

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee  
established by Iceland, Liechtenstein and Norway

and

The Ministry of Finance,  
hereinafter referred to as the "National Focal Point",  
representing Estonia ,  
hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Children and youth at risk "

hereinafter referred to as the "Programme"

## Chapter 1 Scope, Legal Framework, and Definitions

### Article 1.1 Scope

This programme agreement between the Financial Mechanism Committee (hereinafter referred to as the FMC) and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contribution from the EEA Financial Mechanism 2009-2014 to the Programme.

### Article 1.2 Legal Framework

1. This programme agreement shall be read in conjunction with the following documents which, together with this programme agreement, constitute the legal framework of the EEA Financial Mechanism 2009-2014:

- a. Protocol 38b to the EEA Agreement on the EEA Financial Mechanism 2009-2014;
- b. the Regulation on the implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "Regulation") issued by the Donor States in accordance with Article 8(8) of Protocol 38b;
- c. the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2009-2014 (hereinafter referred to as the "MoU"), entered into between the Donor States and the Beneficiary State; and
- d. any guidelines adopted by the FMC in accordance with the Regulation

2. In case of an inconsistency between this programme agreement and the Regulation, the Regulation shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this programme agreement that is incompatible with the legal framework constitutes a breach of this programme agreement by that Party.

### Article 1.3 Definitions

Terms used and institutions and documents referred to in this programme agreement shall be understood in accordance with the Regulation, in particular Article 1.5 thereof, and the legal framework referred to in Article 1.2 of this programme agreement.

## Article 1.4 Annexes and hierarchy of documents

1. The programme decision, including the financial plan (Annex I), and the operational rules (Annex II) form an integral part of this programme agreement. Any reference to this programme agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this programme agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this programme agreement, the provisions of the former shall prevail, provided that these provisions are compatible with the Regulation.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the programme proposal are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

## Chapter 2 The Programme

### Article 2.1 Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this programme agreement.

2. The Parties agree to provide all information necessary for the good functioning of this programme agreement and to apply the highest degree of transparency, accountability and cost efficiency as well as the principles of good governance, sustainable development, gender equality and equal opportunities.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this programme agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this programme agreement.

## Article 2.2

### Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA Financial Mechanism 2009-2014 in the Beneficiary State and for the full and correct implementation of this programme agreement. In particular, the National Focal Point undertakes to:

a. comply with its obligations stipulated in the Regulation and this programme agreement;

b. ensure that the Certifying Authority, the Audit Authority, the Monitoring Committee and the Programme Operator properly perform the tasks assigned to them in the Regulation, this programme agreement and the programme implementation agreement;

c. take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme;

d. take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in Projects within the Programme, including measures to recover misspent funds;

e. make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The FMC shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this programme agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

## Article 2.3

### Objective and outcomes of the Programme

1. The programme decision sets out the objective, outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective, outcome(s), outputs, indicators and targets set for the Programme.

## Article 2.4

### Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in the programme decision.

2. In case the Programme is also supported by the Norwegian Financial Mechanism, this programme agreement shall be interpreted in conjunction with the agreement regulating that support.

3. The financial plan shall:

a. contain a breakdown between the Programme's budget headings using the description put forward in the template for the programme proposal;

b. indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in the programme decision.

## Article 2.5

### Special conditions and programme specific rules

1. The programme decision shall list any conditions set by the FMC with reference to paragraph 3 of Article 5.3 of the Regulation. The National Focal Point shall ensure compliance with these conditions and, in a timely manner, take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in the operational rules.

## Article 2.6

### Programme implementation agreement

1. With reference to Article 5.8 of the Regulation and without prejudice to paragraph 2 thereof, the National Focal Point shall, before any payment is made to the Programme, sign a programme implementation agreement with the Programme Operator. The National Focal Point shall notify the FMC of such signing.

2. The signed programme implementation agreement shall be identical to the draft programme implementation agreement confirmed by the FMC in accordance with paragraph 5 of Article 5.8 of the Regulation with regard to the content required according to paragraph 3 thereof. The National Focal Point shall inform the FMC of any deviation from that confirmed draft which may be subject to a new confirmation according to paragraph 5 of Article 5.8 of the Regulation prior to any payment to the Programme.

## Article 2.7

### Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports, annual programme reports and a final programme report in accordance with Chapter 8 and Articles 5.11 and 5.12 of the Regulation as well as statistical reporting in accordance with the Programme Operator's Manual (Annex 9 to the Regulation).

## Article 2.8

### External monitoring

The external monitoring and audit referred to in Articles 10.1, 10.2, 10.3 and 10.4 of the Regulation shall not in any way relieve the National Focal Point or the Programme Operator of its obligations under the programme agreement regarding monitoring of the Programme and/or its projects, financial control and audit.

## Article 2.9

### Modification of the Programme

1. Unless otherwise explicitly stipulated in this programme agreement, any modification of the Programme is subject to prior approval by the FMC.
2. Modifications that do not affect the objective, outcomes, outputs, indicators or targets of the Programme are permitted without FMC's prior approval provided that they are limited to the following:
  - a. cumulative transfers between budget headings related to outcomes of an amount less than 10 % of total eligible expenditure of the Programme or € 1,000,000, whichever is higher, and
  - b. changes of internal practices of the Programme Operator that are not stipulated in the programme agreement.
3. Programme specific exceptions from paragraphs 1 and 2, if any, are set in the operational rules.
4. Expenditures incurred in breach of this article are not eligible.
5. Should there be a doubt as to whether the proposed modifications require approval by the FMC, the National Focal Point shall consult the FMC before such modifications take effect.
6. Requests for modifications shall be submitted and assessed in accordance with Article 5.9 of the Regulation.

## Article 2.10

### Communication

1. All communication to the FMC regarding this programme agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the FMC towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations into English.

3. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

4. The FMC shall ensure that the National Focal Point is informed about communication between the FMC and the Programme Operator that is relevant for the responsibilities of the National Focal Point under this programme agreement.

## Article 2.11

### Contact information

1. The contact information of the National Focal Point and the Programme Operator is as specified in the programme proposal.
2. The contact information for the FMC and the Financial Mechanism Office are:  
Financial Mechanism Office  
Att: Director  
EFTA Secretariat  
Rue Joseph II, 12-16  
1000 Brussels  
Telephone: +32 (0)2 286 1701  
Telefax (general): +32 (0)2 211 1889  
E-mail: fmo@efta.int
3. Changes of or corrections to the contact information referred to in this article shall be given in writing without undue delay by the Parties to this programme agreement.

## Article 2.12

### Representations and Warranties

1. This programme agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the FMC in the programme proposal or other communication prior to the signing of this programme agreement.
2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point in the programme proposal, in connection with the programme proposal, the implementation or conclusion of this programme agreement are authentic, accurate and complete.

## Chapter 3 Projects

### Article 3.1

#### Selection of projects

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance with Chapter 6 of the Regulation and the operational rules.
2. Eligibility of applicants is stipulated in Article 6. 2 of the Regulation and, in accordance with paragraph 3 thereof, subject only to the limitations stipulated in the operational rules.
3. Pre-defined projects shall be outlined in the operational rules.
4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 6.6 of the Regulation.

### Article 3.2

#### Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.
2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.
3. The content and form of the project contract shall comply with Article 6.7 of the Regulation.
4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

### Article 3.3

#### Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in paragraph 1(w) of Article 1.5 of the Regulation. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 6.8 of the Regulation.
2. The partnership agreement shall be in English if one of the parties to the agreement is an entity from the Donor States.
3. The eligibility of expenditures incurred by a project partner is subject to the same limitations as would apply if the expenditures were incurred by the Project Promoter.

4. The creation and implementation of the relationship between the Project Promoter and the project partner shall comply with the applicable national and European Union law on public procurement as well as Article 7.16 of the Regulation.

5. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this article before the signing of the project contract.

### Article 3.4

#### Reallocation of funds

1. Reallocation of unused or cancelled financial contributions to projects shall be made in compliance with Article 6.9 of the Regulation.
2. Project grants not reallocated shall be reimbursed to the FMC in accordance with Article 6.9 of the Regulation.

## Chapter 4 Finance

### Article 4.1

#### Eligible expenditures

1. Subject to Article 7.6 of the Regulation, eligible expenditures of this Programme are:
  - a. management costs of the Programme Operator in accordance with the detailed budget in the financial plan;
  - b. payments to projects within this Programme in accordance with the Regulation, this programme agreement and the project contract;
  - c. expenditure of funds for bilateral relations in accordance with Article 7.7 of the Regulation;
2. Expenditure related to the categories referred to in subparagraphs (d), (e) and (f) of Article 7.1 of the Regulation are eligible in accordance with Chapter 7 thereof if such expenditures are explicitly approved by the FMC in the programme decision. The implementation of the activities under these categories shall be in compliance with the operational rules.
3. Eligible expenditures of projects are those actually incurred by the Project Promoter or project partners, meet the criteria set in Article 7.2 of the Regulation and fall within the categories and fulfil the conditions of direct eligible expenditure set in Article 7.3 of the Regulation as well as indirect costs in accordance with Article 7.4 of the Regulation.

4. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 7.14 of the Regulation. The first date of eligibility of any pre-defined projects shall be no earlier than the date on which the National Focal Point notifies the FMC of a positive appraisal of the pre-defined projects by the Programme Operator in accordance with paragraph 3 of Article 5.5 of the Regulation.

5. The maximum eligible costs of the categories referred to in paragraphs 1 and 2 are set in the programme decision. Programme specific rules on the eligibility of expenditure set in the programme decision or in the operational rules shall be complied with.

#### Article 4.2 Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 7.13 of the Regulation.

#### Article 4.3 Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this programme agreement and the Regulation have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 8.2, 8.3 and 8.4 of the Regulation.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance. The level of advance payments and their off-set mechanism is set in the operational rules.

4. The National Focal Point shall ensure that payments are transferred in accordance with paragraph 2 of Article 8.1 of the Regulation.

5. Chapter 8 of the Regulation shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

#### Article 4.4 Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA Financial Mechanism 2009-2014 to the Programme in accordance with Article 8.8 of the Regulation.

#### Article 4.5 Irregularities, suspension and reimbursements

The FMC has the right to make use of the remedies provided in the Regulation, in particular Chapter 12 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 11 and 12 of the Regulation regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

### Chapter 5 Final provisions

#### Article 5.1 Dispute settlement

1. The Parties waive their rights to bring any dispute related to the programme agreement before any national or international court, and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the FMC is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

#### Article 5.2 Termination

1. The FMC may, after consultation with the National Focal Point, terminate this programme agreement if:

a. a general suspension decision according to Article 12.6 of the Regulation or a decision to suspend payments according to paragraph 1(h) of Article 12.1 of the Regulation has not been lifted within 6 months of such a decision;

b. a suspension of payments according to Article 12.1 of the Regulation, other than under paragraph 1(h), has not been lifted within one year of such a decision;

c. a request for reimbursement according to Article 12.2 of the Regulation has not been complied with within one year from such a decision;

d. the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

e. the Programme Operator has, in the opinion of the FMC, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This programme agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the FMC to make use of the remedies provided in Chapter 12 of the Regulation.

Article 5.3  
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the FMC, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the documents and information forming the basis of the programme agreement.

2. Nothing contained in the programme agreement shall be construed as imposing upon the FMC or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The FMC does not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

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This programme agreement is drawn up in two originals in the English language.


For the FMC

Signed in Ostlo on 11.2.2013

  
Anders Erdal  
Deputy Director General, Ministry of Foreign Affairs

For the National Focal Point

Signed in Talvik on 25.02.2013

  
Ivar Sikk  
Deputy Secretary-General of the Ministry of Finance

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the FMC for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the programme agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the FMC, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this programme agreement.

6. Nothing in this programme agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4  
Entry into force and duration

1. This programme agreement shall enter into force on the date of the last signature of the Parties.

2. This programme agreement shall remain in force until five years have elapsed after the date of the acceptance of the final programme report.

## Annex I - Programme Decision

### 1. Expected Outcomes & Indicators for Outputs

#### Expected Outcome(s):

Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented

#### Output

A regional level coordination mechanism created to provide support and services for children and families

Output indicator(s)	Baseline	Target	Source of Verification
Number of regional level coordination mechanisms created	0	1	Sources of basic level: 1) National Strategy for Children and Families 2012-2020, 2) Development plan for reducing violence for years 2010-2014, 3) Development Plan of General Education 2007–2013, 4) Youth Work Strategy 2006-2013. Sources of target level: Assessments carried out within the frames of the programme.

#### Output

Regional support units for children and families established

Output indicator(s)	Baseline	Target	Source of Verification
Number of regional support units established in Estonia	0	4	Source of basic level: National Strategy for Children and Families 2012-2020, Source of target level: 1) National Strategy for Children and Families 2012-2020. Number and functions of the regional support units will be specified during the assessment and conception done under the pre-defined project (output nr 1), 2) Number of carried out initiatives is specified in the course of assessment of projects, 3) Assessment carried out within the frames of the programme

#### Output

Community-based crime prevention measures enforced in larger number of municipalities

Output indicator(s)	Baseline	Target	Source of Verification
Number of LGs using community-based crime prevention measures	12	62	Source of basic level: Development plan for decreasing violence 2010-2014; Leps, A. (2007). Crime prevention work of LGs. Source of target level: 1) Number of carried out initiatives is specified in the course of assessment of projects, 2) Assessment carried out within the frames of the programme



**Output**

More inclusive integration strategies leading to reduced drop-out rates of forms 7-9 in schools

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Drop-out rate of students of forms 7-9 in basic school	5	3	Source of basic level: Development Plan of General Education 2007–2013. Source of target level: Assessments carried out within the frames of the programme. Explanation: Indicators characterize the drop out level in the third stage of compulsory study. The current dropout rate is 5 students from 1000 pupils and the aim is to reduce this number to 3.

**Output**

Increased capability of youth organisations and youth work organisations to involve children and youth at risk

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of youth work organisations and youth associations which apply measures for involving the children and youth belonging to vulnerable groups	36	90	Source of basic level: Youth Work Strategy 2006-2013. Source of target level: Assessments carried out within the frames of the programme

**Expected Outcome(s):**

Policies and standards of intervention in the field of juvenile justice developed and implemented in view to ensuring protection and securing full rights during detention and a wide range of opportunities for young offenders to reintegrate society created

**Output**

Social inclusion of excluded young people and prevention of re- offending behaviour

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of youth work institutions which apply measures to involve the young people having committed offences and to prevent the repeated offences	0	18	Source of basic level: Youth Work Strategy 2006-2013. Source of target level: Assessments carried out within the frames of the programme

**Output**

Aftercare for incarcerated youth provided

<b>Output indicator(s)</b>	<b>Baseline</b>	<b>Target</b>	<b>Source of Verification</b>
Number of young people that received aftercare	0	230	Source of basic level: Development plan for decreasing violence 2010-2014; Leps, A. (2007). Crime prevention work of LGs. Source of target level: Assessment carried out within the frames of the programme

**2. Conditions****2.1 General**

- 1) The National Focal Point shall ensure that any public support under this programme complies with the procedural and substantive State Aid rules applicable at the time when the public support is granted. The Focal Point shall, by way of the Programme Implementation Agreement, ensure that the Programme Operator maintains written records of all assessments concerning compliance with State Aid rules, particularly decisions to award grants and set grant rates, and provides such records to the FMC upon request. The approval of the Programme by the FMC does not imply a positive assessment of such compliance.
- 2) Bilateral, output and outcome indicators shall be reported on in the annual programme report.

**2.2 Pre-eligibility**

Not applicable.

**2.3 Pre-payment**

Not applicable,

**2.4 Pre-completion**

Not applicable.

**2.5 Post-completion**

Not applicable.

**2.6 Other**

Not applicable.

**3. Eligibility of costs****3.1 Eligibility of costs - period**

Eligibility of costs (excluding prog prep costs): 07/11/2012-30/04/2017

Eligibility of programme proposal preparation costs: 11/06/2011-06/11/2012

**3.2 Grant rate and co-financing**

Programme estimated total cost (€)	€7,652,941
Programme estimated eligible cost (€)	€7,652,941
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€6,505,000

**3.3 Maximum eligible costs (€) and Advance payment amount (€)**

Budget heading	Eligible expenditure	Advance payment*
Programme management	€544,588	€53,975
Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	€6,170,711	€408,390
Policies and standards of intervention in the field of juvenile justice developed and implemented in view to ensuring protection and securing full rights during detention and a wide range of opportunities for young offenders to reintegrate society created	€814,650	€0
Fund for bilateral relations	€114,794	€34,348
Complementary action	€2,090	€0
Preparation of programme proposal	€6,108	€6,108
Reserve for exchange rate losses	€0	€0
<b>Total</b>	<b>€7,652,941</b>	<b>€502,821</b>

\* The advance payment is composed of €427,398 in grant amount and €75,423 in co-financing.

**3.4 Retention of management costs**

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€46,290

### 3.5 Small Grant Scheme

Outcome	Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented
Total Amount Reserved	€295,146
Grant Amount at Project Level	€5,000 – 30,000
Duration of the Project	24 – 48 months
Maximum Grant Rate at Project Level	90.00%
Outcome	Policies and standards of intervention in the field of juvenile justice developed and implemented in view to ensuring protection and securing full rights during detention and a wide range of opportunities for young offenders to reintegrate society created
Total Amount Reserved	€474,650
Grant Amount at Project Level	€5,000 – 60,000
Duration of the Project	24 – 48 months
Maximum Grant Rate at Project Level	90.00%

## Annex II - Operational Rules

### 1. Eligibility

#### 1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Ministry of Education and Research. The Estonian Youth Work Centre will act as the Programme Operator Implementing Agency (POIA), however this does not in any way reduce or restrict the responsibility of the Programme Operator.

The main objective of the Programme is to improve the well-being of children and young people in Estonia from birth to the age of 26 through preventive measures and cross-sectorial cooperation. A framework for an integrated legal and organisational support system for children and their families will be established, including support to relevant agents and institutions, as well as to provide measures to improve parenting skills in order to secure early interventions and prevent juvenile delinquency.

The Programme consists of one pre-defined project, four open calls and two small grant schemes.

Wherever possible, the Programme Operator shall seek to achieve synergies with other Programmes under the EEA and Norwegian Financial Mechanisms 2009-2014, in particular but not limited to, the EE08 "Public Health Initiatives" Programme and the Estonian NGO Programme.

#### 1.2 Eligible applicants:

The rules on eligibility of applicants are set in Article 6.2 of the Regulation. By way of derogation from the general rules on eligibility of applicants, the eligible applicants for the projects under the calls for proposals and the small grant schemes are non-governmental organisations, as defined in Article 1.5.1(m) of the Regulation (hereinafter referred to as NGOs), public institutions and authorities, including ministries and their agencies, county governments, foundations, universities and local governments of the Republic of Estonia.

#### 1.3 Special rules on eligibility of costs:

The eligibility of costs is determined by reference to Chapter 7 of the Regulation. The rules on eligibility of costs shall apply equally and without limitation to both Project Promoters and project partners.

In-kind contributions made in accordance with Article 5.4.5 of the Regulation may be made for projects implemented by NGOs, as defined in Article 1.5.1(m) of the Regulation. Such contributions shall not amount to more than 50% of the co-financing provided by Project Promoters and will be calculated according to the minimum hourly labour expenses in the particular region and category of labour, including all required social security contributions, on the basis of the salary survey carried out by Fontes PMP OÜ, or another equally reliable survey where necessary.

In accordance with Article 7.4.1(b) of the Regulation, indirect eligible costs may be claimed by the Programme Operator Implementing Agency, Project Promoters and project partners, by the application of a flat rate of up to 20% of total eligible direct costs. When setting the precise level of this flat rate, the methodology proposed by the Programme Operator shall be used.

### 2. Financial parameters

#### 2.1 Minimum and maximum grant amount per project:

- Call for proposals under output 2: Regional support units for children and families: the minimum amount of grant assistance applied for is €180,000 and the maximum amount is €220,000.
- Call for proposals under output 4: Development of application of inclusive education and appropriate intervention strategies: the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €1,200,000 for inclusive principle of education and €791,372 for improvement of counselling system at regional and local level.
- Call for proposals under output 5: Development of youth work and other youth organisations: the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €868,201.
- Call for proposals under output 6: Social inclusion of excluded young people and prevention of reoffending behaviour: the minimum amount of grant assistance applied for is €170,000 and the maximum is amount is €340,000.

The level of grant assistance applied for in the small grant schemes is referred to under Section 5.4.

The level of grant assistance applied for in the pre-defined project is referred to under Section 6.

#### 2.2 Project grant rate:

In case of Project Promoters that fall within the definition of NGOs contained in Article 1.5.1(m) of the Regulation, the maximum grant rate is 90% of total eligible project costs. For all other Project Promoters, including all projects selected under the small grants schemes and grants from the programme to the pre-defined project, the grant rate will not exceed 85% of total eligible project costs. The remaining costs of the project shall be provided or obtained by the Project Promoter.

### 3. Selection of projects

#### 3.1 Selection procedures:

All selection procedures for projects under the calls for proposals and small grant schemes shall be in accordance with Article 6.5 of the Regulation. The independent and impartial experts referred to in Article 6.5.2 of the Regulation shall be independent of the Programme Operator, the Selection Committee and the project applicants.

#### 3.2 Open calls and availability of funds:

There shall be at least four calls for proposals.

Call for proposals under the output 2: Regional support units for children and families shall be launched no later than in the fourth quarter of 2013 and make available €752,428.

Call for proposals under the output 4: Development of application of inclusive education and appropriate intervention strategies shall be launched no later than in the fourth quarter of 2013 and make available €1,991,372.

Call for proposals under the output 5: Development of youth work and other youth organisations shall be launched no later than in the second quarter of 2013 and make available €868,201.

Call for proposals under the output 6: Social inclusion of excluded young people and prevention of reoffending behaviour shall be launched no later than in the second quarter of 2013 and make available €340,000.

There shall be at least one call for proposals under each small grant scheme. The call for proposals under output 3: Community-based crime prevention measures enforced in large number of municipalities shall be launched no later than first quarter of 2013 and make available €295,146. The call for proposals under output 7: Aftercare for incarcerated youth shall be launched no later than second quarter of 2013 and make available €474,650.

The calls shall be open at least for 2 months.

#### 3.3 Selection criteria:

Detailed selection criteria for the calls for proposals and the small grants schemes will be adopted by the Selection Committee following consultation with the Cooperation Committee.

### 4. Payment flows, verification of payment claims, monitoring and reporting

#### 4.1 Payment flows

Payments will take the form of advance payment, reimbursement of incurred expenditures and payment of the final balance. Payment flows to final beneficiaries will differ depending whether the project is a pre-defined project or selected through a call for proposals or the small grant scheme.

Project Promoters of projects selected through calls for proposals and the pre-defined project have a possibility to request an advance payment not exceeding 20% of the total grant amount, depending on liquidity needs. Project Promoters implementing projects within the small grant schemes may request an advance payment not exceeding 80% of the total grant amount, in respect of activities to be realized within the first 6 months of project implementation. Advance payments are disbursed within 15 working days after the project contract is signed, and the advance payment is off-set against subsequent approved interim financial reports.

Project Promoters will report to the Programme Operator Implementing Agency on incurred expenditures and actual progress for a reporting period of 4 months. Reimbursement of incurred expenditures shall be made within 15 working days after the approval of the interim financial report.

The Programme Operator Implementing Agency may withhold up to 15% of the total grant amount for the payment of the final balance for projects selected through calls for proposals and the pre-defined project. For small grant scheme projects, the Programme Operator Implementing Agency may withhold up to 20% of the total grant amount. The payment of the final balance will be disbursed within 15 working days after the approval of the final report.

#### 4.2 Verification of payment claims

Verification of payment claims for projects under the small grant schemes is the responsibility of the small grant schemes Operator, Criminal Statistics and Analysis Division of the Ministry of Justice of the Republic of Estonia. Verification of all other payment claims is the responsibility of to the Estonian Youth Work Centre who acts as the Programme Operator Implementing Agency (POIA).

In order to ensure equal treatment of all Project Promoters, the verification system for small grant schemes projects and other projects will be harmonized. Interim financial report will be reviewed by the relevant entity on the basis of a random sample of at least 40% of incurred costs. All expenditures and public procurements over €10,000 shall be checked. The relevant entity will finalise the verification process within 30 working days after receiving all necessary supporting documents needed to approve the interim financial report.

In case of verification of expenditure incurred by a donor project partner, a report by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices of the donor project partner's country, shall be seen as sufficient proof of costs incurred.

The verification procedures for payment claims will be further outlined in the description of the Programme's Management and Control System according to article 4.8.2 of the Regulation.

#### 4.3 Monitoring and reporting

The Programme Operator and the POIA will monitor all projects with the exception of the projects under the small grant schemes which shall be monitored by the small grant schemes Operator.

In addition to monitoring following the approval of the interim financial report and the final report, the relevant entity will carry out on-the-spot checks based on the annual monitoring plan. On-the spot checks will be conducted every year on a sample of projects selected on the basis of random sample or by risk analysis, where high risk level for technical, managerial, financial, legal or other external reasons was identified. All projects which have a significant impact on the overall objective of the Programme or if the grant exceeds €340,000 will be monitored at least once during the implementation of the Project. In addition, a random sample of up to 10% of all Projects will be selected for an on-the-spot check.

The aim of on-the-spot checks is to make sure that projects are implemented in accordance with the requirements of the Regulation and all documents governing Programme implementation and the project contract, to verify procurement procedures and the cost efficiency of incurred expenditures.

On-the-spot checks on an ad hoc basis will also be carried out when suspicions arise that the information provided by the Project Promoter is incorrect or misleading. On-the-spot checks on ad hoc basis can also be organised for other reasons. Information about the date of the on-the-spot checks on ad hoc basis should normally not be provided to the Project Promoter in advance.

Irregularities will be handled in accordance with Chapter 11 of the Regulation.

Information on reporting and monitoring shall be further outlined in the description of the Programme's Management and Control System according to Article 4.8.2 of the Regulation.

## 5. Additional mechanisms within the programme

### 5.1 Funds for bilateral relations

The Programme Operator will set aside minimum 1.5 % of the total programme budget to a fund for bilateral relations. The fund's total amount is €114,794.

30% (€34,438) of the fund for bilateral relations will be used for seminars for potential and existing Project Promoters and potential partners from the Donor States. The purpose is to search for project partners and develop partnership ideas and projects.

70% (€80,356) of the fund for bilateral relations will be used for networking events, as well as the exchange of knowledge and experience between Project Promoters and entities in the Donor States. Funds shall in addition be set aside for activities that are organised by the Programme Operator and contribute to the objective(s) of the programme with the primary aim of strengthening co-operation between the Programme Operators and similar entities within Estonia and the Donor States, and exchanging experiences and best practices related to the implementation of the programme. Eligible activities shall include all relevant stakeholders' participation in meetings and workshops organised by the Programme Operator or other Programme Operators, or in other events, seminars or meetings agreed with the Donor States.

The grant rate from the bilateral fund will be 100%, and the maximum grant amount will be €30,000. There will be one call for applications, which will remain open on a continuous basis until 2015 or until the available funds are exhausted.

The details of use of the bilateral fund, the detailed procedures and criteria for awarding support from the fund, and any other relevant details will be developed by the Programme Operator and POIA and will be further discussed in the Cooperation Committee.

### 5.2 Complementary action

Complementary action under this programme shall be further defined by the Programme Operator in accordance with Article 7.11 of the Regulation. In particular, funds for complementary actions shall facilitate the participation of relevant stakeholders in events/seminars/activities agreed with the Donors.

### 5.3 Reserve for exchange rate losses

Not Applicable

### 5.4 Small Grant Schemes

Not Applicable

## 6. Pre-defined projects

The Project Promoter of the pre-defined project is the Ministry of Social Affairs of the Republic of Estonia. The project partner is the Ministry Justice of the Republic of Estonia. The Donor Project Partner is the Norwegian Directorate for Children, Youth and Family Affairs, Bufdir.

Project grant rate: 85%

Maximum Programme grant: €2,263,564

Total estimated project budget: €2,663,016

Expected pre-defined project outcomes:

The main objective of the pre-defined project is to develop a relevant judicial and organisational framework and support system for implementing measures for children and families. The expected outcomes are decreased risks to children and youths and improved well-being through the established support system.

The pre-defined project focuses on three directions of activity:

- Assessing the efficiency of the existing support system and policies aimed at decreasing risks for children and youth, and creating a concept of regional support system and support units.
- Assessing the efficiency and readiness of the local governments for supporting children and youth at risk and ensuring their safety.
- Planning and implementing evidence-based intervention for supporting positive parenting and youth with serious behavioural problems and their families.

## 7. Modification of the programme

Any modifications of the Programme will follow the rules set forth in the Regulation and in Article 2.9 of the programme agreement.

## 8. Programme proposal version

Any reference to the programme proposal in this programme agreement shall be interpreted as version signed by the Programme Operator on 7 February 2012 and shall include all subsequent correspondence and communication between the Donors, the Financial Mechanism Office, the National Focal Point and the Programme Operator.

## 9. Miscellaneous

Not applicable.