

FRAMEWORK AGREEMENT

between

THE SWISS FEDERAL COUNCIL

and

**THE GOVERNMENT OF THE REPUBLIC OF
ESTONIA**

On

**THE IMPLEMENTATION OF THE SECOND SWISS
CONTRIBUTION TO SELECTED MEMBER STATES OF
THE EUROPEAN UNION TO REDUCE ECONOMIC AND
SOCIAL DISPARITIES WITHIN THE EUROPEAN UNION**

THE SWISS FEDERAL COUNCIL (hereinafter referred to as "Switzerland")

and

THE GOVERNMENT OF THE REPUBLIC OF ESTONIA (hereinafter referred to as "Estonia"),

hereinafter collectively referred to as the "Parties",

- NOTING the solidarity of Switzerland with the endeavours of the European Union (EU) to reduce economic and social disparities within the EU;
- COMMITTED to further reducing the economic and social disparities within the EU and within Estonia;
- BUILDING upon the successful cooperation between the Parties during Estonia's transition process leading to its accession to the EU and in the framework of the Swiss contribution to the enlarged EU;
- SHARING AND PROMOTING the fundamental values of democracy, the rule of law and political pluralism;
- RESPECTING AND DEFENDING human rights, human dignity and fundamental freedoms;
- REFERRING to the United Nations Sustainable Development Goals;
- HAVING regard to the friendly relations between the Parties;
- DESIRING to further strengthen these relations and the fruitful cooperation between the Parties;
- REFERRING to the "Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union" signed on 30.06.2022 for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration (hereinafter referred to as the "second Swiss Contribution");
- NOTING the cooperation in the area of migration of up to CHF 200,000,000 (two hundred million Swiss francs) under the second Swiss Contribution;
- IN VIEW of the cooperation in the area of cohesion of up to CHF 1,102,000,000 (one billion one hundred and two million Swiss francs) under the second Swiss Contribution.

hereby agree as follows:

Article 1 – Definitions

For the purposes of this Framework Agreement:

'Contribution' means the maximum non-refundable financial contribution granted by Switzerland to Estonia under this Framework Agreement;

'Country-Specific Set-Up' (Annex 1) means the thematic and geographic allocations of the Contribution and specific rules agreed between Switzerland and Estonia as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Estonian Cooperation Programme and in Support Measures respectively;

'Memorandum of Understanding' means the Memorandum of Understanding between the European Union and Switzerland on a contribution by Switzerland towards reducing economic and social disparities and for cooperation in the area of migration in the European Union" signed on 30.06.2022 for a total amount of CHF 1,302,000,000 (one billion three hundred and two million Swiss francs) to selected EU Member States for cooperation in the areas of cohesion and migration;

'National Coordination Unit' means the national public entity of Estonia designated to act on its behalf for the implementation of the Swiss-Estonian Cooperation Programme;

'Programme' means a coherent set of Programme Components carried out in line with national priorities, policies or strategies of the Partner State with the support of the Contribution comprising a single comprehensive implementation and budget framework with overarching goals. A Programme may be accompanied by a policy dialogue;

'Project' means an indivisible series of activities, carried out with the support of the Contribution, which is aimed at achieving agreed objectives and outcomes and is not part of a Programme;

'Regulations' means the Regulations on the implementation of the second Swiss Contribution in the area of cohesion issued by Switzerland and containing the general rules and procedures on the implementation of the Swiss-Estonian Cooperation Programme;

'Support Measure' is used as generic term and means a specific Project, Programme or Technical Support within the framework of the Swiss-Estonian Cooperation Programme;

'Support Measure Agreement' means an agreement between the Parties and, if need be, additional contracting parties, on the implementation of a Support Measure;

'Swiss-Estonian Cooperation Programme' means the bilateral programme for the implementation of this Framework Agreement;

'Technical Support' means part of the Contribution provided under the Cooperation Programme for the preparation of Support Measures and for the efficient and effective implementation of the Cooperation Programme.

Article 2 – Legal Framework

1. This Framework Agreement, together with the following documents, constitutes the legal framework of the implementation of the second Swiss Contribution in the area of cohesion:

- (a) the Regulations and subsequent amendments thereof;
- (b) Support Measure Agreements, or other agreements between the Parties, resulting from the Framework Agreement; and
- (c) any operational procedures or guidelines adopted by Switzerland after consultation with Estonia.

2. In the event of conflicts/contradictions between the provisions of these instruments, the aforementioned order of precedence shall apply.

Article 3 – Objectives and Principles

1. The overall objective of the Swiss-Estonian Cooperation Programme is to contribute to the reduction of the economic and social disparities within the EU and within Estonia, building upon and further strengthening the bilateral relations between Switzerland and the EU and its Member States.

2. The Parties shall select Support Measures that contribute to the achievement of the overall objective and which, with the exception of Technical Support, contribute to at least one of the five objectives of the second Swiss Contribution, which are to:

- a) promoting economic growth and social dialogue, reducing (youth) unemployment;
- b) managing migration and supporting integration. Increasing public safety and security;
- c) protecting the environment and the climate;
- d) strengthening of social systems;
- e) civic engagement and transparency.

3. Support Measures, with the exception of Technical Support and unless otherwise agreed upon by the Parties, shall be assigned to at least one thematic area of cooperation, as set out in the Regulations. The Parties shall achieve a thematic concentration for the Contribution. Therefore, the Parties shall mutually agree on a limited number of thematic areas to receive support under the Swiss-Estonian Cooperation Programme, as set out in the Country-Specific Set-Up.

4. The Parties shall encourage partnerships and the exchange of expertise between actors from Estonia and Switzerland.

5. Support Measures shall respect social inclusion and ensure environmental sustainability.

6. All actions under the Swiss-Estonian Cooperation Programme shall be implemented in line with the objectives, principles, strategic directions, geographical and thematic focus as outlined in the Country-Specific Set Up and the Regulations.

Article 4 – Financial Framework

1. Switzerland agrees to grant a Contribution to Estonia of up to CHF 26 000 000 (twenty six million Swiss francs) with reference to the agreed thematic areas and geographic allocation and according to the indicative allocation defined in the Country Specific Set-Up.
2. The Contribution in paragraph 1 does not include expenditures of Switzerland for the management costs of the “Swiss-Estonian Cooperation Programme” and for the “Swiss Expertise and Partnership Fund Cohesion”. The latter shall be a fund administered by Switzerland, aimed at making Swiss expertise available to selected EU Member States, ensuring the quality and sustainability of Support Measures, strengthening bilateral relations and fostering partnerships between Switzerland and Estonia.
3. The period of eligibility of expenditures from Support Measures, as defined in Chapter 6 of the Regulations, ends on 3 December 2029, inclusive. Funds not used until this date shall no longer be available to Estonia.
4. Under the Swiss-Estonian Cooperation Programme, with the exception of the amounts reserved for Swiss management costs and the Swiss Expertise and Partnership Fund, the Contribution should be provided in the form of non-refundable grants or concessional financial facilities such as credit lines, guarantee schemes, equity, debt participation, and loans.
5. The financing from the Contribution shall not exceed 60% of the eligible expenditures from the Support Measure, except for:
 - a) Projects or Programmes receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the financing from the Contribution may not exceed 85% of the total eligible expenditures;
 - b) Projects or Programmes implemented by non-governmental organisations, which may be financed to a degree higher than 60% or fully by the Contribution;
 - c) Technical Support, which may be financed to a degree higher than 60% or fully by the Contribution;
 - d) Support Measures in the form of credit lines, guarantee schemes, equity and debt participation and loans to the private sector, which may be financed to a degree higher than 60% or even fully by the Contribution.
6. Estonia shall ensure compliance with applicable rules on state aid and public procurement.

Article 5 – Principles for Support Measures

1. Support Measures shall be implemented in accordance with the legal Framework pursuant to Article 2.
2. Estonia is responsible for the identification of Support Measures, which are
 - a) relevant and in line with national priorities;
 - b) effective in addressing the identified needs;

- c) feasible and efficient to implement;
 - d) expected to have impact;
 - e) designed to create sustainable benefits.
3. Estonia shall avoid any duplication of and/or overlap with any part of a Support Measure which is receiving support from any other structural and/or cohesion funds, such as the European Funds, the European Economic Area Financial Mechanism or the Norwegian Financial Mechanism, as the case may be.
 4. Each Support Measure shall be approved first by Estonia and then by Switzerland.
 5. Each Support Measure shall be subject to a Support Measure Agreement.
 6. The Parties attach high importance to the monitoring, evaluation and auditing of the Support Measures and the Contribution. Each Party shall share, without delay, any useful information requested by the other party. The Parties shall ensure effective coordination and monitoring of the Swiss-Estonian Cooperation Programme.
 7. Switzerland, or any third party appointed to act on its behalf, shall have the right to visit, monitor, review, audit and evaluate all activities and procedures related to the implementation of the Support Measures as deemed appropriate by Switzerland. Estonia shall provide any and all information, assistance and documentation, which may be requested or useful, to allow Switzerland to exercise such right.
 8. In order to ensure effective implementation of the Swiss-Estonian Cooperation Programme, the Competent Authorities referred to in Article 6 shall hold annual meetings. The purpose of such meetings shall be to review the progress achieved in the Swiss-Estonian Cooperation Programme, agree on any necessary measures to be taken, and provide a forum for discussion of issues of bilateral interest.

Article 6 – Competent Authorities

1. Estonia has authorised a national public entity to act on its behalf as the National Coordination Unit (see Country-Specific Set-Up). The National Coordination Unit shall have overall responsibility for reaching the objectives of the Swiss-Estonian Cooperation Programme as well as for its implementation in accordance with this Framework Agreement.
2. Switzerland has authorised the Federal Department of Foreign Affairs, acting through the Swiss Agency for Development and Cooperation (SDC), and the Federal Department of Economic Affairs, Education and Research, acting through the State Secretariat for Economic Affairs (SECO), to act on its behalf for the implementation of the Swiss-Estonian Cooperation Programme. Support Measures are assigned to either the SDC or SECO in line with their respective fields of competence.

Article 7 – Liability

The responsibility of Switzerland with regard to the Swiss-Estonian Cooperation Programme is limited to providing funds in accordance with the relevant Support Measure Agreements. No liability to Estonia, to any public or private entity involved in a Support Measure or to any third parties is or will be assumed by Switzerland.

Article 8 – Common Concern

The Parties share a common concern to prevent and fight against corruption, which jeopardises good governance and the proper use of resources needed for development, and, in addition, endangers fair and open competition in procurement procedures based upon price and quality. The Parties therefore agree to combine their efforts to fight corruption and, in particular, agree that any offer, gift, payment, remuneration or benefit of any kind whatsoever, made to whomsoever, directly or indirectly, with a view to being awarded a mandate or contract under this Framework Agreement, or during the performance hereof, will be construed as an illegal act or corrupt practice. Any act of this kind constitutes sufficient grounds for terminating this Framework Agreement and the relevant Support Measure Agreement, cancelling the procurement or resulting award, or taking any other proportionate corrective measure laid down by applicable law. The Parties shall promptly inform each other of any well-founded suspicion of an illegal act or corrupt practice.

Article 9 – Amendments

1. Any amendment to this Framework Agreement shall be made in writing with the mutual agreement of the Parties.
2. Notwithstanding paragraph 1 above, the Country-Specific Set-Up may be amended by mutual agreement of the Competent Authorities referred to in Article 6 through an exchange of letters between them.

Article 10 – Final Provisions

1. The Country-Specific Set-Up (Annex 1) shall form an integral part of this Framework Agreement.
2. This Framework Agreement shall enter into force on the date of receipt of the last written notification confirming the completion by both Parties of their respective approval procedures. This Agreement shall apply until the date of receipt of the last written notification confirming that both Parties have fulfilled all their obligations. Regardless of the previous, the Parties shall provisionally apply this Framework Agreement and the Annex 1 hereto commencing on the date on which this Framework Agreement is signed by both Parties.
3. Any dispute which may result from the application of this Framework Agreement shall be resolved by diplomatic means.

4. This Framework Agreement may be terminated at any time by one of the Parties giving six months' prior written notice. Prior to making such a decision, the Parties shall enter into consultation regarding the reasons for the termination.

5. In the event of termination of this Framework Agreement, its provisions shall continue to apply to the relevant Support Measure Agreements concluded before the termination of this Framework Agreement. The Parties shall decide by mutual agreement on any other consequences of the termination.

Signed in Tallinn on 21 November 2022, in two original copies in the English language.



For the Swiss Federal Council

Martin Michelet
Ambassador of Switzerland to Latvia,
Lithuania and Estonia



For the Government of the Republic of
Estonia

Annely Akkermann
Minister of Finance of the Republic of
Estonia

Annex

COUNTRY-SPECIFIC SET-UP

FRAMEWORK AGREEMENT

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1. General provisions

- 1.1. This Country-Specific Set-Up is an integral part of the Framework Agreement between the Swiss Federal Council (hereinafter referred to as "Switzerland") and the Government of the Republic of Estonia (hereinafter referred to as "Estonia") on the implementation of the second Swiss Contribution to selected Member States of the EU to reduce economic and social disparities within the EU (hereinafter referred to as the "Framework Agreement").
- 1.2. For the purposes of this Country-Specific Set-Up, the definitions in the Framework Agreement shall apply.
- 1.3. This Country-Specific Set-Up lays down the thematic and geographic allocations of the Contribution and the specific rules agreed between Switzerland and Estonia, as well as the attribution of responsibilities and tasks to entities involved in the implementation of the Swiss-Estonian Cooperation Programme and in Support Measures respectively.
- 1.4. For specific rules and procedures not provided in the Country Specific Set-Up, the provisions of Regulations shall apply.

2. Roles and responsibilities for the Swiss – Estonian Cooperation Programme

2.1. National Coordination Unit

The Partner State has authorized the State Shared Service Centre (hereinafter SSSC) Grants Development Department to act on its behalf as National Coordination Unit of the Swiss – Estonian Cooperation Programme.

The SSSC is administrated by the Ministry of Finance of the Republic of Estonia. The Grants Development Department is directly subordinated to the Deputy Director General of the SSSC, who shall act as the Head of the National Coordination Unit. In its role as Head of the National Coordination Unit, the Deputy Director General of the SSSC is directly accountable to the Minister of Public Administration.

The Grants Development Department of the SSSC is also responsible for the coordination and management of the European Structural Investment Funds and other foreign investments (e.g. Norwegian Financial Mechanism and the European Economic Area Financial Mechanism)

The role and responsibilities of the National Coordination Unit are set out in the Regulations. In addition, the National Coordination Unit shall fulfill the tasks of the Paying Authority.

2.2. Paying Authority

The Paying Authority is the SSSC. The roles and responsibilities of the Paying Authority are set out in the Regulations.

The National Coordination Unit takes on the tasks of the Paying Authority. Adequate functional separation of tasks of the National Coordination Unit and the Paying Authority shall be ensured. The Grants Payment Department shall fulfil the tasks of the Paying Authority. The Grants Payment Department is directly subordinated to the Deputy Director General of the SSSC.

The Grants Payment Department of the SSSC is responsible for the financial management of the European Structural Investment Funds and other foreign assistance (e.g. Norwegian and EEA Grants).

2.3. Audit Authority

The Audit Authority is the Financial Control Department of the Ministry of Finance of the Republic of Estonia. The roles and responsibilities of the Audit Authority are set out in the Regulations.

The Financial Control Department carries out the functions of the Audit Authority for the European Structural Investment Funds and other foreign assistance. The head of the Financial Control Department shall be the head of the Audit Authority. The Financial Control Department is accountable to the Secretary-General of the Ministry of Finance of the Republic of Estonia, which again is accountable to the Minister of Finance concerning the responsibilities carried out by the Audit Authority. The Audit Authority shall be functionally independent of the National Coordination Unit. The roles and responsibilities of the Audit Authority are stipulated in the Regulation.

3. Parameters of cooperation

3.1. Thematic allocation

<i>Specific objective & thematic area</i>	<i>Indicative allocation of the Contribution [in CHF millions]</i>
1. Promoting economic growth and social dialogue, reducing (youth) unemployment	
(i) Vocational and professional education and training	0
(ii) Research and innovation	0
(iii) Financing for micro, small and medium-sized enterprises	0
2. Managing migration and supporting integration. Increasing public safety and security	
(iv) Migration management and promoting integration measures	18.60
(v) Improving public safety and security	0
3. Protecting the environment and the climate	
(vi) Energy efficiency and renewable energy	0
(vii) Public transport	0
(viii) Water and waste-water management	0
(ix) Waste management	0
(x) Nature conservation and biodiversity	6.93
4. Strengthening of social systems	
(xi) Health and social protection	0
(xii) Minorities and socially disadvantaged groups	0
5. Civic engagement and transparency	
(xiii) Civic engagement and transparency	0
6. Technical support	
(xiv) Technical Assistance Fund	0.39
(xv) Support Measure Preparation Fund	0.08
Total allocation	26.0

Any unused balances in all the Support Measure of the Swiss-Estonian Cooperation Programme may be transferred to any other approved Support Measure provided the feasibility until the end of the eligibility period, by mutual agreement (e.g. confirmed in the minutes of meetings or by

correspondence) between the Competent Authorities mentioned in Article 6 of the Framework Agreement in the course of the implementation of the Swiss-Estonian Cooperation Programme. For the consequent modification of the Support Measure, Article 4.12 Regulations shall apply.

3.2. Pre-specified parameters per thematic area

(iv) Migration management and promoting integration measures

Support Measure name	Supporting Social Inclusion	
Support Measure type	Programme	
Objectives	The programme sets out to implement the vision of the national strategy "Estonia 2035" and "Cohesive Estonia Strategy 2030" with the aim to unify value systems and strengthen people's cultural, social and economic connection with the country.	
Strategic Focus	<p>The programme renders integration support in four areas:</p> <ul style="list-style-type: none"> - Cultural and linguistic integration: Opportunities for practicing Estonian, improvement of the cultural integration between different communities, media literacy and parental counselling on adaption and integration. - Strengthening social systems and child protection thereby also addressing the specific needs of migrants and refugees. - Preparation of Estonian educational institutions and professionals and youth work specialists to work with children of migrants and refugees with the goal of facilitating their economic inclusion and work prospects, including professional recognition. - Civil society: to strengthen civil society through civic engagement and CSO action, focusing on social inclusion of migrants and refugees through social innovation. 	
Swiss indicative Commitment	18.6 million CHF	
Project or Programme Operator	Ministry of Culture	
Swiss Support Measure Partner(s)	Public institutions, private sector and civil society organisations with relevant expertise and experience in the integration of migrants in Switzerland.	
Other specificities related to the Support Measure	The Ministry of Social Affairs, the Ministry of Education and Research and the Ministry of Interior will act as programme component operators.	

(ix) Nature conservation and biodiversity

Support Measure name	Bio-Diversity Programme	
Support Measure type	Programme	
Objectives	Development of innovative monitoring and assessment solutions for endangered species and habitats listed in the EU Habitats and Birds Directive.	
Strategic Focus	The programme sets out to contribute to the improvement and preservation of conservation status of species and habitats through decision-making that relies on high-quality data, including innovative monitoring solutions. Further, the programme will add to the development of existing systems in order to ensure data transition between different systems and to make environmental data more accessible. The project will build up and validate a digital toolset for the governance of the system and carry out evaluations of management effectiveness for protected areas. The intervention will build on the results of various past and ongoing initiatives, like applied research projects on nature conservation in relation to climate change and on existing state monitoring and planning systems for protected areas.	
Swiss indicative Commitment	6.93 million CHF	
Project or Programme Operator	Ministry of Environment	
Swiss Support Measure Partner(s)	Public institutions, private sector and civil society organisations in Switzerland with relevant expertise and experience in biodiversity.	
Other specificities related to the Support Measure		

4. Partner State specific rules and procedures

Switzerland and Estonia agree to the following specific provisions in derogation/modification/complement/specification of the regulations:

- To complement Article 3.5 of the Regulation it shall be agreed that the National Coordination Unit takes on the tasks of the Paying Authority. Adequate functional separation of tasks shall be ensured.

- The following paragraph replaces Art 4.5 paragraph 1 of the Regulations: The Partner State shall arrange a transparent and fair selection process for Projects or Programme Components. For this purpose the Partner State may establish or use existing national committee for governing areas.
- The following paragraph of Art. 4.11 paragraph 3 b) shall be deleted: The SCO shall not have the right to vote.
- The following paragraph replaces Art 4.11 Paragraph 3 c) of the Regulations: Decision-making in the Support Measure Steering Committee shall be based on consensus by the members with voting rights.
- To complement Articles 8.3.3 and 8.3.4 there is mutual understanding that the accounts where the advance payments are held are e-Treasury accounts that do not generate interest.
- The following paragraph replaces Article 8.4 Paragraph 2 of the Regulations: The Paying Authority shall convert the total of all expenditures incurred in the given reimbursement period into Swiss francs at the future exchange rate given by the Estonian State Treasury on the day of submitting the Reimbursement Request.
- The following paragraph replaces Art 11.4 Paragraph 2. of the Regulations: Before the proposed financial correction is applied, it may be proposed by the NCU to Switzerland. If Switzerland disagrees with the proposed financial correction over 10 000 CHF, Switzerland shall enter into a dialogue with the NCU within one month of receiving the proposal. The NCU may take into consideration the concerns of Switzerland.
- The following paragraph replaces Art 7.2 Paragraph 1 a) of the Regulations:
 - a) Switzerland requests a copy of relevant parts of the tender documents for non-objection and to engage in substantive technical exchange prior to the commencement of the procurement procedure. As a result of this assessment, Switzerland may recommend adjustments to the tender documents. These recommendations may be taken into account and the SCO shall be informed accordingly;

In the event of a conflict between the Regulations and these specific provisions, the specific provisions of this Annex shall prevail.