STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1. CRIS Number 2003/005-026.01.01
   Twinning Light EE03-IB-AG-01

1.2. Title: Development of Structural Funds electronic information system for
       Ministry of Finance (MoF) and for Agricultural Registers and
       Information Board (ARIB)

1.3. Sector: Administrative capacity

1.4. Location:
   • Estonia

2. Objectives

2.1. Overall objective(s):
   • Sufficient capacity for the implementation of Structural Funds in terms
     of electronic information system in place

2.2. Project purpose:
   • Central information system to grant necessary functionality for the
     Paying and Managing Authority, also for management and exchange
     of Structural Funds and Cohesion Fund data between Implementing
     Agencies and EC correspondent Information Systems according to the
     requirements of Council Regulation 1260/1999 - Articles 18(3)(e) and
     34(1)(a) ready.
   • Agricultural Registers and Information Board (ARIB) ready with
     installed software for administration of EAGGF-Guidance and FIFG
     measures under regulations 1260/1999 and 1263/1999

2.3. Accession Partnership and NPAA priority

   The project is in compliance with the Accession Partnership intermediate
   objective “Regional policy and co-ordination of structural instruments”:
   • Set up monitoring and evaluation systems; align financial management and
     control procedures with the specific requirements of the Structural Funds’
     regulations.

   The European Commission Regular Report of 2001 for Estonia draws
   attention to the fact that (ch. 21.) in the field of regional policy and cohesion
   the priority of the Government of the Republic is to set up legal and
   administrative framework to use the aid of the EU structural funds efficiently
   and to ensure the administrative capacity of relevant state institutions.

   Chapter III.21 - Regional Policy and Co-ordination of Structural Instruments -
   of Estonia’s National Programme for the Adoption of the Acquis 2001
foresees that the Estonian administration will have to be developed in order to reach the necessary level of capacity for assuming the obligations in managing and conducting control over the Community funded projects.

NPAA 2002-2003

7.3. Rural development policy

Administrative capacity

“By the end of 2003 Estonia will be administratively capable to implement the support measures of the EU and operate similar administration systems of support schemes.

To achieve this objective the development of ARIB will be continued. ARIB is already now responsible for administration of national agricultural and rural development support schemes under the EU SAPARD programme. ARIB will become the implementing and paying of all support measures of the EU common agricultural policy and rural development support schemes. However, the capacity of ARIB for carrying out inspection has to be increased in terms of resources. The procedures of processing applications and control will have to be harmonised with regulations on structural funds.”

Progress Report 2002

As specified in the Decision of the Government of the Republic of 16 April 2002 the Agricultural Registers and Information Board (ARIB) currently responsible for administration of all national agricultural support measures, including investment support under the SAPARD- programme, will also become the paying authority for Guidance Section of EAGGF and FIFG. The implementing body for Guidance Section of EAGGF and FIFG will be the Ministry of Agriculture.

2.4. Contribution to Single Programming Document

- Structural Funds information system is a necessary tool for adequate monitoring and financial management of the SPD 2003-2006.

2.5. Cross Border Impact

- N/A

3. Description

3.1. Background and justification:

3.1.1 Information Systems for operative management and data aggregation of SF and CF

Foreign Financing Department of the Ministry for Finance co-ordinates the application for monitoring and evaluation of foreign assistance for development and investment projects. This can be in the form of technical assistance, loans and grants, from either the EU or specific countries.
As Estonia moves forward towards EU accession new forms of funding, EU Structural Funds and Cohesion Fund assistance as well as Community Initiatives will need to be catered for. This could be as early as 2004.

With these new forms of funding come new information requirements and regulations, which recognise the importance of the computerised exchange of data between the Commission and Member States as a key factor in the fulfilment of management, monitoring and evaluation requirements.

These new funds will be distributed on the basis of a Single Programming Document (SPD), which was presented to the EU Commission in March 2003. It will outline the selected Priorities and Measures that Estonia plans to implement.

**Current situation**
The current applications within the Ministry of Finance are unable to cater for these new forms of funding. Following a detailed review undertaken in the framework of the Phare 2001 projects SPP+, it was recommended to implement a Central Database system based on the SAP - this solution is consistent with and will build upon the existing technical infrastructure of the Ministry of Finance, where SAP modules have already been developed to manage treasury and financial data. Also none of Implementing Bodies have sufficient info-technical solutions allowing adequately maintain data on the Applications and Projects data, workflow and monitoring for all Funds applicable.

**Experience of EU countries**
Our specialists visited Scotland and Finland correspondent ministries to clarify the possibility to in use foreign information systems instead of building one of our owns. We understood that because SF management organisation structures do not match (Finland), and the IT solutions are too different (Scotland) it would not be cost effective to start using or re-build one or some information systems used for management of SF in Scotland and Finland.

**Goals**
Ministry of Finance needs a Central Database System to aggregate SF applications and projects data for monitoring, reporting and providing necessary information for EC when needed. To exploit existing IT infrastructure and investments a SAP Product Lifecycle Management (PLM) module should be adapted for Ministry of Finance to manage Structural Funds.

The information system should ensure effective supervision of *de minimis* aid (aid granted to a single entrepreneur must not exceed 1.5 million kroons in 3 consecutive years) and State aid granted. Additionally the system should enable compiling annual reports demanded by the EC about State aid granted and it may be used as a statistical source for macroeconomic analysis and for formulation of the state support policy.

For Implementing Agencies and Intermediate Bodies everyday a separate operative information system for maintaining applications and projects will be developed. Users
inside Implementing Bodies using aggregated statistical data will access the Funds Application through the mySAP thin-client Portal.

Intermediate Bodies that are developing their own information system covering SF maintaining functionality should grant databases synchronisation possibilities with central SAP based database.

The Applicants and other bodies bounded with SF process will have access to certain parts of operative information system for maintaining their own applications and projects.

The General Public will be able to review historic summary information on funded projects on the Internet, through the Ministry web site. They will not be accessing the main Funds database but rather a summary “public access” reports database. This database will be regularly updated by the main Funds database.

This technical solution satisfies the needs of Implementing Agencies and Bodies and also Managing and Paying Authorities and will allow easy deployment and improved maintenance of the Information System. Also this solution is not hindered by the diversity of technical architectures present in the various agencies and bodies.

The developed application must support the business processes of the Ministries and the associated implementing agencies and bodies as well as the EU Commission in relation to the handling of structural funds.

- SF maintaining Central Database must be capable to exchange data with the Commission and cover the whole SPD and give aggregated data at Priority and Measure level according to Council Regulation No 1260/1999 Articles 18(3)(e) and 34(1)(a) and 34 requirements.
- It must improve the management, monitoring, evaluating and bookkeeping of foreign funded projects.
- Produce aggregated information on implementation at Priority and Measure level (aggregated from data collected at project level) and as agreed in the programming documents (SPD and PC).
- Guarantee that the data collection chain is complete from the bottom up. That implies a clear definition of the data required, the organisation of the data collection, including quality checks and control, and the precise definition of responsibilities of each actor involved (MA, PA, Intermediate Bodies, Final Beneficiaries).
- Harmonise the fund management processes across the diverse institutions.
- Ensure the adequate monitoring, financial management and control of co-financing streams.
- Provide a structure which can potentially manage all funded projects.

For ensuring successful implementation of the system an inter-ministerial working group for implementation of Structural Funds electronic information system has been called together. First meeting of this group is planned to take place in the beginning of April 2003. Tasks for this working group are:

- development of structure and common requirements of SF information system
- co-ordination of development of SF information system
monitoring of projects dealing with SF information system

Development of SF maintaining Central Database System has been divided into 3 major parts:
- Preparations
- Analysis
- Design and development

Preparations
This stage was completed under PPF (Phare Project Preparation Facility ES9912: Technical Assistance of preparations for Structural Funds database development) in the beginning of April 2002. Existing databases were reviewed and “IT Development Plan for the management of Structural Funds in Estonia” was written.

Analysis
Analysis part will be implemented under SPP+ project. It is scheduled to start in March 2003 with duration of 90 days. Objective of this stage is to carry out analysis (for design and development) of a fully functional application to manage both EU and Estonian funding needs in relation to the various forms of EU funding. The result of this part will be a complete analysis and definition of the Structural Funds information system and tender documentation for tendering next part. Analysis stage is expected to end in the beginning of June 2003.

Development
Current project represents the SF Central Database development stage. In this stage information system will be developed according to the analysis document created in previous stage. End-user training needs will be planned and suitable curriculum developed. The duration of this project is 9 months. After completion of the project all relevant Implementation Agencies and ministries will have a common tool for managing Structural Funds assistance. This information system together with information systems in Ministry of Agriculture (Rural Development and FIFG measures) and Ministry of Education (management of Grant schemes, relevant ESF and ERDF measures) will cover all needs for the implementation of Structural Funds (decision making, financial management, monitoring).

Gap
Ministry of Finance will:
- Implement the Central Database System based on SAP Product Lifecycle Management module to collect and maintain data of all SF applications and projects operatively handled by different systems of Implementing Agencies.
- build Operative System for maintenance of SF everyday process what will be used by Implementation Agencies what will not build up their own information system.
As a feasibility study only exists for Central Database, the Operative System will be created using Government budget.
SF information Systems visualisation is given in drawing1, ANNEX 4.

3.1.2 Background for the development of the software for Agricultural Registers and Information Board (ARIB) for administration FIFG and EAGGF-Guidance measures under regulations 1260/1999 and 1263/1999

The whole rural development legislation of the European Union will come into force in Estonia at the moment of accession. At the present moment the main aim is to strengthen the administrative capacity for implementation of EU rural development support measures at the moment of accession.

In 2001 the SAPARD programme started in Estonia, being the special accession programme for agriculture and rural development for Central and Eastern European countries in 2000 – 2006 based on the Council Regulation 1268/1999. Upon introduction of the SAPARD programme a system for administration of support schemes similar to those of the EU has been established within the Agricultural Registers and Information Board (ARIB) under the Ministry of Agriculture, acting also as the paying agency.

In 2001 4 measures were implemented in the framework of SAPARD that can be considered as a pre-structural fund:

Measure 1 – investment support to agricultural production;
Measure 2 – investment support to production and marketing of agricultural and fishery products;
Measure 3 – investment support for development and diversification of alternative economic activity in a rural area;
Measure 4 – investment support to rural infrastructure.

The above-mentioned measures of the SAPARD programme are similar to the support measures of the EU enforced by the Council Regulation (EC) 1257/1999.

3.1.3 Justification for IT development project for SPD FIFG and EAGGF measures in ARIB

Agricultural Registers and Information Board was accredited as SAPARD Paying Agency in June 2001 and started to receive applications for the above mentioned measures that can be considered as a pre-structural fund;

During the first year ARIB received 248 applications and in 2002, 426 applications. During the first week of receiving applications in 2003, 70 applications were submitted. This shows an increasing trend of applications.

In 2003 the following 2 additional rural development measures will be introduced in the framework of the SAPARD programme:

Measure 5 – technical assistance to the measures covered by the Rural Development Plan with the aim of supporting the supervision and implementation of the SAPARD programme;
Measure 6 – restoration and development of villages, and protection and maintenance of natural and cultural heritage of rural areas.

According to SPD ARIB has to start to administrate in addition to the above-mentioned measures the next completely new measures under EAGGF Guidance section:

- Support for provision of advisory and extension services;
- Development of forestry;
- Integrated land improvement;
- Local initiative based development projects (Leader type);

and under FIFG;

- Investment support for processing of fish and aquaculture products;
- Investment support for aquaculture;
- Modernisation of fishing ports;
- Restructuring of fishing fleet;
- Promotion of new market outlets.

The number of applications is expected to increase up to 1200 during the programming period 2004 – 2006.

Today the administration of the applications (receiving, control, analysis, authorisation, accounting, payments) starts in 15 local units of ARIB in Counties and continues in the head office. All administration is carried on paper (ca 300 different forms) up to the accounting and payment system, which is electronic (Axapta).

To minimise the risk of mistakes, lighten the process to archive the documents and increase the effective use of labour, ARIB aims to apply the component in the current Phare project to:

- Develop software for the application administration process from receiving applications up to the payment and accounting;
- Develop software module for cross-checks with IACS registers, vessel register, catch register and sanctions register (FIFG);
- Develop the existing payment and accounting software program (Axapta) for administration of new 9 measures;
- Develop the software module for reporting to the Managing Authority;
- Develop technical specifications for procurement of above-mentioned Software:
- Train the users
RDP and FIFG software development components

The scheme for development of software for FIFG and EAGGF measures consists of the following modules.

- Application – module, which has to assure to type in application data,
- Input- links with the existing IACS, FIFG and client registers has to be created, link to insert the on-spot data on different stage of the project
- Calculation and analysing module – module for analysing and calculation of business plans
• Accounting and payment module – development of Axapta for the new measures and create data flow to Axapta from the different stages of the application administration

• Reporting module – module for the financial and monitoring data reporting to the Managing Authority

For the measures, which are connected to animals or land the link with IACS registers is needed to make cross-checks. IACS registers for animals and field registers will be ready in ARIB for the accession.

For the FIFG measures the link with FIFG registers has to be created to make cross-checks. FIFG registers are under the responsibility of Ministry of Environment. The feasibility study to evaluate the functionality of FIFG registers will be carried out at the end of April.

To identify the applicant, the link with client register kept by ARIB has to be created

The analysing module for analysing of the business plans has to be created to evaluate the viability of the project.

Accounting module in Axapta exists for ongoing SAPARD measures. Today the data to the Axapta is inserted in Financial department.

The possibility to insert data for the accounting and payment on the previous stages of administration of application has to be developed. Axapta has to be developed for the new RDP and FIFG measures.

Considering the nature of the project, no NGOs were consulted during the project preparation process. The project aims at institution building at the central government level and the NGOs are not seen as directly benefiting or having a role in the project’s activities.

3.2. Linked activities:

<table>
<thead>
<tr>
<th>Project no</th>
<th>Name</th>
<th>Amount EUR</th>
<th>Status</th>
</tr>
</thead>
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### 3.2.1. Technical Assistance of preparations for Structural Fund database development (ES9912.0014)

The main result of this project was IT development plan for the management of Structural Funds in Estonia. This document defines the proposed Funds Application project at a high level. It provides the basis for a common general understanding, to the Ministry of Finance and all project participants, of the project objectives, scope and high level deliverables as well as associated risks.

### 3.2.2. Completing preparations for the management of EU structural funds (SPP+) (ES01.07.02)

The SPP+ project provides assistance in four areas:

- Preparation of the draft SPD and draft Programme Complement in close co-operation with associated partners according to Council regulation 1260/1999;
- Development of the capacity of the bodies designated by the Estonian authorities as future MA and PA and the respective Intermediate Bodies of the SPD;
- Preparation of legal, budgetary and administrative framework for the implementation of the acquis and harmonisation of tasks related to payment, public internal financial control and audit of SFs assistance;
- Training needs analysis and a sustainable training plan for the key persons responsible for programming and implementing SPD and SFs.
3.2.3. Completing preparations for the management of EU structural funds phase 2 (SPP++)

Objective of this project is to raise administrative readiness to implement the Structural Funds and Community Initiatives in Estonia.

3.2.4. PHARE Consensus III

Among the other activities this programme helped to prepare the administration for joining the ESF. One of the expected results was to make recommendations for IT requirements for ESF administration.

3.2.5. Development of Agricultural Information Systems

This project was focused on establishing an efficient co-ordination structure for the overall agricultural information systems (EAA, FAN, MIS, IACS). The main objective of the IACS component was to advise Estonian experts on establishing the system according to EU requirements, especially on establishing support administration infrastructure and evaluating institutional capacities. The main focus was on creating a work plan for further activities.

3.2.6. Development of Agricultural Support System Administration

The main emphasis in this project is on specific expert advice on setting up the necessary management systems, developing written procedures and legislation. The main scope of the investment component is to development of a land parcel identification system and purchasing the necessary equipment and licenses. Unfortunately, it is not cover the entire IACS requirements, therefore the new project is needed.

3.2.7. Development of Market Regulation System for Agriculture

The objective of the project is to establish a fully operational intervention system (covering plant, milk, meat production and processed goods) that can be implemented both from national funds and EU funds after accession.

The main project activities are directed towards ARIB and their common management provides the link to IACS.

3.2.8. Successful implementation of Common Fisheries Policy

The overall objective of the Twinning is to help in developing the necessary laws, structures and controls needed in order to ensure compliance with the European Union legislation in the field of the Common Fisheries Policy (CFP), through strengthening the capacity of the fisheries administration in terms of implementation of market policy of fisheries products and management of the Financial
Instrument of Fisheries Guidance (FIFG). The Twinning project consist of two components:

Implementation of Market Policy for Fishery Products
- Revision and implementation of legislative requirements (support schemes, intervention system, Common Marketing Standards, Recognition of Producers’ Organisations).
- Training of administrative services and inspection services.

Implementation of FIFG in Estonia
- Revision and implementation of legislative requirements (programming process and funding regulations).
- Training of administrative services through the elaboration and execution of training plans and programmes.

3.2.9. Development of Agricultural Information Management System

The expected results of the project are:
(1) Installation of functioning Integrated Administration and Control System (IACS) for administering CAP direct support measures and its connections with agri-environment area based measures of regulation No. 1257/1999.
(2) Information system established for veterinary control purposes for the animal identification and movement control.

3.3. Results:
3.3.1. Contract 1: Structural Funds Central Database System based on SAP PLM module is adapted for Ministry of Finance specific needs and is in use, all relevant documentation (including user manuals) is available to Ministry of Finance.

3.3.2. Contract 2: twinning light
1) Tender documentation ready for procurement of the software for the following EAGGF & FIFG measures;
   EAGGF
   • Investments in agricultural holdings
   • Support for provision of advisory and extension services
   • Improving the processing and marketing of agricultural products
   • Development of forestry *
   • Integrated land improvement*
   • Renovation and development of villages and protection of rural heritage
   • Diversification of agricultural activities to provide alternative incomes
   • Local initiative based development projects (Leader type)*

   FIFG
   • Investment support for processing of fish and aquaculture products
   • Investment support for aquaculture
   • Modernisation of fishing ports*
Restructuring of fishing fleet*
Promotion of new market outlets

2) Processing documentation elaborated for the measures marked with asterisk.

3) Trained staff of ARIB in measures marked with asterisk.

3.3.3. Contract 3– IT Audit

3.3.4. Contract 4: software development
1) Software programmes procured and operational for administering rural development and FIFG measures of regulation No. 1260/1999 and No. 1263/1999.
2) Training for users in ARIB provided.

3.4. Activities:

1. Design and development of information system according to Detailed Requirements Specification and training of users (approximately 75).

3.4.1. Contract 1: Service contract for development of the system and training users (525 000 EUR/9 months (for calculation of prices see annex 4)).

Development of Structural Funds information system will be based on document “Detailed Requirements Specification”.

The developed application will support the business processes of the Ministries and the associated implementing agencies and bodies as well as the EU Commission in relation to the handling of structural funds.

This system will:
• be capable of exchanging data with the Commission according to Council Regulation No 1260/1999 Articles 18(3)(e) and 34(1)(a), 1685/2000 and 69/2000 requirements
• improve the management, monitoring, reporting, evaluating and bookkeeping of foreign funded projects.
• efficiently manage the exchange of information
  • between the EU Commission and the Ministry of Finance
  • between the Ministry of Finance and other line ministries
  • between various ministries and the Implementing Agencies
• Harmonise the fund management processes across the diverse institutions.
• It should provide a structure which can potentially manage all funding projects.

End-user training needs will be planned and suitable curriculum developed. Training will take place in Q2 2004. Training topics will be addressed to each set of end-users – internal ministry users and implementing agencies for each different fund interface. Approximately 40 users will be trained for both Central Database System and SF maintaining Operative System. 45 from ministries (including Management,
Evaluation, Paying, Auditing and Technical Administration groups) and 30 from Implementing Agencies.

3.4.2. **Contract 2**: twinning light for ARIB –6 months

Twinning light (Phare 88 200 EUR, Estonia 14 800 EUR)

1) **Short-term expert and Project Leader (Phare 48 900 EUR)**
   Input 3 working months
   Responsibilities:
   • Preparation of software procurement tender documentation
   • Overall expertise of software bids
   • Organising study trips
   • Consulting ARIB employees
   • Reporting

Profile:
• Experience in administration of rural development and measures;
• Experience of financial planning for Guidance section RD measures.
• Experience in project organisation unit management;
• Experience in planning project assignments and management;
• Good knowledge of EU auditing requirements.
• Excellent English language skills and computer literacy required
• Previous Phare experience would be preferable

Study tours for the ARIB staff for practising the administration of the next RDP and FIFG measures in a member state (Estonia €14 800);
• Land improvement and reparcelling
• Development of forestry
• Local initiative based projects
• Modernisation of fishing ports
• Restructuring of fishing fleet
• Promotion of new market outlets

Participants and duration of the study tours to the member states will be financed with national co-financing;
It is foreseen that each person will study 2 measures.
• Support department 12 man-days (3persons for 4days)
• Control department 12 man-days (3persons for 4days)
• Register department 12 man-days (3persons for 4days)
• Finance department 12 man-days (3persons for 4days)
• Internal Audit 12 man days (3persons for 4 days)

The training in member-state is necessary to provide employees of ARIB practical experience of the real working system.

2) **Short-term twinning light expert (Phare € 16 900)**
Input 1 working month
Tasks:
• Preparation of tender documents for software development (FIFG) ;
• Consulting of ARIB employees

Profile:
• Experience in administration of FIFG measures;
• Experience of accounting and payment systems in FIFG
• Knowledge of iterative methods in practice;
• Good knowledge of EU auditing requirements.
• Excellent English language skills and computer literacy required

3) Short-term twinning light expert (Phare € 16 900)
Input 1 working month
Tasks:
• Overall expertise of software customisation;

Profile:
• Experience in administration of rural development and FIFG measures;
• Knowledge of interactive methods in practice;
• Good knowledge of EU auditing requirements
• Good knowledge of EU auditing requirements.
• Excellent English language skills and computer literacy required

Twinning light component is foreseen to ensure quality of implementation of new software in ARIB.

Contract 3: IT Audit (Phare 25.000)
An IT Audit and needs assessment for the development of the ARIB IT system is performed on the basis of the relevant measure control plans, IT development plan and draft technical specifications for contract 4.

Contract 4: – software development
1) Software development to administrate the following rural development and FIFG measures) (Phare € 608 000, Estonia € 203 100)

EAGGF
• Investments in agricultural holdings
• Support for provision of advisory and extension services
• Improving the processing and marketing of agricultural products
• Development of forestry
• Integrated land improvement
• Renovation and development of villages and protection of rural heritage
• Diversification of agricultural activities
• Local initiative based development projects (Leader type)

FIFG
• Investment support for processing of fish and aquaculture products
• Investment support for aquaculture
• Modernisation of fishing ports
• Restructuring of fishing fleet
• Promotion of new market outlets

2) Training of 50 software users in ARIB (Estonia 15 000).

Phare funds can only be used for the development of software. Phare funds under this project cannot be used to purchase hardware, servers or licenses for ARIB.

3.5 Lessons learned:

• Member states experiences had shown that building Structural Funds electronic information system tend to be more complex and it will take more time than expected. To avoid this, an “IT Development Plan for the management of Structural Funds in Estonia” have been composed under project “TA for Preparations for Structural Funds database development” (ES9912 PPF).

• As indicated in the Justification, the previous Phare support has not provided operational rural development and FIFG support measures system in Estonia. Valuable lessons are can be learnt from previous Phare Twinning projects Rural Development (ES9621-02; ES9803.04) and Preparation of Estonian fisheries sector for accession to the EU (ES9804.02). Strict project monitoring requirements have to be implemented to ensure effective project management to ensure fulfilment of results identified.

• Clear division of responsibilities and commitment of relevant institutions have to be ensured. ARIB has been identified as paying agency of EAGGF and FIFG. There is general experience running IT systems necessary for administration of support systems and it is good basis for further development. Still the experience of EU member states has proved to be a very good experience in development of new systems and therefore the importance of twinning activities and training shall not be underestimated.

4. Institutional Framework

Beneficiary of the project

The Ministry of Finance will be the Estonian co-ordinator of the project. There direct beneficiaries are:
• Foreign Financing Department (FFD) of Ministry of Finance (MoF).
• Agricultural Registers and Information Board (ARIB)

Other beneficiaries include all ministries, implementing agencies and regional bodies dealing with EU funding who will use the information system. End-users (from all involved ministries and implementing agencies) of this system will be involved through working groups into design process and will also be trained after the main development has been completed. Ministries will be connected with the project also through Steering Committee and inter-ministerial working group for implementation of Structural Funds electronic information system.
## 5. Detailed Budget

<table>
<thead>
<tr>
<th>Contract 1: Service contract for development of the Central Database system and training users</th>
<th>Phare Support (EUR)</th>
<th>National Co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
<td>Total Phare (=I+IB)</td>
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<td></td>
</tr>
<tr>
<td><strong>393 800</strong></td>
<td><strong>393 800</strong></td>
<td><strong>131 200</strong></td>
<td><strong>525 000</strong></td>
<td></td>
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</tbody>
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| Contract 2: Twinning light for ARIB | |
|---|---|---|---|
| Expert 1 | 48.900 | 48.900 | |
| Expert 2 | 16.900 | 16.900 | |
| Expert 3 | 16.900 | 16.900 | |
| Study tours | 14 800 | 14 800 | |
| Audit | 3 000 | 3 000 | |
| Reserve (2.5% of twinning light budget) | 2 500 | 2 500 | |

| Contract 3: IT Audit | |
|---|---|---|---|
| **25.000** | **25.000** | **25.000** | |

| Contract 4: Software development for ARIB including training | |
|---|---|---|---|
| **600 000** | **600 000** | **203 100** | **803.100** |
| - Software for EAGGF and FIFG | **600 000** | **188 100** | **788.100** |
| - Training for software users | | **15 000** | **15 000** |

| Total | **993 800** | **113 200** | **1 107 000** | **349 100** | **1 456 100** |

### National co-financing

<table>
<thead>
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<th>National co-financing for Central Database System</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State budget (Ministry of Finance)</td>
<td>131 200</td>
<td>131 200</td>
<td></td>
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</tbody>
</table>

| National co-financing for ARIB System | |
|---|---|---|---|
| State Budget (Ministry of Agriculture) | | 217 900 | 217 900 |

| Total national co-financing | 131 200 | 217 900 | 349 100 |

The amounts for co-financing indicated in the table correspond to cash co-financing. In addition, in-kind contributions from the Estonian administration for effective implementation of the Twinning Light and TA may be further detailed in the terms of references/technical specifications.

The co-financing expenses will be monitored by the beneficiary and the NAO. For the earmarked co-finance, a clear and verifiable set of costs will be provided. The source for co-financing is state budget line: Ministry of Finance/operating costs/foreign aid co-financing. Flow and stock data on co-finance will be submitted quarterly for steering committees, twice a year to the Sector Monitoring Working Group.

The Beneficiary, together with the NAO commits to sound financial management and financial control.

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1 Please see Annex5 for detailed budget
**Contract 1:** Structural Funds Central Database System, joint national co-financing in sum of **131 200€**

**Contract 2:** twinning-light for ARIB, parallel national co-financing in sum of **14 800€**

**Contract 4:** software development, joint national co-financing in sum of **203 100€**.

6. **Implementation Arrangements**

6.1. **Implementing Agency**

The Implementing Agency is the CFCU. The CFCU will be responsible for tendering and contracting. The responsibility for project preparation, implementation and control will remain in the recipient institution.

6.2. **PAO:**

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6.4. **Project Manager**

For Ministry of Finance:  
Mr. Indrek Mägi  
Adviser  
Foreign Financing Department  
Ministry of Finance  
1, Suur-Ameerika Str.  
15006 Tallinn, Estonia  
Phone: +372 6 113 608  
Fax: +372 6 966 811  
E-mail: Indrek.Magi@fin.ee

For ARIB:  
Mrs Katrin Noorkõiv  
Deputy Director General  
Agricultural Registers and Information Board  
Narva mnt 3, TARTU  
Ph: +372 (7) 371 204  
Katrin.noorkoiv@pria.ee

6.5. **Contact persons**

For Ministry of Finance:  
Mr Ivar Sikk  
Head of Foreign Financing Department

For ARIB:  
Mr. Olaf Laurisson  
Head of IT Department
Points to note about the project structure.

- The Ministry of Finance (MoF) has overall ownership and responsibility for this project.
- The project will take its direction through the Steering Committee, which will be chaired by the Project Sponsor, a senior manager within the Ministry of Finance.
- The project manager will be an experienced internal resource from the IT department.
- All team resources will work on a full-time basis during the different phases.
- It would be desirable for one of the internal business analysts to be from one of the other responsible line ministries.
- Each Line ministry and associated implementing agency must provide details of a business contact and an IT contact within their organisation. These contacts must be available to answer questions from the project team and will receive regular updates on the project progress and direction.
Steering Committee
Steering Committee will consist representatives from:
- EC Delegation
- Ministry of Finance
- Ministry of Economic Affairs & Communication
- Ministry of Social Affairs
- Ministry of Internal Affairs
- Ministry of Agriculture
- Ministry of Education
- Ministry of Environment

The Steering Committee will be appointed to ensure senior government commitment and control of the project. It will be made up of individuals from the principal line ministries. It will co-ordinate the management of the project and will respond to initiatives and concerns of the Project Manager. It is responsible for the defining of priorities, allocation and approval of funds, and being aware of any deviations from the project plan.

Appointed over the life of the project and retaining control of the project at all stages, the steering committee will meet once a month during the project lifecycle to stay abreast of the project status. The project manager will report progress and relevant issues to the steering committee.

6.6. Twinning
- Estonian counterpart for the Twinning Light experts is:
  Mr. Jaanus Hämmal
  The Agricultural Registers and Information Board
  Narva mnt 3
  51009 Tartu
  ESTONIA
  Phone: +372 (7) 371 271
  E-mail: jaanus.hammal@pria.ee

6.7. Non-standard aspects
- No non-standard aspects are foreseen. The DIS Manual and Practical Guide will strictly be followed. For twinning light component Twinning Manual rules apply.

6.8. Contracts
The expected number of contracts is 4:
- Contract 1: Service contract for development of the system and training users (525 000 EUR/ for calculation of prices see annex 4)
- Contract 2: Twinning light for ARIB (Phare 88.200 EUR, Estonia 14 800 EUR)
- Contract 3: Service contract IT Audit (Phare 25.000)
- Contract 4: software development 811 100 EUR

7. Implementation Schedule
7.1. Start of tendering/call for proposals

August 2003  September 2003

7.2. Start of project activity

December 2003  April 2004

7.3. Project Completion

August 2004  December 2004

8. Equal Opportunity

During the implementation of the project there will be no discrimination on the grounds of race, sex, sexual orientation, mother tongue, religion, political or other opinion, national or social origin, birth or other status. Equal opportunities for women, men and minorities will be ensured by the Steering Committee during the implementation of the project. The Estonian laws and regulations concerning the equal opportunities for women, men and minorities will strictly be followed. Equal opportunity for men and women to participate in the project will be measured by recording the experts and consultants employed.

9. Environment

N/A

10. Rates of return

N/A

11. Investment criteria

11.1. Catalytic effect:
Without Phare support Estonia will not be able to build up institutionally and technically well-organised Paying Authority responsible for administration of SF and CF at the moment of accession.

11.2. Co-financing:
Phare funds will be supplemented by Estonian state- budget funds in the total amount 349 150€

11.3. Additionality:
The project will not remove financing from other sources. The project supports the sufficient capacity for the implementation of Structural Funds in terms of electronic information system.

11.4. Project readiness and Size:
Feasibility study has been carried out in March 2003 by Eircom/ASTEC Group and has been financed by Phare. Total budget of the project is 1,490,000 EUR.

11.5. Sustainability:
N/A

11.6. Compliance with state aids provisions
N/A

11.7. Contribution to National Development Plan
N/A

12. Conditionality and sequencing

The budget for software development for contracts 1 and 3 is not yet fully supported by comprehensive feasibility studies. Therefore,

- Tendering of contract 1 (Ministry of Finance System Development Budget) is conditional upon the results of the on-going analysis in the framework of SPP+ aimed at providing Detailed Requirements Specification and tendering documentation, expected by July 2003. The budget for contract 1 should be revised according to the results of this study. Any additional cost that might result from this study will be covered by national funds. The fiche will be revised as appropriate and evidence of co-financing shown before implementation of contract 2.

- The implementation of contract 4 – software development for ARIB – is conditional upon the following:

  1. Agreement on the identification of the SPD measures by the Commission
  2. Control plans developed for SPD-EAGGF measures before an IT audit (contract 3) is launched.
  3. IT development plan and technical specifications developed before an IT audit is launched
  4. An independent IT audit (contract 3) and needs analysis for the investment component will be performed and approved by the EC Delegation before the launch of the tender for the investment.
  5. The final budget for contract 4 will be revised according to its results. Any additional cost needed to reach the expected results of the current project, that might result from such an audit will be borne by the national budget. The fiche will be revised as appropriate and evidence of co-financing shown before implementation of contract 4.
• Before endorsement of contract 4, 50 software users will be recruited in ARIB.

Sequencing

In contract 1, training of users cannot start before main development is finished (some of final testing and fixes can be done in same time). Hardware (from national financing) must be purchased before development stage (approximately 2 months after start). A feasibility study to evaluate the functionality of FIFG registers will be carried out at the end of April.

**ANNEXES TO PROJECT FICHE**

1. Logical framework matrix in standard format
2. Detailed implementation chart
3. Contracting and disbursement schedule by quarter for full duration of programme
4. Reference to feasibility /pre-feasibility studies.
5. Detailed budget for Development of the SF Central System
### LOGFRAME PLANNING MATRIX FOR

**Development of Structural Funds electronic information system for Ministry of Finance (MoF) and for Agricultural Registers and Information Board (ARIB)**

<table>
<thead>
<tr>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracting period expires: 30.11.2005</td>
</tr>
<tr>
<td>Disbursement period expires: 30.11.2006</td>
</tr>
<tr>
<td>Total budget: 1 456 100</td>
</tr>
<tr>
<td>Phare budget: 1 107 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient capacity for the implementation of Structural Funds.</td>
<td>Estonian Structural Funds administration is capable of fulfilling European Commissions’ requirements about implementing Structural Funds</td>
<td>Annual reports</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Central information system to grant necessary functionality for the Paying and Managing Authority, also for management and exchange Structural Funds and Cohesion Fund data between Implementing Agencies and EC correspondent Information Systems according to requirements of Council Regulation 1260/1999 - Articles 18(3)(e) and 34(1)(a) ready.</td>
<td>Information system is ready for exploitation by the end of Q3 2004.</td>
<td>IT Department of Ministry of Finance of Estonia. Final report of the project.</td>
<td>All Implementation Agencies are ready for implementation of Structural Funds</td>
</tr>
<tr>
<td>• Agricultural Registers and Information Board (ARIB) ready with installed software for administration rural development EAGGF and FIFG measures under regulations 1260/1999 and 1263/1999</td>
<td>• Software for 1260/1999 and 1263/1999 measures in place by the end of project.</td>
<td>• Project reports • Audit reports</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract 1</strong> Structural Funds Central Database System based on SAP PLM module is adapted for Ministry of Finance specific needs and is in use, all relevant documentation (including user manuals) is overhanded to Ministry of Finance.</td>
<td>1 Information system is ready for exploitation by the end of Q3 2004.</td>
<td>IT Department of Ministry of Finance of Estonia. Final report of the project</td>
<td>1</td>
</tr>
</tbody>
</table>
**Contract 2 Twinning light**

Assistance provided for ARIB on preparing tender documentation for procurement of the software for the following measures:

- Investments in agricultural holdings
- Support for provision of advisory and extension services
- Improving the processing and marketing of agricultural products
- Development of forestry
- Integrated land improvement
- Renovation of village
- Diversification of agricultural activities
- Local initiative based development projects (Leader type)

**FIFG**

- Investment support for processing of fish and agriculture products
- Investment support for aquaculture
- Modernisation of fishing ports
- Restructuring of fishing fleet
- Promotion of new market outlets

Trained staff of ARIB

<table>
<thead>
<tr>
<th></th>
<th>Elaborated tender documents</th>
<th>Trained staff in ARIB</th>
<th>Project reports</th>
<th>ARIB IT audit reports</th>
</tr>
</thead>
</table>

**Contract 3**

1) Software programmes procured and operational for administering rural development and FIFG measures of regulation No. 1260/1999 and 1263/1999.

2) Training for users in ARIB provided.

- Necessary IT programmes installed and operational by the end of 2004;
- Software functional at ARIB by end 2004
- Software programmes operational and ARIB staff

Tested software

Trained staff
<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract 1</strong>&lt;br&gt;Design and development of information system according to Detailed Requirements Specification and training of users (approximately 40)</td>
<td>1 Service contract for development of the system and training users. &lt;br&gt;<strong>Phare</strong>&lt;br&gt;<strong>Estonia</strong>&lt;br&gt;393 800&lt;br&gt;131 200</td>
<td><strong>Preconditions</strong>&lt;br&gt;Analysis of information system, Detailed Requirements Specification and tendering documentation complete&lt;sup&gt;1&lt;/sup&gt;.&lt;br&gt;<strong>Assumptions</strong>&lt;br&gt;Contract 2: Preparing the software tender documentation&lt;br&gt;• Evaluation of bids&lt;br&gt;• Overall expertise of software customisation&lt;br&gt;• Organising study trips&lt;br&gt;Contract 3: IT audit&lt;br&gt;Contract 4: 1) Software development to administrate the next rural development and FIFG measures&lt;br&gt;• Investments in agricultural holdings&lt;br&gt;• Support for provision of advisory and extension services&lt;br&gt;• Improving the processing and marketing of</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Documents will be produced under Phare project “Preparation of development of Structural Funds management system”
<table>
<thead>
<tr>
<th>agricultural products</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Development of forestry</td>
</tr>
<tr>
<td>• Integrated Land improvement</td>
</tr>
<tr>
<td>• Renovation of village</td>
</tr>
<tr>
<td>• Diversification of agricultural activities</td>
</tr>
<tr>
<td>• Local initiative based development projects (Leader type)*</td>
</tr>
</tbody>
</table>

FIFG
Investment support for processing of fish and aquaculture products
Investment support for aquaculture
Modernisation of fishing ports*
Restructuring of fishing fleet*
• Promotion of new market outlets

2) Training of 50 software users in ARIB (€ 15 000)

<table>
<thead>
<tr>
<th>supply contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>€</td>
</tr>
</tbody>
</table>

• software ready to run
5.2 Time Implementation Chart

**Project No:**
**Project Title:** Development of Structural Funds electronical information system.

<table>
<thead>
<tr>
<th>Contract 1</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Funds Central Database</td>
<td></td>
<td></td>
</tr>
<tr>
<td>System based on SAP PLM module</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I</td>
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<td>I</td>
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<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Contract 2 (Twinning light)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Contract 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td>Contract 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software development to administrate rural development EAGGF and FIFG measures</td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>T</td>
<td>T</td>
</tr>
<tr>
<td></td>
<td>T</td>
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<td>T</td>
<td>T</td>
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<td></td>
<td>C</td>
<td>I</td>
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<td>I</td>
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<tr>
<td></td>
<td>I</td>
<td>I</td>
</tr>
<tr>
<td><strong>Legend:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T – tendering;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C – contracting;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I – implementation;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A - external audit and control</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.3 Cumulative Contracting Schedule

**Project No:**
**Project Title:** Development of Structural Funds information system.

<table>
<thead>
<tr>
<th>Contract</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.09</td>
<td>31.12</td>
<td>31.03</td>
</tr>
<tr>
<td>Contract 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural Funds Central Database System</td>
<td>393 800</td>
<td>393 800</td>
<td>393 800</td>
</tr>
<tr>
<td>based on SAP PLM module</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twinning light</td>
<td>88 200</td>
<td>88 200</td>
<td>88 200</td>
</tr>
<tr>
<td>Contract 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT audit</td>
<td>25 000</td>
<td>25 000</td>
<td>25 000</td>
</tr>
<tr>
<td>Contract 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software development to administrate rural development EAGGF and FIFG measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>507 000</td>
<td>507 000</td>
<td>1 107 000</td>
</tr>
</tbody>
</table>
5.4 Cumulative Disbursement Schedule

**Project No:**
**Project Title:** Development of Structural Funds information system.

<table>
<thead>
<tr>
<th>Date</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03</td>
<td>30.06</td>
</tr>
</tbody>
</table>
| **Contract 1**  
Structural Funds Central Database System based on SAP PLM module | | | | | | | | |
|            |       | 98 440 | 196 875 | 295 310 | 393 800 | 393 800 | | |
| **Contract 2**  
Twinning light | |   35 000 | 88 200 | 88 200 | 88 200 | 88 200 | | |
| **Contract 3**  
IT audit | | 25 000 | 25 000 | 25 000 | 25 000 | 25 000 | | |
| **Contract 4**  
Software development to administrate rural development EAGGF and FIFG measures | | | | | | | | |
|            | | | | | 200 000 | 400 000 | 600 000 | |
| **TOTAL** | | 158 440 | 310 075 | 608 510 | 907 000 | 1 107 000 | | |
5.5 Reference to feasibility/pre-feasibility studies

5.5.1 Structural Funds Central Database System based on SAP PLM module

Cost and time estimation and risk analysis have been produced under project “TA for Preparations for Structural Funds database development” as a part of document “IT Development Plan for the management of Structural Funds in Estonia”. This project started on 30.01.2002 and all activities were completed by the end of March 2002. This document is available for EC.

Development of Structural Funds information system will be broken into 2 parts:

First part (analysis) will be implemented under SPP+ project. Besides complete analysis of information system, the result of this project will be tender documentation for next part (design and development). This project is scheduled to end in the end of June 2003.

After the end of first part, the tendering of second part (design and development) will start immediately. Duration of design and development phase is 9 months.

In design and development phase the chosen development methodology must ensure that the project is broken down into clearly defined stages with clearly defined deliverables. This must also be aligned within the project plan, so milestones and deliverables can be easily tracked. It is recommended that the development will be split into four major software releases:

1. ESF module (Due 2 months after the Design phase)
2. ERDF module (Due 1 month after the Release 1)
3. EAGGF and FIFG modules (Due 1 month after Release 2)
4. Cohesion Fund, Community Initiatives and General Public Access modules (Due 1 month after Release 3)

Table 1 shows prices and duration of different development stages. Table 2 outlines the expected timings of the various development phases.

<table>
<thead>
<tr>
<th>Phase</th>
<th>Duration</th>
<th>Man days</th>
<th>Cost in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Man day</td>
<td>Total</td>
</tr>
<tr>
<td>1.2 Design</td>
<td>6 weeks</td>
<td>110</td>
<td>1000</td>
</tr>
<tr>
<td>1.3 Development Release 1</td>
<td>7 weeks</td>
<td>150</td>
<td>900</td>
</tr>
<tr>
<td>1.3 Development Release 2</td>
<td>5 weeks</td>
<td>70</td>
<td>900</td>
</tr>
<tr>
<td>1.3 Development Release 3</td>
<td>5 weeks</td>
<td>70</td>
<td>900</td>
</tr>
<tr>
<td>1.3 Development Release 4</td>
<td>5 weeks</td>
<td>70</td>
<td>900</td>
</tr>
<tr>
<td>1.4 Testing</td>
<td>10 weeks</td>
<td>70</td>
<td>800</td>
</tr>
<tr>
<td>1.5 Training</td>
<td>6 weeks</td>
<td>35</td>
<td>700</td>
</tr>
</tbody>
</table>
### Table 1 Design & Development Cost

<table>
<thead>
<tr>
<th>Implementation</th>
<th>2 weeks</th>
<th>15</th>
<th>700</th>
<th>10500</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 Project Schedule.

<table>
<thead>
<tr>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec</td>
<td>Jan</td>
</tr>
<tr>
<td>Feb</td>
<td>Mar</td>
</tr>
<tr>
<td>Apr</td>
<td>May</td>
</tr>
<tr>
<td>Jun</td>
<td>Jul</td>
</tr>
<tr>
<td>Aug</td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Design</td>
</tr>
<tr>
<td>1.3</td>
<td>Development Rel. 1</td>
</tr>
<tr>
<td>1.4</td>
<td>Testing Rel. 1</td>
</tr>
<tr>
<td>1.3</td>
<td>Development Rel. 2</td>
</tr>
<tr>
<td>1.4</td>
<td>Testing Rel. 2</td>
</tr>
<tr>
<td>1.3</td>
<td>Development Rel. 3</td>
</tr>
<tr>
<td>1.4</td>
<td>Testing Rel. 3</td>
</tr>
<tr>
<td>1.3</td>
<td>Development Rel. 4</td>
</tr>
<tr>
<td>1.4</td>
<td>Testing Rel. 4</td>
</tr>
<tr>
<td>1.4</td>
<td>System testing</td>
</tr>
<tr>
<td>1.5</td>
<td>Training</td>
</tr>
<tr>
<td>1.5</td>
<td>Implementation</td>
</tr>
</tbody>
</table>

Table 2 Project Schedule.
Drawing 1 SF Information Systems Context.

There will be minimum four (4) information systems worked out to administrate the SF process and data in Estonia:

- Enterprise Estonia (Implementing Agency) will build their own system based one of well-known ERP-s, it will be system integrating accounting and operative system for administration of the applications-projects-Phare 2002 funding.
- ARIB (Implementing Agency) will continue development of their own Axapta-based system integrating also operative and accounting systems -Current Project
- Ministry of Finance will work out two (2) systems:
  - operative information system for administering the applications and projects in Implementing Agencies. Via that system also Implementing Bodies can access to data (reports) on application-project level-State budget
  - Central Database into what will be aggregated data all over different operative SF administrating information systems, what will provide information for Implementing Bodies and EC-Current budget.
ANNEX 5

Detailed budget for Development of the SF Central System and correspondent contracting plan

As current fiche is the sequel for the SPP+ programme we take into account also SPP+ budget and because of SPP+ twinning has used only 60% of money allocated and will not use the rest of it we propose to reallocate that not used amount for creating the information system.

<table>
<thead>
<tr>
<th>Needs for developing and implementing the system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development planned expenditure:</td>
</tr>
<tr>
<td>Analysis</td>
</tr>
<tr>
<td>IS Development</td>
</tr>
<tr>
<td>SAP Training:</td>
</tr>
<tr>
<td>Basic SAP (*13)</td>
</tr>
<tr>
<td>SAP PLM (*7)</td>
</tr>
<tr>
<td>SAP ABAP (*2)</td>
</tr>
<tr>
<td>SAP Admin (*2)</td>
</tr>
<tr>
<td>Development Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Software licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oracle</td>
</tr>
<tr>
<td>SAP</td>
</tr>
<tr>
<td>Software Total</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hardware</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN server</td>
</tr>
<tr>
<td>SSL environment for IA-s</td>
</tr>
<tr>
<td>DB &amp; APP servers</td>
</tr>
<tr>
<td>Hardware Total</td>
</tr>
</tbody>
</table>

| Total Needs | 1 046 125 |

<table>
<thead>
<tr>
<th>Resources allocated and we propose to allocate additionally</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phare</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>SPP+ TA</td>
</tr>
<tr>
<td>SPP+ INV</td>
</tr>
<tr>
<td>SPP+ Twinning -&gt; SPP+ INV</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

In case You agree allocate money from SPP+ twinning into SPP+ investment to develop the Information System the Balance sheet is (in the next sheet):
<table>
<thead>
<tr>
<th>Project</th>
<th>Topic</th>
<th>Phare</th>
<th>National Co-fin.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPP+ TA</td>
<td>Analysis</td>
<td>105 000</td>
<td>0</td>
<td>105 000</td>
</tr>
<tr>
<td></td>
<td>SAP Training</td>
<td>25 000</td>
<td>35 000</td>
<td>60 000</td>
</tr>
<tr>
<td>SPP + TA Budget (in fiche)</td>
<td></td>
<td>120 000</td>
<td>110 000</td>
<td>230 000</td>
</tr>
<tr>
<td>SPP+ TA Balance</td>
<td></td>
<td>-10 000</td>
<td>75 000</td>
<td>65 000</td>
</tr>
<tr>
<td>SPP+ TA Total</td>
<td></td>
<td>130 000</td>
<td>35 000</td>
<td>165 000</td>
</tr>
<tr>
<td>SPP+ INV</td>
<td>Development of IS software</td>
<td>393 750</td>
<td>131 250</td>
<td>525 000</td>
</tr>
<tr>
<td></td>
<td>SAP licenses</td>
<td>87 500</td>
<td>0</td>
<td>87 500</td>
</tr>
<tr>
<td></td>
<td>Oracle licenses</td>
<td>9 625</td>
<td>0</td>
<td>9 625</td>
</tr>
<tr>
<td></td>
<td>DB&amp;APP servers</td>
<td>69 000</td>
<td>0</td>
<td>69 000</td>
</tr>
<tr>
<td></td>
<td>SSL environment for IA-s</td>
<td>30 000</td>
<td>0</td>
<td>30 000</td>
</tr>
<tr>
<td></td>
<td>SAN server</td>
<td>0</td>
<td>160 000</td>
<td>160 000</td>
</tr>
<tr>
<td>SPP+ INV Budget</td>
<td></td>
<td>612 966</td>
<td>150 000</td>
<td>762 966</td>
</tr>
<tr>
<td>SPP+ INV Balance</td>
<td></td>
<td>23 091</td>
<td>-141 250</td>
<td>-118 159</td>
</tr>
<tr>
<td>SPP+ INV Total</td>
<td></td>
<td>589 875</td>
<td>291 250</td>
<td>881 125</td>
</tr>
<tr>
<td>SPP+ Budget</td>
<td></td>
<td>732 966</td>
<td>260 000</td>
<td>992 966</td>
</tr>
<tr>
<td>SPP+ Balance</td>
<td></td>
<td>13 091</td>
<td>-66 250</td>
<td>-53 159</td>
</tr>
<tr>
<td>SPP+ Total</td>
<td></td>
<td>719 875</td>
<td>326 250</td>
<td>1 046 125</td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td>719 875</td>
<td>326 250</td>
<td>1 046 125</td>
</tr>
</tbody>
</table>
Relevant to the presented budget Contracting Plan for Ministry of Finance SPP+ and development of the Central System.

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR Development of Structural Funds electronic information system(s) for Ministry of Finance (MoF) by the terms of <strong>SPP+ and the Development of the Central System</strong></th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall objective</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td>Sufficient capacity for the implementation of Structural Funds.</td>
<td>Estonian Structural Funds administration is capable of fulfilling European Commissions’ requirements about implementing Structural Funds</td>
</tr>
<tr>
<td><strong>Project purpose</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td>Central information system to grant necessary functionality for the Paying and Managing Authority, also for management and exchange Structural Funds and Cohesion Fund data between Implementing Agencies and EC correspondent Information Systems according to requirements of Council Regulation 1260/1999 - Articles 18(3)(e) and 34(1)(a) ready</td>
<td>Information system is ready for exploitation by the end of Q3 2004.</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
</tr>
<tr>
<td><strong>Contract 1</strong> System Analyze to clarify what Ministry of Finance needs to maintain SF. In terms of PHARE this is feasibility study for development of the System(s)</td>
<td>Deliverables for the contract are: 1. Data Model, consisting of: . ERD . Data Schema - Detail Attributes . Logical Data Definitions . Detail Data Definition . Entity rules 2. Functional Test Plans, consisting of: . Key functions diagrams (UML) . Key functions scenarios</td>
</tr>
</tbody>
</table>
| Contract 2 | Hardware | Necessary hardware to run the SF information System(s):  
1. Live servers running Database Engine and Application Server  
2. SAN (Storage Area Network) server  
3. SSL (Secure Sockets Layer) environment for IA-s | IT Department of Ministry of Finance of Estonia. |
| Contract 3 | Software | Necessary software to run the SF information System(s):  
1. SAP licenses  
2. Correspondent Oracle Client licenses | IT Department of Ministry of Finance of Estonia. |
| Contract 4 | SAP training | Necessary training for MoF to run the SAP based information System for SF:  
1. Basic SAP (*4)  
2. SAP admin (*2)  
3. SAP ABAP (*2) | IT Department of Ministry of Finance of Estonia. |
| Contract 5 | SF Information System development | Necessary works to create and/or implement the IS:  
1. Design  
2. Development and programming  
3. Testing  
4. User Training  
5. Implementation | IT Department of Ministry of Finance of Estonia; Implementing Agencies; Line Ministries; Paying and Managing Authority |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>System Analyze</td>
<td>Phare</td>
<td>105 000</td>
</tr>
<tr>
<td>Contract 2</td>
<td>Hardware</td>
<td>Phare</td>
<td>Estonia</td>
</tr>
</tbody>
</table>

Preconditions
1. Live servers running Database Engine and Application Server  
2. SAN (Storage Area Network) server  
3. SSL (Secure Sockets Layer) environment for IA-s

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>69 900</td>
<td>0</td>
<td>160 000</td>
</tr>
<tr>
<td>30 000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Preconditions**

**Contract 3**  
Software:  
1. SAP licenses  
2. Correspondent Oracle Client licenses

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>87 500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9 625</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Assumptions**

**Preconditions**  
System analyze (under contract #1) is finished

**Contract 4**  
SAP education:  
1. Basic SAP (*4)  
2. SAP admin (*2)  
3. SAP ABAP (*2)

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 000</td>
<td>35 000</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions**

**Preconditions**  
System analyze (under contract #1) is finished

**Contract 5**  
SF Information System development

<table>
<thead>
<tr>
<th></th>
<th>Phare</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>393 750</td>
<td>131 250</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions**

**Preconditions**  
System analyze (under contract #1) is finished