

APPROVED

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ANNEX



REPUBLIC OF ESTONIA
MINISTRY OF SOCIAL AFFAIRS



Small Grants Scheme „Developing Restorative Justice Measures in Estonia“

RULES AND REGULATIONS FOR APPLICANTS

The Rules and Regulations for Applicants (hereinafter: *the Rules*) regarding the small grants scheme „Developing of Restorative Justice Measures in Estonia“ are established on the basis of the Memorandum of Understanding on the implementation of Norwegian Financial Mechanism 2014-2021 signed between the Kingdom of Norway and the Republic of Estonia, the Memorandum of Understanding on the implementation of European Economic Area Financial Mechanism 2014-2021 signed between the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Republic of Estonia as well as according to the Regulation of the Government of the Republic of Estonia No 55 from 05.07.2018 "*The rules and procedures for application for and implementation of the grants from the EEA and Norwegian Financial Mechanisms 2014-2021*".

Chapter 1 General provisions

1. Subject matter

- 1.1. The Rules of the small grant scheme „Developing of Restorative Justice Measures in Estonia“ (hereinafter: *SGS*) are set within the Outcome „Enhanced wellbeing of children and youth“ financed from the EEA and Norway Grants 2014-2021 programme „Local Development and Poverty Reduction“ (hereinafter: *programme*).
- 1.2. In this document, Provisions of Administrative Procedure Act apply taking into account the distinctions made by the Rules.

2. Definitions

- 2.1. Awareness raising campaign – activities and information materials in various formats targeted on raising the awareness of specialists, specific target groups or the general public on the topic of restorative justice.
- 2.2. Indicator – quantitative or qualitative variable specifying what is to be measured along a scale or dimension. It should always be expressed in neutral terms: it should neither indicate the direction or change nor embed a target.
- 2.3. Grant – financial support for specific activities described at the project application. The project grant is funded 85% by the Norwegian Financial Mechanism and 15% through Estonian national co-financing;
- 2.4. Non-governmental organisation (NGO) – a non-profit voluntary organisation established as a legal entity, having a non-commercial purpose, independent of local, regional and central government, public entities, political parties and commercial organisations. Religious institutions and political parties are not considered NGOs.
- 2.5. Outcomes – the (short and medium-term) effects of an intervention's outputs on the intermediaries or end beneficiaries. Outcomes are rarely under the direct control of an individual project.
- 2.6. Outputs – products, capital goods and services delivered by a programme/project to the intermediaries. Outputs are easy to attribute directly to the resources used and the activities performed. They are within the greatest control of the implementing organisation.
- 2.7. Project partner – a legal person actively involved in, and effectively contributing to, the implementation of a project. It shares with the Project Promoter a common economic or social goal which is to be realised through the implementation of that project. An organisation simply providing service to the project promoter cannot be defined as project partner.
- 2.8. Project Promoter – an entity, public or private, commercial or non-commercial and non-governmental organisations, established as a legal person Estonia, or an international organisation acting in Estonia, having the responsibility for preparing and implementing a project financed from the EEA and Norway Grants 2014-2021 programme „Local Development and Poverty Reduction“.
- 2.9. Programme Operator (PO) – responsible body for the preparation, implementation as well as achieving the results and objectives of the programme.
- 2.10. Programme Operator Implementing Agency (POIA) – a contracted party to the Programme Operator dealing with the technical coordination and implementation of the programme, amongst other things receiving project applications, making grant decisions as well as changing grant decisions, making payments to project Promoters, processing project expenditure reports and monitoring the adherence to the procurement rules, carrying out on-the-spot checks and processing of irregularities and reclamation of the grant.
- 2.11. Reimbursement request – a formal request made by the Project Promoter to POIA through the e-grants platform to receive a payment for eligible costs made or furnish the pre-financing payment received with eligible costs made. The reimbursement request must include all eligible project costs made during the reporting period. In valid cases and in agreement with the POIA, the Project Promoter can reflect also costs from the previous reporting period.
- 2.12. Restorative justice – an approach to offences and conflicts in a manner that enables to repair the damage that occurred due to the conflict. It is based on resolution processes with active participation of all impacted parties and the aim is to heal all parties and create a safe community.
- 2.13. Selection Committee – a body established by the Programme Operator, consisting of at least three voting members possessing the relevant sector expertise, at least one of them external to the PO and its partners.
- 2.14. Target: a value for an indicator to be accomplished by a specific date in the future. It is what the intervention would like to achieve within a certain period in relation to one of its

expected results (outputs, outcomes and/or objectives).

- 2.15. Unit price – basis for voluntary work that shall be in accordance with salary normally paid for such work in Estonia, including the required social security contributions. The prices may vary depending on region in which the work is performed or the type of voluntary work, and may be adjusted during the implementation of the Programme in order to take into account changes in salaries.

3. Programme Operator and Implementing Agency

The duties of the Programme Operator (PO) of the programme „Local Development and Poverty Reduction“ are carried out by the Ministry of the Social Affairs of Estonia while the duties of the Implementing Agency (POIA) are executed by the State Shared Service Centre.

4. Appeal proceedings

Any Programme Operator's or Implementing Agency's decision can be appealed according to the timeframe and procedure described in § 73 of the Administrative Procedure Act.

Chapter 2 OBJECTIVES, PROGRAMME OUTPUTS, PROGRAMME OUTCOMES AND TARGET INDICATORS

5. Objective and conditions of the small grant scheme

- 5.1. SGS is organised for the following reasons:
 - 5.1.1 Estonia lacks good alternative interventions which could be used for reacting to offences and conflicts caused by juveniles and youth, and thus help prevent further risk behaviour;
 - 5.1.2 although international experience shows that the approaches and methods based on restorative justice are efficient in largely varying contexts (including, for example, in school, in prison, in the community), implementation of restorative justice is not common in Estonia in areas other than criminal procedure;
 - 5.1.3 the efficiency level and possible areas of use of restorative justice are not known well enough among specialists and the general public;
 - 5.1.4 we have a lack of specialists with skills to use the methods based on restorative justice in their everyday work, and we also do not have training providers who could pass on such knowledge and skills in various fields.
- 5.2. The aim of granting this support is to expand the use of approaches and methods based on restorative justice in institutions for children and youth, social, child protection and youth work, the police, the prosecutor's office, courts, probation services, closed institutions, including prisons, and in society in general.
- 5.3. Granting of support aims to achieve three main output indicators (cumulatively for the entire SGS):
 - 5.3.1 at least two awareness campaigns on the topic of restorative justice;
 - 5.3.2 at least three restorative justice initiatives in the criminal justice system, schools or the community;
 - 5.3.3 at least 10 trainers trained in the field of restorative justice.
- 5.4. The granting of support shall result in a reduction of juveniles who have committed offences in their lifetime from 18% to 16% (according to the results of the survey on the deviant behaviour of minors, to be carried out in year 2023).

- 5.5. The project(s) under the SGS will be required to report to the Programme Operator on how they are contributing to meeting the output-level and outcome-level targets of the programme. Please see point 27.1.1 for details.

Chapter 3

ELIGIBLE ACTIVITIES, ELIGIBLE COSTS AND GRANT RATE

6. Eligible activities, conditions and quality assurance requirements

- 6.1. The activities supported under the SGS are:
- 6.1.1 piloting new methods based on restorative justice in working with juvenile and young offenders;
 - 6.1.2 testing the approaches and methods based on restorative justice in various environments, including institutions for children and youth, social, child protection and youth work, the police, the prosecutor's office, courts, probation services, and closed institutions, including prisons;
 - 6.1.3 awareness-raising activities, including information days, information materials, printed matter, video and audio recordings, etc.;
 - 6.1.4 activities for the inclusion of community in raising awareness and improving knowledge and skills regarding restorative justice;
 - 6.1.5 training activities, including training courses, seminars, workshops, exchange of practices, training courses for future trainers, etc.;
 - 6.1.6 pilot projects with the aim of creating a community based on restorative justice, e.g. restorative school, workplace, city, etc.;
 - 6.1.7 production of study materials, guidelines, instructions, etc.;
 - 6.1.8 other supporting activities that help to expand the use of restorative justice.

7. Eligibility period

- 7.1. The eligibility period of the projects financed under the call is a period between the start and end of project activities and eligible costs. The eligibility period is laid down in a project contract. The earliest start of eligible project activities can be as of date of when the positive grant awarding decision made.
- 7.2. The eligibility of costs starts as of project grant awarding decision and projects may run up to 24 months, all activities should be finished and all costs made by the deadline laid down in a grant decision but no later than March 31, 2023.
- 7.3. Project activities must start within one month after the positive grant decision has been cast.

8. Grant size and rate

- 8.1. The budget of the small grants scheme is 400 000 euros. Project grant to be awarded to a single project falls between 30 000 – 200 000 euros.
- 8.2. The maximum project grant rate is:
 - 8.2.1 100% for central and local government institutions;
 - 8.2.2 90% for NGOs;
 - 8.2.3 85% for all other entities.
- 8.3. The minimum co-financing rates are accordingly:

- 8.3.1 0% for central and local government institutions;
 - 8.3.2 10% for NGOs;
 - 8.3.3 15% for all other entities.
- 8.4. In case of projects where the project promoter is an NGO, in-kind contribution in the form of voluntary work may constitute up to 50% of the co-financing required by the programme for the project.
- 8.5. The in-kind contribution unit prices referred to in article 8.4 has to be in accordance with salary normally paid for such work in the Beneficiary State, including the required social security contributions. The prices may vary depending on region in which the work is performed or the type of voluntary work, and may be adjusted during the implementation of the Programme in order to take into account changes in salaries.

9. General principles on the eligibility of expenditures

- 9.1. Eligible expenditures of projects are those actually incurred within the project, which meet the following criteria:
- 9.1.1 they are incurred between the first and final dates of eligibility of a project as specified in the project contract;
 - 9.1.2 they are connected with the subject of the project contract and they are indicated in the detailed budget of the project;
 - 9.1.3 they are proportionate and necessary for the implementation of the project;
 - 9.1.4 they must be used for the sole purpose of achieving the objective(s) of the project and its expected outcome(s), in a manner consistent with the principles of economy, efficiency and effectiveness;
 - 9.1.5 they are identifiable and verifiable, in particular through being recorded in the accounting records of the Project Promoter and/or project partner and determined according to the applicable accounting standards of the country where the Project Promoter and/or project partner is established and according to generally accepted accounting principles;
 - 9.1.6 they comply with the requirements of EU and Estonian law and applicable tax and social legislation.
- 9.2. Expenditures are considered to have been incurred when the cost has been invoiced, paid and the subject matter delivered (in case of goods) or performed (in case of services and works).
- 9.3. Exceptionally, costs in respect of which an invoice has been issued in the final month of eligibility are also deemed to be incurred within the dates of eligibility if the costs are paid within 30 days of the final date for eligibility.
- 9.4. Overheads and depreciation of equipment are considered to have been incurred when they are recorded on the accounts of the Project Promoter and/or project partner. Where equipment is purchased, only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be considered eligible expenditure.
- 9.5. The Project Promoter's internal accounting and auditing procedures must permit direct reconciliation of the expenditures and revenue declared in respect of the project with the corresponding accounting statements and supporting documents.
- 9.6. When setting the project grant rate, the Programme Operator shall take into account any economic benefit, e.g. cost savings, revenue or increased profit, which is a result of receiving the grant. The income expected should be included as source of funding in the project budget and reported as income generated in the project financial report.

The grant rate will be established in accordance with the planned income and the actual income generated and reported at the end of the project. Economic benefits shall be used in a manner which supports the objectives of the project. Additionally, all state aid regulations will be adhered to.

- 9.7. The costs borne by the project partner are reimbursed similarly as to the Project Promoter. In case of project partners whose primary location is either in the Kingdom of Norway, a report by an independent auditor qualified to carry out statutory audits of accounting documents, certifying that the claimed costs are incurred in accordance with this Regulation, the national law and relevant national accounting practices, shall be accepted as sufficient proof of expenditure incurred.

10. Eligible direct expenditures in a project

- 10.1. The eligible direct expenditures for a project are those expenditures which are identified by the Project Promoter and/or the project partner, in accordance with their accounting principles and usual internal rules, as specific expenditures directly linked to the implementation of the project and which can therefore be booked to it directly.
- 10.2. The following direct expenditures are eligible provided that they satisfy the criteria described below:
- 10.2.1 **cost of staff assigned to the project** as listed in article 10.4 of the Rules. The corresponding salary costs of staff of national administrations are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- 10.2.2 **travel and subsistence allowances** for staff taking part in the project as regulated in Estonian legislation;
- 10.2.3 **communication and visibility costs.** Every project has to carry out at least two events publicising the project activities and results (for instance an opening and closing seminars, press conference etc.) and create a project web-page (can be a sub-section of an organisation's homepage) where all essential project information about the activities, events and results of the project are being exhibited. In case more than 150 000 EUR of grant support is received, the web page must be both in Estonian and English languages;
- 10.2.4 **cost of new or second-hand equipment.** Only the portion of the depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be considered eligible expenditure. In case the Project Promoter justifies that the equipment is an integral and necessary component for achieving the outcomes of the project, the entire purchase price of that equipment may be eligible;
- 10.2.5 **costs of consumables and supplies**, provided that they are identifiable and assigned to the project;
- 10.2.6 **costs entailed by other contracts** awarded by a Project Promoter for the purposes of carrying out the project, provided that the awarding complies with the applicable rules on public procurement and the Rules;
- 10.2.7 **costs arising directly from requirements** imposed by the project contract for each project.
- 10.3. Where the entire purchase price of equipment is eligible, the Project Promoter:
- 10.3.1 will keep the equipment in its ownership for a period of at least five years following the completion of the project and continues to use that equipment for the benefit of the overall objectives of the project for the same period;
- 10.3.2 will keep the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and

- 10.3.3 will set aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.
- 10.4. The following costs are defined as direct staff costs:
- 10.4.1 Salary of the project manager, assistant and project activity experts;
- 10.4.2 Salary of a member of staff working for the project under an employment contract or public service recruitment decision, proportionally as to the time and workload contributed to the project activities;
- 10.4.3 Salary of a member of staff recruited to the project under the Law of Obligations Act that is taxable for social security contributions and unemployment insurance, proportionally as to the time and workload contributed to the project activities;
- 10.4.4 Holiday pay proportionally as to the time and workload contributed to the project activities and according to the Estonian legislation;
- 10.4.5 Compensations foreseen by law when ending the employment contract or leaving the public service, and also other compensations, proportionally as to the time and workload contributed to the project activities
- 10.4.6 All taxes required by the law in personnel costs described in points 10.4.1-10.4.5.

11. Indirect costs in projects (overheads)

- 11.1. Indirect costs are all eligible costs that cannot be identified by the Project Promoter and/or the project partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs.
- 11.2. Indirect costs will be calculated as a flat rate of up to 15% of direct eligible staff costs.
- 11.3. The following project activity costs related to the management of the project are defined as indirect costs:
- 11.3.1 accounting;
- 11.3.2 secretary and personnel work;
- 11.3.3 legal counselling;
- 11.3.4 property management;
- 11.3.5 IT support service;
- 11.3.6 other activity of supporting nature.
- 11.4. In addition to activity costs listed in article 11.3, the following overhead costs are defined as indirect costs:
- 11.4.1 office supplies and –furniture costs (buying and renting as well as maintenance costs);
- 11.4.2 communication costs, incl. telephone and fax service costs as well as postal and internet communication services;
- 11.4.3 IT costs, incl. hardware and software, network services, office equipment costs as well as maintenance and repair costs;
- 11.4.4 utilities, incl. costs related to heating, water and electricity and maintenance of rooms;
- 11.4.5 rent of office space;
- 11.4.6 security costs;
- 11.4.7 land taxation costs;
- 11.4.8 opening and maintenance costs of bank accounts as well as transaction costs;
- 11.4.9 posting costs within Estonia.

12. Excluded costs

The following costs shall not be considered eligible:

- 12.1 interest on debt, debt service charges and late payment charges;
- 12.2 charges for financial transactions and other purely financial costs, except costs related to accounts required by the donors, the National Focal Point or the applicable law and costs of financial services imposed by the project contract;
- 12.3 provisions for losses or potential future liabilities;
- 12.4 exchange losses;
- 12.5 recoverable VAT;
- 12.6 costs that are covered by other sources;
- 12.7 fines and penalties;
- 12.8 costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- 12.9 excessive or reckless expenditure.

13. *De minimis* state aid

- 13.1. If the support granted in support of the activities set out in chapter 6 of the Rules is considered *de minimis* aid, the provisions of Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352, 24.12.2013, p. 1) and section 33 of the Competition Act shall be followed.
- 13.2. In case the grant awarded is regarded as *de minimis* aid:
 - 13.2.1 project co-financing given to Project Promoter by public sector institutions is also considered as *de minimis* aid;
 - 13.2.2 the maximum *de minimis* aid amount allowed to be awarded to a single entrepreneur within a time period of three financial years cannot exceed 200 000 euros;
 - 13.2.3 all legal persons related to each other in accordance with Section 2 of Article 2 of the European Commission regulation (EU) No 1407/2013 are considered as a single entrepreneur;
 - 13.2.4 cumulation rules of receiving aid for different purposes apply in accordance with Article 5 of the European Commission regulation (EU) No 1407/2013.
- 13.3. Project Promoter undertakes the responsibility to store and maintain all *de minimis* aid documents for 10 years from the date the Project Promoter received last entrenchment of aid under the Rules.

Chapter 4

CRITERIA FOR APPLICANTS, PARTNERS AND PROJECT APPLICATIONS

14. Eligibility of applicants and project partners

- 14.1. An eligible applicant is:
 - 14.1.1 an entity, public or private, commercial or non-commercial, or non-governmental organisation, established as a legal person Estonia;
 - 14.1.2 an international organisation acting in Estonia.
- 14.2. For achieving the project goals, the applicant must appoint a project manager, and a restorative justice trainer and/or creator/implementer of restorative justice methods into its project team.
- 14.3. Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in Estonia, Norway, in some other Beneficiary State (Bulgaria, Croatia, Cyprus, Czech Republic, Hungary,

Latvia Lithuania, Malta, Poland, Romania, Slovakia, Slovenia) or in Russia are considered eligible project partners.

- 14.4. The activities and responsibilities of the applicant and partners upon carrying out of the project are clearly defined. In order to ensure it, the project partner will sign and submit a partnership statement (Annex 2) referred to in point 15.4 of the Rules. Also, project promoters are obliged to conclude partnership agreements with all their partners before the positive grant decision is made.
- 14.5. The applicant shall not have national tax and payment liabilities that have not been deferred as of the date of submission of the project application (source: electronic database of the Tax and Customs Board).

15. Administrative and eligibility criteria

15.1 A project application must fulfil the following criteria:

- 15.1.1 the application has been submitted through the Structural Funds e-grants web environment <https://etoetus.struktuurifondid.ee> (hereinafter “*e-grants web environment*”) and on the form provided, accompanied by the documents set out in article 15.2;
- 15.1.2 the application has been signed by a person authorised to represent the applicant;
- 15.1.3 the support is applied for the purposes described in chapter 5 of the Rules and follows the eligible activities established in chapter 6 of the Rules;
- 15.1.4 the support amount requested for the implementation of the supported activities and its proportion of eligible costs are compliant with this procedure;
- 15.1.5 the application includes also information of the project partner and its activities within the project;
- 15.1.6 the supported activities shall be carried out during the eligibility period set out in this procedure;
- 15.1.7 the target level of the output indicator of the project activity contributes to the target level of the project result;
- 15.1.8 the place of implementation of the supported activities is Estonia or the country of the project partner;
- 15.1.9 the application includes the sustainability aspect of the activities and sources of necessary costs for the future activities;
- 15.1.10 other criteria set in the Rules.

15.2. An applicant will attach the following documents to the application:

- 15.2.1 CV of the project manager;
- 15.2.2 CV of the restorative justice trainer and/or creator/implementer of restorative justice methods;
- 15.2.3 project budget (Annex 1);
- 15.2.4 if a project partner is included in the project, the confirmation letter of the project partner (Annex 2), which includes the confirmations set out in article 15.4 of the Rules;
- 15.2.5 power of attorney, if the person authorised to represent the applicant is acting on the basis thereof.

15.3. The grant application must include the following statements (via e-grants web environment):

- 15.3.1 The applicant states that the information in the application is correct;
- 15.3.2 The applicant possesses the economic capacity to carry out the project applied for;
- 15.3.3 The applicant is aware of the communication requirements of the project;
- 15.3.4 The applicant is aware that the information regarding the project will be publicized upon positive grant decision;

- 15.3.5 The applicant is aware that upon financial corrections, the grant received has to be reimbursed; also the grant decision can be overturned when relevant information is received and the grounds for the decision have been established;
- 15.3.6 The applicant is aware that any revenue earned during project activities must be considered within a project budget;
- 15.3.7 The applicant states that the grant is not applied for action that has already been financed from other sources (either national sources or foreign aid);
- 15.3.8 The applicant states that it is not bankrupt, under liquidation procedure, the operation of the organisation has not been put to a halt, it has not been convicted of professional misconduct, fraud, money laundering, corruption or involvement in any criminal organisation.
- 15.4. Project Partner Statement (Annex 2) must include the following statements:
- 15.4.1 Project partner states that it will commit to the project and describes its role and activities regarding the project according to partner principles laid down in article 2.7 of the Rules;
- 15.4.2 Project Partner states that it is not bankrupt, under liquidation procedure, the operation of the organisation has not been put to a halt, it has not been convicted of professional misconduct, fraud, money laundering, corruption or involvement in any criminal organisation.
- 15.4.3 Project Partner states that it has familiarised itself with the Rules and approves the Project Partner rights and responsibilities listed in Chapter 9 of the Rules.
- 15.5. When the applicant has submitted a grant application for the same or partially the same activities elsewhere, whether it be either national sources or foreign aid, the applicant must disclose such information in its application.

Chapter 5 PROJECT APPLICATION

16. Launching the project application process

- 16.1. Programme Operator will submit the Implementing Agency with a confirmed text and evaluation criteria of the SGS.
- 16.2. Implementing Agency will launch the SGS by publishing the information about the call at least in one national newspaper and at the website of the Implementing Agency at least 5 working days before the start of the launch.
- 16.3. The call for proposals of the SGS must be open for applications at least for 60 calendar days.
- 16.4. All references to further information, including a reference to the date, place and agenda of information seminars for SGS applicants, the Regulation on the implementation of the EEA and Norway Grants 2014-2021 and relevant guidelines can be found at the web-site of the programme "Local Development and Poverty Reduction": <https://www.sm.ee/en/norway-grants-2014-2021>, at the web-site of the Ministry of Justice: <https://www.just.ee/et/alaealiste-erikohtlemine> and at the web-site of the State Shared Service Centre - <https://www.rtk.ee/toetused/toetuste-rakendamine/emp-ja-norra-toetused-2014-2021>.
- 16.5. Contact person for queries is Ms Kelly Poopuu, State Shared Service Centre (e-mail: Kelly.Poopuu@rtk.ee) or an official substituting her. All queries will be answered within 5 working days at the latest. The most frequent and relevant questions and answers on the call papers will be published on the POIA's website.

17. Platform and deadline for submitting applications

- 17.1. Project applications must be submitted through the e-grants web environment <https://etoetus.strukturifondid.ee> by the deadline set in the launching notice of the open call.
- 17.2. The deadline for submitting project applications is 16.11.2020 at 17 o'clock local time.
- 17.3. One application per applicant is eligible.
- 17.4. When a technical error occurs that obstructs the applicants to submit their applications in due time, then the deadline of receiving applications is shifted to the next working day after the error has been fixed.

Chapter 6 EVALUATION OF PROJECT APPLICATIONS

18. Processing of project applications

- 18.1. After the deadline of submitting project applications, the e-grants environment will be closed. When the application is submitted after the deadline and there are no grounds to accept it, the application is returned to the applicant without any evaluation.
- 18.2. POIA will carry out the assessment of project applications to the eligibility and administrative criteria set within 10 working days after the deadline of submission. The assessment deadline will be prolonged by the time given to the applicant to eliminate deficiencies found in the project application.
- 18.3. In case POIA has clarifications regarding the applications submitted, POIA has the right to ask for additional explanations or documents from the applicant on the data submitted or to modify the project application. These modifications may be related to technical mistakes in numbers, dates, indicators and ineligible cost in the budget of the application. If there are ineligible costs in project application POIA will propose the applicant to modify the application by eliminating ineligible activities and reduce the grant amount by these costs. POIA will point at the sections of the application that would need additional clarifications or / documents. POIA will not take into account additional changes in other parts of the application. Project applicant is given up to 10 working days to comply with the requirement. When the requirement is fulfilled, the deficiency is deemed to be cleared.

19. Assessment of project applicant, project partner and project proposal

- 19.1. POIA will declare the project applicant and project partner eligible according to article 14 of the Rules.
- 19.2. The project application does not fulfil the administrative criteria, when:
 - 19.2.1 the application is not in conformity with the criteria set in Art 15 of the Rules and the applicant has not eliminated the deficiencies requested by the POIA in due time;
 - 19.2.2 the application has been modified in parts that were not brought out by the POIA as deficiencies;
 - 19.2.3 the applicant does not enable POIA to verify the correctness of the project information submitted.

- 19.3. In case the project applicant or project partner is assessed as ineligible or the project proposal does not meet the administrative criteria, POIA will make a negative grant decision concerning the application.
- 19.4. A negative grant decision can be appealed according to the timeframe and procedure described in § 73 of the Administrative Procedure Act.

20. Project evaluation process and evaluation criteria

- 20.1. POIA will coordinate the process of evaluating the projects that meet the administrative and eligibility criteria.
- 20.2. Each reviewed by two impartial, independent and reliable experts (i.e. experts involved have no direct or indirect interest regarding the project application in question). Experts cannot be convicted of a professional misconduct or of a crime according to § 209, 210, 211, 212, 217² or 280 of the Estonian Penal Code and whose criminal record has not expired and archived. The experts will be proposed by the POIA and appointed by the Programme Operator.
- 20.3. All experts will sign a declaration of no conflict of interest regarding the project application they evaluate as well as they declare not to distribute information acquired in course of the evaluation process. When the expert has been or is engaged in at least preparing one project proposal or at least one project applicant or partner, he/she will immediately inform POIA about the conflict of interest and remove himself/herself from the pool of experts evaluating this call for proposals. In such a situation, POIA will forward the project proposal to be evaluated by another expert having expertise in the same field.
- 20.4. Experts will evaluate the project proposals according to the Expert Evaluation Sheets (Annex 3) and Guide to the Expert Evaluation Sheet (Annex 4). The evaluation criteria sections are as follows:
 - 20.4.1 criterion 1: Justification of the project, incl. project objective and suitability of activities for achieving the stated goals → max of 7 points;
 - 20.4.2 criterion 2: Activity plan of the project, consideration and involvement of target groups → max 17 points;
 - 20.4.3 criterion 3: Background, competence and involvement of team members in project activities and involvement of partners → max 14 points;
 - 20.4.4 criterion 4: Communication → max 5 points;
 - 20.4.5 criterion 5: Sustainability and innovation of the project → max 10 points;
 - 20.4.6 criterion 6: Economic efficiency and co-financing of the project → max 9 points;
 - 20.4.7 criterion 7: Risk factors → max 3 points.
- 20.5. The experts shall – using the Evaluation Sheet – separately score the project within 10 working days after having received the project application for evaluation. The arithmetical average score received will be used as a basis for the ranking of the projects. If the difference between the scores given by the two experts is more than 30% of the higher score, a third expert shall be commissioned by the Programme Operator to score the project independently. In such cases the average score of the two closest scores shall be used for the ranking of the projects.
- 20.6. For project proposals receiving less than 50% of the total score, a negative decision will follow automatically.
- 20.7. The ranking list of project applications will be forwarded to the Selection Committee established by the PO. There will be at least three voting members possessing the relevant sector expertise, at least one of them representing the donor programme partners. All members of the selection committee will sign a declaration of no conflict

of interest. The Selection Committee may modify the ranking of the project applications or propose only partial financing of projects in justified cases based on transparent criteria. The Selection Committee may also draw up a reserve list, including project applications that are recommended for support, but due to lack of funding cannot be supported at the time of the decision and could be used should further funds become available.

- 20.8. In case the total grant amount applied for is greater than the total budget of the SGS and the final score of multiple projects is levelled, then the project with higher combined score of evaluation criterion 1 and criterion 3 will be favoured.
- 20.9. In case of overlapping or complementing project applications, the Programme Operator has the right to propose uniting these applications into one project.
- 20.10. Projects advancing bi-lateral relations with donor countries' projects partners will be rewarded additional points in evaluation scoring, as well as all projects with other project partners from beneficiary countries, incl. Estonian organisations.
- 20.11. PO will sign the minutes of the Selection Committee, where decisions are laid down in a transparent and accountable manner describing which project proposals shall be awarded a grant and which proposals will be rejected.

21. Making positive and negative grant decisions

- 21.1. POIA will cast a decision to award a grant or decline awarding a grant based on the written recommendation of the Selection Committee.
- 21.2. A positive grant decision will include the rights and responsibilities of the grantee, incl. the following:
 - 21.2.1 objective, eligible activities and the time-frame of the project;
 - 21.2.2 rules of implementation;
 - 21.2.3 eligibility period of the project activities;
 - 21.2.4 budget of the project activities, incl. the grant rate and the co-financing rate;
 - 21.2.5 terms of project reporting;
 - 21.2.6 terms of reimbursement requests and payments to projects;
 - 21.2.7 information about state aid, *de minimis* aid, in case it deems to be relevant;
 - 21.2.8 project output and outcome target indicators;
 - 21.2.9 pre-conditionalities set for the project implementation.
- 21.3. Project application in conjunction with the additional information received are an integral part of the positive grant decision. The grant decision can make reference to the information in the application itself, in case it is accepted in the wording laid down in the application.
- 21.4. POIA will cast a negative grant decision, when:
 - 21.4.1 the project applicant, partner or the project application fails to meet the eligibility and administrative criteria set in Art 14 and Art 15 of the Rules;
 - 21.4.2 in case the project application has been set a pre-conditionality and the pre-conditionality is not fulfilled;
 - 21.4.3 it is proven that the project applicant or partner has influenced the evaluation process by fraud, threatening or in some other illegal way;
 - 21.4.4 the Selection Committee recommends not to award a grant to the project;
 - 21.4.5 the application will not exceed the minimum score barrier of 50% set in article 20.6 of the Rules;
 - 21.4.6 the budget foreseen for the small grants scheme will be exhausted;

- 21.4.7 the project applicant does not accept awarding the grant to the project only partially as described in article 22 of the Rules.
- 21.5. When casting a negative grant decision, POIA will clearly show the circumstances and findings why the negative decision has been made.
- 21.6. The grant decision will be forwarded to the project applicant via e-grants web environment within 5 working days after the decision has been made.

22. Making a positive grant decision partially

- 22.1. POIA has the right to propose the applicant to modify/update the activities and budget of the project and the grant amount applied for, provided that the grant size and grant rate will not increase, except in case it is necessary to amend the mathematical errors made. The applicant has a right to modify/update the application only in the section(s) POIA has brought out.
- 22.2. Positive grant decision can be made partially also in the following cases:
- 22.2.1 the objectives, results or target indicator values are achievable also with a smaller total amount budgeted for the project activities
- 22.2.2 project proposal includes some ineligible activities or activities that are not necessary to achieve the objectives, results or target indicator values of the project.
- 22.3. A partial positive grant decision can be made only when the project applicant agrees with the POIA's proposal to decrease the grant amount applied for or change the project activities.

Chapter 7

AMENDING AND TERMINATING THE POSITIVE GRANT DECISION MADE

23. Amending the grant decision made

- 23.1. Amendments to the positive grant decision can take place upon an initiative of POIA or the Project Promoter or the PO in written form in the e-grants web environment.
- 23.2. Amendments to projects that do not cause a change in project objectives, activities, and outcomes, as well as financial amendments that cumulatively do not exceed 15% of each cost category do not require an official amendment of the grant decision. In these cases, project promoter will submit a justification of the changes in written form to POIA. POIA assesses the justification of the proposed amendment and give feedback to the project promoter. Direct personnel costs and indirect costs together form one cost category.
- 23.3. Before the grant decision is amended, POIA will check the relevance and necessity of change in:
- 23.3.1 the activities, the scope of activities, additional activities or cancelling activities;
- 23.3.2 the targets indicate values at outcome or output levels;
- 23.3.3 total eligible budget of the project activities or in grant rate;
- 23.3.4 the eligibility period of the project activities;
- 23.3.5 other conditions set in the grant decision.
- 23.4. POIA has the right to decline amending the grant decision when the changes raise the risk in achieving project results or finishing project activities within the eligibility period.
- 23.5. When deemed necessary, POIA will consult the PO regarding the amendments in question.

- 23.6. POIA will cast a decision regarding the proposed amendments within 20 working days after having received the amendment application without deficiencies or after having launched the amendment initiative itself.

24. Terminating the grant decision made

- 24.1. POIA will terminate the grant decision made partially or fully in the following cases:
- 24.1.1 when circumstances appear, that would not have allowed to grant a positive grant decision;
 - 24.1.2 when the applicant has knowingly given (partially) false information or have knowingly held information during the project application evaluation phase or already while implementing the project;
 - 24.1.3 in case the project application has been set a pre-conditionality and the pre-conditionality is not fulfilled;
 - 24.1.4 when the project amendment proposal is not approved and therefore it is impossible for the Project Promoter to continue with the project activities;
 - 24.1.5 when the Project Promoter submits an application to terminate the positive grant decision made.
- 24.2. In case of termination, the Project Promoter has an obligation to return the grant amount received as a result of the positive grant decision made.

Chapter 8 REPORTING AND PAYMENT REGULATIONS

25. Regulations for submitting project reports

- 25.1. Project Promoter will submit an interim project report to the POIA at least once a year at the deadline laid down in the positive grant decision made. A more frequent reporting cycle can be foreseen and laid down in the positive grant decision document.
- 25.2. In case the eligibility period of the project is up to 18 months, only a final project report is deemed to be submitted by the Project Promoter to the POIA.
- 25.3. Project promoters shall submit project final reports within 45 days after the final date of eligibility.
- 25.4. In case the time period between the deadline of the interim project report and the final project report less than 6 months, only a final project report is deemed to be submitted.
- 25.5. Project interim reports and final report will be submitted via the e-grants web environment <https://etoetus.strukturifondid.ee>.
- 25.6. Project report must include at least the following information:
- 25.6.1 relevant data from the positive grant decision: project name, project number, name of the Project Promoter etc.;
 - 25.6.2 cumulative project reporting from the start of project activities;
 - 25.6.3 reporting on the project progress made: activities carried out, procurements made, results achieved etc.;
 - 25.6.4 total cumulative target indicator values of project outputs and outcomes;
 - 25.6.5 risk assessment analysis and changes;
 - 25.6.6 performance assessment on the project implementation and on the objectives set / achieved;

- 25.6.7 partnership assessment;
 - 25.6.8 statement on the correctness of the information.
- 25.7. POIA will check the report within 15 working days after having received the report. In case the report needs clarifications, POIA has the right to ask for amendments or changes to be made in the report. In case of properly completed report, POIA will approve it within 5 working days.
- 25.5. POIA will inform the PO immediately in written format after the approval of the report.

26. Regulations for payments to projects

- 26.1. Payments to project are made according to the current Rules and the regulations set in the grant decision.
- 26.2. Payments to projects are subject to a positive grant decision made, partnership agreements signed between the Project Promoter and project partner as well as eligibility of costs and activities related to the costs.
- 26.3. Project Promoter who does not have the possibility of using national „bridge financing“, is eligible for pre-financing. The first advance instalment may be up to 20% of the project grant. Subsequent payments shall be paid when at least 70% of the previous advance payment has been utilised and approved. The final payment constituting in minimum 15% of the project grant shall be made within 1 month after approval of project final eligible costs and the final report.
- 26.4. Project Promoter will submit an advance payment request or a reimbursement request in a given format via the e-grants web environment.
- 26.5. A reimbursement request is submitted via the e-grants web environment when the costs have actually incurred and have been paid for. Reimbursement requests (i.e. interim financial reports) can be submitted for the implementation periods covering a minimum of 1 month up to a maximum of 3 months.
- 26.6. Before the 1st reimbursement request (or in parallel with that), the Project Promoter must submit POIA:
- 26.6.1 an extract of the accounting regulations of the organisation, where it can be identified how the project costs and payments are separated from the other financial transactions of the organisation;
 - 26.6.2 a copy of the procurement rules of the organisation;
 - 26.6.3 a short description of the regulations how documents are being approved and signed, also how authority is delegated inside the organisation;
 - 26.6.4 a short explanation on how the Project Promoter will guarantee the maintaining of relevant documentation until the required time period.
- 26.7. POIA will make the verification checks of the project expenditure. The Project Promoter is obligated to submit all asked invoices, receipts and other supporting documents and procurement documents to POIA as well as allow POIA permission to procurements related to project activities at the national procurement registry.
- 26.8. POIA can suspend the processing of the reimbursement request partially or fully in the following cases:
- 26.8.1 there are deficiencies in the reimbursement request submitted;
 - 26.8.2 conditions subject to the use of grant have not been fulfilled;
 - 26.8.3 the eligibility of costs declared is unclear;
 - 26.8.4 there is reasonable doubt that the Project Promoter is not able to fully implement the project or reach the results within the time-frame available;

- 26.8.5 the amount requested can be offset with the amount reclaimed as a result of an irregularity detected;
- 26.8.6 an irregularity with potentially financial consequences is being investigated or the grant reclaimed already has not still been fully reimbursed;
- 26.8.7 payments to PO have been suspended as a result of Project Promoter action.
- 26.9. POIA will verify the payment claim (reimbursement request) within 20 working days after having received the request.
- 26.10. In case there are shortcomings in the reimbursement request presented, POIA will give the Project Promoter a reasonable deadline to eliminate these shortcomings.
- 26.11. The final payment shall be made within 1 month after approval of project final eligible costs and the final report. The final payment constitutes in minimum 15% of the project grant.

Chapter 9

RIGHTS AND RESPONSIBILITIES OF THE PROJECT PROMOTER, PROJECT PARTNER AND PROGRAMME OPERATOR IMPLEMENTING AGENCY

27. Responsibilities of the Project Promoter and project partner

- 27.1. Project Promoter is responsible for the successful implementation of the project within the eligibility period and according to the Rules. Additionally, the Project Promoter:
 - 27.1.1 gathers and forwards the PO the progress of output and outcome indicator levels. The Project Promoter must maintain in written format the list on target group persons engaged in project activities;
 - 27.1.2 shall not hire a person residing illegally in Estonia;
 - 27.1.3 keeps records of revenue obtained through the activities of the project;
 - 27.1.4 adheres to the principles of public procurement using public funds economically and purposefully. The result of the procurement must be achieved with a reasonable price and – when possible – weighing the price-quality ratio through competition;
 - 27.1.5 takes comparative offers when the price of the service, goods or construction is 5000 euros or more (without VAT);
 - 27.1.6 when being a contracting authority with regard to § 5 of the Public Procurement Act, follows the regulations set in the Public Procurement Act;
 - 27.1.7 gathers and forwards the PO and POIA the information on project progress and agrees – without any delays – to give auditors and monitoring authorities access to project documentation and project grounds;
 - 27.1.8 maintains the project documentation until Dec 31, 2028;
 - 27.1.9 organises at least 2 information activities on progress, achievements and results in the project (such as a seminar or a conference with stakeholders, a press conference or press event, a launch activity and/or a closing activity for the project) and creates a project web-page (can be a sub-section of an organisation's homepage) where all essential project information about the activities, events and results of the project are being exhibited. In case more than 150 000 EUR of grant support is received, the web page must be both in Estonian and English languages.
- 27.2. Where the entire purchase price of equipment is eligible, the Project Promoter:
 - 27.2.1 will keep the equipment in its ownership for a period of at least five years following the completion of the project and continues to use that equipment for the benefit of the overall objectives of the project for the same period;
 - 27.2.2 will keep the equipment properly insured against losses such as fire, theft or other normally insurable incidents both during project implementation and for at least five years following the completion of the project; and

- 27.2.3 will set aside appropriate resources for the maintenance of the equipment for at least five years following the completion of the project.
- 27.3. Upon approval of the project final report the Project Promoter must grant for at least 5 years free access to project outputs and materials. Copyright of the materials remains in the hands of the Project Promoter.
- 27.4. In respect to eligibility of project costs, the project partner bears the same responsibilities as the Project Promoter.

28. Rights of the Project Promoter and project partner

- 28.1. Project Promoter and project partner have the right to receive information and support from POIA, regarding the legislation and rules regulating the implementation of the project and the relevant Project Promoter responsibilities related to it.
- 28.2. Project Promoter has the right to submit a grant decision amendment proposal when the progress of project activities proves it necessary.
- 28.3. Project Promoter has a right to be heard out, present additional evidence, arguments, opinions and objections in proceedings with respect to the Project Promoter, before:
 - 28.3.1 a resolution is drawn in regard to the Project Promoter;
 - 28.3.2 amending or terminating the positive grant decision made, except a fully approved decision that was proposed by the Project Promoter itself;
 - 28.3.3 reclamation of grant in case of irregularities detected in a project implemented by the Project Promoter.
- 28.4. Project partner exercises the same rights as the Project Promoter.

29. Responsibilities of the Programme Operator Implementing Agency

Programme Operator Implementing Agency is obligated to:

- 29.1 inform the public and potential applicants on the possibilities to apply for a grant and the rules and regulations established for applications;
- 29.2 process project applications and cast grant decisions;
- 29.3 process reimbursement requests, incl. making payments suspending payments or declining payments;
- 29.4 make a decision on partially or fully terminating the positive grant decision made;
- 29.5 make a financial correction decision in case irregularities and reclaim the ineligible grant;
- 29.6 gather information on the progress of target indicator values at output and outcome levels and forward this information to the Programme Operator for monitoring purposes;
- 29.7 fulfil other tasks given by the PO.

30. Financial corrections

A financial correction to be made to a project follows Article 12 of Chapter 3 of the 2014-2020 Structural Assistance Act and Chapter 4 of the Regulation of the Government of the Republic of Estonia No 143 from Sept 1, 2014 "*The rules and procedures for the eligibility of costs, grant payments, irregularities and grant reclamation for the Structural Funds period 2014-2020*", including that:

- 30.1 Project Promoter must reimburse the grant amount laid down in the financial correction decision within 60 calendar days after the decision has entered into force;

- 30.2 the grant amount to be reclaimed can be offset with the amount to be reimbursed to the Project Promoter within the same project;
- 30.3 the deadline for the grant amount to be reclaimed can be rescheduled in justified cases, when reclaiming the grant amount at once could push the Project Promoter into serious financial difficulties. In such a case, an interest rate is applied, that is Euribor 6 months plus 3% a year. Euribor 6 months is fixed on a banking day preceding the financial correction decision date. Base for interest calculation is a 360-day period;
- 30.4 in case the grant has not been reimbursed by deadline given, the Project Promoter is also subject to overdue charge of 0,1% of every calendar day delayed. Charging overdue is limited to the main grant amount to be reclaimed. Overdue is not charged from government institutions;
- 30.5 when receiving the reimbursement, priority is given to overdue charges, then interest calculated and lastly the grant to be reimbursed as a result of financial correction made.

31. Annexes

Annex 1: Project Budget

Annex 2: Project Partner Statement

Annex 3: Expert Evaluation Sheet

Annex 4: Guide to the Expert Evaluation Sheet