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

Date: June 22, 2021

Venue: Partially virtual meeting; physically in Suur-Ameerika 1, Tallinn (Room: Tamm)

Added:

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

**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, who welcomed the participants and introduced the agenda of the meeting.

Mr Sjur Larsen, co-chair from the donor side, welcomed the participants on behalf of the donors. He expressed his hopes that this would be the last virtual annual meeting. He also thanked Estonia for its secure and efficient implementation of the Grants.

**Annual Strategic Report**

Mrs Laura Pikkoja, from the NFP, gave an overview of the Annual Strategic Report (SR). While other topics were more or less covered in the following agenda points, the presentation focus was mostly on political, economic and social context of programme implementation, presented by Mrs Miryam Vahtra from the Ministry of Finance of Estonia.

Mrs Laura Pikkoja emphasised that both disbursement rate and commitment rate have almost doubled since 30.06.2020. Lots of effort has been put into launching the calls, appraising the pre-defined projects, and signing the project contracts during the reporting period. Disbursement rate is expected to grow faster now when most of the funds have been committed. Disbursement to programmes is 31% as of 19.05.2021, and disbursement to projects (incurred expenditures) 14% as of 31.05.2021. The NFP does not consider the current disbursement rate a concern despite the previous delays during the preparatory phase and the COVID-19 pandemic, and is optimistic that the disbursement rate will now continue to rise faster and that all projects can be carried out within the programming period.

Mr Sjur Larsen thanked NFP for submitting the SR on time. He commented that the report was well written, informative and gave detailed overview of key activities.

Mrs Else Berit Eikeland from the Norwegian Embassy noted that Estonia is recovering both well and fast from the COVID-19 pandemic and economic growth being reported to be higher than expected and the EU average.

**Decision:** The third Annual Strategic Report was approved.

**Bilateral Cooperation**

Mrs Laura Pikkoja gave an overview of the bilateral funds at both national and programme level and about the decisions made at the JCBF meeting which took place the day before.

Mrs Laura Pikkoja emphasised that the bilateral activities are and will be affected the most by the COVID-19 pandemic and different measures are in force to fight it. Organising face to face meetings internationally is a challenge and limited communication possibilities may have negative effect on bilateral cooperation. Physical meetings are very much needed to strengthen bilateral cooperation. Nevertheless, the NFP is happy to see how most of the projects have moved on in virtual channels and adapted quite well to the situation. At the moment, the NFP, Programme Operators (POs), and project promoters still remain optimistic that bilateral activities will recover and can be carried out within the programming period. Bilateral issues are discussed regularly – twice a year in the JCBF – but this is a good way to follow up on bilateral activities and make necessary changes/decisions for securing efficient implementation of activities.

Mr Sjur Larsen noted the good reported progress made in Estonia and trusts that bilateral activities will pick up speed soon. He welcomed the efforts made in organising the JCBF meetings twice a year and was happy to hear that the JCBF is functioning well. The donors acknowledge the impact that COVID-19 has had on implementing the Grants and therefore encourage the continued close cooperation in order to overcome the difficulties. Lastly, he underlined the need to address specifically the limited progress made, on developing and conducting bilateral initiatives, within the programmes. Something that needs to be focused on going forward as COVID-19 measures are gradually being lifted.

Mrs Else Berit Eikeland from the Norwegian Embassy emphasised that there are many more interesting ideas for new potential bilateral initiatives but added that it is difficult, for the time being, to start bilateral cooperation if partners have not the opportunity to meet. She expects new initiatives to be developed during the next coming months to be discussed and agreed at the next JCBF meeting in the fall this year.

Mr Ole Øveraas Ole Øveraas Ole Øveraas Ole ØveraasAuðunn Atlason from the Embassy of Iceland stated his satisfaction with the good progress made with in the bilateral fund despite the difficult circumstances. He stressed that the Iceland emphasises on the Baltic-Research cooperation and Estonian-Icelandic cooperation towards a sustainable Arctic. In August this year, Estonia and Iceland will celebrate their 30 years of diplomatic relations. As a result of these events further cooperation through bilateral initiatives may be possible.

**Progress of programmes and risk assessment**

Mrs Laura Pikkoja gave an overview of the overall status of programmes (EE-Localdev, EE-Research, EE-Innovation, EE-Climate).

She brought out that most of the calls (16/20 across the four contracted programmes) have been launched and most of the pre-defined projects appraised, and most of the funds therefore committed. All programmes have launched calls after last year’s Annual Meeting. Final calls are foreseen to be launched this year. All initially foreseen 12 pre-defined projects have been appraised and have started implementation. The Climate programme agreement was last modified this May and with that one new pre-defined project was added to the programme. Overall risk level of programmes is assessed to be 2 on a scale of 1 to 4. The overall risk is not considered high due to the good communication among all partners and active monitoring of the implementation. The one new risk that NFP is closely monitoring is the potential risk of violating state aid rules, mainly due to their complexity. Until now there have been no irregularities reported concerning state aid but several issues have been raised and solutions found in collaboration with the state aid experts in the State Shared Service Centre and the Ministry of Finance. NFP has encouraged and will encourage POs to turn to state aid experts in the future, in case of hesitations regarding state aid rules.

Mr Sjur Larsen acknowledged and praised the good work of Estonia on getting all the programmes up and running, starting active implementation, and for the already visible good progress. Donors are happy to note that there are no apparent major impacts arising from COVID-19 pandemic and that the risk level of programmes overall is not high. The good cooperation with Donor Programme Partners (DPPs) and Financial Mechanism Office (FMO) is also noted and appreciated.

Mr Árni Páll Árnason from the FMO gave an overview of programmes operated by the FMO (Active Citizens Fund, Social Dialogue – Decent Work, the Fund for Youth Employment, and the Fund for Regional Cooperation). Special emphasis was on the Active Citizens Fund that has been progressing very well, which in turn has led to additional resources allocated to the fund (see topic “Allocation of the reserve”).

**Allocation of the reserve**

Mrs Laura Pikkoja gave an overview of the status of the allocation of the reserve.

In November 2020, the NFP submitted a proposal for the allocation of the reserve and proposed to allocate the entire reserve (from both the Norwegian and EEA Financial Mechanisms) in the amount of € 2 063 000 to the Active Citizens Fund (ACF). In March 2021 the donors agreed to support the recommendation of the NFP. In May 2021 the needed modifications of MoUs were signed. In June 2021, a press release was issued informing about the agreement on the allocation of the reserve. The NFP stated its appreciation and wish than now more civil society projects can be funded and is waiting good results.

Mr Sjur Larsen thanked Estonia for the good work on preparing the Mid-term Review. Donors attach a lot of importance to the work of civil society and are therefore, very pleased with the outcome of allocating the reserve to the ACF and are looking forward learning about the good results from the additional funding to the programme.

**National Management and Control System**

Mrs Laura Pikkoja gave an overview of the National Management and Control System. She emphasised that there have been no significant changes in relation to the national level MCS concerning NFP, Certifying Authority (CA), Audit Authority (AA) and Irregularities Authority (IA).

Mr Sjur Larsen was happy to note that the national setup for the implementation of the Grants works well and there is good functioning of the authorities involved. Donors appreciate the good cooperation between authorities, the NFP and the FMO. The interim financial reports (IFRs) are of good quality and are submitted timely. He underlined the importance of accurate forecasts. It is important to prepare and submit realistic disbursement forecasts in close cooperation with the CA, the POs and the NFP for the donors to be able to plan their annual national budget and communicate the budget needs to their national parliaments. He noted that there is no need to add safety layer to the forecast.

Ms Kärt Kõljalg from the CA commented that the process of preparing and submitting forecasts had been discussed in more detail with POs in autumn 2020 and again in spring 2021. Justifications for numbers in forecasts are asked from POs in order to be as precise as possible when submitting forecasts to FMO.

**Publicity and Communication**

Ms Brit Koppel from NFP gave an overview of the publicity and communication activities. She emphasised all the activities concerning Estonian-Norwegian 100 years of diplomatic relations. She also reported on the ongoing development on the website and informed it to be fully updated and concluded by the autumn this year.

Mr Sjur Larsen commended the NFPs effort of having regular public awareness surveys and is looking forward to seeing these surveys continue. The donors applaud NFPs effort in promoting the Grants in different ways: by being active on social media as well as participating in events. By the time of the next Annual Meeting, donors are hoping for more completed projects and success stories to be reported and presented.

Mrs Else Berit Eikeland emphasised that not only are Estonia and Norway celebrating the 100 years of diplomatic relations, but that they are also celebrating the 30 years of re-independence. The Norwegian Embassy is planning to focus specially on civil society in its celebrations and planned activities this fall as civil society played an important role in gaining and supporting re-independence. This will provide opportunities for the embassy to work even more closely with the NFP, including on the different communication activities.

Mr Ole Øveraas Ole Øveraas Ole Øveraas Ole ØveraasAuðunn Atlason thanked Estonia for the impressive communication work.

**Closing remarks.**

Mr Sjur Larsen appreciated the continued good work on the implementation of the Grants and the good and close cooperation with different partners, including the representatives of embassies, DPPs and the FMO. The donors are very much looking forward to have the opportunity to visit Estonia for the next Annual Meeting and to visit interesting projects.

Mr Martin Karro thanked all the participants for all the good comments and active participation in the meeting. He acknowledged that it has been a challenging year adapting to challenges caused by the COVID-19 pandemic and the changes in the world. He emphasised that the NFP remains positive and only expects that disbursement rates will pick up as the implementation is taking off. Finally, he stressed that the NFP would be happy to welcome all the participants in Estonia for the next Annual Meeting.