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Managing Authority
State Shared Service Centre, Estonia
Estonian EU external border programme
2014-2020

Guidelines
for the 5th Call for proposals

Approved by the JMC on 4 October 2022

NOTICE

These Guidelines for the 5th Call for proposals (Guidelines) are compiled to give particular assistance to the Applicants elaborating the application documents (Application) of the 5th Call for proposals of the Estonian EU external border programme 2014-2020 (Programme)¹.

The 5th Call for proposals is extension of the previous 4th Call for proposals, which was suspended due to the programme implementation disruption. It is announced for partners from the Republic of Estonia and focused on capitalization and clustering in order to maximize results already achieved by the Estonia-Russia CBC Programme within awarded projects. If the project falls under aid regime, then only de minimis aid according to the Regulation (EU) No 1407/2013 is applied. The Guidelines provide an overview of the planning, managing and follow-up activities to the projects financed from the Programme. The Guidelines include mostly information on the process from the preparation of the Application and glimpse to implementation, monitoring, reporting and finalization of the project.

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.

The relevant documents for the preparation of the 5th Call for proposals can be downloaded from the Programme's web site: <https://www.estoniarussia.eu>. The Application shall be submitted via electronic Monitoring System (eMS).

Please note that these Guidelines 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.

Please note that provisions of these Guidelines are in accordance with Proposal for a Regulation of the European Parliament and the Council laying down specific provisions for the 2014-2020 cooperation programmes supported by the European Neighbourhood Instrument and under the European territorial cooperation goal, following programme implementation disruption COM(2022)362².

Please note that Grant Contracts are signed after the adoption of Proposal by the European Parliament and Council.

¹ Due to suspension of the Financing Agreement between the Russian Federation, the Republic of Estonia and the European Union and JMC decision made on 23.05.2022 the Estonia-Russia CBC Programme 2014-2020 is temporary called Estonian EU external border Programme.

² Register of Commission Documents - COM(2022)362 (europa.eu), [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2022\)362&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2022)362&lang=en)

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1. GENERAL INFORMATION ABOUT THE PROGRAMME

BACKGROUND

The Estonian EU external border programme is implemented under the European Neighbourhood Instrument (ENI) and 5th Call for proposals is co-financed by the European Union to promote economic and social development in border regions.

1.1 LEGAL FRAMEWORK

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

Regulation 232/2014	No	of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument (ENI Regulation)
Regulation 236/2014	No	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
Commission Implementing Regulation 897/2014	No	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>), amended by Commission Implementing Regulation 2020/879 of 23 June 2020
Regulation 966/2012	No	Of the European Parliament and the Council Of 25 October 2012 on the financial rules applicable to the general budget of the Union (EURATOM)
Programming Document		Programming document for EU support to ENI Cross-Border Cooperation (2014-2020) adopted by the Commission on 8 October 2014
Programme		Estonia–Russia Cross Border Cooperation Programme 2014–2020 approved by European Commission on 18 December 2015, decision No C(2015)9193, last changes approved on 16.12.2020
Regulation 362/2022 ³		Proposal for a Regulation of the European Parliament and of the Council laying down specific provisions for the 2014-2020 cooperation programmes supported by the European Neighbourhood Instrument and under the European territorial cooperation goal, following programme implementation disruption

Please note that all relevant national legislation is directly applicable for the projects.

³ Register of Commission Documents - COM(2022)362 (europa.eu), [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2022\)362&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2022)362&lang=en)

1.2 OBJECTIVE OF THE CALL

The 5th Call for proposals is aimed to enlarge the influence and ensure higher impact of Estonian EU external border programme⁴ ("Programme") in eligible programme territory and beyond.

For this purpose the Estonian beneficiaries of ongoing or completed projects of the Programme are invited to capitalize on and maximise the results already achieved or to be achieved within 1st, 2nd, 3rd Call for proposals projects and Large Infrastructure Projects (LIPs).

Projects within the current call are expected to:

- Contribute to transferring project results, knowledge, good practices (Knowledge and transfer oriented approach);
- Contribute to enhancing the visibility of projects/programmes results (Communication oriented approach)

Only project ideas connected with already awarded projects are accepted within current call for proposals.

1.2.1 Scope of the Call

Capitalisation projects build on the results of previously awarded projects within this programme in the following thematic objectives (TOs):

- TO1 "Business and SME development";
- TO5 "Support for local & regional good governance";
- TO6 "Environmental protection, climate change mitigation and adaptation".

The promotion of "people-to-people" actions is included in all objectives.

Project may involve partners from several TOs, in that case TO of the capitalization project is selected on the basis of its objective and the most appropriate indicator.

Each project shall consist of several outputs that are defined as a direct product(s) or service(s) delivered by projects' activities and directly influencing the achievement of results.

5th Call for proposals projects can contribute to following output and result indicators and Thematic Objectives.

Thematic Objective 1 (TO 1) Business and SME development

<u>Output Indicators</u>		
Specific areas	Output Indicator Name	Measurement Unit
Increasing SME development and entrepreneurship by fostering cross-border business contacts and developing services and products	Number of enterprises that are substantially and actively involved in projects as final beneficiaries	Number

⁴ Due to suspension of the Financing Agreement between the Russian Federation, the Republic of Estonia and the European Union and JMC decision made on 23.05.2022 the Estonia-Russia CBC Programme 2014-2020 is temporary called Estonian EU external border Programme.

Increasing SME competitiveness and entrepreneurship by fostering cooperation between the public, private and R&D sectors	Number of organisations using programme support for cooperation in education, R&D, and innovation	Number
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<u>Result Indicators</u>		
Specific areas	Result Indicator Name	Measurement Unit
Increasing SME development and entrepreneurship by fostering cross-border business contacts and developing services and products	The strength of joint development in products and services by businesses	Programme-level survey
Increasing SME competitiveness and entrepreneurship by fostering cooperation between the public, private and R&D sectors	The strength of cross-border activities by institutions in education, R&D, and innovation sectors	Programme-level survey

Thematic Objective 5 (TO 5)
Support for local & regional good governance

<u>Output Indicators</u>		
Specific areas	Output Indicator Name	Measurement Unit
Improving cooperation between local and regional authorities and their sub-units	The number of participating organizations cooperating across borders for improved governance	Number
Improving cooperation for local and regional communities	The number of participants at events that are aimed at vocational and language training	Number

<u>Result Indicators</u>		
Specific areas	Result Indicator Name	Measurement Unit
Improving cooperation between local and regional authorities and their sub-units	Accessibility of cross border social, health and sporting services, and vocational and language training	Programme-level survey
Improving cooperation for local and regional communities		

Thematic Objective 6 (TO 6)
Environmental protection, climate change mitigation and adaptation

<u>Output Indicators</u>		
Specific areas	Output Indicator Name	Measurement Unit
Increasing awareness in environmental protection and the efficient use of energy resources	The number of persons actively participating in environmental actions and awareness-raising activities	Number

<u>Result Indicators</u>		
Specific areas	Result Indicator Name	Measurement Unit
Increasing awareness in environmental protection and the efficient use of energy resources;	Increased awareness in environmental protection and energy efficiency amongst inhabitants and institutions in the Programme area	Programme-level survey

1.3 ELIGIBLE AREA



The eligible area for the 5th Call for proposals includes the following NUTS III regions (the Nomenclature of Territorial Units for Statistics) as **core regions**:

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

Põhja-Eesti region (including Tallinn) in Estonia is an **adjoining region**. **Involvement of adjoining region is allowed under 5th Call for proposals for projects under TO1 and TO6 only.**

2. FINANCIAL ALLOCATION FOR 5th Call FOR PROPOSALS

The overall indicative amount made available from the Programme for the 5th Call for proposals is **ca 1 million EUR**. The exact amount of the allocation will consist of Programme savings. The minimum amount of the grant to the project is **20 000 EUR** and the maximum amount of the grant to the project is **100 000 EUR**.

3. OFFICIAL LANGUAGE

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

4. ELIGIBILITY OF THE APPLICANT AND THE PROJECT PARTNER(S)

5th Call for proposals is initiated mainly for beneficiaries already participating in the Programme to support awarded projects to capitalise on their results and partnerships in the Republic of Estonia. However, involving wider range of partners outside the existing projects and associated partners outside the eligible area as defined in point 1.3 may be considered as an added value.

4.1 The following bodies which are effectively established and have their main legal address/office in the Programme area can act as applicants:

1. National, regional and local public authorities;
2. Associations that are formed by one or more national, regional or local authorities;
3. 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;
4. 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.);
5. Associations that are formed by one or more bodies which are governed by public legal acts as defined under point 3 above;
6. NGOs and other non-profit-making bodies;
7. Educational organisations (schools, preschool institutions, vocational schools, colleges, institutes, or universities).

4.2 The following bodies which are established and have their legal address in the Programme area can act as project partners:

1. Partners can be bodies listed in point 4.1 and SMEs⁵;
2. SMEs can be eligible for funding in projects for which the immediate objective is non-commercial. SMEs cannot act as the only partner from the participating country. **Participation of SME is allowed only under TO1 Business and SME**

⁵ 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.

development. SMEs cannot act as the applicant (lead beneficiary) of the project.

4.3 The applicant and the project partner(s) must 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;
 - 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).

4.4 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:

associates;

Organizations from Finland, Latvia and Lääne-Eesti region are allowed to participate as 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 travel costs. Associates do not have to meet the eligibility criteria referred to in points 4.1 and 4.2 of the Guidelines. The associates have to be mentioned in the project application and they have to sign the Letter of Endorsement by the Associates.

5. PARTNERSHIP REQUIREMENT

The Programme will finance activities within the projects which involve at least **two beneficiaries** from the Republic of Estonia.

The core partnership is expected to consist of relevant beneficiaries from original projects (ongoing or completed), and if appropriate, a new partner(s) provided that there are clear synergies.

New partners outside the partnerships of existing projects and located in the eligible area are highly recommended and during assessment are given the additional points.

Partnership can be formed on the basis of one or several projects, project partners from different projects may cooperate. Please note the eligible area requirements as defined in point 1.3 of these Guidelines and the eligibility requirements of the applicants in point 4 of these Guidelines.

6. DURATION OF THE PROJECT

The project duration is **6 months**.

7. DESCRIPTION OF THE METHOD AND ELIGIBILITY OF COSTS

The 5th Call for proposals will be financed as a lump-sum project calculated on the basis of the draft project budget method. Project partners will submit the indicative budget of a project proposal and upon project approval it will be transformed into a lump sum or several lump sums. The lump sum will be connected with a defined output of the project.

Only **eligible costs** shall be taken into account for the establishing the draft project budget. The categories of costs considered as eligible and non-eligible are indicated in point 7.1.2 and 7.3.

7.1 DESCRIPTION OF THE METHOD

7.1.1 DEFINITION OF THE OUTPUT AND MAIN TASKS TO ACHIEVE THE DEFINED OUTPUT

Project is composed of a set of activities and expected outputs. The output is defined as a direct product(s) or service(s) delivered by project activities and directly influencing the achievement of results.

The outputs are extremely important for determining the eligibility of costs and further payment as reporting will be made only on the basis of achievement of defined outputs. Therefore, the definition of the project output for the lump sum has to be specified and formulated very clearly to avoid any misinterpretations and misunderstandings.

Each output shall be defined as a concrete item, for example, product/service/event/research, etc. having the quantification measurement such as number of participants in the event, characteristics of a research, number of services and/or quantity of intended recipients.

Example of the output is presented below

Example

In the project a group of educational and research organizations wants to organise a promotional and transfer-knowledge event for already developed web-product.

The output will be – a transfer-knowledge seminar on usage of the web-developed product with minimum 50 participants. The group of educational and research organizations has to provide an evidence of carrying out the seminar with a number of participants at least equal to 50.

Each project shall define not less than 2 outputs in the project application. Each output will be listed in a separate Work Package (WP) in eMS and shall have a detailed separate budget for it, content-wise description and link to the planned activities.

Establishing of minimum two outputs and keeping in mind the prepayment option will allow to avoid a binary approach in full sum as delivery of each output will influence the payment of certain amount and will reduce beneficiary's risks.

The costs become eligible only if the outputs are achieved in a **full scope**.

Brief instructions are presented below:

1. Defining of work packages

Workpackage List

Work Package Name	Start Date	End Date	Status
M MANAGEMENT			
Management	Jan.2022	Jun.2022	📌
T1 CORE ACTIVITY			
Capitalization	Jan.2022	Jun.2022	📌
T2 CORE ACTIVITY			
Capitalization2	Jan.2022	Jun.2022	📌

New Implementation (+)

- 1.1. Each project should have in addition to compulsory Management work package at least 2 Core activity work packages;
- 1.2. Work package Management should be described and filled in keeping in mind that management activities are supporting activities for the project;
- 1.3. Costs for management activities are to be distributed between Core activity work packages. **Work package Management shall have zero costs.**

2. Core activity work package



Core activity T1

Wp Details			
Title	Wp Start	Wp End	Wp Budget (excluding the net-revenue)
Capitalization	Jan.2022	Jun.2022	€ 20 000,00

- 2.1. One Core activity work package=one output;
- 2.2. The budget for respective output is visible under Work package view and will be transferred to the Grant contract later on.

3. Description of the output

Description of project outputs / milestones

Please describe here:

- Each output as a concrete item - for example product/service/event/research
- For each output measured target value - for example number of participants in the event, number of services, number of intended recipients
- Communication and visibility activities

Characters (including HTML): 0 (Limit: 4000), Words: 0

Main Outputs

Please describe project outputs that contribute to the programme output indicators (if any)

Output O.T1.1 Remove Output

Title	Description	Output Indicator	Date	Quantity
Seminar		The number of participants at events that are aimed at vocational and langt	June 2022	200,00 Number

- 3.1. Each Core activity work package should contain only one output;
- 3.2. Each output including content part and quantification such as number of participants/characteristics of research, etc. is to be thoroughly explained under description section of the output;
- 3.3. Communication and visibility activities is a compulsory element and to be incorporated into each output.

4. Budget per work package/output

Budget For Partner 1 - EE partner (LP)

Insert all costs under Core activities (T) Wp-s. Office & admin and Investment costs are not eligible in this call!

Budgetline	Subbudgetline	Wp M - Management	Wp T1 - Capitalization	Wp T2 - Capitalization2	Sum
Staff costs	Manager / Staff costs	€ 0,00	€ 6 000,00	€ 6 000,00	€ 12 000,00
	Sum	€ 0,00	€ 6 000,00	€ 6 000,00	€ 12 000,00
Office and administration	Office and administration	€ 0,00	€ 0,00	€ 0,00	€ 0,00
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Travel and accommodation	Travel and accommodation	€ 0,00	€ 2 000,00	€ 0,00	€ 2 000,00
	Sum	€ 0,00	€ 2 000,00	€ 0,00	€ 2 000,00
External expertise and services	Services	€ 0,00	€ 12 000,00	€ 12 000,00	€ 24 000,00
	Sum	€ 0,00	€ 12 000,00	€ 12 000,00	€ 24 000,00
Equipment					
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Investment	Investment	€ 0,00	€ 0,00	€ 0,00	€ 0,00
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Net Revenue	Net Revenue	€ 0,00	€ 0,00	€ 0,00	€ 0,00
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Sum		€ 0,00	€ 20 000,00	€ 18 000,00	€ 38 000,00

- 4.1. Each output is listed under separate Core activity Work package;
- 4.2. Each output/core activity work package shall have a detailed draft budget;
- 4.3. A detailed draft budget will be transformed to a lump sum before contracting;
- 4.4. Costs for management activities are to be planned and distributed between all Core activity work packages.

5. Budget costs

Budget For Partner 1 - EE partner (LP)

Insert all costs under Core activities (T) Wp-s. Office & admin and Investment costs are not eligible in this call!

Budgetline	Subbudgetline	Wp M - Management	Wp T1 - Capitalization	Wp T2 - Capitalization2	Sum
Staff costs	Manager / Staff costs	€ 0,00	€ 6 000,00	€ 6 000,00	€ 12 000,00
	Sum	€ 0,00	€ 6 000,00	€ 6 000,00	€ 12 000,00
Office and administration	Office and administration	€ 0,00	€ 0,00	€ 0,00	€ 0,00
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Travel and accommodation	Travel and accommodation	€ 0,00	€ 2 000,00	€ 0,00	€ 2 000,00
	Sum	€ 0,00	€ 2 000,00	€ 0,00	€ 2 000,00
External expertise and services	Services	€ 0,00	€ 12 000,00	€ 12 000,00	€ 24 000,00
	Sum	€ 0,00	€ 12 000,00	€ 12 000,00	€ 24 000,00
Equipment					
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Investment					
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Net Revenue					
	Sum	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Sum		€ 0,00	€ 20 000,00	€ 18 000,00	€ 38 000,00

- 5.1. Budget for the output/core activity work package may consist of following eligible costs:

- Staff costs;
 - Travel and accommodation costs;
 - External expertise and services;
 - Equipment.
- 5.2. Costs under budget Headings "Investment" and "Office and administration" are not eligible.

7.1.2 ELIGIBILITY RULES FOR THE PROJECT TO DEVELOP A DRAFT PROJECT BUDGET

Within current call for proposals the following types of costs are eligible:

- Staff costs;
- Travel and accommodation costs;
- External expertise and services;
- Equipment.

The purpose of the call is to maximize already achieved results and it does not foresee a lot of investment on hardware.

As a lump sum will be established based on a draft budget, representing a calculation method itself, the Applicant shall:

1. fill in the detailed budget in eMS for each planned output in separate WP describing in budget table what the total amount of estimated costs consists of. The project budget has to be in line with the principles of economy, efficiency and effectiveness;
2. provide the calculation of amounts of each cost included in the budget;
3. supplement the each budget line and cost item with an explanation in the comment part;
4. during quality assessment and later in case of positive award decision and before contracting the each project applicant, upon request, shall be ready to justify all planned costs, amounts, prices by providing supporting documents:
 - pay rolls from previous years;
 - market research, and/or price comparison for each budget line equal from EUR 3000 and up to EUR 4999.99;
 - price offers made/received for each budget line equal to EUR 5000 and more;
 - other requested documents.

7.1.3 GROUND FOR PAYMENT

Lump sum project will be divided into several phases depending on amount of intermediate outputs on project level. Each project should have at least 2 separate outputs described in separate WPs that will be specified in the project financing decision in which the payment is based on.

This approach allows to decrease a risk for the beneficiary (as two payments are done, instead of one). The payments to the project will be in two stages. The advance payment of 40% of grant after contracting and balance payment after approval of the report.

The costs become eligible only if the outputs are achieved in a **full scope**.

7.2 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 own-financing sources shall come from source other than the European Union.

In case of participation of the SMEs , the Programme co-financing rate shall be in line with de minimis aid regulation.

Participation of SME is allowed only under **TO1 Business and SME development. SMEs cannot act as the applicant (lead beneficiary) of the project.**

7.3. ELIGIBILITY OF COSTS FOR ESTABLISHING A DRAFT BUDGET

In 5th Call for proposals the following cost types are eligible:

1. Staff costs

The costs of staff assigned to the project are eligible under the following cumulative conditions:

- they relate to the costs of activities which the partners would not carry out if the project was not undertaken,
- they must not exceed those normally borne by the partners 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

2. Travel and accommodation costs

Travel, accommodation costs and daily allowances of staff and other persons taking part in the project are eligible, provided that they will not exceed costs normally paid by the partner.

3. External expertise and services

External expertise and services costs are eligible in case they are entailed by contracts awarded by the partners for the purposes of the project and derive directly from requirements imposed by the Implementing Rules and the project such as information and visibility operations, evaluations, etc.

Subcontracting between project beneficiaries and associated partners, including consultant fees or other service costs between partners for services and works carried out within the project, are non-eligible.

4. Equipment

Purchase or rental costs for equipment (new or used) and supplies specifically for the purpose of the project are eligible, provided they correspond to market prices.

Applicant will compose a detailed draft budget which later on will be transformed to the lump sum or several lump sums.

Checking process precedes the signing of the contract. The checks may give rise to requests for clarification and may lead the Managing Authority to impose modifications or reductions to address such mistakes or inaccuracies. The amount of the grant and the percentage of co-financing as a result of these corrections will not increase.

7.4. NON-ELIGIBLE COSTS FOR ESTABLISHING A DRAFT BUDGET

The following costs of the Beneficiaries **are not eligible**:

- 1) Debts and debt service charges (interest);
- 2) Provisions for losses or liabilities;
- 3) Costs declared by the beneficiary and already financed by the Union budget and/or other international or national budget;

- 4) Purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the project concerned;
- 5) Exchange rate losses;
- 6) Duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation;
- 7) Loans to third parties;
- 8) Fines, financial penalties and expenditure on legal disputes and litigation;
- 9) Contributions in kind;
- 10) Investment costs;
- 11) Office and administration costs as a separate budget heading;
- 10) Any costs incurred before and/or after the implementation period of the project, except costs related to preparation of final reports;
- 11) Preparation costs;
- 13) Subcontracting between project partners, from the beneficiary and associated partners including consultant fees or other service costs between partners for services and works carried out within the project;
- 14) Costs of promotional gifts, except those not exceeding EUR 50 per gift clearly related to promotion, communication, publicity or information;
- 15) Daily travels of project staff from home to office and back;
- 16) Alcoholic beverages as a part of catering costs planned in the agenda of a project event that form more than 1/4 of the respective catering invoice;
- 17) Parallel remuneration systems and topping ups.

8. IDENTIFICATION AND SELECTION OF APPLICATIONS OF 5th CALL FOR PROPOSALS

The 5th Call for proposals is opened for a predefined period of time. The concrete deadlines of the call will be provided on the Programme's homepage www.estoniarussia.eu.

Identification and selection procedure consists of 1 step – submission and assessment of the project application.

The applications of the 5th Call for proposals are evaluated by the Selection Committee and finally selected and approved by the JMC. If necessary, additional specific expertise will be engaged. All projects submitted by the applicants are checked according to the following **steps and criteria**:

8.1 STEP 1: SUBMISSION OF PROJECT APPLICATION

8.1.1 CONTENT OF THE PROJECT APPLICATION

The Application Form in eMS consists of following information:

- (a⁶) an analysis of the problems and needs justifying the project, taking into account the programme strategy and its expected contribution to address the corresponding priority;
- (d) an assessment of the sustainability of the project's expected results after project's completion;
- (e) objectively verifiable indicators (common output indicators and result indicators) (if applicable);
- (f) information on the geographic coverage and target groups of the project;
- (g) the expected project implementation period and detailed description of the outputs of the project;
- (h) the project implementation requirements, including the following:
 - (i) identification of the beneficiaries and designation of the lead beneficiary,
 - (ii) providing guarantees of its competence in the domain concerned
 - (iii) its administrative and financial management capacity.

The complete **project application** includes the following documents:

1. **Project application form**, duly filled-in in the eMS.
2. **Declaration by the Applicant**, in **Annex 1**, duly filled-in and digitally signed, by the Applicant.
3. **Partner Statement(s)** in **Annex 2**, duly filled-in, digitally signed, by each of the project partner(s) (including the Applicant).
4. **Letters of Endorsement by the Associates** in **Annex 3**, duly filled-in, signed, dated and stamped (if applicable) by each of the associate partner(s) (if relevant).
5. The **Applicant's declaration of applying de minimis aid provisions** (with digital signature) in **Annex 4**.
6. The applicants and/or partners confirmation in **Annex 5** of meeting the criteria of a micro, small or medium sized enterprise (SME) (if applicable).

8.1.2 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

Applicant in cooperation with its project partners shall prepare a project application and submit it electronically via the electronic monitoring system (eMS). Detailed instructions on how to fill in the project application form are provided in the form itself in eMS.

8.1.3 SUPPORT TO THE PROJECT PARTNERS IN PREPARATION APPLICATION FORM

JTS will provide online or offline individual and/or group consultations for preparation of the Application Form/needed documents and use of eMS and other online or offline events to support the preparation of projects. On the programme webpage www.estoniarussia.eu the question-answer section is developed and is available for all.

The applicants and project partners should work in close cooperation with the JTS starting from the stage of drafting the project application. It is recommended to consult with the JTS at least once during the preparation process of application. Applicant should take into

⁶ Numbering is in accordance with Commission Implementing Regulation No 897/2014

consideration that consultations during 2 weeks before submission deadline may be provided only within JTS capacity.

8.1.4 WHERE AND HOW TO SUBMIT THE APPLICATION FORM

The complete project application shall be submitted via eMS. Deadline for submission of the application is provided on the Programme website www.estoniarussia.eu

The project application should be submitted via eMS environment within the opening and closing dates of 5th Call for proposals. Please note that saved but not submitted applications are not considered submitted.

The documents in points 2-6 of chapter 8.1.1 should be submitted as **originals (in one electronical container)**. The digitally signed folder with all documents must bear the following sentences: "5th Call for Proposals of the Estonian EU external border programme, ER____" unique project identification number given by the eMS.

The original version of digitally signed documents shall be submitted via eMS.

Where an applicant submits more than one project application, documents for each project has to be submitted separately in eMS as attachments to the concrete project.

8.2 SELECTION PROCEDURE

8.2.1 ASSESSMENT OF PROJECT APPLICATION

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

- 1. administrative eligibility check;**
- 2. quality assessment.**

First the **administrative eligibility check** of project application 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 via e-mail sent from the eMS environment.

Criteria	Yes	No	Not applicable
1. The project application and its Annexes are submitted within set deadline			
2. The project application is entirely filled in and is in English			
3. Declaration by the Lead Applicant is enclosed, has been filled in, digitaly signed by autorised person			
4. Each Project partner, including the Project Lead Applicant, has completed a Partner Statement (digitaly signed by autorised person)			
5. Letter of Endorsement by Associates is duly filled-in, signed, and dated by each of associated partner(s), if applicable			
6. The Lead Applicant is eligible in accordance with the requirements indicated in the section 4.1 of the Guidelines			

7. The project partners are eligible (type and territory) in accordance with the requirements indicated in the section 4.2 of the Guidelines			
8. Project is within time limits set in accordance with requirements indicated in the section 6 of the Guidelines			
9. Project is within financial limits set in accordance with requirements indicated in the section 2 of the Guidelines			
10. Co-financing rates have been observed and it is not less than 10% per partner and on project level			
11. Activities are located in the eligible territory in accordance with requirements indicated in the sections 1.2, 1.3 and 5 of Guidelines			
12. Applicant's declaration of applying de minimis aid provisions is submitted (digitally signed and dated)			
13. The applicants and/or partners confirmation of meeting the criteria of a micro, small or medium sized enterprise (SME) is submitted (if applicable)			

During the administrative eligibility check the JTS can ask assistance from the NA of the Republic of Estonia for a determination of whether the project overlaps with other EU or publicly financed activities.

The outcome of the administrative eligibility check -is a list of eligible/non eligible projects- performed by the JTS shall be approved by the JMC.

If a project does not fulfil the administrative eligibility criteria, the JMC will take a decision to reject the project application. The MA shall send the administrative decision letter to the applicant.

Project applications 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.

SC is a committee established by the JMC. The SC members perform quality assessment of the project applications which have passed the administrative eligibility check.

2. Quality assessment.

Quality assessment will consist of assessment by SC in line with award criteria and verification of planned costs against historical data in eMS by FLC and sufficiency of supporting documents justifying the planned amounts by the JTS.

During introductory session of SC, 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 project application 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 project application 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. Project contribution to programme`s objectives and indicators, relevance		Max 20 (weight/share: 15%)

to wider strategy and policies		
1.1 The project is relevant to the programme`s objectives and indicators	1. The project is in line and clearly contributes to the programme`s thematic objective and its specific area(s) 2. Project expected outputs contribute to the programme`s output indicators	Max 2x5
1.2 The project outputs are knowledge or/and experience transfer oriented	1. Project is aimed to identifying good practices for dissemination of results 2. Project is aimed to transfer good practices into relevant strategies and policies	Max 2x5
2. Clustering and/or capitalization: relevance and added value of the project		Max 10 (weight/share: 30%)
2.1 The clustering and/or capitalization approach is clearly demonstrated and justified, awareness raising ensured.	1. The need for clustering and/or capitalization to address common challenges and/or opportunities in the eligible area and achieve the project's outputs are justified	Max 5
2.2 The added value from the clustering and/or capitalisation is clearly demonstrated	2. The project clearly describes how the new developed or adapted existing solutions will foster functioning and the competitiveness of the beneficiaries	Max 5
3. Project design		Max 15 (weight/share: 20%)
3.1 The proposed project activities (including communication) are relevant and lead to the planned outputs	1. Proposed activities, including communication measures, are consistent with project`s specific objectives and interlinked towards achievement of the set outputs and respective output indicators in each WP	Max 5
3.2 The project outputs are well explained and measurable	2. The activities are adequately planned, described in each WP with sufficient level of precision and are relevant to achieve set outputs (it is possible to achieve them within given resources – i.e. time, partners, budget and other resources).	Max 5
3.3 Project main outputs serve the idea of the Call in the meaning of wider dissemination of results	3. The project clearly demonstrates how its outputs rely on previous achievements, have a lasting effect beyond project duration	Max 5

4. Partnership relevance and experience		Max 10 (weight/share: 10%)
4.1 The project involves the relevant partners to achieve the planned outputs.	1. Involved partners are relevant (incl. they have proven experience and competence in the thematic field concerned) and proposed division of tasks and responsibilities among the partners is logical and clear.	Max 2x5
	2. The project partnership brings newcomers to the programme	
5. Budget of the project outputs		Max 10 (weight/share: 25%)
5.1 Sufficient and reasonable resources are planned to ensure delivery of project outputs	1. The budget is detailed enough, reasonable, efficient and realistic (the costs correspond to average market rates/or rates in the public/private sector, costs of equipment are justified)	Max 5
5.2 The output(s) budget is justified and corresponds to the proposed activities	1. The budget of the activities are proportional to the description and scope of those activities and to outputs(s) to be achieved and allows to assess value of money for each.	Max 5
Total		65
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 project application will be performed and an evaluation report (including consolidated evaluation grids) will be prepared for the JMC decision.

Please note, that only the project applications which have been given a score of a minimum of 60 weighted points will be considered for pre-selection by SC.

The proposal prepared by the SC is in no way binding for the JMC and the JMC is free to prioritise and select the projects to be co-financed (including the total budget and the duration of the project) based on the same quality evaluation assessment criteria and/or strategic importance, which are explained, justified and documented.

Based on the given scores by the SC or the JMC considerations the projects will be ranked and the financing will be granted to projects within available financing. It is possible to decide for the JMC that some projects will be included into the reserve list. The Programme will turn to the reserve list projects and check the possibilities for continuation of the grant awarding process in case of available additional financing for the programme. Within decision letter a project will be noted about the latest date of approaching for pre-contracting consultations.

The JMC may approve the project directly or under certain conditions. The conditions set by the JMC must be fulfilled before signing the Grant Contract. The assessment of the fulfilment of conditions is made by the JTS. If a project fails to fulfil the conditions set by the JMC, the project will be rejected and Grant Contract will not be signed.

The Managing Authority will inform the successful applicant of the JMC decision within 15 days after the decision is taken; and within further 15 days to unsuccessful applicants with reasons for negative decision. It is the responsibility of the Lead Partner to inform the other project partners about the outcome of the selection procedure

In case of positive award decision and before contracting each project applicant shall be ready to justify all planned costs, amounts, prices by providing supporting documents. Checking process precedes the signing of the contract.

The checks may give rise to requests for clarification and may lead the Managing Authority to impose modifications or reductions to address such mistakes or inaccuracies.

Projects are rejected based on the assessment procedure and their position in the ranking list and the availability of financial resources to finance the projects. Projects rejected by the JMC will receive an Administrative Decision on Rejecting the Project Proposal from the Managing Authority. This includes the reasoning behind the rejection and instructions for the appeal procedure.

9. AWARD PROCEDURE AND CONTRACTING

Once the project has been approved by the JMC, the MA will make a final administrative decision for awarding the grant to the project.

Based on the MA administrative decision the JTS will initiate the pre-contracting negotiations with Applicant. During the negotiations the financial value of project's outputs is defined and the estimated draft budget is transformed into lump sum(s).

Transformation of draft budget into lump sum will be based on the FLC and JTS verification done during the quality assessment and if needed continued during the pre-contracting negotiations. Audit Authority may be involved in the methodology check before transforming a draft budget into the lump sum.

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

1. Each project applicant together with given conditions shall be ready to justify all planned costs, amounts, prices by providing supporting documents;
2. Applicant submits corrections of errors, and / or updates of the project budget by removing non eligible costs in respective section of the project application and/or provides clarifications, minor adjustments and supporting documents according to the JMC decision and MA administrative decision letter;

3. The FLC will be involved to verify the planned costs for partners already participated in the projects against the certified historical data of the organization in eMS and check whether supporting documents justifying the planned amounts are sufficient;
4. The Audit Authority (AA) will be provided with the data submitted by the applicants along with the decisions of the FLC and the MA before signing of the contract. This will help the AA to decide on the level of error risk that may lead to ex-ante audit check;
5. JTS and Applicant will have the pre-contracting negotiations to address all unclear issues, define the value of project's outputs and transform the indicated draft budget into lump-sum;
6. In case the procedures mentioned in points 1-5 discovered mistakes or inaccuracies the Managing Authority will impose modifications or reductions to address such mistakes.

Only after fulfilment of corrections/clarifications/minor adjustments, the Grant Contract can be prepared and signed.

7. The applicant submits to the MA the Partnership Agreement signed by all partners;
8. The applicant has to provide the original of the Financial Identification Form with the details of its banking account;

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 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 progress of activities and outputs.

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 the approved project application

Grant Contract shall be signed latest by the 30 April of 2023.

By signing the Declaration by the Applicant, the Applicant declares accepting, in case where it is awarded a grant, the contractual conditions as laid down in the Grant Contract. 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 contribution of all beneficiaries, including the arrangements for recovery of amounts unduly paid. The Partnership Agreement has to be concluded between the Lead beneficiary and beneficiaries defining their rights and responsibilities before the Grant Contract is signed. Model Partnership Agreement is available on the Programme's web-site www.estoniarussia.eu.

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

10. PROJECT IMPLEMENTATION, MONITORING, REPORTING AND CONTROL

10.1 ADMINISTRATIVE MANAGEMENT OF THE PROJECT

10.1.1 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 Lead beneficiary signs the Grant Contract, **or**
- a later date agreed in the Grant Contract, but no later than 1 month after the signing of the Grant Contract.

All the Grant Contracts shall be signed no later than 30 April 2023.

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.

Programme level eligibility for project implementation ends on 31 December 2023, meaning that all project activities have to be completed by that date.

10.1.2 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 financing of projects. **Each beneficiary shall be legally responsible for the activities and outputs that it is implementing.** The specific obligations 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/ achieving the project outputs;
- (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 point (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;

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

1. ensuring the implementation of the entire project;
2. 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;
3. signing the Grant Contract with the MA;

4. 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;
5. representing the project – the Lead beneficiary serves as a contact point to the Managing Authority, JMC, JTS and National Authority concerning the implementation of the project and should ensure continuous communication between the Programme (JTS) and the beneficiaries;
6. progress of the project as far as its physical execution is concerned, and in particular, for ensuring the delivery of outputs and results in line with the approved Application;
7. establishing adequate monitoring and evaluation system of the project that ensures timely delivery of project outputs and results in a proper quality;
8. timely and correct reporting in eMS;
9. requesting and receiving payments from the MA, which then are timely forwarded to the beneficiaries⁷;
10. respecting and observing Programme rules and requirements, the EU, EURATOM, and national legislation concerning financial management and controls, public procurement and tender procedures, rules on nationality and origin, information, visibility and publicity;
11. ensuring that the outputs have actually been delivered in a full scope in accordance with application form;
12. ensuring production and maintenance of all documentary evidence required for control purposes on the Lead beneficiary's level;
13. implementation of the project in accordance with the provisions of the Grant Contract and the Partnership Agreement;
14. recover from beneficiaries the amounts unduly paid together with any interest on late payment and pay back to the programme.
15. ensuring adequate visibility of the EU contribution to the project;
16. calculate the operating profit for the project.

Beneficiaries are responsible (legally and financially) for implementation of the project in accordance with approved Application Form and the provisions of Partnership Agreement, specifically for:

1. signing the Partnership Agreement with all partners/beneficiaries 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/beneficiaries;
2. 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;

⁷ 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.

3. establishing adequate monitoring and evaluation system of the project that ensures timely delivery of project outputs and results in a proper quality;
4. timely and correct reporting in eMS;
5. 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, visibility and publicity and state aid (for Estonian beneficiaries) rules;
6. ensuring that outputs have actually been delivered in a full scope in accordance with application form;
7. ensuring production and maintenance of all documentary evidence required for control purposes on the beneficiaries level;
8. ensuring adequate visibility of the EU contribution to the project;
9. pay back the amounts unduly paid together with any interest on late payment.

10.1.3 OWNERSHIP OF THE PROJECT RESULTS

The ownership, title, and intellectual and industrial property rights to the project's outputs, 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 Programme authorities and the European Commission 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.

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.

10.1.4 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, and the Republic of Estonia. The measures must be in accordance with the communication and visibility requirements of the Programme laid down in Communication and Visibility Guidelines and Communication and visibility instructions for Estonian beneficiaries and applicable regulations.⁸

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;

⁸

(https://ec.europa.eu/europeaid/sites/devco/files/communication_and_visibility_manual_en_0.pdf)

- emphasise the contribution of the Programme to the development of the region.

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 project application's under the WP of each output planned in the project. The sufficient budget for information and communication related activities should be considered.

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

10.1.5 USE OF THE PROGRAMME LOGO



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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: https://ec.europa.eu/regional_policy/en/information/logos_downloadcenter/. The precise visibility requirements are provided in the Communication and visibility instructions for Estonian beneficiaries.

10.2 REPORTING AND PAYMENTS

10.2.1 REPORTING

Beneficiaries, including the *Lead beneficiary*, implement their part of activities of the project, carry out planned outputs and retain supporting documents showing the achievement of the project's outputs (minutes of meetings, list of participants, content structure of events, studies, manuals, policy documents, training materials, etc.).

The Lead Beneficiary and beneficiaries must draw up only **Final Report**.

Each beneficiary prepares an individual report and fills in their part of report in eMS within 30 calendar days after the end of the project. The FLC issues the automatic notice about reporting on lump sum.

The *Lead beneficiary* prepares the joint/consolidated report and submits it to the JTS via eMS. The consolidated report shall be submitted to the JTS by the Lead Beneficiary within 30 calendar days after reports are submitted by the partners.

The consolidated report shall contain all necessary information on achievement of project outputs, 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 and all necessary evidence with which to evaluate the project's outputs, the proof of the transfers of ownership (if applicable), etc.

The **Final Report** is a prerequisite for request of the balance payment.

The JTS and the MA check the report within 25 working days. They may request clarification, alteration or additional information, which must be produced within 10 working days of the request. The countdown for submission of clarifications starts again on the date when requirement from the JTS/MA is received.

The MA executes payment to the Lead beneficiary as soon as possible within 45 days after reports have been approved by the MA.

The payment is executed in case the outputs are achieved in a **full scope**.

The *Lead beneficiary* transfers the funds to the beneficiaries or contractors or suppliers as defined in the Partnership Agreement.

10.2.2 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 not all the outputs of the project are achieved according to Grant Contract, the MA's contribution shall be limited to the actual value of achieved outputs.

The following payments options are foreseen for 5th Call for proposals projects (1) **pre-financing** (after signing of the Grant Contract) in amount of 40% of awarded grant; (4)⁹ **payment of the final balance** (upon completion of the project) after approval of the Final Consolidated Report.

The MA will pay the final balance within 45 days following the approval of the project report. Payments to the project will be made in **Euro**.

10.2.3 KEEPING THE PROJECT DOCUMENTS

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 de minimis rules (if applicable). In particular, they shall keep supporting documents which were taken as a basis of establishing a draft budget, reports, evidences showing the achievement of project outputs and any other document relating to the content-wise part of the project.

10.2.4 BUDGET RELOCATIONS AND CHANGES IN THE PROJECT

No changes are allowed during implementation of the projects for the 5th Call for proposals. The only exception in duly justified cases with prior agreement of the MA is extension of project duration.

10.2.5 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.

⁹ Numbering is in accordance with the Implementation Guidelines

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.'

No retroactive awards: Contracts are considered to take effect from the date of signature of the last signatory.

10.4 DE MINIMIS AID RULES AND PRINCIPLES

During the 5th Call of proposals only de minimis aid according to the Regulation (EU) No 1407/2013 can be applied if the activity of the project falls under de minimis aid. Please see the State aid guidelines in order to evaluate whether the project activities are aid relevant or not. If the activity is aid relevant the requirements of the Regulation (EU) No 1407/2013 have to be fulfilled, of which one of the most important is the amount of aid. **The total amount of de minimis aid granted per Member State to a single undertaking shall not exceed EUR 200 000 over any period of three fiscal years.** The applicants have to indicate in Annex 4 if some of the activities are aid relevant and de minimis aid is applicable or justify if the activities are excluded from the de minimis regime.

10.5 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.

10.6 MONITORING AND CONTROL FOR THE RELIABILITY OF A DRAFT BUDGET AND LUMP SUM APPROACH

10.6.1 CONTROL FOR THE RELIABILITY OF A DRAFT BUDGET AND LUMP SUM APPROACH

The Programme foresees the following types of Control:

Managing Authority verification

Based on the MA administrative decision on award the JTS will initiate the pre-contracting negotiations with Applicant during which the value of project's outputs to be grounded and draft budget to be transformed into lump sum.

The FLC will be involved to verify the planned costs for partners already participated in the projects against the certified historical data of the organization in eMS and check whether supporting documents justifying the planned amounts are sufficient.

During implementation period and after submission of the Final report the MA together with JTS involvement shall perform its own verification on achievement of project outputs.

Audits (sample checks) in the projects

The Audit Authority (AA) will be provided with the data submitted by the applicants along with the decisions of the FLC and the MA before signing of the grant contract. This will help the AA to decide on the level of error risk that may lead to ex-ante audit check.

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.

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 (OLAF), the European Court of Auditors, the Audit Authority and any external auditor authorized by these institutions and bodies, with the support of the Group of Auditors may conduct documentary and on-the-spot checks on the use made of the projects financing and carrying out a full audit. 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. Where appropriate, the findings may lead to recovery by the MA.

10.6.2 MONITORING OF THE PROJECTS 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 outputs and results achieved by the project in any point of the project implementation.

The main tools to be used during monitoring are 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.

The JTS will appoint project consultant to every project to work on the respective project issues. As far as possible JTS staff would take part in main events of each project.

The projects and their progress will be presented at the JMC meetings annually or upon request.

10.7 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 MA shall formally notify the latter to repay to the lead beneficiary.

Recovery procedures will follow the provisions set in Article 74 and 75 of *Implementing Rules, Article 14 of Proposal for a Regulation of the European Parliament and the Council laying down specific provisions for the 2014-2020 cooperation programmes supported by the European Neighbourhood Instrument and under the European territorial cooperation*

goal, following programme implementation disruption and will be stipulated in the Grant Contract. After the amount exceeding the Programme contribution will be detected by any programme 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 Lead Beneficiary within 45 days of the issuing of the debit note. Lead Beneficiary has to repay the MA within 45 days after receiving the payment from the respective beneficiary.

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.

Where the recovery relates to a claim against a Lead beneficiary or beneficiary 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.

10.8 CLOSING OF THE PROJECT

All projects should close their activities within the time frame (implementation period) stated in the Grant Contract.

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 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 manner at least for five years after balance payment to the programme
- 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.

LIST OF ANNEXES

ANNEX 1 DECLARATION BY THE APPLICANT

ANNEX 2 PARTNER STATEMENT

ANNEX 3 LETTERS OF ENDORSEMENT BY THE ASSOCIATES

ANNEX 4 THE APPLICANT´S DECLARATION OF APPLYING DE MINIMIS AID PROVISIONS

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