1. **Basic Information**

1.1. CRIS Number: 2003/005-026.01.02

1.2. Title: *Project Preparation Facility for EU assistance (PPF phase 2)*

1.3. Sector: Administrative capacity

1.3. Location: Estonia

2. **Objectives**

2.1. Overall objective:

Early absorption capacity of structural funds and optimal planning and implementation of Phare and Transition Facility projects.

2.2. Project purpose:

Preparation of a sufficient number of projects for Structural Funds measures and Transition Facility for early implementation upon Accession, as well as efficient implementation of Pre-Accession assistance.

2.3. Accession Partnership and NPAA priority

**AP 2001**

The following issues that need particularly urgent attention are foreseen in the Accession Partnership (2001) intermediate objective of regional policy and coordination of structural instruments:

“Ensure effective inter-ministerial co-ordination and appropriate partnership with a view to both programming and implementation...”

“Develop the technical preparation of projects eligible for Structural and Cohesion Funds assistance”

**NPAA 2002 - 2003**

National Programme for the Adoption of Acquis 2002 - 2003 declares that strengthening of administrative capacity in Estonian public sector is one of the top priorities for Estonian government.

2.4. Contribution to National Development Plan

The project will provide project preparation assistance to all eligible beneficiaries of the Structural Funds. The eligible fields and beneficiaries will be determined in the
framework of the Single Programming Document/National Development Plan for 2003-2006 (SPD). Thus, the project will support the implementation of the priorities set out in the Plan. In addition the project supports the relevant stakeholders of the SPD to guarantee the better absorption capacity of the Structural Funds. By the time the project starts the SPD measures will be defined and agreed by the Estonian authorities. This project is aimed to facilitate the start of implementation of all measures of the SPD.

2.5. Cross Border Impact

N/A

3. Description

Background and justification:

Component 1: Project Preparation Facility for SF

According to the SPD 2003-2006 the future SF Managing and Paying Authority shall be the Ministry of Finance (MoF), which will be responsible for the general management and payments of Cohesion Fund as well. The future Intermediate Bodies have been nominated as written in Annex 5. The document will be elaborated further after the SPD is agreed on among Estonian authorities and EC. This can be anticipated during the summer/autumn 2003.

Estonia will have to fulfil the responsibilities of the Managing Authority (MA) and the Paying Authority (PA) of the EU Structural Funds by the date of Accession. This involves the achievement of readiness in many areas:

1. Administrative structures have to be set up and finalised (this includes both the legal establishment and training of staff, but also selecting and assigning staff and elaboration of procedures to follow)
2. Linked to the readiness of the administrative structures is the existence of a fully functioning information system to fulfil the control and reporting requirements set for the MA and the PA.
3. The Intermediate Bodies have to achieve full readiness in fulfilling the numerous tasks delegated to them by the MA and the PA.
4. In order to ensure the efficient and effective use of the EU Structural Funds, a project pipeline has to be established prior to accession to allow Estonia to have projects ready for Structural Fund support immediately upon Accession and thereby make an optimum use of Structural funds available to Estonia until the end of the programming period 2000-2006. For the same purpose, the project preparation and management skills have to be developed among the final beneficiaries.

The preparations to achieve full administrative capacity at all levels (including the final beneficiaries) will continue until accession and beyond. The 2001 Phare SPP+ project is providing its assistance mainly at the central level, i.e. the Managing and Paying authority level assisting also the Intermediate Bodies. The target of the 2002 Phare SPP++ project is the Intermediate Bodies and final beneficiaries level, concentrating more on single organisations and providing the bulk of relevant training.
In the framework of SPP++ a Structural Funds Project Preparation Facility (PPF) has been established which concentrates on the 4th issue that was mentioned above – creating the project pipeline and assisting the SF applicants in project preparation. The Facility is necessary because it rises the awareness of the Structural Funds and increases and gives the bulk of experience and knowledge to draw up the successful projects.

Thus, already in the planning process of the SPP++ project pipeline, the potential applicants have shown enormous interest in this Facility. The Ministry of Finance has consulted more than 50 potential applicants during one month starting from the date when the information about the prepared Facility was publicised, although the first Call for Proposals has not been issued yet. It is also foreseen that heavy investment projects will be prepared in view of structural funds support. Therefore the Ministry of Finance is planning additional funds for this activity. The present project proposal has been designed specifically for this purpose.

There is also a Phare 2001 ESC project - Structures and Instruments for the implementation of Business Support measures - which supports the establishment of a Project preparation facility and provides Technical Assistance for the preparation of projects for SME and R&D schemes (feasibility studies, EIA-s, preparation of procurement documentation) in order to prepare for the ERDF. The project provides training and workshops for EE, incl. management of EU SF and MS best practice in the use of SF. The project is about to be finished. This project also showed that there is a real need for activities supporting project preparation.

Under the SPP++ PPF the available amount for project preparation is 750 000 EUR from Phare in addition to 250.000 EUR from co-financing. Under the Business Support Framework Sub-project 3: Industrial Infrastructure Support Facility the available amount was 500 000 EUR through which the investments were made to Võru Industrial Incubator and Tapa Industrial Park. Taking into account that the SF support for Estonia for the years 2004-2006 will be indicatively 377 000 000 EUR, it is obvious that these amounts are not sufficient for preparing enough SF projects to guarantee good absorption capacity of the SF at least at the beginning period. Therefore it is assumed that there is a need for additional resources for project preparation at least in the same amount as it has been already allocated.

All useful recommendations done by the potential applicants (NGOs among them) during the planning of SPP++ PPF have been taken account in preparing this project. The representatives of NGOs and social partners are attending the SPP++ PPF Steering Committee. There have been also information seminars introducing the SPP++ PPF where the potential beneficiaries have had option to consult and to give their suggestions, which have been considered by the Ministry of Finance.

Component 2: Project Preparation Facility for Phare and post-Accession facilities

The Phare 2002 programme PHARE Project Preparation, Training and Management Facility has proved to be a necessary and useful tool for the programming and implementing of Phare assistance. However, the funds have been almost exhausted by
the end of 2003. The Phare 2003 national programme will bring many new projects to the implementation phase in a total amount of around 40 000 000 EUR. Therefore there will be need for assistance to prepare the tender documentation and other ad hoc activities related to the implementation of the projects. In addition, in 2004 the programming of the Transition Facility will follow. The total amount allocated to Estonia by the Transition Facility will be approximately 20 000 000 EUR for the years 2004-2006. As it is assumed that half of this sum will be allocated for investments of which the project preparation (feasibility studies, cost-benefit analyses etc) might cover up to 5%, the amount needed for project preparation is estimated around 500 000 EUR.

3.2. Linked activities:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Programme</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Structures and Instruments for the implementation of Business Support measures</td>
<td>Phare 2001 ESC</td>
<td>On-going</td>
</tr>
<tr>
<td>2 Completing preparations for the management of EU Structural Funds</td>
<td>Phare 2002 ESC</td>
<td>On-going</td>
</tr>
<tr>
<td>3 Project Preparation Facility</td>
<td>Phare 1999</td>
<td>Completed</td>
</tr>
<tr>
<td>4 PHARE Project Preparation, Training and Management Facility</td>
<td>Phare 2002</td>
<td>On-going</td>
</tr>
</tbody>
</table>

3.2.1 Phare 2001 ESC: Structures and Instruments for implementation of Business Support measures

This project will increase the administrative capacity of the Enterprise Estonia sector agencies and regional bureaux for the implementation of Business Support Schemes and management of the European Regional Development Funds’ (ERDF) aid.

The project supports the establishment of a Project preparation facility and provides TA for the preparation of projects for SME and R&D schemes (feasibility studies, EIA-s, preparation of procurement documentation) in order to prepare for the ERDF. The project provides training and workshops for EE, incl. management of EU SF and MS best practice in the use of SF. The project is about to be finished.

The overlap with the Business Support Framework, which is managed, by the Ministry of Economic Affairs and Communications and the current Facility is avoided in a way that the representative of the Ministry of Economic Affairs and Communications is participating in the Steering Committee of the Current Facility. Also the representative of the Ministry of Finance is participating in the Steering Committee of the Business Support Framework, which ensures double check in order to guarantee overlap between these two facilities.

3.2.2 Phare 2002 ESC: Completing preparations for the management of EU structural funds – Phase II (SPP++)
The SPP++ project established the Structural Funds Project Preparation Facility amongst the other activities. Within this programme the guidelines, procedures, rules and other relevant documents were developed to guarantee the successful implementation of the Facility. The current project amplifies and complements the Facility under the SPP++.

The PPF within the SPP++ project is scheduled to finish by the end of 2003. The current project is foreseen as a continuation of the latter.

3.2.3. Phare 1999: Project Preparation Facility

Project Preparation Facility is a horizontal fund designed to be used for the preparation of projects for the Phare 2000 and 2001 programmes. Subsequently, the facility was opened also for the Phare 2002 programming. The facility proved to be extremely useful in building the capacity of Estonian authorities towards understanding the necessity of proper economic analysis as a basis for investment projects.

3.2.4. Phare 2002: PHARE Project Preparation, Training and Management Facility

PHARE Project Preparation, Training and Management Facility was a horizontal fund which was used for implementation of Phare 2002 projects and for the preparation of Phare 2003 projects. The Facility provided project preparation assistance that was of same nature as the Phare 1999 Project Preparation Facility.

3.3. Results¹:

- Project preparation facility set up, applications reviewed and funding provided for the final beneficiaries.
- Pipeline of projects ready for financing and implementation prepared

3.4. Activities:

Component 1:
Project Preparation Facility for Structural Funds: project preparation fund (grant scheme) for the final beneficiaries of Structural Funds (1 960 000 EUR Phare, 320 000 EUR national co-financing).

The fund will be implemented as a grant scheme.

Eligible applicants
Final Beneficiaries of Structural Funds, Implementing Bodies, Implementing Agencies and applicants of the SPD 2003-2006.
In addition the County Governments are eligible.

Sectors&selection criteria

¹ For the indicators please see Annex 1 – Logical Framework Matrix
Project preparation support under this facility will be made available for preparation of projects that are eligible for support under the SF measures presented in the Program Complement of the Estonian draft SPD 2003-2006.

Type of activities

- Project preparation and engineering;
- Preparation of feasibility studies;
- Market studies;
- Environmental/Strategic impact assessments;
- Cost-benefit analyses for investment components as well as preparation of technical designs and bills of quantity;
- Studies, strategies, planning, analysis;
- Provision of expertise;
- Training in strategic planning and project preparation & implementation;
- Other preparatory work that is necessary for preparation the SF projects.
- Preparation of tendering documents

Component 2:
Project Preparation Facility for Phare and post-Accession Facilities: TA for implementing Phare and programming and implementing Transition Facility (375 000 EUR Phare, 125 000 EUR national co-financing).

Eligible applicants
Phare and Transition facility applicants.

Sectors & selection criteria
Project preparation support will be made available for the Transition Facility and implementation of Phare projects.

Type of activities

- Preparation of designs of the grant schemes, feasibility studies, market studies, environmental impact assessments, cost-benefit analyses for investment components in the projects as well as preparation of technical designs and bills of quantity, audits and evaluations;
- Studies, strategies, planning, analysis;
- Provision of expertise;
- Other preparatory work that is necessary for implementation of Phare projects and preparation the Transition Facility projects.
- Preparation of tendering documents

3.5 Lessons learned:

Within the SPP++ project the Structural Funds Project Preparation Facility has been set up. The main lessons learned come from the implementation of this Facility. It is assumed that the officials who participated in the planning of the SPP++ Facility will
also attend and give their input in planning and implementation of the currently planned Facility.

As the Ministry of Finance is the overall co-ordinator of the EU foreign assistance to Estonia the officials within the Ministry are aware of the strong and weak points which come along with the implementation of this kind of funds, be it within the Ministry of Finance or within the line ministries. Therefore all relevant information and contacts will be used to guarantee the successful implementation of the Facility. First, in planning the grant scheme all inside and outside factors that could influence the implementation of the scheme should be taken fully account. Secondly, in planning the scheme, the whole process that the scheme covers starting from advising the applicants in preparing the applications ending with the reporting, should be fully analyzed. There should be also sufficient human resources allocated to guarantee the successful administration and implementation of the scheme. The implementation of the fund is not only about the administration – the Facility (its objectives, procedures, implementation etc.) should be clearly explained also to the applicants.

4. Institutional Framework

The Ministry of Finance will implement the PPF phase 2. The selection of projects to be supported under the Facility will be done in close co-operation with the representatives of the respective SPD measure Intermediate Bodies from where the project could be applicable for financing in the future and ministries in charge of the implementation of Phare or the transition facility. As long as EDIS is not granted, the EC Delegation will perform ex-ante control before financing under the PPF phase 2.

The SF support structure that will be established by the second half of 2003 in the framework of the Phare SPP++ project will be used to assist the implementation of the PPF phase 2. It is assumed that the contact points within the support structure will disseminate information for the applicants as well the contact points will help and advise the applicants in drafting the applications. From the other side the organisations fulfilling the task of the support structure may also apply from the planned Facility.

Foreign Financing Department within the Ministry of Finance will manage, implement, monitor and co-ordinate the Facility. There is already one full-time official in the CFCU who performs the tasks of the Secretariat. In addition there are four officials in the Foreign Financing Department who give substantial and technical advise to the applicants. There is one person in the CFCU who is responsible for tendering and contracting.

Under the Component 1 the final beneficiaries will be the Final Beneficiaries, Implementing Bodies, Implementing Agencies and the applicants of the SPD 2003-2006. In addition the County Governments are eligible as the final beneficiaries. Under the Component 2 the final beneficiaries will be beneficiaries within Phare and Transition Facility.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support (EUR)</th>
<th>National Cofinancing (EUR)</th>
<th>TOTAL (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>
The amounts for co-financing indicated in the table correspond to cash co-financing. In addition, in-kind contributions from the Estonian administration for a good implementation of the technical assistance may be detailed in the technical specifications.

In case of co-financing, joint co-financing principles apply (implying a single contract with single invoice).

National co-financing for the Component 1 will apply proportionally for each underlying contract for the whole budget line. In addition to this the final beneficiaries will provide co-financing in order to guarantee at least 25% Estonian co-financing on a project by project basis (please see below). National co-financing for the Component 2 will apply on a project-by-project basis.

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 (ex ante confirmation by MinFin of exact budget line/s and re-confirmation before each contract within either of the two components) and ex post each project and at an aggregate level for each budget line. Flow and stock data on co-finance will be submitted quarterly for steering committees and to the CFCU and on a half-yearly basis to the Sector Monitoring Working Group.

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

**National co-financing (EUR)**

<table>
<thead>
<tr>
<th>National co-financing</th>
<th>2003</th>
<th>2004</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Finance (Component 1)</td>
<td>320 000</td>
<td>320 000</td>
<td></td>
</tr>
<tr>
<td>Ministries (Component 2)</td>
<td>125 000</td>
<td>125 000</td>
<td></td>
</tr>
<tr>
<td><strong>Total national co-financing</strong></td>
<td><strong>445 000</strong></td>
<td><strong>445 000</strong></td>
<td></td>
</tr>
</tbody>
</table>

In addition to the state budget amounts allocated in the table above, the final beneficiaries will provide additional parallel cash co-financing to the Component 1 on project-by-project basis as follows:

- **NGOs** 15% of the total project cost;
- **Local governments and Governmental institutions** 25% of the total project cost;
• Private sector 50% of the total project cost.

The NAO assumes full responsibility for ensuring that this additional co-finance is subject to ex-ante guidance to all beneficiaries, and the effective functioning of a system of monitoring and verifying (including mandatory own financial control checks on a sampling basis at least once at the 25% quartile distribution of Phare funds for budget line 1) of co-finance.

6. Implementation Arrangements

6.1. Implementing Agency

The Implementing Agency is the CFCU of the Ministry of Finance; it will be responsible for tendering, contracting and payments.

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**Title:** Deputy Secretary General  
**Institution:** Ministry of Finance  
**Address:** Suur-Ameerika 1; Tallinn 15006, Estonia  
**Phone:** +372 6113545  
**Fax:** +3726966810  
**E-mail:** renaldo.mandmets@fin.ee

**PO:** Ms. Marge Laast  
**Title:** Acting Head of the International Relations Department.  
**Institution:** Ministry of Finance  
**Address:** Suur-Ameerika 1; Tallinn 15006, Estonia  
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**E-mail:** marge.laast@fin.ee

**Project Manager:** Mr. Kristjan Maasalu  
**Institution:** Ministry of Finance, CFCU  
**Address:** Suur-Ameerika 1; Tallinn 15006, Estonia  
**Phone:** +372 6113441  
**Fax:** +372 611 3041  
**E-mail:** kristjan.maasalu@fin.ee

**The Component 1 will be implemented as a grant scheme:**  
**Project selection**  
The project selection will strictly follow the procedures described in PRAG section 6 “Grants”. The projects will be selected via local call for proposals. For the evaluation of the projects an Evaluation Committee will be established by PAO within the MoF and approved by the EC delegation in Estonia. After checking the eligibility and administrative, technical and financial compliance of the applications the evaluation committee will make a financing proposal to the PAO. The EC Delegation will endorse PAO decision. The CFCU will contract the beneficiaries and make payments for implementing the project.
Evaluation process
The evaluation and selection process will strictly follow the “Practical Guide for Phare, ISPA and SAPARD contracts”.
The evaluation process starts with the receipt of the proposals by the MoF (Secretariat) and ends with the approval by Delegation of the European Commission of PAO’s decision to award grants to the selected applicants.
All proposals will be opened in an opening session of the Evaluation Committee. The names of the applicants who submitted proposals within the stipulated deadline and those who submitted their applications after the stipulated deadline will be announced.
The members of the Evaluation Committee will evaluate each proposal. If assessors carry out the assessment, the recommendations must be presented to the Evaluation Committee in writing. The average of the grades obtained from the grids filled in by the evaluators will be calculated.
According to the results of the evaluation, the Evaluation Committee draws up its recommendations, prepares the Evaluation Report and submits it for approval to PAO. The PAO checks whether the procedure followed by the Evaluation Committee has been correct and will submit the evaluation report together with the applications to the Delegation of the European Commission for endorsement.

Preparation of the contracts
The Model of Standard Grant Contract will be provided as Annex to the Guidelines for applicants. The CFCU prepares the grant contracts and submits to the PAO for approval. After giving the approval to the grant contracts PAO submits the contracts signed by him to the EC Delegation for endorsement. Following the endorsement of the contracts by ECD, the beneficiaries will sign the grant contracts.

Implementation of the contracts
Once a Grant Contract is concluded, the beneficiary may initiate procurement of services, supplies and works according to the rules of the “Practical Guide to Phare, ISPA and SAPARD” according to the DIS procedure, which will be specified in the Contract.

Control and reporting
The reporting process is carried out at different levels:
Each individual project has to provide regular quarterly financial and progress reports and submit them to MoF (Secretariat), which is responsible for preparing a calendar and standard formats for reporting. The Secretariat compiles comprehensive quarterly progress reports and submits them to the Steering Committee for approval and to PAO for information.

Project level control:
Beneficiaries control their own project, their team and their sub-contractors. The Secretariat controls and monitors progress and planning of individual projects and of the Programme (on scheme and fiche level). MoF/PAO/Steering Committee control the whole project progress and planning and take all strategic decisions of the project; The final report of each single project under the grant scheme is to be approved by the PAO.
The sound financial management and supervision of funds remains under the overall responsibility of the NAO.

**Component 2 will be implemented through technical assistance contracts:**

**Project selection**
The National Aid Co-ordinator (NAC) will on the basis of the projects identified carry out a technical check of the summary descriptions and draw up a list of projects to be supported under this facility. This list will be sent to the ECD for endorsement prior to the tender dossier. The NAC's proposal to the Commission will include a summary description of the preparatory support required by each of the target projects. The agreed summary descriptions will be developed into full Terms of Reference by the relevant beneficiaries on the basis of standard terms of reference.

Once the Terms of References have been approved by the ECD, the CFCU will make a call for proposals (for framework contracts) or proceed directly to contracting (direct contracts). **Project implementation and reporting will follow the Phare rules (PRAG).**

**Extended Decentralised Implementation System (EDIS)**
Under EDIS the functions and tasks of all relevant bodies involved remain similar to the DIS procedures described above. The primary difference will be in that the ex-ante control will not be carried out by the ECD but by the Foreign Financing Department of the Ministry of Finance. The division of tasks between CFCU and ECD may thereby by revised accordingly after CFCU has received the accreditation. All specific provisions for the implementation and control mechanisms will be ensured by the Ministry of Finance and elaborated by the summer of 2003.

The provisional EDIS time-schedule is the following:
Phase 1: gap assessment – is already done;
Phase 2: preparations for EDIS based on the cap assessment – during May-August 2003;

It is assumed that EDIS system will start working from the beginning of the year 2004.

6.2. Twinning

N/A

6.3. Non-standard aspects

No non-standard aspects are foreseen. The DIS Manual and Practical Guide will strictly be followed.

6.4. Contracts

Contract 1: Project Preparation Facility for SF (various contracts) (1 960 000 EUR Phare, 320 000 EUR national co-financing).
Contract 2: Project preparation Facility for Phare and Transition Facility (various TA contracts) (370 000 EUR Phare, 125 000 EUR national co-financing).

7. Implementation Schedule

7.1. Start of tendering/call for proposals

November 2003 (will start immediately following the previous PPF within the SPP++) project

7.2. Start of project activity


7.3. Project Completion

August 2006.

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.

9. Environment

Dealt with at the individual project level. The project in itself will not have an impact on the environment. Implementation of the SPD 2003-2006 will have one, however. The strategic environmental impact assessment (SIA) of the SPD has been carried out during 2002. All projects will be consistent with the SPD and the SEA.

10. Rates of return

The potential returns of the Phare project are significant when internalising direct and indirect gains. The direct gains are the improved design (quality) and number (quantity) of eligible SF projects and therefore the accelerated potential absorption of post-accession funding. The impact of this alone and to the potential growth rate imply significant gains to the current investment. Even without immediate translation into post-accession funding under Structural Funds, the indirect effects of the know-how transfer implies significant gains.

11. Investment criteria (applying only to Component 1)

11.1. Catalytic effect:
Phare’s support must catalyse a priority accession driven action which would otherwise not have taken place or which would have taken place at a later date. The current project catalyses the absorption capacity of the Structural Funds. As the project preparation activities will cost usually at least 10% of the expenses of the final project the current facility will have important catalytic effect by minimising the risk that the projects submitted to SFs are not ready for implementation. Therefore at least at the starting phase of the SFs it is important that the potential applicants receive help for project preparation that is proportional and comparable to the SF support at the later stage.

11.2. Co-financing:

- Ministry of Finance provides at least 320 000 EUR joint co-financing to the projects under contract 2 from the state budget 2004. The ministries responsible for the relevant projects prepared under contract 2 will provide 125,000 EUR joint co-financing from their budget lines.

- In addition to the state budget, the final beneficiaries will provide additional cash co-financing to the grants as follows (in order to guarantee at least 25% Estonian co-financing on a project by project basis):
  - NGOs 15% of the total project cost;
  - Local governments and governmental institutions 25% of the total project cost;
  - Private sector 50% of the total project cost.

11.3. Additionality:

Phare grants shall not displace other financiers.

11.4. Project readiness and Size:

All the activities of the project are ready to be contracted either immediately or within 6 months of signing the Financing Memorandum.

The project size is 2 280 000 EUR of which 1 960 000 EUR is covered by Phare 320 000 EUR is covered by the Ministry of Finance.

11.5. Sustainability:

The PPF phase 2 will be sustained with the assistance of the SPD Technical Assistance measure.

11.6. Compliance with state aids provisions

Specific attention will be paid to state aid issues in the framework of preparing and implementing the SFs. In case of Component 1 there will be no state aid. In planning the PPF grant scheme under the Phare 2002 SPP++ the State Aid Unit within the Ministry of Finance was
consulted which stated that this support is not a state aid. In any case if there will be changes to the supported activities, amounts or eligible applicants the State Aid issues will be checked.
In case of Component 2 there will be no state aid as the private sector is not eligible.

11.7. Contribution to National Development Plan

The project will contribute to the successful implementation of the SPD 2003-2006.

12. Conditionality and sequencing

Conditionality

- The SPP++ PPF grant scheme is implemented successfully and the funds are contracted before contracts for the new PPF are approved.
- A dedicated full-time project manager will be recruited for implementation of this project and his CV will be provided to the EC Delegation before contracts are approved.
- Following the outcome of the implementing agencies undertaken by the EC delegation on the basis of Phare Programming Guide 2003, the launch of the Call for Proposal for contract 1 is conditional upon evidence that CFCU has strengthened its capacity and clearly outlined its procedures and systems in place for subcontracting.

Sequencing

Component 1

1) The financing memorandum will be signed in October 2003;
2) Following the financing memorandum the Foreign Financing Department of the Ministry of Finance will draw the guidelines and all related documents for the grant scheme so that the first Call for Proposals will be ready to issue by October 2003;
3) launch a call for proposals;
4) analyse and select projects;
5) contracting of grants;
6) monitoring and evaluation.

The most important milestone of the project in terms of impact is the actual number of projects successfully terminated with the results achieved. Control is therefore at the level of the individual projects.

Component 2

The financing memorandum will be signed in October 2003. Starting from this until the end of the contracting period the Terms of References will be submitted and approved each month and contracts will be signed. By the end of the disbursement period the projects have to be finished.

ANNEXES TO PROJECT FICHE
Annex 1: Logical framework matrix in standard format;
Annex 2: Detailed implementation chart;
Annex 3: Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period);
Annex 4: Reference to relevant Government Strategic plans and studies (may include Institution Development Plan, Business plans, Sector studies, etc.);
Annex 5: Managing Authority, Paying Authority and Intermediate Bodies of the SFs;
Annex 6: Co-financing requirements for the applicants;
Annex 7: Division of responsibilities.
**ANNEX 1**

**Phare logframe**

<table>
<thead>
<tr>
<th>LOGFRAME PLANNING MATRIX FOR</th>
<th>Programme name and number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project: <strong>Project Preparation Fund for Structural Funds (PPF phase 2)</strong></td>
<td>Contracting period expires: 30 November 2005</td>
</tr>
<tr>
<td></td>
<td>Total budget: <strong>2 780 000 EUR</strong></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>Early absorption capacity of structural funds and optimal planning and implementation of Phare and Transition Facility projects.</td>
<td>Total amount allocated for Estonia for SF’s, Phare and Transition Facility is absorbed by 2006. Projects that are of high importance for Estonia have got financing from the SFs and Transition Facility by 2006. The planned effect on Estonia’s development achieved by 2007.</td>
<td>Statistics of the Ministry of Finance.</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>Preparation of a sufficient number of projects for Structural Funds measures and Transition Facility prior to Accession, as well as efficient implementation of Pre-Accession assistance.</td>
<td>Project pipeline for SFs exists by 2005. 80% of the proposed projects are submitted for SFs’ financing. Project pipeline for Transition Facility exists by 2004.</td>
<td>Statistics of the Ministry of Finance.</td>
<td></td>
</tr>
</tbody>
</table>
Existing Phare projects are implemented and finished successfully by 2007.

<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project preparation facility set up, applications reviewed and funding provided for the final beneficiaries. Pipeline of projects ready for financing and implementation prepared</td>
<td>The Facility has been absorbed by September 2005. Number of projects has been prepared ready to be submitted for SFs and Transition Facility.</td>
<td>PPF phase 2 reports. Statistics of the Ministry of Finance.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Cost (EUR)</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1: Project Preparation Facility for SF: project preparation fund for the final beneficiaries.</td>
<td>Several grant contracts</td>
<td>Phare</td>
<td>1 960 000</td>
</tr>
<tr>
<td>Component 2: Project Preparation Facility for Phare and Transition Facility: TA for implementing Phare and programming and implementing Transition Facility.</td>
<td>Several TA contracts</td>
<td>Estonia</td>
<td>320 000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>375 000</td>
<td>125 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Preconditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The SPP++ PPF grant scheme is implemented successfully and the funds will be fully absorbed by the end of the year 2003 and before funding is made available from this project.</td>
</tr>
</tbody>
</table>
2. A dedicated project manager will be recruited for implementation of this project.

3. Following the outcome of the implementing agencies assessment undertaken by the EC delegation on the basis of Phare Programming Guide 2003, the launch of the Call for Proposal for contract 1 is conditional upon evidence that CFCU has strengthened its capacity and clearly outlined its procedures and systems in place for subcontracting.
## Time Implementation Chart

**Project No:**
Project Title: Project Preparation Fund for Structural Funds (phase 2)

<table>
<thead>
<tr>
<th>Näit.</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract 1:</strong> Project Preparation Facility for SF (various contracts)</td>
<td>T T T T C 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Contract 2:** Project Preparation Facility for Phare and Transition Facility (TA) | T T T T C 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
**Cumulative Contracting Schedule**

**Project No:**
**Project Title:** Project Preparation Fund for Structural Funds (phase 2)

<table>
<thead>
<tr>
<th>Contract 1: Project Preparation Facility (various contracts)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
<td>31.12</td>
</tr>
<tr>
<td>1 960 000</td>
<td>1 960 000</td>
<td>1 960 000</td>
<td>1 960 000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract 2: Project Preparation Facility for Phare and Transition Facility (TA)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
<td>31.12</td>
</tr>
<tr>
<td>187 500</td>
<td>187 500</td>
<td>187 500</td>
<td>187 500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 147 500</td>
<td>2 147 500</td>
<td>2 147 500</td>
<td>2 147 500</td>
</tr>
</tbody>
</table>

**TOTAL**

VFO 31.01.2002
# Cumulative Disbursement Schedule

**Project No:**

**Project Title:** Project Preparation Fund for Structural Funds (phase 2)

<table>
<thead>
<tr>
<th>Date</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.03</td>
<td>30.06</td>
<td>30.09</td>
</tr>
<tr>
<td>Contract 1: Project Preparation Facility (various contracts)</td>
<td>1 568 000</td>
<td>1 568 000</td>
<td>1 568 000</td>
</tr>
<tr>
<td>Contract 2: Project Preparation Facility for Phare and Transition Facility (TA)</td>
<td>100 000</td>
<td>200 000</td>
<td>200 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 668 000</td>
<td>1 768 000</td>
<td>1 768 000</td>
</tr>
</tbody>
</table>
Reference to relevant Government strategic plans and studies

The project is directly influenced by the developments of the Single Programming Document as well the project itself influences the implementation of the SPD.
Managing Authority, Paying Authority and Intermediate Bodies of the SFs

The Managing Authority of the Single Programming Document for 2003-2006 is the Ministry of Finance. The responsibility for organising the implementation of the programme lies with the Managing Authority. The Managing Authority shall consult the Monitoring Committee in designing or changing management tools. Pursuant to Article 34 of Council Regulation (EC) No 1260/1999 of 21 June 1999, the functions of Managing Authority shall be implemented by the Foreign Financing Department of the Ministry of Finance in co-operation with other involved departments (State Budget Department, Public Relations Department, Department of Information Technologies). The Managing Authority shall perform its duties in co-operation with other ministries and extra-ministerial units.

The responsibilities of the Managing Authority shall be to:

- act as secretariat to SPD Monitoring Committee;
- collect financial and statistical information to facilitate the monitoring of SPD implementation;
- adjust the Programme Complement;
- draw up the annual report and final report on SPD implementation, and after obtaining approval of the Monitoring Committee, submit the report to the European Commission;
- make statements about the consistency of operations with the decision to provide support and submit them to the Paying Authority;
- ensure the correctness of operations financed with the European Union assistance and the correctness of operations of the Implementing Authorities;
- ensure coherence with European Union policies, especially in issues related to competition, public procurement, environment and equal opportunities;
- perform duties related to information and publicity.

The Ministry of Finance shall act as the Paying Authority for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG). The Paying Authority shall be responsible for the transfer of funds from the Commission budget to the final beneficiary. The Paying Authority performs its duties pursuant to Article 32 of Council Regulation (EC) No 1260/1999 and other EU set requirements for financial management. The functions of the Paying Authority in the Ministry of Finance are performed by the Department of National Fund. The Ministry of Finance, acting as Managing Authority and Paying Authority, shall ensure the separation of responsibilities in the Ministry.

The responsibilities of the Paying Authority shall be the following:

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2 As stated in the SPD 2003-2006.
• Preparation of a consolidated declaration of expenditure, a certificate of payment request and submission to the European Commission, and if necessary, requesting expense receipts from the Managing Authority and the Implementing Agencies;
• Prompt reclaiming of undue payments and ensuring the registration of the funds to be recovered;
• Informing the Commission about the operations which are the subject of a judicial procedure or an administrative appeal having suspensory effects;
• Submitting to the Commission a statement on recoveries supplied under Regulation (EC) No 1681/94, as an annex to the fourth quarterly report;
• Ensuring recovery of payments to the European Commission;
• Compilation of consolidated cash-flow forecast and submission to the European Commission;
• Ensuring that funds are fully disbursed to final beneficiaries as soon as possible;
• Keeping accounts on assistance received from the Community;
• Carrying out on-spot control if necessary;
• Participation in the work of the Monitoring Committee;
• Ascertaining that decisions of the Managing Authority and the Monitoring Committee correspond to the total amounts of funds allocated for priorities;
• Fulfilling other tasks imposed on the Paying Authority by the EU legal acts

Intermediate Bodies are institutions functioning under the responsibility of the Managing Authority or the Paying Authority as regards Point 2 of Article 2 of the Council Regulation (EC) No 438/2001 of 21 March 2001 that perform the tasks delegated to them by the Managing Authority or the Paying Authority. In Estonia, the Intermediary Bodies are called Implementing Authorities or Implementing Agencies.

Implementing Authorities shall be the following government agencies:
  Ministry of Economic Affairs and Communications
  Ministry of Internal Affairs
  Ministry of the Environment
  Ministry of Social Affairs
  Ministry of Education and Research
  Ministry of Agriculture
  Ministry of Finance

The responsibilities of the Implementing Authorities shall be:

• Participation in drawing up the programming document (including submission of source data)
• Elaboration of measures
• Submitting data for drawing up and amending the Programme Complement
• Ensuring foreseeing national co-financing in the state budget
• Monitoring and participation in the Monitoring Committee
• Auditing the control systems checking the implementation of the measures in its administration
• Informing partners and beneficiaries
• Approval of the payments forecast and submission of it to the Paying Authority
• Preparing statements about the consistency of operations with the decision to provide support and submit them to the Managing Authority

Implementing Agencies shall be the following:

Foundation Enterprise Estonia
Environmental Investments Centre
Foundation for Vocational Education and Training Reform in Estonia
Road Administration
Railway Administration
Estonian Informatics Centre
Ministry of Economic Affairs and Communications
Labour Market Board
Ministry of Social Affairs
Estonian Agricultural Registers and Information Board
State Chancellery

The Ministry of Finance shall be the Implementing Agency for technical assistance across all the funds.

The responsibilities of the Implementing Agencies shall be:
• Informing partners and beneficiaries
• Arrangement of technical and financial assessment of project applications; and participating in it; assessment and selection of project proposals submitted under grant schemes;
• Elaboration of orders of implementations and project selection criteria for grant schemes;
• Conclusion of contracts with applicants;
• Carrying out international procurement procedures on behalf of applicants;
• Ensuring project management
• Checking and endorsing payment requests submitted by beneficiaries
• Preparing payment orders and payment applications and submitting them to the Paying Authority
• Preparing payment requests and declaration of expenditures for requesting funds from the European Commission and submitting to the Paying Authority
• Reclamation of undue payments from beneficiaries
• Collection and consolidation of data necessary for monitoring and continuous updating of the electronic database
ANNEX 6

Co-financing requirements for the applicants

This annex aims to clarify the level and type of co-financing needed to apply for funding.

The project preparation activities financed under the PPF will be categorised, principally and at least, as:
1) Assistance (in the form of service) for preparation of an investment (usually supply or works), or
2) Assistance for institution building activities, market surveys, background studies, audits, evaluations etc.

The national co-financing requirements to be followed are as follows:
1) At least 25% total national co-financing across the entire PPF, though subject to variation on project-by-project basis. Minimum global co-finance for PPF to be at least 15% on quarterly flow basis; on stock basis global cofinance for PPF should be 25% per half year. All data have to be verified regularly by NAO through the Monitoring Reports and confirmed with the cofinance data reported by the National Fund to the Commission;

2) The applicants must co-finance (excluding tax) the projects as follows:
   • NGOs 15% of the total project cost;
   • Local governments and governmental institutions 25% of the total project cost;
   • Private sector 50% of the total project cost.

   Co-financing must have a clear audit trail so that it can be verified, audited and monitored, and the value in money terms must be objectively determined on the basis of actual costs or/and invoices;
   • All of the activities that are presented under co-financing must be described clearly in the Application Form indicating that these activities are not requested from the contractor;
   • All of the activities that are presented as co-financing must also be clearly visible in the budget;
   • In cases where it is unclear under which type an activity falls, this will be clarified by the Ministry of Finance prior to financing thereof.

Eligible costs:

   • Costs which are eligible under Phare;

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3 Any provisions on co-financing which are not regulated here are subject to the rules that are regulated by the Commission Regulation (EC) No 1685/2000 of 28 July 2000 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards eligibility of expenditure of operations co-financed by the Structural Funds

4 In other cases the same rules as for Phare eligible costs apply.
• Facilities for experts (room, computer, telephone, fax);
• Local travel costs;
• Costs arising from hiring local expert(s), but not civil servants or staff employed by mandated bodies (including foundations), that carry out part of the study;
• Costs arising from hiring a (non civil servant, nor staff from mandated bodies or foundations) project manager for a specific investment project;
• Cost of activities carried out prior to the start of the PPF-financed study, such as collecting of data or preliminary studies from independent firm(s).

• Payments effected by final beneficiaries shall be in the form of cash subject to the exceptions indicated below: In kind contributions are eligible expenditure provided that:
  (a) They consist in the provision of equipment or materials, research or professional activity, or unpaid voluntary work;
  (b) They are not made in respect of financial engineering measures;
  (c) Their value can be independently assessed and audited;
  (d) In the case of unpaid voluntary work, the value of that work is determined taking into account the amount of time spent and the normal hourly and daily rate for the work carried out;
• Overheads are eligible expenditure provided that they are based on real costs which relate to the implementation of the operation co-financed by the PPF and are allocated pro rata to the operation, according to a duly justified fair and equitable method.

Ineligible costs:

The rules for ineligible costs under Phare apply except that is stated above.

Subcontracting:

The rules for subcontracting under Phare apply in case of joint co-financing. In case of parallel co-financing the Estonian national rules apply.
ANNEX 7

Division of responsibilities

The Facility will be implemented as a grant scheme. The key elements of the organizational structure include:

- The Ministry of Finance (MoF) as an institution responsible for the Phare national programme in Estonia has the overall responsibility for the implementation of the PPF phase 2;
- The Steering Committee (SC) is the principal institution responsible for the operation of the Facility, incl. supervision;
- Programme Authorising Officer (PAO) at the Ministry of Finance and Central Contracting and Financing Unit (CFCU) is responsible for contracting and payment of the PPF phase 2. CFCU may use procurement agency contract for sub-contracting;
- The Foreign Financing Department (FFD) within the MoF is acting as a Secretariat for the PPF phase 2.
- EC Delegation is responsible for ex-ante control of the use of EU funds under DIS.

MINISTRY OF FINANCE (MOF)

On behalf of the Ministry of Finance the Programme Officer (PO) is responsible for the overall implementation and execution of the PPF phase 2.

MOF is responsible for:

- Overall implementation and execution (incl. contracting) of the PPF phase 2;
- Co-ordination and use of the Fund towards the Commission;
- Co-ordination with other ministries concerned;
- Co-ordination with other EU funded programmes;
- Setting up the structures for the PPF phase 2;
- Monitoring of the programme;
- Approval of the final reports of the projects.

STEERING COMMITTEE (SC)

The SC is the principal institution responsible for the operation and supervision of the PPF phase 2.
The members of the SC are representatives of the MoF, Ministry of Social Affairs, Ministry of Internal Affairs, Ministry of Agriculture; Ministry of Economic Affairs and Communications, Ministry of Education, Ministry of Environment, representative of the County Governments, Union of the Estonian Associations of Local Authorities, representative of the Business Organisations, representative of the NGOs. The Ministry of Internal Affairs is responsible for appointing the representative of the County Governments and NGOs. The Ministry of Economic Affairs is responsible for
appointing the representative of the Business Associations. FFD will act as secretary to the SC.

The SC members are expected to be the same as for the SC of the PPF under Phare SPP++ programme. However, membership may be revised according to lessons learnt from the SPP++ and in line with negotiations on the SPD and Programme Complement with DG REGIO.

The EC Delegation and CFCU are invited as observers to the meetings of the Steering Committee in order to monitor the implementation of the programme.

The tasks of the SC are to:

- Approve modifications to the guidelines and related documents if necessary;
- Issue the call for project proposals;
- Appoint the Evaluation Committee;
- Approve reporting documents;
- Supervise the operation of the PPF phase 2 and the implementation of projects.

PAO/CFCU

The PAO shall be responsible for the operations of the Implementing Agency (CFCU) and in particular for the sound, administrative, financial and technical management of the project to be implemented by IA, including supervision of tendering, and contracting and payment procedures and monitoring of the project implementation.

**Responsibilities of PAO/CFCU include:**

- Approval of the Guidelines of PPF phase 2 and submission to the ECD for endorsement;
- Approval of the composition of the Evaluation Committee and submission to the ECD for endorsement;
- Observation of the evaluation procedures of the grant applications;
- Approval of the evaluation report and submission to the ECD for endorsement;
- Correspondence to applicants (letters to successful applicants);
- Preparation of grant contracts and submission to the ECD for endorsement;
- Conclusion of the grant contracts with beneficiaries Correspondence to applicants (rejection letters);
- Approval of the interim and final reports of the beneficiaries and submission to the ECD for information and comments;
- Control of sub-contracting procedures;
- Approval of the sub-contracting documents (incl tender dossiers, evaluation reports, contracts) and submission to the ECD for information;
- Control and approval of the requests of payments;
- Making payments to the beneficiaries;

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5 The SC for the PPF under SPP++ programme has been already established by the decree of the Minister of Finance on 20.02.2003 No 73.
• Submitting information about the grant awards, approval of the reports and information concerning payments to the Secretariat.

SECRETARIAT

The Foreign Financing Department within the MOF will act as a Secretariat for the PPF phase 2.

Secretariat acts as a Secretariat for the Facility. Its function is to provide technical assistance to the Steering Committee as to ensure the everyday implementation and operation of the PPF phase 2.

Secretariat holds managerial and administrative functions in relation to the operational aspects. Secretariat has the technical function to support the activities of SC and Evaluation Committee, especially in the process of preparation, evaluation and monitoring of the projects.

Secretariat is responsible to the SC for the use of funds.

The tasks of Secretariat are:

• To assist the SC in preparation of call for project proposals information and publicity (see tasks of SC):
  ▪ To prepare the application documents to be distributed to applicants (guidelines for applicants, standard application form);
  ▪ Organisation of the public call for the submission of project proposals;
  ▪ To disseminate information and application documents to beneficiaries (local and regional authorities and other institutions);
  ▪ To assist in project preparation and assessment, incl. training and information workshops;
  ▪ To register and pre-qualify the project proposals according to pre-qualification criteria;
  ▪ To forward the project proposals and information about applications to the SC and PAO.
• To assist the Evaluation Committee in project approval process (see Evaluation of projects);
• Inform all applicants about the results of project selection;
• To ensure adherence to Phare rules, incl. utilisation of the Phare Manual for Contracting and Procurement Rules;
• To assist in the preparation of TOR and associated tender and contracting documents;
• Providing technical assistance for the potential project beneficiaries (incl. dissemination of information and project preparation support);
• Examination and approval of the Evaluation Report and submitting to the PAO for approval;
• To assist the SC to monitor the implementation of the projects;
• To keep information;
• Preparation of the standard formats for quarterly reporting of beneficiaries;
• Follow up of the progress and planning of single projects;
• Keep the SC informed about the project progress;
• Project regular reporting to PAO/CFCU and other project recipients.

Secretariat may delegate responsibilities to the local institutions after getting approval from SC.

THE EUROPEAN COMMISSION DELEGATION

EC Delegation approves the Guidelines for Applicants for the implementation of PPF phase 2.

EC Delegation representatives are invited as observers to SC meetings.

EC Delegation:
• Approves the composition of the Evaluation Committee;
• Receives copies of the evaluations;
• Receives copies of the minutes of the SC meetings;
• Receives list of the approved projects and summary information of the projects;
• Endorses the projects;
• Receives final reports of the projects.

In case of disagreement EC Delegation:

• May ask additional information from applicant;
• May propose changes to the project and if necessary, may make changes to the project in agreement with the applicant;
• In case of disagreement with the applicant on proposed changes, the project will be rejected and the available funds will be used for other projects.

In case the EC Delegation is unsatisfied with the transparency and independence of the proceedings, it may cancel the call for proposals and request the SC to repeat the call.

EC Delegation approves a Standard Model Contract which will be used in contracting with applicants and the forms of the interim and final reports.

At the beginning of the operation the EC Delegation will approve a standard format of monthly financial and progress report produced by the Secretariat.

EC Delegation receives regular reports on progress of the operations of the Facility and may request independent consultants or outside auditors to assess the Facility operations.

BENEFICIARIES
The beneficiaries are responsible for the implementation of the single projects according to the conditions provided in the Grant Contract and its annexes.

**Responsibilities of Beneficiaries in implementing of grant scheme include:**

- Proper implementation of the project according to the grant contract and its annexes;
- Management of the grant funds allocated within the grant contract;
- Preparing sub-contracting documents (incl. tender dossiers, evaluation reports, sub-contracts etc.) and evaluation of the offers and applying approval for the documents and procedures from PO;
- Control of the sub-contractors activities within the sub-contract;
- Regular reporting to PO (quarterly reports must include details on activities undertaken, description of outputs produced. Reports must be accompanied by a plan of action for the next period of implementation. The final report is to be submitted together with the final payment request);
- Submitting invoices, request of payments and accompanying reports to PO for approval;
- Responsibility for transparent accounting of the project;