*STRATEGIC REPORT
FM14-21*

Estonia

Reporting period:

31 July 2019 - 30 June 2020

# 1. EXECUTIVE SUMMARY

State Shared Service Centre (further referred as SSSC), acting as the National Focal Point (further referred as NFP) for the implementation of the EEA and Norwegian Financial Mechanism in Estonia has prepared the Annual Strategic Report No. 2 on the Implementation of the EEA and Norwegian Financial Mechanisms 2014-2021 in Estonia (further referred as the Strategic Report). The Strategic Report reflects the implementation of the financial mechanisms during the period from 31 July 2019 (next day of the cut-off of previous Strategic Report) to 30 June 2020.

In the first half of 2020 the programmes were still in early stage of implementation, therefore, it is too early to indicate the exact contribution of the programmes to the latest development trends. Considering the COVID-19 impact on the economy it can be expected, that with Norwegian and EEA Grants the recovery process goes smoother.

The status of programmes is good given the COVID-19 situation and the fact that preparatory period overall took longer than expected. The disbursement rate is quite low due to the fact that programmes are still at early stage of implementing. This year is seen as the breaking point and more effort than ever is put into getting the implementation running and therefore the disbursement rate to grow faster.

The end of 2019 and the beginning of 2020 has still been partially preparatory for programmes. Climate Change Mitigation and Adaptation (EE-Climate) and Local Development and Poverty Reduction (EE-Local Development) programmes had their Programme Agreements signed in the second half of 2019. With that all Programme Agreements have been signed. EE-Climate Programme Operator has been working very actively on setting up the management and control systems and getting the first call texts ready, under EE-Local Development Programme 7 out of 8 pre-defined projects have been approved and 2 out of 8 calls launched with this very short and complicated time after the signing of the Programme Agreement. As concerns Green ICT (EE-Innovation) and Baltic Research (EE-Research) programmes, Programme Agreements were signed already in 2018, successful calls behind and only one call for both of the programmes still ahead. EE-Innovation Programme Operator has also put a lot of effort into getting the 2 pre-defined projects (further referred as PDP) approved and hopefully this will happen soon and the projects will start with their activities in the second half of 2020.

Bilateral activities are affected by the situation caused by COVID-19 the most. However, there are more projects with donor partners than expected in the situation we are in. Overall partnerships with donor project partners that are developed are strong and many Project Promoters (further referred as PP) foresee already today that they want to continue partnerships after the end of projects. Given the complicated situation the absorption of bilateral funds can be considered satisfactory. The meeting of Joint Committee for Bilateral Funds (further referred as JCBF) is coming together twice a year in order to be up to date with progress made, challenges faced and in order to share experience/give advice on bilateral relations matters.

The main risks faced are the delays that are likely to occur due to the situation caused by COVID-19, due to possible changes in the staff, due to possible changes in the structure, due to the involvement of very many different parties. Of course there is a risk of low possibility of cooperation among Estonian and donor state organisations at project level due to COVID-19 consequences and its possible re-emergence. Additionally the risk of violating public procurement rules is quite high as the rules and the area overall is quite complicated and the contracting authorities' awareness of the rules is uneven.

Looking forward, the most crucial challenge in the second half of 2020 is to react effectively to the consequences of COVID-19 and the risks foreseen (Annex A) in order to minimize the negative effect they might have on the EEA and Norwegian Financial Mechanisms 2014-2021 in Estonia. All parties have to communicate/cooperate and respond quickly in order to have the future calls launched in time, projects implemented before the end of the eligibility period and outputs, outcomes, objectives of programmes achieved.

# 2. Political, economic and social context

The crisis resulting from COVID-19 has had an extensive negative impact on all sectors of the economy, employment and on wellbeing of the people. COVID-19 related restrictions in Estonia have also had an impact on the project’s implementation timeline.

As of 15 May 2020, there were 50,021 people registered as unemployed in Estonia and the registered rate of unemployment was 7.7%. Since the beginning of the emergency situation (from 12 March 2020 to 15 May 2020), there have been 21,922 people registering as unemployed, and 29% of them (6,296) remained jobless due to redundancies. At the end of the first quarter of 2019, registered unemployment rate in Estonia was 5.1% and amounted to 6.3% at the end of the first quarter of 2020.

Wage subsidy has been prescribed for 121,627 employees at 15,489 establishments (as of 17 May 2020). In the comparison of February to April this year, according to the Tax and Customs Board, income from employment (employment income declared in the income tax and social tax declaration, including additional remuneration, holiday pay, etc.) has decreased for 37% or 186,043 employees.

The first findings of the survey held by the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in April 2020 on the impacts of COVID-19 [[1]](#_ftn1)indicate that in Estonia, close to 40% of people aged 18 and over have had to reduce their workload (EU27 average is 49.5%). At that, due to the spread of the virus, 14.8% of the employed people aged 18 and over in Estonia have had to significantly reduce their workload (women 33.4%). Of the respondents aged 18 and over in Estonia, 11.5% consider that they are very likely or rather likely to lose their jobs in the following three months (EU average 15.6%), whereas women account for 14.8%.

The same survey shows that 32.4% of the respondents have no savings (EU27 average 27.6%) and in the comparison of men and women, there are more women who have no savings (36.6% vs men 27.4%). Of the respondents, 29.3% think they are able to cope without an income for less than three months (EU27 28.9%), and men more so than women (32.9% vs women 26.2%).

According to the estimations by the Ministry of Social Affairs, the economic implications of the crisis appear in the social domain with a delay; the number of people receiving subsistence benefit has not significantly increased yet.

Restrictions on scheduled treatment were imposed on 13 March on the hospitals included in the hospital network and on providers of general medical care, and on 26 March on the providers of other specialised medical care and dental care, to limit the spread of the coronavirus disease by minimising close contacts which could be infectious, in a situation of critical shortage of personal protective equipment. Also, to free up health care resources by reducing the general volume of activities, so that it would have been possible to immediately implement the resources in case of the escalation of the epidemics. According to the estimates of the Health Insurance Fund, the planned treatment of about 142,000 people was postponed due to restrictions on planned treatment. The estimates are based on the comparison of the same period in the year 2019 and the period of the emergency situation in 2020 (until the end of April). The postponement of planned treatment impacts waiting lists has brought along the risk of the aggravation of chronic diseases.

Estonian Government approved the COVID-19 crisis exit strategy on 27th of April 2020. Aim of the strategy is to give Estonia a comprehensive approach to overcoming the crisis and preventing the health crisis from turning into a long-term economic crisis.

The strategy contains indicators reflecting the general health of the economy, most related to the implementation of the Financial Mechanisms are the following:

Number of registered unemployed persons (including the number of new registered unemployed persons) – 36 681 on 29.02.2020 and 51 027 on 8.06.2020 and 51 321 on 29.06.2020.

Certificates of incapacity for work, number, change compared to the previous year % - 39 884 on 29.02.2020 and 61 039 on 8.06.2020, change 72,5%, 43 501 on 29.06.2020, change 52,8%.

Change in the number of workers compared to the same month in the previous year + 1848 on 29.02.2020 and -18 343 on 29.06.2020.

Turnover of companies, million Euros, change compared to the previous year% - 5 805,3 €, so -1% on 29.02.2020 and 5 314,2 €, so -20 % on 8.06.2020.

[[1]](#_ftnref1) https://www.eurofound.europa.eu/sites/default/files/ef\_publication/field\_ef\_document/ef20058en.pdf

# 3. Effects of the Grants

The programmes were prepared, and Programme Agreements (further referred as PA) signed before the COVID-19 crisis, which changes the previous prognosis of socio-economic indicators and trends. Today it is too early to have the cross-countries comparable data reflecting already the impacts of the crisis. All the programmes are in the early stage of implementation and the impact on the reduced social and economic disparities can be seen during the next years.

According to Statistics Estonia, the gross domestic product (GDP) of Estonia grew 4,3% in 2019, GDP at current prices was 23 billion euros. The economic growth exceeded 4% for the third year in a row. The main contributor to the growth was information and communication, followed by wholesale and retail trade, professional, scientific and technical activities. Manufacturing had a positive impact on the economic growth in the middle of the year.

The emergency situation did not substantially impact the Estonian economy in the first quarter of 2020 but taking into account pandemics and mobility restrictions related to it, economic recession still cannot be avoided in 2020. The Ministry of Finance at the end of March forecasted a 8% fall in GDP in 2020, taking into account the impact of the lockdown and the rapid slowdown in economic activity. At the same time GDP growth forecast for 2021 was set at 8%.



*Source: Eurostat****[[1]](#_ftn1)***[***[2]***](#_ftn2)***[[3]](#_ftn3)***

GDP per capita in comparison with the EU27 was 84% in 2019 (EU27 being 100%; Norway 144%, Iceland 130%), and the primary reason is relatively low productivity.

Increasing the productivity and innovation of the economy and moving towards more capital- and knowledge intensive economic model is one of the most important preconditions of achieving the growth of GDP per capita. For that purpose, the Estonian Government has set the target to increase the productivity per person employed up to 80% of the EU average by 2020.

By the end of 2019 level of productivity per person employed was higher than the year before -78,6% (77,1% in 2018 and 74,1% in 2017), but remained still lower than national objectives and EU average.



*Source: Eurostat*

The share of R&D expenditure in gross domestic product (GDP) amounted to 1,40% in 2018 (1,28% in 2017 and 1,25% in 2016) and according to Eurostat’s preliminary data,  Estonia retained its intermediate position among the EU Member States. Level of achievement being less than 2,2%, which was the objective for 2016, makes it difficult to reach the target set for 2020, which is 3% of GDP.

The recent COVID-19 response package includes support for domestic research and development of tracking and tackling coronavirus.



*Source: Eurostat****[[4]](#_ftn4)***

Regarding employment the objectives of the strategy Estonia2020 were met already in 2015, when the employment rate increased by 2,2 percentage points compared to 2014 and reached 76,5%. In 2019 the employment rate reached 80,2%, which is the highest level in years. As an impact of COVID-19 crisis the employment rate is expected to decrease and unemployment in Estonia will increase, and registered unemployment rate reached 7,7 mid-May, up from 5,7% at the end of February 2020.[[5]](#_ftn5)



*Source: Eurostat****[[6]](#_ftn6)***

The projects under the Green ICT Programme (further referred also as EE-Innovation Programme) with strong focus on innovation contribute to the increase in innovative enterprises, which was 73,1% in 2018 according to the latest study. This result was somewhat positively surprising since it is much higher than the previous studies have found but is partly explained also by the positive trend in economic growth in the last years. The projects also contribute to raise in share of R&D investments, increased productivity, but also the objectives of lowering the CO2 emissions and increasing the healthy life years.

The Baltic Research Programme (further referred also as EE-Research Programme) contributes among others to the objectives of the Estonian R&D&I strategy 2014-2020 to enable high level and diverse research, the efficient networking of research institutions and that Estonia would be active and visible in international RDI co-operation, which helps to solve the tasks that Estonia and other countries are facing in different sectors whether health, technology or environment.

The Programme “Local Development and Poverty Reduction” (further referred also as EE-Local Development Programme) contributes to diverse essential objectives like reducing gender-based violence, decreasing the number of youth unemployment and early leavers from education and training, decreasing at risk of poverty rate and increasing gender equality.

The at risk of poverty rate after social transfers was 21,9% in 2018 and 21% in 2017, the objective of 16,5% by 2016 remained unachieved. For 2020 the objective in the Competitiveness Strategy Estonia 2020 was set to 15%.

Youth unemployment has been decreasing over the years, but the objective of Estonia2020 is not yet achieved. In 2019 the youth unemployment rate was 10,7%.



*Source: Eurostat****[[7]](#_ftn7)***

The level of education significantly affects the risk of falling into poverty. The share of early leavers from education and training (18-24-year olds) was 10,8% in 2017, 11,3% in 2018 and 9,8% in 2019.



*Source: Eurostat****[[8]](#_ftn8)***

According to the European Institute for Gender Equality[[9]](#_ftn9) Estonia ranks 17th in the EU on the Gender Equality Index with 59,8 out of 100 points, EU28 average 67,4 points. Between 2005 and 2017, Estonia’s score increased by 7.6 points (+ 3.1 points since 2015) and ranking has improved by four places.

Despite the Estonian government´s clear commitment and measures taken, gender-based violence remains a challenge for Estonia, with projects under Norwegian Grants preventive actions can be taken. In 2019, there were 4119 cases of domestic violence registered, which is 14% more than in 2018[[10]](#_ftn10). Both, the number of reported cases and processed cases have increased. Every other violent crime in Estonia is a domestic violent crime. In 2019 according to preliminary data 5 persons were killed due to domestic violence.

The Climate Change Mitigation and Adaption Programme (further referred also as EE-Climate Programme) contributes to high level objectives of reduced CO2 emissions and increased share of renewable energy in final energy consumption.

Estonia aims to reduce greenhouse gas emissions by almost 80% by 2050 compared to 1990 emission levels. This entails reduction of 70% by 2030 and 72% by 2040. The total of greenhouse gas emissions in Estonia in 2018 made up 20 million tons of CO2 equivalent (19 974,14 kt) emissions without land use, land-use change and forestry. Compared to 1990, in 2018 the total greenhouse gas emissions of Estonia have decreased by 50,41% (excluding the effect of LULUCF).



*Source: Ministry of the Environment*

Estonia has already met its 2020 renewable energy target of 25% in gross final energy consumption and is on good track to meet the 2030 target of 42%. Due to environment and climate policies, the share of the oil shale energy is diminishing (production of oil shale electricity fell by half in 2019), and renewable energy production is increasing.

*Source: Eurostat****[[11]](#_ftn11)***

Progress towards strengthening bilateral relations with donor state entities is also strongly affected by the COVID-19 that had an extensive negative impact on all sectors of economy all over the world. While the emphasis has been rather on surviving and staying healthy, then bilateral aspects have unintentionally and understandably been left somewhat on the background. To have the possibility to work and keep employees working has been a challenge to Estonian companies. Therefore there is also the growing unemployment rate in Estonia. However partnerships already made are strong and even new partnerships have been agreed during this complicated phase and furthermore some new ideas for initiatives with donor state partners are on hold. Virtual communication with donor partners seems to be working well and due to very talented, active, focused and problem-oriented Programme Operators (further referred as PO) and PPs plans were rescheduled and adapted to the situation. No major losses are foreseen if the situation stabilizes and new waves of COVID-19 will not occur.

[[1]](#_ftnref1) GDP - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114>

[[2]](#_ftnref2) Nominal labour productivity - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00116>

[[3]](#_ftnref3) Comparative price levels - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00120>

[[4]](#_ftnref4) RjaD - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_20>

[[5]](#_ftnref5) Estonian Unemployment Insurance Fund

[[6]](#_ftnref6) Employment - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10>

[[7]](#_ftnref7) Youth unemployment – (yth\_empl\_100)

[[8]](#_ftnref8) Early leavers from education and training - <https://ec.europa.eu/eurostat/databrowser/view/sdg_04_10/default/table?lang=en>

[[9]](#_ftnref9) Gender Equality Index 2019 - <https://eige.europa.eu/publications/gender-equality-index-2019-estonia>

[[10]](#_ftnref10) Statistics on criminal policy cases – kriminaalpoliitika.ee

[[11]](#_ftnref11) Share of renewable energy - <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_31&plugin=1>

# 4. Status of programmes

## EE-INNOVATION Competitiveness

The small grants scheme (further referred as SGS) was successfully launched in March 2019 and received 53 project applications by 13 May 2019. All SGS projects ended before the end of 2019. Implementing Agency made initially decisions to award the support to 45 applications with 828,451 euros. Support was distributed across focus areas as following: Green Industry Innovation, ICT and Welfare Technology. During the implementation of SGS three projects were terminated by PPs’ request. SGS resulted with 42 supported projects with grant of 691 895,79 euros, in total. All SGS projects have been completed. Payments to PPs were made in 2019 (in total sum of 110 853,44 euros) and in 2020 (in sum of 581 042,35 euros, final payments made to PPs in March, 2020). SGS final budget surplus is 136 554,83 euros, which will be added to the Green Industry Innovation second call budget. Second call shall be announced in autumn 2020.

Main call was open for application during 01.02-31.03.2020 and it resulted in 44 submitted grant applications of which 26 are proposed to be financed and implemented. There would be 17 projects in Green Industry Innovation, 4 projects in ICT and 5 projects in Welfare Technologies. PO has suggested to launch additional open call in focus areas Green Industry Innovation and Welfare Technology in autumn of 2020.

Programme agreement Annex II set the operational rules for the programme. In point 4.2 “Selection procedures” states that applications submitted under the open call and SGS are assessed in accordance with Article 7.4 of the Regulation, but the programme agreement shall be amended following submission of the summary description of the procedure for the selection of projects to the NMFA. In the second half of 2018, selection procedures were a topic under ongoing discussions towards the amendment of the Annex II. As a result of the discussions, it was possible to open the SGS in March 2019 and main call in February 2020.

Two PDPs foreseen in the PA are very eager to start their activities but unfortunately the commenting and approval process has taken much longer than foreseen. Project documents of PDPs “Open Cyber Range” and “Health Sense” have been sent to Financial Mechanism Office (further referred as FMO) for comments already in 2019. First comments were received in May 2020. Comments were taken into account and updated documents sent to FMO again in June 2020. The appraisal of PDP applications will start after getting feedback and approval from FMO.

In total seven Cooperation Committee meetings have been organised by the cut-off date.
The main focus in Cooperation Committee meetings has been on issues related to preparation of the open calls, eligibility issues, attracting companies towards the programme, bilateral events, etc. Maximizing the bilateral effect of the programme through the jointly organised events has been important topic discussed in the meetings.

## EE-LOCALDEV Local Development and Poverty Reduction

EE-Local Development PA was signed on the 13th of September 2019 and the opening event of the programme took place on the 12th of November 2019.

By cut-off date altogether 7 out 8 pre-defined projects have been approved and contracted by the PO and have started their activities. 6 pre-defined projects are being carried out in partnership with donor project partners. Pre-defined project No 7 “*Development of evaluation models and handling system for chronically mentally ill patients*” (PP Viljandi Hospital) is expected to start in the 3rd quarter of 2020.

Of the 8 different calls for proposals, 2 calls have been published by cut-off date and one is due to be published in July 2020:

1. Outcome 2 SGS “*Training of domestic violence specialists and establishment of a programme(s) for sex buyers*” (application submission deadline August 6, 2020)
2. Outcome 2 open call “*Awareness raising activities on domestic violence and to discourage the demand for commercial sex*“ (application submission deadline Sept 30, 2020)
3. Outcome 4 open call “*Historic old town centres with cultural heritage protection areas*“ (application submission deadline Nov 30, 2020)

Additionally, the texts and evaluation criteria of 2 calls under Outcome 1 are being finalised and are expected to be published in the 3rd quarter of 2020:

1. SGS “*Developing Restorative Justice Measures in Estonia*” and
2. SGS “*Implementation of Vocational Orientation Curriculum in Vocational Education Institutions*”.

The rest of the calls for proposals will be launched in the end of 2020 or in 2021.

The programme has addressed special concerns/conditions set in the PA. Especially, the designed pre-defined projects and open call texts are engaging the target groups regardless of their nationality. Moreover, where applicable, the programme has highlighted to treat in particular also the national minorities and therefore a lot of activities / materials are implemented in Russian language.

By cut-off date the PO of EE-Local Development Programme does not foresee obstacles related to absorption/disbursements of funds, but important developments may occur in winter 2020-2021 as regard to COVID-19 possible new global wave.

## EE-RESEARCH Research and Education

**Outcome 1**

For the programme EE-research 2019 was dedicated to the completion of the call and the preparation of the contractual base to enable projects to start implementation in January 2020.

130 proposals were submitted by the deadline (31.01.2019) for the open call in research collaboration. More than 114 million euros was requested from the programme. 6 million euros were available and 7 very high level research projects were supported. 5 projects have been started already from 1st of January 2020, 2 project contracts will be signed during summertime and they will start from September 1st.

**Outcome 2**

In higher education in 2019 was the 1st application round from 3 in the area of cooperation projects. 13 applications were submitted by the deadline and the total sum applied was 1,16 million euros. 4 cooperation projects were funded with total sum of 359 835 euros. The grade average of funded projects was 89.8 out of 100 points.  The second open call was launched in February 2020 and the deadline was April 2020.  7 applications for cooperation projects were received. Evaluation committee´s proposal was to fund 4 applications. On the 17th of June, the selection committee decided to grant four cooperation projects that got the highest score from the experts from evaluation committee.

No mobility projects were submitted. The reason may have been the corona crisis in the world and universities didn´t want to spend their time for preparing the application in the unknown situation.

**Pre-defined projects – outcomes 2 and 3**

Contracts for developing the pre-defined projects were signed during 2019. The project “Visiting lectureship of Norwegian language and literature at Tartu University” started in September 2019, but the lecturer started in January 2020. The first call for the lecturer position was unsuccessful as no suitable candidates were found. In the end the suitable candidate was found who accepted the position. Therefore, the contract with the chosen lecturer starts some months after originally planned.

There is not much to declare about bilateral partnerships at project level as travelling was not possible from March 2020. Some of the planned meetings in donor countries were postponed. Skype meetings were used as much as it was possible.

Regular skype meetings were held between Baltic Research Programme PO´s and implementing agencies from Estonia, Latvia, Lithuania and Norway. Programme committee meetings were held in August and November 2019.The cooperation committee meetings were held in January and December 2019.

## EE-CLIMATE Climate Change Mitigation and Adaptation

The PA was signed on the 18th of November 2019. A request to modify the PA has been discussed with NFP and FMO and final version has been submitted in order to improve the conditions of the open calls.

The setup of management and control system for the programme started in 2019.The compliance audit of the management and control system of the EE-Climate Programme has started and will be finished in the third quarter of 2020.

For the EE-Climate Programme, 2019 and first half of the 2020 was mostly time of preparation for implementing the programme. The opening event foreseen on the 25th of March was cancelled due to the COVID-19. The contract with the event organizer was terminated and no payments were made. Nevertheless, the PO continued with the preparations for open calls. Preparations for launching the open call 1 are almost finished and the call will be opened shortly. Preparations for launching the open call 3 and the SGS are being made.

Due to the COVID-19 the Cooperation Committee meeting foreseen on the 24th of March was cancelled as well. However, there has been a continuous cooperation with the FMO and the NFP for preparing the call text for the open call 1. An online Cooperation Committee meeting was held on the 9th of July 2020, where the call text for the open call 1 was in principle approved but PO still has to take into account some suggestions from the Audit Authority (further referred as AA), FMO, NFP and DPP.

# 5. Status of bilateral funds

In the second half of 2019 and in the first half of 2020, the bilateral relations between Estonia and the donor states were strengthened through events organized by the POs at programme level as well as through events organised in project financed from the Fund for Bilateral Relations at National Level. Starting from March 2020 all the meetings/activities concerning the bilateral fund initiatives that could be done virtually have been done virtually and others postponed to the 2nd half of 2020 or to 2021. The bilateral activities are affected the most by the Covid-19 of course but hopefully the situation will be stabilized soon and the activities can continue. But the possibility of COVID-19 new global wave cannot be overlooked.

The one ongoing project (Co-operation for decent work and fair competition in labour market) financed from the Fund for Bilateral Relations at National Level had staff visit for learning, in September 2019. 4 Estonian inspectors participated in order to learn from the experience of Norwegian inspectors (theoretical as well as practical). There was also annual seminar in November 2019 in Estonia. The purpose was to discuss the activities that have been done in 2019 and plan joint activities for 2020. There is always the aspect of learning also: changing of experience and discuss themes that are relevant to the country visiting. Some of the themes included flexible working hours, posting to northern countries through Estonia and IT development issues in Estonian Labour Inspectorate. The events in early 2020 involved communication campaign. One travel that was cancelled was under the activity of information campaign. It was the preparatory meeting. By that time other countries had not called out restrictions yet, therefore Estonia was the only one who participated via Skype. As concerns the information campaign a lot of things can be discussed via Skype but it is complicated still. There was planned staff learning visit (for Norwegians) to Estonia in April and (for Estonians) to Norway in October. The event in April is cancelled, October travel will hopefully happen. Staff visits for assistance are on hold. Annual seminar in autumn 2020 will also hopefully happen. As long as there will be restrictions, most of the activities are stopped. In addition to that most of the countries have stopped the monitoring activities after all and directed people to homework (including Norway). While the project was extended with the JCBF decision until the end of 2021 some of the activities can be postponed to the next year and no major losses are foreseen if the situation stabilizes.

There have been two JCBF meetings since the cut-off date of the previous Strategic Report. One was held in November 2019 in Estonia, the other one virtually in April, 2020. Both of them can be considered very successful while two new interesting projects were discussed/funded, Work Plan was updated, additional meetings with POs in order to encourage the use of bilateral funds held. One new project (Joint EEA-Baltic Cooperation Platform for Research Managers) was funded from the reserve of the programmes (programme level), the other one from unallocated funds (national level). The JCBF meeting is agreed to be held twice a year, the next meeting is planned for September 2020.  In addition to that NFP is also actively participating in Cooperation Committee meetings where programme level bilateral issues are discussed.

The new national level initiative “Estonian-Norwegian cooperation in the United Nations and its Security Council: Defending and renewing multilateralism” was approved by the JCBF on 14th of May, 2020. The budget is 66 697 EUR, project period is from May 2020 to December 2021. Main activities will start in autumn 2020. Beneficiary State entity is Estonian Foreign Policy Institute of the International Centre for Defence and Security (EFPI/ICDS) and donor partner in this project is Norwegian Institute of International Affairs (NUPI). This project will explore possibilities to enhance Estonian-Norwegian bilateral cooperation in promoting multilateral cooperation and a rules-based global order in the framework of the United Nations and its Security Council. Bilateral cooperation will be analysed in the context of broader cooperation among Nordic-Baltic, European and other like-minded countries that share an interest to defend and reform the existing multilateral system and international law. Examples of relevant themes to explore would include climate change, security challenges, cyber security, great power rivalry and global pandemics. The project will include public seminars and invited roundtables/workshops in both Oslo and Tallinn, aimed at discussing and comparing the experiences and activities of Estonia and Norway in the UN and UNSC, and develop an agenda of shared interests and make policy-oriented proposals to foreign policy-makers. The results will be published in a policy paper and disseminated at a final conference in Tallinn. In addition, the main findings will be published in the form of an op-ed/analysis of a major national media outlet in both countries. Considering the COVID-19 situation and the possibility of a new wave Estonian Foreign Policy Institute does not see any major problems in communicating with the partner and performing the activities foreseen.

National level bilateral fund activities have been done approximately 24% out of the budget of 510 000 euros, initiatives decided/funded altogether in the amount of 303 197 euros that is approximately 60% out of 510 000 euros. Programme level initiative from the reserve of the programmes is decided/funded in the amount of 100 000 euros that is approximately 24% from the reserve of 425 000 euros. Programme level activities have been done and decided by the Cooperation Committee altogether approximately 40% of the allocations foreseen in the MoU (425 000 euros). Overall approximately 42% out of the whole bilateral fund budget (1 360 000 euros) has been financed/decided. Under the COVID-19 circumstances and being still at early stage of implementing, NFP considers the absorption satisfactory. NFP will continue to encourage and support POs to use more bilateral funds in order to strengthen the bilateral relations between Estonia and the donor states.

**Green ICT Programme (EE-Innovation)**

PO, Implementing Agency and Donor Programme Partner (further referred as DPP) have organised several bilateral events and activities in EE-Innovation programme during the reporting period. The main goal of the events has been attracting the entrepreneurs towards the open calls of the programme and helping in partner search from Norway for strengthening bilateral relations between Norway and Estonia.

PO, Implementing Agency and DPP have facilitated participation in the Oslo Innovation Week in three consecutive years, 2017, 2018 and 2019. The main aim is to benefit from the existing network present in such a big annual event, but also to facilitate Estonian companies’ effort to find new partners for their projects within the programme. In addition to participating in the Oslo Innovation Week, programme implementing team has initiated different additional side events for attracting Norwegian companies to partner with Estonian companies.

Group of Estonian entrepreneurs participated in “Green Industry and ICT matchmaking conference” in Oslo in March 2020. As a result, five of ten participants also submitted application to main call. There is an idea to gather all the PPs of financed projects and organise them a seminar in November 2020, but there’s a risk due to COVID-19. Innovation Norway has decided to organise event on circular economy in digital format on the 3rd of September, 2020. Estonian companies have also possibility to participate in online events of Oslo Innovation Week 2020 in September.

**Programme “Local Development and Poverty Reduction” (EE-Local Development)**

Programme has budgeted a total amount of 125 000 euros for bilateral activities. Although the COVID-19 crisis has changed some bilateral plans, the programme still plans to utilise the funds.

To date, 33 520 euros has been decided for bilateral activities in the area of cultural heritage protection and 20 875 euros in the area of youth at risk (restorative justice measures). Additionally, indications have been made to use the funds for developing victim support in Estonia (approximately 50 000 euros).

Programme is also engaged in PO networking events in the areas of cultural heritage, gender-based and domestic violence, i.e SYNERGY and public health.

**Baltic Research Programme (EE-Research)**

Bilateral funds have been used for enabling Estonian researchers to take part in matchmaking event in Lithuania in February 2020. 22 Estonian researchers participated in the matchmaking event and travel and accommodation costs were covered from bilateral funds. Unfortunately, due to the pandemic situation no PO´s and donors meeting were held from face to face in 2020. At the end of June meetings with POs were held via Zoom. In the second half of 2020 participating in matchmaking event in Latvia is planned.

The Nordic-Baltic Conference on International Research Cooperation will take place on 16th September at the Estonian National Museum in Tartu. Speakers from the Nordic and Baltic countries will discuss their experiences with the Horizon 2020 programme (2014-2020) and look to the future, discussing topical issues in both regional and European research cooperation: how to promote wider participation in the framework programme; how to encourage leadership and coordinating activities; and how to make strategic choices in international research cooperation that support national priorities.

In higher education, the bilateral funds are used for preparatory visits for Estonian higher education institutions to help them to find cooperation partners from donor states with whom to participate in the projects. In spring 2020, one higher education institution applied for the fund to go for the visit this autumn, but due to the pandemic, it is unclear whether it will happen.

In March 11th all members of the JCBF approved the research initiative “Joint EEA-Baltic Cooperation Platform for Research Managers”. The allocation for this initiative is 100 000 euros (from the reserve for the programmes in the bilateral relations fund). Beneficiary State entities are Estonian Ministry of Education and Research and Estonian Research Council. Donor partners in this project are Research Council of Norway, Icelandic Centre for Research (Rannis). Activities are planned for knowledge transfer and capacity building of research managers from research councils, ministries and universities. Partners and stakeholders will be research policy makers and administrators, particularly representatives engaged in the Baltic Research Programme. At least 2 conferences, 6 seminars and workshops, 3 trainings and 3 short term study visits will be organised during the project. Duration of the project will be from March 2020-December 2024. Main activities will start in the second half of 2020.

**Climate Change Mitigation and Adaptation Programme (EE-Climate)**

Due to development phase of the programme, no bilateral activities have been implemented during this reporting period. Programme planned to organize the first matchmaking event for potential PPs and Project Partners back to back along with the opening event on 25 March 2020, but due to COVID-19 the event was cancelled and therefore no costs or payments were made. Despite of that, the PO has shared contacts between potential PPs and Project Partners to help establish bilateral relations through online channels.

The plan for the programme level bilateral activities was adopted in the Cooperation Committee meeting on 9 July. At the programme level, PO together with DPP will organize matchmaking events before open calls and invite potential PPs and Partners from Estonia and potential Project Partners from Donor Countries to facilitate cooperation. A study trip to Norway will be organized in order to learn from the practical elaboration of Norwegian local level energy and climate change mitigation and adaptation plans and implementation measures.

Bilateral potential has a significant role at the Project level considering the fact that under each outcome a possibility for partnership projects with Donor Project Partners can be found. For example, under outcome 1 two projects will be financed and hopefully both projects will have a cooperation with Donor Project Partners because of the fact that Donor countries have similar problems with some of the invasive alien species as Estonia.

# 6. Management and implementation

## a. Management and control systems (MCS)

Activities related to the final procedures of setting up the Detailed Management and Control Systems for the implementation of the European Economic Area and Norwegian Financial Mechanisms 2014-2021 in Estonia were completed in October 2019. Since AA has given its opinion also in 2017 and in 2018, there have been made adjustments which reflect the last amendments of the Memorandum of Understanding and the Statute of SSSC. As a result of the compliance assessment of the description of the management and control systems the AA was in the opinion that these are proportional, effective and in compliance with generally accepted accounting principles in relation with achieving the objectives of the programmes and that the managerial set up is in line with the requirements of the Regulations of the EEA and Norway Grants. Main changes were also brought out in the previous Strategic Report and discussed in the Annual Meeting in November 2019. Since then there have been no significant changes in relation to the national level MCS, in the setup or staffing of the national authorities involved in the implementation of the EEA and Norway Grants.

 As concerns programmes, three out of four compliance assessments of the descriptions of management and control systems were performed by AA already before the cut-off of previous Strategic Report.

The activities concerning the compliance assessment of the descriptions of management and control systems of EE-Climate programme have been done in the first half of 2020. A report and an opinion by AA has not been completed yet.

## b. Complaints

No complaints have been reported.

## c. Irregularities

The Irregularities Authority has reported two irregular cases - IR 14 (open) and IR 28 (closed). These two cases were detected and reported by PO’s. We have not noticed any trends or similarities in these irregularities. 2020 second quarter irregularity reports will be sent in August.

## d. Audit

No project audits have been undertaken.

AA is writing a report and an opinion concerning the compliance assessment of the descriptions of management and control systems of EE-Climate programme.

AA is carrying out the audit of management and control system of Certifying Authority. The expected completion date is the end of August 2020.

# 7. Communication

In last three years, the public awareness has been following: 19% (2017), 14% (2018) and 14% (2019). The next public awareness survey will take place in September 2020 and the results will be public in the first half of November 2020. The results will be presented to public audience.

Last year when writing the strategic report, the EEA and Norway Grants Estonia Facebook page had 439 followers. Now, by July 2020 Facebook page has 504 followers, meaning we have reached the goal we set for the end of new financing period and we actively keep sharing the news about grants and the projects achieved with the help of EEA and Norway grants in Estonia. It is helpful that the Embassy of Norway is very active on Facebook, so we can share each other’s posts and tag each other to get more attention to necessary topics.

Last year the main activity that was done to raise public awareness about EEA and Norway Grants in Estonia were two TV clips in a TV show called “Estonia - full of experiences” presenting projects, success stories funded by EEA and Norway Grants (content marketing). TV show was on air on Kanal 2 and on prime time: Monday evening at 9 p.m. + two rebroadcasts in other week day mornings. One clip was about manor schools that is widely known project in Estonia the other TV clip was about Skeleton Technologies, a successful Estonian company that had support from EEA and Norway Grants years ago and are developing and producing the best ultracapacitor cells, modules, and systems to help companies save energy. The amount of EEA and Norway Grants funding was mentioned in TV clip and there was used the jubilee logo. Both videos we also shared on Facebook (and the Royal Embassy of Norway shared them from there) and we plan to upload them also to our homepage.

As we formed a new communication officers network together with PO-s we made the plans for communication in 2020 together in November taking into account that due to delayed implementation of programmes we do not yet have results to present. Starting from 2020, PO-s have access to promote their information about open calls on the EEA and Norway Grants Estonia Facebook page themselves.

**In year 2020**

* By August 2020 we (in collaboration with PO-s) are updating the EEA and Norway Grants communication strategy 2014-2021 because much has changed since.
* We changed social media cover photo into more attractive video cover that emphasises the values of EEA and Norway Grants;
* We are participating in Estonian music event called Viru Folk in August 2020. This year Viru Folk focuses on Norwegian music and culture. Due to Covid19 there can be up to 2000 visitors but we have activities planned that should attract people and raise their awareness about the grants: a photobox, quiz and awards, TV-screen to show different video clips about the projects.
* We are updating the information on homepage by autumn and are planning to integrate EEA and Norway Grants to a new webpage NFP will launch in 2021. This way, we believe, information will not get outdated so easily (everything in one webpage) and also those people, interested in European structural funds or different national grants will find their way to EEA and Norway Grants which, we believe, raises awareness about what those grants are about and for.
* We order again two TV clips in a TV show called “Estonia - full of experiences” presenting projects this time supported through Active Citizen Fund. They will be on air in August and afterwards we will share them also on social media.
* For social media sponsored posts (in the beginning of September) every PO will send NFP some interesting facts that stand out from previous or ongoing financial period. For example: “Did you know that with the help on EEA and Norway Grants thousands of children in Estonia have gotten psychological help …” etc. We will design them following the rules of CVI.
* A new public awareness survey will take place in September, we will get the results in November.
* Next year we hope to have enough new material to launch a special newspaper about the implementation of projects of this financial period. This is something we will discuss with PO-s in November while making new plans for the next year.

**Programme level communication**

**Green ICT programme (EE-Innovation)**

Communication plan 2017-2024 describes the Green ICT Programme communication goals, target groups and main messages. Focus of the communication is on promoting Green ICT programme: the aim, content and business opportunities for companies via bilateral cooperation. Website of PO provides the short description of Norway Grants and refers to the NFP website https://eeagrants.fin.ee and to the Programme website of Implementing Agency www.eas.ee/norwaygrants, which includes programme scope, calls, events, application information and relevant deadlines. Social media channels of Implementing Agency https://www.facebook.com/EnterpriseEstonia/ and LinkedIn profile https://www.linkedin.com/company/enterprise-estonia are used to promote programme events and activities (articles, good examples, events). NFP website http://eeagrants.fin.ee/en/ reflects a short description of the Green ICT programme with links to the website of Implementing Agency for more detailed information. PO website www.mkm.ee/en is currently under development and shall reflect programme information soon with appropriate links to the website of Implementing Agency.

Press releases have been published before the announcement of open calls and after awarding grants in cooperation with Innovation Norway and the Royal Norwegian Embassy in Tallinn.

**Local Development and Poverty Reduction (EE-Local Development)**

Programme has launched a website https://www.sm.ee/en/norway-grants-2014-2021 (in Estonian https://www.sm.ee/et/norra-toetused-2014-2021)

A press release was published on the occasion of signing the programme on the 3rd of October, 2019.

Programme opening seminar took place in Tallinn on 12th of November 2019 and Cooperation Committee meeting on the 13th of November 2019. Information regarding the opening of the programme was disseminated through programme website, EEAGRANTS Estonia website https://eeagrants.fin.ee/et, EEA and Norway Grants Estonia page in Facebook and @SoMinEstonia in Twitter.

The before-mentioned media channels are in regular use also for signalling all milestones of the programme (start of pre-defined projects, launching of calls etc). Additionally, all policy designing counterparts of the programme will also communicate directly with their target groups.

A separate press-release was published on the 7th of January 2020 to inform general public of the start of the pre-defined project „Increasing physical activity of schoolchildren“ by the University of Tartu that got also some wider media coverage.

All calls for proposals will publish an advertisement in one national newspaper informing the launch of the call. Also, all calls for proposals will have information seminars for potential applicants. In case of COVID-19 restrictions, the information seminars have been and will be carried out virtually, will be recorded and made publicly available. EEA and Norway Grants Estonia page in Facebook serves also as a channel for some “lighter” news regarding the programme activities / sub-results.

**Baltic Research programme (EE-Research)**

In the Baltic Research Programme, main communication activities in 2019 have been related to the announcement of supported projects. Main activities were carried out by the implementing agencies by using their regular communication channels – posting lists and public media, websites of the Estonian Research Council, Foundation Archimedes and the Estonian Research Information System, monthly newsletters and social media (Facebook). Information and publicity actions were supported by the Ministry of Education and Research.

Through networking with other Baltic PO’s, NFP’s and RCN, the information was distributed widely in all participating countries. Research community was one of the most important and largest target groups, but also public media was addressed to get wider media coverage.

The biggest Estonian news agency BNS published separate news about the results of open call for research projects (19.02.2019) and projects which received funding from the Baltic Research Programme (26.09.2019). Also, the national radio station Vikerraadio broadcasted news about the projects that received funding (26.09.2019). The news portal Delfi and daily newspaper Eesti Päevaleht published an article about the research funding including also reference to the Baltic Research Programme (23.10.2019).

In the news, it was emphasized that the Baltic Research Programme provides funding to the Baltic researchers to strengthen cooperation with the researchers from donor countries and to carry out high-quality research on topics of major importance to society. At the same time, as the competition for the grant was extremely intense, the article published by Delfi and Eesti Päevaleht pointed out that receiving a grant from the Baltic Research Programme was like a lottery (like also in some other research programmes).

Communication activities have been carried out according to the communication plan based on Results’ Guidelines by fulfilling all the requirements. Information about the call, submitted applications and funded projects was distributed through the emails and postal lists, and published on the websites of Foundation Archimedes, Estonian Research Council and Estonian Research Information System both in English and in Estonian. Same information was also passed to the Ministry of Education and Research by the implementing agency as well as to NFP, RCN and the other Baltic PO’s.

In addition, in higher education there has been direct communication towards higher education institutions. In preparation of the 2020 call for proposals 8 information meetings to introduce HEI staff members to the specifics of the programme have been taking place at 6 higher education institutions and their respective colleges in Estonia. The info sessions took place between October and November 2019 and there will be additional 5 meetings during December 2019 and January 2020.

**Climate Change Mitigation and Adaptation (EE-Climate)**

EE-Climate Programme web page, both in Estonian and English, is operated by the web page of the Ministry of the Environment.  Information about the open calls in Estonian and English can be found on the web page of the implementing agency, Environmental Investment Centre.

EE-Climate Programme will publish press release before each open call as well as share the information about the Programme and Open Calls through web pages and Facebook pages of the Ministry of the Environment and Environmental Investment Centre.

# 8. Monitoring and evaluation

## a. Monitoring

Until the cut-off date of this report there are no findings of monitoring activities carried out by the NFP to report. NFP has ensured effective implementation by keeping an eye on EEA/Norway Grants related activities and by being a valuable partner (fast communication is the key word).

* NFP is actively involved in Annual Programme Reports commenting; calls for proposal texts commenting; Programme Agreements and other relevant documents modification commenting.
* NFP advises POs and Implementing Agencies on any issue that may occur regarding EEA/Norway Grants.
* NFP organises regular meetings with POs (4 times a year) in order to get an overview of the programmes, bilateral relations and discuss current and problematic areas.
* Ad-hoc meetings are also organised when there is need, nowadays it is easy and acceptable to do it also virtually.
* NFP participates actively in meetings organised by POs (CC, SC and other relevant).
* NFP has done few information system trainings and plans to do more trainings (for example irregularities/financial corrections training is planned for autumn 2020) as the need becomes more evident.
* NFP sends out guidance letters to POs, Implementing Agencies of any new issue or any issue that needs to be emphasized in the point of view of NFP
* NFP asks POs for an overview/input if necessary (for Strategic Report, for IFR, for other inquiries).
* NFP carries out risk assessment once a year. NFP gathers together POs risks and assesses risks itself and then risks are being monitored (mitigating measures set).
* NFP checks payments on risk-basis. It means that payments of projects that have open irregularities will be checked in order not to reimburse irregular amounts. NFP also checks financial corrections.

NFP has a good overview of the implementing of EEA/Norway Grants and communication between NFP and other parties (POs, Implementing Agencies, CA, AA, IA, FMO, the Royal Norwegian Embassy) is considered very good.

NFP plans to carry out once a year an analysis (starting this autumn/winter 2020) of the functioning of the system, of every aspect of the implementing (payments, eligibility, financial corrections, irregularities, audits etc) similarly to the structural funds. This analysis together with risk assessment will provide input to the monitoring plan.

## b. Evaluation

The evaluation plan has been added to this report (Annex B). No evaluations have been planned before 2023.

# 9. Issues for the annual meeting

In the previous Annual meeting minutes there were 3 decisions under communication topic:

* Website of the Norwegian/EEA Grants will be updated by NFP.
* Communication Strategy will be updated by NFP.
* Bilateral meeting between NFP and the Norwegian Embassy will be organized.

Website will be updated by autumn, communication strategy will be updated by the end of August (please also see communication point). Bilateral meeting with the Royal Norwegian Embassy has been held in February 2020 in order to discuss the communication plans for 2020. There have also been additional discussions via phone, e-mail and in other events.

# ANNEXES

## A. Risk assessment and management plan

## B. Evaluation plan

## C. Cooperation with Donor Programme Partners and International Partner Organisations

## D. Technical assistance report

## Annex A: Risk assessment and management plan

|  |  |
| --- | --- |
| **EE-INNOVATION** | **Overall level of risk****2** |
| Risks | Previously planned response | Actual response | Planned future response |
| Low possibility of cooperation among Estonian and donor state organisations at project level due to COVID-19 consequences and its possible re-emergence | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  |
| Change of key persons on the programme level (PO, Implementing Agency, FMO contact in the programme area) | Detailed description of roles and responsibilities in managing and control system. Actively working on the programme, trainings and seminars for staff. NFP advises PO.  | Detailed description of roles and responsibilities in managing and control system. NFP advises PO.  | Actively working on the programme, trainings and seminars for staff. NFP advises PO. |
| Opening of the final call might be delayed, not enough time for implementing. With the surplus from previous calls it was decided to launch one more call. Seen as a risk due to the unexpected situation (third call not foreseen in the PA).  | Communication between PO and Implementing Agency, PO and NFP, PO and FMO, NFP and FMO in order to get all the necessary documents ready for the third call to be launched as soon as possible. PA must be changed and call text modified accordingly.  | Communication between PO and Implementing Agency, PO and NFP, PO and FMO, NFP and FMO. | More active communication and cooperation between PO and Implementing Agency, PO and NFP, PO and FMO, NFP and FMO in order to help the process go as smoothly as possible. NFP advises on modifying the relevant documents. |
| Start of pre-defined projects delayed. Seen as a risk due to the previous big unexpected delays.  | Communication between PO and PPs, PO and NFP, PO and FMO, NFP and FMO. | Communication between PO and PPs, PO and NFP, PO and FMO, NFP and FMO. | More active communication and cooperation between PO and PPs, PO and NFP, PO and FMO, NFP and FMO in order to help the process go as smoothly as possible. |
| The delays in the timeframe of a programme may threat the implementation of activities by the final date of eligibility 30.04.2024. | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties. Progress needs to be assessed systematically.  | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties.  | Timely communication is crucial. Progress needs to be assessed systematically.  |
| With the start of implementation of projects, the risk of violating public procurement rules increases, as the contracting authorities' awareness of the rules is uneven | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials. | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials. | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials. |
| **EE-LOCALDEV** | **Overall level of risk****2** |
| Risks | Previously planned response | Actual response | Planned future response |
| Low possibility of cooperation among Estonian and donor state organisations at project level due to COVID-19 consequences and its possible re-emergence | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  |
| Change of key persons on the programme level (PO, Implementing Agency, FMO contact in the programme area) | Detailed description of roles and responsibilities in managing and control system. Actively working on the programme, trainings and seminars for staff. NFP advises PO.  | Detailed description of roles and responsibilities in managing and control system. NFP advises PO.  | Actively working on the programme, trainings and seminars for staff. NFP advises PO. |
| The delays in the timeframe of a programme may threat the implementation of activities by the final date of eligibility 30.04.2024. | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties. Progress needs to be assessed systematically.  | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties.  | Timely communication is crucial. Progress needs to be assessed systematically.  |
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| **EE-RESEARCH** | **Overall level of risk****2** |
| Risks | Previously planned response | Actual response | Planned future response |
| Low possibility of cooperation among Estonian and donor state organisations at project level due to COVID-19 consequences and its possible re-emergence | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  |
| Change of key persons on the programme level (PO, Implementing Agency, FMO contact in the programme area) | Detailed description of roles and responsibilities in managing and control system. Actively working on the programme, trainings and seminars for staff. NFP advises PO.  | Detailed description of roles and responsibilities in managing and control system. NFP advises PO.  | Actively working on the programme, trainings and seminars for staff. NFP advises PO. |
| Change of Implementing Agency could result in the change of key persons and excessive bureaucracy and therefore bring delays in implementation | Communication between PO and NFP, PO and FMO, NFP and FMO. | Communication between PO and NFP, PO and FMO, NFP and FMO. NFP advises on modifying the relevant documents.  | More active communication between PO and NFP, PO and FMO, NFP and FMO in order to help the process go as smoothly as possible. NFP advises on modifying the relevant documents.  |
| No mobility projects after 2 calls in higher education. There is a high possibility that there will be few and/or low quality applications for mobility projects in the final call based on the previous calls and mobility objective will not be achieved.   | To avoid weak proposals, PO/Implementing Agency has to give more information about applying for EEA grants to the universities. More higher education institutions should be encouraged to participate in the programme and be introduced to the possibilities of the programme.  | To avoid weak proposals, PO/Implementing Agency has given more information about applying for EEA grants to the universities. Given the weak level of applications for mobility projects in 2019, the differences between Erasmus+ mobility applications and the need to emphasize the content in the application has been explained by PO/Implementing Agency to higher education institutions. Nevertheless there were no mobility project applications in the second call (effects of COVID-19 spread).  | It needs to be analysed why the activity of preparing mobility project applications is low and whether there is a necessity to fund these projects at all and then the follow-up activities can be decided (the possibility of PA modification).If it is decided to get mobility projects from the last call then even more active approach is expected from PO/Implementing Agency - more higher education institutions should be encouraged to participate in the programme.  |
| The delays in the timeframe of a programme may threat the implementation of activities by the final date of eligibility 30.04.2024. | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties. Progress needs to be assessed systematically.  | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties.  | Timely communication is crucial. Progress needs to be assessed systematically.  |
| With the start of implementation of projects, the risk of violating public procurement rules increases, as the contracting authorities' awareness of the rules is uneven | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials.  | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials.  | Communication between andcooperation withrelevant parties.Guidance and advice given to relevant parties. Trainings, information events, information materials.  |
| **EE-CLIMATE** | **Overall level of risk****2** |
| Risks | Previously planned response | Actual response | Planned future response |
| Low possibility of cooperation among Estonian and donor state organisations at project level due to COVID-19 consequences and its possible re-emergence | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  | POs have tight communication with the DPPs in finding and encouraging Norwegian field experts and organisations to cooperate with Estonia. POs exchange relevant contacts, re-schedule, are flexible, use digital solutions. NFP is closely monitoring the situation by communicating with PO.  |
| Change of key persons on the programme level (PO, Implementing Agency, FMO contact in the programme area) | Detailed description of roles and responsibilities in managing and control system. Actively working on the programme, trainings and seminars for staff. NFP advises PO.  | Detailed description of roles and responsibilities in managing and control system. NFP advises PO.  | Actively working on the programme, trainings and seminars for staff. NFP advises PO. |
| The delays in the timeframe of a programme may threat the implementation of activities by the final date of eligibility 30.04.2024. | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties. Progress needs to be assessed systematically.  | Today it is not a critical risk but it has to be acknowledged. Communication and cooperation between all relevant parties.   | Timely communication is crucial. Progress needs to be assessed systematically.  |
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## Annex C: Cooperation with Donor Programme Partners and International Partner Organisations

The cooperation with DPPs can be considered very good. DPPs have demonstrated active involvement in organizing bilateral events. Their comprehensive knowledge and experiences support both the preparation and implementation of the programmes. All critical issues are always closely discussed with the partner organisations and their active involvement in Cooperation Committee and other meetings help to ensure that all the essential topics are mutually deliberated prior to any enforcements.

**Green ICT Programme (EE-Innovation)**

There is a smooth cooperation between PO, Implementing Agency and DPP. Cooperation Committee meetings are being held regularly at least after every six months. DPP has been involved in evaluation of Estonian-Norwegian partnerships in project applications and also in Selection Committee with voting right when selecting main call projects. Estonian entrepreneurs are invited to the events organised by DPP.

**Programme “Local Development and Poverty Reduction” (EE-Local Development)**

All DPPs – Norwegian Directorate of Health, Norwegian Institute of Public Health and Directorate of Cultural Heritage – have been very active and engaged in programme implementation. Communication has been quick via e-mails and conference calls. The Cooperation Committee meetings have taken place in September 2017, November 2019 and April 2020 (via web). The next meeting is scheduled in September 2020.

**Baltic Research Programme (EE-Research)**

Regular skype meetings have been held between Baltic Research Programme PO´s and implementing agencies from Estonia, Latvia, Lithuania and Norway (RCN). Programme Committee meetings were held in 14-15.08.2019 in Tallinn and 20-22.11.2019 in Vilnius. DPPs (RCN, DIKU) and Baltic counterparts have been regularly consulted through e-mails, video and phone conferences.

Members from PO and Implementing Agencies have participated in POs meetings in Oslo in 2019 organised by DIKU.

The Cooperation Committee meetings were held twice in 2019. The Selection Committee meetings took place in the beginning of July 2019 and at the end of June 2020. Representatives of donor project partners from DIKU were asked to participate in these meetings.

Regular skype meetings have been held between Baltic Research Programme PO´s and Implementing Agencies from Estonia, Latvia, Lithuania and DPP from Norway (RCN). Practical issues about the programme has been discussed. Such kind of communication has been fruitful especially for those countries who are still preparing for their open calls.

DPPs (RCN, DIKU) and Baltic counterparts have been regularly consulted through e-mails, video and phone conferences.

The biggest challenge for POs was to have an annual DPP and POs meetings via Zoom in the beginning of summer. Usually face-to-face meetings take place every year but this time due to corona crisis DPPs decided to have meetings via Zoom. It was complicated to find suitable times for meetings due to vacations and public holidays in June. It was useful to meet each other and change ideas and interesting to know current status of others´ programmes.

**Climate Change Mitigation and Adaptation Programme (EE-Climate)**

EE-Climate Programme DPP is Norwegian Environment Agency (NEA). DPP provided relevant contacts for opening event and match-making event that was foreseen 25.03, but was cancelled due to the COVID-19. DPP made valuable comments for open call 1 call text.

The role of the DPP is participating in Cooperation Committee meetings and give advice and knowhow on the implementing of the Programme. DPP will help to find potential Project Partners from Donor countries who would like to participate in match-making events and develop cooperation with PPs. Also, the DPP will be participating on the selecting of the projects as a non-voting member.

## Annex D: Technical assistance report

### Overview of main activities

**National Focal Point**

Guidance to the POs/Implementing Agencies (informal communication, regular meetings, ad-hoc meetings);

Preparing and submitting IFRs (July 2019, January 2020);

Comments to the Annual Programme Reports;

Activities related to the final procedures of setting up the Detailed Management and Control Systems for the implementation of the European Economic Area and Norwegian Financial Mechanisms 2014-2021 in Estonia (involved entities NFP, CA, AA, IA);

Preparing and submitting Strategic Report;

Coordinating the signing of Programme Agreements;

Comments to the draft description of the management and control systems for the “Climate Change Mitigation and Adaptation” programme, submission to AA for opinion in April 2020, meetings and communication with AA and PO for clarifications;

Participating in the NFP Workshop in Liechtenstein, Malbun, in October 2019

Participating in the Annual Communication Workshop, Poland, Krakow, in October 2019;

Participating in Gender Equality Conference, Iceland, Reykjavik, in October 2019;

Participating in Cooperation Committee meetings (Local Development (2), Green ICT (2), Research (1), Climate (1));

Participating in Selection Committee meetings (Active Citizens Fund, Green ICT);

Organising the FMO training "Results and Evaluation";

Organising the JCBF meeting (November 2019, April 2020);

Organising the Annual Meeting (November 2019);

Organising public awareness survey and analysing the results (2019);

Other communication activities (roll-up with EEA Norway Grants logo, active in social media, meetings with POs on communication issues);

Comments to the call texts;

Approval of the PDPs;

Compiling of evaluation plan (Ministry of Finance, State Budget Department);

Participating in PO meetings (Ministry of Finance, State Budget Department);

Comments to the APR (Ministry of Finance, State Budget Department);

Input to the strategic report (Ministry of Finance, State Budget Department).

**Certifying Authority**

Guidance to the POs;

Putting together forecast of likely payment applications;

Performing checks related to the IFRs;

CA’s comments to the draft description of the management and control systems for the “Climate Change Mitigation and Adaptation” programme;

Activities related to the final procedures of setting up the Detailed Management and Control Systems for the implementation of the European Economic Area and Norwegian Financial Mechanisms 2014-2021 in Estonia (involved entities NFP, CA, AA, IA);

Participating in FMO training "Results and Evaluation", Annual Meeting.

**Audit Authority**

Additional compliance audit procedures of the description of the management and control system for the implementation of the European Economic Area and Norwegian Financial Mechanisms 2014-2021 in Estonia (involved entities NFP, CA, AA, IA) as a result of the re-structuring of the system, finalised in October 2019;

Compliance audit procedures of the description of the management and control systems for the “Climate Change Mitigation and Adaptation” programme;

Audit of management and control system of Certifying Authority. The expected completion date is the end of August 2020;

Preparing annual reports.

**Irregularities Authority**

Quarterly reporting of irregularities, August 2019, November 2019, February 2020, May 2020;

Quarterly check and analysis of project expenses (SFOS data);

IA’s comments to the draft description of the management and control systems for the “Climate Change Mitigation and Adaptation” programme;

Meetings, discussions (NFP, FMO).

### Budget overview

### Procurement

No activities have been outsourced by national level institutions.

### Staffing

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| **National Focal Point** |
| Name of staff | Official position | Main tasks | Level of effort (% of working time) | Funded through the Grants (Y/N) |
| Martin Karro | Deputy Director General of the State Shared Service Centre (SSSC) | Head of the the National Focal Point | 8 | N |
| Urmo Merila | Head of the Grants Development Department (GDD) | Head of GDD | 2 | N |
| Lona Pärtel | Head of the Service Design Division of GDD | Head of the Service Design Division of GDD | 5 | N |
| Laura Pikkoja | Service Design Expert (Service Design Division) of GDD  | first contact, overall coordination and implementation of Norway/EEA Grants in Estonia, incl implementation of Bilateral Fund,  TA cost manager, management and control system | 100 | Y |
| Marek Kübarsepp | Legal Expert (Grants Managing Division) of GDD | legal issues, lawyer, management and control system | 20 | Y |
| Brit Kerbo | Communication specialist of Communication Department | communication activities | 3 | Y |
| Mattias Jõesaar | Communication specialist of Communication Department | communication activities | 2 | Y |
| Anneli Kimmel | Public Procurement Expert (Grants Managing Division) of GDD  | Public Procurement issues | 2 | N |
| Anneliis Rätsep | Service Design Expert (Service Design Division) of GDD  | Procedures, incl stakeholders management and control systems | 2 | N |
| Kärt Kraaving | Payments Expert (Grants Managing Division) of GDD  | eligibility, incl payments | 2 | N |
| Taisi Valdlo | Business Analyst (Service Design Division) of GDD | Data quality, ITHelps to identify business needs and determine solutions to business problems  | 2 | N |
| Mairi Uusen | Head of the Risk Management and Supervision Division of GDD | Risk management, follow-up on audits, irregularities, financial corrections | 2 | N |
| Tiina Tamberg | Supervision Expert (Risk Management and Supervision Division) of GDD | Irregularities, financial corrections | 2 | Y |
| Kaidi Šatilov | Supervision Expert (Risk Management and Supervision Division) of GDD | Risk-basis monitoring of payments, financial corrections | 2 | Y |
| Kristiina Piikov | Supervision Expert (Risk Management and Supervision Division) of GDD | Risk-basis monitoring of payments, financial corrections | 3 | Y |
| Anu Altermann | Head Specialist in the State Budget Department in the Ministry of Finance of Estonia  | Monitoring | 2 | N |
| Miryam Vahtra | Head Specialist in the State Budget Department in the Ministry of Finance of Estonia  | Evaluation | 2 | N |
| **Certifying Authority** |
| Name of staff | Official position | Main tasks | Level of effort (% of working time) | Funded through the Grants (Y/N) |
| Tarmo Leppoja | Director General of the SSSC | Head of the Certifying Authority | 5 | N |
| Karin Viikmaa | Head of the Grants Payments Department (GPD) | Head of GPD | 5 | N |
| Jaanus Kants | Financial Expert of GPD  | coordination of financial reports, forecasts | 5 | Y |
| Kärt Kõljalg | Financial Expert of GPD  | management and control system, coordination of financial reports, forecasts | 15 | Y |
| Liina Thalfeldt | Financial Specialist of GPD | financial reports, forecasts | 80 | Y |
| **Audit Authority** |
| Name of staff | Official position | Main tasks | Level of effort (% of working time) | Funded through the Grants (Y/N) |
| Kaur Siruli | Head of the Financial Control Department of the Ministry of Finance | Head of the Audit Authority / Head of the Irregularities Authority | 5 | N |
| Kadi Peets | Head of the II Audit Unit of the Financial Control Department | Audit work | 20 | N |
| Elis Kõrvek | Lead Auditor of the II Audit Unit in Financial Control Department | Audit work | 20 | Y |
| Ülle Mets | Auditor of II Audit Unit in the Financial Control Department | Audit work | 20 | Y |
| Liina Võrklaev | Lead Auditor of the II Audit Unit in Financial Control Department | Audit work | 75 | Y |
| **Irregularities Authority** |
| Name of staff | Official position | Main tasks | Level of effort (% of working time) | Funded through the Grants (Y/N) |
| Virve Teppart | AFCOS Adviser | Irregularities | 5 | Y |