

ANNEX 3

ANNUAL PROGRAMME

MEMBER STATE: **REPUBLIC OF ESTONIA**
FUND: **EXTERNAL BORDERS FUND**
RESPONSIBLE AUTHORITY: **MINISTRY OF THE INTERIOR**
YEAR COVERED: **2008**

1. GENERAL RULES FOR SELECTION OF PROJECTS TO BE FINANCED UNDER THE PROGRAMME

1.1 Method of implementation

The responsible authority (RA) acts under the annual programme (AP) 2008 as an executing body and implements the projects in association with competent national bodies.

All the national competent bodies described in the multi-annual programme (MAP) who act as possible beneficiaries (the Board of Border Guard, the Police Board) have the monopoly in internal security matters in their specific area. The characteristics and the security reasons linked with defined actions leave therefore no choice as to implement them by the aforementioned authorities. The objectives set out in the basic act, the Estonian MAP and AP 2008 are met only by these national authorities.

All relevant provisions laid down in the basic act and the implementing rules concerning the conditions under which the RA may act as executing body will be specified in an agreement signed by the RA and the national competent body. The agreement is equivalent of the grant agreement signed with the final beneficiary when the RA acts as awarding body.

1.2 Preparation on programming documents

The annual programme of the External Borders Fund (EBF) for the year 2008 is in conformity with the provisions of the MAP.

The key actions described in the MAP under the priorities from the strategic guidelines for EBF were discussed and prepared by the Migration and Border Policy Department (MBPD) of the Estonian Ministry of the Interior (MoI) who is the responsible authority designated for coordinating the implementation of the EBF. During the preparation of the MAP, all the relevant partners – national competent bodies who are also the only final beneficiaries (due to their monopoly situation in the relevant field, e.g border guarding, elaborating visa policy) were consulted. The draft multi-annual programme is approved by the Government of the Republic.

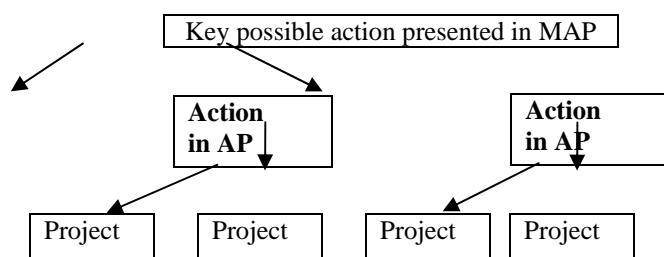
The annual program of the EBF is prepared on the basis of the MAP and the additional and clarifying information presented by the national competent bodies. The national competent bodies are consulted not only while preparing the MAP but during the preparation of the annual programme as well. Mainly, the communication is via e-mail but if the need occurs a meeting is called.

1.3 Selection of projects

General rules for selection of projects to be financed under the programme are as follows.

Even though the key actions for co-financing under EBF in 2007-2013 have been presented upfront in the MAP, there still is a selection process for the AP. This is due to the fact that in the MAP the list of key actions is not comprehensive and they may include several specific projects. The national competent bodies therefore have an opportunity to present actions for AP which are in compliance with the key actions presented in MAP (see the figure below).

After the approval of programming document(s) the national competent bodies submit project proposals which must comply with the actions defined in the MAP and the AP. The RA will choose for financing the ones which are the most justified and prioritised by (among the priorities set by the Commission) taking account the national development plans and the complementarity with other actions supported by the EU or with the state budget (if applicable). Thereby, the selection criteria are consistent with minimum criteria defined in the basic act (art 16(5)). Several project proposals may be presented regarding one action in the AP. As shown on the figure below within one key action presented in the MAP there is basically a possibility to implement quite several projects.



Whether the possibility to implement several projects within one key action presented in the MAP is used or will there be only one project for each action depends on the specific action and this becomes evident during the programming process each year.

The MBPD carries out administrative and eligibility check on these proposals before presenting them to the Monitoring Committee. If there are any insufficiencies in the proposals (a check-list is used), these are asked to be eliminated before further processing.

After passing the administrative and eligibility check by the MBPD, the project proposals presented by the national competent bodies are looked through and approved by the Monitoring Committee. The aforementioned committee consists of high officials from the MoI and national competent bodies. Subsequently the Secretary General of the MoI approves by directive the final list of projects to be financed. The Secretary General does not take part in the selection process.

1.4 Procurement procedure

In case the projects involve public procurement of services or goods, the national competent bodies are responsible for carrying out the public procurement according to national law (Public Procurement Act (entered into force on 24 January 2007)) and in accordance with Article 11 of the implementing rules. The minimum threshold for carrying out the public procurement procedure in Estonia is 40 000 EUR for goods and services and 250 000 EUR

for construction works. If the value of the planned contract (not including the VAT) is less than the abovementioned threshold, the simplified procedure of public procurement is carried out. By that procedure the basic requirements of the public procurement principles must be followed by the final beneficiary (effective and efficient use of resources, the transparency of actions etc).

Public procurements are initiated by the national competent bodies or, if the international value threshold is exceeded, by the RA. The tender documentation will be submitted to the initiator of the public procurement.

For contracts which exceed the minimum threshold of carrying out the public procurement procedure a public procurement commission is formed involving all relevant specialists. When the procurement does not exceed the international value threshold, the commission is formed by the national competent body; otherwise the commission is formed by the MoI. The commission is responsible for compiling contract documents (incl. technical specifications, evaluation criteria etc.) and evaluating the tenders. The procurement contract is signed by the head of relevant national competent body or, if the international value threshold is exceeded, by the Secretary General of the MoI.

The contracts are in general principle signed after the formal approval of the programming document(s), but in cases the need occurs, the contract may be signed before that date after very carefully considering the eligibility of the action and probable risks. In any case, as the procurement procedure (incl. the preparation time) may take a while before concluding the procurement contract, the RA together with the final beneficiary bears that in mind in light of the rules of the eligibility period.

There are also exceptional cases described in the Public Procurement Act when contracting authority is not obliged to implement the procedure provided for in the act (e.g when the contract to be awarded or the design contest to be organised is related to state secret for the purposes of the State Secrets Act or classified information of a foreign state or security information or the information not subject to disclosure or provided the fulfilment of the contract presumes the meeting of special security requirements resulting from the legal acts or when the application of the exception is directly needed to protect the significant state interests). In these cases the procedure is simplified and the rules followed as well as the contract parties are defined depending on the subject of the procurement. Any exceptions will be properly documented and justified.

Taking into consideration that Council Decision 574/2007/EC foresees multi-annual projects (for a period of no more than three years) we have provided the applicants with the possibility for carrying out multi-annual projects. The multi-annual project is described accordingly (in the AP and in the project proposal submitted by the national competent body).

2. CHANGES IN THE MANAGEMENT AND CONTROL SYSTEMS (if appropriate)

Not applicable

3. ACTIONS TO BE SUPPORTED BY THE PROGRAMME UNDER THE PRIORITIES CHOSEN

The objectives described in Article 3(1) in the Decision No 574/2007/EC (the basic act) are taken into account while presenting the actions under the priorities.

Information given below under the priorities is as precise as it is possible to present at the stage of time of compiling the annual programme. The expected quantified results and indicators to be used together with the financial plan define the framework in which the projects will fit. The concrete projects to be financed under the EBF are approved by the Monitoring Committee and they must correspond to the multi-annual programme and the annual programme 2008 of the EBF. Each action may include several sub-projects for achieving the expected results.

3.1 Actions implementing priority 1

Actions under the Article 3(1) (a) in the basic act

3.1.1 Procurement of a helicopter

The general objective described in the Article 3(1) (a) in the basic act is an efficient organization control, covering both checks and surveillance tasks relating to the external borders. The action of procuring a helicopter will be implemented under this objective.

The helicopter procurement project will be implemented according to the Public Procurement Act. The need for exception will be properly justified and documented. As the action will be implemented under three annual programmes, it will be finished by the 31.12.2010.

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| <p>Purpose and scope of the action</p> | <p>At the moment the Estonian Border Guard Aviation Group has procured 2 helicopters (one of them is received at the end of 2008 – in the beginning of 2009).</p> <p>The need for procuring a third same type helicopter (Agusta-Westland 139) together with the needed additional equipment (FLIR, NVG, hoist, Night-Sun) located in Western-Estonia is foreseen both in the Development Plan of the Governing Area of the Ministry of the Interior for 2008–2011 and in the Principles of Development of the Estonian Border Guard Aviation Group 2007-2020.</p> <p>Today the aircrafts are on station in the Tallinn Airport and the reaction time to incidents in the Western-Estonia is too long. The new helicopter will be located in Kuressaare Airport for guaranteeing the reacting to incidents in the Estonian sphere of responsibility on the Baltic Sea. The reaction time (departure in 15 minutes, arriving in 45 minutes) requirement results from the Estonia’s duty to guard the state border and to guarantee the readiness for search and rescue works in the civil and military sector.</p> <p>Procurement of a helicopter for the reaction of border incidents will be performed according to the Public Procurement Act (entered into force 01. May 2007). The exception (if any) will be properly documented and justified.</p> |
| <p>Expected grant</p> | <p>The grant recipient in this project is the MoI (the MBPD) as the RA in</p> |

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| recipients | the executing body mode. RA implements the projects together with the Board of Border Guard (BBG) as the governmental institution in the governing area of the MoI which is in monopoly situation in the field of border guarding. Thereby the BBG has the competence and interest in procuring a helicopter for reacting to incidents on the external border. The BBG signs an agreement with the MoI in order to fully meet the provisions laid down in the basic act (Decision No 574/2007/EC) and the implementation rules of the EBF and to implement the project accordingly. |
| Justification regarding project implemented directly by the responsible authority acting as an executing body | Due to the <i>de jure</i> monopoly situation of the BBG and security reasons linked to the implementation of the project of procuring a helicopter for reacting to incidents on the external border co-financed by the EBF, the responsible authority (MBPD of the MoI) will act as an executing body. The MBPD will implement the projects in association with the relevant national authority (the BBG) competent on account of its technical expertise, its high degree of specialization and its administrative powers. The responsible authority and the BBG will sign an agreement (equivalent of the grant agreement) as foreseen in the rules for implementation (adopted in 05 March 2008). This agreement will contain all relevant provisions laid down for grant agreements in the Implementing rules. The agreements will be drafted by the MBPD in close co-operation with Legal Department of the MoI and signed by the Deputy Secretary General of Internal Security of the MoI and by the head of the BBG. |
| Expected quantified results and indicators to be used | <p>Expected results at the end of the implementation of the project:</p> <ol style="list-style-type: none"> 1. The helicopter Agusta-Westland 139 together with the needed additional equipment is procured and locates in Western-Estonia 2. Capability to react to border incidents in the Baltic Sea area (departure in 15 minutes, arriving in 45 minutes) 3. Quick reaction to border incidents increases border security. <p>Expected results after implementing the project under annual programme 2008:</p> <ol style="list-style-type: none"> 1. The negotiations with the supplier are held and the contract signed. 2. The contractual advance payment is done. |
| Visibility of EC funding | All project applicants and grant beneficiaries will be informed about EBF co-financing. <u>Agreements between the Ministry of the Interior and the national competent body will contain specific provisions</u> whereby the grant beneficiaries must ensure the visibility of EBF co-financing (e.g print the EU logo and signs indicating the EBF co-financing to all items of equipment obtained, and to all buildings and rooms renovated, with support from the Fund. EBF co-financing must also be mentioned if the project is presented to the public). The MBPD monitors the implementation of the projects and conducts on-the-spot checks for that purpose at least once during the project. |
| Complementarity | The same type of helicopter for another area was procured under |

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| with similar actions financed by other EC instruments, if appropriate | Schengen Facility and the same contractor is used for procuring here described one for the Estonian Western area. |
| Financial information | The project will be in total amount of 15 384 584 EUR out of which the Community contribution form 8 422 745 EUR (54,7 %) and public co-financing 6 961 839 EUR (45,3 %). As the project is multi-annual, under annual programme 2008 the amount is 3 156 952 EUR out of which the Community contribution form 2 367 714 EUR (75%) and public co-financing 789 238 EUR (25%). In coming years (annual programmes 2009 and 2010) there will be additional public co-financing in addition to the minimum 25%. |

3.1.2 Elaboration of Border Guard Information System

The general objective described in the Article 3(1) (a) in the basic act is an efficient organization control, covering both checks and surveillance tasks relating to the external borders. The action of elaborating the Border Guard Information System will be implemented under this objective.

It is relevant to notice that as from the 01. January 2010 the Police Board, the Board of Border Guard and the Citizenship and Migration Board are planned to merge into one, the implementation of this project (especially under next annual programmes) may suffer some changes depending on the new situation which unfortunately cannot be estimated today. Therefore, some of the actions described below are implemented only if the need occurs (the description today is compiled by the Board of Border Guard but in the later stage the Police Board as part of the new institution is also included. As the assets of the merging institutions become available for all the ones mentioned (incl. the Board of Border Guard) it may occur that not everything described within the framework of this project must be purchased). Also the legal name and the division of works of the national competent bodies (implementing the project together with the RA) may change during the implementation of projects. The Commission will be notified about these changes.

From the 1 March 2008 the common institution for dealing with the ICT development in the governing area of MoI - IT and Development Centre -was formed. According to the statute of the IT and Development Centre the centre organizes and partly implements the ICT systems' procuring, developing, administering and maintaining. As the Centre is today still taking over the functions given to them, it is not clear whether they will also have a part in the project in the coming years. Any changes will be properly communicated to the Commission.

As the action concerns procurement procedure, the public procurement is carried out according to national law and in accordance with Article 11 of the implementing rules. The principles of carrying out the procurement procedure are described under point 1.4. The specific type of procedure, the contracting parties and the date of implementation of the contract concerned will be determined in accordance with the rules described above, the description of management and control systems and taking account the period of eligibility of the action. The need for exception will be properly justified and documented. As the action will be implemented under three annual programmes, it will be finished by the 31.12.2010 or 31.12.2011 (depending on the start of the project).

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| <p>Purpose and scope of the action</p> | <p>The purpose of the project is the elaboration of Border Guard Information System. The common system for Border Guard is a part of the integrated external border management system.</p> <p>The created system enables to plan, evaluate and analyze the capability of Border Guard in implementing their duties. System integrates message handling between border guard locations, border incident management, map application, resource management. The information system uses indicator-, reporting- and analyzing system. The conditions for connection with the external border information systems of EU (including SIS) member states are ensured.</p> <p>By implementing the project, technical equipment and computer software are procured. The data input through the system is feasible on the first level (e.g. during patrolling) and the system enables to observe the locations of resources in real-time.</p> <p>The system is foremost directed to synchronize information management in order to facilitate the decision-making processes and exchanging information between Member States (MS). The information system is capable of operating together with other MS-s relevant systems. The system for collecting and controlling statistical and administrative data is up-to-date.</p> |
| <p>Expected grant recipients</p> | <p>The project of elaborating of Border Guard Information System will be implemented by the MoI (the MBPD) as the RA in the executing body mode together with the BBG. The BBG signs an agreement with the MoI in order to fully meet the provisions laid down in the basic act (Decision No 574/2007/EC) and the implementation rules of the EBF and to implement the project accordingly.</p> |
| <p>Justification regarding project implemented directly by the responsible authority acting as an executing body</p> | <p>Due to the <i>de jure</i> monopoly situation of the BBG in the field of border guarding and the security reasons linked to the implementation of the project of elaborating of Border Guard Information System co-financed by the EBF, the responsible authority (MBPD of the MoI) will act as an executing body. The MBPD will implement the projects in association with the relevant national authority (the BBG) competent on account of its technical expertise, its high degree of specialization and its administrative powers. The responsible authority and the BBG will sign an agreement (equivalent of the grant agreement) as foreseen in the rules for implementation (adopted in 05 March 2008). This agreement will contain all relevant provisions laid down for grant agreements in the Implementing rules. The agreements will be drafted by the MBPD in close co-operation with Legal Department of the MoI and signed by the Deputy Secretary General of Internal Security of the MoI and by the head of the BBG.</p> |
| <p>Expected quantified results and indicators to be used</p> | <p>Expected results at the end of the implementation of the project:</p> <ol style="list-style-type: none"> 1. Technical equipment and computer software are procured (e.g. adapters for connecting the radio stations to the system, technical equipment and monitors for dividing the picture |

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| | <p>between three monitors, mobile terminals for means of transportation etc.)</p> <ol style="list-style-type: none"> 2. Real-time document control on the external border is ensured. 3. Conditions for registering third-country nationals' entries and exits are established. 4. The patrols are equipped with the new system and the data can be exchanged quickly. 5. Capability of managing the reaction to incidents due to automatic delivering of information improves. <p>Expected results after implementing the project under annual programme 2008:</p> <ol style="list-style-type: none"> 1. Public tender is completed. 2. Requirements for system are analyzed and specified. 3. Application specifications are finalized, reviewed and approved. 4. Border guard service planning and GIS modules are fully functional and available for testing in one station of green border and in one station of blue border. 5. Hardware for test system is bought (if needed). 6. Database and middleware application licenses for test system are brought (if needed) |
| Visibility of EC funding | <p>All project applicants and grant beneficiaries will be informed about EBF co-financing. <u>Agreements between the Ministry of the Interior and the national competent body will contain specific provisions</u> whereby the grant beneficiaries must ensure the visibility of EBF co-financing (e.g print the EU logo and signs indicating the EBF co-financing to all items of equipment obtained, and to all buildings and rooms renovated, with support from the Fund. EBF co-financing must also be mentioned if the project is presented to the public). The MBPD monitors the implementation of the projects and conducts on-the-spot checks for that purpose at least once during the project.</p> |
| Complementarity with similar actions financed by other EC instruments, if appropriate | N/A |
| Financial information | <p>The project requires total amount of 575 205 EUR out of which the Community contribution form 431 404 EUR (75 %) and public co-financing 143 801 EUR (25 %). As the project is multi-annual, under annual programme 2008 the total amount is 191 735 EUR out of which the Community contribution form 143 801 EUR (75%) and public co-financing 47 934 EUR (25%).</p> |

4. TECHNICAL ASSISTANCE

As the precise and detailed information about the use of technical assistance (TA) is decided during the programme (when the need occurs), the information presented in the annual programme 2008 is more general and may include activities which in real are not covered, but the possibility of covering the costs from the TA is still foreseen, if appropriate. The possible actions are described in the program and carried out if the need becomes evident. In the phase of compiling the programme, not many concrete actions can be foreseen and there still must maintain an opportunity to carry out other activities that are eligible according to the eligibility rules for the TA stipulated by the EC, if necessary.

4.1 Purpose of the technical assistance

The TA is aimed at simplifying the implementation of the EBF programme by providing the applicants and the project implementers sufficiently with appropriate information and support in order to ensure the quality and consistence of the programme.

Due to the fact that compared to previous years, there are two new Funds to implement under the Solidarity programme (the External Borders Fund and the European Return Fund) from the years 2007 and 2008 in addition to the European Refugee Fund III and thereby the increasing number of the project proposals and the increasing volume of tasks related to the Funds, there is a need to employ extra personnel (it is planned to finance 2,25 positions from the responsible authority and 0,25 positions from the auditing authority dealing with the EBF). As the auditing authority is the same for all three Funds and the accounting specialist verifies the payment requests for all three Funds as well, the TA is used together for all the Funds mentioned. The CA has also expressed their request on using the allocations of the TA in the future for certifying specialist when the certifying processes are starting (the salary of an officer who conducts the certifying procedures). All staff working part-time under the EBF will fill the time-sheets indicating the time spent on EBF projects and time spent for other duties.

Consequently there is need to arrange work places and means of work for the extra personnel mentioned above and their salaries as well under the TA of the Funds. For example, 2 laptops are planned to be procured (1 for the auditing authority and 1 for the responsible authority). The laptops are needed for working through considerable amount of documents, participating in the workgroup of the EBF or other Funds matters, taking it along to the on-the-spot check while carrying out an audit or monitoring mission etc. The cost of a laptop is paid proportionally from the TA of the three funds mentioned above.

As regards employment costs, it may also be necessary to pay the costs of auditing (when outsourcing the external audit services) and/or evaluation (when outsourcing the evaluating and program assessment services) from the means of TA provided by the European Commission.

As the number of experts in the field of internal security and guarding the external borders is rather small in Estonia and there can be a possibility that all available experts are engaged in the project proposals as partners or the beneficiaries themselves, there may occur a need to cover the costs related to the recruitment of experts ad hoc basis in the evaluation of the projects outside the Ministry of the Interior. Therefore TA is required for paying the personnel costs to the experts involved in the program evaluation.

In principle, TA is used if the Ministry of the Interior (in addition it may be the Ministry of Finance as a certifying authority when the need occurs) carries out on-the-spot check while monitoring the projects' implementation. As the grant beneficiaries and the objects of the projects can be located outside Tallinn and they are situated some other places in Estonia, travel costs inside Estonia either by car or by public transport can be covered by TA. The costs of participating in various meetings such as the SOLID Committee and different workshops arranged by the European Commission are also covered by TA. In the cases of assignment (internal or foreign) the allowance per diem are paid from TA.

The use of means of TA will be used for the translation of different documents into the Estonian language and from the Estonian into the English language.

It is important to train the personnel of the team that administers EBF in order to master their skills in project management, evaluation of the projects, monitoring and accounting, reporting of the irregularities. TA is used for these activities.

For implementing the rules set for the visibility of the EU support the TA is used. When organizing informational activities (e.g meetings with the final beneficiaries) the costs of the meeting which are eligible according to the implementation rules are also covered by the use of TA.

To meet the requirements of Article 33(2)(a) of the implementing rules for the EBF, the RA publishes the launch of a multi-annual programme and the annual programmes on the homepage of the MoI. The achievements of the annual programmes (the results and the usage of the funds) are also published on the home page. If there will be any press releases or articles in commercial newspapers on the subject, these will be financed by the TA.

4.2 Expected quantified results

The main result of the use of TA is a successful implementation of the EBF Programme 2008 (implementation of the planned activities)

Possible expected results, depending on the actual activities carried out, will be as follows:

- sufficient number of competent and trained officials in the designated authorities (effective and timely consulting of the final beneficiaries, monitoring, auditing and certifying activities);
- work-places and means of work for officials implementing the EBF, e.g 2 laptops for the AA and RA.
- preparation of information materials about the EBF (all the relevant equipment for working are guaranteed for the officials implementing the EBF);
- well-prepared grant agreements;
- well-prepared and timely prepared reports to be presented to the European Commission;
- at least one on-the-spot visit to each grant recipient;
- fast translation of the necessary documents, which assist the implementation of the EBF Programme 2008;
- The external auditors outsourced, if appropriate;
- The external experts/evaluators outsourced, if appropriate;

- The travel and subsistence costs for officials of relevant authorities when participating in the implementation of the EBF are covered (incl. allowance per diem);
- The visibility of EC funding is ensured in accordance with the implementing rules of the EBF;
- The exchange of information between the designated authorities and national competent bodies (e.g in a form of a meeting) is ensured.

4.3 Visibility of EC funding

The EU logo and the sign of EBF co-financing will be applied to all materials prepared by the Ministry of the Interior (instructions, application forms, advertising materials, information sheets, etc). Equipment purchased using the technical assistance resources (e.g a laptop) will be provided with the EU logo. Informational activities (press releases etc) consist of a notice on the EBF co-financing.

5. DRAFT FINANCING PLAN

According to the article 16(4) in the basic act, as Estonia is also covered by the Cohesion Fund, the Community contribution is increased to 75% per action.

Annual Programme - Draft Financial Plan

Table 1 – Overview table

| Member State: ESTONIA Annual programme concerned: 2008 Fund: EXTERNAL BORDERS FUND | | | | | | | | |
|---|---------------|----------------------------|----------------------------|-----------------------|------------------------|---------------------|--------------|----------------------------|
| <i>(all figures in euro)</i> | Ref. priority | Ref. specific priority (1) | Community Contribution (a) | Public Allocation (b) | Private Allocation (c) | TOTAL (d=a+b+c) | % EC (e=a/d) | Share of total (d/total d) |
| Action 1: elaboration of Border Guard Information System | 1 | | 143 801 | 47 934 | 0 | 191 735 | 75,0 | 5,4 |
| Action 2: procuring a helicopter | 1 | | 2 367 714 | 789 238 | 0 | 3 156 952 | 75,0 | 89,0 |
| Technical assistance (incl plus 30 000 EUR) | | | 196 956,87 | 0,0 | 0 | 196 956,87 | 100,0 | 5,6 |
| Other operations (2) | | | 0 | 0 | 0 | 0 | 0,0 | 0,0 |
| TOTAL | | | 2 708 471,87 | 837 172 | 0 | 3 545 643,87 | 76,4 | 100% |

(1) if applicable

(2) If applicable