



**Managing Authority**  
Ministry of Finance of the Republic of Estonia

**Estonia – Russia**  
**Cross Border Cooperation Programme**  
**2014-2020**  
**EC decision No C (2015) 9193**

## **Guidelines** **for Large Infrastructure Project Applicants**

**Approved on 1<sup>st</sup> JMC meeting on 31 March 2016 in Narva-Jõesuu, Estonia**

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Changes No 1 approved via JMC written procedure on 26 May 2017

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## NOTICE

These Guidelines are compiled to give particular assistance to the Applicants elaborating the application documents (Project Summary and full Application Form) of the Large Infrastructure Projects (LIPs) of the Estonia – Russia Cross Border Cooperation Programme 2014-2020 (Programme).

The Guidelines provide an overview of the planning, managing and follow-up to the projects financed from the Programme. The Guidelines include information on the process from the preparation of the Project Summary Form and full Application Form to implementation, monitoring, reporting and finalization of the project. They also contain information on how to fill in the Project Summary Form and Application Form, what to annex to it and what procedures to follow. Text of the Guidelines shall serve as a summarised basic guide to the LIP applicants. Please note that before approval of Full Application Form submitting parties are called Applicant and partners, later Lead beneficiary and beneficiaries.

Please note, that the English version of the document is approved by the JMC of the Programme and takes precedence over other language versions.

The relevant documents for the preparation of the LIP applications can be downloaded from the Programme's web site: <http://www.estoniarussia.eu>. Full Application Form shall be submitted via electronic Monitoring System (eMS).

Please note that this Guidelines does not in any way replace the obligations and provisions set out in the respective EU and national legislation. In case of doubt, the provisions set there prevail.

Please note that provisions of this Guidelines will be adjusted in accordance with Financial Agreement between European Union, Russian Federation and Republic of Estonia after it signing.

## TABLE OF CONTENTS

<b>1</b>	<b>GENERAL INFORMATION ABOUT THE PROGRAMME.....</b>	<b>5</b>
	<b>BACKGROUND.....</b>	<b>5</b>
<b>1.1</b>	<b>LEGAL FRAMEWORK.....</b>	<b>5</b>
<b>1.2</b>	<b>OBJECTIVES OF THE PROGRAMME .....</b>	<b>6</b>
	<b>PROGRAMME AREA .....</b>	<b>7</b>
<b>1.4</b>	<b>FINANCIAL ALLOCATION FOR LARGE INFRASTRUCTURE PROJECTS .....</b>	<b>9</b>
<b>1.5</b>	<b>OFFICIAL LANGUAGE .....</b>	<b>9</b>
<b>2</b>	<b>ELIGIBILITY OF THE APPLICANT AND THE PROJECT PARTNER(S) .....</b>	<b>9</b>
<b>3</b>	<b>PARTNERSHIP REQUIREMENT.....</b>	<b>11</b>
<b>6</b>	<b>IDENTIFICATION AND SELECTION OF LARGE INFRASTRUCTURE PROJECTS 14</b>	
<b>6.1</b>	<b>STEP 1: IDENTIFICATION OF SHORTLIST .....</b>	<b>14</b>
<b>6.2</b>	<b>STEP 2: PROJECT SUMMARY FORM.....</b>	<b>15</b>
<b>6.3</b>	<b>HOW TO APPLY AND THE PROCEDURES TO FOLLOW .....</b>	<b>16</b>
<b>6.3.1</b>	<b>PROJECT SUMMARY FORM.....</b>	<b>16</b>
	<b>DETAILED INSTRUCTIONS ON HOW TO FILL IN THE PROJECT SUMMARY FORM ARE PROVIDED IN THE PROJECT SUMMARY FORM ITSELF (ANNEX 1 TO THE GUIDELINES). .....</b>	<b>16</b>
	<b>THE COMPLETE PROJECT SUMMARY FORM INCLUDES THE FOLLOWING DOCUMENTS BASED ON THE NATIONAL AND/OR EUROPEAN COMMISSION REQUIREMENTS:.....</b>	<b>16</b>
<b>1.</b>	<b>PROJECT SUMMARY FORM, DULY FILLED-IN, SIGNED AND DATED BY THE APPLICANT .....</b>	<b>16</b>
<b>2.</b>	<b>DECLARATION BY THE APPLICANT.....</b>	<b>16</b>
<b>3.</b>	<b>PARTNER STATEMENT BY APPLICANT AND PROJECT PARTNER(S)....</b>	<b>16</b>
<b>4.</b>	<b>EVIDENCE OF OWNERSHIP BY BENEFICIARIES OR ACCESS TO THE LAND (IF POSSIBLE).....</b>	<b>16</b>
	<b>THE DOCUMENTS 1-3 SHOULD BE SUBMITTED AS ORIGINALS AND SIGNED BY THE AUTHORIZED PERSON OF THE ORGANISATION. ....</b>	<b>16</b>
<b>6.3.2</b>	<b>WHERE AND HOW TO SUBMIT THE PROJECT SUMMARY FORM .....</b>	<b>16</b>
<b>6.4</b>	<b>STEP 3: FINAL LIST OF PROJECTS TO BE FINANCED .....</b>	<b>17</b>
<b>6.4.3</b>	<b>WHERE AND HOW TO SUBMIT THE APPLICATION .....</b>	<b>18</b>
<b>7</b>	<b>AWARD PROCEDURE AND CONTRACTING.....</b>	<b>19</b>
<b>8</b>	<b>PROJECT IMPLEMENTATION, MONITORING, REPORTING AND CONTROL 21</b>	
<b>8.1</b>	<b>ADMINISTRATIVE MANAGEMENT OF THE PROJECT .....</b>	<b>21</b>
<b>8.1.1</b>	<b>START AND END DATE OF THE PROJECT.....</b>	<b>21</b>
<b>8.1.2</b>	<b>MANAGEMENT OF THE PROJECT AND RESPONSIBILITIES WITHIN THE PARTNERSHIP.....</b>	<b>21</b>
<b>8.1.3</b>	<b>OWNERSHIP OF THE PROJECT RESULTS.....</b>	<b>23</b>
<b>8.1.4</b>	<b>VISIBILITY AND INFORMATION REQUIREMENTS .....</b>	<b>24</b>
<b>8.1.5</b>	<b>USE OF THE PROGRAMME LOGO.....</b>	<b>25</b>

<b>8.2</b>	<b>FINANCIAL MANAGEMENT OF THE PROJECT .....</b>	<b>25</b>
<b>8.2.1</b>	<b>DESCRIPTION OF BUDGET HEADINGS.....</b>	<b>25</b>
<b>8.2.2</b>	<b>AN EXAMPLE OF THE FINANCIAL MANAGEMENT MODEL .....</b>	<b>29</b>
<b>8.2.3</b>	<b>PAYMENTS TO THE PROJECT .....</b>	<b>30</b>
<b>8.2.4</b>	<b>USE OF EURO .....</b>	<b>33</b>
<b>8.2.5</b>	<b>KEEPING THE PROJECT ACCOUNTS .....</b>	<b>33</b>
<b>8.2.6</b>	<b>BUDGET RELOCATIONS, CHANGES IN THE PROJECT, CONTRACT AMENDMENTS .....</b>	<b>33</b>
<b>8.2.7</b>	<b>PROCUREMENT (TENDERING).....</b>	<b>36</b>
<b>8.2.7.1</b>	<b>THE RULES OF NATIONALITY AND ORIGIN .....</b>	<b>36</b>
<b>8.2.7.2</b>	<b>OTHER ESSENTIAL POINTS .....</b>	<b>39</b>
<b>8.3</b>	<b>REVENUE IN THE PROJECT .....</b>	<b>40</b>
<b>8.4</b>	<b>STATE AID RULES AND PRINCIPLES.....</b>	<b>40</b>
<b>8.5</b>	<b>DOUBLE FINANCING /RETROACTIVITY OF FINANCING .....</b>	<b>41</b>
<b>8.6</b>	<b>REPORTING, MONITORING AND CONTROL.....</b>	<b>41</b>
<b>8.6.1</b>	<b>REPORTING REQUIREMENTS AND DEADLINES.....</b>	<b>41</b>
<b>8.6.2</b>	<b>AUDIT AND FINANCIAL CONTROL .....</b>	<b>42</b>
<b>8.6.3</b>	<b>MONITORING OF THE LIPS BY THE MA/JTS .....</b>	<b>44</b>
<b>8.7</b>	<b>RECOVERY.....</b>	<b>45</b>
<b>8.8</b>	<b>CLOSING OF THE PROJECT .....</b>	<b>46</b>
<b>GLOSSARY</b>	<b>47</b>	
<b>ANNEX 1 PROJECT SUMMARY .....</b>		<b>52</b>
<b>ANNEX 2 REQUIREMENTS FOR EVALUATION OF PROJECT SUMMARY.....</b>		<b>52</b>
<b>ANNEX 3 REQUIREMENTS FOR VERIFICATION OF COMPLIANCE OF THE LIP APPLICATION FORM WITH PROJECT SUMMARY .....</b>		<b>52</b>
<b>ANNEX 4 WRITTEN RECOMMENDATION OF THE JMC FOR THE FINAL LIST OF LARGE INFRASTRUCTURE PROJECTS.....</b>		<b>52</b>
<b>ANNEX 5 APPLICANTS CONFIRMATION OF MEETING THE CRITERIA OF A MICRO, SMALL OR MEDIUM SIZED ENTERPRISE .....</b>		<b>52</b>
<b>ANNEX 6 APPLICANTS DECLARATION OF RESPECTING THE DE MINIMIS AID CEILINGS.....</b>		<b>52</b>
<b>ANNEX 7 APPLICANTS DECLARATION OF APPLYING STATE AID / DE MINIMIS AID PROVISIONS .....</b>		<b>52</b>
<b>ANNEX 8 FINANCIAL PLAN .....</b>		<b>52</b>
<b>ANNEX 9 LOGICAL FRAMEWORK.....</b>		<b>52</b>
<b>ANNEX 10 DECLARATION BY THE APPLICANT.....</b>		<b>52</b>
<b>ANNEX 11 LEGAL ENTITY SHEET.....</b>		<b>52</b>
<b>ANNEX 12 PARTNER STATEMENT .....</b>		<b>52</b>
<b>ANNEX 13 LETTER OF ENDORSEMENT BY ASSOCIATES.....</b>		<b>52</b>
<b>ANNEX 14 INFORMATION AND COMMUNICATION PLAN .....</b>		<b>52</b>

# **1 GENERAL INFORMATION ABOUT THE PROGRAMME**

## **BACKGROUND**

The Estonia – Russia Cross Border Cooperation Programme is implemented within the framework of the European Neighbourhood Instrument (ENI) and Russian National legislation. Currently the Programme offers a single set of objectives as well as unified procedures for project application and implementation, applicable to institutions from both the European Union (EU) Member States and the Partner Countries.

In addition to the Open Calls for Proposals, the participating countries in agreement with the European Commission have jointly identified Large Infrastructure Projects which to be selected and contracted through the direct award procedure.

### **1.1 LEGAL FRAMEWORK**

The following EU legal acts and working documents provide further detailed information on the implementation of the Programme:

<b>Regulation 232/2014</b>	<b>No</b>	of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation)
<b>Regulation 236/2014</b>	<b>No</b>	of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action
<b>Commission Implementing Regulation 897/2014</b>	<b>No</b>	of 18 August 2014 laying down implementing rules for cross-border cooperation programmes financed under Regulation No 232/2014 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood Instrument ( <i>Implementing Rules</i> )
<b>Regulation 966/2012</b>	<b>No</b>	Of the European Parliament and the Council Of 25 October 2012 on the financial rules applicable to the general budget of the Union (EURATOM)
<b>Programming Document</b>		Programming document for EU support to ENI Cross-Border Cooperation (2014-2020) adopted by the Commission on 8 October 2014
<b>Programme</b>		Estonia–Russia Cross Border Cooperation Programme 2014–2020 approved by European Commission on 18 December 2015, decision No C(2015)9193
<b>Financing Agreement</b>		Financing Agreement between the European Union, Russian Federation and the Republic of Estonia signed on 29 December 2016

Please note that all relevant national law is directly applicable for LIPs.

## **1.2 OBJECTIVES OF THE PROGRAMME**

The **three strategic objective** of the Programme are:

- A- Promotion of economic and social development in regions on both sides of the common borders;
- B- Addressing common challenges in environment, public health, safety and security;
- C- Promotion of better conditions and modalities for mobility of persons, goods and capital.

Strategic objectives are supported by **four thematic objectives (TO)**

- Business and SME development (strategic objective A, TO1)
- Promotion of border management and border security, mobility and migration management (strategic objective A,B,C, TO10)
- Environmental protection, climate change mitigation and adaptation (strategic objective B, TO6)
- Support to local and regional good governance (strategic objective A,B,C, TO5)

The thematic objectives, in turn, aim at supporting specific areas within each strategic objective:

### **TO1 Business and SME development**

- Increasing SME development and entrepreneurship by fostering cross-border business contacts and the development of services and products
- Increasing SME competitiveness and entrepreneurship by fostering cooperation between public, private and R&D sectors
- Improving the business environment through the development of business support measures and infrastructure

### **TO10 Promotion of border management and border security, mobility and migration management**

- Increasing the throughput capacity of existing border crossing points through the development of BCP infrastructure and border management procedures
- Increasing the throughput capacity of existing border crossing points by refurbishing and improving border crossing roads and supporting infrastructure

### **TO6 Environmental protection, climate change mitigation and adaptation**

- Improving the biodiversity of joint natural assets
- Improving the quality of shared water assets by reducing their pollution load (including improving wastewater treatment facilities, improving solid (household and industrial) waste management and relevant facilities, and reducing pollution that is caused by the agricultural sector
- Increasing awareness of environmental protection and efficient use of energy resources
- Fostering shared actions in risk management and a readiness to cope with environmental disasters

### **TO5 Support to local and regional good governance**

- Improving cooperation between local and regional authorities and their sub-units
- Improving cooperation between local and regional communities

TO1 and TO6 projects are funded through open calls and direct awards.

TO10 projects are funded only through direct awards.

T05 projects are funded only through open calls.

## **PROGRAMME AREA**

The Programme area lies in the east of the Baltic Sea region and covers two distinct territories, namely the southern, northern, and eastern parts of Estonia and the north-western section of the Russian Federation, including the city of St Petersburg.



The Programme area includes the following NUTS III regions (the Nomenclature of Territorial Units for Statistics) or their equivalents as core regions:

Estonia: Kirde-Eesti, Lõuna-Eesti, Kesk-Eesti

Russia: St Petersburg, Leningrad and Pskov regions

The Programme area includes the Põhja-Eesti region (including Tallinn) in Estonia as an **adjoining region**. Involvement of adjoining region is only allowed under Thematic Objectives 1 and 6.

The Programme area on the Russian side includes Moscow as a **major economic, social and cultural centre**. The scope of eligible partners from Moscow is limited to public entities only, namely:

- Federal Agency for the Development of the State Border Facilities of the Russian Federation (Rosgranitsa);<sup>1</sup>

<sup>1</sup> In accordance with President of Russian Federation degree from 02 February 2016 the Ministry of Transport of the Russian Federation.

- Federal state institution "Directorate for construction and operations of Rosgranitsa" (FGKU Rosgranstroy). These state institutions may act as beneficiaries to address exclusively priorities of the Thematic Objective 10.

### **1.3 PROGRAMME MANAGEMENT**

**Joint Monitoring Committee (JMC)** is a decision making body responsible for ensuring effectiveness and quality of the Programme implementation. The JMC takes the final decision on projects to be supported and amounts granted to the projects. Members of the JMC are representatives from national and regional level partners from the Republic of Estonia and the Russian Federation.

**Managing Authority (MA)** is an executive body having overall responsibility for managing the Programme and implementing decisions taken by the JMC; body responsible for efficient and correct management and implementation of the Programme. The MA is signing Grant Contracts with the Lead beneficiaries of approved projects, approves project implementation reports and initiates payments. Ministry of Finance of the Republic of Estonia is the MA of the Programme.

**Joint Technical Secretariat (JTS)** is a joint operational body assisting the Managing Authority and the JMC in carrying out their respective duties. The JTS is in charge of the day-to-day operational follow-up and financial management of the projects. It is participating in assessment of the Applications. The JTS is composed of international staff. The JTS is located in Tartu, the Republic of Estonia and hosted by the Enterprise Estonia. The JTS has Branch Offices in the Russian Federation located in St.Petersburg and Pskov. The JTS informs and supports potential beneficiaries of the Programme in the country where activities are envisaged.

**National Authorities (NA)** are national institutions responsible for the Programme development, relevant policy making and monitoring of the Programme on behalf of the participating countries. Their functions are implemented by the Ministry of Finance of the Republic of Estonia and the Ministry of Economic Development of the Russian Federation.

**Control Contact Point (CCP)** is a body acting as assistants to the MA and supporting the MA in the elaboration of guidance on expenditure verification, providing clarification and training on national rules (such as procurement, labour law, taxes, etc), as well assisting the MA during on-the-spot verification work in respective country.

**Audit Authority (AA)** Is a body which shall ensure that audits are carried out on the management and control systems, on an appropriate



sample of projects and on the annual accounts of the Programme. Therefore AA is responsible for the preparation and approval of audit guidelines, the audit strategy for setting out the audit methodology, the sampling method, and the audit plan to verify and issue an opinion about whether the management and control systems of the JOP function effectively, and to verify the expenditure that has been declared; and for the coordination of all audit activities that are related to the programme.

**Group of Auditors (GoA)** A body which comprises representatives (one representative from each participating country) who are appointed by each participating country and assists the AA.

## **1.4 FINANCIAL ALLOCATION FOR LARGE INFRASTRUCTURE PROJECTS**

The overall indicative amount made available from the Programme for the Large Infrastructure Projects is **20 477 108, 62 EUR**.

## **1.5 OFFICIAL LANGUAGE**

The official working language of the Programme is English. Project Summary Forms and Full Application Forms shall be submitted in English, Grant Contracts shall be concluded in English, all official documentation and communication related to the implementation of projects should be in English. Interpretation and translation costs foreseen during the project preparation and implementation can be included in the budget of the project.

## **2 ELIGIBILITY OF THE APPLICANT AND THE PROJECT PARTNER(S)**

The following bodies can act as lead beneficiaries and beneficiaries:

- National, regional and local public authorities;
- Associations that are formed by one or more national, regional or local authorities;
- Public equivalent bodies (any legal body that is governed by public or private legal requirements), which have been established for the specific purpose of meeting any needs that are in the general interest, and which do not have an industrial or commercial character, but which do have a legal personality, and are financed by national, regional, or local authorities;
- Other bodies that are governed by public legal acts, or which are subject to management supervision by those bodies, or which have an administrative, managerial or supervisory board more than half of whose members are appointed by national, regional, or local authorities, or by other bodies which are governed by public legal acts (such as, for example, municipal and national enterprises, trade unions, medical institutions, museums, etc);
- Associations that are formed by one or more bodies which are governed by public legal acts as defined under the third bullet point, above;
- NGOs and other non-profit-making bodies;
- Educational organisations (schools, preschool institutions, colleges, institutes, or universities);

- Small or medium-sized enterprises (which hereinafter are referred to as 'SMEs') (only within TO 1).<sup>2</sup>

In addition to the general Programme requirements, an **exclusive competence** of the applicant for LIP has to be proved. According to the provisions of *Implementing Rules*, article 41, "Direct award", the grant can be awarded under the following conditions:

- the body to which a Project is awarded enjoys a *de jure* or *de facto* monopoly;
- the Project relates to actions with specific characteristics that require a particular type of body based on its technical competence, high degree of specialisation or administrative power.

The applicant and the project partner(s) must satisfy **all** criteria listed below:

- 1) be legal persons effectively established in the programme area or international organisations with a base of operations in the programme area **and**
- 2) be non-profit making (with exception of public equivalent body and private entities participating as the project partner(s)) **and**
- 3) be directly responsible for the preparation and management of the project with their partner(s), not acting as an intermediary, **and**

not be in any of the situations listed below:

(a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;

(b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*;

(c) they have been guilty of grave professional misconduct proven by any means which the managing authority can justify including by decisions of the EIB and international organisations;

(d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;

(e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;

(f) they are subject to an administrative penalty referred to in Article 109(1) of EURATOM:

- are guilty of misrepresenting the information required by the managing authority as a condition of participation in the procurement procedure or fail to supply that information;

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<sup>2</sup> A micro, small or medium sized enterprise according to the Commission Recommendation 2003/361/EC and Annex I of the Commission Regulation (EU) No 651/2014.

- contractors who have been declared to be in serious breach of their obligations under contracts covered by the budget.

Points (b) and (e) shall not apply where the applicants or partner(s) can demonstrate that adequate measures have been adopted against the persons having powers of representation, decision making or control over them, who are subject to a judgement as referred to in points (b) or (e).

The following are not the project partners (later **beneficiaries**) and do not have to sign the Partner Statement but have specific and important role in the implementation of the project:

1) **associates;**

Associates can be involved in the project implementation if they play a real role in the project. Associates may not receive funding from the grant with the exception of daily allowances, accommodation, and subsistence and travel costs. Associates do not have to meet the eligibility criteria referred to in this section. The associates have to be mentioned in the Full Application Form and they have to sign the Letter of Endorsement by the Associates.

2) **subcontractors;**

The Lead beneficiaries and the beneficiaries have the possibility to award contracts to subcontractors. Subcontractors are neither beneficiaries nor associates, and are subject to the procurement rules set out in the Guidelines.

### **3 PARTNERSHIP REQUIREMENT**

The Programme will finance activities within the LIPs which have (is aimed to keep) a purely cross border character and involve at least **two beneficiaries** (the applicant and at least one project partner), of whom at least one beneficiary shall be from Republic of Estonia and at least one beneficiary from the Russian Federation. Please note the Programme area requirements as defined in article 1.4 of these Guidelines.

### **4 DURATION OF THE PROJECT**

The latest date for signing the Grant Contract is 30 June 2019. The project duration cannot exceed 31 December 2022.

### **5 ELIGIBILITY OF COSTS**

Only **eligible costs** shall be taken into account for a grant. The categories of costs considered as eligible and non-eligible are indicated below. The budget is both a cost estimate and a ceiling for eligible costs. Note that the eligible costs must be based on real costs and backed by supporting documents during the project implementation.

#### **The 3E issues in the project budget**

The project budget has to be in line with the principles of economy, efficiency and effectiveness.

**The principle of economy** requires that the resources used by the institution for the pursuit of its activities shall be made in due time, in appropriate quantity and quality and at the best price.

**The principle of efficiency** is concerned with the best relationship between resources employed and results achieved.

**The principle of effectiveness** is concerned with attaining the specific objectives set and achieving the intended results.

### **Co-financing rate**

Grant to the project may not exceed 90% of the total eligible costs of the project.

Not less than 10% of the total eligible costs of the project are the Lead beneficiaries' and/or the beneficiaries own contribution to the project and must be financed from their resources or from sources other than the Programme budget. Please note that every beneficiary has to co-finance the project with at least 10% contribution of their own part of the project budget. The co-financing sources shall come from source other than the European Union.

**Treatment of State Aid for Estonian beneficiaries, including thresholds and support rates in case of State aid, are provided in relevant State aid regulations and described future more in the State Aid chapter of the Guidelines**

### **Eligible costs**

According to Article 48 of *Implementing Rules*:

Eligible costs are costs actually incurred by the beneficiary which meet all of the following criteria:

- (a) they are incurred during the implementation<sup>3</sup> period of the project. In particular:
  - (i) costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement; cash transfers between the lead beneficiary and the other beneficiaries may not be considered as costs incurred;
  - (ii) costs incurred should be paid before the submission of the final reports.
  - (iii) an exception is made for costs relating to final reports, including expenditure verification, which may be incurred after the implementation period of the project;
  - (iv) procedures to award contracts, as referred to in Article 52 of *Implementing Rules* and following, may have been initiated and contracts may be concluded by the beneficiary(ies) before the start of the implementation period of the project, provided the provisions of Article 52 and following have been respected;<sup>4</sup>

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<sup>3</sup> The definition of implementation period is described in the Glossary

<sup>4</sup> The provisions of Article 52 of *Implementing rules* are described in the chapter Procurements of this Guidelines

- (b) they are indicated in the project's estimated overall budget;
- (c) they are necessary for the project implementation;
- (d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the accounting standards and the usual cost accounting practices applicable to the beneficiary;
- (e) they comply with the requirements of applicable tax and social legislation;
- (f) they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- (g) they are supported by invoices or documents of equivalent probative value;

The following direct costs of the beneficiary shall be eligible:

- (a) the costs of staff assigned to the project under the following cumulative conditions:
  - they relate to the costs of activities which the beneficiary would not carry out if the project was not undertaken,
  - they must not exceed those normally borne by the beneficiary unless it is demonstrated that this is essential to carry out the project,
  - they relate to actual gross salaries including social security charges and other remuneration-related costs;
- (b) travel and subsistence costs of staff and other persons taking part in the project, provided they exceed neither the costs normally paid by the beneficiary according to its rules and regulations nor the rates published by the Commission at the time of the mission if reimbursed on the basis of lump sums, unit costs or flat rate financing;
- (c) purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project, provided they correspond to market prices;
- (d) the cost of consumables specifically purchased for the project;
- (e) costs entailed by contracts awarded by the beneficiaries for the purposes of the project;
- (f) costs deriving directly from requirements imposed by the *Implementing Rules* and the project (such as information and visibility operations, evaluations, external audits, translations) including financial service costs (such as costs of bank transfers and financial guarantees).

**A grant may be awarded retroactively (costs may be incurred before start of implementation period) in the following cases:**

- (a) where the applicant can demonstrate the need to start the project before the contract is signed. Costs eligible for financing shall however not have been incurred prior to the date of the submission of the grant application; or
- (b) for costs related to studies and documentation for projects including an infrastructure component. The costs related to studies and documentation for projects may include costs for staff, travel and accommodation, office and administration, external expertise and services.

All studies and documentation for project have to be in appropriate quality and up-to-date. The MA will assess those documents case by case and decide whether they are acceptable or not. 01 January 2016 is the starting date for preparation of eligible documents.

**No grant may be awarded retroactively for projects already completed.**

**Only Lead beneficiaries and beneficiaries of the approved LIPs (upon approval by the European Commission of the full Application Form) will be able to claim the reimbursement of the costs retroactively.**

The applicant must clearly indicate the costs for activities prior to the contract signature in the Project Summary and in the LIP Full Application Form.

The activities eligible for retroactively awarded costs are:

preparation of Full Application Form and other documents directly related to preparation of Full Application Form as Information and Communication plan, Environmental Impact Assessment, Feasibility Study, Technical documentation for infrastructure component of the project etc.

### **Non-eligible costs**

According to the Article 49 of *Implementing Rules* the following costs of the Beneficiary and the project partner(s) **are not eligible**:

- (a) debts and debt service charges (interest);
- (b) provisions for losses or liabilities;
- (c) costs declared by the beneficiary and already financed by the Union budget;
- (d) purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;
- (e) exchange-rate losses;
- (f) duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries;
- (g) loans to third parties;
- (h) fines, financial penalties and expenses of litigation;
- (i) contributions in kind.

## **6 IDENTIFICATION AND SELECTION OF LARGE INFRASTRUCTURE PROJECTS**

The LIP Applications are examined by the JMC with the assistance of the MA/JTS. All projects submitted by the applicants are checked according to the following **steps and criteria**:

### **6.1 STEP 1: IDENTIFICATION OF SHORTLIST**

National Authorities initiated internal discussions about possible LIPs in Estonia and Russia and prepared national proposals for the list of the LIPs. Both national proposals for the list of LIPs were discussed by JPC and the JOP identified the following LIPs to be awarded without call for proposals:

- Development of historical riverside protection area in Narva/Estonia and Ivangorod/Russia III stage/ River Promenades III (proposed Lead beneficiary Narva City Government, Department for City Development and Economy)
- Development of the unique Narva-Ivangorod trans-border fortresses ensemble as a single cultural and tourist object. 2nd stage (proposed Lead beneficiary Foundation Narva Museum)
- Economically and Environmentally Sustainable Lake Peipsi area 2/ Common Peipsi 2 (proposed Lead beneficiary Ministry of the Finance of Republic of Estonia)
- Improvement of the accessibility of the remote areas in South-East Estonia and Pskov region for traditional entrepreneurship and sustainable development / SME ACCESS (proposed Lead beneficiary Värskä municipality)
- Reconstruction of border crossing points: 1.Shumilkino (RU) – Luhamaa (EE); 2.Kunichina Gora (RU) – Koidula (EE); 3. Ivangorod (RU)- Luhamaa/Koidula (proposed Lead beneficiary Estonian Tax and Customs board)

## **6.2 STEP 2: PROJECT SUMMARY FORM**

Applicants from shortlist in cooperation with their project partners shall prepare a **Project Summary Form** and submit it to the MA/JTS or its Branch Offices in paper form and electronically.

The **Project Summary Form** consists (but not limited) of following data:

1. an analysis of the problems and needs justifying the project, taking into account the Programme strategy;
2. an assessment of its cross-border impact;
3. an assessments of the sustainability of the project's expected results after project's completion;
4. objectively verifiable indicators;
5. information on the geographic coverage and target groups of the project;
6. the expected project implementation and work plan;
7. the analysis of the effect of the project on the cross-cutting issues;
8. identification of the beneficiaries and designation of the lead beneficiary, providing guarantees of its competence in the domain concerned as well its administrative and financial management capacity;
9. description of the project management and implementation structure;
10. monitoring and evaluation arrangements;
11. financial plan and indicative budget;
12. a description of the infrastructure investment and its location;
13. a description of the capacity building component of the project.

The Project Summary Form is the Annex I to the Guidelines.

**Please note that based on the prioritised planned project activities with estimated indicative budget the JMC might ask Applicant to reduce the scope of activities and the estimated budget accordingly taking into account information provided in Project Summary Form while taking final decisions and allocation of grant.**

## **6.3 HOW TO APPLY AND THE PROCEDURES TO FOLLOW**

### **6.3.1 PROJECT SUMMARY FORM**

Detailed instructions on how to fill in the Project Summary Form are provided in the Project Summary Form itself (Annex 1 to the Guidelines).

The complete Project Summary Form includes the following documents based on the national and/or European Commission requirements:

1. Project Summary Form, duly filled-in, signed and dated by the applicant
2. Declaration by the applicant
3. Partner Statement by applicant and project partner(s)
4. Evidence of ownership by beneficiaries or access to the land (if possible)

The documents 1-3 should be submitted as originals and signed by the authorized person of the organisation.

### **6.3.2 WHERE AND HOW TO SUBMIT THE PROJECT SUMMARY FORM**

The complete Project Summary Form should be submitted in one envelope. The envelope must bear the following sentences: "*Large Infrastructure Project Summary Form for Estonia-Russia CBC Programme within ENI 2014-2020*" together with the full name and address of the applicant. The electronic version of the above-mentioned documents has to be sent to the email address [LIP@estoniarussia.eu](mailto:LIP@estoniarussia.eu). Please be aware that the size limit for the email messages sent to this address is 30 MB.

The Project Summary Form should be submitted by regular mail, courier service<sup>5</sup> or by hand-delivery at one of the addresses below:

1) Joint Technical Secretariat (Enterprise Estonia's Regional Office):

Sõbra 56 (5<sup>th</sup> floor)

51013 Tartu, Estonia

**or**

2) Joint Technical Secretariat Branch Office in St. Petersburg, Russia

14 Izmailovsky prospect, office 312-316, St. Petersburg

190005, Russia

**or**

3) Joint Technical Secretariat Branch Office in Pskov, Russia

Branch Office in Pskov, Russia

Sovetskaya Street 60a, p.3, 4th floor, Pskov, 180000, Russia

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<sup>5</sup> Courier, courier service - refers to a company providing special delivery of items from a sender to recipient within a short period of time. Delivery to the recipient is carried out directly by an employee of such company. Such companies operate beyond the regular national post system; they do not provide "registered mail" services.



Where an applicant submits several different applications, each one has to be sent separately.

**Project Summary Form not fulfilling formal requirements described in the Annex 2 to Guidelines can be rejected.**

The MA/JTS may ask additional questions and clarifications to ensure that the Project Summary Form to be presented to the JMC is of the appropriate quality.

Based on the verification by the MA/JTS, the **JMC shall approve a shortlist** of LIPs on the basis of the Project Summary Forms. The decision of the JMC shall have the form of a **written recommendation** reflecting how each proposal complied with the requirements (see the Annex 2 to the Guidelines).

The approved shortlist accompanied by the project summaries and the JMC's recommendations shall be **submitted for approval to the European Commission, Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR)**.

Projects approved by the European Commission shall form **the final shortlist**.

#### **6.4 STEP 3: FINAL LIST OF PROJECTS TO BE FINANCED**

The MA asks the applicants of the final shortlist and their partners to prepare the **Full Application Form and submit via electronic system eMS** to the JTS.

##### **6.4.1 SUPPORT TO THE LIPs IN PREPARATION OF FULL APPLICATION FORM**

MA/JTS will organise individual and group consultations for preparation of Full Application Form, seminar on preparation of documents, seminar on use of eMS for preparation of Full Application Form and later for project implementation.

The Lead beneficiaries and the beneficiaries should work in close cooperation with the JTS Projects consultants starting from the stage of drafting the Full Application Form.

##### **6.4.2 APPLICATION**

Detailed instructions on how to fill in the Application Form are provided in the Application Form itself in electronic system eMS.

The complete **Application** includes the following documents based on the national and/or European Commission requirements:

1. **Application Form**, duly filled-in in the eMS.
2. **Declaration by the Applicant** in Annex 10, duly filled-in, signed and dated by the Applicant.
3. **Legal Entity Sheet** in Annex 11, duly completed and signed by the applicant
4. **Partner Statement(s)** in Annex 12, duly filled-in and signed by each of the project partner(s) (including the applicant).
5. **Letters of Endorsement by the Associates** in Annex 13, duly filled-in and signed by each of the associate partner(s) (if relevant).

6. **Information and Communication plan**<sup>6</sup> in Annex 14
7. **Evidence of ownership or access to the land/ buildings**. (In case the applicant or partner is not the owner of the land/building the document which according to national law proves the right to carry out the investment and other planned activities).
8. **Environmental Impact Assessment** for the concrete objects (if required according to national legislation or European Parliament and Council Directive 2011/92/EU of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment). If the **Environmental Impact Assessment** is in national language, a summary in English has to be submitted.
9. **Feasibility Study (or equivalent, including the options analysis, the results, and independent quality review) or equivalent** requested by the national law (social-economical analysis, etc.) on the planned investments/ renovations/ supplies. There can be a joint feasibility study drawn up for all infrastructure objects or a separate feasibility study for the concrete infrastructure object. If the **Feasibility Study** is in national language, a summary in English has to be submitted.
10. **Technical requirements** for the planned supplies.
11. The **Statutes or Articles of Association** of the applicant organisation and of each project partner organisation. **This obligation does not apply to public bodies.**
12. The applicants and/or partners confirmation in Annex 5 of meeting the criteria of a micro, small or medium sized enterprise (SME) (if applicable)
13. The applicants and/or partners declaration in Annex 6 of respecting the relevant *de minimis* aid ceilings (if applicable).
14. The applicants declaration of applying State aid / *de minimis* aid provisions in Annex 7.
15. Technical documentation according to national legislation (if applicable)
16. The building permit (if available).
17. Financial plan in Annex 8
18. Logical Framework in Annex 9
19. The calculations (using a table provided by the Programme concerning the operating profit of the investment (if applicable).

By signing the Application Form, the Applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the Grant Contract.

#### **6.4.3 WHERE AND HOW TO SUBMIT THE APPLICATION**

The Full Application Form and documents listed in points 6, 8, 9, 10, 11 (if applicable), 12 (if applicable), 13 (if applicable), 14 (if applicable), 15 (if applicable), 16 (if applicable), 17, 18, 19 (if applicable) should be submitted via eMS environment.

The documents in points 2-5 and 7 of chapter 6.4.2 should be submitted as ***originals in electronic or paper form*** in one envelope. The envelope must bear the following sentences: "*Large Infrastructure Project Application for Estonia- Russia CBC Programme*

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<sup>6</sup> The template for Information and Communication Plan is provided in Annex 14

within ENI 2014-2020" together with the full name and address of the applicant. The electronic version of the above-mentioned documents should be submitted via eMS.

The above documents in paper form should be submitted by regular mail, courier service<sup>7</sup> or by hand-delivery at one of the addresses below:

4) Joint Technical Secretariat:

Sõbra 56 (5<sup>th</sup> floor)  
51013 Tartu, Estonia

**or**

5) Joint Technical Secretariat Branch Office in St. Petersburg, Russia

14 Izmailovsky prospect, office 316, St. Petersburg  
190005, Russia

**or**

6) Joint Technical Secretariat Branch Office in Pskov, Russia

Sovetskaya Street 60a, p.3, 4th floor, Pskov, 180000, Russia

Where an applicant submits several different applications, each one has to be sent separately.

**Applications not fulfilling requirements set in the Annex 3 will be sent back to the applicants for their improvement and may be rejected as not satisfactory.**

The Full Application Form general correspondence to the **Project Summary** that is approved by the European Commission will be verified as well as its compliance with the formal requirements (See the checklist in the Annex 3).

The JTS may ask additional questions and clarifications to ensure that the full Application is in line with the formal requirements.

Based on the check by the MA/JTS the Full Application is sent to the JMC for approval. The **decision of the JMC** should have the form of a **written recommendation** (See the form in the Annex 4).

The filled Full Application Form together with the feasibility study (studies), environmental impact assessment(s), evidence(s) of ownership or access to the land and JMC's recommendation (see Annex 4) should be submitted to the European Commission (DG NEAR) who shall check the admissibility of the project.

Projects approved by the European Commission shall form the **final list of large infrastructure projects** to be financed.

## **7 AWARD PROCEDURE AND CONTRACTING**

Once the project has been approved by the European Commission, the MA shall approach the Applicant and request the updated documents required for the signature of the Grant Contract (for example, updated timetable and budget).

Grant Contract is signed between the MA and the Lead beneficiary. Lead beneficiary assumes full legal and financial responsibility for project implementation vis-à-vis MA; it

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<sup>7</sup> Courier, courier service - refers to a company providing special delivery of items from a sender to recipient within a short period of time. Delivery to the recipient is carried out directly by an employee of such company. Such companies operate beyond the regular national post system; they do not provide "registered mail" services.

receives the financial contribution from the MA and ensures it is managed and, where appropriate, distributed in accordance with agreements drawn up with its partners; it alone is responsible to the MA and it is directly accountable to the authority for the operational and financial progress of activities.

With the signature of the Grant Contract the contractual relations and responsibilities between the MA and the Lead beneficiary emerge. The Lead beneficiary becomes responsible and accountable to the MA for efficient implementation of the project in compliance with the provisions of the concluded Grant Contract and complete Application.

Before the MA signs the Grant Contract, the following procedures have to be carried out (but not limited to):

- the applicant submits to the MA the signed Partnership Agreement with its partners;
- the applicant has to notify the MA on the external audit companies (Auditors) which will carry out expenditure verification at the Lead beneficiary's and the beneficiaries level (if they registered and located in Russian Federation). The MA has to approve the Auditor(s) either before conclusion of the Grant Contract or before the Lead beneficiary's request for the initial pre-financing instalment to the MA. The exception is beneficiaries from the Russian Federation who are considered as public entities. In this case the applicant shall inform the MA of the choice of audit company at the Lead beneficiary's and the beneficiaries level and MA has to approve the Auditor(s) before the first submission of the interim report to public officers/auditors;
- the applicant has to provide the original of the Financial Identification Form with the details of its banking account;
- during preparation of the Grant Contract JTS/ MA could carry on monitoring visits.

Signing of the Grant Contract is a subject to the fulfilment of the above indicated procedures.

Grant contracts shall be signed latest on 30 June 2019.

By signing the Application Form, the Applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the Grant Contract (the model of Grant Contract will be provided latest after approval of the Project Summary by the European Commission). The MA sends the signed Grant Contract to the Lead Beneficiary indicating the deadline when the countersigned contract shall be returned to the MA.

The **Partnership Agreement** has to lay down provisions for the distribution of tasks, responsibilities and the financial contribution of all beneficiaries, including provisions guaranteeing the financial management of the funds allocated to the project, including the arrangements for recovery of amounts unduly paid. Model Partnership Agreement will be provided latest after approval of the Projects Summary Forms by the European Commission. The Partnership Agreement has to be concluded between the Lead beneficiary and beneficiaries defining their rights and responsibilities. Model Partnership Agreement is available on the Programme's web-site [www.estoniarussia.eu](http://www.estoniarussia.eu).

The Partnership Agreement will not be a part of or Annex to the Grant Contract.

## **8 PROJECT IMPLEMENTATION, MONITORING, REPORTING AND CONTROL**

### **8.1 ADMINISTRATIVE MANAGEMENT OF THE PROJECT**

#### **8.1.1 START AND END DATE OF THE PROJECT**

Project **starting date** is defined by the Lead beneficiary and the Managing Authority; stipulated in the Grant Contract and it can be either:

- the day following that on which the last of the two parties signs the Grant Contract, **or**
- a later date agreed in the Grant Contract,

and no later than 3 months after the signing of the Grant Contract.

The **end date of the project** is calculated by adding to this date the number of months indicated in the Application as the duration of the project, however, project implementation has to be finalized before **31 December 2022**.

#### **8.1.2 MANAGEMENT OF THE PROJECT AND RESPONSIBILITIES WITHIN THE PARTNERSHIP**

All projects must follow the **Lead beneficiary principle** in the project management.

Each project shall designate one Lead beneficiary for representing the partnership.

All beneficiaries shall actively cooperate in the development and implementation of projects. In addition, they shall cooperate in the staffing and/or financing of projects. **Each beneficiary shall be legally and financially responsible for the activities that it is implementing and for the share of the Programme funds that it receives.** The specific obligations as well as the financial responsibilities of the beneficiaries shall be laid down in the partnership agreement.

The **Lead beneficiary** shall:

- (a) receive the financial contribution from the MA for the implementation of project activities;
- (b) ensure that the beneficiaries receive the total amount of the grant as quickly as possible and in full in accordance with the arrangements referred to in (c). No amount shall be deducted or withheld and no specific charge with equivalent effect shall be levied that would reduce these amounts for the beneficiaries;
- (c) lay down the partnership arrangements with the beneficiaries in an agreement comprising, provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid;
- (d) assume responsibility for ensuring implementation of the entire project;
- (e) ensure that the expenditure presented by the beneficiaries has been incurred for the purpose of implementing the project and corresponds to activities set in the contract and agreed between all beneficiaries;
- (f) verify that the expenditure presented by the beneficiaries has been examined pursuant Article 32(1)<sup>8</sup>.

After grant award decision, the **Lead beneficiary** is responsible for:

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<sup>8</sup> Provisions of Article 32 of *Implementing Rules* are described in the section Audit and Financial control of this Guidelines

- signing the Partnership Agreement with all partners defining rights and responsibilities of the parties, the Partnership Agreement should in particular cover all obligations arising from the grant contract between the MA and the Lead beneficiary which are applicable to the project partners;
- signing the Grant Contract with the MA;
- setting up and maintaining efficient and reliable project implementation system (strategic, daily and financial management), i.e.: ensuring efficient use of the project's resources; co-ordination of activities and tasks among the beneficiaries and ensuring that these tasks are subsequently fulfilled; ensuring proper communication with and among the beneficiaries and wider public;
- representing the project – the Lead beneficiary serves as a contact point to the Managing Authority, JMC and JTS concerning the implementation of the project and should ensure continuous communication between the Programme (JTS) and the beneficiaries;
- progress of the project as far as its financial and physical execution is concerned, and in particular, for ensuring the delivery of outputs and results in line with the approved Application;
- establishing adequate monitoring and evaluation system of the project that ensures timely delivery of project outputs and results in a proper quality;
- timely and correct reporting;
- requesting and receiving payments from the MA, which then are timely forwarded to the beneficiaries;
- respecting and observing Programme rules and requirements, the EU, EURATOM, and national legislation concerning financial management and controls, public procurement, rules on nationality and origin, information and publicity and state aid rules;
- ensuring that the Lead beneficiary's expenditure is supported by invoices or documented by accounting documents understandable to third parties; has actually been paid out by the beneficiary within the reporting period for activities described in the approved Application; and that the products or services have actually been delivered; and has been examined by public officer or auditor;
- ensuring that the expenditure presented by beneficiaries has been incurred for the purpose of implementing the project and corresponds to the application and verify that the expenditures has been examined by public officer or auditor;
- ensuring production and maintenance of all documentary evidence required for control and audit purposes on the Lead beneficiary's level;
- implementation of the project in accordance with the provisions of the Partnership Agreement;
- recovery of the amounts unduly paid together with any interest on late payment from the lead beneficiary.

**Beneficiaries** are responsible (legally and financially) for:

- signing the Partnership Agreement with all partners defining rights and responsibilities of the parties, the Partnership Agreement should in particular cover all obligations arising from the grant contract between the MA and the Lead beneficiary which are applicable to the project partners;
- implementation of their part of activities in the project and they must actively assist the Lead beneficiary in efficient implementation of the project in line with

the requirements of the Application, the Programme and the Partnership Agreement;

- establishing adequate monitoring and evaluation system of the project that ensures timely delivery of project outputs and results in a proper quality;
- timely and correct reporting;
- respecting and observing Programme rules and requirements, EU, EURATOM and national legislation concerning financial management and controls, public procurement, rules on nationality and origin, information and publicity and state aid rules;
- ensuring that their expenditure is supported by invoices or documented by accounting documents understandable to third parties; has actually been paid out by within the reporting period for activities described in the approved Application; and that the products or services have actually been delivered; and has been examined by public officer or auditor;
- ensuring production and maintenance of all documentary evidence required for control and audit purposes on the beneficiaries level;
- for implementation of the project in accordance with the provisions of the Partnership Agreement.

Each project has to appoint a **project manager** who is responsible for setting up and maintaining the implementation system of the project. In order to assure professional financial management, an experienced **financial manager** is to be appointed. If needed one person could be appointed both as the project manager and the financial manager. The project implementation system should guarantee clearly identifiable costs and outputs of the project, proper and orderly payments and handling of the grant.

If the project manager is sub-contracted the Lead beneficiary must ensure close cooperation between the sub-contracted project manager and the Lead beneficiary staff as well as supervision of the management of the project.

Also each beneficiary must appoint a **local coordinator**, who is the contact person with the project manager, **and a book-keeper**, who is responsible for book-keeping within the project in the beneficiary organisation.

For each project a **Steering Group** has to be appointed, consisting of representatives of each beneficiary and other important stakeholders and being responsible for monitoring of the implementation of the project according to the provisions of the Grant Contract and Partnership Agreement, reviewing and approving project's work plans and reports.

Separate working groups, task forces and advisory groups may be established to coordinate daily running of activities, to fulfil specific tasks, to carry out certain activities, etc.

### **8.1.3 OWNERSHIP OF THE PROJECT RESULTS**

The ownership, title, and intellectual and industrial property rights to the project's results, reports and other documents relating to it shall be vested in (belong to) the Lead beneficiary, beneficiaries, associates or final recipients. The Lead beneficiary and beneficiaries grant the MA, the European Commission, participating countries the right to use freely and as it sees fit all documents deriving from the project, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

In case of the transfer of ownership, industrial and intellectual property rights for outputs and results the transfer shall be done according to the national legislation. The

sustainability requirements defined in the project should not be jeopardised and transfer of the ownership should not result in a profit for the beneficiaries.

According to the Article 39.3 of ENI Implementing Rules, any project including an infrastructure component shall repay the Programme contribution if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

The MA should be notified about changes of ownership of the project results during implementation period of the project and five years after completion of the project. **(in addition to notification, here maybe it can be asked to submit the confirmation to the MA that nature and original objectives of the project will not be undermined with the change of the ownership - but this is operational issue, can be discussed later internally, if MA decided is necessary).**

#### **8.1.4 VISIBILITY AND INFORMATION REQUIREMENTS**

The Lead beneficiary and the beneficiaries must take the necessary measures to publicise the Programme's financial support to the project and to give visibility to the financial contributions of the European Union, the Republic of Estonia and the Russian Federation in accordance with the Communication and Visibility requirements of the Programme and applicable regulations by participating countries. In the territories of participating countries national communication and visibility rules shall apply<sup>9</sup> together with the EU communication and visibility rules.<sup>10</sup>

Every project, funded by the Programme must conduct communication and visibility activities in order to:

- ensure smooth operation of the project (due to efficient communication among the beneficiaries);
- make the results of the project visible to the target groups concerned and/or to the public;
- emphasise the contribution of the Programme to the development of the region.

These measures must be in accordance with the applicable rules laid down in the Communication and Visibility requirements of the programme (elaborated in a separate document *Communication and Visibility Guidelines*).

In order to carry out effective, concise and consistent communication, the Lead beneficiary and the beneficiaries must plan the communication and promotion activities from the stage of drafting the Application and should plan these activities and specify them in the Full Application Form annex Information and Communication Plan. The budget for information and communication related activities should be considered.

Lead beneficiaries should also send information to the JTS prior to major project events.

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<sup>9</sup> Practical Recommendations for Project Participants on the Information Coverage of the Russian Federation Participation in Cross-Border Cooperation Programmes

<sup>10</sup>

([https://ec.europa.eu/europeaid/sites/devco/files/communication\\_and\\_visibility\\_manual\\_en\\_0.pdf](https://ec.europa.eu/europeaid/sites/devco/files/communication_and_visibility_manual_en_0.pdf))



### **8.1.5 USE OF THE PROGRAMME LOGO**

The Programme logo consists of these elements:

1)



The use of the Programme logo is compulsory on all communication materials and tools (both hard copy and electronic), documents of the project and outputs produced by the project. Use of the Programme logo is also compulsory when using other logos, like project's or project partner's own logo. The Programme logo has to be at least the same size as the other emblems/ logos used and is the first from the left side if other logos or emblems are used. The Programme logo can be downloaded here: <http://www.estoniarussia.eu>. The precise visibility requirements are provided in the Information and Visibility Guidelines.

### **8.1.6 CONTACTS OF THE JTS**

Joint Technical Secretariat Main office

Sõbra 56 (5<sup>th</sup> floor, Enterprise Estonia's Regional Office)

51013 Tartu, Estonia

The JTS will provide LIPs with assistance in preparation of project documents and provide with consultations, seminars and trainings on project implementation issues.

## **8.2 FINANCIAL MANAGEMENT OF THE PROJECT**

### **8.2.1 DESCRIPTION OF BUDGET HEADINGS**

The project budget is divided between the six budget headings and further detailed into budget lines. The detailed breakdown of the project budget consists of the Programme's grant and the Lead Beneficiary's and the beneficiaries' co-financing (contribution).

All expenditures included into the budget breakdown shall follow the rules on eligibility of expenditure.

The following costs can be included into the project budget as eligible:

## **Heading 1 – STAFF**

Includes only the costs of the staff of the Lead beneficiary and the beneficiaries assigned directly to the project and relate to the costs of activities which the lead beneficiary and beneficiaries would not carry out if the LIP was not undertaken. The costs shall correspond to actual gross salaries (including wages, employment taxes, social security charges, health insurance and pension contributions etc.). Salaries must not exceed those normally borne by the employer (organisation of the Lead beneficiary or beneficiaries) as the case may be, unless it is justified in the Application Form by showing that it is essential to carry out the project. The staff costs should be comparable with the salaries on the market and have to be calculated based on national legislation requirements and principles. **Staff costs are eligible only if they are sufficiently justified and documented in beneficiary document recording system and accountancy according to national legislation and internal procedures of concrete beneficiary.** The internal recognised practise of organisation should be followed in relation to the costs incurred by the project.

Employees can be employed either full-time or part-time for the project. If staff is not working full time for the project, percentage of involvement should be indicated in the description of the costs.

If the Lead beneficiary and/ or the beneficiary's institutions do not have the necessary human resources to ensure implementation of project, needed specialists can be employed on the basis of the Service Contracts. In this case their costs have to be budgeted under the Budget Heading 5 "External expertise and services".

**Contributions in kind are not eligible. The cost of staff assigned to a project shall not be considered a contribution in kind but may be considered part of the minimum 10% co-financing then paid by beneficiaries**

## **Heading 2 – TRAVEL & ACCOMMODATION**

Costs for travel (business trips) to project-related activities and events are budgeted under this Budget Heading 2 "Travel & accommodation". Travel costs are eligible only if they are directly related to and essential for the effective implementation of the project.

NB! Per diems or daily allowances for project staff included in the Budget Heading 1 "Staff" shall be planned under the Budget Heading 2 "Travel & accommodation".

The Estonian Lead beneficiaries and the beneficiaries and Russian public authorities have to follow their usual practice in setting the daily allowance and accommodation rates based on the national legislation and internal procedures of the concrete organisation setting limits for the business trips. Please note that the daily allowances rates as well as accommodation that exceed the maximum limits set by national legislation and internal regulation of current beneficiary are eligible from the budget of the project only in duly justified cases by showing that it is essential to carry out the project.

The Russian Lead beneficiaries and the beneficiaries which are private institutions or NGOs shall apply total per-diem rates, which include accommodation, meals, local travel within the place of mission and sundry expenses, not exceeding the rates set out in the project budget nor the maximum published by the European Commission at the time of signing this contract that can be found here: [http://ec.europa.eu/europeaid/work/procedures/implementation/per\\_diems/index\\_en.htm](http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm).

Per diems are paid for the missions abroad and within the home country of the Lead beneficiary/respective beneficiary requiring an overnight stay. Per diems are allowed only

for the staff members indicated in Heading 1 "Staff" and project events participants and associates. Destination country has to be indicated in the budget table.

Also visa and travel insurance costs are to be listed under this Budget Heading.

The internal procedures of organisation related to minimum and maximum amounts of daily allowance or per diems shall apply to the costs incurred in the project without exceptions.

All costs budgeted under this Budget Heading should be supported by the documentary evidence for the travel such as business trip requests, orders and reports, agendas, travel tickets, invoices, boarding passes, etc.

All travel and accommodation costs (including daily allowances and per diems) for external experts must be included into their service contracts and budgeted in the Budget Heading 5 "External expertise and services".

NB! In case travelling outside the Programme territory is foreseen in the project, costs shall be planned under separate line within this Budget Heading.

### ***Heading 3 – EQUIPMENT***

Costs for purchase or rent of equipment (new or used) and supplies are eligible, if these items are specifically needed for the purposes of the implementation of the project, are listed in the approved project budget, correspond to market prices and are purchased following the relevant procurement procedures.

**Please note:**

**Used equipment cannot be originally bought by public funds (another project etc.). The declaration of origin of the equipment has to be provided. The price of the used equipment is lower than for same new equipment. The technical specification of the equipment met the applicable requirements.**

The applicant is asked to provide a breakdown (cost estimation) of costs for equipment in the Application Form. Therefore please make sure that all cost items of equipment are listed.

Every co-financed piece of equipment must comply with the information and visibility rules.

### ***Heading 4 – OFFICE & ADMINISTRATION***

Indirect administrative costs are related to office running for the purposes of the project. Indirect costs may be calculated on a flat-rate of up to 7% of eligible direct costs, excluding costs incurred in relation to the provision of infrastructure, provided that the rate is calculated on the basis of a fair, equitable and verifiable calculation method.

### ***Heading 5 – EXTERNAL EXPERTISE & SERVICES***

All services/works sub-contracted to an external service provider for the purpose of the project based on the applicable public procurement procedure should be listed under this Budget Heading "External expertise and services" (e.g. external management of the project, consultants, speakers for workshops, experts, web-design, organisation of meetings, conferences, seminars, trainings, translation, interpretation, reproduction, dissemination of information, evaluation specific to the project, information and publicity, publications, research, other services necessary for the project, financial service costs (in particular the bank charges for the project account, the costs of transfers and financial guarantees, etc.). Please allocate under this Budget Heading 5 "External expertise and

services" also costs for the expenditure verification for beneficiaries registered and located in Russian Federation.

Work of the external experts should be essential for the project, rates should be reasonable compared to the level of experience and expertise according to the standard rates in the respective country where the project partner is located, average market rates resulting from the public procurement procedures are applied; and quality of produced outputs is ensured.

All the travel and accommodation costs should be part of the service contract and listed under this Budget Heading.

Purchase of services/ expertise is subject to relevant procurement procedures.

The Lead beneficiary and the beneficiaries as well as associates are not allowed to sub-contract each other or employees of their organisations in order to carry out project activities.

### ***Heading 6 –INVESTMENT***

Please list under this Budget Heading 6 "Investment" all costs of works and services related to construction, renovation, installation of infrastructure and their supervision. Please list each work and service contract as a separate item in the project budget.

All services and works sub-contracted to an external service provider have to strictly follow the relevant procurement procedures.

Investments are financed only in case they are necessary for reaching the results of the project and the Programme, including delivering a cross-border impact and benefits. Any project including an infrastructure component shall repay the Union contribution if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the Managing Authority in proportion to the period for which the requirement has not been fulfilled.

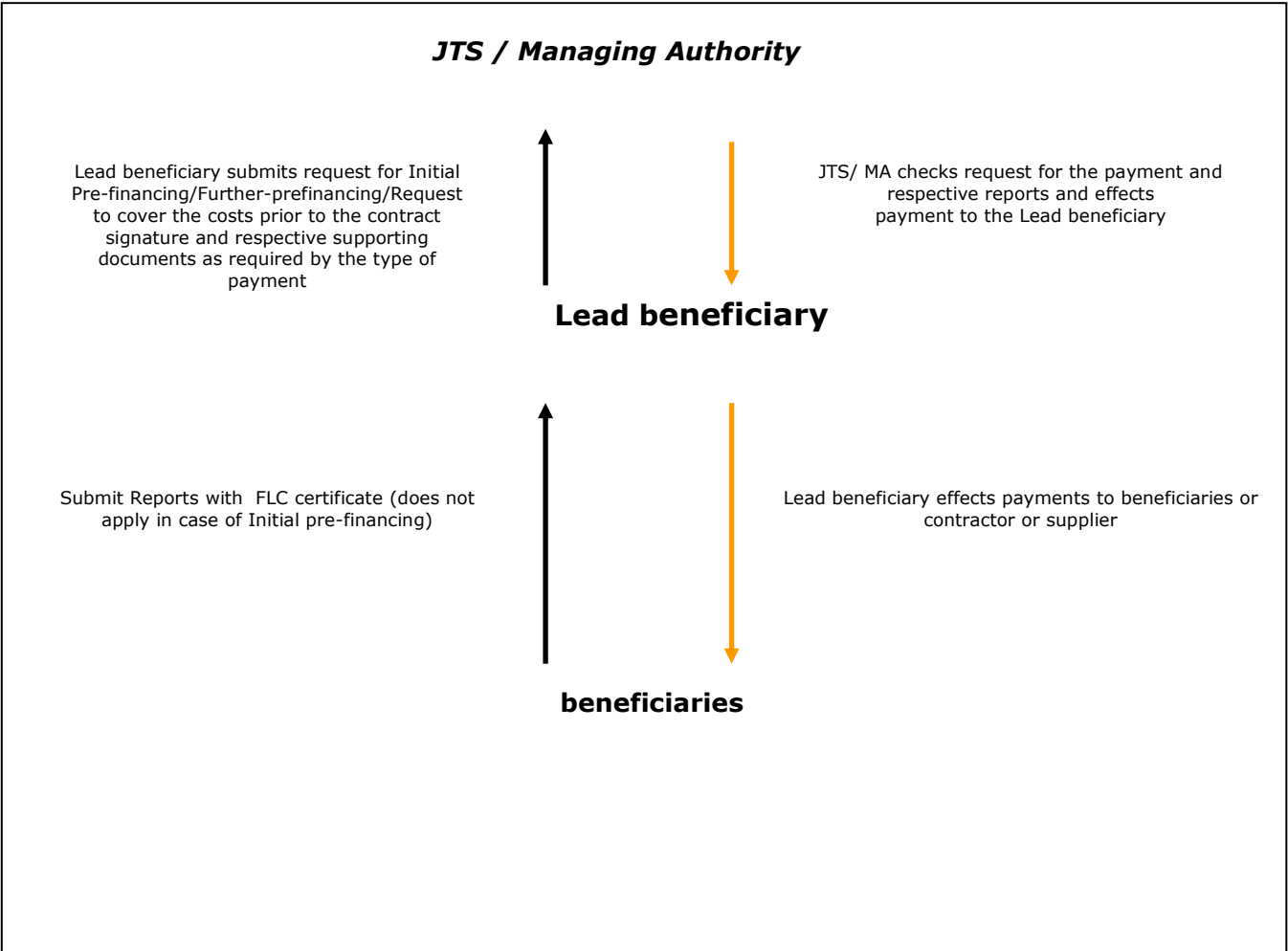
### ***Contingency reserve***

A contingency reserve (an amount set aside, but not allocated in advance, to accommodate unforeseeable spending pressures during the project implementation) not exceeding 5% of the direct eligible costs of the project may be included in the project budget (as a separate budget line under the Budget Heading 6 "Investment"), without increasing the total amount to be financed by the MA. It can be used only for the implementation of the project activities and costs related to investments with the prior written authorisation of the MA.

**8.2.2 AN EXAMPLE OF THE FINANCIAL MANAGEMENT MODEL**

An example of the financial management model for the project is illustrated below.

Please, note that this model is a general example, and each project may establish its own model that would best suit the objectives of the project and its partnership and prove to be the most efficient and effective.



Explanation of the model:

- Beneficiaries, including the *Lead beneficiary*, implement their part of activities of the project, cover related costs and retain the accounting documents constituting the audit trail (contracts, invoices, time sheets, calculation and payment evidence, etc.), as well as output documents showing the implementation of the project’s activities (minutes of meetings, studies, manuals, policy documents, training materials, etc.).
- Beneficiaries’ fills in their part of report in eMs. When reporting, the *Lead beneficiary* and other beneficiaries have to ensure that expenditures declared are

examined by an auditor or public officer who shall examine whether the costs and revenue are real, accurately recorded and eligible.

- The *Lead beneficiary* prepares the joint report and submits it to the JTS via eMS.
- The JTS and the MA check the report within 30 days. They may request clarification, alteration or additional information, which must be produced within 30 days of the request. The countdown for submission of clarifications starts again on the date when requirement from the JTS/MA is received.
- Any report shall be considered approved if there is no written reply from the JTS/MA within 45 days of its receipt accompanied by the required documents, but JTS will inform Beneficiary on status of project report. Approval of the reports shall not imply recognition of their regularity nor of the authenticity, completeness and correctness of the declarations and information do they contain. The MA executes payment to the Lead beneficiary in 45 days after reports have been approved by the JTS/MA.
- The *Lead beneficiary* transfers the funds to the beneficiaries or contractors or suppliers as defined in the Partnership Agreement.

### **8.2.3 PAYMENTS TO THE PROJECT**

The total amount to be paid by the MA to the **Lead Beneficiary** may not exceed the maximum grant laid down in the Grant Contract neither in terms of absolute amount nor in percentage of the total estimated costs of the project. If the total actual costs of the project at the end of the project are less than the estimated total costs laid down in Grant Contract, the MA's contribution shall be limited to the amount obtained by applying the percentage laid down in the Grant Contract to the total actual costs of the approved project.

The following two payment procedures will be applied to the Large Infrastructure Projects:

#### Option 1:

Initial pre-financing instalment payment	Reimbursement of costs retroactively	Further pre-financing instalments during the project implementation	Balance payment
Max 90 % of the 1st year's Grant (in 45 days after signing of the Grant Contract and submission of the Request for Payment)	Paid on the basis of the Interim Report covering costs examined by public officer or auditor costs and Request for payment	Further pre-financing instalments, total sum of initial/further pre-financing instalments and reimbursements cannot exceed 90 % of the Grant on the basis of Interim Report with the expenditure verification certificate and Request for Payment (in 45 days after approval of the previous report by the JTS)	In 45 days after approval of the Final Report accompanied by the expenditure verification certificate and request for payment.

The initial pre-financing instalment will be 90% of the 1<sup>st</sup> year's grant of the project. It will be transferred to the account of the Lead beneficiary within 45 days after signing the Grant Contract and submission of the Request for advance payment. Further requests for pre-financing instalment can be requested also for the year when the initial pre-financing instalment has been made.

In order to reimburse the costs retroactively, the Applicant has to submit report with the Expenditure Verification Report covering these costs and Request for payment. This can be submitted either together with the request for the initial pre-financing instalment, further pre-financing instalment or separately.

The MA shall pay further pre-financing instalment for each twelve month period of implementation of the project after approval of the Interim Report examined by public officer of auditor. Further pre-financing instalment may be given if the part of the expenditure actually incurred which is financed by the MA stands at least at 70% of the previous payment (and at 100% of any previous payments) as supported by the corresponding Interim Report, examined by the public officer or auditor.

If the consumption of the previous payment is less than 70%, the amount of the further pre-financing instalment shall be reduced by the unused amounts of the previous payment. The total sum of pre-financing (initial pre-financing instalment and further pre-financing instalment) may not exceed 90% of the total grant.

As regards the physical execution of the payments the MA at the request of the beneficiary may execute the payment in several tranches.

The MA will pay the balance within 45 days following the approval of the Final Report.

### Example of the payment scheme

Project duration-30 months, beneficiaries are Public organizations:		EURO		
1	Total cost of the project	6 000 000		
2	Programme contribution: 90% of the total cost	5 400 000		
3	Planned costs for the 1 <sup>st</sup> year of the Project	3 645 000		
4	Grant amount for the 1 <sup>st</sup> year of the Project	3 280 500		
5	Initial Pre-Financing Instalment (maximum 90% of the 1 <sup>st</sup> year's Planned grant 3280500)	2 952 450		
6	Total planned costs of the project 1 <sup>st</sup> reporting period	2 000 000	1 <sup>st</sup> Reporting Period	First Year of the Project
7	Grant amount in the planned costs of the 1 <sup>st</sup> reporting period (year)	1 800 000		
8	Declared and accepted costs made during the 1 <sup>st</sup> reporting period (Request for Payment can be submitted when the expenditures actually incurred stands at least 70% of the previous payment and 100% in any other payments)	2 000 000		
9	Grant amount within Declared and accepted costs during the 1 <sup>st</sup> reporting period	1 800 000	2 <sup>nd</sup> Reporting Period	
10	Planned costs for the 2 <sup>nd</sup> reporting period	1 645 000		
11	Planned grant amount of the 2 <sup>nd</sup> reporting period	1 480 500		
12	Declared and accepted costs made during the 2 <sup>nd</sup> reporting period (Request for Payment can be submitted at once when expenditures actually incurred stands at least 70% of the previous payment and 100% in any other payments)	1 645 000		
13	Grant amount within Declared and accepted costs during the 2 <sup>nd</sup> reporting period	1 480 500	3 <sup>rd</sup> Reporting Period	
14	Further pre-financing instalment (the cumulative initial and further payments cannot exceed 90% of the total grant amount i.e. items 5+14 cannot exceed 4 860 000)	1 907 550		
15	Planned costs for the 3 <sup>rd</sup> reporting period	2 355 000		
16	Planned grant amount of the 3 <sup>rd</sup> reporting period	2 119 500	3 <sup>rd</sup> Year of the Project	
17	Declared and accepted costs made during the 3 <sup>rd</sup> reporting period	2 355 000		
18	Grant amount within Declared and accepted costs during the 3 <sup>rd</sup> reporting period	2 119 500		
19	<b>Amount received with initial and further pre-financing instalment (5+14 (cannot exceed 90% of the Grant amount))</b>	4 860 000	Remaining balance and total costs	3 <sup>rd</sup> Year of the Project
20	<b>Balance Payment ((9+13+18)-5-14)</b>	540 000		
21	<b>Total declared and accepted costs (8+12+17)</b>	6 000 000		
22	<b>Grant amount within total declared and accepted costs (9+13+18)</b>	5 400 000		

#### Option 2:

In case where the beneficiaries intends to pre-finance the whole project from its own resources there is a possibility to choose option 2 for payments where the total payment from the programme will be executed after approval of the final report by the JMA.

The grant shall be paid to the Lead beneficiary by the MA in one payment within 45 days after approval of the final report.



#### **8.2.4 USE OF EURO**

Payments to the project will be made in Euro only.

Conversion into Euro of the real costs borne in national currencies (other than Euro) shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the EC in the month during which that expenditure was incurred (for the reference please see the website: <http://ec.europa.eu/budget/inforeuro/index.cfm?language=en>). The expenditure in national currency (other than Euro) must be converted into Euro with an accuracy of four digits after the comma (e.g. 0.1234).

Please note that any **exchange losses are not eligible** costs and must be covered by the Lead beneficiary and/or the beneficiaries.

#### **8.2.5 KEEPING THE PROJECT ACCOUNTS**

The Lead beneficiary and the beneficiaries shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and bookkeeping system. In order to ensure it the Lead beneficiary and all beneficiaries involved in the implementation of the project and receiving funds from the Programme must maintain:

- a separate accounting system or
- an suitable accounting code

for all transactions related to the project without prejudice to national accounting rules. In this way all project related expenditure and receipts should be clearly identified.

The beneficiaries shall keep all documents related to the project for five years from the date of payment of the balance to the programme or until the date stipulated in the State Aid rules (if applicable). In particular they shall keep reports, supporting documents as well as accounts, accounting documents, documents related to the procurements and any other document relating to the financing of the project.

#### **8.2.6 BUDGET RELOCATIONS, CHANGES IN THE PROJECT, CONTRACT AMENDMENTS**

Beneficiaries should implement the project as defined in the Grant Contract. It is important that the project budget and a plan of activities are carefully observed during the whole period of project implementation. Nevertheless situations may arise where there is a need to make some changes in the activities and/or budget, update the contact information or replace an expert, etc. However neither the objectives of the project can be changed nor the total maximum amount of the grant stipulated in the grant contract be increased. The amendment must not cause such changes to the Grant Contract that could call an award decision into question or put the grant applicants into unequal position.

**Please note that:**

**Total maximum amount of the Grant stipulated in the Grant Contract cannot be changed.**

The procedures for amendment of the LIP Grant Contract are divided into two groups depending on the type of change that should be made:

- Minor changes
- Major modifications

**Please note that:**

**If you plan to make a minor change or major modification in your project, it is recommended to consult and inform JTS before submitting your request.**

**Minor changes** that need to be notified to the JTS (project's contact person) via eMS include:

- Minor changes in activities with no budgetary implications,
- Budget modifications that do not affect the basic purpose of the project; and the financial impact is limited to a transfer between items within the same budget heading including cancellation or introduction of an item (not applicable to Contingency reserve), or a transfer between budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) under each relevant heading for eligible costs
- Change of address or phone/fax number and/or e-mail address,
- Change of bank account,
- Change of staff and key-experts (including all persons under Heading "Human Resources" and Heading "Other costs and external services" such as project managers, financial managers, coordinators, trainers, etc.),
- Increase or decrease in numbers of equipment or unit prices without significant modification of requirements and without changes of the budget amount allocated for that budget item,
- Change of the auditor (for partners located and registered in Russian Federation);

Minor changes in the Grant Contract may be implemented without receiving a prior agreement of the JTS/MA, but the JTS/MA should be notified about them.

**Please note that:**

**The 15% limit of transfers between Budget headings is cumulative**

**In case if the name of the Lead beneficiary or its legal address or bank details change, JTS/MA must be notified via eMS and provided with new, original Financial ID or Legal Entity Form. The respective changes shall be made also in eMS**

In case of these minor Grant Contract changes, the Lead beneficiary may apply the amendment **without the prior consent of the Managing Authority**. However, the Beneficiary should send a notification e-mail to the JTS, by using eMS, with justification for requested changes. The JTS will check the requested modifications and unlock the Application form for changes. After the changes are made by Lead beneficiary in the Application Form the JTS **will accept the changes** (or request for future **technical** modification as many times as needed and then accept the changes). **The responsibility of eligibility of changes lies down on Lead beneficiary and to be examined by auditors.**

**Major modifications** in the grant contract **require a formal Addendum** to the grant contract to be signed by the MA and the Lead beneficiary **before their implementation**. In case of major modifications of the Grant Contract, an Addendum should be prepared and signed before making the change.

Major modifications include

- Extension or early closing of the Grant Contract,
- Significant changes in the activities that effect the basic purpose of the project as long as the proposed changes do not question the grant award decision and are not contrary to the equal treatment of applicants,
- Transfers amongst Budget headings involving a variation of more than 15% of the amount originally entered under each relevant Budget Heading for eligible costs,
- Adding a new heading or excluding an existing heading from the budget,
- Change of beneficiaries (dropping out, addition or replacement),
- Use of contingency reserve.

The following general principles must always apply:

- The Lead Beneficiary must substantiate its request to the MA. The MA examines the reasons provided, and rejects requests which have little or no substantiation.
- The modifications must not intend to make such changes to the Grant Contract that would alter the project objectives or contradict the equal treatment of applicants.
- Grant Contracts can only be modified within the lifetime of the contract, modifications cannot be made retroactively.
- The maximum amount of the grant may not be increased.
- Any modification extending the performance period of the Grant Contract must envisage that implementation and balance payments can be completed before the expiry of the financing decision, under which the initial grant contract was financed. The implementation period for the projects financed under the Programme ends on 31 December 2022.
- Requests for addendum to Grant Contracts must allow an adequate time-limit (30 days) for the addendum to be signed before the modifications are intended to enter into force.

**NB. If it is necessary to make changes in the Beneficiary's or Project partner's organisation's name or legal status the Beneficiary must submit an information letter notifying the JMA about the upcoming change. When the change of the organisation's name or legal status has taken place, the Beneficiary will send a request for contract addendum, adding documents that prove the necessary change.**

**Please note that:**

**The JTS will provide support on the eligibility of addendum requests. Beneficiaries are strongly advised to avoid making changes that require an addendum. The addendum procedure can be long and complicated so Beneficiaries are advised to seek an addendum only if absolutely necessary.**

### **8.2.7 PROCUREMENT (TENDERING)**

Project Lead beneficiaries and beneficiaries from Estonia, as well as Russian Federation public entities, must follow their national procurement legislation.

Please note that this chapter will be harmonised with Financing Agreement.

#### **8.2.7.1 THE RULES OF NATIONALITY AND ORIGIN**

**All beneficiaries** have to follow rules of nationality and origin even though they can follow national procurement rules

The rule of nationality applies to all service, work and supply contracts within grants, which means that contracts can only be signed with natural or legal persons from the eligible countries listed below. Experts working for a service provider can however be of any nationality, as long as the service provider is from the eligible countries.

The rule of origin applies to all supplies and materials purchased, incl. the materials to be used for the construction, but does not apply to Contractor's equipment to be used during the construction. It means that the supplies must originate from one of the eligible countries listed below.

For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks shall be entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non-eligible countries as referred to in paragraph 2 of this Article, or goods from a non-eligible origin as referred to in Article 8(4) of CIR regulation.

For audit purposes, the Lead beneficiary/beneficiary must be able to demonstrate the nationality of its suppliers, contractors and service providers and have proof of the origin (e.g. invoices, certificates of origin, etc.) of all products.

With regards to Nationality and Origin Rules eligible countries are:

- Member States of the European Union: Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

- ENI countries: Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Republic of Moldova, Morocco, occupied Palestinian territory (oPt), Syria, Tunisia, Ukraine.
- IPA II beneficiaries: Albania, Bosnia and Herzegovina, Kosovo<sup>11</sup>, Montenegro, Serbia, Turkey, the former Yugoslav Republic of Macedonia.
- Member States of the European Economic Area: Iceland, Lichtenstein, Norway.
- Russian Federation.

### a) Rules of Nationality

Participation in the procurement procedures is open on equal terms to all natural and legal persons only from above mentioned eligible countries. Tenderers must state, in the tender, the country of which they are nationals by presenting the usual proof of nationality under their national legislation.

The nationality rule applies to the contractor. It does however not apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the grant. This means that when an expert is proposed by a contractor, the nationality rule does not apply to the expert but to the company but if the expert is contracted individually, then this person has to be from one of the eligible countries listed above.

Participation is also open to international organisations.

### b) Rules of Origin

**Please note that:**

**If the latest substantial transformation of supplies, equipment, vehicles has not taken place in a Member State of the European Union or one of the eligible countries mentioned above, the cost of the supplies, equipment and/or vehicles will not be eligible under the project.**

Goods originating from a country shall be those wholly obtained or produced in that country. Goods whose production involved more than one country shall be deemed to originate in the country where they underwent their last, substantial, economically justified processing or working in an undertaking equipped for that purpose and resulting in the manufacture of a new product or representing an important stage of manufacture. More detailed information on the meaning of this can be found in the Customs Code, Council Regulation 2913/1992 Art. 23-24 (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1992:302:0001:0050:EN:PDF>)

The supplier must confirm that the tendered goods comply with the origin requirement specifying the country or countries of origin. When tendering for systems comprising

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<sup>11</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

more than one item, the origin of each item in the system must be specified. If requested to do so, the supplier must provide any additional information and/or a certificate of origin in support of the origin claimed in the tender.

**Example:**

Machinery used by a supply contractor for testing and installing the supplied goods, or equipment used by a works contractor for building a road, do not fall under the rule of origin, unless if the contract would explicitly stipulate that this machinery or equipment also becomes the full property of the Project Partner at the end of the contract.

The computer used by a consultant to draft the study will only have to respect the rule of origin if the service contract would stipulate that this computer is to be handed over to the Project Partner at the end of the service contract.

Certificates of Origin must be issued by the competent authorities of the supplies' or supplier's country of origin and comply with the international agreements to which that country is a signatory.

When submitting the tender, the tenderer must directly state that all of the goods meet the requirements concerning origin, and must also state the countries of origin.

Please be informed, that JTS/MA during the project implementation for the monitoring purposes may ask to provide additional information in this connection from the Lead beneficiary/ beneficiaries.

**Exceptions to the rules of nationality and origin**

All supplies purchased under a procurement contract shall originate from an eligible country, except then the costs of these supplies is below EUR 100 000. In this case, supplies may originate from any country.

National preferences are prohibited, except for contracts with a value not exceeding EUR 20 000 in order to promote local capacities, markets and purchases (if justified and allowed in national legislation). Failure to comply with this principle shall render the related expenditure ineligible.

Exceptions may be justified in certain circumstances:

- **Unavailability** of the products in the markets of the countries concerned;
- For reasons of extreme urgency;
- If the rule were to make the realisation of a project, a programme or an action impossible or exceedingly difficult.

For actions implemented in shared management, the relevant Member State to which the Commission has delegated implementation tasks shall be entitled to accept as eligible, on behalf of the Commission, tenderers, applicants and candidates from non-eligible countries as referred to in paragraph 2 of this Article, or goods from a non-eligible origin as referred to in Article 8(4) of CIR regulation. Which means that in

exceptional cases the MA may accept the goods and tenderers from non-eligible countries.

**Please note that:**

**The Auditor verifies whether the expenditure was incurred in accordance with the rules of nationality and origin by examining the underlying documents of the procurement and purchase process.**

**8.2.7.2 Other essential points**

**Conflict of interest:** The Lead beneficiary and beneficiaries undertake to take all necessary precautions to avoid conflicts of interests and shall inform the JTS/MA without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person involved in the project is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another person.'

**Awarding principles:** All contract awards must respect the principles of transparency, proportionality, equal treatment and non-discrimination.

**The contract must be awarded to the most economically advantageous tender in accordance with the principles of transparency, fair competition for potential contractors, and taking care of avoiding any conflict of interest.**

**No retroactive awards:** Contracts are considered to take effect from the date of signature of the last signatory. There is no way that contracts or contract addenda can be awarded retroactively (i.e. when goods or services have been already purchased and/or carried out). This means that no payments can be made and no goods and services can be provided prior to the signature of the contract and/or addendum. All contracts must show the true dates of signature of the contracting parties.

**Use of standard documents:** Standard contracts and document formats must be used (in accordance with the national legislation) and can be in national language.

**Record keeping:** Written records of the entire tendering and contracting procedure must be kept confidential and retained by the Lead beneficiary and beneficiary for a period of five years after payment of the balance to the Programme. These must include the originals of all tenders submitted, together with the corresponding tender dossiers and any related correspondence.

It is also important to follow up the contract implementation in order to define milestones and penalties (in case of failure to meet the conditions) in contracts; keep contractors to the contractual terms and apply penalties if necessary and ensure regular on-site inspections and quality checks during implementation of the project. Do not:

- modify the essential terms of a contract after its award (physical, financial object);

- award additional works directly in circumstances not covered by the procurement documents;
- use exceptional procedures (direct award, negotiated procedure) in non-exceptional circumstances.

### **8.3 REVENUE IN THE PROJECT**

In case the project generates profit, project eligible costs will be reduced in the amount of profit.

In general, these revenues are added to the sources of funding, provided there is no profit. The rule of non-profit is essential in the calculation of the final amount of grant.

The MA/JTS will check compliance with the non-profit rule when calculating the final balance of the grant after receipt of the last payment request from the Beneficiary. This verification:

- Relates to the actual project costs and actual receipts
- Takes into account all the project costs
- Includes revenue established (collected and entered into the accounts), generated or confirmed on the date when the request for payment of the balance is established

### **8.4 State Aid rules and principles**

The applicable European Union rules on State aid will be taken into account during the implementation of the programme in the territory of the European Union. If need be relevant Russian legislation on competition will be applied in the territory of the Russian Federation.

According to Article 107 (ex Article 87 TEC) of the Treaty on the Functioning of the European Union (TFEU), state aid is any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods in so far as it affects trade between Member States<sup>12</sup>.

Article 12 of the Commission Implementing Regulation (EU) No 897/2014<sup>13</sup> states that aid granted under the programme shall comply with the applicable Union rules on State aid within the meaning of Article 107 of the Treaty on the Functioning of the European Union.

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<sup>12</sup> European Commission (2014) Draft Commission Notice on the notion of State aid pursuant to Article 107(1)TFEU, see [http://ec.europa.eu/competition/consultations/2014\\_state\\_aid\\_notion/index\\_en.html](http://ec.europa.eu/competition/consultations/2014_state_aid_notion/index_en.html)

<sup>13</sup> Commission Implementing Regulation (EU) No 897/2014 of 18 August 2014 laying down specific provisions for the implementation of cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing a European Neighbourhood Instrument, <http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1456583580038&uri=CELEX:32014R0897>



So an assessment is needed in order to understand whether and which state aid or de minimis regulations to apply. It can be concluded that some of the pre-selected LIPs<sup>14</sup> are most probably not state aid relevant. Despite of that, as no final project descriptions have been presented, all the LIPs should be carefully examined against State aid principles in order to find out whether they are State aid relevant.

The following regulations should be considered:

- 1) Commission Regulation (EU) No 651/2014 (General Block Exemption Regulation, hereafter referred to as the GBER)
- 2) Commission Regulation (EU) No 1407/2013
- 3) Commission Regulation (EC) No 717/2014

The decision which of the regulations/articles to apply shall be indicated by the applicants in the summary forms and the final applications in consultation with MA/JTS. If the supported project activities are related to different regulations/articles the differentiation should be made in order to understand which activity corresponds to which regulation/article. In addition the overall budget and the eligible costs shall be indicated for every activity (according to the budget headings). By drawing up the budget and the eligible costs the applicant has to follow the provisions of the corresponding State aid regulations. During the assessment of the summary form and the full applications the MA and the JTS will check if selected State aid instruments can be applied to the activities for which the support is asked. If no appropriate State aid instruments can be applied, the applicant has to remove the ineligible actions or costs from the application.

More detailed information about the State aid and the de minimis aid principles and requirements will be provided in the State aid guidelines document.

## **8.5 DOUBLE FINANCING /RETROACTIVITY OF FINANCING**

The project activities duplicated those already financed from any EU fund; international, national, regional and/or local funds are not eligible as this is considered double-financing.

No grant may be awarded for the projects already completed.

## **8.6 REPORTING, MONITORING AND CONTROL**

### **8.6.1 Reporting requirements and deadlines**

After the projects have been approved, the activities must be implemented in accordance with the conditions of the Grant Contract.

The Lead Beneficiary and beneficiaries must draw up **Interim Reports** and the **Final Report**. The Lead Beneficiary must draw up the consolidated reports. All reports shall be drafted in English. They shall be submitted to the MA/JTS via eMS.

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<sup>14</sup> 1) Development of historical riverside protection area in Narva/Estonia and Ivangorod/Russia (III stage/ River Promenades III); 2) Improvement of the accessibility of the remote areas in South-East Estonia and Pskov region for traditional entrepreneurship and sustainable development / SME ACCESS; 3) Reconstruction of border crossing points : 1.Shumilkino (RU) – Luhamaa (EE); 2.Kunichina Gora (RU) – Koidula (EE); 3. Ivangorod (RU)- Luhamaa/Koidula

An Interim report shall consist of narrative and financial report. An Interim Report together with the expenditure examined by public officers or auditors shall be submitted with every request for payment. Interim Report without the expenditure examined by the public officers or auditors may consist of a narrative report.

Each Interim Report must provide a full account of all aspects of the project's implementation for the period covered.

Reports have to be submitted not later than 1 month after the end of each reporting period (6 months). The MA and JTS may request additional information and this information must be supplied within 30 days of the request.

The **Final Report** is a prerequisite for request of the balance payment for the payment option one and a prerequisite for payment for payment option two. The Final Report consists of a narrative report and a financial report and an expenditure verification by public officer or auditor. The Final Report shall contain a detailed description of the conditions in which the project was carried out, information on the steps taken to ensure the visibility of Programme financing, information with which to evaluate the project's outputs, the proof of the transfers of ownership and a final statement of all the eligible costs of the project, plus a full summary statement of the project's income and expenditure and payments received. The Final Report has to be submitted to the JTS no later than three months after the finalization of the project implementation.

If the Lead Beneficiary fails, without justification, to fulfil the obligation of submitting Interim or Final report, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of receipt the letter, the MA may terminate the Grant Contract without any indemnity on its part.

Any Interim Report and Final Report shall be approved by the MA within 45 days of its receipt accompanied by the required documents. Within the given time limit the MA/JTS shall send notification to the beneficiary that the report has been approved.

The MA may suspend the time-limit for approval of a report by notifying the Lead beneficiary that the report cannot be approved and that it finds it necessary to carry out additional checks. Suspension shall take effect when the modification is sent by the MA. In such cases, the MA/JTS may request clarification, alteration or additional information, which must be produced within 30 days of the request. The time-limit starts running again on the date the required information is received.

### **8.6.2 Audit and financial control**

The Programme foresees the following types of Audit and Financial Control:

#### **Examination of Expenditures**

All costs reported to the Programme are subject to examination of expenditures. The examination of expenditure of Lead beneficiary and beneficiaries which are registered and located in Estonia will be performed by INTERREG Programmes Supervision Unit of Ministry of Finance of Republic of Estonia.

The Lead beneficiary and beneficiaries which are registered and located in Russian Federation have to subcontract an auditor who will provide expenditure verification service.

The auditor or the competent public officer shall examine whether the costs declared by the beneficiary and the revenue of the project are real, accurately recorded and eligible in accordance with the contract.

This examination shall be performed on the basis of an agreed-upon procedure which will be undertaken in accordance with:

(a) the International Standard on Related Services 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by International Federation of Accountants (IFAC);

(b) IFAC Code of Ethics for Professional Accountants, developed and issued by IFAC's International Ethics Standards Board for Accountants.

For public officers, those procedures and standards shall be laid down at national level taking account of international standards.

The auditor shall meet at least one of the following requirements:

(a) be a member of a national accounting or auditing body or institution which in turn is member of IFAC;

(b) be a member of a national accounting or auditing body or institution. Where this organisation is not a member of IFAC, the auditor shall commit to undertake the work in accordance with IFAC standards and ethics;

(c) be registered as a statutory auditor in the public register of a public oversight body in a Member State in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council [\(10\)](#);

(d) be registered as a statutory auditor in the public register of a public oversight body in a CBC partner country, provided this register is subject to principles of public oversight as set out in the legislation of the country concerned.

The public officer shall have the necessary technical expertise in carrying out its examination work

The examination shall ensure that costs declared by the Lead beneficiary and beneficiaries are real, exact, accurate and eligible in accordance with the Grant Contract. 100 % of the expenditure of the project must be examined. The verification procedure is done in the eMS environment.

Additional requirements for verifications of expenditure:

- 1) expenditure should be identifiable, verifiable and recorded in the accounting records of the Lead beneficiary/ the beneficiaries;
- 2) expenditure must be easily identifiable and verifiable and traced to and within the Lead beneficiary's/ the beneficiaries accounting and bookkeeping systems;

Based on the results of the performed check, the auditor issues the report for examination of verification.

Costs for the examination of expenditure shall be included in the budget of the project for the beneficiaries registered and located in Russian Federation.

### **Managing Authority verification**

In addition to the above mentioned expenditure verification MA shall perform its own verification of project expenditure. For the purpose of carrying out verifications

throughout the whole programme area, the MA may be assisted by the control contact points.

### **Audits (sample checks) in the projects**

The controls and audits referred in next sections can be performed at any stage of the project implementation and five years after the receipt of the balance payment to the project.

In accordance with Article 32 of the Implementing Rules audits shall be conducted by examining the documents and conducting on-the-spot checks of a sample of projects selected by the Audit Authority.

The Lead beneficiary and the beneficiaries shall be informed if the project is selected for the sample check before the check is performed.

### **Any further controls**

The Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by these institutions and bodies may verify the use of Union funds by the MA, beneficiaries, contractors, subcontractors and third parties in receipt of financial support by examining documents and/or conducting on-the-spot checks. Each contract shall expressly stipulate that these institutions and bodies can exercise their power of control, concerning premises, documents and information, irrespective of the medium in which they are stored.

### **8.6.3 Monitoring of the LIPs by the MA/JTS**

The monitoring of implementation of the project shall be carried out by the MA and the JTS. The monitoring will be performed based on the result oriented evaluation. All beneficiaries shall be ready to report on the results achieved by the project in any point of the project implementation.

The main tools to be used during monitoring are Interim Reports and Final Report and monitoring visits. Moreover, regular communication between the JTS and the Lead beneficiary/the beneficiaries shall be ensured during the implementation of the project. The Lead beneficiaries are requested to send the prior information to the JTS in regards to the major upcoming events.

If the MA, JTS or European Commission carries out an evaluation or a monitoring mission, the Beneficiary and the project partner(s) shall undertake to provide the authorised persons with any document or information which will assist with the evaluation or the monitoring mission.

If the construction/ renovation works are planned in the project, in 2 weeks after the contract on construction/renovation works is signed within the project, the Beneficiary shall inform JTS of the planned construction/renovation works including the start date of the works.

The JTS will appoint project consultant to every LIP to work on the respective project issues. As far as possible s/he would take part in main events of each project, including participating in the Steering group meetings of the projects.

The LIPs and their progress will be presented regularly at the JMC meetings.

## **8.7 RECOVERY**

The Managing Authority shall recover the amounts unduly paid together with any interest on late payments from the lead beneficiary. The concerned beneficiaries shall repay the lead beneficiary the amounts unduly paid in accordance with the partnership agreement signed between them. If the lead beneficiary does not succeed in securing repayment from the concerned beneficiary, the Managing Authority shall formally notify the latter to repay to the lead beneficiary. If the concerned beneficiary does not repay, the Managing Authority shall request the participating country in which the concerned beneficiary is established to reimburse the amounts unduly paid in accordance with Article 74(2) to (5) of Implementing Rules.

Recovery procedures will follow the provisions set in Article 74 and 75 of *Implementing Rules and Financing Agreement* and will be stipulated in the Special Conditions of the Grant Contract. After the amount exceeding the EU contribution will be detected by any auditing body, the Lead beneficiary will receive a debit note for the amount paid in excess from the MA. The Lead beneficiary will forward the debit note to the respective beneficiary, which has to repay the requested amount to the MA within 45 days of the issuing of the debit note.

The default interest shall be incurred over the time which elapses between the date of the payment deadline set by the MA, and the date on which payment is actually made. The MA may offset amounts to be repaid against amounts of any kind due to the Lead beneficiary or beneficiary, but it shall not affect the Lead beneficiary's or the beneficiary's or the MA's rights to agree on payment in instalments. Bank charges incurred by the repayment of amounts due to the MA shall be borne entirely by the Lead beneficiary or beneficiary, which will make the repayment to the MA.

Where the recovery relates to a claim against a Lead beneficiary or beneficiary established in the Republic of Estonia and the MA is unable to recover the debt within nine months of issuing the recovery order, the Republic of Estonia shall pay the amount owing to the MA and claim it back from the Beneficiary or partner.

Where the recovery relates to a claim against a Lead beneficiary or beneficiary established in the Russian federation the recovery procedure will be regulated by the provisions of Financing Agreement.

Any project including an infrastructure component shall repay the Programme contribution if, within five years of the project closure or within the period of time set out in state aid rules, where applicable, it is subject to a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives. Sums unduly paid in respect of the project shall be recovered by the MA in proportion to the period for which the requirement has not been fulfilled.

## **8.8 CLOSING OF THE PROJECT**

All projects should close their activities within the time frame (implementation period) stated in the Grant Contract. Costs relating to Final Report, examination of expenditure and evaluation of the project can be incurred not later than the date of submission of the Final Report and have to be included in the Final Report.

All the project related documents are to be kept for at **least five years** after the receipt of the balance payment for the Programme or according to time stipulated in the State Aid / de minimis aid regulations.

With regards to the project closure, it is important to be aware of the following:

- the Lead beneficiary must appoint the contact person to enable a smooth closure of the project and communication with the Programme management bodies;
- the Lead beneficiary or beneficiaries are at all times obliged to retain all files, documents and data about the project on standard data storage media in a safe and orderly manner for control and audit purposes at least for five years after balance payment to the programme or according to the time stipulated in the State Aid / de minimis aid rules.
- Project may continue to be managed by the Lead beneficiary or beneficiary after the Programme co-financed phase of the project has been completed. In this case, six months after the phase co-financed by the Programme has finished, no Programme symbol may be included in any communication tools of the project, with the exception of any commemorative plaques.
- The Programme rules on information and visibility must be respected for all products produced with the assistance from the Programme. After the closure of the Project rules on information and publicity should be respected during the lifetime of the product (example, if the project purchase fire-engines for airports the informative signs „purchased with the assistance of the programme“ will have to be kept during their lifetime);

## **GLOSSARY**

<b>No</b>	<b>TERM</b>	<b>DEFINITION</b>
1)	<b>Addendum</b>	A document modifying the terms and conditions of a Grant Contract.
2)	<b>Applicant</b>	The body submitting the package on behalf of project partnership of documents necessary when submitting a proposal. In case of project award becomes a Lead beneficiary.
3)	<b>Application</b>	A package of documents necessary when submitting a proposal. The package consists of the filled in Application Form and its annexes, listed in the Application Form. The package is updated for every Call for Proposals.
4)	<b>Application Form (Grant Application Form)</b>	A document, which must be filled in when submitting a proposal for the project. It will later serve as the fundament of the project, if the application is approved for funding. Application form will be annex to the Grant Contract.
5)	<b>Associate</b>	Organisation participating in the project, but not receiving a grant. Only per diem payments and travel expenditures may be covered by the Lead beneficiary and/or beneficiary within the scope of the project.
6)	<b>Audit Authority</b>	a body which shall ensure that audits are carried out on the management and control systems, on an appropriate sample of projects and on the annual accounts of the Programme. Therefore AA is responsible for the preparation and approval of audit guidelines, the audit strategy for setting out the audit methodology, the sampling method, and the audit plan to verify and issue an opinion about whether the management and control systems of the JOP function effectively, and to verify the expenditure that has been declared; and for the coordination of all audit activities that are related to the programme.
7)	<b>Auditor</b>	Audit company contracted by the Lead beneficiary or beneficiary which meets the specific conditions of the Terms of Reference and is/are responsible for performing the examining expenditure declared by beneficiary and issues Expenditure Verification Report submitting a report of factual expenses  OR  INTERREG Programmes Supervision Unit of Ministry of Finance of Republic of Estonia.
8)	<b>Beneficiary</b>	Participant in the project, legally and financially responsible for implementation of part of the activities, in accordance to the Application Form and to the Partnership Agreement signed with the Lead beneficiary.
9)	<b>Budget of the project</b>	A presentation of the total costs of the project.

No	TERM	DEFINITION
10)	<b>Co-financing</b>	Where two or more parties are involved in funding the project. Up to 90% of the total eligible costs of the project is provided by the Programme.
11)	<b>Communication and Visibility Manual for European Union External Actions</b>	The manual designed by the EuropeAid to ensure that projects that are funded by the EU incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the project and the EU support for the project, as well as the results and impact of this support. See <a href="http://ec.europa.eu/europeaid/work/visibility/index_en.htm">http://ec.europa.eu/europeaid/work/visibility/index_en.htm</a>
12)	<b>Practical Recommendations for Project Participants on the Information Coverage of the Russian Federation Participation in Cross-Border Cooperation Programmes</b>	Manual designed by the ministry of the Economic development of the Russian Federation in order to insure adequate visibility of Russian contribution to the programme.
13)	<b>Contingency reserve</b>	A reserve Budget Heading in the budget of the project only used in case of unforeseen expenses. It cannot exceed 5% of the direct eligible costs and must only be used with prior written authorisation of the Managing Authority.
14)	<b>Contracting Authority</b>	The Managing Authority, signing the Grant Contract with the project Lead beneficiary. The Lead beneficiary is fully legally responsible to the Managing Authority under the Grant Contract.
15)	<b>Cross border impact</b>	Positive effect that the project is going to have on both sides of the border (in all the countries represented by the Lead beneficiary and the beneficiaries).
16)	<b>Daily allowance</b>	Flat rates of daily subsistence allowances paid to persons during the missions in order to cover meals and sundry expenses. Usually daily allowances are legislated by national legal acts and should be respected when drafting the budget.
17)	<b>EIB</b>	European Investment Bank.
18)	<b>Eligible costs</b>	The costs incurred while implementing the project, which falls under the list of eligible costs provided in the Programme documents and national and EU legal acts, in particular Article 48 of the Implementing Rules and may be funded by the Programme.
19)	<b>eMS</b>	Programme monitoring system with a communication portal, which allows programme to collect and store all necessary project and programme information and communicate with beneficiaries electronically via a secure online communication portal.



<b>No</b>	<b>TERM</b>	<b>DEFINITION</b>
20)	<b>European Commission (EC)</b>	The European Union's executive body. Composed of 28 Commissioners (including its President), the EC initiates proposals on legislation and acts as guardian of the Treaties. The EC is also a manager and executor of common policies and of international trade relationships. It is responsible for the management of EU external assistance.
21)	<b>Expenditure verification</b>	Examination of the costs and the revenue (if any) of the project declared by the Lead beneficiary and the beneficiaries. The auditor examines whether the costs declared by the Lead beneficiary and the beneficiaries are real, accurately recorded and eligible in accordance with the Grant Contract, as well as the revenue of the project and issues an expenditure verification certificate. Done in the eMS environment.
22)	<b>Expert</b>	A person engaged to provide the expertise required for the proper performance of a contract.
23)	<b>Final beneficiaries</b>	Organisations/ persons who will benefit from the project in the long term at the level of the society or sector at large.
24)	<b>Financing Agreement</b>	An agreement between the European Community and the Russian Federation, which determines rules applicable to the implementation of the Programme.
25)	<b>ENI Regulation</b>	Regulation No 232/2014 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood Instrument.
26)	<b>Grant</b>	A direct payment of a non-commercial nature by the Managing Authority to a specific recipient to implement an operation (or in some cases to finance part of its budget).
27)	<b>Grant Contract</b>	An agreement, between the Lead beneficiary and the Managing Authority, with specific terms and an undertaking to implement the project in return for the Programme grant.
28)	<b>Implementation period</b>	The period between start and end date of the project.
29)	<b>Implementing Rules</b>	Commission Regulation No 897/2014 of 18 August 2014 laying down implementing rules for cross-border cooperation programmes financed under Regulation No 232/2014 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood Instrument.
30)	<b>Large Infrastructure project (LIP)</b>	a set of works, activities or services intended to fulfil an indivisible function of a precise nature pursuing clearly identified objectives of common interest for the purposes of implementing investments delivering a cross-border impact and benefits and where a budget share of at least EUR 2,5 million is allocated to acquisition of infrastructure.
31)	<b>Lead Beneficiary</b>	A legal person with whom a grant contract has been signed. The responsibilities of Lead Beneficiary are described in the Article 8.1.2 of the Guidelines.

<b>No</b>	<b>TERM</b>	<b>DEFINITION</b>
32)	<b>Monitoring</b>	The regular collection and analysis of information about the project (usually at least financial, technical and institutional) in order to check performance compared with its stated objectives, outputs, budget and work plan.
33)	<b>Non-eligible costs</b>	The costs incurred while implementing the project, which do not fall under the list of eligible costs provided in the Programme documents and national and EU legal acts, in article 5 of the Guidelines and may not be funded by the Programme.
34)	<b>Strategic objective</b>	The contribution of the project to overall improvement of state of play in the region, clearly referring to the priorities of the Programme.
35)	<b>Output</b>	Direct products of the project activities. They concern the direct beneficiaries of the project and are only affected by the project actions" (e.g. guides, web sites, study materials, etc.).
36)	<b>Participating countries</b>	The Member States (the Republic of Estonia) and Partner Country (the Russian Federation) taking part in the Programme.
37)	<b>PartnerStatement</b>	Agreement comprising, provisions that, inter alia, guarantee the sound financial management of the funds allocated to the project including the arrangements for recovery of funds unduly paid.
38)	<b>Per diem</b>	Per diems are applied by the Russian beneficiaries and partners which are private institutions or NGOs. Per diems are paid for the missions abroad and within the home country of the Beneficiary/ the project partner requiring an overnight stay. Per diems cover costs of accommodation, daily allowance (meals and sundry expenses) and local transport. They should correspond to rates normally applying to the organisation and cannot exceed the EC rates published on <a href="http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm">http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm</a> at the time of signing the contract.
39)	<b>Public use</b>	Results of the project are to be used to benefit the public rather than beneficiaries.
40)	<b>Procurement</b>	The purchase of goods, supplies, services and works shall follow the provisions of REGULATION (EU, EURATOM) No 966/2012 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 October 2012, the provisions of Implementing Rules or the national public procurement regulations as set in the Guidelines.
41)	<b>Programme</b>	Estonia – Russia Cross Border Cooperation Programme 2014-2020 (approved by the European Commission on 18 December 2015 by the decision No C (2015)9193) funded by the European Union, Republic of Estonia and Russian Federation.

No	TERM	DEFINITION
42)	<b>Project</b>	a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.
43)	<b>Project Cycle</b>	<p>A useful tool for understanding various stages that any project will probably go through. The basic model includes the following stages:</p> <p>Identification – idea for the potential project is identified and explored.</p> <p>Preparation – the idea of the project is carefully developed.</p> <p>Appraisal – the proposed project is rigorously assessed and adjusted if necessary.</p> <p>Funding – decision is taken about funding for the project and how it will be implemented.</p> <p>Implementation and monitoring – the project is carried-out and periodic checks made to ensure it is running according to plan.</p> <p>Evaluation – the results of the project are assessed and new ideas may be generated. See <a href="http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm">http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t101_en.htm</a></p>
44)	<b>Project Partner</b>	The body participating in the development of the project application, signing the Partner Statement.
45)	<b>Specific objective (result)</b>	A change of situation, attitude, knowledge, practice, experience, capacity and/or change of other quantitative or qualitative parameters occurred after targeted implementation of certain activities. The project may have one or more expected results to be reached by certain activities. The objective, which is to be achieved within the scope of the project through a number of results. The specific objective has to contribute to the overall objective of the project.
46)		
47)	<b>Stakeholders</b>	Individuals and organisations that are actively involved in the project, or whose interests may be affected as a result of execution or completion of the project. They may also exert influence over the objectives and outcomes of the project.
48)	<b>Strategy</b>	A comprehensive set of objectives, and plans for their achievement.
49)	<b>Sub-contractor</b>	A legal and natural person providing supplies, services or works.
50)	<b>Sustainable</b>	The project is sustainable when it can provide an acceptable amount of benefits to the target group during a sufficiently long period after the funder's assistance ceases.
51)	<b>SWOT Analysis</b>	A technique for identifying the strengths, weaknesses, opportunities and threats of the Programme area as a basis for discussing programme objectives.
52)	<b>Target groups</b>	The groups/entities that will be directly positively affected by the project at the purpose level.

<b>No</b>	<b>TERM</b>	<b>DEFINITION</b>
53)	<b>Tender</b>	A written or formal offer to supply goods, perform services or execute works for an agreed price.
54)	<b>Tender procedure</b>	The overall process of putting a contract out for tender, starting with the publication of a procurement notice and ending with the award of the tendered contract. The tender procedure should strictly follow the provisions of national public procurement rules.

***ANNEX 1 PROJECT SUMMARY***

***ANNEX 2 REQUIREMENTS FOR EVALUATION OF PROJECT SUMMARY***

***ANNEX 3 REQUIREMENTS FOR VERIFICATION OF COMPLIANCE OF THE LIP APPLICATION FORM WITH PROJECT SUMMARY***

***ANNEX 4 WRITTEN RECOMMENDATION OF THE JMC FOR THE FINAL LIST OF LARGE INFRASTRUCTURE PROJECTS***

***ANNEX 5 APPLICANTS CONFIRMATION OF MEETING THE CRITERIA OF A MICRO, SMALL OR MEDIUM SIZED ENTERPRISE***

***ANNEX 6 APPLICANTS DECLARATION OF RESPECTING THE DE MINIMIS AID CEILINGS***

***ANNEX 7 APPLICANTS DECLARATION OF APPLYING STATE AID / DE MINIMIS AID PROVISIONS***

***ANNEX 8 FINANCIAL PLAN***

***ANNEX 9 LOGICAL FRAMEWORK***

***ANNEX 10 DECLARATION BY THE APPLICANT***

***ANNEX 11 LEGAL ENTITY SHEET***

***ANNEX 12 PARTNER STATEMENT***

***ANNEX 13 LETTER OF ENDORSEMENT BY ASSOCIATES***

***ANNEX 14 INFORMATION AND COMMUNICATION PLAN***