



Managing Authority

State Shared Service Centre, Estonia

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

Instructions on applying for additional financing for implementation of Large Infrastructure Projects

NOTICE

These Instructions on applying for additional financing for implementation of Large Infrastructure Projects (LIPs) (Instructions) are compiled to give a particular assistance to the beneficiaries of awarded LIPs to elaborate the application documents (Application for additional financing and updated Full Application).

Please note that current invitation is solely announced and focused on already funded through direct award LIPs. In case of including the activities from Project Summary Forms and/or additional purely justified activities the re-approval of the European Commission (EC) is needed. Application for additional financing and updated Full Application have to be prepared and submitted via electronic Monitoring System (eMS).

The Instructions are supplement to "Guidelines for Large Infrastructure Projects Applicants". The Instructions include mostly information on the process of the preparation of Application for additional financing and updated Full Application as well as links to existing Programme guiding documents.

Please note that the English version of the document is approved by the Joint Monitoring Committee (hereinafter JMC) of the Programme and takes precedence over other language versions (if any).

The relevant documents for the preparation on applying for additional financing for implementation of LIPs can be downloaded from the Programme's web site: <https://www.estoniarussia.eu>. The Application for additional financing and updated Full Application shall be submitted via electronic Monitoring System (eMS).

Please note that these Instructions do not in any way replace the obligations and provisions set out in the respective EU and national legislation. In case of doubt, the latest provisions prevail.

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1. OBJECTIVES OF THE INSTRUCTIONS

The invitation for application for additional financing of LIPs applies for activities already funded by the programme through direct award procedure.

Project applications for additional financing within current invitation shall contribute to the achievement of high quality of planned results and financing of activities already funded by the programme. Any additional activities or activities mentioned in Project Summary Form are allowed only in exceptional and fully justified cases and shall be approved by the European Commission (EC).

2. CONDITION FOR ADDITIONAL FINANCING FOR IMPLEMENTATION OF LIPs

The overall indicative amount made available from the Programme for the additional financing of implementation of LIPs is **3 929 717,15 EUR**. The Joint Monitoring Committee (JMC) will decide the sum allocated to projects based on assessment results of submitted project applications for additional financing.

Please be aware that cumulative changes of more than 20% of a budget heading will require approval by EC.

3. ELIGIBILITY AND PARTNERSHIP REQUIREMENT

The Programme will finance activities within the projects which have (is aimed to keep) a purely cross border character and involve only beneficiaries from already funded LIPs. Existing partnerships may not be changed.

4. DURATION OF THE PROJECT

The project duration shall correspond with timeline stated in the Grant Contract. In a fully justified cases the project duration can be extended, which will result in the necessity for re-approval by EC. The activities of the project must be finished on 31 December 2022 at the latest. It is recommended to reserve up to 3 months in the end of the project for compiling reports.

5. ELIGIBILITY OF COSTS

The categories of costs considered as eligible and non-eligible are indicated in point 5 of "Guidelines for Large Infrastructure Project Applicants" and in point 2 and 3 of "Project Implementation Guidelines".

6. CO-FINANCING RATE

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.

The co-financing rate stated in the Grant Contract may be changed during applying for additional financing for implementation of LIPs and has to apply retroactively to all project expenditure.

7. IDENTIFICATION AND SELECTION OF APPLICATIONS FOR ADDITIONAL FINANCING OF IMPLEMENTATION OF LIPs

The invitation for applying for additional financing for implementation of LIPs is opened for a predefined period of time.

Identification and selection procedure consists of following steps:

No of step	Description of step	Timeline
<i>Step 1</i>	Preparation and submission of Application for additional financing	22 October 2019
<i>Step 2</i>	Joint Monitoring Committee decision on administrative eligibility check results	End of October
<i>Step 3</i>	Quality assessment and Joint Monitoring Committee decision	End of November
<i>Step 4</i>	Elaboration of changes by projects in eMS	December
<i>Step 5</i>	Approval of EC (if applicable)	~2-3 months
<i>Step 6</i>	Addendum to the Grant Contract	From January 2020

The Application for additional financing of LIPs is evaluated by the Selection Committee (SC) and finally selected and approved by the JMC. If necessary, additional specific expertise will be engaged.

7.1. SUBMISSION OF APPLICATION FOR ADDITIONAL FINANCING FOR IMPLEMENTATION OF LIPs

The complete **Application for additional financing for implementation of LIPs** includes the following documents based on the national and/or EC requirements:

1. **Application for additional financing**, in Annex 1, duly filled in, digitally signed by Lead beneficiary;
2. **Beneficiary Statement(s)** in Annex 2, duly filled-in, signed, dated and stamped (if applicable) by each of the project beneficiary(s) including the Lead Beneficiary;
3. **The beneficiary's declaration of applying state aid ¹or de minimis aid provisions** (with digital signature and date) in Annex 3 (for EST partners).
4. The calculations concerning the operating profit of the investment should be submitted by EST partner (if applicable for concrete State Aid article). The template will be provided individually by the JTS.

7.2. SUBMISSION OF UPDATED FULL APPLICATION FORM

The complete updated Full application form (which is prepared and submitted after the JMC decision) includes the following documents based on the national and/or European Commission requirements:

1. **Full project application form**, duly filled-in in the eMS;
2. **Updated Logical Framework** in Annex 4 (if applicable);
3. **Updated Financial Plan** in Annex 5;
4. **Updated Information and Communication plan**, in Annex 6 (if applicable);

¹ State Aid provisions can apply only for categories of aid that are not required to have or shall be deemed to have an incentive effect

5. **Technical documentation** related to the additional financing of infrastructure/investment works according to national legislation (if applicable).
6. **The building permit** (if applicable).

7.3. HOW TO APPLY AND PROCEDURES TO FOLLOW

Lead Beneficiary in cooperation with its project beneficiaries shall prepare an Application for additional financing for implementation of the LIP and an updated full project application (after JMC decision) and submit it electronically via the eMS.

7.4. SUPPORT TO THE PROJECT PARTNERS IN PREPARATION OF APPLICATION FOR ADDITIONAL FINANCING FOR IMPLEMENTATION OF LIPS

JTS will provide individual and group consultations for preparation of the Application for additional financing to support the preparation process.

The beneficiaries of LIPs should work in close cooperation with the JTS starting from the stage of drafting an application for additional financing. It is recommended to consult with the JTS at least once during the preparation process.

7.5. WHERE AND HOW TO SUBMIT THE APPLICATION FOR ADDITIONAL FINANCING AND UPDATED FULL APPLICATION FORM

The complete Application for additional financing shall be submitted via eMS in modification request module. Deadline for submission of the Application for additional financing is **22 October 2019**.

The updated Full Project Applications shall be submitted via eMS after the JMC decision together with Annexes stated in points 2, 3, 4, 5 and 6 of chapter 7.2.

The Application for additional financing and documents listed in points 2, 3 and 4 (if applicable) of chapter 7.1 should be submitted via eMS environment within the opening and closing dates of invitation for submission of application for additional financing of LIPs.

The Application for additional financing itself and documents in points 2 and 3 of chapter 7.1. should be submitted as **originals (in one electronical envelope by Estonian beneficiaries and in one envelope in paper form by Russian beneficiaries)**. The paper envelope must bear the following sentences: "*Invitation for applying of additional financing for implementation of LIPs of the Estonia- Russia CBC Programme 2014-2020*" together with the full name and address of the beneficiary and unique project identification number. The digitally signed folder with all documents must bear the following sentences: "*Invitation for applying of additional financing for implementation of LIPs of the Estonia-Russia CBC Programme 2014-2020, unique project identification number*".

The original version of the above-mentioned digitally signed documents and scanned version of the above-mentioned documents in paper form shall be submitted via eMS as attachments. The original version of the above mentioned documents in paper form should

be submitted by regular mail, courier service² or by hand-delivery at one of the addresses below:

1) Joint Technical Secretariat:

Sõbra 56 (5th floor)

51013 Tartu, Estonia

or

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

14 Izmailovsky prospect, office 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

Where the Beneficiary submits more than one Application for additional financing, documents for each project have to be submitted separately.

7.6. SELECTION PROCEDURE

7.6.1. ASSESSMENT OF APPLICATION FOR ADDITIONAL FINANCING FOR IMPLEMENTATION OF LIPs

After the deadline for submitting the Application for additional financing the assessment of the application will be performed. It consists of two steps:

Step 1 - administrative eligibility check;

Step 2 - quality assessment.

STEP 1. Administrative eligibility check

Administrative eligibility check of Application for additional financing will be performed by the JTS and will be based on administrative eligibility criteria listed below in the Checklist. If clarifications are needed, the JTS will ask for additional documents or clarifications during administrative eligibility check stage. The deadline for submission of missing information will be given by JTS by e-mail within the eMS.

Criteria	Yes	No	Not applicable
1. The Application for additional financing and its Annexes are submitted within set deadline			
2. The Application for additional financing is entirely filled in and is in English			
3. Each Project beneficiary, including the Lead beneficiary has completed, signed, stamped (if available) and dated a Beneficiary Statement and the statements are enclosed			

² 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.

5. The project Lead beneficiary and beneficiaries are eligible in accordance with the requirements indicated in the section 3 of the Instructions			
6. Project is within time limits set in accordance with requirements indicated in the section 4 of the Instructions			
7. Co-financing rates have been observed and it is not less than 10% per partner and on project level			
8. Beneficiary's t's declaration of applying state aid ³ or de minimis aid provisions is submitted (digitally signed and dated)			

The outcome of the administrative eligibility check performed by JTS shall be approved by the JMC. The JTS will submit the report of the administrative eligibility check to the JMC. JMC will approve the report of the administrative eligibility check.

If a project does not fulfil the administrative eligibility criteria, the JMC will take a decision to reject the Application for additional financing. The MA shall send the administrative decision letter to the beneficiary.

Application for additional financing that fulfil the administrative eligibility criteria are subject to quality assessment. The Selection Committee (SC) does quality assessment and their evaluation report is approved by the JMC.

Selection Committee is a committee established by the JMC. Selection Committee consists of equal number of representatives of both countries – the Republic of Estonia and the Russian Federation. The SC members perform quality assessment of the Applications for additional financing which have passed the administrative eligibility check.

STEP 2. Quality assessment.

During introductory session of SC which will be held either face-to-face or via Skype / video conference or by other means of communication, the common understanding of evaluation criteria will be developed, later individual assessment based on the predefined criteria will take place.

At least two SC members will perform the quality assessment of the Application for additional financing based on predefined criteria. If needed, content wise expertise will be engaged. The organisation of meetings and technical support given to the quality assessment process will be ensured by the JTS. The Application for additional financing will be given an overall score out of 100 weighted points in accordance with the breakdown provided in the evaluation grid below.

Award criteria	Description (issues to be considered)	Score
1. Proposed activities are properly described, ranked and justified.	1.1 Activities are already mentioned in LIP Project Summary Form or Full Application. 1.2. New activities are properly described and justified	Max 5 (weight/share 25%)

³ State Aid provisions can apply only for categories of aid that are not required to have or shall be deemed to have an incentive effect

2. Proposed activities contribute to the achievement of high quality of the results planned in LIP Project Summary Form and/or Full Application	2.1 Proposed activities are to be finalised within the project, all planned outputs delivered and high quality of the planned results is achieved	Max 5 (weight/share 25%)
3. Proposed budget is sufficient and reasonable for achievement and finalization of proposed activities	3.1 The budget is detailed enough, reasonable, efficient and realistic (the costs correspond to average market rates/or rates in the public/private sector of the participating countries , to results of the already carried out project's tenders)	Max 5 (weight/share 50%)
Total		15
Grand total		100

Each criteria will be evaluated on a scale of 1-5 in full points. The scale is:

- 5 - Very good** (relevant information has been provided, showing that project is exceptionally well in line with the requirements set by the programme)
- 4 – Good** (relevant information has been provided, showing that the project is well in line with the requirements set by the programme)
- 3 – Acceptable** (information has been provided, showing that the project meets the requirements set by the programme)
- 2 – Poor** (information can be found to prove that the minimum requirements of the programme have been met)
- 1 – Very poor** (no information has been provided or the information provided is not in line with the requirements set by the programme)

During closing session of the SC the final assessment of the Application for additional financing will be performed and an evaluation report will be prepared for the JMC decision.

The proposal prepared by the Selection Committee is in no way binding for the Joint Monitoring Committee. Joint Monitoring Committee is free to prioritise and select the LIP activities described in Application for additional financing to be co-financed based on the same quality evaluation assessment criteria and/or strategical importance to participating countries which are explained, justified and documented.

Based on the given scores by the SC for the JMC considerations the proposed LIP activities will be ranked and the financing will be granted to projects within available financing.

After the JMC decision, the approval of EC will be needed in following cases:

- cumulative changes of more than 20% of a budget heading;
- modification of the conditions of ownership or operation of the project;
- changes in the physical characteristics or the functional purposes of the project, altering its nature, objectives and/or scope.

The Managing Authority will inform the Lead beneficiary of the JMC decision within 15 days after the decision is taken. It is the responsibility of the Lead Beneficiary to inform the other project partners about the outcome of the selection procedure.

Activities described in the Application for additional financing are rejected based on the assessment procedure, their position in the ranking list and the availability of financial resources to finance the LIP proposed activities.

8. AWARD PROCEDURE AND CONTRACTING

Once the Application for additional financing has been approved by the JMC (and EC if applicable), the MA shall approach the Lead beneficiary and request to update the Full application in eMS with all necessary documents listed in point 7.2. of these Instructions. The MA, based on the selection outcome of the JMC, will make a final administrative decision for awarding the additional grant to the project.

Grant Contract signed between the MA and the Lead beneficiary will be amended taking into account new co-financing rate (if applicable), duration (if applicable), updated list of activities (if applicable) and updated budget. Lead beneficiary assumes full legal and financial responsibility for project implementation vis-à-vis MA; it receives the financial contribution from the MA and ensures it is managed and 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.

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

1. the Lead beneficiary submits corrections of errors, and /or updates of the project budget and/or provides clarifications and minor adjustments according to the JMC decision letter. **Only after fulfilment of corrections/clarifications/minor adjustments, the amendment to Grant Contract can be prepared and signed.**
2. the Lead beneficiary submits to the MA the updated Partnership Agreement signed by all partners no later than within two months after signing the Grant Contract amendments;

The amendment to the Grant Contract shall be signed latest by the end of 2020.

9. PROJECT IMPLEMENTATION, MONITORING, REPORTING AND CONTROL

Project implementation, monitoring, reporting and control is carried out in accordance with Guidelines for LIP Applicants, Project implementation Guidelines and other Programme documents.

ANNEX 1 APPLICATION FOR ADDITIONAL FINANCING OF IMPLEMENTATION OF LIPs

ANNEX 2 BENEFICIARY STATEMENT

ANNEX 3 BENEFICIARY'S declaration of applying state aid or de minimis aid provisions

ANNEX 4 LOGICAL FRAMEWORK

ANNEX 5 FINANCIAL PLAN

ANNEX 6 INFORMATION AND COMMUNICATION PLAN TEMPLATE