

Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s): Improved mental health services

Output

The infrastructure for Tallinn Children's Mental Health Centre is built and taken into use

Output indicator(s)	Baseline	Target	Source of Verification
Certificate of occupancy issued by Tallinn city government	0	1	National Register of construction works (www.ehr.ee)

Output

The rehabilitation services for children with severe mental health problems are developed and provided in community residential setting

Output indicator(s)	Baseline	Target	Source of Verification
The number of children with severe mental health problems who have received rehabilitation services in community residential setting	0	75	Project Report

Output

The plan for integrated services to improve children's mental health

Output indicator(s)	Baseline	Target	Source of Verification
The plan for integrated services to improve children's mental health is developed and made public on the MoSAs website	0	1	Project reporting, the website of the Ministry of Social Affairs (www.sm.ee)

Expected Outcome(s): Improved access to and quality of health services including reproductive and preventive child health care

Output

Service network for provision of integrated social, education and health services for children with mental health problems created

Output indicator(s)	Baseline	Target	Source of Verification
Organisational structures for provision of integrated services is created	0	4	Project reporting of pre-defined project 1 and projects of OC 1
Integrated services are provided	0	4	Project reporting + Estonian Health Insurance Fund

Output

Web-based information sources and counselling services are provided on mental and reproductive health

Output indicator(s)	Baseline	Target	Source of Verification
Web-based information sources available	0	1	Direct online verification (the address of the website(s) will be known after contracting the project promoter)
Number of children and youth benefitting from counselling, disaggregated by gender - boys	0	2000	Project reporting
Number of children and youth benefitting from counselling, disaggregated by gender - women	0	3000	Project reporting

Expected Outcome(s): Life-style related diseases prevented or reduced

Output

Social marketing campaigns on healthy lifestyles (especially regarding alcohol and tobacco)

Output indicator(s)	Baseline	Target	Source of Verification
Social marketing campaigns on healthy lifestyles have been provided	0	2	Campaign evaluation reports

Output

Substance-abuse guidelines for local governments developed and disseminated

Output indicator(s)	Baseline	Target	Source of Verification
Guidelines are developed	0	1	guidelines available online or in printed form for public
Guidelines are disseminated to all local governments in Estonia (100%)	0	100	Distribution list of contact persons in local governments

Output

Training on health in all policies in non-health sectors

Output indicator(s)	Baseline	Target	Source of Verification
Training sessions on health in all policies in non-health sectors have been provided	0	22	Project reporting (participants' lists, training materials)
Number of people from non-health sectors trained on health-in-all-policies, disaggregated by gender - men	0	150	Project reporting
Number of people from non-health sectors trained on health-in-all-policies, disaggregated by gender - women	0	290	Project reporting

Expected Outcome(s): Improved prevention and treatment of communicable diseases (including HIV/AIDS and TB)

Output

Communicable disease surveillance in detention institutions increased

Output indicator(s)	Baseline	Target	Source of Verification
Annual number of inmates tested for Hepatitis C	300	400	Project reporting
Annual number of inmates tested for HIV	0	3000	Project reporting

Output

Training materials and training on infectious disease prevention in detention institutions is developed and provided to contact persons of inmates

Output indicator(s)	Baseline	Target	Source of Verification
Training materials on infectious disease prevention in detention institutions have been developed	0	1	Project reporting
Number of contact persons trained on infectious disease prevention in detention institutions	0	180	Project reporting

Output

Increased coverage with Hepatitis C treatment in detention facilities

Output indicator(s)	Baseline	Target	Source of Verification
Treatment of Hepatitis C annually provided in detention institutions	0	10	Project reporting

2. Conditions**2.1 General**

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 indicators and outcome indicators shall be reported on in the annual programme report.
- 3) The pre-defined project "Developing a concept for integrated services to improve children's mental health", should be audited by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices once the project is completed.
- 4) The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters who have, in line with this Agreement, received an exception from the general rule in Article 7.3.1(c) of the Regulation with respect to any equipment (the excepted equipment):

- Keep the excepted equipment in their ownership for a period of at least 5 years following the completion of the project and continue to use that equipment for the benefit of the overall objectives of the project for the same period;

- Keep the excepted equipment properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and

- Set aside appropriate resources for the maintenance of the excepted equipment for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract; provided however that the Programme Operator may release any Project Promoter from the above obligations with respect to any specifically identified excepted equipment where the Programme Operator is satisfied that, having regard to all relevant circumstances, continued use of that equipment for the overall objectives of the project would serve no useful economic purpose. The National Focal Point shall furthermore ensure that the Programme Operator keeps a list of the excepted equipment for each project.

- 5) The national Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

- Keep any buildings purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings for the benefit of the overall objectives of the project for the same period;

- Keep any buildings purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and

- Set aside appropriate resources for the maintenance of any buildings purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

- 6) The National Focal Point shall ensure that the Programme Operator ensures that any residual or extracted material from project activities is reused, recycled, treated and / or deposited in an environmentally sound manner.

2.2 Pre-eligibility

- 1) Expenditures under the pre-defined project "Establishing Children's Mental Health Centre (part of Tallinn Children's Hospital)" shall only be eligible once the NMFA has received a detailed description of the budget set aside for construction activities and confirmed the maximum grant to the project.

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): 13/11/2012-31/12/2017

Eligibility of programme proposal preparation costs: 11/06/2011-12/11/2012

3.2 Grant rate and co-financing

Programme estimated total cost (€)	€10,484,706
Programme estimated eligible cost (€)	€10,484,706
Programme grant rate (%)	85.0000%
Maximum amount of Programme grant (€)	€8,912,000

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€634,558	€163,377
Improved mental health services	€5,553,000	€1,110,000
Improved access to and quality of health services including reproductive and preventive child health care	€2,410,000	€103,500
Life-style related diseases prevented or reduced	€870,000	€0
Improved prevention and treatment of communicable diseases (including HIV/AIDS and TB)	€800,000	€140,000
Fund for bilateral relations	€200,000	€61,500
Complementary action	€15,000	€0
Preparation of programme proposal	€2,148	€2,148
Reserve for exchange rate losses	€0	€0
	€10,484,706	€1,580,525

* The advance payment is composed of €1,343,446 in grant amount and €237,079 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	€53,937

3.5 Small Grant Scheme

Not applicable

Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

The Programme Operator is the Ministry of Social Affairs of Estonia.

The main objective of the Programme is to improve population health in Estonia and reduce health inequalities. Main areas of action are improvement of mental health services; improvement of access to and quality of health services, including reproductive and preventive child health care; increased prevention and reduction of lifestyle-related diseases, and improvement of prevention and treatment of communicable diseases (including HIV/AIDS and TB).

The Programme shall be implemented by way of four pre-defined projects and the following three calls for proposals:

- Call for proposals 1: "Service network for the provision of integrated social education and health services for children with mental problems".
- Call for proposals 2: "Web-based information sources and counselling services on mental and reproductive health"
- Call for proposals 3, sub-component (a): "Social marketing campaigns on health lifestyles".
- Call for proposals 3, sub-component (b): "Training on health in all policies in non-health sectors".

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 are as follows:

- Under call for proposals 1, applicants are only entities qualified as health care providers, as defined in the Health Care Act of the Republic of Estonia.
- Under call for proposals 2 and 3, applicants must be non-profit legal entities or research and development institutions. Political parties and religious institutions are not considered eligible applicants.

1.3 Special rules on eligibility of costs:

Costs are eligible in accordance with Chapter 7 of the Regulation.

By way of exception from Article 7.3.1(c) of the Regulation, the entire purchase price of new equipment will be eligible if the equipment is an integral and necessary component for the implementation or development of a technology that is essential for achieving the outcome of a project that is selected within the open call for proposals.

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 median average labour expenses (per hour or per month) 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 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:

- Under call for proposals 1, the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €425,000.
- Under call for proposals 2, the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €250,000.
- Under call for proposals 3, sub-component (a) the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €330,000. Under call for proposals 3, sub-component (b) the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €200,000.

The level of grant assistance applied for the pre-defined projects is referred to in Section 6, below.

2.2 Project grant rate:

In the case of all projects selected under the calls for proposals, the grant rate will not exceed 85% of total eligible project costs. All applicable National and EU rules on State Aid shall be complied with in setting the grant rate. The remaining costs of the project shall be provided or obtained by the Project Promoter.

3. Selection of projects

3.1 Selection procedures

The selection procedures shall be in accordance with Article 6.5 of the Regulation.

3.2 Open calls and availability of funds:

There shall be at least three calls for proposals.

Call for proposals 1 shall be launched no later than in the third quarter of 2013 and make available €1,275,000.

Call for proposals 2 shall be launched no later than in the fourth quarter of 2013 and make available €595,000.

Call for proposals 3 shall be launched no later than in the first quarter of 2014 and make available €870,000.

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

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4.1 Payment flows

Payment flows towards to final beneficiaries will take the form of advance payment, interim pre-financing and payment of the final balance.

Project Promoters have the possibility to request an advance payment not exceeding 25% of the total grant amount, depending on liquidity needs. 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.

The deadlines for submitting and assessing interim reports will be set in the Project Contract. Project Promoters will report to the Programme Operator on incurred expenditures, actual progress and pre-payment forecast through the interim financial reports.

The Programme Operator may withhold up to 10% of the total grant amount for the payment of the final balance. 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

The Foreign Financing Unit of the Department of Finance and Property Management of the Estonian Ministry of Social Affairs will conduct the verification and approval of project interim financial reports and the final reports for all projects.

Project Promoters compile and submit interim financial reports within 20 working days of the end of the previous reporting period. If needed, the Programme Operator will request additional information from the Project Promoters to be provided within 10 working days. Interim financial reports will be reviewed by Programme Operator on the basis of a random sample of at least 35% of incurred costs. All expenditures over €6,500 and public procurements over €40,000 shall be checked. The verification process should be completed within 10 working days of receiving all necessary supporting documents needed to approve the interim financial report. If a pre-payment is requested, this should be disbursed within 15 working days after the approval of 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 pre-defined project "Developing a concept for integrated services to improve children's mental health", should be audited by an independent and certified auditor, certifying that the claimed costs are incurred in accordance with the Regulation, the national law and accounting practices once the project is completed. The approval of the final report and the reimbursement of the final balance are conditional on a written approval from the independent and certified auditor.

The verification procedures for payment claims will be further outlined in the description of the Programme management and control systems according to article 4.8.2 of the Regulation.

4.3 Monitoring and reporting

The Foreign Financing Unit of the Department of Finance and Property Management of the Estonian Ministry of Social Affairs together with the Public Health Department of the Estonian Ministry of Social Affairs will monitor all projects.

In addition to monitoring following the approval of the interim financial reporting and the final report, the Programme Operator 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 risk analysis, or by random sample.

The aim of the on-the-spot checks is to make sure that the project is implemented in accordance with the requirements of the Regulation and the project contracts, to verify procurement procedures and the cost efficiency of incurred expenditures. A sample of at least 15% of

the payments made during the monitoring period will be checked.

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 may also be organised for other reasons. Information about the date of the on-the-spot check 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 1.99 % of the total programme budget to a fund for bilateral relations. The fund's total amount is €200,000.

Approximately 30% 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.

Approximately 70% 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.

Eligible applicants for support under the fund are:

- Project promoters of approved projects.
- Groups of applicants consisting of at least one Estonian and one Norwegian partner, describing a clear vision of an application to be submitted under a call for proposals under the current Programme.

The grant rate from the bilateral fund will be 100%, and the maximum grant amount will be €30,000. The Cooperation Committee shall decide on applications to be supported.

5.2 Complementary action

Complementary actions in line with the Regulation shall be organised by the Programme Operator, in line with the objectives of the Programme, in order to strengthen co-operation between the Programme Operator and similar entities within the Donor States and the Beneficiary States. These will include the exchange of experience and best practice related to the implementation of the Programme and will 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 scheme

Not applicable.

6. Pre-defined projects

There are four pre-defined projects under the Programme.

Predefined Project 1: "Establishing Children's Mental Health Centre (part of Tallinn Children's Hospital)".

The Project Promoter is the Tallinn Children's Hospital.

Maximum grant amount: €4,165,000.

Project grant rate: 65,3%

Estimated total project cost: €6,381,617

This project shall contribute to Programme Outcome 1 "improved mental health".

The main objective of this project is to provide North-Estonia with a children's mental health centre and by coordinating, training and supervising the network of mental health centres, it will also improve mental health services in other regions of Estonia. The centre will serve as a pilot case of an integrated system and services to other sectors. The project will also improve the access to inpatient services. The pre-defined project focuses on the following activities:

1. Building the Children's Mental Health Centre's infrastructure.
2. Developing the concept of regional mental health centre, including exchanging knowledge and experience with relevant donor states' entities.
3. Developing a concept of child abuse diagnostics system for Estonia, forming and training an outreach team.
4. Training and preparing of the personal working in the centre.
5. Building up and coordinating the network with other sectors to promote mental health in these sectors and ensure early detection of mental health problems.

6. Coordinating and developing the network of regional mental health centres.
7. Conducting a survey on the result and indicators of the Outcome1 indicators.

Pre-defined Project 2: "Developing and piloting the rehabilitation services for children with severe mental health problems".

The project promoter is the Estonian Social Insurance Board.

Maximum grant amount: €1,093,480.

Project grant rate: 100%

Estimated total project cost: €1,093,480.

This project shall contribute to Programme Outcome 1 "improved mental health".

The main objective of the project is to design innovative service(s) for children with mental health and behavioural problems, which will provide integrated social, educational and health services to support children and youth. The pre-defined project focuses on the following activities:

1. Needs analysis performed in cooperation with municipalities, national and external experts and specialists.
2. Conduct a survey to evaluate effectiveness and results of current system.
3. Study trip to Norway to get more knowledge and information about services for children with severe mental health and behavioural problems.
4. Development of a concept for new services and basic guidelines with the help of the experts from relevant fields from Estonia and Norway.
5. Tendering process for the new services will be carried out.
6. Contracting with service provider(s) in different regions of Estonia will be carried out.
7. Impact assessment conducted in the end.

Pre-defined Project 3: "Developing a concept for integrated services to improve children's mental health".

The Project Promoter is the Department of Children and Families, Ministry of Social Affairs.

Maximum grant amount: €282,667.

Project grant rate: 100%

Estimated total project cost: €282,667.

This project shall contribute to Programme Outcome 1 "improved mental health".

The objective of the project is to develop a concept paper to build up a system of children`s mental health services and interventions with reduced fragmentation in service provision and improved regional coverage with integrated health and social care services for children and families. The pre-defined project focuses on the following activities:

1. Mapping of the current service provision system, based on evidence based approaches and strong stakeholder involvement.
2. Development of a concept paper of children`s mental health services and interventions for reduced fragmentation in service provision and improved regional coverage with integrated health and social care services. The Paper shall also provide the recommendations on developing quality management and coordination system for integrated services both in vertical and horizontal levels in cooperation with the Children and Youth at Risk programme.
3. Renewing child health check up guideline for general practitioners and health nurses about children's mental health development for ensuring early detection of mental health risks and right time treatment.

Pre-defined Project 4: "Reducing Communicable diseases in Estonian detention facilities"

The Project Promoter is the Ministry of Justice.

Maximum grant amount: €800,000.

Project grant rate: 100%

Estimated total project cost: €800,000.

This project shall contribute to Programme Outcome 4 "Improved prevention and treatment of communicable diseases (including HIV/AIDS and TB).

The objective of the project is to stop the spreading of communicable diseases in prisons and to reduce the spreading of communicable diseases among vulnerable groups. To this end, it is necessary to discover the infected persons in prisons as early as possible, to treat them timely and effectively. The other important component is prophylactic measures, where the knowledge of the prison officials on contagious diseases is of vital importance. The pre-defined project focuses on the following activities:

- 1) Increase communicable disease surveillance in detention institutions.
- 2) Develop training materials and training on infectious disease prevention in detention institutions and provide to contact persons of inmates.
- 3) Increased coverage of Hepatitis C treatment in detention facilities.

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 27 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.