COMMISSION DECISION  
C/2006/3170  
of 17/07/2006

on the financial contribution of the Transition Facility for strengthening institutional capacity in the Republic of Estonia

(Only the text in the Estonian language 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 justice and home affairs, internal market, environment and food safety 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 19 May 2006,
HAS ADOPTED THIS DECISION:

Article 1
The Commission approves a financial contribution of €3,750,000 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.
2. The Central Contracting and Financing Department (CFCD) in the Ministry of Finance of the Republic of Estonia shall be Implementing Agency for the Programme.

Article 3
1. Contracts covered by the financial contribution shall be signed no later than 15 December 2008.
2. The deadline for execution of contracts shall be 15 December 2009.

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 2006

1. IDENTIFICATION

Beneficiary: THE REPUBLIC OF ESTONIA
Programme: Transition Facility National Programme 2006
CRIS-Number: 2006/18111
Year: 2006
Cost: The total value of the actions to be financed from the Transition Facility € 3,750,000.
Implementing Authority: Estonian Ministry of Finance
Expiry Date: Contracting: 15 December 2008
Execution of contracts: 15 December 2009
Sector Code: (according to DAC-list)
Objective 1: Internal Market 33110
Objective 2: Social Services 16361
Objective 3: Agriculture 31110
Objective 4: Environment 41010
Objective 5: Administrative capacity 15040
Objective 6: Justice and home Affairs 15030
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.

The present Financing Proposal represents the 2006 Transition Facility National Programme for the Republic of Estonia.

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: Support to the development of energy audit practices; Support to the implementation of the State Integration Programme and Capacity-Building of Integration-Related Institutions; Equality between Men and Women – Principle and Goal for Effective and Sustainable Enterprises; Strengthening of the official food control systems in Estonia related to environmental contaminants in products of animal
origin; Building up the capacity to handle major environmental accidents and emergency situations; Institution Building Facility; Fight Against Corruption in Local Government Agencies; National Monitoring Centre of the Criminal Proceeds.

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*

On the basis of 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 2006 Transition Facility programme, careful account has also been taken of the results of projects programmed in the context of the Phare and Transition Facility programmes 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*

Careful attention has been paid to co-ordinating with previous and ongoing assistance to build on the results achieved and to promote synergy effects with other Community financial instruments. The programme includes projects which should not overlap with any action that is financed by other EU financial assistance programmes such as the Structural and Cohesion Funds and the Schengen Facility, or with any actions previously financed by Phare or by other donors.

The implementing body retains the responsibility for the coordination of the projects funded under this Transition Facility programme with activities financed through existing or planned EU or other international funding, in particular Structural and Cohesion funds, Schengen Facility, etc., in order to ensure consistency, compatibility and removing the risk of unnecessary duplication and overlaps.
4. Objectives and Description

The 2006 Transition Facility programme for the Republic of Estonia focuses on six broad objectives covering most urgent needs to efficiently implement the acquis.

Objective 1  Internal Market

Project 2006/18111.01.01 – Support to the development of energy audit practices

In order to improve energy efficiency in Estonia, the project aims to create clear standards for the qualification of independent building energy experts (energy auditors) and to certify energy auditors. For this purpose, Transition Facility assistance will be provided to:

- Develop professional standard of building energy auditors, differentiating between certification and auditing.
- Develop training programme and training materials for energy certifiers and auditors
- Carry out train the trainers course for energy certifiers
- Perform training course for persons interested in obtaining the qualification of energy auditor
- Recommendations for the organisation of training courses and attestation procedures of building energy auditors in future

The project will be implemented through technical assistance. The project is conditional upon:

- The recruitment of a Local Project Leader by the Ministry of Economic Affairs and Communications before the start of the project;
- The identification of an organisation to perform the attestation of energy auditors through public consultation and the formation of the relevant Professional Council.

Objective 2  Social policies and employment

Project 2006/18111.02.01 – Support to the implementation of the State Integration Programme and Capacity-Building of Integration-Related Institutions

In order to support continued efforts of the Estonian Authorities to improve the integration of the non-Estonian speakers population of the countries, the project will provide support to the review and preparation of the State Integration Programme for the period 2008-2013. In particular it aims to the timely, efficient and effective implementation of the State Integration Programme on the basis of well-defined strategy, implementation plan and increased capacity of integration-related institutions, notably inter alia the National Integration Foundation (NEIF).

Transition Facility assistance will be provided to:

- Support the development of State Integration Programme 2008-2013; increase knowledge about integration needs/opportunities and best-practice cases and incorporate these into strategy-making process
- Proposals for the development plans of local governments to complement with integration-related measures included in State Integration Programme and create linkages between national and regional level
- Increasing capacity of Citizenship and Migration Board (CMB) for processing naturalisation applications
- Strengthen the language and citizenship examination system at State Examination and Qualification Centre (SEQC)

- Improve the financial management system and introduce the integrated digital document management system for management of State Integration Programme at NEIF

- Procure equipment for enhanced information system to strengthen language and citizenship examination system at SEQC

The project will be implemented through technical assistance for the provision of expertise and IT services.

The project is conditional upon:

- The conclusion of cooperation agreements between the bodies involved in the implementation of the project

- The recruitment of a full time Head of Project Officer Support Unit and a project specialist

**Project 2006/18111.02.02 – Equality between Men and Women – Principle and Goal for Effective and Sustainable Enterprises**

*Twinning Contract EE/2006-IB/SO/01*

In order to support the implementation of the Gender Equality Act in Estonia, the project aims to raise awareness of the private sector of legal norms, policies, tools and best practices to promote gender equality in the workplace.

Transition Facility assistance will be provided to:

- Carry out a survey of the implementation of the Gender Equality legislation in the private sector in Estonia

- Review the guidelines, methods and tools used in the EU member states for the implementation of the principle of equal treatment of men and women and for the promotion of gender equality in the private sector companies

- Develop guidelines for Estonian private sector employers

- Increase awareness of legal norms of equal treatment of men and women, and improved knowledge and skills of the participants from private sector in using the tools and methods of promoting gender equality in practice

- Create a network of private sector employers and stakeholders aimed at exchanging information, experience and good practice for the advancement of gender equality

The project will be implemented through a Twinning scheme.

**Objective 3 Agriculture**

**Project 2006/18111.03.01 – Strengthening of the official food control systems in Estonia related to environmental contaminants in products of animal origin**

*Twinning Light Contract EE/2006-IB/AG/01*

The project aims at supporting the efficient implementation of the new EU Directives regarding the official control of the environmental contaminants in Estonia.

Transition Facility Assistance will be provided to:
- Reinforce the monitoring and surveillance of dioxins and dioxin-like Polychlorinated biphenyls (PCBs) in foodstuffs and animal feed in line with EU acquis

- Develop the capacity of the Central Veterinary and Food Laboratory (CVFL) to perform the analyses within the National Residue Control Plan (NRCP), proceeding from the existing requirements of the European Union with regard to the scope of investigations, methods used, and compounds detected

- Procure laboratory equipment for implementing the required analyses methods for detection of dioxins, furans and dioxin-like PCBs in different food matrices and performing the analyses according to the EU requirements

The project will be implemented through Twinning light and the provision of laboratory equipment.
The project is conditional upon:
- The allocation of necessary funds by Government of Estonia from 2007 budget
- The recruitment of two additional specialists at the CVFL

**Objective 4  Environment**

**Project 2006/18111.04.01 – Building up the capacity to handle major environmental accidents and emergency situations**

_Twinning Contract EE/2006-IB/EN/01_

The project aims at reinforcing the capacity of the Estonian administration to counteract major environmental accidents and emergency situations in case of extensive air, soil, ground water pollution and contamination of inland water bodies as well as radiological accidents causing spreading of radioactive contamination and/or external radiation for humans and biota.

Transition Facility Assistance will be provided to:

- Clarify the tasks and responsibility areas of different authorities, elaborate economic schemes elaborated and evaluate human resources

- Analyse, update and prepare existing crisis management action plans of public authorities and companies subject to major accidents

- Chart and analyse pollution sources liable to cause environmental accidents

- Elaborate crisis management plans/database (including enterprises)

- Develop public information and early warning systems

- Implement and accredit sampling and measurement methods

- Train staff from the relevant bodies in the field of handling emergency situations and taking samples

- Carry out an assessment of the investment needs to implement the system and develop the Technical Specifications for relevant procurements

The project will be implemented through a Twinning scheme.
The project is conditional upon the conclusion of a cooperation agreement between the bodies involved in the project implementation.

**Objective 5  Administrative capacity**
Project 2006/18111.05.01 – Institution Building Facility
This project includes an unallocated institution building envelope that will be implemented through around 10 projects in *acquis* fields where needs still exist such as, *inter alia*, internal market, competition, justice, freedom and security, agriculture, social policy and employment, energy, transport, environment, etc.
The projects might cover, as appropriate, implementation and enforcement of the *acquis*, reinforcement of administrative capacity in the relevant fields, and support for the sound management of EU pre-accession and Transition facility Programmes, including *inter alia* any possible additional needs in terms of independent evaluation of the performance of EU funded projects.
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.

**Objective 6 Justice and Home Affairs**

Project 2006/18111.06.01 – Fight Against Corruption in Local Government Agencies
*Twinning Contract EE/2006-IB/JH/01*
The support to the fight against corruption, in particular within local authorities, is important for the improvement of the management and control of EU funds and the protection of EC financial interests. The project aims to enhance the administrative capacity of the Estonian Police in the fight against corruption in local governments and in institutions within their jurisdiction.
Transition Facility Assistance will be provided to:

- Carry out a competence survey among the police officials investigating corruption matters in Narva, Tartu, Tallinn and Pärnu
- Analyse the results and mapping the competence of police officers through comparative analysis according to the international practice of the fight against corruption
- Preparation of training materials and conducting seminars
- Raise awareness of local government officials, on the basis of the analysis of the corruption map produced in previous corruption project
- Develop cooperation principles between media and government institutions dealing with information on Corruption-related behaviour

The project will be implemented through a Twinning scheme.
The project is conditional upon:

- The conclusion of a written agreement between the project beneficiary and all relevant institutions for the implementation of the project
- The allocation of the Project Leader and Project Manager in the Estonian Police Board for the entire duration of the project implementation

Project 2006/18111.06.02 – National Monitoring Centre of the Criminal Proceeds
*Twinning Contract EE/2006-IB/JH/02*
The fight against organised and economic crime requires a centralised and coordinated effort in Estonia. The project aims at the creation and effective operation of a national centre for identification of criminal proceeds, as well as related regulatory and administrative arrangements.
Transition Facility Assistance will be provided to:

- Prepare a National asset forfeiture strategy, including \textit{inter alia}: capacity gap-analysis, review of relevant legislation and its compliance with EU and international standards, recommendations and requirements; recommendations and action plan for its implementation

- Train and qualify the staff in the Monitoring Centre of the Criminal Proceeds and other involved institutions, including \textit{inter alia}: analysis training needs, training plan for involved authorities; training materials and practical guidelines

- Increase awareness of higher state officials in the area of asset forfeiture

The project will be implemented through a Twinning scheme. The necessary IT equipment will be supplied through national funds.

The project is conditional upon:

- The creation of five positions for the staff of new Monitoring Centre of the Criminal Proceeds

- The recruitment of a dedicated project manager

- The conclusion of an agreement between stakeholders for the implementation of the project

	extbf{Programme Conditionality}

The Estonian Authorities will ensure that co-financing in accordance with the details included in the project fiches will be available in time. Unless otherwise specified in the project fiche, co-financing for services and supply contracts should be joint co-financing and the ratio between the Transition Facility and the national amount has to be applied to the final contract price.

	extbf{5. BUDGET}

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<th>Transition Facility Funding</th>
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<td>Objective 1</td>
<td>INTERNAL MARKET</td>
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<td>Project 2006/18111.01.01</td>
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<td>Support to the development of energy audit practices</td>
<td>250 000</td>
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<td>Objective 2: SOCIAL AFFAIRS</td>
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<tr>
<td>Project 2006/18111.02.01</td>
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<tr>
<td>Support to the implementation of the State Integration Programme and Capacity-Building of Integration-Related Institutions</td>
<td>495 000</td>
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### Objective 3: AGRICULTURE

| Project 2006/18111.03.01 | Strengthening of the official food control systems in Estonia related to environmental contaminants in products of animal origin | 200 000 | 60 000 | 260 000 |

### Objective 4: ENVIRONMENT

| Project 2006/18111.04.01 | Building up the capacity to handle major environmental accidents and emergency situations | 710 000 | 710 000 |

### Objective 5: ADMINISTRATIVE CAPACITY

| Project 2006/18111.05.01 | Institution Building Facility | 1 000 000 | 1 000 000 |

### Objective 6: JUSTICE AND HOME AFFAIRS

| Project 2006/18111.06.01 | Fight Against Corruption in Local Government Agencies | 315 000 | 315 000 |
| Project 2006/18111.06.01 | National Monitoring Centre of the Criminal Proceeds | 380 000 | 380 000 |

| TOTAL | 200 000 | 3 550 000 | 3 750 000 |

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.

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1 subject to Rule N°7 of Commission Regulation 1685/2000.