****

**Annual Meeting of the EEA and Norwegian Mechanism 2014-2021 Estonia**

Date: November 19, 2019

Venue: Tallinn Teachers’ House, Raekoja plats 14, Tallinn

Added:

1. Agenda of the meeting
2. List of participants
3. Presentation of the meeting

**Opening remarks and adoption of the agenda**

The Annual Meeting (AM) was opened by the Head of the National Focal Point (NFP) Mr Martin Karro with welcoming the participants and introducing the agenda of the meeting.

Mrs Pia Gjesme Holm, co-chair from the donor side, welcomed the opportunity, during this second Annual Meeting, to learn more about the activities and status of the implementation of the Grants in Estonia, future plans as well as to hear about potential or ongoing challenges that need to be addressed. She commented on the good performance of Estonia during the implementation on the previous FM (2009-2014) and her hope to see the same for the implementation under the current ongoing mechanism.

Mr Ole Øveraas Ole Øveraas Ole Øveraas Ole ØveraasOle Øveraas from the Norwegian Embassy and Mrs Sigrún Bessadóttir from the Embassy of Iceland in Helsinki gave opening statements.

**Overview of the Annual Strategic Report**

Ms Laura Pikkoja from the NFP, gave a brief overview of the Annual Strategic Report (SR). The SR reflects the implementation of the financial mechanisms during the period from 10 May 2017 to 30 July 2019. The years 2017-2018 can be considered as the years of the preparation of the implementation of grants. Therefore, the implementation of the programmes is still at a very early stage. By the time of the cut-off date of the SR 2 out of 4 Programme Agreements (PA) were signed, 3 out of 4 Management and Control Systems (MCS) were set up and projects were funded in 2 out of 4 programmes. Two bilateral initiatives at NFP level are finished, 1 on-going and bilateral activities in 2 programmes have been organized. Technical Assistance (TA) fund usage is approximately 22% already (224 140 euros out of 1 020 000 euros), therefore NFP is facing a risk that TA funds will be exhausted before the end of the period.

Mr Martin Karro emphasized that the implementation is still at an early stage and focus has been on setting up the national management and control systems. At the same time it is good to admit that progress with the programmes has been made and strong preparations for bilateral projects have been done.

Mrs Pia Gjesme Holm expressed the donors’ concern about the somewhat slow progress made so far. She encouraged NFP to focus its efforts now on the implementation. Following the restructuring of the NFP the capacity is a concern. It is very important to secure efficient implementation. Training needs should be assessed closely with FMO.

She expressed the donors’ view that the risk assessment in Annex A of the SR is still rather basic and needs updating. The donor side encouraged NFP to have close cooperation with Financial Mechanism Office (FMO) to better formulate the risk assessment. She also suggested that the SR would have benefited from explaining in more detail the main causes of delays of implementation.

Budget forecasting is an important issue for the donors. In order for them to have a good national budgetary planning it is essential to receive realistic and accurate figures on the budgetary needs for the implementation.

She referred to the introduction of implementing agencies and underlined the importance of the continued responsibility by the Programme Operators to ensure that the Programmes are implemented according to the Programme Agreements. The POs therefore have to continue to be fully engaged in the implementation and keep their ownership and responsibilities.

The donors hope that the AM marks a shift from preparation to implementation. The donors are optimistic and looking forward to an active and efficient implementation phase.

**Notification:** There will be a mid-term review of the grants in early 2020 in order to review progress. The process will be based on a dialogue and the annual meetings may, subject to timing, prove a useful forum for discussing follow-up measures in 2020 and 2021. The FMO will develop and share a template the latest in early 2020.

**Decision:** The Annual Strategic Report is approved.

**Overview of the overall status of programmes**

Ms Laura Pikkoja gave an overview of the overall status of programmes (EE-Local Development, EE-Research, EE-Innovation, EE-Climate, Active Citizens Fund).

Mr Árni Páll Árnason from the FMO gave an overview of programmes operated by the FMO (Decent Work, Youth Employment, Regional Cooperation).

1. **EE – LOCAL DEVELOPMENT**

The MCS of the programme has been set up and the PA has been signed. There has been an appraisal of one pre-defined project. Future steps involve launching 7 pre-defined projects and preparing the first calls for proposals. Programme Operator (PO) has brought out challenges concerning delays and many different topics integrated into the programme.

Mrs Pia Gjesme Holm emphasized that while it is a complex programme with many components NFP and POs need to follow the implementation and the allocated budget lines closely to ensure optimal effect and to ensure that the funding sources are clearly distinguished.

1. **EE – RESEARCH**

The MCS of the programme has been set up and the PA has been signed. There has been an appraisal of 2 pre-defined projects. There have been 2 successful open calls, one in the research cooperation and one in the higher education area. The future steps involve 2 open calls for higher educational projects. PO has brought out that time planning has been and will be crucial to avoid delays in the implementation.

Mrs Pia Gjesme Holm appreciated the POs effort for running a very successful first call. The impressive number of applicants indicates both the need and the relevance of this programme. It is the first regional initiative and Estonia is in a position to share its experience and lend assistance to Latvia and Lithuania and it will be interesting to follow the implementation.

1. **EE – INNOVATION**

The MCS of the programme has been set up and the PA has been signed. The Small Grant Scheme has been launched. The future steps involve the appraisal of 2 pre-defined projects and the launch of the main call.

Mrs Pia Gjesme Holm expressed that this is the flagship programme in Estonia. The programme now seems to be on track but there seems to be lack of development in pre-defined projects. The donors encourage to continue close cooperation with all the different actors, including the Implementing Agency, Donor Programme Partners and the FMO, on the implementation of this programme.

1. **EE – CLIMATE**

The PA has been signed. The setup of MCS has been started. The future steps involve launching 4 open calls and one Small Grant Scheme. The cooperation with the Donor Programme Partner has been constructive and effective during the preparation period. The main challenge is now time planning in order to implement projects in needed timeframe.

Mrs Pia Gjesme Holm welcomed the successful start of the programme now when the PA has finally just been signed. The donors are looking forward to the efficient implementation.

1. **Active Citizens Fund**

The Programme Implementation Agreement was signed on February 18, 2019. Two open calls have been launched after that. There will be another 3 open calls for Estonian NGOs between 2020 and 2023: 1 call for medium-sized and large grants, 2 for small capacity building grants.

Mrs Pia Gjesme Holm was happy to note the successful start of this programme. It is seen across Europe that supporting the civil society and demographic values is a need that is actually increasing, therefore the donors are happy to be part of supporting that. The donors encourage NFP to have close cooperation with the Fund Operator to better secure good synergies between this programme and the other programmes.

1. **Decent Work**

The budget of 357 000 euros is divided by 3 outcomes: improved social dialogue and cooperation; enhanced implementation of decent work agenda; access to employment facility. First open call was launched in October 2018 with the deadline in February 2019. 61 applications were received from 11 beneficiary states. 4 applications were received from Estonia covering the first two outcomes, the selection process is still on-going. The second open call is planned to be launched in November next year.

1. **Youth Employment**

The programme has had one open call for proposals. There were more than 300 applications submitted. 27 of these received funding. 26 projects are contracted and in implementation. 2 Estonian entities are involved in the implementation of 2 projects in Estonia as project partners: The Stockholm Environment Institute Tallinn Centre and Tartu Art School. The main challenges are mainly related to some project consortia experiencing delays. Overall the progress is bit slower than expected but satisfactory.

1. **Regional Cooperation**

The programme has had one open call for proposals. There were more than 700 applications received. 42 were selected to continue to the second application phase. 9 Estonian entities take part in the submitted full proposals. The decision is expected before the end of December. The number of proposals exceeded the expectations and therefore it has been a challenge to evaluate all the applications.

**Fund for bilateral relations – cooperation at national and at programme level**

Ms Laura Pikkoja gave an overview of the bilateral funds at national and at programme level.

At national level

There are two finalized initiatives from 2017 (with the budget execution of 84 991 euros out of 85 000 euros) and one on-going initiative from 2018. The on-going project has used approximately around 33 500 euros out of 151 000 euros. There have been seminars and study visits and the cooperation with donor partner from Norway is very effective. There was also one project proposal presented in the Joint Committee for Bilateral Funds (JCBF) on November 18, 2019. It was agreed in the JCBF meeting that the project proposal cannot be approved in the meeting and that extra clarifications are needed.

EE – Local Development

Under the Local Development programme no bilateral activities have been done. The bilateral fund budget allocated in the MoU is 125 000 euros. There is one initiative proposal under the Ministry of Culture submitted in the amount of around 55 000 euros. The Programme Operator (PO) sees that the bilateral funds allocated in the MoU (125 000 euros) will not be sufficient until the end of the implementing period.

EE - Research

There are no eligible disbursed amounts yet but they have done bilateral activities in the amount of 21 578,55 euros out of 100 000 euros foreseen in the MoU.

EE - Innovation

There are no eligible disbursed amounts yet but they have done bilateral activities in the amount of 72 746,62 euros out of 125 000 euros. Despite the fact that more than a half of the amount allocated in the MoU is used, they don’t see they will be needing extra bilateral funds.

EE - Climate

No bilateral activities have been done yet. The plans for 2020 involve matchmaking events, study visit, bilateral meeting. The bilateral fund budget allocated in the MoU is 75 000 euros.

Mrs Pia Gjesme Holm emphasized the relevancy of the JCBF for boosting the collaboration between Estonia and the donor countries. The donors encourage to prioritize the use of bilateral funds both at national and at programme level. We consider the JCBF to be an important form for strengthening bilateral relations and ensuring that all the bilateral funds are used in the strategic way. The donors encourage NFP to work actively with the members of JCBF on regular basis in order to explore potential bilateral opportunities.

**Publicity and Communication**

Ms Brit Kerbo from NFP gave an overview of the publicity and communication activities.

According to the public awareness survey the public awareness of the Norwegian/EEA Grants has not decreased but stayed in the same level as in 2018 (14%). Among other activities NFP has had successful TV projects with the coverage of Norwegian/EEA Grants. The use of social media page has become more active due to the shared editing opportunities for all POs from November 2019. The ideas for 2020 involve interactive map to webpage, participation in Norwegian-themed Estonian folk festival Viru Folk in summer 2020, outsourcing social media games, success stories of projects from the previous periods, coverage in newspaper.

Mrs Pia Gjesme Holm emphasized the usefulness of having regular public awareness surveys and is looking forward to see these surveys continue. It is suggested that the website is updated, including the content. Being active on Facebook and on social media as well as promotion in Estonian Television is very welcomed. The donors encourage to have further creative approaches. The communication strategy needs to be updated by describing the roles and responsibilities of NFP, POs and the implementing agencies.

Mr Ole Øveraas Ole Øveraas Ole Øveraas Ole ØveraasOle Øveraas expressed high level of interest of the Norwegian Embassy in the publicity of the Norwegian/EEA Grants. It’s a great way of making the Norwegian/EEA Grants better known in Estonia. The Norwegian Embassy is looking forward to working closer with the NFP in the future for better coordination and on common initiatives. Bilateral meeting was proposed by the Norwegian Embassy to discuss in more detail on how to work together in order to inform the Estonian society better and how the Norwegian Embassy could complement the communication activities of the NFP.

Mr Martin Karro emphasized that the best place to raise awareness is the social media therefore more focus should be put on that. Promotion in television and articles in national wide spread newspapers can also be very successful but it is much more expensive. He confirmed the webpage will be updated, technically as well, to have more possibilities, different kinds of solutions and more innovative ways of communicating.

**Decisions:**

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

**National Management and Control System**

Mr Martin Karro gave an overview of the National Management and Control System.

MCS describing the roles and responsibilities of NFP, Certifying Authority (CA), Audit Authority (AA) and Irregularities Authority (IA) was approved by AA and FMO in autumn this year. Moving the NFP and other units/agencies into the SSSC was part of the state reform of how to make the state operating in more efficient way. The reason behind it was that the same tasks were operated by different governmental bodies; the same objectives were being achieved by different means; government was paying many times more for the same system to be up and running. And this was and is not too wise for a small country like Estonia.

The Ministry of Finance has two ministers: the Minister of Public Administration and the Minister of Finance. SSSC (including NFP, CA and POIA of Local Development Programme) is an organization under the Minister of Public Administration. AA and IA are under the Minister of Finance. Under the Director General of SSSC who is also the Head of the CA, there is a direct line to the EEA and Norway Grants Unit of the CA. The deputy director of SSSC who is responsible of the grants and the subsidy area overall is also the Head of the NFP.

There are 3 parts of grants area: Grants Administration Department (including responsibilities of POIA under the Local Development Programme); Grants Development Department (including the responsibilities of NFP) and Grants Payments Department (responsibilities of CA). The main part of NFP is in the Grants Development Department and there are 4 areas: Grants Managing Unit (specific expertise knowledge), Service Design Unit (knowledge on how to put together programmes, information system; end-to-end approach, from the launch until final payments), Risk Management and Supervision Unit (including risk assessment; processing of irregularities, financial corrections) and Interreg Unit. The Service Design Unit where the Norwegian/EEA desk is, is coordinating the implementation and ensuring that the machine works well. There is one responsible Norwegian/EEA expert but the expert is not alone. The Service Design Unit (as well as the Norwegian/EEA expert) gets help from the Grants Managing Unit and the Risk Management and Supervision Unit and also from the SFOS (infosystem) Development and Support Unit.

As concerns the communication we have informal communication with all parties on daily basis. The challenge here is to put up a formal communication. The official framework should also be in place in order to get the official status of the programmes. The focus should be on the overall topics looking on the strategic side. The official communication involves weekly meetings inside NFP, monthly meetings/info sharing with POIAs, quarterly meetings with POs (DPPs can also be involved if the CC meetings do not already cover these topics), quarterly meetings/info sharing with FMO, biannual meetings with JCBF and Annual Meetings with the donors and other relevant parties. Ad hoc meetings will be organized when necessary.

Mrs Pia Gjesme Holm thanked for the overview and explanations and said with contentment that the whole setup is better understood now. The donors are looking forward to see how it will actually work during the implementation. For the donors good governance is an important requirement in the whole administration. Therefore, the requested separation of functions is a key principle. The new structure has to correspond to the principles to prevent possible conflicts of interest. In this regard focus needs to be on monitoring possible fraud and clear separation made between the difference between fraud and irregularities. With the introduction of the implementing agencies also it is very important that POs maintain involvement and ownership of the programmes and that NFP keeps itself informed about the status of the implementation progress of the programmes as well as of any issues that arise. The donors now trusts that full attention will be given to the implementation and hopefully the new setup will prove to be efficient.

**Closing remarks.**

Mrs Pia Gjesme Holm was thankful for the productive meeting. The donors repeat that the strategic report is approved. The donors commend NFP on the progress and hope to see efficient implementation before the next Annual Meeting. She also reiterated that the mid-term review will take place during next year. The donors encourage to continue the professional approach and close cooperation with the FMO in case of trainings or any other relevant topics.

Mr Martin Karro thanked all the participants and expressed eagerness to start the implementation. He also emphasized that NFP is thankful for the discussions with FMO for getting where we are now.