

LOCAL DEVELOPMENT AND POVERTY REDUCTION (EE-LOCAL DEVELOPMENT)

EEA Financial Mechanism 2014-2021
Norwegian Financial Mechanism 2014-2021

Operational rules (Annex II)

1. Programme summary

This Annex sets out the operational rules for the programme. The programme agreement is based on the MoU, the concept note and comments made by the Donors. Commitments, statements and guarantees, explicit as well as implicit, made in the concept note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this programme agreement.

The Programme Operator is the Ministry of Social Affairs of Estonia. The Norwegian Directorate of Health (HDIR), the Norwegian Institute of Public Health (FHI) and the Directorate of Cultural Heritage (RA) shall act as Donor Programme Partners. The Ministry of Education and Research of Estonia (MoE), the Ministry of Justice of Estonia (MoJ) and the Ministry of Culture of Estonia (MoC) shall act as Programme Partners.

Certain tasks of the Programme Operator may be delegated to the Grants Administration Department of the State Shared Service Centre, however this does not in any way reduce or restrict the responsibility of the Programme Operator.

The host Programme Area is 'Local Development and Poverty Reduction' (PA10). In addition to PA10, the Programme will provide grants within the following Programme Areas: PA04 'Work-life Balance', PA06 'European Public Health Challenges', PA08 'Children and Youth at Risk', PA09 'Youth Participation in the Labour Market', PA14 'Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation', PA16 Good Governance, Accountable institutions, Transparency, PA22 "Domestic and Gender-based Violence". PA10 and PA16 objectives are cross-cutting all outcomes under the programme.

The programme objective '**Strengthened social and economic cohesion**' will be attained through four outcomes:

- The programme shall support "**Enhanced wellbeing of children and youth**" (Outcome 1) by way of **two pre-defined projects (PDPs)**: 'Specialised juvenile justice approach established' (PDP 1) and 'Establishment of a renewed family mediation system' (PDP 2); **two open calls** covering the development of integrated services provisions models at local level and piloting of measures to support transition of disadvantaged children and youth across school levels and from education to the labour market (Call 1) and smart solutions in youth work (Call 2); and **two small grants schemes (SGSs)** to implement restorative justice measures for youth and raise awareness of these measures (SGS 1) and to develop and pilot career orientation programmes for youth at risk to move from basic education to VET' (SGS 2).
- The programme shall support "**Reduced domestic and gender-based violence and gender inequalities**" (Outcome 2) by way of **two PDPs**: 'Strengthening the Victim Support System' (PDP 3) and 'Virtual Competence Centre of Gender Equality' (PDP 4); **one open call** covering awareness raising activities on gender-based violence and to discourage demand for prostitution (Call 3); and **one small grants scheme** to train specialists in gender-based violence and develop a programme for sex-buyers (SGS 3).

- The programme shall support “**Improved prevention and reduced inequalities in health**” (Outcome 3) by way of **three PDPs**: ‘Increasing physical activity of schoolchildren’ (PDP 5), ‘Increasing public health competence and capacity of local governments’ (PDP 6), and ‘Development of evaluation models and handling system for chronically mentally ill patients’ (PDP 7); and **one open call** for proposals to develop and pilot integrated service models at local level and to develop a home visitation and early intervention model.
- The programme shall support “**Historic town centres revitalised through heritage-based local development**” (Outcome 4) by way of **one PDP**: ‘Historic town centres revitalised through heritage-based local development’ (PDP 8) and **one open call** for revitalization of cultural heritage buildings in small towns for community purposes.

2. Eligibility

2.1 Eligible applicants:

The rules on eligibility of applicants and project partners are set in Article 7.2 of the Regulation. In accordance with Article 7.2.4, the following entities shall be eligible:

Outcome	Modality	Financial mechanism	Eligible applicants	Eligible Partners
Outcome 1: Enhanced wellbeing of children and youth	Call for proposals #1	EEA FM	Local governments and local government associations.	In accordance with Art 7.2.2 of the Regulations.
	Call for proposals #2	EEA FM	In accordance with Art 7.2.1 of the Regulations.	
	Small grant scheme #1	Norwegian FM		
	Small grant scheme #2	EEA FM	VET schools.	
Outcome 2: Reduced domestic and gender-based violence and gender inequalities	Call for proposals #3	Norwegian FM	In accordance with Art 7.2.1 of the Regulations.	In accordance with Art 7.2.2 and 7.2.3 of the Regulations.
	Small grant scheme #3	EEA FM	NGOs, universities and medical schools.	
Outcome 3: Improved prevention and reduced inequalities in health	Call for proposals #4	Norwegian FM	In accordance with Art 7.2.1 of the Regulations.	
Outcome 4: Historic town centres revitalised through heritage-based local development	Call for proposals #5	EEA FM	Legal persons who are owners or operators of buildings in heritage protection areas in small towns, in line with list provided by the Ministry of Culture defining heritage protection areas in small towns.	

2.2 *Special rules on eligibility of costs:*

Costs are eligible in accordance with Chapter 8 of the Regulations.

In accordance with Article 8.5.4 of the Regulations, indirect costs shall be identified in accordance with paragraph 1(c) of Article 8.5 of the Regulations.

3. **Bilateral relations**

3.1 *Bilateral relations*

The Programme shall contribute to strengthening bilateral relations between Estonia and the Donor States.

The Programme shall as appropriate facilitate donor partnership projects by carrying out, inter alia, match-making events and activities in conjunction with launching calls for proposals, as well as by encouraging donor partnership projects in call texts.

The further use of the funds for bilateral relations allocated to the programme shall be agreed in the Cooperation Committee.

4. **Selection of projects and financial parameters**

4.1 *Open calls and availability of funds (including number of calls, duration and estimated size):*

Outcome	Modality	Indicative timing	Total available amount	Minimum/Maximum grant applied for
Outcome 1: Enhanced wellbeing of children and youth	Call for proposals #1	January 2021	€1,742,870	€200,000/€400,000
	Call for proposals #2	January 2021	€1,742,870	€871,435/€1,742,870
	Small-grant scheme #1a	October 2020	€400,000	€30,000/€200,000
	Small-grant scheme #1b	April 2021	€360,000	€30,000/€200,000
	Small-grant scheme #2	June 2020	€1,742,870	€100,000/€200,000
Outcome 2: Reduced domestic and gender-based violence and gender inequalities	Call for proposals #3	November 2020	€200,000	€200,000/€200,000
	Small-grant scheme #3	June 2020	€180,000	€40,000/€60,000
Outcome 3: Improved prevention and reduced inequalities in health	Call for proposals #4	December 2020	€500,000	€200,000/€500,000
Outcome 4: Historic town centres revitalised through heritage-based local development	Call for proposals #5	June 2020	€2,859,647	€200,000/€500,000

4.2 Selection procedures:

The project evaluation and award of grants shall be in accordance with Article 7.4 of the Regulations.

The Programme Operator shall be responsible for project evaluation and for the award of grants.

The Programme Operator shall review the applications received for compliance with the administrative and eligibility criteria. Applicants, whose applications are rejected at this stage, will receive a negative decision in the form of an administrative act that can be appealed in administrative court according to the Administrative Procedure Act within 30 days as of the delivery of the act.

Each application that meets the administrative and eligibility criteria shall be reviewed by two impartial experts appointed by the Programme Operator. The experts shall separately score the project according to the selection criteria published with the call for proposals. For the purposes of ranking the projects, the average of the scores awarded by the experts shall be used. 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. Project proposals receiving less than 50% of the total score will be automatically rejected.

The Programme Operator shall establish a Selection Committee. The Selection Committee will consist of voting members and observers. There shall be at least three voting members with relevant sector expertise, one of them external to the Programme Operator. The Selection Committee shall be chaired by the Programme Operator.

The Donor Programme Partners shall be invited to take an active part in selection processes under the programme. The Donor Programme Partners may decide to participate as voting members in the Selection Committee. The FMO, as well as the National Focal Point, shall be invited to participate in the meetings of the Selection Committee as observers.

The Programme Operator shall provide the Selection Committee with a list of the ranked projects. The Selection Committee shall review the ranked list of projects. It may modify the ranking of the project applications in justified cases based on transparent criteria. The justification for the modifications shall be detailed in the minutes of the Selection Committee.

The Selection Committee shall prepare a list of projects recommended for funding, or to be approved with conditions. The decisions of the Selection Committee shall be taken by consensus of all voting members. The Programme Operator, based on the recommendation of the Selection Committee, shall make the final decision on which projects shall be supported.

4.3 Project grant rate:

Grants from the programme may be up to the following percentages of total eligible expenditure of the project:

Outcome	Modality	Grant rate
Outcome 1: Enhanced wellbeing of children and youth	Call for proposals #1	Up to 100% In the case of projects where the Project Promoter is an NGO or social partner, as defined in Article 1.6. of the Regulations, the project grant rate may be up to 90% of total eligible expenditure of the project.
	Call for proposals #2	
	Small-grant scheme #1a and 1b	
	Small-grant scheme #2	
	Call for proposals #3	

Outcome 2: Reduced domestic and gender-based violence and gender inequalities	Small-grant scheme #3	Up to 90%
Outcome 3: Improved prevention and reduced inequalities in health	Call for proposals #4	
Outcome 4: Historic town centres revitalised through heritage-based local development	Call for proposals #5	Up to 80%

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and take into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be covered by the Project Promoter.

5. Additional mechanisms within the Programme

5.1 Pre-defined projects

1) “Specialised juvenile justice approach established”

Project Promoter: Ministry of Justice

Donor project partner: Norwegian Mediation and Reconciliation Services, Oslo Police District

Other project partner: Estonian Social Insurance Board, Estonian State Prosecutor’s Office

Programme outcome the project contributes to: “Enhanced wellbeing of children and youth”

Total maximum eligible project cost: € 4,704,982

Project grant rate: 100%

Maximum project grant amount: € 4,704,982 (financed from NO FM)

The project will support the establishment of a specialised juvenile justice approach and the implementation of juvenile justice reform in Estonia in accordance with international standards, EU directives and best practice and with a focus on the most vulnerable young offenders.

Projects activities shall include:

- A training programme for professionals working with youth in contact with the law, including technical assistance (coaching/mentoring and supervision), to criminal justice institutions and the strengthening of capacity on strategic planning, coordination and monitoring in the juvenile justice system;
- The development of tools for evaluation and multi-agency cooperation, including the establishment of a system for risk assessment of young offenders in pre-trial proceedings (validation of instruments, piloting and training);
- The establishment of alternative interventions to fines and institutionalisation for youth, including short term behaviour-based interventions applicable by police or in cooperation with other sectors as health care, schools, youth work, access to multi-dimensional family therapy approaches to youth offenders on probation and capacity-building for professionals on youth with intellectual and developmental disabilities (awareness raising, training and adjustment of interventions);
- The establishment of a volunteer mediators system aimed at developing a restorative approach to juvenile justice and better access to mediation;

- Support to improve conditions in closed facilities for children and youth as an alternative to prison, including the introduction of in-treatment methods and services aimed at re-socialisation, and specialised training for prison staff to work with institutionalised youth.

2) “Establishment of a renewed family mediation system”

Project Promoter: Estonian Social Insurance Board

Programme outcome the project contributes to: “Enhanced wellbeing of children and youth”

Total maximum eligible project cost: € 400,643

Project grant rate: 100%

Maximum project grant amount: € 400,643 (financed from EEA FM)

The project will support the establishment of a renewed system for professional family mediation and increase accessibility aimed at settling disputes out of court.

Project activities shall include:

- Awareness-raising on family mediation in the general population and as well as among child protection specialists and court personnel;
- The expansion of the system of family mediation to ensure state-wide coverage, including by training mediators among the Russian speaking minority in East-Estonia and promoting the mobility of mediators;
- The streamlining of the system, including its working principles, financing and regulation, to apply the same model across Estonia;
- Capacity-building of mediators through international exchanges and regular job counselling;
- Analysis and adaption of internationally used models of mediation in co-operation with Norwegian mediators and Estonian universities.

3) “Strengthening the Victim Support System”

Project Promoter: Estonian Social Insurance Board

Donor project partner: Norwegian Centre for Violence and Traumatic Stress Studies (NKVTS)

Programme outcome the project contributes to: “Reduced domestic and gender-based violence and gender inequalities”

Total maximum eligible project cost: € 385,755

Project grant rate: 100%

Maximum project grant amount: € 385,755 (financed from EEA FM)

The project will improve the system for support to victims of domestic and gender-based violence to ensure a systematic, sustainable and coordinated approach to combat such violence.

Project activities shall include:

- The establishment of a system for volunteers working with victims of domestic and gender-based violence (volunteer support system) and recruitment of volunteers to this system;
- The development of quality measuring tools for the shelter services and counselling for staff;
- The development of guidelines on the detection of domestic violence for the health care system and training for medical professionals on early detection and intervention;
- Training for specialists on working with perpetrators of domestic violence;
- The establishment of a programme for perpetrators of domestic violence as part of the victim support system and the implementation of the programme in four regions.

4) “Virtual Competence Centre of Gender Equality”

Project Promoter: Ministry of Social Affairs

Donor project partner: Kilden

Programme outcome the project contributes to: “Reduced domestic and gender-based violence and gender inequalities”

Total maximum eligible project cost: € 349,245

Project grant rate: 100%

Maximum project grant amount: € 349,245 (financed from NO FM)

The project will support the establishment of a central Virtual Competence Centre of Gender Equality to gather data and research on gender equality in one place, in Estonian and Russian language, to tackle the segregation in education and the labour market and to raise awareness on gender equality, including the rights of citizens and legal obligations of the state and employers.

Project activities shall include:

- The creation of an online interactive gender equality database for Estonia;
- Creating and offering online training courses on gender equality, including on awareness-raising on gender pay gap and on gender stereotypes in career counselling;
- Carrying out a representative survey on attitudes towards gender equality in Estonia;
- Publishing high-quality discussion articles based on the data from the survey.

5) “Increasing physical activity of schoolchildren”

Project Promoter: Tartu University

Donor project partner: University College of Southeast Norway

Programme outcome the project contributes to: “Improved prevention and reduced inequalities in health”

Total maximum eligible project cost: € 2,703,566

Project grant rate: 85%

Maximum project grant amount: € 2,298,031 (financed from EEA FM)

The project aims to develop and disseminate a school culture that encourages the physical activity of students throughout a school day and to establish a support system for training and counselling of the schools.

Project activities shall include:

- The development and dissemination of the model of “the school inviting to move”;
- Training and counselling to support school teams to start or continue the dissemination of the school culture supporting the physical activity of students throughout the school day;
- Training and counselling of teachers on methods and skills to enhance the physical activity of children during lessons and recess;
- Training for teachers of physical education to support physical activity throughout the school day;
- Development of a training system for pupils acting as “play leaders” in schools;
- Exchange of best practices and counselling for schools on designing indoors and outdoors environment to support physical activity during the school day;
- Development of monitoring, analysis and evaluation tools/systems of project activities and dissemination of best practices;
- Co-operation and exchange of best practice with donor state experts, national and international experts.

6) “Increasing public health competence and capacity of local governments”

Project Promoter: National Institute for Health Development

Donor project partner: Norwegian Institute of Public Health

Programme outcome the project contributes to “Improved prevention and reduced inequalities in health”

Total maximum eligible project cost: € 1,410,969

Project grant rate: 100%

Maximum project grant amount: € 1,410,969 (financed from NO FM)

The project aims to increase the focus on public health in local governments and to enhance the capacity in evidence-based planning and interventions on health at local level.

Project activities shall include:

- Capacity-building for newly reformed local authorities on public health activities and awareness-raising;
- Training for local government leaders and health promoters;
- The development of a competence centre and mentor system for local governments on evidence-based health promotion;
- Support and counselling for local governments on analysis of the local health status (compiling health profiles) and the design of evidence-based interventions;
- Support and counselling in local interventions on the prevention of risk-behaviour, particularly among young people;
- The gathering and disseminating of updated scientific evidence on effective measures and best practices in health promotion.

7) “Development of evaluation models and handling system for chronically mentally ill patients”

Project Promoter: Viljandi Hospital Foundation

Other project partner: Estonian Psychiatric Association, Estonian Forensic Science Institute

Programme outcome the project contributes to “Improved prevention and reduced inequalities in health”

Total maximum eligible project cost: € 376,470

Project grant rate: 85%

Maximum project grant amount: € 320,000 (financed from NO FM)

The project will establish a uniform, evidence-based and cross-sectoral system of out-patient services for long-term mentally ill patients subjected to coercive treatment, increase the quality of psychiatric evaluation to improve judiciary procedures and secure human rights in the use of coercion during treatment.

Project activities shall include:

- The development and implementation of out-patient services, combining state and local level services for long-term mentally ill patients subjected to coercive treatment;
- The development and piloting of a model for cross-sectoral cooperation between specialists in health care, social care and the judicial sector sectors at local and regional level;
- Training for multi-sectoral teams, social workers and family members of patients to deal with patients/clients with chronic mental illness;

- The development and implementing of a model for a multidisciplinary forensic psychiatric committee to improve the quality of psychiatric evaluation, to ensure proper judiciary procedures and to secure the human rights of patients in the use of coercion during treatment;
- The adaptation of evidence-based evaluation instruments.

8) “Historic town centres revitalised through heritage-based local development”

Project Promoter: Estonian National Heritage Board

Donor project partner: Norwegian Directorate for Cultural Heritage

Programme outcome the project contributes to: “Historic town centres revitalised through heritage-based local development”

Total maximum eligible project cost: € 458,000

Project grant rate: 100%

Maximum project grant amount: € 458,000 (financed from EEA FM)

The project will support new and sustainable uses of cultural heritage buildings in small towns across Estonia, through capacity-building for municipalities and cultural heritage professionals as well as cooperation with vocational schools, restoration centres, local governments and local communities.

Project activities shall include:

- A training programme for Estonian and Norwegian municipalities;
- Workshops on the restoration of cultural heritage objects;
- The preparation and publishing of guidelines on promoting local cultural heritage and best practices in heritage-led development of urban areas in donor and beneficiary countries;
- The training, guidelines and materials developed will focus on historical details, practices and colour schemes and on the use of different materials, practical work skills and modern solutions in historical buildings, issues related to public use of the buildings;
- A conference on the results of the programme.

5.2 Financial Instruments

Not applicable

6. Programme Management

6.1 Payment flows

The Programme Operator shall ensure that payments to projects are made in a timely manner. Interim and final payments to the projects shall be based on approved project financial reports.

Payments of the project grant shall take the form of either a) reimbursement requests based on actual costs incurred for governmental organisations or b) advance payments for all others. The level of advance payment to projects shall be set out in the project contract. The maximum level of advance payment shall be linked to the project budget and duration as follows:

	<i>Project implementation duration</i>	<i>Advance payment</i>	<i>Interim payments</i>	<i>Final payment</i>
<i>All others, except gov. organisations</i>	<i><12 Months</i> <i>>12 Months</i>	<i>Up to 20% of the project grant</i>	<i>Up to 65% of the project grant</i>	<i>Up to 15% of the project grant</i>

<i>Governmental organisations</i>	<i><12 Months</i> <i>>12 Months</i>	<i>No advance payment</i>	<i>Reimbursement of actually incurred eligible costs</i>	<i>Up to 15% of the project grant</i>
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The first advance instalment shall be paid following the signature of the project contract and approval of the project partnership (draft) agreement. Subsequent payments shall be paid when at least 70% of the previous advance payment has been utilised and approved.

Interim financial reports confirming the use of advance payments or reimbursement requests for already incurred costs can be submitted for the implementation periods covering 1-3 months. The final payment will be paid after approval of the final report.

An advance payment of a percentage of the total grant amount shall be paid within one month after signature of the project contract. The interim payments shall be paid within one month after the approval of project interim financial reports. Upon approval of the final project report a final balance payment, if applicable, shall be made within one month.

The approval of project reports (all progress and financial reports) shall take place within two months from the submission of the required information.

The periodicity of reporting periods, and deadlines for reporting will be further detailed in the description of the Programme Operator's management and control systems.

In case of euro-denominated contracts with entities from Donor States or with intergovernmental organizations, the Programme Operator shall transfer the amounts in euro.

All payment claims will be dealt with (submitted, approved, paid) through Structural Funds Operational System (SFOS). A payment is initiated in SFOS after expenditure report verification process has been finalised.

6.2 Verification of payment claims

Project promoters shall submit interim and final financial project reports and annual and final progress reports containing information on project progress and incurred expenditure.

Programme Operator verifies that the expenditure declared by the Project Promoters has been incurred and complies with the Regulation, the Programme Agreement as well as applicable national and European Union law and that the financial contribution is used exclusively for the purpose of the programme and its projects and according to the Programme Agreement.

In line with point i) of Article 5.6.2 of the Regulation incurred expenditure reported shall be subject to administrative verifications before the report is approved. Verifications shall cover administrative, financial, technical and physical aspects of projects, as appropriate and be in accordance with the principle of proportionality.

Additionally, in line with point ii) of Article 5.6.2 of the Regulation on-the-spot verifications of projects, which may be carried out on a sample basis, shall be carried out.

The procedure for verification will be further detailed in the description of the Programme Operator's management and control systems.

6.3 Monitoring and reporting

The Programme Operator shall monitor, record and report on progress towards the programme's outcomes in accordance with the provisions contained in the legal framework. The Programme Operator

shall ensure that suitable and sufficient monitoring and reporting arrangements are made with the project promoters in order to enable the Programme Operator and the NFP to meet its obligations to the donors.

When reporting on progress achieved in Annual and Final Programme Reports, the Programme Operator shall disaggregate results achieved as appropriate and in accordance with instructions and templates received from the FMO.

6.4 Programme administrative structures

The Programme is operated by the Ministry of Social Affairs of Estonia. The Grants Administration Department of the State Shared Service Centre will act as implementing agency and will be involved in the selection process as well as take on tasks related to verification of payments, payments to project promoters and monitoring of the projects. The organisational structure of the Programme Operator shall ensure independence and functional separation of the division responsible for verification of incurred expenditure and approval of payments from other divisions responsible for the implementation of the programme.

7. Communication

7.1 Communication

The Programme Operator shall comply with Article 3.3 of the Regulation, the Information and Communication Requirements in Annex 3 of the Regulation and the Communication plan for the programme.

8. Miscellaneous

Not applicable.