COMMISSION DECISION

of 2005

on the financial contribution of Transition Facility for strengthening institutional capacity to the Republic of Estonia
(Only the Estonian text is authentic)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to the Act of Accession 2003, in particular Article 34 thereof,

Whereas:

(1) Article 34 of the Act of Accession provides the possibility of granting a temporary financial assistance, the Transition Facility to the new Member States to address the continued need for strengthening institutional capacity in certain areas through actions which cannot be financed by the Structural Funds.

(2) The actions funded by this Decision in the areas of internal market, administrative and control structures in agriculture, and environment and administrative capacity are eligible for funding according to Article 34(2) of the Act of Accession. In addition, several needs have been identified in the Commission’s comprehensive monitoring report, which are not covered by the Structural Funds. The actions funded by this Decision in relation to those needs, in the areas of social policy and employment, as well as administrative capacity, are therefore also eligible for funding under Article 34(2) of the Act of Accession.

(3) Pursuant to Article 34(4) of the Act of Accession, the Transition Facility is implemented in accordance with Article 53(1)(b) of Council Regulation (EC) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

(4) An Implementing Agency should be designated complying with the criteria set out in Article 164 of the Financial Regulation and having adequate staff resources. The Commission has satisfied itself in the context of preparation for conferral of management of aid provided under pre-accession aid, as well as through a number of other checks, that those criteria are fulfilled by the Central Finance and Contracts Department (CFCD) in the Ministry of Finance of the Republic of Estonia.

(5) The measures provided for by this Decision are in accordance with the opinion of the Committee on Aid for Economic Restructuring in certain countries in Central and Eastern Europe, rendered on 10/06/2005,
HAS ADOPTED THIS DECISION:

Article 1

The Commission approves a financial contribution of € 5,600,000 as Transition Facility to the Republic of Estonia, hereinafter called 'the Beneficiary State', to finance actions in accordance with the annex to this Decision.

Article 2

1. This Decision shall be implemented on a decentralised basis, in accordance with the Memorandum of Understanding on the Implementation of the Transition Facility, signed with the Republic of Estonia on 16 August 2004.


Article 3

1. Contracts covered by the financial contribution shall be signed no later than 15 December 2007.

2. The deadline for execution of contracts shall be 15 December 2008.

Article 4

This Decision is addressed to the Republic of Estonia.

Done at Brussels, […]

For the Commission

[…]

Member of the Commission
FINANCING PROPOSAL ON THE IMPLEMENTATION OF THE TRANSITION FACILITY IN THE REPUBLIC OF ESTONIA FOR 2005

1. IDENTIFICATION

Beneficiary The Republic of Estonia
Programme Transition Facility National Programme 2005
CRIS-Number 2005/ 17360
Year 2005
Cost € 5,600,000.
Implementing Authority CFCD, Ministry of Finance of the Republic of Estonia
Expiry Date Contracting: 15 December 2007
Execution of contracts: 15 December 2008
Sector Code (according to DAC-list)
Objective 1 Trade – Internal Market 33110
Objective 2 Social Policies and Employment 16361
Objective 3 Agriculture 31110
Objective 4 Environment 41010
Objective 5 Administrative capacity 15040
Budget Line 22-03-01
Commission Task Managers: Mr Gavriel Avigdor
DG Enlargement.

2. SUMMARY

For the period 2004-2006, a Transition Facility has been created by Art 34 of the Act of Accession to fund certain Institution Building actions in the new Member States.

It proposes to use Transition Facility funds to support institution building through twinning, twinning light, technical assistance, and investments to provide the necessary equipment in order to implement the *acquis*.

Under this programme, the Transition Facility support will cover: Development of Market Surveillance activities in New Approach and other connected areas through improved IT solutions; Managing occupational risks related to asbestos; Development of GMO chain management for co-existence of genetically modified, conventional and organic crops; Institutional Building for the Design and Implementation of the Financial Instrument for Fisheries Guidance (2007 – 2013); Minimalisation of the number of rabies cases among wild and domestic animals in Estonia; Enhancing the capacity to reduce the emissions of fluorinated gases in Estonia; Strengthening of AFCOS and its partners by reinforcing the prevention measures against fraud and corruption; Institution Building Facility.

### 3. STRATEGY

#### Programming priorities

Although the most urgent needs as regards *acquis* implementation have been addressed before Accession, the Transition Facility provides further support in order to consolidate the functioning of administrative structures on par with those of other Member States.

The 2003 Commission Comprehensive Monitoring Report for the Republic of Estonia and the continuous monitoring process by the Commission of the Estonian preparation for accession constitute the main sources of information for identification of institutional weaknesses that the Transition Facility could assist in addressing.

Following accession, priority sectors and actions were identified in consultation both with national authorities, Commission services and other bilateral donors on the basis of the relevant follow up actions from pre-accession monitoring as well as other needs for reinforcing institution building where shortfalls are still perceived.

#### Project selection and lessons learned

Based on the priorities outlined in the above-mentioned documents, and in line with the principle of ownership, the Estonian authorities submitted a number of project proposals for institution building. These projects have been discussed in detail with the relevant Commission Services.

The final selection of projects for this Commission Decision was based on the overall quality of the individual proposals, taking into account inter alia the strategic framework of the projects, their expected impact, and the implementation arrangements. In designing the 2005 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Phare programme in previous years. Lessons learnt are usually drawn on a case-by-case basis, building upon relevant experience in the implementation of previous projects in a specific area. Relevant information in that respect is provided in each project fiche. Provision of necessary background documentation supporting
project proposals (sectoral strategies, feasibility studies, economic and cost-benefit analysis, etc.) is emphasised during the programming process.

**Coordination with other EU assistance instruments, including Structural and Cohesion Funds**

Attention was also paid to avoiding overlaps with other EU assistance instruments, in particular the Structural and Cohesion Funds. Maximum synergies between all sources of financing were considered.

The implementing body retains the responsibility for reviewing all measures under the SPD, the Reference Framework Document (for Cohesion Fund) and RDP on one hand and the projects funded under this Transition Facility programme on the other to ensure consistency and compatibility and removing the risk of overlap.

4. **OBJECTIVES AND DESCRIPTION**

The 2005 Transition Facility programme for the Republic of Estonia focuses on five broad objectives covering the most urgent needs to implement the *acquis* efficiently.

**Objective 1 Trade – Internal Market**

**Project 2005/17360.01.01 – Development of Market Surveillance activities in New Approach and other connected areas through improved IT solutions**

The project aims at further developing the Market Surveillance system in Estonia in the field of New Approach Directives, in particular by developing relevant databases in the competent bodies, ensuring both their use for market surveillance purposes as well as the establishment of appropriate links with the existing European systems like RAPEX and ICSMS, in order to improve cooperation and information exchange.

Transition facility assistance will be used to:

- Improve existing databases within the Technical Inspectorate (TI) and Consumer Protection Board (CPB) and their integration with EU systems, such as CIRCA (Communication & Information Resource Centre Administrator), to information exchange system RAPEX (Community Rapid Information System) and to information exchange database ICSMS, the internet-supported information and communication system for the pan-European market surveillance of technical products

- In addition, the personnel of TI and CPB will be trained to use integrated databases and information exchange systems

- Establish practical co-operation concerning information exchange using electronic databases between TI, CPB and similar Authorities of other EU Member States

The project will be implemented through Twinning Light, technical assistance and a service contract for IT services.

**Objective 2 Social policies and employment**
Project 2005/17360.02.01 – Managing occupational risks related to asbestos

The project aims at improving the capacity of the Estonian Ministry of Social Affairs (MoSA) and the National Institute for Health Development (NIHD), as well as other relevant institutions, to manage occupational risk related to the presence of asbestos in many buildings in Estonia.

For this purpose, Transition Facility funds will be used to:
- Carry out an analysis of asbestos related occupational hazards in Estonia
- Develop relevant risk management tools for the MoSA and NIHD
- Prepare a list of asbestos containing materials in Estonia
- Improve diagnostics capacity of occupational cancer by training relevant specialists. Training will include Health Screening for target-groups: construction workers, ship-builders etc.
- Inform the Estonian public, employers and workers, etc.
- Prepare written guidance materials for employers about managing asbestos-related risks

The project will be implemented through a twinning scheme.

The project is conditional upon the fact that the NIHD will hire a full-time project manager to carry out the project.

Objective 3 Agriculture

Project 2005/17360.03.01 - Development of GMO chain management for co-existence of genetically modified, conventional and organic crops

The aim of this project is to upgrade the functional capacity of supervision and testing of Genetically Modified Organisms (GMOs) in Estonia and ensure the implementation of EU acquis in this area.

Transition Facility funds will be used for strengthening the current administrative capacity of the relevant bodies to:
- Develop adequate secondary legislation, inspection manual and guidelines in line with new EU regulations in the area of GMOs and elaborate the implementation procedures for these regulations
- Develop the institutional framework for inspection of the use of GMOs and set up an administrative organization and an inspection body
- Establish the GMO chain risk assessment and monitoring plan based on the relevant protocols (Feed and Seed)
- Elaborate Estonian national strategies and best practices to ensure the coexistence of genetically modified crops with conventional and organic farming; users will be involved in the process and the public sector will be informed

- Train Estonian experts on the GMOs legislation and implementing practice of other EU Member State(s), prepare for the GMOs chain management and establish cooperation with other EU Member States

- Procure the necessary laboratory equipment in Agricultural Research Centre (ARC) to perform the duty of testing of GMOs in Estonia

The project will be implemented through Twinning for the institution building part and supply contract for the purchase of the specialised testing equipment for determination of GMOs.

The procurement of the equipment (contract 2) is conditional upon the conclusions of a feasibility study to be carried out before the start of the project. In addition, a cooperation agreement should be concluded between the Ministry of Agriculture and the Ministry of Environment for the implementation of this project.


This project aims to strengthen the fisheries administration in Estonia for its effective participation in the EU Common Fisheries Policy and the structural policy for the fisheries sector for the period 2007-2013 and to improve the administrative systems of fisheries data gathering.

The Transition Facility support will be used to:

- Prepare the relevant administrative capacity to the new requirements deriving from the future structural policy for fisheries

- Strengthen the process of consultation and information with social and economic partners in FIFG with regard to the programming and implementation procedures

- Prepare all relevant documents (such as, guidelines, checklists etc.) for future management of European Fisheries Fund

- Increase awareness of relevant social and economic partners by developing effective partnership among the different parties involved

- Improve the administrative capacity for implementing the acquis concerning data collection in fisheries sector and update fisheries statistics

- Procure IT equipment and software for Fisheries Policy administration and data collection

The project will be implemented through a twinning scheme and two contracts for IT services and supply to implement the Fisheries information system.

**Project 2005/17360.03.03 - Minimalisation of the number of rabies cases among wild and domestic animals in Estonia**
Given the importance of the rabies contamination in Estonia, this project aims at the implementation of national programme for eradication of rabies in Estonia to cover the period 2005-2006.

The Transition Facility support will be used to provide assistance in the implementation of the rabies eradication programme.

This project is dedicated to investment support. It will be implemented through one supply contract and one service contract.

It is conditional upon the appointment of an employee from the Veterinary and Food Board to deal with the procurement and implementation of the project on a daily basis. The project is also conditional on the provision by the Ministry of Finance of adequate level of joint national co-financing.

**Objective 4 Environment**

**Project 2005/17360.04.01 - Enhancing the capacity to reduce the emissions of fluorinated gases in Estonia**

With a view to reduce green house gases emission in Estonia, in order to reach EU and international obligations, this project aims at developing the capacity of the Estonian administration for the phasing-out of fluorinated gases in Estonia.

Transition Facility assistance will be provided to:

- Prepare the administrative tools for implementing the EC policy on fluorinated gases
- Develop emission control measures and supporting documents
- Improve the technical skills of relevant staff and conduct awareness raising activities

This project will be implemented through a twinning scheme.

The project is conditional upon the conclusion of an agreement between the Environment Information Center (EIC) and the Estonian Environment Research Center (ERCC) for the implementation of the project activities.

**Objective 5 Administrative capacity**

**Project 2005/17360.05.01 - Strengthening of AFCOS and its partners by reinforcing the prevention measures against fraud and corruption**

Building on previous assistance provided for anti-fraud activities, the project aims at reinforcing the anti-fraud co-ordination service (AFCOS) and anti-fraud system in Estonia by introducing specialised prevention and detection measures for the protection of the EU and national financial interests.

Transition Facility assistance will be provided to:

- Improve AFCOS functioning and the irregularities follow-up system
- Improve anti-fraud systems in major implementing authorities, by introducing, as appropriate, adequate administrative or legal amendments

- Train the trainer in the areas of recovery, eligibility, investigations of fraud involving EU funds, on the spot controls, etc.

- Train officials in implementing agencies, implementing authorities, paying authority, managing authority, AFCOS and auditing authority to prevent and detect irregularities and frauds

- Develop expert capacity within the Custom Services to perform the analysis on the authenticity of documents

This project will be implemented through a twinning scheme.

The project is conditional upon the completion of Anti-fraud strategy developed in co-operation with SIGMA and the selection of the trainers to be trained before the trainings start.

**Project 2005/17360.05.02 – Institution Building Facility**

This project includes an unallocated institution building envelope that will be implemented through around 10 projects in areas of the *acquis* where needs still exist such as, inter alia, internal market, competition, justice and home affairs, agriculture, social policy and employment, energy, transport, environment, etc.

The projects might cover, as appropriate, implementation and enforcement of the *acquis*, and reinforcement of administrative capacity in the relevant fields.

The projects will be implemented on the basis of project fiches prepared by the relevant ministries and approved by the Commission.

Projects will be implemented through Twinning Light or technical assistance as appropriate.

In addition, in order to contribute to sound management of EU support programmes, the project will also provide support for independent evaluation of the performance of EU funded projects.

### 5. BUDGET

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<tr>
<th>Objective</th>
<th>Transition Facility Funding</th>
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<td>Investment</td>
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<td><strong>Objective 1:</strong></td>
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<tr>
<td><strong>TRADE -INTERNAL MARKET</strong></td>
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<tr>
<td>Project 2005/17360.01.01 Development of Market Surveillance activities in New Approach and other connected areas through improved IT</td>
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### Objective 2: Social Affairs

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<tr>
<td>Managing occupational risks related to asbestos</td>
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### Objective 3: Agriculture

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### Objective 4: Environment

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<td>Enhancing the capacity to reduce the emissions of fluorinated gases in Estonia</td>
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### Objective 5: Administrative Capacity

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Co-financing for Institution Building projects is provided by the beneficiary bearing certain infrastructure and operational implementation costs, through financing the human and other resources, required for effective and efficient absorption of Transition Facility assistance.

Investments must receive co-financing from national public funds. The Community contribution may amount to up to 75% of the total eligible public expenditure.

6. SPECIAL CONDITIONS

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

\[\text{Institution Building Facility}\]

| TOTAL  | 927,000  | 4,673,000  | 5,600,000 |

\[\text{1 subject to Rule N°7 of Commission Regulation 1685/2000.}\]