

06 MAART 2017

ADDENDUM

to

EEA Financial Mechanism 2009-2014

PROGRAMME AGREEMENT

for the financing of the Programme “Children and Youth at Risk”
hereinafter referred to as the “Programme Agreement”

between

The Financial Mechanism Committee
established by Iceland, Liechtenstein and Norway
hereinafter referred to as the “FMC”

and

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

together hereinafter referred to as the “Parties”

Article 1

1. The Annexes to the EEA Financial Mechanism Programme Agreement for the financing of the Programme EE04 “Children and Youth at Risk” are replaced by the Annexes sent with this addendum.

2. The modifications contained in the new versions of Annex I and Annex II to the Programme Agreement entered into force on the 16 November 2016.

Article 2

1. This addendum and the Annexes accompanying it constitute an integral part of the Programme Agreement. Except from the modifications stated above, the Programme Agreement remains unchanged.

Signed in Brussels on 28/11-2016

For the FMC



Ståle Torstein Risa
Acting Director
Financial Mechanism Office

Signed in Tallinn on 28/02-2012

For the Focal Point



Kaie Koskaru-Nelk
Deputy Secretary-General of Fiscal Policy
Ministry of Finance

Annex I - Programme Decision

1. Expected Outcomes & Indicators for Outputs

Expected Outcome(s):

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

Output

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

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

Output

Regional support units for children and families established

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

Output

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

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

Output

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

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

Output

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

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

Expected Outcome(s):

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

Output

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

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

Output

Aftercare for incarcerated youth provided

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

2. Conditions**2.1 General**

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

2.2 Pre-eligibility

Not applicable.

2.3 Pre-payment

Not applicable,

2.4 Pre-completion

Not applicable.

2.5 Post-completion

Not applicable.

2.6 Other

Not applicable.

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

Eligibility of costs (excluding prog prep costs): 07/11/2012-31/12/2017

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

3.2 Grant rate and co-financing

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

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

Budget heading	Eligible expenditure	Advance payment*
Programme management	€630,096	€53,975
Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented	€6,019,648	€408,390
Policies and standards of intervention in the field of juvenile justice developed and implemented in view to ensuring protection and securing full rights during detention and a wide range of opportunities for young offenders to reintegrate society created	€795,159	€0
Fund for bilateral relations	€199,858	€34,348
Complementary action	€2,090	€0
Preparation of programme proposal	€6,090	€6,108
Reserve for exchange rate losses	€0	€0
	€7,652,941	€502,821

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

3.4 Retention of management costs

Retention of management costs - percentage of the management costs	10.00%
Retention of management costs - planned Euro value	€53,558

3.5 Small Grant Scheme

Outcome	Effective and efficient measures addressing vulnerable groups of children and youth facing particular risks implemented
Total Amount Reserved	€286,146
Grant Amount at Project Level	€5,000 – 60,000
Duration of the Project	12 – 21 months
Maximum Grant Rate at Project Level	90.00%
Outcome	Policies and standards of intervention in the field of juvenile justice developed and implemented in view to ensuring protection and securing full rights during detention and a wide range of opportunities for young offenders to reintegrate society created
Total Amount Reserved	€474,650
Grant Amount at Project Level	€5,000 – 150,000
Duration of the Project	12 – 21 months
Maximum Grant Rate at Project Level	90.00%

Annex II - Operational Rules

1. Eligibility

1.1 Eligible measures (sub-measures if any):

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

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

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

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

1.2 Eligible applicants:

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

1.3 Special rules on eligibility of costs:

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

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

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

2. Financial parameters

2.1 Minimum and maximum grant amount per project:

- Call for proposals under output 4: Development of application of inclusive education and appropriate intervention strategies: the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €1,314,435 for inclusive principle of education and €676,937 for improvement of counselling system at regional and local level.
- Call for proposals under output 5: Development of youth work and other youth organisations: the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €868,201.
- Call for proposals under output 6: Social inclusion of excluded young people and prevention of reoffending behaviour: the minimum amount of grant assistance applied for is €170,000 and the maximum amount is €340,000.

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

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

2.2 Project grant rate:

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

3. Selection of projects

3.1 Selection procedures:

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

3.2 Open calls and availability of funds:

There shall be at least three calls for proposals.

Call for proposals under the output 4: Development of application of inclusive education and appropriate intervention strategies shall be launched no later than in the fourth quarter of 2013 and make available €1,969,859.

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

Call for proposals under the output 6: Social inclusion of excluded young people and prevention of reoffending behaviour shall be launched no later than in the first quarter of 2014 and make available €340,000.

There shall be at least one call for proposals under each small grant scheme. The call for proposals under output 3: Community-based crime prevention measures enforced in large number of municipalities shall be launched no later than first quarter of 2014 and make available €286,146. The call for proposals under output 7: Aftercare for incarcerated youth shall be launched no later than fourth quarter of 2013 and make available €474,650.

The calls shall be open at least for 2 months.

In case of funds remaining uncommitted as a result of the first call for proposals under the calls for proposals or Small Grant Schemes referred to above, additional calls may be launched until the end of 2014

3.3 Selection criteria:

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

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

4.1 Payment flows

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

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

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

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

4.2 Verification of payment claims

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

In order to ensure equal treatment of all Project Promoters, the verification system for small grant schemes projects and other projects will be harmonized. Interim financial report will be reviewed by the relevant entity on the basis of a random sample of at

least 40% of incurred costs. All expenditures and public procurements over €10,000 shall be checked. The relevant entity will finalise the verification process within 30 working days after receiving all necessary supporting documents needed to approve the interim financial report.

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

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

4.3 Monitoring and reporting

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

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

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

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

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

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

5. Additional mechanisms within the programme

5.1 Funds for bilateral relations

The Programme Operator have set aside 2.6 % of the total programme budget to a fund for bilateral relations. The fund's total amount is €199,858.

€18,944 of the fund for bilateral relations will be used for seminars for potential and existing Project Promoters and potential partners from the Donor States. The purpose is to search for project partners and develop partnership ideas and projects.

€180,914 of the fund for bilateral relations will be used for networking events, as well as the exchange of knowledge and experience between Project Promoters and entities in the Donor States. Funds shall in addition be set aside for activities that are organised by the Programme Operator and contribute to the objective(s) of the programme with the primary aim of strengthening co-operation between the Programme Operators and similar entities within Estonia and the Donor States and international organisations, and exchanging experiences and best practices related to the implementation of the programme. Eligible activities shall include all relevant stakeholders' participation in meetings and workshops organised by the Programme Operator or other Programme Operators, or in other events, seminars or meetings agreed with the Donor States.

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

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

5.2 Complementary action

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

5.3 Reserve for exchange rate losses

Not Applicable

5.4 Small Grant Schemes

Two small grant schemes will be organised. The small grant schemes operator is the Criminal Statistics and Analysis Division of the Ministry of Justice of the Republic of Estonia.

The minimum amount of grant assistance applied for under the small grant scheme for community-based crime prevention measures enforced in large number of municipalities is €5000; the maximum amount is €60,000. The total amount is €270,147. The minimum amount of grant assistance applied for under the small grant scheme for aftercare for incarcerated youth is €5000; the maximum amount is €150,000. The total amount is €456,827.

6. Pre-defined projects

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

Project grant rate: 85.48%

Maximum Programme grant: €3,083,527

Total estimated project budget: €3,607,308

Expected pre-defined project outcomes:

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

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

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

7. Modification of the programme

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

8. Programme proposal version

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

9. Miscellaneous

Not applicable.