Republic of Estonia
State Shared Service Centre

Output based SCOs: examples in Estonia

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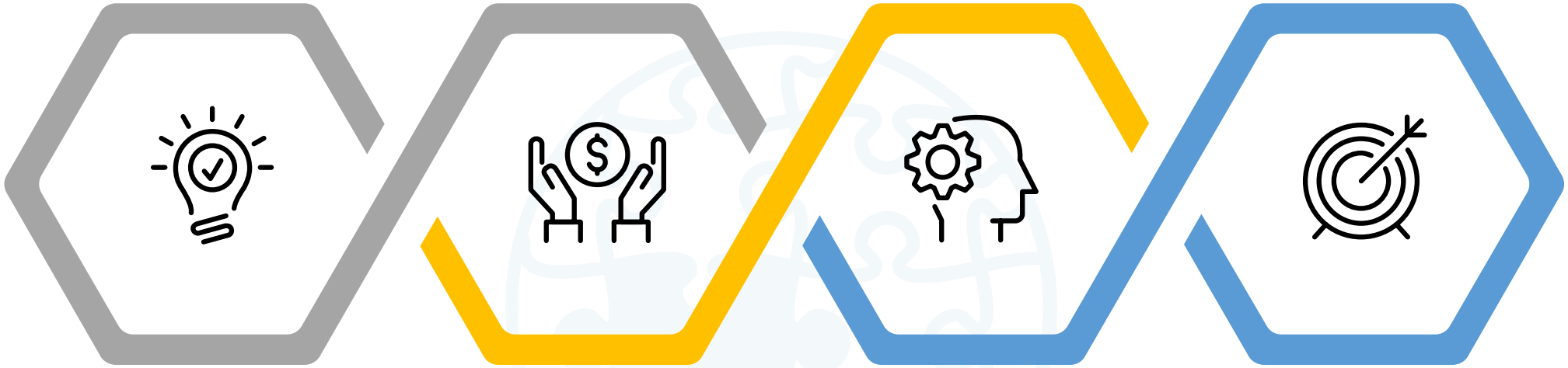
Issues related to the use of draft budget

- Draft budget have been only used for calculating lump sum
- **Documents to justify the costs in the budget:** if the draft budget is not based on reliable data, historical costs or sound economic reasoning, it may result in unrealistic cost estimations
- **Insufficient flexibility:** draft budget, once approved, becomes the basis for reimbursement. If unforeseen changes occur, adjusting the budget or targets is not possible

Solutions implemented



National guidelines

A dedicated national guideline was developed to provide clear, structured guidance on SCO implementation including draft budget.

Trainings

To ensure stakeholders understand draft budget.

1:1 consultations

Personalized consultations with stakeholders to address specific concerns and tailor solutions to project needs.

Setting milestones

To mitigate the risk of losing the entire grant, it is advisable to set interim milestones.

Support scheme for entrepreneurs' digitalisation roadmaps

- Support is paid as a lump-sum only if the project is fully completed and its results achieved
- Lump sum is based on draft budget
- Eligibility period: up to 12 months
- Grant: max 35 000€, co-financing rate: 50%
- Payment triggers in the regulation:
  1) submitting a project report approved by the implementing body;
  2) proof that the funded activities meet the objectives and requirements set out in the regulation

Grant decision (based on a real project)

- The beneficiary shall submit the project report, using the form published on the implementing body's website. The report must contain the information specified in the regulation
- The project report shall include the following:
  - the digitalisation roadmap;
  - a written report on the advisory service and development activity;
  - information on the achievement of the project results;
  - the beneficiary's assessment of the effectiveness and implementation of the project;
  - a description of the contribution to the principles and objectives of "Estonia 2035"

Local government investments in bicycle and pedestrian paths

- Support is paid as a lump-sum only if the project is fully completed and its results achieved
- Lump sum is based on draft budget
- The eligibility period: must not exceed 30 months from the application submission deadline
- Total cost of an operation: max 200 000€
- The lump sum amount and its triggering conditions must be clearly defined in the grant decision. These must include:
  - the expected activities or deliverables,
  - the completion criteria (e.g., functional infrastructure, approved deliverables or verified results),
  - the amount to be paid

Grant decision (based on a real project)

- As a result of the project, a pedestrian and bicycle path of the agreed length has been completed
- The documents to be submitted:
  - photos of the works carried out;
  - the works' handover and acceptance certificate;
  - the usage permit

Support for regional initiatives for a just transition

- For small-scale projects funding is provided as a lump-sum only if the project is fully completed and its results achieved
- Lump sum is based on draft budget
- The eligibility period: up to 12 months from the date of the grant decision.
- Grant for a small-scale project: max 10 000€, co-financing rate up to 90%
- The lump sum amount and its triggering conditions must be clearly defined in the grant decision

Grant decision (based on a real project)

- Activity: Green thinking day in a village
- As a result of the project a Green thinking day has been carried out.
- Evidence to be submitted includes:
  - photos of the event;
  - the event agenda

1 DRAFT BUDGET

Lump sum is based on a draft budget, which must be prepared using reliable data.

2 SMALL-SCALE

Lump sum is used for small-scale projects (the budget up to 100 000€)

3 PERIOD

The eligibility period is rather short (up to 12 months)

4 OUTPUTS

More quantitative then qualitative outputs

5 DOCUMENTS

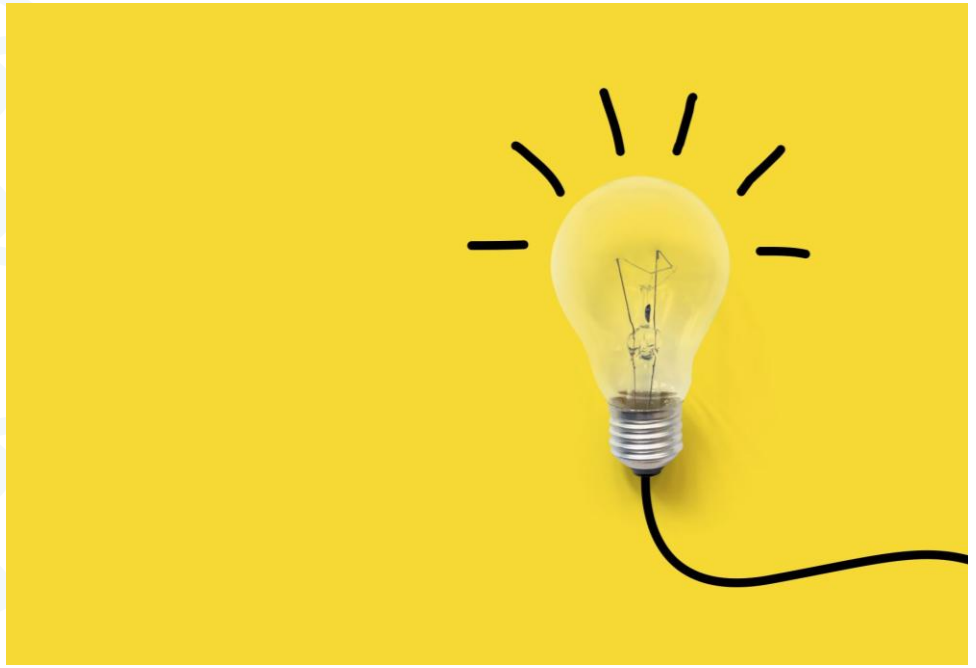
Depends on the nature of the activity, specified in the grant decision

6 DOCUMENTS

Proportional to the nature and objectives - disproportionate evidence is not required

Lessons learned

- The grant decision must clearly define the conditions and result(s) that trigger payment
- Choose the most reliable and objective forms of evidence to prove that results have been achieved (e.g. photos, reports, deliverables, certificates, usage permits)
- Avoid relying only on self-declarations by the beneficiary
- Prefer confirmations or documentation from independent third parties (e.g. acceptance certificates, usage permits, official reports, audit records, signed attendance lists)



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THANK YOU!