

APPROVED

with the decree No 74 of the Minister of Social Affairs
from August 4, 2020

ANNEX



REPUBLIC OF ESTONIA
MINISTRY OF SOCIAL AFFAIRS



Small Grant Scheme „*Implementation of Vocational Orientation Curriculum in Vocational Education Institutions*“

RULES AND REGULATIONS FOR APPLICANTS

The Rules and Regulations for Applicants (hereinafter: *the Rules*) regarding the small grant scheme „*Implementation of Vocational Orientation Curriculum in Vocational Education Institutions*“ 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 „*Implementation of Vocational Orientation Curriculum in Vocational Education Institutions*“ (hereinafter: SGS) are set within the programme „Local Development and Poverty Reduction“ (hereinafter: *programme*) financed from the EEA and Norway Grants 2014-2021, in particular within the programme Outcome „Enhanced wellbeing of children and youth“.
- 1.2. In this document, Provisions of Administrative Procedure Act apply taking into account the distinctions made by the Rules.

2. Definitions

- 2.1. Academic year – a unit of studies where the volume of studies is 60 Estonian vocational education credits;
- 2.2. Grant – financial support for specific activities described at the project application. The project grant is funded 85% by the EEA Financial Mechanism and 15% through Estonian national co-financing;
- 2.3. 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;
- 2.4. 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 – a vocational education institution administered by the local government or state that has right to provide instruction in personal development curriculum group and that has been 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. Selection Committee – a body established by the Programme Operator, consisting of at least three voting members who have competence regarding the policy area. At least one of them external to the PO and its Partners.
- 2.13. Standard scale of unit costs of implementation of the vocational orientation curriculum– the cost of one training place during one academic year on the vocational orientation curriculum according to the bases of financing the vocational orientation curriculum laid down in the Regulation No 39 of the Minister of Education and Research “Principles of operating grant for vocational education institutions and the conditions and procedure for their implementation” that entered into force on Sept 1, 2019 (hereinafter: *Regulation of the Minister of Education and Research*).
- 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. Training place – a student place created by a vocational education institution for carrying out the vocational orientation curriculum during one school year. Several students may study on one training place during a school year;
- 2.16. Vocational orientation studies – a measure supporting mainly the choices of young people and smooth transition from one type or level of education to another as well as to the labour market.
- 2.17. Vocational orientation curriculum – level curriculum of the second level vocational education that belongs to the personal development curriculum group, the aim of which is preparation for level studies or working life. The vocational orientation curriculum consists of studies forming key competencies as well as practical studies, which in an integrated manner support the formation of career selection. The volume of the curriculum is 30 or 60 vocational education credits. For more, please see <https://www.riiqiteataja.ee/en/eli/523052019004/consolide>.

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. Objectives, expected results and additional conditions

The purpose of the grant is to support the continuation of education or form readiness for labour market after basic school of young people of low level of education and those who belong to a risk group. The main task of the vocational orientation study is to support each student in choosing a career in cooperation with external partners and companies. To a large extent the curriculum consists of selective studies, which allows the school to apply study content that considers the capacity and needs of the student in cooperation with other schools, companies, youth centres and other external partners in the area.

So far, measures that support transition in the Estonian educational system have received very little attention, unlike in Finland, Sweden, Norway, Iceland or The Netherlands where the transition of young people is supported by nationally developed and financed programmes. Creating a transitional measure for vocational education institutions is mainly conditioned by the fact that a significant part of the people who have quit their studies at secondary education level are the ones who have done so at a vocational education institution. Approximately 12% of the persons who have quit vocational studies do not continue their studies during the same year, which as compared to the upper secondary school's 1%, is a significant share. Mostly, studies at a vocational education institution are quit during the first school year. Overall, leaving

vocational studies has remained at 20% during the past ten years and very often the main reason for quitting is the wrong choice of speciality.

In 2017, 10.7% of 18–24-year-old young people had only basic education or lower level of education and did not continue studies. These young people in question are at high risk of unemployment on the labour market due to the lack of specialised professional skills and very often have to settle with the status of unskilled worker¹. According to Eurostat, in 2017, 9.4% of 15–24-year-old young people were inactive, i.e. did not study or work (an estimate of 12,000 young people). As compared to year 2009 (when the young people who did not study or work made up 14.5% of the age group, estimated 26,700 young people), the number of young people who are not studying or working has decreased by more than half.

Many young people, including those who start their work life after acquiring basic education (or even earlier) and do not continue their studies, are in the risk of becoming unemployed if the economic situation deteriorates. The young people themselves estimate that if their entry to the labour market has not been smooth, finding their place will take a lot of time². Although participation of young people on the labour market and the rate of employment have steadily grown since 2010 and the level of unemployment has decreased, the level of unemployment among young people has, however, remained permanently at the level, which is twice as high as the indicator for the age group of 25 and older³.

Implementing the vocational orientation curriculum will contribute to the achievement of all five strategic goals of the Estonian life-long learning strategy 2020⁴ by mainly supporting 1) creating study possibilities with high quality and versatile choices, which would increase the number of people with professional qualifications as well as 2) increase in the participation in life-long learning as a whole by creating equal opportunities.

An important goal of the national vocational education programme 2019–2022⁵ that supports implementation of the life-long learning strategy 2020 is to create high quality, flexible and versatile vocational education opportunities for the population of Estonia that would correspond to their needs and capabilities and which would meet the development needs of the labour market. The programme indicators and their desired target levels have been described up to the year 2022 on diagram 1 and the vocational orientation curriculum contributes to the following:

National Vocational Education programme indicators

Indicator	2015	2016	2017	2018	2019	2020	2021	2022
				Target level				
Share (%) of 18–24-year old persons of low educational level who are not studying (%)*	12.2	10.9	10.8	<10.0	<9.5	<9	<9	<9
Share (%) of persons who have quit studies at vocational education institutions (at the level of vocational secondary education during first academic year)	24.7	22.4	22.4	22	21	<20	<20	<20
Share (%) of adults (25–64) without professional or vocational education*	28.9	28.5	28.6	26	25.5	25	25	25
Share (%) of adults participating in life-long learning**	12.4	15.7	17.2	18	19	20	20	20

¹ Krusell, S. (2014) *Young versus People in the Prime Working Age and Older People on the Labour Market*. In the collection *Changing Economy and Labour Market*. Statistics Estonia. Available at: <http://www.stat.ee/72566>.; *Young People Perceive Exclusion on the Labour Market Even after the Economic Crisis*, Statistics Blog, <https://blog.stat.ee/2017/03/01/noored-tajuvad-tooturul-torjutust-ka-majanduskriisi-jarel/>

² Kazjulja, M., Roosmaa, E-L. *Youth Entering the Labour Market: Difficulties and Methods of Coping*, Statistics Estonia, Social Trends 7 (2017), pp 121–145

³ Explanatory Note to the Youth Programme 2019 – 2022, https://www.hm.ee/sites/default/files/9_noortepogr_2019-22_seletuskiri_28dets18.pdf

⁴ Estonian Life-long Learning Strategy 2020, <https://www.hm.ee/sites/default/files/strateegia2020.pdf>

⁵ Vocational Education Programme 2019 – 2022, https://www.hm.ee/sites/default/files/6_kutseh_progr_2019_22.pdf

Share of persons with secondary education 4 years after graduating from basic school	76.8	75.5	79.5	78	80	82	82	82
Measure 1: Increase in participation in studies and better compliance of the graduates with the needs of the labour market								
Goal: Increase in participation in studies and better compliance of the graduates with the needs of the labour market								
Rate of employment (%) of 20–34-year-old persons who have graduated vocational studies 1–3 years ago; Source: Eurostat	83.2	82.1	tbc in 2019	>80	>80	>80	>80	>80
Satisfaction of the parties of the vocational education system with the functioning of the vocational education (methodology and source to be clarified)		90.2 (with school)/ 81.2 (with job)***		First measurement	Established during first measurement			

* data of Statistics Estonia

** Eurostat data. Calculation of the indicator is based on the Estonian labour force survey and it reflects the share of those 25-64-year-olds who participated in level studies or training during four weeks before the survey. Life-long learning includes participation in level studies as well as trainings.

*** satisfaction survey of students and alumni of vocational education 2015-2016: 90% of the graduates and students of vocational education are satisfied with the studies. Job satisfaction among teachers: 81% are very satisfied with their job.

Diagram 1: Indicators of the vocational education programme

- 5.1. The output-level targets of the small grant scheme are – cumulatively totalled for the entire SGS – as follows:
 - 5.1.1 at least 15 vocational education institutions have implemented the vocational orientation curriculum aimed at young people of low education level and/or those who belong to risk group;
 - 5.1.2 at least 400 young people of the target group⁶ have participated in the vocational orientation curriculum programme carried out by the vocational education institution;
- 5.2. as a result of awarding the grant, at least 50% of the young people who studied at the vocational orientation curriculum are ready to participate in the labour market or continue their studies by the year 2024.
- 5.3. The target levels for individual projects selected under this SGS will be assessed as part of the Evaluation Criteria (see Annex 3).
- 5.4. The projects 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 25.1.1 for details.
 - 5.4.1. The projects under the SGS will have to carry out exit-interviews with all students to report on their readiness to continue studies or enter the labour market after using the services provided via this programme.

Chapter 3 ELIGIBLE ACTIVITIES, ELIGIBLE COSTS AND GRANT RATE

6. Eligible activities, involvement of partners and conditions for financing

- 6.1. The supported activities include the **development work related to the implementation of the vocational orientation studies as well as carrying out the studies of the vocational orientation curriculum**, including adjusting the contents of

⁶ young people of low level of education who need additional teaching or counselling for choosing a career, young people who have quit their studies, young people with special needs, young people of foreign background and young people who need more time to adjust to vocational studies etc.

the curriculum according to the target group, modifying and updating according to implementation experience and proposals of the partners.

The development work related to the vocational orientation curriculum includes mapping of the school's internal and external support network, concluding cooperation agreements for carrying out the curriculum and preparatory activities for involving employees, school staff and partners related to the vocational orientation curriculum for the implementation of the curriculum. Trainings, cooperation and network meetings as well as seminars with partners are considered relevant. In order to introduce the possibilities of the studies, the school must organise at least one information event.

- 6.2. Stakeholders like basic schools, other vocational education institutions, upper secondary schools (including adult upper secondary schools), Astangu Vocational Rehabilitation Center, educational consultancy network Pathfinder centres of Foundation Innove and other organisations and associations with whom the project applicant has a common social goal, which is achieved by implementing this project, are welcomed to be engaged in project activities. Relevant foreign experts may be involved in the development and carrying out of the vocational orientation curriculum.
- 6.3. The studies are financed based on the standard scale of unit costs of a training place.
- 6.4. The duration of the studies for one student is one to six months and for the students with special educational needs one month to one academic year. Irrespective of the duration of the curriculum, a training place is financed once per academic year. Several students may study at one training place during an academic year.
- 6.5. Students are accepted for studying and are removed from the list of students with the decree of the director of the vocational education institution.
- 6.6. At least three months before the carrying out of the planned studies, the vocational education institution must have the vocational orientation curriculum registered at the Estonian Education Information System (hereinafter: *EHIS*).

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 30 months, including the implementation of vocational orientation curriculum throughout two consecutive academic years. All project activities should be finished by the deadline laid down in a grant decision but no later than April 30, 2024.
- 7.3. Expenditures incurred after April 30, 2024 are not eligible.

8. Grant size and rate

- 8.1. The overall budget of the small grant scheme is 1 742 870 euros. Project grant to be awarded to a single project falls between 100 000 – 200 000 euros.
- 8.2. The maximum project grant rate is 100% of the total eligible costs.

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 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. 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.
- 9.5. When setting the project grant rate, the Programme Operator shall further take into account any economic benefit, e.g. cost savings, revenue or increased profit, which is a result from receiving the grant. Economic benefits shall be used in a manner which supports the objectives of the project.
- 9.6. 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, Republic of Iceland or the Principality of Liechtenstein, 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 projects are financed on the basis of the standard scale of unit costs for implementing the vocational orientation curriculum.
- 10.2. The standard scale of unit costs are based on the cost of the training place of the vocational orientation curriculum per school year and relies on the Regulation No 39 of the Minister of Education and Research "*Principles of operating grant for vocational education institutions and the conditions and procedure for their implementation*" that entered into force on Sept 1, 2019 (hereinafter: *Regulation of the Minister of Education and Research*). The coefficient of the vocational orientation curriculum is derived from

standard scale of unit costs in the Regulation calculated for the students with special educational needs, specifically costs calculated for small group activities.

- 10.3. Based on the Regulation of the Minister of Education and Research, the standard scales of unit costs are used as the basis for financing the organisation of pedagogical work and provision of support services with the aim of developing and implementing the vocational orientation curriculum.
- 10.4. The standard scales of unit costs per one student during one academic year is € 4,630 and it includes, based on the provisions of the Regulation of the Minister of Education and Research, the following calculated costs included in basic financing:
 - 10.5.1 teachers' labour costs in the amount of € 2,226.30⁷;
 - 10.5.2 calculation of the costs of managing arising from the teacher's position € 23.70⁸;
 - 10.5.3 cost of organising studies on the basis of the vocational orientation curriculum in the amount of € 2,380.00⁹.
- 10.5. The methodology for calculating the support is the following:
 - 10.6.1 students who are studying the minimum of one month according to the vocational orientation curriculum are financed based on standard scale of unit costs;
 - 10.6.2 calculation of the grant amount is based on the actual number of students, which is reflected in the Estonian Education Information System (hereinafter *EHIS*) as vocational education institution that has applied for grant for the registered curriculum and the source of financing has been indicated as 'EEA grant';
 - 10.6.3 the number of students occupying the training places of vocational orientation curriculum is established on monthly basis, as of the 15th date in *EHIS*;
 - 10.6.4 monthly amount of the grant is calculated by multiplying the actual number of students occupying the training places by the standard scale of unit costs (Art 10.4), and divided by ten months (1/10), with the accuracy of two decimals¹⁰;
 - 10.6.5 the number of training places subject to compensation within one calendar year cannot exceed the number of training places established in the grant application.
- 10.6. The documents verifying eligibility of costs are:
 - 10.7.1 a statement from the Estonian Education Information System as of the 15th date (source of financing: EEA grants; curriculum: vocational orientation curriculum);
 - 10.7.2 decree of the director on entering an entrant into the list of students of vocational orientation curriculum;
 - 10.7.3 upon termination, decree of the director on removal of the students from the vocational orientation curriculum;
 - 10.7.4 upon completion of the studies, decree of the director on the removal of the student from the list of students of the vocational orientation curriculum.
- 10.7. The project budgeting does not include indirect costs.

11. State aid

⁷ calculation method: Pursuant to Section 3(3) 1) of the Regulation of the Ministry of Education and Research, the calculation of the labour costs of a teacher is based on the minimum monthly wage of a teacher established in Section 76 of the Basic Schools and Upper Secondary Schools Act, which is € 1,315 by the year 2020, which is multiplied by the coefficient applicable for the vocational orientation studies, which is 1.693 (pursuant to the Annex to the Regulation of the Ministry of Education and Research 'Coefficients used for the calculation of the basic financing component of the operating grant')

⁸ calculation method: Pursuant to Section 3(3)2) of the Regulation of the Ministry of Education and Research, the coefficient 1.693 applicable for the vocational orientation studies is multiplied (pursuant to the Annex to the Regulation of the Ministry of Education and Research 'Coefficients used for the calculation of the basic financing component of the operating grant') by 14

⁹ calculation method: the fixed coefficient for carrying out the vocational orientation studies established in Section 3(3)6) of the Regulation of the Ministry of Education and Research

¹⁰ Ten months is foreseen as a basis because for the months of July and August as a rule there is overwhelmingly no education process going on, incl. the vocational orientation curriculum. The research and development costs of these months are covered within the standard scale of unit costs during the active period.

Financial support given to Project Promoters is not regarded as state aid compatible with Article 3 of the European 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.

Chapter 4

CRITERIA FOR APPLICANTS, PARTNERS AND PROJECT APPLICATIONS

12. Eligibility of applicants and project partners

- 12.1. An eligible applicant is a vocational education institution registered in Estonia that has right to provide instruction in personal development curriculum group and administered by the local government or state and that has a vocational orientation curriculum registered or under registration process at the Estonian Education Information System.
- 12.2. The applicant has appointed a project manager for the project.
- 12.3. Any public or private entity, commercial or non-commercial, as well as non-governmental organisations established as a legal person either in Estonia, Norway, Iceland, Liechtenstein, in some other Beneficiary State (Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Latvia Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia) or in Russia, are considered eligible project partners.
- 12.4. The activities and responsibilities of the applicant and partners upon carrying out of the project are clearly defined, and in order to ensure it, the project partner has signed a partnership statement form in compliance with point 13.4 of the Rules (Annex 1). Before the official positive grant decision is made, the Project Promoter must sign partnership agreements with all its partners.
- 12.5. The applicant and partner 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).

13. Administrative and eligibility criteria

- 13.1. A project application should fulfil the following criteria:
 - 13.1.1 The application has been submitted through an e-grants web environment in the given format <https://etoetus.strukturifondid.ee> accompanying the additional documents listed in article 13.2 of the Rules;
 - 13.1.2 The application has been signed by a signatory person of the organisation;
 - 13.1.3 The grant is applied for the goals of the SGS listed in the Article 5 of the Rules and for the eligible activities of the SGS listed in the Article of 6 of the Rules;
 - 13.1.4 The grant size and rate applied for corresponds to the rules and regulations set for this SGS;
 - 13.1.5 The application includes the data and role of the project partner organisation(s);
 - 13.1.6 The time of project activities fall under the eligibility period set for this SGS;
 - 13.1.7 Project output indicators contribute to achieving the indicator target level set for this SGS;
 - 13.1.8 The place of project activities is Estonia or the country of the project partner(s);
 - 13.1.9 The project application describes the sustainability of project as well as the financial scheme supporting it;
 - 10.1.10 Other criteria set in the Rules.
- 13.2. An applicant will attach the following documents to the application:
 - 13.2.1 CV of the project manager;
 - 13.2.2 Project Partner statement (Annex 1) in compliance with article 13.4 of the Rules;

- 13.2.3 Authorisation from the management board, in case the representative of the organisation acts upon mandate.
- 13.3. The grant application must include the following statements (via e-grants web environment):
- 13.3.1 The applicant states that the information in the application is correct;
- 13.3.2 The applicant possesses the economic capacity to carry out the project applied for;
- 13.3.3 The applicant is aware of the communication requirements of the project;
- 13.3.4 The applicant is aware that the information regarding the project will be publicized upon positive grant decision;
- 13.3.5 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;
- 13.3.6 The applicant is aware the any revenue earned during project activities must be considered within a project budget;
- 13.3.7 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);
- 13.3.8 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.
- 13.4. Project Partner Statement (Annex 1) must include the following statements:
- 13.4.1 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 2.6 of the Rules;
- 13.4.2 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.
- 13.4.3 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.
- 13.5. 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

14. Launching the project application process

- 14.1. Programme Operator will submit the Implementing Agency with a confirmed text and evaluation criteria of the SGS.
- 14.2. 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.
- 14.3. The call for proposals of the SGS must be open for applications at least for 60 calendar days.
- 14.4. 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 Education and Research <https://www.hm.ee/et> as well as at the web-site of the State Shared Service Centre (POIA): <https://www.rtk.ee/toetused/toetuste-rakendamine/emp-ja-norra-toetused-2014-2021>.

- 14.5. 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.

15. Platform and deadline for submitting applications

- 15.1. Project applications must be submitted through the e-grants web platform <https://etoetus.struktuurifondid.ee> by the deadline set in the launching notice of the SGS.
- 15.2. The deadline for submitting project applications is 01.11.2020 at 17 o'clock local time.
- 15.3. One application per applicant is eligible.
- 15.4. 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

16. Processing of project applications

- 16.1. 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.
- 16.2. 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.
- 16.3. 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 and/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.

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

- 17.1. POIA will declare the project applicant and project partner eligible according to article 12 of the Rules.
- 17.2. The project application does not fulfil the administrative criteria, when:
 - 17.2.1. The application is not in conformity with the criteria set in Art 13 of the Rules and the applicant has not eliminated the deficiencies requested by the POIA in due time;
 - 17.2.2. The application has been modified in parts that were not brought out by the POIA as deficiencies;
 - 17.2.3. The applicant does not enable POIA to verify the correctness of the project information submitted.
- 17.3. 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.
- 17.4. A negative grant decision can be appealed according to the timeframe and procedure described in § 73 of the Administrative Procedure Act.

18. Project evaluation process and evaluation criteria

- 18.1. POIA will coordinate the process of evaluating the projects that meet the administrative and eligibility criteria.
- 18.2. 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.
- 18.3. 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.
- 18.4. Experts will evaluate the project proposals according to the Expert Evaluation Sheets (Annex 2) and Guide to the Expert Evaluation Sheet (Annex 3). The evaluation criteria sections are as follows:
 - 18.4.1. Criterion 1: justification of the project and readiness of the school to carry out the project → max of 9 points;
 - 18.4.2. Criterion 2: cooperation with partners outside the school → max 8 points;
 - 18.4.3. Criterion 3: effect of the project on the achievement of the programme indicator's targets (Chapter 5) → max 3 points;
 - 18.4.4. Criterion 4: sustainability of the project → max 3 points.
- 18.5. 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.

- 18.6. For project proposals receiving less than 50% of the total score, a negative decision will follow automatically.
- 18.7. 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 external to the PO and its 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.
- 18.8. In case the total grant amount applied for is greater than the total budget of the open call and the final score of multiple projects is levelled, then the project with higher combined score of evaluation Criteria 1 and Criteria 2 will be favoured.
- 18.9. 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.
- 18.10. 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.

19. Making positive and negative grant decisions

- 19.1. POIA will cast a decision to award a grant or decline awarding a grant based on the written recommendation of the Selection Committee.
- 19.2. A positive grant decision will include the rights and responsibilities of the grantee, incl. the following:
 - 19.2.1 objective, eligible activities and the time-frame of the project;
 - 19.2.2 rules of implementation;
 - 19.2.3 eligibility period of the project activities;
 - 19.2.4 budget of the project activities, incl. the grant rate and the co-financing rate;
 - 19.2.5 terms of project reporting;
 - 19.2.6 terms of reimbursement requests and payments to projects;
 - 19.2.7 any revenue earned during project activities;
 - 19.2.8 project output and outcome target indicators;
 - 19.2.9 pre-conditionalities set for the project implementation.
- 19.3. 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.
- 19.4. POIA will cast a negative grant decision, when:
 - 19.4.1 the project applicant, partner or the project application fails to meet the eligibility and administrative criteria set in Art 12 and Art 13 of the Rules;
 - 19.4.2 in case the project application has been set a pre-conditionality and the pre-conditionality is not fulfilled;
 - 19.4.3 it is proven that the project applicant or partner has influenced the evaluation process by fraud, threatening or in some other illegal way;
 - 19.4.4 the Selection Committee recommends not to award a grant to the project;

- 19.4.5 the application will not exceed the minimum score barrier of 50% set in article 18.6 of the Rules;
 - 19.4.6 the budget foreseen for the SGS will be exhausted;
 - 19.4.7 the project applicant does not accept awarding the grant to the project only partially as described in article 20 of the Rules.
- 19.5. When casting a negative grant decision, POIA will clearly show the circumstances and findings why the negative decision has been made.
- 19.6. 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.

20. Making a positive grant decision partially

- 20.1. 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.
- 20.2. Positive grant decision can be made partially also in the following cases:
 - 20.2.1 the objectives, results or target indicator values are achievable also with a smaller total amount budgeted for the project activities
 - 20.2.2 project proposal includes some ineligible activities or activities that are not necessary to achieve the objectives, results or target indicator values of the project.
- 20.3. 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

21. Amending the grant decision made

- 21.1. 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.
- 21.2. 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.
- 21.3. Before the grant decision is amended, POIA will check the relevance and necessity of change in:
 - 21.3.1 the activities, the scope of activities, additional activities or cancelling activities;
 - 21.3.2 the targets indicate values at outcome or output levels;
 - 21.3.3 total eligible budget of the project activities or in grant rate;
 - 21.3.4 the eligibility period of the project activities;
 - 21.3.5 other conditions set in the grant decision.
- 21.4. 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.

- 21.5. When deemed necessary, POIA will consult the PO regarding the amendments in question.
- 21.6. 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.

22. Terminating the grant decision made

- 22.1. POIA will terminate the grant decision made partially or fully in the following cases:
 - 22.1.1 when circumstances appear, that would not have allowed to grant a positive grant decision;
 - 22.1.2 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;
 - 22.1.3 in case the project application has been set a pre-conditionality and the pre-conditionality is not fulfilled;
 - 22.1.4 when the project amendment proposal is not approved and therefore it is impossible for the Project Promoter to continue with the project activities;
 - 22.1.5 when the Project Promoter submits an application to terminate the positive grant decision made.
- 22.2. 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

23. Regulations for submitting project reports

- 23.1. 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 in the down in the positive grant decision document.
- 23.2. 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.
- 23.3. Project Promoters have to submit project final report within 45 days after the final date of eligibility.
- 23.4. 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.
- 23.5. Project reports will be submitted via the e-grants web environment <https://etoetus.strukturifondid.ee>.
- 23.6. Project report must include at least the following information:
 - 23.6.1 relevant data from the positive grant decision: project name, project number, name of the Project Promoter etc.;
 - 23.6.2 cumulative project reporting from the start of project activities;
 - 23.6.3 reporting on the project progress made: activities carried out, procurements made, results achieved etc.;

- 23.6.4 total cumulative target indicator values of project outputs and outcomes, incl. summary of exit-interviews with all students on their readiness to continue studies or enter the labour market after using the services provided via this programme;
 - 23.6.5 risk assessment analysis and changes;
 - 23.6.6 performance assessment on the project implementation and on the objectives set / achieved;
 - 23.6.7 partnership assessment;
 - 23.6.8 statement on the correctness of the information.
- 23.7. 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.
- 23.8. POIA will inform the PO immediately in written format after the approval of the report.

24. Regulations for payments to projects

- 24.1. Payments to project are made according to the current Rules and the regulations set in the grant decision.
- 24.2. 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.
- 24.3. 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.
- 24.4. Project Promoter will submit an advance payment request or a reimbursement request in a given format via the e-grants web environment.
- 24.5. 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.
- 24.6. Before the 1st reimbursement request (or in parallel with that), the Project Promoter must submit POIA:
 - 24.6.1 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;
 - 24.6.2 a copy of the procurement rules of the organisation;
 - 24.6.3 a short description of the regulations how documents are being approved and signed, also how authority is delegated inside the organisation;
 - 24.6.4 a short explanation on how the Project Promoter will guarantee the maintaining of relevant documentation until the required time period.
- 24.7. 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.
- 24.8. POIA can suspend the processing of the reimbursement request partially or fully in the

following cases:

- 24.8.1 there are deficiencies in the reimbursement request submitted;
 - 24.8.2 conditions subject to the use of grant have not been fulfilled;
 - 24.8.3 the eligibility of costs declared is unclear;
 - 24.8.4 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;
 - 24.8.5 the amount requested can be offset with the amount reclaimed as a result of an irregularity detected;
 - 24.8.6 an irregularity with potentially financial consequences is being investigated or the grant reclaimed already has not still been fully reimbursed;
 - 24.8.7 payments to PO have been suspended as a result of Project Promoter action.
- 24.9. POIA will verify the payment claim (reimbursement request) within 20 working days after having received the request.
- 24.10. In case there are shortcomings in the reimbursement request presented, POIA will give the Project Promoter a reasonable deadline to eliminate these shortcomings.
- 24.11. 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

25. Responsibilities of the Project Promoter and project partner

- 25.1. Project Promoter is responsible for the successful implementation of the project within the eligibility period and according to the Rules. Additionally, the Project Promoter:
 - 25.1.1 gathers and submits the PO the progress made towards reaching the target values of output and outcome indicators, incl. exit-interviews with all students on their readiness to continue studies or enter the labour market after using the services provided via this programme. The Project Promoter must maintain in written format the list on target group persons engaged in project activities;
 - 25.1.2 documents in written format all target group individuals engaged in project activities (signed participants' records);
 - 25.1.3 shall not hire a person residing illegally in Estonia;
 - 25.1.4 keeps records of revenue obtained through the activities of the project;
 - 25.1.5 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;
 - 25.1.6 when being a contracting authority with regard to § 5 of the Public Procurement Act, follows the regulations set in the Public Procurement Act;
 - 25.1.7 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;
 - 25.1.8 maintains the project documentation until Dec 31, 2028;
 - 25.1.9 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, including a launch activity and/or a closing activity for the project; launches a project web-site in Estonian and English either through a dedicated website or through a dedicated webpage on the organisation's existing website with linking between the pages. When receiving a grant up to 150 000 euros, a project web-site only in Estonian language is deemed as sufficient.

- 25.2. Upon approval of the project final report the Project Promoter must grant for at least 5 years of public access to the achieved project results (i.e. reconstructed buildings).
- 25.3. The eligibility of expenditures incurred by a project partner is subject to the same limitations/responsibilities as would apply if the expenditures were incurred by the Project Promoter.

26. Rights of the Project Promoter and project partner

- 26.1. 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.
- 26.2. Project Promoter has the right to submit a grant decision amendment proposal when the progress of project activities proves it necessary.
- 26.3. 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:
 - 26.3.1 a resolution is drawn in regard to the Project Promoter;
 - 26.3.2 amending or terminating the positive grant decision made, except a fully approved decision that was proposed by the Project Promoter itself;
 - 26.3.3 reclamation of grant in case of irregularities detected in a project implemented by the Project Promoter.
- 26.4. Project partner exercises the same rights as the Project Promoter.

27. Responsibilities of the Programme Operator Implementing Agency

Programme Operator Implementing Agency is obligated to:

- 27.1 inform the public and potential applicants on the possibilities to apply for a grant and the rules and regulations established for applications;
- 27.2 process project applications and cast grant decisions;
- 27.3 process reimbursement requests, incl. making payments suspending payments or declining payments;
- 27.4 make a decision on partially or fully terminating the positive grant decision made;
- 27.5 make a financial correction decision in case irregularities and reclaim the ineligible grant;
- 27.6 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;
- 27.7 fulfil other tasks given by the PO.

28. 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:

- 28.1 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;
- 28.2 the grant amount to be reclaimed can be offset with the amount to be reimbursed to the Project Promoter within the same project;

- 28.3 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;
- 28.4 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;
- 28.5 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 Partner statement form

Annex 2: Expert Evaluation Sheet form

Annex 3: Guide to the Expert Evaluation Sheet