

Annex 2: Rules and Procedures for the Swiss-Estonian Cooperation Programme

Annex 2 is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of Estonia concerning the implementation of the Swiss-Estonian Cooperation Programme. Annex 2 defines the controlling at the Swiss-Estonian Cooperation Programme level, procedures at Project level, requirements for Project proposals, roles and responsibilities and special provisions for financial assistance.

Rules and procedures for Block Grants, the Project Preparation Facility, the Technical Assistance Fund and the Scholarship Fund are defined in Annex 3.

1. Controlling at the Swiss-Estonian Cooperation Programme level

1.1 Supervision

The Estonian authorities have the final responsibility for the monitoring and supervision of the Swiss-Estonian Cooperation Programme. A monitoring system shall be developed jointly by the Parties at the beginning of the Swiss-Estonian Cooperation Programme and be enhanced during its implementation as necessary.

1.2 Annual meetings

In order to ensure an effective implementation of the Swiss-Estonian Cooperation Programme, the Parties shall hold annual meetings. At the annual meetings, the National Coordination Unit (NCU) shall present an annual report to be distributed one month before the meeting which shall amongst other things address:

- General experience and results achieved;
- Progress made in the implementation of the Swiss-Estonian Cooperation Programme against the Conceptual Framework;
- Reporting on the status of the Swiss-Estonian Cooperation Programme, including:
 - o Statements on approved Projects, progress of Project identification/preparation and foreseeable Commitments;
 - o Overall financial statement on past and tentative future disbursements and Commitments for the entire Swiss-Estonian Cooperation Programme;
 - o Summary and main conclusions of the financial audits of the Projects in accordance with Chapter 3, No. 6;
 - o Statistics on tenders, contract awards and successful bidders;
 - o Information about important issues with regard to particular Projects.
- Reporting on Block Grants, the Technical Assistance Fund, the Project Preparation Facility and the Scholarship Fund;
- Proposals for the allocation of non-committed funds;
- Reporting on administrative implementation issues;
- Strategy and activities to inform the general public about the Swiss-Estonian Cooperation programme and the Projects implemented;
- Further issues to be discussed; recommendations, next steps.
- Review and, if needed, amend the Annexes of the Agreement.

The NCU is responsible for the organisation of the annual meetings. It shall consult the Swiss Embassy in Riga on the organisation, the contents, the agenda, the participants and other organisational and logistical matters.

The Intermediate Bodies, the Executing Agencies and other institutions and persons may be invited to the annual meetings whenever this is felt desirable by the NCU or by Switzerland.

The Parties may invite the Commission of the European Communities to participate as an observer.

Minutes of the meetings shall be drafted by the NCU and be submitted to Switzerland for approval within 15 days after the meeting.

2. Procedures of Project Financing Requests

The financing request undergoes a two-loop approach that allows guidance early in the decision making process. In the first loop, a Project outline is submitted and a decision in principle is made. In case of a successful first loop, the second loop is initiated. In the second loop, the Final Project Proposal is submitted and a final decision is made by Switzerland.

2.1 First loop: Application and approval procedure of the Project outline

No.	Steps	Activities and specific rules	Organisations
1.	Initiation of Project identification	Initiation on the basis of: <ul style="list-style-type: none"> – Lists of priority Projects provided by the Government – A proposal by the NCU – A proposal by an Intermediate Body / Executing Agency – Call for proposals – A proposal by Switzerland – A proposal by an international organisation 	Responsible: NCU Involved: Intermediate Body, Executing Agency, Estonian partners, Swiss authorities
2.	Elaboration of the Project outline	Preparation of the Project outline based on the requirements for Project outlines (cf. 2.2). This may include a request for financial support for the preparation of a Final Project Proposal through the Project Preparation Facility.	Responsible: Intermediate Body, Executing Agency
3.	Pre-screening of the Project outline	Possibility of informal consultations with the Swiss Embassy in Riga.	Responsible: NCU
4.	Screening	Examination of the Project outline based on the Conceptual Framework, the Project selection criteria in Annex 1 and the requirements for Project outlines (cf. 2.2).	Responsible: NCU Involved: Monitoring committee, Intermediate

No.	Steps	Activities and specific rules	Organisations
			Body (when existent)
5.	Submission of the Project outline	If accepted, submission of the Project outline(s) with a cover letter comprising a description of the selection process to the Swiss Embassy in Riga. Formal check by the Swiss Embassy in Riga and submission of the Project outline with the cover letter of the NCU to Switzerland.	Responsible: NCU Responsible: Swiss Embassy in Riga
6.	Final decision on Project outline	Final decision on the Project outline (including, if relevant, decision on the request for financing of Project preparation). If accepted by Switzerland, request for the elaboration of the Final Project Proposal (requirements specified in 2.4). Switzerland may submit comments which have to be considered during the elaboration of the Final Project Proposal.	Responsible: Swiss Agency for Development and Cooperation (SDC) or State Secretariat for Economic Affairs (SECO)

2.2 Requirements for Project Outlines

The Project outline (approximately 5 pages) shall include all necessary information to allow a general appraisal of the proposed Project.

Item	Content
General information	Project title, planned project duration, priority sector, location/region
Applicant	Name and contact details; previous, relevant experience, if any; project partners; Swiss link, if any (know-how, technology, partners or any other cooperation with Switzerland)
Relevance	Contribution to the reduction of economic and social disparities within the country and between the country and the more advanced member states of the EU (impact); fit within the development strategies of the country/region and chosen sector; strategy of the intervention
Project content	Description including objectives (outcome), expected results (outputs) and activities (components); beneficiaries, target group; risks and potentials; sustainability of project
Project organisation	Organisational chart, responsibilities, etc.
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial source etc.; cost efficiency aspects versus alternatives
Horizontal issues	Environmental, social and economical aspects of the project, gender equality, good governance
Maturity of project	Status of project: in elaboration or fully prepared and possible request for financial support for preparation of Final Project Proposal

	through the Project Preparation Facility (e.g. feasibility studies, environmental impact assessment, etc.) if deemed necessary
Annexes	Additional documentation as deemed appropriate

2.3 Second loop: Application and approval procedure of the Final Project Proposal

No.	Steps	Activities and specific rules	Organisations
1.	Elaboration of the Final Project Proposal	Preparation of the Final Project Proposal based on the requirements for Final Project Proposals (cf. 2.4) and the comments of Switzerland.	Responsible: Intermediate Body, Executing Agency
2.	Screening	Examination of the Final Project Proposal.	Responsible: NCU Involved: Intermediate Body (when existent)
3.	Decision to submit the Final Project Proposal	If accepted, submission of the Final Project Proposal with a cover letter taking into account the requirements for Final Project Proposals and the comments of Switzerland to the Swiss Embassy in Riga. It will also confirm the compliance of the Executing Agency with legal and financial obligations. Formal check by the Swiss Embassy in Riga and submission of the Final Project Proposal with the cover letter of the NCU to Switzerland.	Responsible: NCU Involved: Monitoring Committee Responsible: Swiss Embassy in Riga
4.	Final decision	Final decision on the financing request by taking into account the Final Project Proposal, the cover letter of the NCU, and the Project document. Switzerland reserves the right to carry out its own appraisal if needed.	Responsible: SDC or SECO

2.4 Requirements for Final Project Proposals

The Final Project Proposal shall be accompanied by all necessary documents (e.g. feasibility study, Project document, environmental impact study) to allow a thorough appraisal. The Final Project Proposal (5 – 10 pages; for large infrastructure Projects 10 - 20 pages, plus annexes) shall provide adequately detailed information on inter alia:

Item	Content
Project summary (1 page)	Fact sheet: Project title, short description including objectives, budget, partners, duration

Relevance	Contribution to the reduction of economic and social disparities between the country and the more advanced countries of the EU; fit within the development strategies of the country/region and chosen sector; strategy of the intervention
Project content	Description including objectives, expected outcomes/outputs, activities and the respective indicators; beneficiaries, target group; risks and potentials; sustainability of the Project
Project justification (Due diligence)	Main conclusions of the feasibility study (if requested)
Project organisation	Organisational chart, responsibilities, etc.
Detailed implementation schedule	Including milestones and monitoring of progress based on defined indicators
Budget	Eligible costs / non-eligible costs; own contribution, amount of grant, co-financing, EU-funding and any other financial sources etc.; cost efficiency aspects
Procurement	Procurement procedures for goods and services
Development Impact	Monitoring and evaluation of output/outcome/impact indicators
Horizontal issues	Environmental, social and economical aspects of the Project, gender equality, good governance
Annexes	E.g. feasibility study, Project document, environmental impact study

3. Project Implementation Procedures

The Project implementation procedures are as follows:

No.	Steps	Activities and specific rules	Organisations
1.	Project Agreement	Preparation of the Project Agreement between Estonia and Switzerland.	Responsible: NCU on the Estonian side; SDC or SECO on the Swiss side
2.	Signing	Signing of the Project Agreement. The Project Agreement can be signed by more than two contracting parties (e.g. tripartite or multipartite agreement: SDC or SECO, NCU and Intermediate Body, Executing Agency).	Responsible: Normally the Swiss Embassy in Riga on behalf of SDC or SECO. The Estonian signatory or signatories shall be decided by Estonia.
3.	Procurement and award of contracts	Procurement is to be made in accordance with the respective national law and regulations and in compliance with the respective EU directives. A confirmation of compliance with the relevant procurement rules shall be provided to	Responsible: NCU, Intermediate Body, Executing Agency

		<p>Switzerland. To increase transparency and to prevent corruption, tender documents shall contain an integrity clause.</p> <p>In general, for public tenders within the scope of the EU directives on public procurement (2004/17/EC and 2004/18/EC), an English translation of the official tender evaluation report shall be provided to Switzerland for information at the latest 30 calendar days after the award of contract.</p> <p>In addition to the above, for tenders above the threshold of CHF 500`000, Switzerland may also request a copy of the tender documents for non-objection and of the contracts for information. These documents shall be submitted at the latest 20 calendar days before the commencement of tendering and 20 calendar days after the signing of the contract, respectively.</p> <p>Furthermore, for tenders above the threshold of CHF 500`000, Switzerland may also request that an English translation of the tender documents and the draft contracts are made available to tenderers and contractors, respectively. Possible translation costs shall be borne by the Project and financed under the Contribution.</p> <p>In line with Art. 6.5. of the Framework Agreement, both Parties agree to provide all such information pertaining to the tender process and beyond the documents listed above that the other Party may reasonably request. Switzerland shall have the right to participate in the tender committee as an observer. Switzerland shall also have the right to conduct an audit of the procurement practices and procedures in general.</p> <p>In case of irregularities, wilfully or negligently caused in the framework of the tender process, Switzerland is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and to ask repayment of illegitimately paid reimbursements at any stage of the Project.</p>	
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4.	Controlling (Monitoring)	Controlling procedures are defined in the Project Agreement. Procedure description includes: periodicity of reporting, monitoring system and consultant, steering committees, time table for operations and results, auditing, etc.	Responsible: Executing Agency Involved: NCU, Intermediate Body
5.	Reporting	<p><u>Interim Reports</u> for supporting payment claims and reimbursement requests as specified in chapter 4 of this Annex.</p> <p><u>Annual Project Reports</u> describe the progress of the Project. They include summary data on financial progress for the reporting year as well as cumulative data to date. They compare actual with planned expenses and progress, based on quantified targets for output and where possible outcome indicators. Any deviation has to be justified and corrective measures suggested. Annual project reports are not linked to reimbursement requests.</p> <p>The <u>Project Completion Report</u>, together with the last Project interim report and the final financial report (cf. 6), is the base for the final reimbursement. It documents and comments the overall achievement of outputs and outcomes against the original plan, the compliance with principles such as cross cutting themes and sustainability, and it contains lessons learned and conclusions.</p>	Responsible: Executing Agency Involved: NCU, Intermediate Body

documents. The Paying Authority shall submit the reimbursement requests to Switzerland for approval and payment.

The detailed reimbursement procedures are laid down in the Project Agreements and must, if not otherwise specified, comply with the following procedures:

No.	Steps	Activities	Organisations
1.	Issue of the original invoice	Issue the original invoice.	Responsible: Supplier of a product or service; contractor, consultant, organisation (claimant)
2.	Examination of the original invoice and the elaboration of the payment claim	<p>§ Control the original invoice with regard to the specifications of the Project Agreement, the Implementation Agreement, the supply / services contract and the agreed tariffs.</p> <p>§ Verify the correctness of the execution (quantity and quality) of the work, the supply of goods / services, etc., and the special conditions etc.</p> <p>§ Payment to the supplier(s) of the original invoice.</p> <p>§ Submit the payment claim including an interim report and copy of the invoices to the NCU and/or the Intermediate Body. The payment claim comprises eligible costs incurred during a given period. The interim report includes information on financial and physical progress, a comparison of actual with planned expenses, an update on progress status, while confirming the co-financing. Any deviation has to be justified and corrective measures suggested. Interim reports are due at least every six months.</p>	Responsible: Executing Agency

3.	Certification of the payment claims to the Paying Authority and pre-financing payments	<p>§ Check the conformity of the payment claim with the Framework Agreement and the Project Agreement and the Implementation Agreement.</p> <p>§ Verify the completeness of the documentation (i.e. copy of invoices and other accounting documents) and the relevance of the interim report. If necessary, verify the correctness of the use of funds by means of fact-finding missions.</p> <p>§ Certify the correctness and legality of the payment claims to the Paying Authority.</p>	<p>Responsible: NCU</p> <p>Involved: Intermediate Body</p>
4.	Submission of the reimbursement request to Switzerland	<p>§ Check the formal conformity of the payment claims, including co-financing and possible double-financing.</p> <p>§ Submit the reimbursement requests to Switzerland and confirm the compliance with supporting documentation and contractual agreements. Transmit to Switzerland a copy of the related documentation, such as interim, annual and completion reports (cp. 3.5, 3.6), audit reports, or their consolidated summary as requested in the Project Agreement.</p>	Responsible: Paying Authority
5.	Payment from Switzerland to Estonia	<p>§ Check the conformity of reimbursement requests and supporting documentation.</p> <p>§ Transfer the requested amount to the Paying Authority within 30 days.</p>	Responsible: Switzerland
6.	Payment to the Executing Agency	§ Payment to the Executing Agency	Responsible: Paying Authority

In particular cases, other payment procedures may be defined by the Parties in the respective Project Agreements.

The final date for eligibility of costs shall be specified in the Project Agreement. It shall be 12 months after the scheduled date for Project completion, but shall not be later than ten years after the approval of the Contribution by the Swiss Parliament according to Article 3 of the Framework Agreement. Final reimbursement requests must have been received by Switzerland not later than six months after the final date of eligibility.

In the case of irregularities, Switzerland is entitled to stop reimbursements immediately, to instruct the NCU to stop payments from the Swiss Contribution and

to ask repayment of illegitimately paid reimbursements at any stage of the Project. The reasons for the respective instructions shall be communicated in writing to the NCU and other partners involved.

5. Roles and Responsibilities

The roles and responsibilities of the main actors are outlined below. Project Agreements will contain more detailed responsibilities and activities tailored to the individual case.

5.1. The National Coordination Unit (NCU)

The National Coordination Unit (NCU) is responsible for the overall Swiss-Estonian Cooperation Programme orientation and for the identification, planning, implementation, financial management controlling and evaluation of Projects, as well as for the use of funds under the Contribution in accordance with the Framework Agreement. This includes to:

- Ensure the adoption of the necessary national legal documents on the implementation and monitoring of Projects;
- Coordinate the Swiss Contribution with other contributions, with the National Strategic Reference Framework and with the operational programmes;
- Ensure that the appropriate provisions are included in the National Budget in order to safeguard that claimants have the necessary funds;
- Confirm that the co-financing part has been provided according to the Project Agreement;
- Ensure that there is no double financing of any part of the Project by any other source of funds;
- Ensure the organisation of calls for, the collection of and the appraisal of Project proposals;
- Establish a monitoring committee, in which at least the NCU and selected line ministries, the social partners, local governments and the Swiss Embassy in Riga are represented;
- Transmit to Switzerland the Project proposals approved by the monitoring committee;
- Submit well documented Project financing requests to Switzerland resulting from approved Project outlines;
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and by the establishment of an adequate check and monitoring system.
- Check the invoices received from the Executing Agencies and verify the sufficiency of documentation;
- Submit payment claims to the Paying Authority and certify their correctness and legality;
- Ensure the efficient and correct use of available funds;
- Verify in each Project if the value added tax (VAT) can be recovered by the Executing Agency and to inform the Swiss authorities accordingly in the form of a declaration by the applicant as part of the Project documentation;
- Ensure the financial control, including complete and sufficient audit trails in all involved institutions;
- Provide a yearly overall financial statement on all transfers of funds between Switzerland and the Paying Authority on one side and between the Paying Authority and all national involved bodies (e.g. NCU, Intermediate Body, Executing Agency) on the other side;

- Submit yearly a summary with conclusions and recommendations of all audit reports of the financed Projects. The NCU presents in an annex all original conclusions and recommendations of the audit reports;
- Ensure regular reporting to Switzerland on the implementation of Projects financed by the Contribution, as well as to immediately report any irregularities;
- Organise annual meetings at overall Swiss-Estonian Cooperation Programme level in consultation with the Swiss Embassy in Riga and to present an annual report;
- Be responsible for the reimbursement to Switzerland of unduly paid sums financed by the Contribution;
- Ensure information and publicity about the Swiss-Estonian Cooperation Programme;
- Ensure storing of all relevant documents relating to Projects implemented within the Swiss-Estonian Cooperation Programme for 10 years after the completion of Projects.

The NCU can delegate part of the tasks and responsibilities mentioned above to one or more Intermediate Bodies and Executing Agencies.

5.2. Intermediate Body

Intermediate Body means any legal public or private entity which acts under the responsibility of the NCU or which carries out duties on behalf of the NCU with regard to Executing Agencies implementing Projects.

The main tasks of the Intermediate Bodies are to:

- Call for and collect Project proposals, review compliance with the requirements for Project proposals (Chapter 2) and assess the quality of applications submitted;
- Submit Project proposals with appraisal reports to the NCU;
- Implement tender processes or delegate this task to an Executing Agency;
- Supervise and steer the implementation of Projects in accordance with the Project Agreements and the Implementation Agreements, and carry out the necessary controls;
- Check the invoices received from the Executing Agencies, verify the authenticity and correctness of submitted documents as well as the eligibility of costs on payment claims;
- Certify invoices and submit certified invoices to the NCU or to the Paying Authority;
- Report to the NCU on the progress of Project implementation;
- Check for irregularities and report them to the NCU;
- Discuss the audit results with the partners involved, including Switzerland, and ensure the implementation of the decisions made based on the audit report;
- Ensure storing of all relevant documents related to Projects implemented within the Swiss-Estonian Cooperation Programme for 10 years after the completion of Projects.

5.3 Executing Agency

An Executing Agency is any public authority, any public or private corporation as well as any organization, recognized by the Parties and mandated to implement a specific Project financed under this Framework Agreement. Consequently, the Executing Agency is the contracting party for service and supply contracts in the framework of approved Projects.

The Project Agreement shall contain the name of the Executing Agency. Its tasks and responsibilities shall be defined in the Implementation Agreement.

5.4 European Union Payments Department of the Ministry of Finance as Paying Authority

The European Union Payments Department of the Ministry of Finance as Paying Authority is responsible for ensuring appropriate financial control over the use of the Swiss Contribution. It shall in particular:

- Check the conformity of the payment claims;
- Submit the respective reimbursement requests to Switzerland;
- Keep accounts of all reimbursement requests made to Switzerland;
- Report periodically to the NCU on financial flows.

The Paying Authority ensures that payments are made to the claimants within the specified deadlines.

5.5 Financial Control Department of the Ministry of Finance (FCD)

For the implementation of the Cooperation Programme between Switzerland and Estonia the Financial Control Department of the Ministry of Finance (FCD) is responsible for ensuring effective functioning of audit systems as well as frauds and irregularities prevention.

The main task of the Financial Control Department of the Ministry of Finance (FCD) are to:

- Ensure the adequate regulatory framework for auditing that ensures the required audit coverage and reporting to Swiss authorities;
- Establish an annual system audit and control plan, which takes Swiss requirements into account;
- Perform audits within the implementation structure of the Cooperation Programme between Switzerland and Estonia and report to Switzerland;
- Submit yearly a summary with conclusions and recommendations of all audit reports of the financed Projects. The FCD presents in an annex all original conclusions and recommendations of the audit reports;
- Provide competent Swiss authorities or mandatees acting on their behalf with its assistance;
- Ensure storing of all reports from audits performed by audit organisations related to Projects implemented within the Swiss-Estonian Cooperation for ten years after the completion of Projects.

The competent authorities with the full support of the Government of Estonia shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted according to existing regulations.

5.6 Audit Organisation

If not otherwise specified in the Project Agreement, for each Project an audit organisation is appointed by the NCU and/or by the Intermediate Body. For Technical Assistance, Block Grants, the Project Preparation Facility and Scholarships different audit procedures may apply. The audit organisation has to be a public institution or a private company of recognised professional reputation which operates in line with international auditing standards.

The requirements regarding the audits have to be mentioned in the Project Agreement. The scope of the audit will be defined in an annex to the Project Agreement. In case of external audit, the costs are eligible for reimbursement and must be included in the Project budget. Costs of internal audits are borne by the respective audit organisation.

If not otherwise specified in the Project Agreement, the audit organisation shall carry out intermediary financial audit(s) for Projects lasting longer than two years and exceeding the amount of CHF 500'000 and a Final Financial Audit of the Projects according to international auditing standards. In doing so, it shall verify the correct use of funds, make recommendations to strengthen the control system and report any actual or alleged fraud or irregularity. These financial audit reports are transmitted to the NCU. The competent authorities with the full support of the Government of Estonia shall investigate alleged cases of fraud or irregularity. Proven cases of fraud shall be prosecuted accordingly to existing regulations.

5.7 Monitoring Committee

The Monitoring Committee is an advisory body to the NCU regarding the identification, development, selection and management of proposals. The NCU will appoint the members of the Monitoring Committee. The appointment of the representatives of the Monitoring Committee will be made on the basis of proposals from the relevant bodies.

The Monitoring Committee shall include representatives of

- the National Coordination Unit;
- relevant line ministries or governmental bodies;
- social and economic partners (incl NGOs);
- regional and local level government.

The Monitoring Committee is to, among other tasks:

- give an opinion and make recommendations to the NCU on the selection of projects;
- monitor compliance with the Rules and Procedures;
- review overall progress and financial reports;
- approve the Annual Report prepared by the National Coordination Unit.

Where appropriate, representatives of other institutions and organizations can participate to observe the meetings of the Monitoring Committee.

5.8 Swiss Embassy in Riga

The Swiss Embassy in Riga is the official Swiss contact as far as the Swiss-Estonian Cooperation Programme is concerned. Referring to the implementation of the Swiss-Estonian Cooperation Programme, its function is to:

- Facilitate contacts; assure the liaison and the networking between partners;
- Inform and give advice to partners on procedures and conditions of the Contribution;
- Transmit official information and proposals to and from the Swiss authorities;
- Organise, together with the NCU, missions of Swiss delegations;
- Participate in meetings on the overall Swiss-Estonian Cooperation Programme;
- Provide information to the general public on the Swiss-Estonian Cooperation Programme and the Contribution.
- Participate in the monitoring committee as an observer.

5.9 Swiss Agency for Development and Cooperation (SDC) and State Secretariat for Economic Affairs (SECO)

On the Swiss side, there are two competent authorities for the Swiss-Estonian Cooperation Programme: SDC and SECO. Their main tasks are to:

- Ensure the strategic and operational steering at the overall Swiss-Estonian Cooperation Programme level;
- Participate in the annual meetings organised by the NCU;
- Engage in a regular dialogue with the NCU and the other partners involved on the identification and the implementation of Projects as well as on the progress of the overall Swiss-Estonian Cooperation Programme;
- Provide support for Project identification and preparation;
- Decide on the financing of Projects submitted for funding;
- Decide on overall Swiss-Estonian Cooperation Programme issues;
- Supervise the overall Swiss-Estonian Cooperation Programme development through field visits and reviews;
- Network with the national and international actors relevant to the implementation of the Swiss-Estonian Cooperation Programme;
- Administrate the Swiss-Estonian Cooperation Programme on the Swiss side.

Switzerland may delegate some of these tasks to the Swiss Embassy in Riga.

6. Special Provisions for Financial Assistance

Repayments and redemptions from financial instruments benefiting the private sector (including credit lines, guarantee schemes, equity participation and loans) are to be dealt with as follows:

- Provided that the contribution for financial assistance is redeemed (credit lines, equity participation and loans), the value of the principal shall be transferred upon maturity to any institution aiming at the same overall objective agreed upon by the two Parties.
- The same shall apply to amounts committed as guarantees, provided that the funds have not been called upon during the life of the instrument.

The modalities, including the transfer of the ownership, shall be laid down in the respective Project Agreement or by exchange of letters.