERVICES</td>
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<tr>
<td>2002/000-579.04.01</td>
<td>Enhancing employment opportunities for people with disabilities</td>
<td>405.300</td>
<td>5.000</td>
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<td>2002/000-579.04.02</td>
<td>Implementation of the social security co-ordination rules in the frame of the free movement of persons</td>
<td>457.000</td>
<td>236.000</td>
<td>693.000</td>
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<td>2002/000-579.04.03</td>
<td>Increasing the coverage and effectiveness of Occupational Health services in Estonia</td>
<td>324.600</td>
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<td>05</td>
<td>AGRICULTURE</td>
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<td>2002/000-579.05.01</td>
<td>Development of administrative capacity for monitoring and evaluation of the agri-environment measures</td>
<td>394.600</td>
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<td>2002/000-579.05.02</td>
<td>Strengthening TSE Control System in Estonia</td>
<td>85.500</td>
<td>591.800</td>
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<td>2002/000-579.05.03</td>
<td>Development of Agricultural Information Management Systems</td>
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<td>2002/000-579.05.04</td>
<td>Minimalisation of the number of rabies cases among wild and domestic animals in Estonia</td>
<td>89.100</td>
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<td>FISHERIES</td>
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<td>2002/000-579.06.01</td>
<td>Successful implementation of Common Fisheries Policy</td>
<td>477.300</td>
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<td>07</td>
<td>ENVIRONMENT</td>
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<td>2002/000-579.07.01</td>
<td>Development of Estonian Air Quality Management System</td>
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<td>2.795.000</td>
<td>3.260.000</td>
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<td>2002/000-579.07.02</td>
<td>Drinking Water Directive, Urban Waste Water Treatment Directive, Directive on Discharge of Dangerous Substances to the Aquatic Environment and relevant Daughter Directives Implementation</td>
<td>455.000</td>
<td>455.000</td>
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<tr>
<td><strong>08</strong> ECONOMIC AND SOCIAL COHESION</td>
<td><strong>Development of work-linked training programmes and network in the Northeast, South and Island regions in Estonia</strong></td>
<td>1.200.000</td>
<td>800.000</td>
<td>2.000.000</td>
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<td>2002/000-579.08.01</td>
<td><strong>Special Programme for Strengthening the Civil Society and preparing for Accession of Estonia</strong></td>
<td>45.000</td>
<td>655.000</td>
<td>700.000</td>
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<td>2002/000-579.08.02</td>
<td>Completing preparations for the management of EU Structural Funds – Phase II</td>
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<td><strong>09</strong> PARTICIPATION IN COMMUNITY PROGRAMMES</td>
<td><strong>Participation in Community Programmes and Agencies</strong></td>
<td>1.636.400</td>
<td>1.201.000</td>
<td>2.837.400</td>
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</tbody>
</table>

**Government co-financing**

The programme is co-financed by the Estonian Government. The amounts that the Government will provide are specified in details in the individual project fiches.

3. **Implementation Arrangements**

**a.) Financial and Project Management by the Candidate Country**

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 Authorising Officer (NAO) and the Project Authorising Officers (PAO) will ensure that the programmes are implemented in line with the procedures laid down in the DIS Manual and other instructions of the Commission, and that all contracts are being prepared in accordance with the Practical Guide for PHARE, ISPA and SAPARD.

The NAC and the NAO shall be jointly responsible for co-ordination between PHARE (including PHARE CBC), ISPA and SAPARD.

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1 taking into consideration the rules set down in the annex of Council Regulation 1266/1999
2 The Practical Guide has replaced section F (“Procurement”) of the DIS Manual
The National Fund (NF) in the Ministry of Finance, headed by the NAO, will supervise the financial management of the Programme, and will be responsible for reporting to the European Commission. The NAO shall have overall responsibility for financial management of the PHARE funds. He shall ensure that the PHARE rules, regulations and procedures pertaining to procurement, reporting and financial management as well as Community state aid rules are respected, and that a reporting and project information system is functioning. This includes the responsibility of reporting all suspected and actual cases of fraud and irregularity. The NAO shall have the full overall accountability for the PHARE funds of a programme until the closure of the programme.

b.) Project size

All projects will be greater than 2 M€, except those in the following areas: aviation safety, maritime safety, intellectual and industrial property, strengthening the TSE control system, monitoring of the agri-environment measures, implementation of the Common fisheries policy, occupational health, co-ordination of social-security rules, employment of people with disabilities, implementation of the Intrastat system, strengthening civil society and participation to community programmes.

This is mostly due to the limited absorption capacities of the Estonian administration as well as to the nature of some projects, especially as regards participation in community programmes or some institution building actions. Some very useful actions such as twinning, twinning lights, training sessions on implementation of the Acquis require low degree of financing.

c.) Contracting and disbursement deadline

All contracts must be concluded by 30 November 2004. All disbursements must be made by 30 November 2005.

In the case of the following project, however, disbursements must be made by 31 March 2006 given the fact that the last vaccination campaign will take place in autumn 2005:

05.04: “Minimalisation of number of rabies cases among wild and domestic animals in Estonia”.

d.) Recovery of Funds

Any proven irregularity or fraud discovered at any time during the implementation of the programme will lead to the recovery of funds by the Commission.

If the implementation of a measure appears not to justify either a part or the whole of the assistance allocated, the Commission is to conduct an appropriate examination of the case, in particular requesting the beneficiary country to submit its comments within a specified period of time and to correct any irregularity.

Following the examination referred to in the previous paragraph, the Commission may reduce, suspend or cancel assistance in respect of the measures concerned if the examination reveals irregularity, an improper combination of funds or a failure to comply with one of the conditions in the financing memorandum and in particular any significant change affecting the nature or conditions of implementation of the measure
for which the Commission’s approval has not been sought. Any reduction or cancellation of the assistance is to give rise to recovery of the sums paid.

Where the Commission considers that an irregularity has not been corrected or that all or part of an operation does not justify either all or part of the assistance granted to it, the Commission is to conduct a suitable examination of the case and request the beneficiary country to submit its comments within a specified period. After the examination, if the beneficiary country has undertaken no corrective measures, the Commission may:

(a) reduce or cancel any advance;

(b) cancel all or part of the assistance granted to the measure.

The Commission is to determine the size of a correction taking into account the nature of the irregularity and the extent of any failures in the management and control systems.

Any funds not used by the expiry date of the programme will be recovered by the Commission. A final written declaration with supporting documentation shall be issued by the NAO just after the end of the disbursement period of the Financing Memorandum showing the total amount contracted and disbursed. A final bank reconciliation showing the existing balances in the NF/IA/CFCU shall also be enclosed.

Notwithstanding the recovery of unused and ineligible funds after expiry of the Financing Memorandum, a complementary recovery order may be issued after the final audit of the reliability and consistency of contracts and disbursements as well as their compliance with the provisions of the Financing Memorandum has been carried out, taking into account the independent opinion of the final audit.

The National Authorising Officer will ensure the reimbursement of any unused funds or any sum wrongly paid within sixty calendar days of the date of notification. If the NAO does not repay the amount due to the Community, the beneficiary country shall refund this amount to the Commission. Interest on account of late payments shall be charged on sums not repaid by applying the rules specified in the Financial Regulation governing the Community Budget.

e.) Financial Flows

The Commission will transfer funds to the NF in accordance with the Memorandum of Understanding signed between the Commission and Estonia in December. Funds will be transferred following requests from the NAO onto a separate bank account, denominated in €, which will be opened and managed by the NF in the Central Bank or in a Bank agreed in advance with the Commission.

aa) Transfer of Funds to the National Fund

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

* excluding the amount foreseen for the Community programmes
(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.

Two replenishments will be made of up to 30% of the funds to be managed locally* and the final payment of up to 20% or the full balance of the budget whichever is the lesser amount. The first replenishment will be triggered when 5% of the budget* has been disbursed by the IAs and the CFCU. The second replenishment may be requested when 35% of the total budget* in force has been disbursed. The final third replenishment will be paid when 70% of the total budget* in force is disbursed. Exceptionally the NAO may request an advance payment of more than the percentages mentioned above in accordance with the procedures laid down in the aforesaid Memorandum of Understanding. Save for express prior authorisation from the Commission HQs, no replenishment may be made if the trigger points mentioned above have not been respected.

bb.) Transfer of Funds to the Implementing Agencies

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. Bank accounts for sub-programmes shall be opened in the name of the relevant Implementing Agency/CFCU in charge of the financial administration of the sub-programme in line with Art. 13 of the MoU on the establishment of the National Fund.

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.

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.
cc.) Transfer of Funds to the National Fund for Participation in Community Programmes and Agencies

A single advance will be made to the National Fund to cover the full amount of the PHARE part of the financial contribution for participation in Community programmes and agencies. This advance will be made following signature of the Financing Memorandum and upon request from the National Fund.

This advance is separate from the advances made for the rest of the programme. However, it should be noted that the Phare contribution for each programme will only be transferred when the Association Council Decision or Memorandum of Understanding establishing the terms and conditions for participation in that programme is in force.

If there is a delay in the entry into force of some of the Memoranda of Understanding, the payment to the National Fund may be divided into two or more tranches, so that 100% of the funds necessary for the programmes in force can be transferred immediately.

The National Fund will be responsible for transferring the funds back to the Commission, following the call for funds of the Commission’s Directorate General responsible for the programmes concerned and within the deadlines requested.

dd.) Interest

In principle, all bank accounts\(^3\) 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.

f.) Implementing Agencies will be responsible for sub-programmes as follows:

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
<th>Implementing Agency</th>
<th>Ministry of Finance &amp; Economic Affairs</th>
<th>Project Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/000-579.01.01</td>
<td>Reinforcement of the administrative and operational capacity of the Estonian Customs Board (ECB)</td>
<td>CFCU</td>
<td>Ministry of Finance &amp; Economic Affairs</td>
<td>TA</td>
</tr>
<tr>
<td>2002/000-579.02.01</td>
<td>Creation of the system of licensing and supervision of aviation personnel in compliance with EU and JAA requirements</td>
<td>CFCU</td>
<td>Ministry of Transport and Communication</td>
<td>TA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Estonian Civil Aviation Administration</td>
<td>INV</td>
</tr>
<tr>
<td>2002/000-579.02.02</td>
<td>Strengthening Enforcement of Maritime Safety</td>
<td>CFCU</td>
<td>Ministry of Transport and Communication</td>
<td>TW</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maritime Administration</td>
<td>INV</td>
</tr>
</tbody>
</table>

\(^3\) in particular, but not exclusively, accounts run by the NF, the CFCU and IAs
<table>
<thead>
<tr>
<th>Code</th>
<th>Project Description</th>
<th>Authority</th>
<th>Language</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002/000-579.03.01</td>
<td>Enforcement of EU intellectual and industrial property legislation</td>
<td>CFCU Ministry of Culture Ministry of Economic Affairs Customs Board</td>
<td>TW TA</td>
</tr>
<tr>
<td>2002/000-579.03.02</td>
<td>Implementation of INTRASTAT system in Estonia</td>
<td>CFCU Ministry of Finance</td>
<td>TW INV</td>
</tr>
<tr>
<td>2002/000-579.04.01</td>
<td>Enhancing employment opportunities for people with disabilities</td>
<td>CFCU Ministry of Social Affairs Labour Market Department</td>
<td>TW</td>
</tr>
<tr>
<td>2002/000-579.04.02</td>
<td>Implementation of the social security co-ordination rules in the frame of the free movement of persons</td>
<td>CFCU Ministry of Social Affairs</td>
<td>TW INV</td>
</tr>
<tr>
<td>2002/000-579.04.03</td>
<td>Increasing the coverage and effectiveness of Occupational Health services in Estonia</td>
<td>CFCU Ministry of Social Affairs Occupational Health Center</td>
<td>TW</td>
</tr>
<tr>
<td>2002/000-579.05.01</td>
<td>Development of administrative capacity for monitoring and evaluation of the agri-environment measures</td>
<td>CFCU Ministry of Agriculture Control Center of Plant Production</td>
<td>TW</td>
</tr>
<tr>
<td>2002/000-579.05.02</td>
<td>Strengthening of TSE Control System in Estonia</td>
<td>CFCU Ministry of Agriculture Veterinary and Food Board Veterinary Food Laboratory</td>
<td>TL INV</td>
</tr>
<tr>
<td>2002/000-579.05.03</td>
<td>Development of Agricultural Information Management Systems</td>
<td>CFCU Ministry of Agriculture Agricultural Registers and Information Board Veterinary and Food Board</td>
<td>TL INV</td>
</tr>
<tr>
<td>2002/000-579.05.04</td>
<td>Minimalisation of the number of rabies cases among wild and domestic animals in Estonia</td>
<td>CFCU Ministry of Agriculture Veterinary and Food Board Veterinary Food Laboratory</td>
<td>TL INV</td>
</tr>
<tr>
<td>2002/000-579.06.01</td>
<td>Successful implementation of Common Fisheries Policy</td>
<td>CFCU Ministry of Agriculture ARIB Ministry of Environment</td>
<td>TW</td>
</tr>
<tr>
<td>Date</td>
<td>Project Description</td>
<td>Funding Body</td>
<td>Department</td>
</tr>
<tr>
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<td>-------------------------------------------------------------------------------------</td>
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<td>---------------------------------------------------</td>
</tr>
<tr>
<td>2002/000-579.07.01</td>
<td>Development of Estonian Air Quality Management System</td>
<td>CFCU</td>
<td>Ministry of Environment Estonian Environmental research centre</td>
</tr>
<tr>
<td>2002/000-579.08.01</td>
<td>Development of work-linked training programmes and network in the Northeast, South and Island regions in Estonia</td>
<td>CFCU</td>
<td>Ministry of Education Foundation for Vocational Education and Training Reform</td>
</tr>
<tr>
<td>2002/000-579.08.02</td>
<td>Special Programme for Strengthening the Civil Society and preparing for Accession of Estonia</td>
<td>CFCU</td>
<td>Ministry of Social Affairs</td>
</tr>
<tr>
<td>2002/000-579.08.03</td>
<td>Completing preparations for the management of EU Structural Funds – Phase II</td>
<td>CFCU</td>
<td>Ministry of Finance</td>
</tr>
</tbody>
</table>


g.) Environmental Impact Assessment and Nature Conservation

The procedures for environmental impact assessment as set down in the EIA-directive\(^4\) are fully applicable for all investment projects under PHARE. If the EIA-directive has not yet been fully transposed, the procedures should be similar to the ones established in the above-mentioned directive. If a project would fall within the scope of annex I or annex II of the EIA Directive, the carrying out of the EIA-procedure must be documented\(^5\).

If a project is likely to affect sites of nature conservation importance, an appropriate assessment according to Art. 6 of the Habitats-Directive\(^6\) must be documented\(^7\).

All investment projects shall be carried out in compliance with the relevant Community environmental legislation. The Project Fiches will contain specific clauses on compliance with the relevant EU-legislation in the field of the environment according to the type of activity carried out under each investment project.

h.) Special rules for certain components for the programme

**Twinning**


\(^5\) in Annex EIA to the corresponding investment project fiche

\(^6\) DIR 92/43/EEC; OJ 206/7; 22.7.1992

\(^7\) in Annex Nature Conservation to the corresponding investment project fiche
The amounts earmarked for twinning projects will cover the eligible costs (as set down in the DIS instructions) for implementing the work plan agreed between the Member State and the Applicant Country. The eligible costs may include costs incurred by the selected Member State during the preparation of the twinning covenant in the period between signature of the Financing Memorandum and the final notification of the financing approvalof the covenant.

**Grant Schemes**

For grant schemes whose procedures and formats are not covered by the current DIS rules, the precise implementation arrangements will be specified in the relevant project fiches in line with the following principles:

- The procedures and formats to be used in the implementation of the schemes and award of the grants will follow the provisions of the Practical Guide. In particular, due care will be given to the selection process of the beneficiary projects, which has to be done at technical level through selection committees composed of experts appointed by the authorities which are co-financing the schemes as well as by the relevant administrations and interest groups involved in the schemes.

- The competent PAO for the programme under which the grant scheme is financed has to retain his/her contractual and financial responsibility for the implementation of the schemes. In particular, the PAO has to formally approve the call for proposals, application forms, evaluation criteria, as well as the selection process and results. The PAO has also to sign the grant contracts with the beneficiaries and to ensure adequate monitoring and financial control under his/her authority and responsibility. With this reservation, the management of the schemes can be decentralised from the PAO to the appropriate bodies at sectoral or regional level.

- The ex ante approval of the Commission (Delegation in Tallinn) will be required for the call for proposals, application forms, evaluation criteria, the selection procedures (including the composition of the committees) and results (list of projects to be funded). The grant contracts signed by the PAO will be subject to the ex-ante control of the EC Delegation.

The implementation of the selected projects through the provision of works, supplies and services sub-contracted by the final beneficiaries of the individual grants shall be subject to the procurement regulations in the Practical Guide. The decentralised system established for CBC small projects is to be applied to all such contracts below 300 000 EUR (or any increased threshold to be fixed by EC Headquarters for small project funds under CBC programmes). Tenders and contracts above this threshold will be presented to the EC Delegation for ex ante approval. The financial commitments in Phare terms will be effected at the date of signature of the grant contracts by the competent PAO. Project implementation and all Phare disbursements are to be done before the expiry date of the present Financing Memorandum.

**4. Monitoring and Evaluation**

Project implementation of this programme will be monitored through the Joint Monitoring Committee (JMC). It includes the NAO, the NAC and the Commission services. 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. Furthermore the JMC will review the progress of all pre-accession EU-funded assistance programmes once a year (PHARE, ISPA and SAPARD).

For the PHARE programme, the JMC will be assisted by Sectoral Monitoring Sub-Committees (SMSC) which will include the NAC, the PAO of each Implementing Agency (and of the CFCU where applicable) and the Commission Services. The SMSC will review in detail the progress of each programme, including its components and contracts, assembled by the JMC into suitable monitoring sectors. Each sector will be supervised by one SMSC on the basis of regular monitoring reports produced by the Implementing Agency, and interim evaluations undertaken by independent evaluators. The SMSC will put forward recommendations on aspects of management and design, ensuring these are effected. The SMSC will report to the JMC, to which it will submit overall detailed opinions on all Phare financed programmes in its sector.

The Commission services shall ensure that an ex-post evaluation is carried out after completion of the Programme.

5.) Audit and Anti-Fraud Measures

a.) By the Candidate Countries

Each year an audit plan and a summary of the findings of the audits carried out shall be sent to the Commission. Audit reports shall be at the disposal of the Commission.

Appropriate financial control shall be carried out by the competent national financial control authority with respect to the implementation of the programme.

Beneficiary countries shall ensure investigation and satisfactory treatment of suspected and actual cases of fraud and irregularity following national or Community controls.

Irregularity shall mean any infringement of a provision of Community law resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them, either by reducing or losing revenue accruing from own resources collected directly on behalf of the Communities, or by an unjustified item of expenditure.

Fraud shall mean any intentional act or omission relating to:

(i) the use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the general budget of the European Communities or budgets managed by, or on behalf of, the European Communities,

(ii) non-disclosure of information in violation of a specific obligation, with the same effect,

(iii) the misapplication of such funds for purposes other than those for which they are originally granted.
The national authorities shall ensure the functioning of a control and reporting mechanism equivalent to the one foreseen in Commission Regulation 1681/94\textsuperscript{15}.

In particular, all suspected and actual cases of fraud and irregularity as well as all measures related thereto taken by the national authority must be reported to the Commission services without delay. Should there be no suspected or actual cases of fraud and irregularity to report, the beneficiary country shall inform the Commission of this fact at the end of each quarter.

b.) By the Commission

All financing memoranda as well as the resulting contracts are subject to supervision and financial control by the Commission (including the European Anti-fraud Office) and audits by the Court of Auditors. This includes measures such as ex-ante verification of tendering and contracting carried out by the Delegation in the Candidate Country concerned and on-the-spot checks.

In order to ensure efficient protection of the financial interests of the Community, the Commission may conduct on-the-spot checks and inspections in accordance with the procedures foreseen in Council Regulation (Euratom, EC) No. 2185/96\textsuperscript{14}.

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.

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 set down in the Annex "Visibility/Publicity". (enclosed)

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.

\textsuperscript{15} OJ L 178; 12.7.94; p. 43-46
\textsuperscript{14} OJ L 292; 15.11.1996; p. 2-5
ANNEX D

INFORMATION AND PUBLICITY FOR THE PHARE, ISPA AND SAPARD PROGRAMMES OF THE EUROPEAN COMMUNITIES

1. Objective and scope

Information and publicity measures concerning assistance from the European Community Phare Programme are intended to increase public awareness and transparency of EU action and to create a consistent image of the measures concerned in all applicant countries. Information and publicity shall concern measures receiving a contribution from the Phare Programme.

2. General principles

The appropriate Programme Authorising Officer in charge of the implementation of Financing Memoranda, and other forms of assistance shall be responsible for publicity on the spot. Publicity shall be carried out in co-operation with the EC Delegations, which shall be informed of measures taken for this purpose.

The competent national and regional authorities shall take all the appropriate administrative steps to ensure the effective application of these arrangements and to collaborate with the EC Delegations on the spot.

The information and publicity measures described below are based on the provisions of the regulations and decisions applicable to the Structural Funds. They are:


Specific provisions concerning ISPA are included in:


Information and publicity measures must comply with the provisions of the above mentioned regulation and decision. A manual on compliance is available to national, regional and local authorities from the EC Delegation in the country concerned.

3. Information and publicity concerning Phare programmes

Information and publicity shall be the subject of a coherent set of measures defined by the competent national, regional and local authorities in collaboration with the EC Delegations for the duration of the Financing Memorandum and shall concern both programmes and other forms of assistance.
The costs of information and publicity relating to individual projects shall be met from the budget for those projects.

When Phare programmes are implemented, the measures set out at (a) and (b) below shall apply:

(a) The competent authorities of the applicant countries shall publish the content of programmes and other forms of assistance in the most appropriate form. They shall ensure that such documents are appropriately disseminated and shall hold them available for interested parties. They shall ensure the consistent presentation throughout the territory of the applicant country of information and publicity material produced.

(b) Information and publicity measures on the spot shall include the following:

(i) In the case of infrastructure investments with a cost exceeding EUR 1 million:

- billboards erected on the sites, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

- permanent commemorative plaques for infrastructures accessible to the general public, to be installed in accordance with the provisions of the regulation and decision mentioned in paragraph 2 above, and the technical specifications of the manual to be provided by the EC Delegation in the country concerned.

(ii) In the case of productive investments, measures to develop local potential and all other measures receiving financial assistance from Phare, Ispa or Sapard:

- measures to make potential beneficiaries and the general public aware of Phare, Ispa or Sapard assistance, in accordance with the provisions cited at paragraph 3(b)(i) above.

- measures targeting applicants for public aids part-financed by Phare, ISPA or SAPARD in the form of an indication on the forms to be filled out by such applications, that part of the aid comes from the EU, and specifically, the Phare, ISPA or SAPARD Programmes in accordance with the provisions outlined above.

4. **Visibility of EU assistance in business circles and among potential beneficiaries and the general public**

4.1 Business circles

Business circles must be involved as closely as possible with the assistance, which concerns them most directly.

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to potential beneficiaries, particularly SMEs. These should include an indication of the administrative procedures to be followed.
4.2 Other potential beneficiaries

The authorities responsible for implementing assistance shall ensure the existence of appropriate channels for disseminating information to all persons who benefit or could benefit from measures concerning training, employment or the development of human resources. To this end, they shall secure the co-operation of vocational training bodies involved in employment, business and groups of business, training centres and non-governmental organisations.

Forms

Forms issued by national, regional or local authorities concerning the announcement of, application for and grant of assistance intended for final beneficiaries or any other person eligible for such assistance shall indicate that the EU, and specifically the Phare, Ispa or Sapard Programmes, is providing financial support. The notification of aid sent to beneficiaries shall mention the amount or percentage of the assistance financed by the Programme in question. If such documents bear the national or regional emblem, they shall also bear the EU logo of the same size.

4.3 The general public

The media

The competent authorities shall inform the media in the most appropriate manner about actions co-financed by the EU, and Phare, ISPA or SAPARD in particular. Such participation shall be fairly reflected in this information.

To this end, the launch of operations (once they have been adopted by the Commission) and important phases in their implementation shall be the subject of information measures, particularly in respect of regional media (press, radio and television). Appropriate collaboration must be ensured with the EC Delegation in the applicant country.

The principles laid down in the two preceding paragraphs shall apply to advertisements such as press releases or publicity communiqués.

Information events

The organisers of information events such as conferences, seminars, fairs and exhibitions in connection with the implementation of operations part-financed by the Phare, Ispa or Sapard Programmes shall undertake to make explicit the participation of the EU. The opportunity could be taken of displaying the European flags in meeting rooms and the EU logo upon documents depending on the circumstances. The EC Delegation in the applicant country shall assist, as necessary, in the preparation and implementation of such events.

Information material

Publications (such as brochures and pamphlets) about programmes or similar measures financed or co-financed by Phare, Ispa or Sapard should, on the title page, contain a clear indication of the EU participation as well as the EU logo where the national or regional emblem is used.
Where such publications include a preface, it should be signed by both the person responsible in the applicant country and, for the Commission, the Delegate of the Commission to ensure that EU participation is made clear.

Such publications shall refer to the national and regional bodies responsible for informing interested parties.

The above-mentioned principles shall also apply to audio-visual material.

5. Special arrangements concerning billboards, commemorative plaques and posters

In order to ensure the visibility of measures part-financed by the Phare, Ispa or Sapard Programmes, applicant countries shall ensure that the following information and publicity measures are complied with:

Billboards

Billboards providing information on EU participation in the financing of the investment should be erected on the sites of all projects in which EU participation amounts to EUR 1 million or more. Even where the competent national or regional authorities do not erect a billboard announcing their own involvement in financing the EU assistance must nevertheless be announced on a special billboard. Billboards must be of a size which is appreciable to the scale of operation (taking into account the amount of co-financing from the EU) and should be prepared according to the instructions contained in the technical manual obtainable from EC Delegations, referred to above.

Billboards shall be removed not earlier than six months after completion of the work and replaced, wherever possible, by a commemorative plaque in accordance with the specifications outlined in the technical manual referred to above.

Commemorative plaques

Permanent commemorative plaques should be placed at sites accessible to the general public (congress centres, airports, stations, etc.). In addition to the EU logo, such plaques must mention the EU part financing together with a mention of the relevant Programme (Phare, Ispa or Sapard).

Where a national, regional or local authority or another final beneficiary decides to erect a billboard, place a commemorative plaque, display a poster or take any other step to provide information about projects with a cost of less than EUR 1 million, the EU participation must also be indicated.

6. Final provisions

The national, regional or local authorities concerned may, in any event, carry out additional measures if they deem this appropriate. They shall consult the EC Delegation and inform it of the initiatives they take so that the Delegation may participate appropriately in their realisation.
In order to facilitate the implementation of these provisions, the Commission, through its Delegations on the spot, shall provide technical assistance in the form of guidance on design requirements, where necessary. A manual will be prepared in the relevant national language, which will contain detailed design guidelines in electronic form and this will be available upon request.