



National Focal Point of Estonia

Norwegian Financial Mechanism STRATEGIC REPORT 2013

Strategic Report on the implementation of the Norwegian Financial Mechanism
2009-2014 in Estonia



**RAHANDUS-
MINISTEERIUM**
MINISTRY OF FINANCE OF THE REPUBLIC OF ESTONIA

Contents

1	EXECUTIVE SUMMARY.....	3
2	ASSESSMENT OF THE EFFECT OF THE GRANTS.....	5
2.1	Cohesion.....	12
2.2	Bilateral relations.....	20
3	REPORTING ON PROGRAMMES.....	23
3.1	Overview of Programme status.....	23
3.2	Individual Programme summaries.....	23
4	MANAGEMENT AND IMPLEMENTATION.....	32
4.1	Management and control systems.....	32
4.2	Compliance with EU legislation, national legislation and the MoU	33
4.3	Irregularities	34
4.4	Audit, monitoring, review and evaluation.....	34
4.5	Information and publicity.....	35
4.6	Work plan	36
5	SUMMARY LIST OF ISSUES AND RECOMMENDATIONS.....	38
6	ATTACHMENTS TO THE STRATEGIC REPORT	39

1 EXECUTIVE SUMMARY

The overall objectives of the Norwegian Financial Mechanism 2009-2014 are to contribute to the reduction of economic and social disparities in the European Economic Area (EEA) and to strengthen bilateral relations between the donor state and the beneficiary states.

To achieve the overall objectives, the donor state Norway contributes to Estonia 25 600 000 Euros, out of which 7,5% is assigned for donor state's management costs and the net amount available for Estonia is 23 680 000 Euros.

During negotiations between Norway and Estonia seven programme areas were identified as most relevant in order to contribute to achieving the overall objectives. As a result of the negotiations the total amount available was divided between the following programme areas: i) Green Industry Innovation; ii) Global fund for Decent Work and Tripartite Dialogue; iii) Bilateral Research Cooperation; iv) Bilateral Scholarship Programme; v) Public Health Initiatives; vi) Mainstreaming Gender Equality and Promoting Work-Life Balance and vii) Domestic and Gender-Based Violence.

Since all the programmes were approved at the end of 2012, in 2013 the Programme Operators were engaged in launching the programmes, organising match-making events and other publicity events, also in setting up and describing the management and control systems at the same time. In all programmes where pre-defined projects were foreseen in the programme agreement, the Project Promoters started with their implementation in 2013. Most of planned calls for proposals have been launched and in several cases also the grant decisions were made.

Although the implementation period has been too short for presenting any fully achieved outputs, where possible an estimation of achieving outputs and outcomes based on the pre-defined projects and projects chosen from the calls for proposals has been made. Also, the report presents an assessment of how the programmes are expected to help to address the Estonian development needs in respective priority sectors and contribute to long-term internal strategies such as Sustainable Estonia 21 or Competitiveness Plan Estonia 2020. This is supported by an overview of the most relevant macro indicators describing the social and economic situation and trends in Estonia.

While the legislative and economic environment can be considered stable in Estonia and all the programmes contribute to internal long-term strategies, no major risks affecting the achievement of the expected outcomes have been identified at the particular moment of implementation. The key challenge in the implementation of the programmes is still the time constraint. However, as the programmes have been progressing according to their planned schedules during 2013, the risk of failing in achieving the expected outcomes due to the time constraint can be considered unlikely to happen.

In 2013, the bilateral relations between Estonia and Norway were fostered through a cross programmes' regional cooperation conference financed from the Fund for Bilateral Relations at National Level and also through many match-making events organised by the Programme Operators. The focus of the events has been helping the preparation of joint project proposals through facilitating better mutual understanding between Estonian and Norwegian institutions.

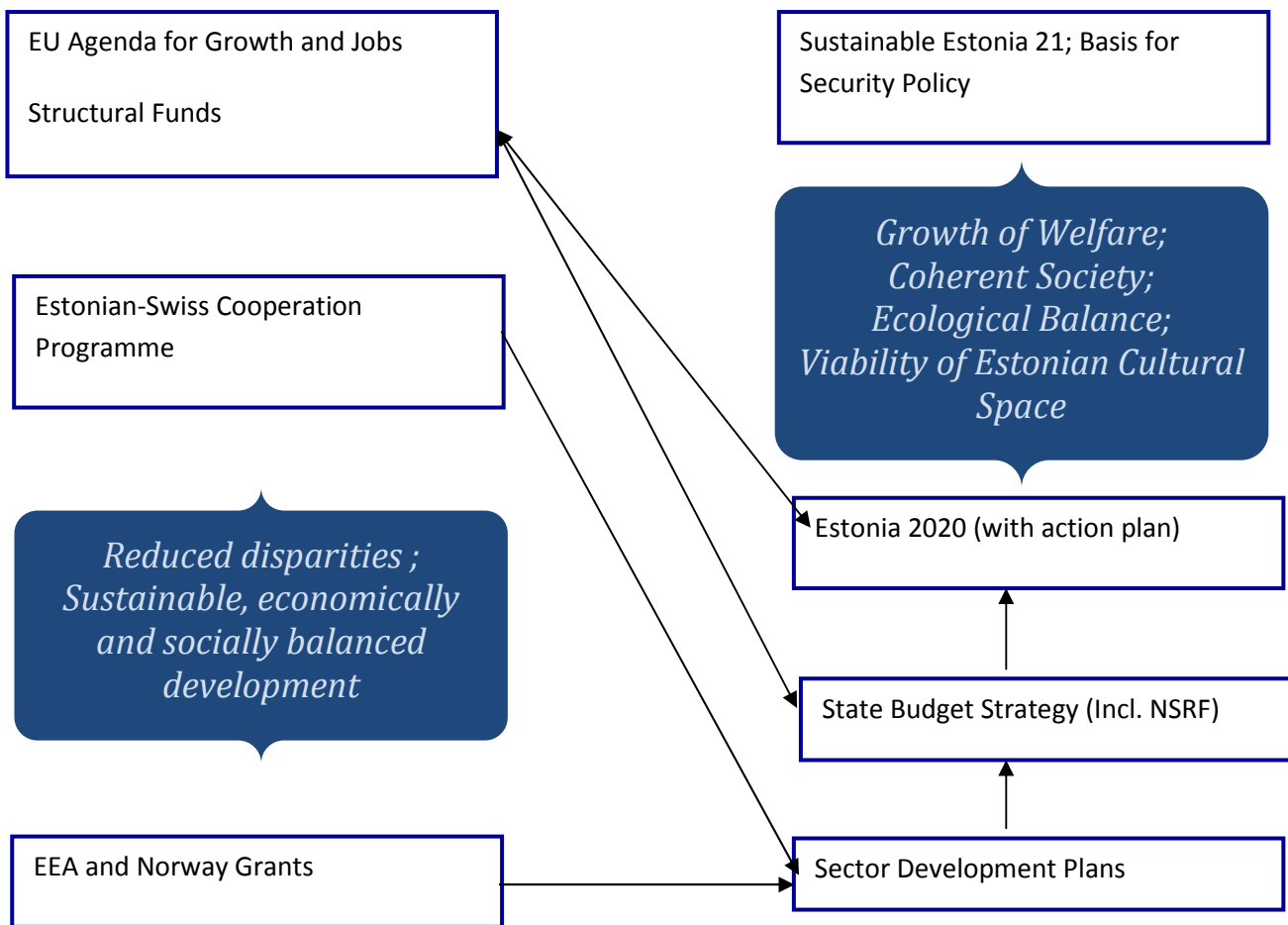
Looking forward, the most crucial challenge for the programmes in 2014 is to finalise the projects' selection in order to assure a good basis for moving towards the programmes' objectives and timely risk management.

The reporting period of the current report is the calendar year of 2013. However, in order to provide a better overview, a few facts from the year 2014 known by the time of compilation of the report have been added.

2 ASSESSMENT OF THE EFFECT OF THE GRANTS

The main goals of Estonia for the long term are increase in welfare, a cohesive society, ecological balance and viability of the Estonian cultural space¹. The funding from the EEA and Norway Grants 2009-2014 with the objective to contribute to the reduction of economic and social disparities in the European Economic Area helps to address the Estonian development needs in specific priority sectors, which all contribute to longer term internal strategies such as Sustainable Estonia 21 or Competitiveness plan Estonia 2020.

Strategic link



An important function of the EEA and Norway Grants has been the supplement to EU and other funding enabling among others to cover the areas, which fall out of the eligibility scope of other funding but are still at great relevance considering the objective of reduced disparities. The most visible example is the Public Health Initiatives programme, which enables to focus on mental healthcare for children and young people, which is not covered with EU funding and due to national regional disparities is a field that is also underfinanced by national means. Thus the support enables to tackle the specific problems so that the overall development needs would be most effectively and efficiently covered, which means that the EEA and Norway Grants'

¹ Sustainable Estonia 21.

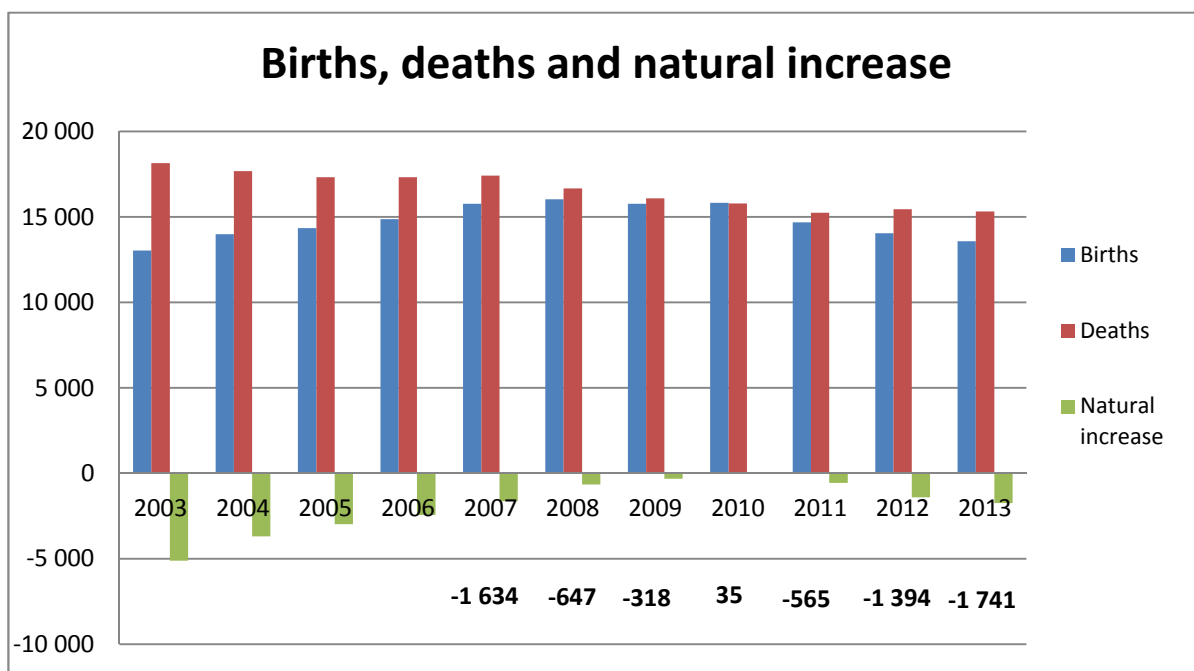
contribution offers real added value, although it is sometimes difficult to indicate the direct share in the higher indicator level reached.

According to Statistics Estonia, the decrease in the population number has slowed down, 1 315 819 persons lived in Estonia on 1 January 2014.

The decline in the number of births and the growth in the number of deaths have also influenced the natural increase, which was negative again – there were 1 740 more deaths than births. In 2013, 6 724 persons emigrated from Estonia, at the same time 4110 persons immigrated to Estonia, thus the net migration amounts to -2 614.

According to Statistics Estonia’s projection, if the current demographic trends continue, the population of Estonia will decrease by 125 000 in the next rough 30 years due to negative natural increase and negative net migration, thus with 1,3 million inhabitants, Estonia continues to be one of the smallest of the countries to be financed under EEA and Norway Grants.²

Still, a positive trend could be pointed out. Namely, according to the study commissioned by the Ministry of Social Affairs and carried out by AS Emor in 2013³, the emigration potential was lower compared to 2010 and decreased from 8,5% to 5,9%, but in numbers this still means that in the next years 51 600 working age Estonians intend to go working abroad. In 2013 the number of those intending to work abroad more than a year or even permanently has grown. In addition to that, more people would also like to take their family members with them and the main reason behind the trend is still higher salary to be expected abroad, the main argument for staying is the consideration of family and friends being in Estonia.



Source: Statistics Estonia⁴⁵

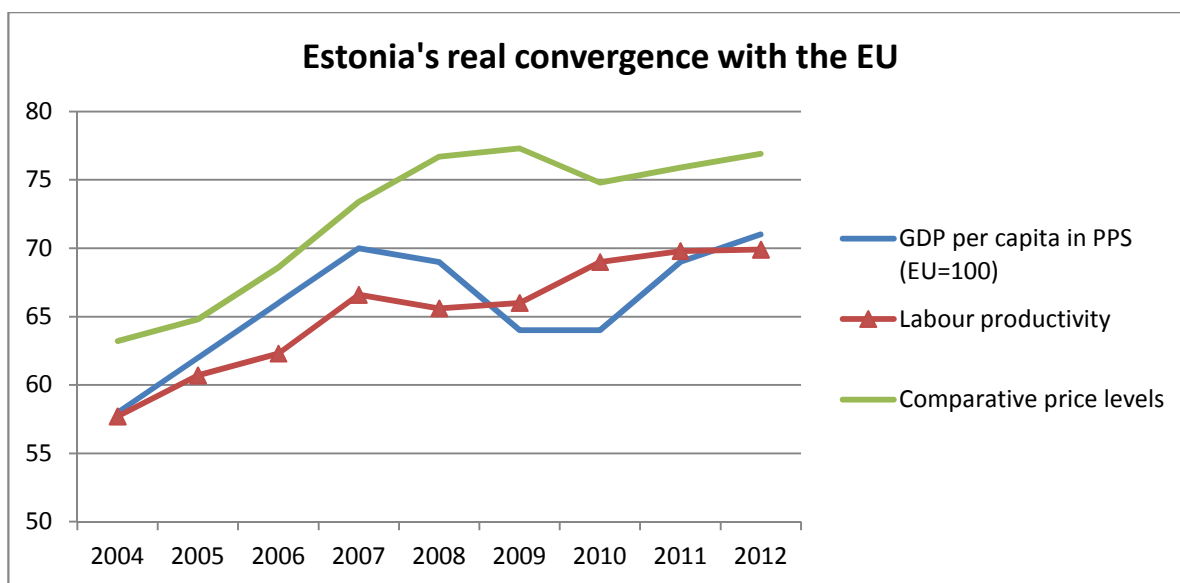
² <http://www.stat.ee/72429>

³ http://www.sm.ee/fileadmin/meedia/Dokumendid/Toovaldkond/uuringud/Eesti_valjarandepotentsiaal_2013.pdf

⁴ <http://www.stat.ee/34268>

⁵ <http://www.stat.ee/72429>

Since regaining of independence in 1991, the Estonian economy has grown nearly tenfold. Estonia saw extraordinary economic growth from 2001-2007. A correction began already in 2007, when the growth rate began gradually decreasing in connection with a shift in the economic cycle. As a result of the decline in trade volumes in the world's economy from the end of 2008 and after that the quickly decreasing domestic demand however, Estonia's GDP dropped 3,7% in 2008 and 14,3% in 2009. The economic recovery began in 2010 and picked up to 7,6% growth in 2011 and 3,2% in 2012. According to the latest data,⁶ the gross domestic product of Estonia increased by 0,7% in 2013; Spring 2014 Macroeconomic Forecast of the Ministry of Finance indicates that in 2014, the gross domestic product of Estonia will increase by 2,0%, and 3,5% in 2015. In 2016, 3,6% growth can be expected. GDP growth will pick up in the second half of this year as a result of the expected recovery of foreign demand. The driver of the economy will be domestic demand, however the contribution of exports will grow in 2014 as well. During 2015-2016, stronger economic growth can be expected in line with the strengthening of foreign demand.



Source: Ministry of Finance, Eurostat⁷⁸⁹, compared to EU 28

Increasing the productivity and innovation of the economy 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 73% of the EU average by 2015¹⁰, while in 2011 the indicator was 67,6%. Looking at the present levels of achievement, the set indicator target will most likely not be reached.

Thus finding and participating in new areas of growth is of even greater importance as well as combining of the research, development and innovations systems with the needs of the economy and moving up in the value chains.

⁶ Statistics Estonia, <http://www.stat.ee/72400>

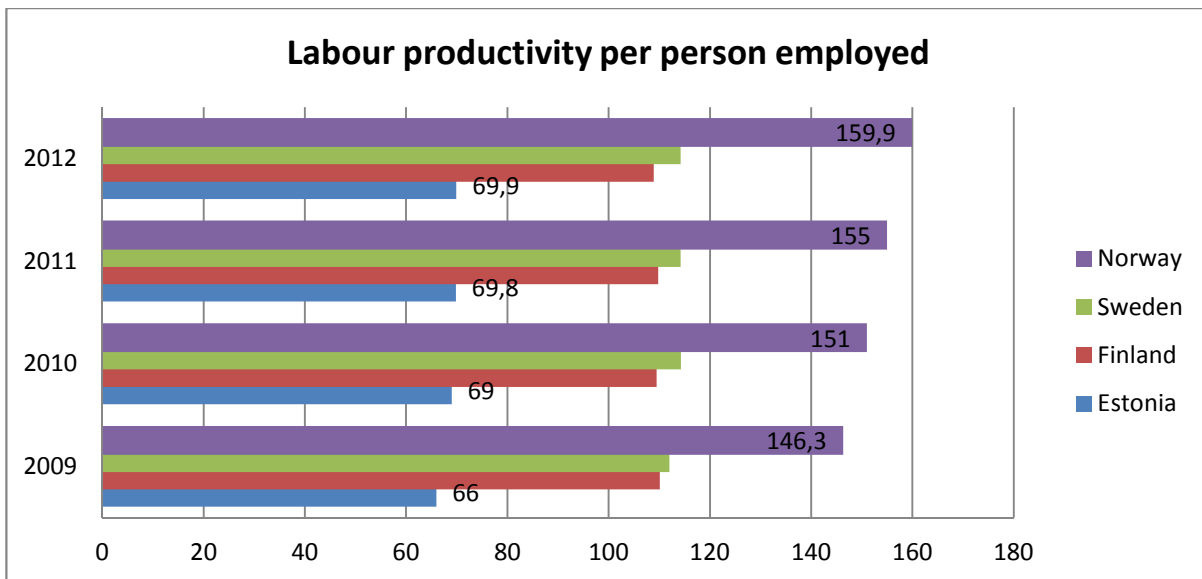
⁷ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00116>

⁸ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00120>

⁹ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114>

¹⁰ Estonia 2020

Taking into account that gross domestic expenditure on R&D has grown, being 2,18% of GDP in 2012 and even 2,37% in 2011, and is relatively high compared to other EU countries, the EU27 average in 2012 being 2,06%, still it has not resulted in an increase in the labour productivity. This has also been under focus when preparing measures for EU funding for the 2014-2020 period. The ex-ante evaluators of the Estonian Operational Programme indicated that Estonia has taken respective lessons learnt into account and it was pointed out that greater orientation of the research system to the needs of the economy and society has now become equally important to research excellence, which to date has largely been the central goal of research policy.



Source: Eurostat¹¹

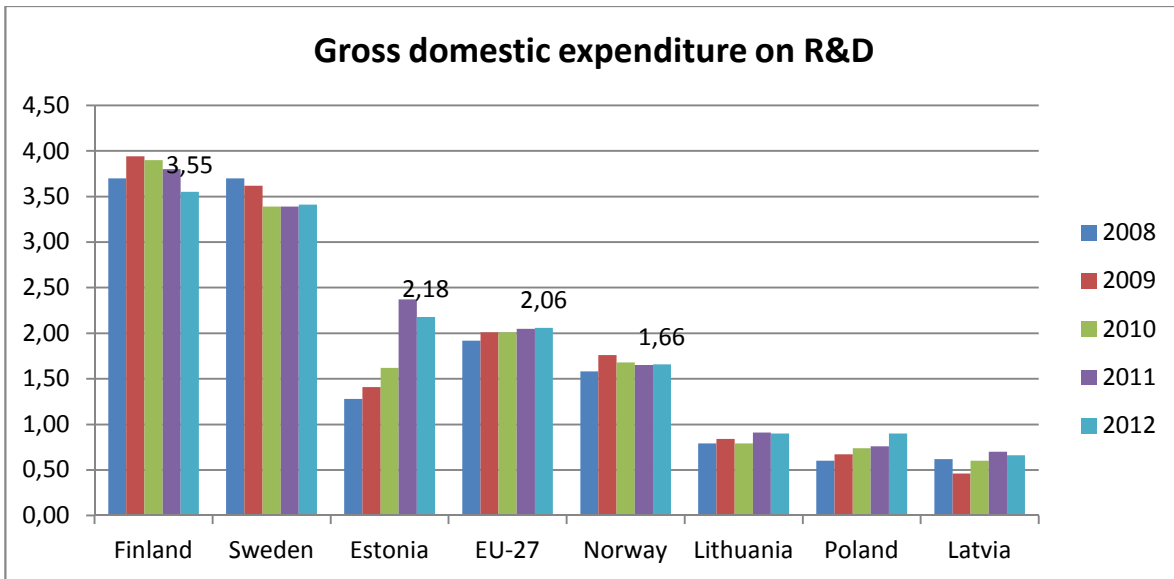
GDP per capita in comparison with the EU15 continues to be low (70%; EU28 being 100%; Norway 195%), and the primary reason is relatively low productivity (approximately one-half of the average for the EU15; see table above). The low level of productivity is related to both low total factor productivity and capital intensity. In essence, this means that companies have invested little, that a great amount of human resources is expended, that they manufacture relatively inexpensive output and provide low value added services.

In this context the inputs of the EEA and Norway Grants' research and scholarships programmes' as well as of the Green Industry Innovation programme focusing on green ICT are seen as valuable contribution to and in synergy with EU funding under the specific objective "R&D and higher education are of a high level, and Estonia is active and visible in international cooperation in the field of RD&I" given in the Operational Programme of 2014-2020 period, addresses one of the most essential development needs of increasing innovation capacity and competitiveness. The efforts are reflected in Estonia's goal for 2020 to raise the level of R&D investments up to 3%, which implies a fourfold increase in R&D volumes compared to 2009.¹²

Finding new growth models and a knowledge-based economy also help to address other challenges, such as the ageing population and limited availability of natural resources.

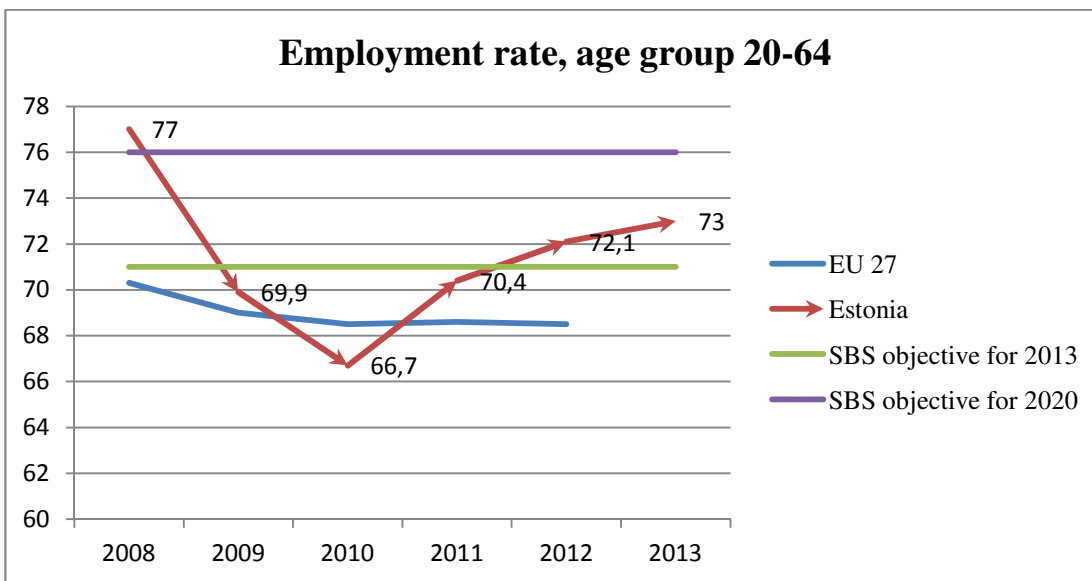
¹¹ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00116>

¹² NSRF – National Strategic Reference Framework 2007-2013 for the use of EU support.



Source: Statistics Estonia¹³ and Eurostat¹⁴

Estonia has set a target of achieving a 76% employment rate in the 20-64 age group by 2020. The level of employment started to recover rapidly in 2011; in 2012 the employment rate in the 20-64 age group increased by 2,3%, reaching the level of 72,1%¹⁵ and in 2013 already 73%, which is even higher than the objective for 2016, which is set at the level of 72,8%.



Source: Eurostat¹⁶

In 2014, the employment rate is expected to increase by a further 0,2-0,3¹⁷%, growth should continue in 2015, thereafter, the number of people in employment is expected to stop growing due to demographic developments and start declining after 2017. Therefore, economic growth

¹³ <http://www.stat.ee/57298>

¹⁴ http://epp.eurostat.ec.europa.eu/portal/page/portal/europe_2020_indicators/headline_indicators

¹⁵ http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10

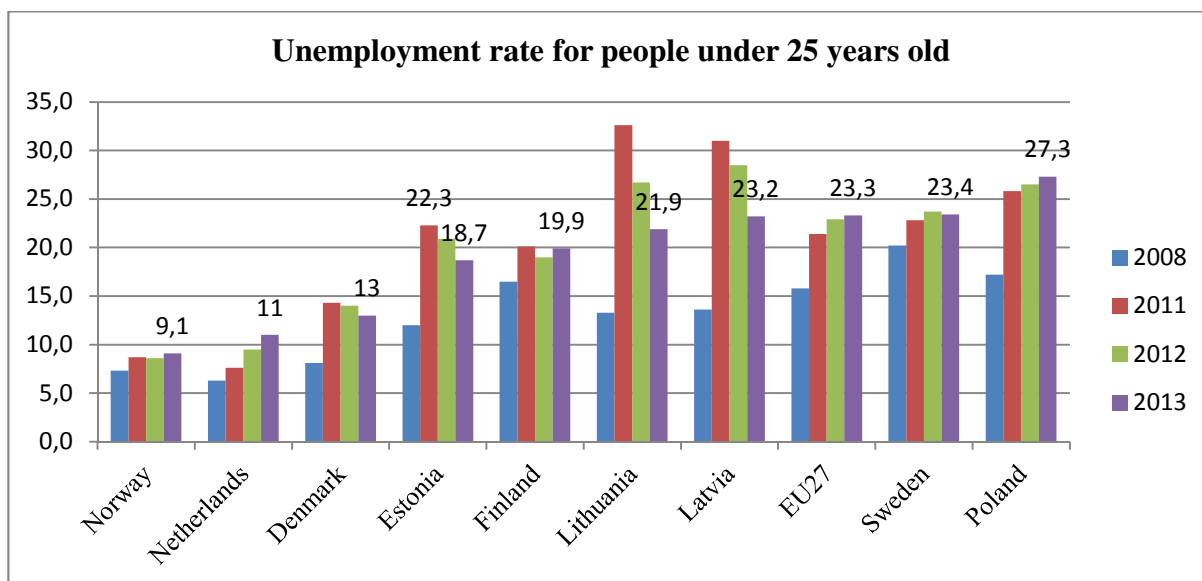
¹⁶ http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10

¹⁷ Spring 2014 forecast, Ministry of Finance of Estonia

can only be driven by productivity and investments supporting it. Unemployment decreased to 10,2%¹⁸ in 2012 and continued to decline, reaching 8,6% in 2013¹⁹.

Reducing youth (age group 15-24 years) unemployment remains an important challenge for Estonia. By 2010, the youth unemployment rate increased to 32,9%, which was significantly higher than the EU average (21,1%), but then decreased rapidly in 2011 to 22,3%. The youth unemployment rate continued to decrease in 2012 to 20,9% and in 2013 to already 18,7%. Estonia is committed to decreasing the unemployment rate of young people to 10% by 2020.

The Ministry of Education and Research and the Ministry of Social Affairs are developing special employment and education measures for youth, which support and prepare for transitions between the education system and labour market. These efforts are supported with the activities under the programme Children and Youth at Risk.



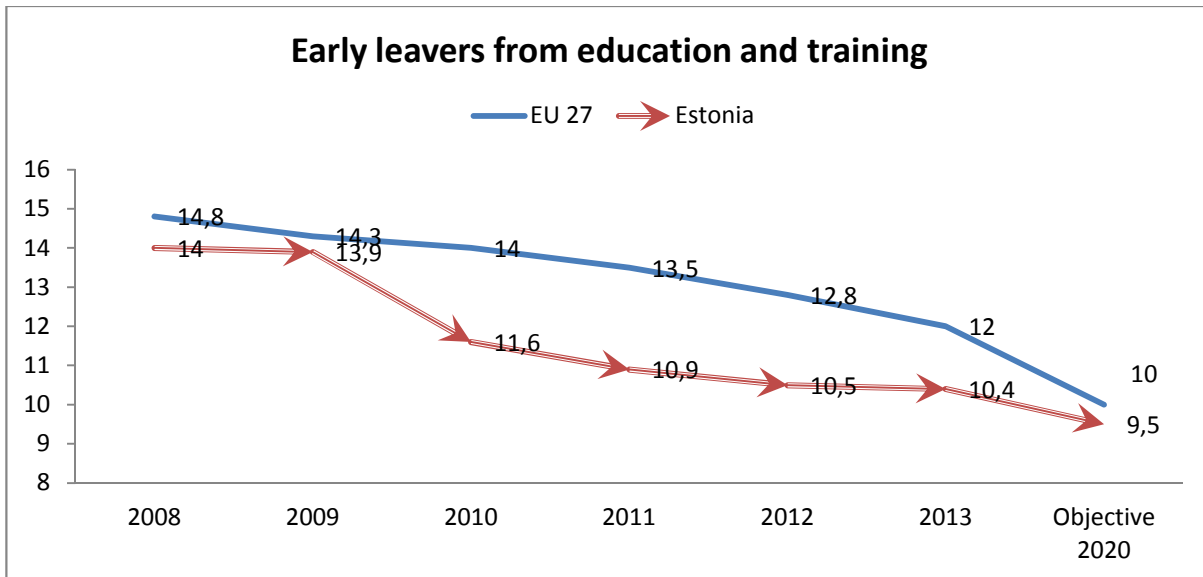
Source: Eurostat²⁰

Namely through the programme Children and Youth at Risk addressing child welfare, professionals in different agencies are supported in order to provide adequate early intervention and provision of evidence and knowledge-based interventions to support parenting skills and prevent juvenile delinquency. Preventing or minimising negative consequences and reducing the costs of juvenile offending, developing social competences and cohesion in society contribute to achievement of the objectives of the EEA and Norway Grants and move towards socially balanced development. Activities under the programme also contribute directly to the aim to reduce the youth unemployment rate as well as the Europe 2020 goal to reduce the percentage of early school leavers (age group 18-24 years).

¹⁸ <http://www.stat.ee/66661>

¹⁹ Statistics Estonia, <http://www.stat.ee/72314>

²⁰ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en



Source: Eurostat²¹

The share of persons with an equivalised disposable income below the risk-of-poverty threshold has been relatively stable during the years, being at the level of 19,5% (2007-2009). In 2010, the indicator decreased to the level of 15,8%.

According to Statistics Estonia, in 2012, 18,7% of the Estonian population lived in relative poverty and 7,3% in absolute poverty. The overall percentage of people living in relative poverty increased by 1,2 percentage points compared to the previous year, but the percentage of people living in absolute poverty decreased by 0,8 percentage points²². People living alone and pension-age people are at higher risk of poverty, whereas women are at significantly greater risk of poverty than men. In addition to that, the level of education significantly affects the risk of falling into poverty. Among persons with basic or lower education, every third was in the poorest and only every fourteenth in the richest income quintile.

By means of reducing regional disparities between EU countries and Estonia the following table shows improvements with regard to set convergence objectives, where it can be seen that although Estonia has with regard to some indicators already exceeded the EU average, then compared to achievement levels of Norway, Estonia still needs a lot of improvement and experience gained through partnerships under the EEA and Norway Grants enhances the positive development perspectives.

²¹ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdsc410>

²² Indicator levels for 2013 will be Published in December 2014.

Indicator	EU 27 average	Norway	Estonia				
	2012	2012	Objective 2013/2020 ²³	2013	2012	2011	2010
GDP per capita in PPS ²⁴	100	195	71/80	N/A	71	69	64
Level of R&D investments of the GDP, %	2,06	1,66	1,85/3	N/A	2,18	2,38	1,63
Employment rate of the age group 20-64, %	68,5	79,9	71/76	73	72,1	70,4	66,7
At-risk of poverty rate, % ^{25,26}	16,9	10,1	16,9/15	N/A	17,5	17,5	15,8

Source: Eurostat and Estonian Statistics

2.1 Cohesion

2.1.1 Environment and climate change

The priority sector includes one programme – Green Industry Innovation. With this programme there are clear connections and valuable contribution to the objectives of Estonian Environmental Strategy (ES2030), which is a strategy for developing the sphere of the environment. EES2030 serves as the basis for the preparation and revision of all sector-specific development plans within the sphere of the environment.

a) Contextual trends

The environmental challenges of the future are to secure a low-carbon, resource constrained world while preventing environmental degradation, biodiversity loss and unsustainable use of resources. Increasing resource efficiency is one of the priorities of Estonia 2020. A growing share of production should be based, first of all, on the use of raw materials, reduction of waste generation, and increased recovery, recycling and reuse of waste, rather than expanding the use of natural resources. Although waste recovery reached 55% in 2011 and 59% in 2012, recycling and reuse have not increased as much.

²³ State Budget Strategy 2014-2017

²⁴ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=tec00114>

²⁵

http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do;jsessionid=9ea7d07d30e7aa0ce5401731414c915cc58c91fc1995.e34OaN8PchaTby0Lc3aNchuMchiKe0?tab=table&plugin=0&pcode=t2020_52&language=en

²⁶ The yearly income is necessary for calculating the indicators of poverty and inequality. Social surveys are conducted by statistical organisations in all European Union countries on the basis of a harmonised methodology by the name of EU-SILC. Eurostat publishes the data according to the year of conducting the survey, [thus Eurostat's news release on relative poverty for 2012 published on 05.12.2013](#) included the indicators of relative poverty in Estonia calculated on the basis of the incomes of 2011.

In 2012, the percentage of renewable energy in end consumption was 25,1%, which exceeds the goal set for 2020, thus being more than 25%. The target level will most likely be changed towards a more ambitious objective, 28% by 2020.

In addition to meeting the needs of people and enterprises, increased resource efficiency of the economy (incl. through eco-innovation) is also an important factor in climate change mitigation and adaptation. New business and employment opportunities should be created, a clean environment should be preserved and climate change should be fought through the development and introduction of green and low-carbon technologies.

a) Norway Grants' contribution

The Green Industry Innovation programme targets “greening with ICT”, narrowing its strategy to four focus areas and challenges, which drive the development of green innovations with international potential. These green innovation horizontal topics are: energy management systems, transport and logistics, manufacturing and trade, e-health.

Green ICT policy measures are one of the priorities outlined in the Competitiveness Plan Estonia2020, where it is stated that energy and resource efficiency measures as well as measures for reducing CO2 emissions must be developed through innovative investment schemes. In order to achieve economic development and industrial competitiveness, it is important to support R&D in resource efficiency and eco-innovation investments. Development of green technologies in water and waste management needs special attention since in case of Estonia natural circumstances offer a competitive advantage in these areas compared to other countries.

Implementation of the Green Industry Innovation programme has had a very good kick-off, the interest towards the programme has proven to be higher than expected, which also reflects the companies' willingness to develop green solutions within the selected focus areas and greening the entrepreneurship in general.

The analysis²⁷ carried out by the Estonian Development Fund in February 2013 showed that the following areas have most growth potential:

1. Information and communications technology (ICT) horizontally through all sectors
2. Health technologies and services;
3. More efficient use of resources.

The Estonian Development Fund analysis on smart specialization²⁸ proposing the new growth areas shows that it is very important that the ICT sector in Estonia shifts from the provision of subcontracting (mainly as a service) towards products. This means that investments in development activities are crucial for making the solutions scalable. The analysis summarizes that being a small country Estonia is considered to be a great testing environment to see how technology can be applied to other horizontal developments.

During 2013 several national strategies were updated as well. On national policy level Estonian Information Society Strategy 2020, Estonian RD&I strategy 2014–2020 “Knowledge-based Estonia” and new Estonian Entrepreneurship Growth Strategy 2014-2020 aiming directly for digital growth in order to maximize direct benefit from ICT for economy and society in general

²⁷ Qualitative analysis carried out under the leadership of the Estonian Development Fund. The document is available at: Nutikas spetsialiseerumine 2020 (PDF): www.arengufond.ee/en/nutikas-spetsialiseerumine/tutvustus

²⁸ <http://www.arengufond.ee/en/category/analysis/>

for the upcoming periods. Therefore special attention is paid to the possibilities offered by ICT solutions and their advantages. According to the Growth Strategy:

- the share of private sector expenditure on research and development in GDP should be 2% by 2020.
- sales of new to market and new to firm products or services should be 18% by 2020.
- the ratio of labour productivity per hour worked to the Eurozone average in current prices should be 65% by 2020.

The Green Industry Innovation programme builds synergy between upcoming measures related with the strategies.

2.1.2 Research and scholarships

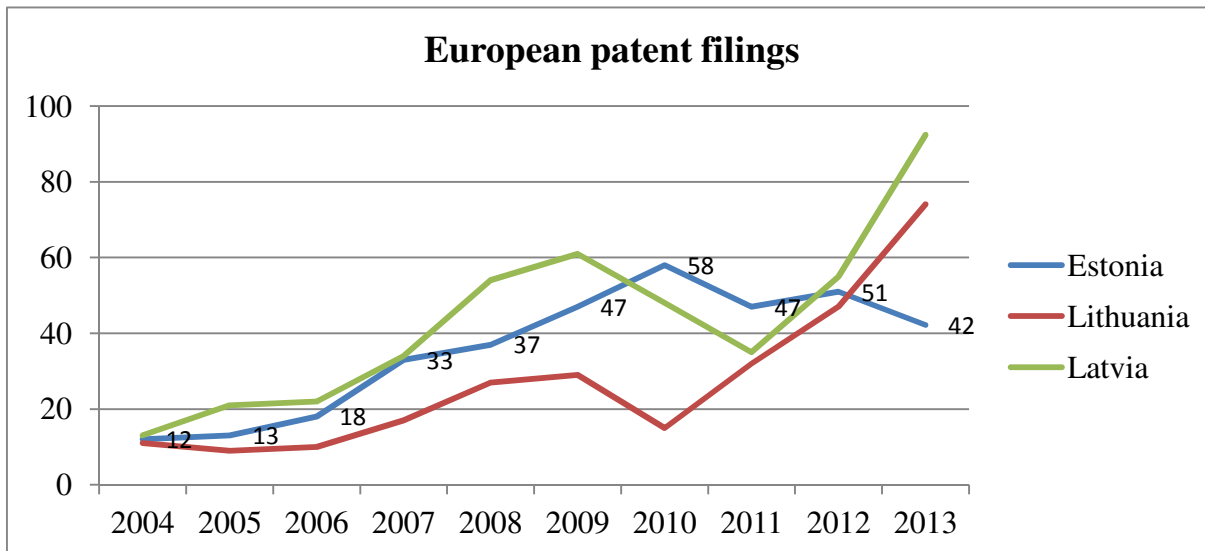
The priority sector includes the Scholarship programme and the Norwegian-Estonian Research Cooperation programme. These programmes will be implemented in cooperation with each other and the Scholarship programme financed from EEA Grants.

a) Contextual Trends

Finding new sources of growth, making economy more knowledge-intensive and increasing the impact of Estonian science are according to analyses made at the end of 2011 Estonia's essential development needs in the 10 years perspective. R&D and more generally the higher education system should be means of achieving structural changes in the economy and the wise positioning of Estonia in the international division of work.

Annual Growth Survey 2013 made by the European Commission emphasises the need to invest in education, research and innovation as well as in energy and the Commission's country specific recommendations suggest Estonia to prioritise RD&I activities and turn them more international.

Estonia 2020 sets the target of raising the level of investment in R&D to 3% of GDP (2,19% in 2012) and ensuring that the increase in labour costs does not significantly exceed the growth rate of productivity (2,8% in 2011). The aim is to support the development of growth-capable sectors selected using the smart specialisation methodology. Although Estonia has been rather successful in improving the quality and increasing the volume of research since regaining its independence, it has not been able to attain the EU average of the number of patents; compared for example to Norway where the number of patents filings was 806 or Finland with 2818.



Source: European Patent Office²⁹

Reforms initiated in 2013 in the higher and school education, on the one hand, and preparing the Estonian Lifelong Learning Strategy for 2014-2020 on the other hand are the main events influencing the general context of the priority sector in the reporting period. Performance-based approach in the higher education sector encourages, supports and rewards institutions in their work with mobility and internationalisation.

b) Norway Grants' contribution

Enhanced human capital and knowledge base through transnational cooperation is the objective of the Scholarship programme in Estonia. The chosen measures will encourage a more active student and staff mobility and an increased and strengthened cooperation between secondary education institutions.

In previous years, student mobility between the higher education institutions of Estonia and Norway has been rather inactive. Certainly there are several explanations, but one of the main barriers to use Erasmus scholarship for studying in Norway is the rather low level of Erasmus grant and lack of personal co-funding; the cost of living index in Estonia differs from that of Nordic countries. Hence, the programme will surely contribute to the increased higher education student and staff mobility between Estonia and Norway and has opened up new opportunities to get valuable experiences through cooperation.

At the beginning of 2014, the Estonian Lifelong Learning Strategy 2014-2020 was adopted. The Lifelong Learning Strategy will carry on the main principles of former strategies and the programmes will contribute to the achievement of the aims of the new strategy. For example, the strategy turns special attention to moving towards a development- and cooperation-based approach to study, to skills and knowledge of teachers and academic staff, and strengthening the connection between education and a knowledge-based society and innovative economy. Among other issues, the strategy highlights the importance of increasing the effectiveness of internships in the workplace, teacher training that focuses on professional teaching skills to support the students' development, social and technological competences and the development of teamwork skills in addition to knowledge of the subject; the development of school culture, curricula and

²⁹ <http://www.epo.org/about-us/annual-reports-statistics/statistics/filings.html>

teaching methods to promote the students' individuality and student-teacher teamwork, etc. All these measures will further be supported by the Scholarship programme (e.g. work placements, developing new teaching methods, school development plans, sharing best practices with colleagues abroad, etc).

The overall objective of the Research Cooperation programme is enhanced research-based knowledge development in Estonia through enhanced research cooperation between Norway and Estonia. The programme will strengthen bilateral relations with the aim of stimulating long-term cooperation, capacity and competence-building.

R&D activities carried out in Estonian research institutions are often incompatible with the needs of Estonian enterprises. Enterprises' innovation spending is aimed rather at improving the manufacturing process, not product development. Therefore, the focus should continue to be on the transfer of knowledge and on the networking of research and business and the links connecting them (consultants). At the same time, attention should also be paid to the capacity of Estonian research institutions to participate in finding solutions to global challenges, e.g. in the spheres of energy, healthcare and the environment, which are so complex that no country would be able to solve them efficiently in isolation. It is necessary to ensure that Estonia can share the results of solving the 'large problems' and have better prospects to apply them for the benefit of the country's economy and society.

Now that among a large number of good quality projects 3 are selected for financing in the field of Environment and Biosciences, 2 in Physical Sciences and Engineering, 2 in the field of Health and 6 in the field of Culture and Society, we can expect evident contribution to the objectives of the Estonian RD&I Strategy 2014-2020. The joint projects are expected to result in high-quality joint scientific publications and to support the PhD students in their studies. In general, the programme is expected to contribute especially to the achievement of two aims of the Estonian RD&I strategy: that research is of high quality, that Estonia is an attractive place for R&D and that the career of a researcher is a popular choice; and that Estonia is active and visible in international co-operation in the field of RD&I.

2.1.3 Justice and home affairs

The programme area contains one programme financed from Norway Grants: Domestic and Gender-based Violence.

a) Contextual Trends

Despite the Estonian government's clear commitment and concern, gender-based violence and trafficking remain grave challenges for the Estonian society. Domestic violence is widespread but tends to go unrecognised, and the lack of specialist knowledge and research on the issue limits the government's possibility to tackle the problem efficiently.

However, the number of reports to the police about domestic violence has been growing, there were over 11 000 reports to the police on the cases of domestic violence in 2013, which is 16% more than in 2012 and 36% more than in 2011. There were 143 cases in 2012 compared to 91 cases of rape in 2011.

Despite an increase in support services, improved training for professionals, there is still lack of effective measures of prevention resulting in lack of awareness raising activities that target general population with the aim to prevent violence.

During the first steps of implementing the programme, a stronger need to address sexual violence issues was realized. There were 363 cases of sexual violence reported to the police in 2013, incl. 135 cases of rape. 79% of the victims were under 18 of age. A large proportion of rapes are committed by a person close to the victim. Still a large number is believed to go unreported. Thus preventive measures are highly needed to break the cycle of violence. In addition to general awareness raising and zero-tolerance of gender-based violence the Ministry of Justice, the Ministry of Social Affairs and the Ministry of Interior will focus specifically on rape and sexual offences against women in 2014.

The hotline services 1492 for the victims of gender based violence that are now available 24 hours and the risen quality of services for labour trafficking victims through anti-trafficking hotline services are the signs of progress in the field.

Places in women's shelters available for victims of domestic violence	2007	2008	2009	2010	2011	2012	2013
	79	110	125	116	115	118	135
Number of victims of human trafficking helped in rehabilitation centres		55	78	57	56	22	22
Number of victims of exploitation in prostitution helped in rehabilitation centres						150	233

Source: Ministry of Social Affairs

b) Norway Grants' contribution

With the contribution of Norway Grants it is aimed at raising the awareness among general population with regard to domestic and gender-based violence as well as raising the quality of the services offered to the victims in addition to developing specialised services for victims of sexual exploitation.

As one of the key issues for tackling gender-based violence is the availability of statistics and general information on the extent of the subject, the surveys carried under the programme are most needed.

A study measuring victims' awareness on services available was carried out by Estonian Women Shelters Union's pre-defined project in 2013. The results of the study will be published on the website of the programme and the pre-defined project in the first quarter of 2014 at www.naisteliin.ee.

The survey to measure awareness and attitudes of the general population about gender based violence and trafficking in human beings at the beginning of the programme was prepared in the second half of 2013 and will be carried out in 2014.

To highlight the achievement to date Estonian Women's Shelters Union has been able to increase the number of victims supported, service description and common quality requirements

for all women's shelters in Estonia have been made and a conference "Men talking about violence against women" that got a wide media coverage took place. In addition the shelters' and hotline service staff as well as the psychologists and lawyers have regular in-service training to ensure better teamwork and improved knowledge base to provide good quality assistance and support to victims of gender-based violence and domestic violence.

NGO Living for Tomorrow as the pre-defined project promoter has disseminated information on human trafficking issues through media, seminars and lectures held.

Until now, Estonia has mainly dealt with consequences of domestic violence. Now, with projects implemented under Norway Grants support and know-how is offered to move towards prevention.

2.1.4 Human and social development

The priority sector contains two programmes – Mainstreaming Gender Equality and Promoting Work-Life Balance and Public Health Initiatives.

a) Contextual Trends

Social cohesion indicators in Estonia are considerably lower than in Northern and Western Europe. The low status of certain social groups (e.g. disabled people, the elderly, ethnic minorities) and their limited involvement in community life shows social inequalities in the society of Estonia. It is important to guarantee that the society of Estonia is tolerant and that the principles of equal treatment are adhered to.

The Estonian Human Development Index's rank is 33 according to Human Development Report Office as of 2012, compared to 34 in 2011.³⁰

The Estonian society has historically been very traditional and gender roles, which existed in the past, have to some extent remained to this day. According to Eurostat, Estonia has the highest gender pay gap in Europe, as a result of which women face limited opportunities in the labour market, limited access to power and management and difficulties balancing family and work. Possibilities for flexible working arrangements are limited and awareness on gender equality among citizens and professionals is generally low. One of the many factors behind the large gender pay gap is also the high level of the labour market's horizontal segregation.

³⁰ <http://hdr.undp.org/en/statistics/hdi>

Horizontal segregation; Objective for 2014 – 24,8% and for 2015 – 24,7%	2007	2008	2009	2010	2011	2012	2013
	26,1%	25,8%	25,4%	25,7%	25%	25,2%	
Gender pay gap³¹	30,9	27,6	26,6	27,7	27,3	30	* ³²

Source: Ministry of Social Affairs & Eurostat

The area where Estonia shows poorest results in EEA and where the disparities between Estonia and western and Northern Europe are biggest is health. Although life expectancy (and the number of healthy life years) is rising, it is still considerably below the EU average. The large gender gap in life expectancy (in favour of women by almost 10 years) attracts attention, and the regional differences in life expectancy are also remarkable.

Achievement of indicators	Achievement				Target in State Budget Strategy 2014-2017		
	2010	2011	2012	2013	2012	2013	2015
Indicator							
Life expectancy for men, years	70,9	71,4	71,4	? ³³	71,2	71,6	72,5
Life expectancy for women, years	80,8	81,3	81,5	?	81,2	81,5	82,2
Healthy (without limitations) life expectancy for men, years	54,1	54,3	53,1	? ³⁴	56	56,3	57,1
Healthy (without limitations) life expectancy for women, years	58,2	57,9	57,2	?	60,5	61	62

Source: Eurostat³⁵

The main focus of the Public Health Initiatives programme is improving the field of children's mental health in Estonia. The health system performance assessment in Estonia showed that mental health problems have been the leading cause slowing life expectancy and the largest cause of long-term incapacity to work. Therefore earlier interventions of mental health problems are important steps to take.

There have been important developments in policy areas closely related to the programmes:

³¹ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_gr_gpgr2&lang=en

³² According to Statistics Estonia was gender pay gap in 2011 – 22,9; 2012 – 24,6; 2013 24,8.

The gender pay gap is influenced by the rises and falls in the gross hourly earnings of male and female employees in different economic activities, and by the level of hourly earnings of engaged and left employees. On the one hand, the gender pay gap increased slightly in 2013; on the other hand, the share of male employees among all employees fell from 48% in 2012 to 47% in 2013. Statistics Estonia and Eurostat use a different methodology to calculate the gender pay gap. The gender pay gap published by Eurostat does not take into account the indicators of enterprises and institutions with fewer than 10 employees; it also excludes the earnings of employees in agriculture, forestry and fishing and in public administration and defence. With Eurostat's methodology, the gender pay gap in Estonia is one of the biggest in the European Union (30% in 2012). According to Statistics Estonia, the gender pay gap in Estonia in 2012 was 24.6%, taking into account all enterprises and institutions and all economic activities.

³³ Data for 2013 will be available from September 2014.

³⁴ Data for 2013 will be available from June 2014.

³⁵ <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdph100&language=en>

- In the second half of the reporting period, the Gender Equality Council, as set forth in § 24 of the Estonian Gender Equality Act was established and met for the first time.
- Estonian Mental Health Coalition was formed in the end of 2013. It is gathering several organizations in the mental health field and aims to support mental health promotion in Estonia and also will give an impact for policy making in the mental health field.

b) Norway Grants' contribution

The programme Mainstreaming Gender Equality and Promoting Work-Life Balance aims to increase awareness on gender equality, promote research in the programme areas, improve the balance between work and private life responsibilities for members of society, and strengthen the capacity of organizations and networks active in the programme areas. Taking into consideration that the unadjusted gender pay gap is remarkably higher in Estonia than in the EU 27 on average, then one of the objectives to increase women's possibility to achieve a higher position in their working life combined with the pre-defined projects' aim to enhance protection against discrimination and raise awareness on gender equality is expected to have a considerable impact on the change in belief, respective behaviour and as a result the level of income could be more even.

With only one year of active implementation behind, the programme is on target to achieving the expected outcomes. That is, the employment rate of women with children under the age of three has climbed over the anticipated 30% mark and the general number of people who agree that a society in which men and women are equal is a good society, is on the rise as well. Seeing as the implementation of the programme is in its early stages, the positive shifts in outcome indicators have to be attributed to forces external to the programme, thus changing the indicators to be more ambitious is under consideration.

The Public Health Initiatives programme has an undoubtedly substantial value to the health policy field, especially since the specific area of mental health in Estonia has the biggest gaps in financing and lack of integration of relevant other sectors and services. The value added through Norwegian experience in implementing integrated services (cooperation between social, health and education sector) gives an important input to the policy field development.

At the moment it is still too early to evaluate the progress made, but taking into account that the programme is tailored with the focus on early detection and interference, it could be presumed and expected that the programme will contribute to public health improvement and reduced health inequalities between Estonia and the donor states as well as support children with specific needs.

2.2 Bilateral relations

The development of bilateral relations has been fostered throughout the implementation of the Grants on all levels by the National Focal Point and the Programme Operators with great assistance from the Donor Programme Partners and the Royal Norwegian Embassy in Tallinn.

Extent of cooperation, improved knowledge and mutual understanding

Many of the programmes financed from the Grants deal with reducing social inequalities in different funding areas on local and regional level, however in general, the local governments are

not the main target group that is seen as Project Promoters, but rather as beneficiaries. So as to introduce the programmes and the experience of the donor states in these areas on local level, as well as to increase the synergy between different programmes, the National Focal Point in cooperation with the Norwegian Embassy in Tallinn, the Association of Estonian Cities, the Association of Municipalities of Estonia and the Norwegian Association of Local and Regional Authorities organised a regional cooperation conference that took place on 15 March in Pärnu, Estonia. The conference aimed at introducing the financing possibilities from the EEA and Norway Grants, stressing the possibilities of co-operation within Estonia and with partners from Iceland, Liechtenstein and Norway and served as a kick-off conference for the local governments and organisations acting at local level before active launch of the programmes. Around 150 people took part of the conference, including 12 guests and speakers from Norway and three guests and speakers from Iceland. The first part of the conference focused on giving a broader picture of the regional and municipal level in Estonia, Norway and Iceland and how the Grants can support the local and county governments. The second part of the conference consisted of thematic seminars, where the management of topics of 1) Children at risk / mental health / domestic violence, 2) Planning of nature reserves and its bordering areas based on the example of Soomaa and Hardangervidda and 3) Possibilities for cooperation between NGOs and municipalities at local level were actively discussed, emphasizing co-operation of local governments and NGOs, as well as cooperation with the donor states.

The feedback from the participants was very good. It can be said that the conference received the attempted attention at local level, since in many of the calls for proposals under the programmes, local governments have taken part as either applicants or project partners and many of them in cooperation with local NGOs. Some of the organisations from the donor states that took part in the conference have been involved as partners in some calls, which means that contacts have been made and even if the submitted projects will not receive funding, the cooperation may still continue.

On the programme level, during 2013 fruitful cooperation between Programme Operators and Donor Programme Partners continued. The Donor Programme Partners have played an active advisory and supporting role, contributing to the programme preparation and implementation with practical advice. They have an overview of relevant players and stakeholders in donor states as well as in their extensive international network and they have provided valuable help in facilitating cooperation between donor states (mainly Norway) and Estonia, matching and finding suitable project partners from donor states to the Project Promoters of pre-defined projects and potential open call applicants as well.

As mentioned earlier, after the regional conference active launching of programmes with bilateral elements started, which followed by different match-making events. Within all programmes, except the Research Cooperation programme, which already had already profited from a very successful match-making event held in the end of 2012 receiving an enormous amount of excellent partnership project proposals, launching events with representatives from the donor states and more targeted match-making events and study tours were carried out. In most cases more than one event per programme has been organised, which means that once a contact between the Estonian and Norwegian (also Icelandic) organizations was established, the applicants and Project Promoters had the opportunity to meet in the context of next event to further work on projects/cooperation ideas. In many cases, the bilateral funds at programme level contributed to that with allocating useful seed money to applicants and Project Promoters for the search of partners and development of project ideas.

Over the course of the reporting period, emphasis was put on fostering cooperation between institutions at different levels in the public and private sector and in the civil society with the aim of general exchange of knowledge, understanding, and increasing the local target groups' awareness in different programme areas.

The match-making events and study tours have resulted in a lot of good feedback from participants saying that the events have been systematic and exactly according to the target, the most useful information has been shared and useful new contacts have been offered, speeding up the process to reaching the objectives. To illustrate that, in the case of the Green Industry Innovation programme, one of participants of the study tour organised by the Programme Operator said that two potential partners and two real business leads were found and that work to transform these leads into business has started.

As a result of the selection processes in different programmes, several projects with partners from Iceland and Norway were awarded grants.

Shared results and wider effects

Owing to still being in the preparation phase of starting with active implementation of the projects, an exhaustive list of shared results and wider effects cannot yet be presented. However, considering the list of projects that have been awarded grants within the programmes, a lot of shared results can be expected to be achieved by the completion of the projects. For example, in the Scholarship programme, six jointly developed products are expected to be ready by the end of the projects, among them sustainable school policy documents, study kit for teachers, study materials integrating mathematics to vocational studies (in the field of carpentry and design), and study material for starting environmentally oriented student companies. It can also be presumed that the cooperation of Norwegian and Estonian research institutions will lead to wider effects such as future cooperation in other projects, connections with professional networks, increased access to participation in the initiatives at the European/international level.

Furthermore, even if there are not many shared results or wider effects to be mentioned yet, there is already some proof that by the completion of the programmes quite a fair amount of them may be listed. For example, Estonian experience in the improvement of Estonian manor schools with the help of the EEA Grants was chosen as a highlight of the European Heritage Days 2013 in Latvia. Also, as an initiative of the Norwegian Mental Health Coalition, the Estonian Mental Health Coalition was officially formed on 11 November 2013, the goal of which is to gather organizations in the mental health field, promote mental health well-being among people in Estonia and support and influence policy making on mental health.

Based on the existing experience of success of the cooperation fostering events, which already have expanded the extent of cooperation, improved knowledge and mutual understanding between Estonian and donor states' institutions and the perspective of indicated shared results based on the open calls' results, the outlook of meeting the overall objective of the Grants to strengthen bilateral relations between the donor states and Estonia is very likely to be met.

3 REPORTING ON PROGRAMMES

3.1 Overview of Programme status

	Programme	Open calls launched/closed	Commitments made by PO ³⁶	Disbursements made by PO ³⁷
EE06	Norwegian-Estonian Research Cooperation	1	1 393 624 46%	126 416 4%
EE07	Green Industry Innovation	3/2	3 391 631 57%	344 681 6%
EE08	Public Health Initiatives	3/2	6 583 000 74%	122 046 1%
EE09	Mainstreaming Gender Equality and Promoting Work-Life Balance	2/2	1 047 792 52%	47 872 2%
EE10	Norwegian-Estonian Scholarship Programme	3/2	535 599 ³⁸ 33%	61 709 4%
EE11	Domestic and Gender-based Violence	2/2	1 393 624 70%	98 123 5%

3.2 Individual Programme summaries

3.2.1 Norwegian-Estonian Research Cooperation Programme

The programme has two expected outcomes and under both two outputs:

1st expected outcome: “Increased research cooperation between Norway and Estonia” and its outputs:

- Cooperating research institutions
- Cooperating researchers

2nd expected outcome “Strengthened research capacity in Estonia and increased application of research results through research cooperation between Norway and Estonia” and its outputs:

- Experts visits to Estonia
- Staff exchange visits to access unique facilities or training opportunities

One single call for proposals was launched with the deadline in March 2013 to achieve both outcomes. Proposals for projects were invited in all areas of research. However, the call was limited for donor partnership projects only. 170 applications were submitted and as a result of a very tough competition, 13 excellent projects received the grant in four general areas as follows: culture and society – 6; environment and biosciences – 3; physical sciences and engineering – 2; health – 2.

³⁶ According to the Structural Funds Operating System

³⁷ According to the Structural Funds Operating System

³⁸ Together with the EEA Scholarship Programme

The first projects started only in September 2013 and therefore it is too early to present the achievements of the programme. However, as there will be no more calls for proposals, it can be forecasted that all the target values of the outcome and output indicators agreed in the programme agreement will not be fully achieved by the end of the programme. One of the biggest reasons behind this outlook is that the maximum grant per project was raised at a later stage from initial 200 000 to 300 000 Euros and it was possible to finance less projects, but the indicators remained as planned earlier. So the discrepancy does not lie behind the implementing the projects or programme as a whole. Still, based on the granted projects' proposals it can be said that the programme will certainly contribute to the development of human resources and will strengthen bilateral relations with the aim of capacity and competence building. For instance, the projects will involve Master's and/or PhD students, and researchers plan to visit partner institutions to share best practices and learn from each other. Further and more qualitative data about the progress will be available towards the end of the programme (staff exchange/experts' visits, methods acquired, publications, joint proposals).

Since the call for proposals has successfully been carried out and the eligibility period for research projects was extended so that all projects can last the needed three years, no major risks, which could affect meeting the expected outcomes are foreseen.

Within the fund for bilateral relations at programme level it was planned to organise a match-making event before the launch of the call for proposals. The event was organised with great success in September 2012, although because the programme was not approved yet the costs of the event were covered from the Fund for Bilateral Relations at National Level. In addition to that, the researchers from Estonia and Norway could apply for a grant from the Norway/EEA Scholarship programme to organise a preparatory visit before the submission of the project proposal, which was a great support for holding negotiations and preparing the project proposal together.

The funds for bilateral relations at programme level were not used during the reporting period. Capacity building activities are planned to be organised in 2014 and 2015.

As to horizontal concerns none of the topics of the financed projects deals especially or directly with the horizontal concerns, but may have broader connections to these issues. For instance, there are six projects in the field of social sciences/humanities and one of the projects focuses on migration. Still, the projects are in the stage of starting up and have not reported on progress yet. Thus, it is too early to tell how the research teams themselves relate their project and research topic to horizontal concerns.

3.2.2 Green Industry Innovation

The programme has one expected outcome and three outputs under it:

Expected outcome: “Realisation of the business opportunities of greening of the European economy” and its outputs:

- Improvement of processes and smart solutions with ICT
- Development of innovative services for citizens and businesses with ICT
- Green business ideas developed and assessed

From March till October 2013 a small grant scheme was open with the aim of supporting green business ideas' development and assessment along with the search for partners. 42 small scale projects were supported and many of the assessed ideas were developed into actual project proposals for submitting to the calls for proposals.

Both calls for proposals planned within the programme were launched during 2013. The first call was open from April till August and the second one was launched in November with the closure date in February 2014. By the end of 2013 six projects were decided to finance under the 1st open call.

Although the small scale projects contributing to the output "Green business ideas developed and assessed" were almost all completed during 2013, reporting on results is ongoing and the actual input to the achievement of the output can be assessed in upcoming years. Nevertheless, based on the financing decisions made so far, it can be predicted that all indicators' targets will not be met. The reason behind it is that the amounts of grants awarded per project are in average higher than initially planned and consequently it was possible to finance fewer projects.

In addition to that, when reviewing the indicators it turned out that it could be reasonable to change the wording of chosen standard outcome indicators so that the indicators would better reflect the actual results. The issue is elaborated in the annual programme report in more detail.

Despite the anticipated smaller number of financed projects the outlook of programme's contribution to the expected outcome is optimistic and no major risks that could endanger meeting the expected outcome are foreseen.

As a supplement to the small grant scheme, in order to foster bilateral cooperation and support the development of partnership, two match-making seminars/study tours were carried out. Activities included visiting companies in Norway, experience sharing, match-making between Estonian and Norwegian companies and the creation of a basis for networking. First match-making seminar/study tour took place in March to Trondheim, second in October to Oslo, involving altogether 29 Estonian companies and 27 relevant Norwegian entities (incl. companies, clusters, state agencies). Overall participants' feedback was very positive.

The programme does not particularly address the horizontal concerns.

3.2.3 Public Health Initiatives

The programme has four expected outcomes and under each up to three outputs:

1st expected outcome: "Improved mental health services" and its outputs:

- The infrastructure for Tallinn Children's Mental Health Centre is built and taken into use
- The rehabilitation services for children with severe mental health problems are developed and provided in community residential setting
- The plan for integrated services to improve children's mental health

2nd expected outcome "Improved access to and quality of health services, including reproductive and preventive child healthcare" and its outputs:

- Service network for provision of integrated social, education and health services for children with mental health problems created

- Web-based information sources and counselling services are provided on mental and reproductive health

3rd expected outcome “Life-style related diseases prevented or reduced” and its outputs:

- Social marketing campaigns on healthy lifestyles (especially regarding alcohol and tobacco)
- Substance-abuse guidelines for local governments developed and disseminated
- Training on health in all policies in non-health sectors

4th expected outcome “Improved prevention and treatment of communicable diseases (including HIV/AIDS and TB)” and its outputs:

- Communicable disease surveillance in detention institutions increased
- Training materials and training on infectious disease prevention in detention institutions is developed and provided to contact persons of inmates
- Increased coverage with Hepatitis C treatment in detention facilities

Implementation of all four pre-defined projects has started and also all planned three open calls (one of them with two sub-components) were launched during 2013. Based on the objectives of pre-defined projects and the projects selected from two open calls the outlook of achieving the outcome indicators’ targets of the 1st, 2nd and 4th outcomes by the end of the programme is positive.

Grant decisions concerning the last open call applications will be done in the second quarter of 2014. The projects of this call are foreseen for contributing to the outcome “Life-style related diseases prevented or reduced”.

Since the implementation of projects started only in 2013, the period of operation has been too short for providing any evidence of achieved outputs.

Although the start of the implementation of the programme has been smooth, due to longer programme proposal assessment period than expected, discrepancies between planned and actual schedule occurred and the tightened time schedule can be seen as a major risk factor affecting the programme activities and through it meeting the outcomes. Another factor affecting the implementation process is the loss of know-how when people resign. For instance, in the pre-defined project “Developing and piloting the rehabilitation services for children with severe mental health problems” one of the target groups was initially omitted because some people resigned from office and project information was not forwarded to the new people in due time. Hence, the process of developing service descriptions was extended and the tender for contracting service providers was announced later than initially planned. However, with one full year of implementation behind and two years still ahead, the risk that the programme will not accomplish the expected outcomes is generally low as the programme team in the PO has proven to be fast and proactive.

Within the fund for bilateral relations both possible measures - for search for partners and for networking, are being implemented.

Before announcing the open calls, the Programme Operator organized one contact seminar in May and one in October. At the seminars several Norwegian experts introduced their experience in the field related to the open call goals. Experts represented the Norwegian Directorate of Health, the University of Tromsø, the Centre for Child and Adolescent Mental Health Eastern

and Southern Norway, the Betzy Krisesenter, the Nordic Baltic Organisation for Professionals working with Children and Adolescents, etc. Besides sharing the experience, direct contacts between Estonian and Norwegian experts were established, which in some cases have realised as co-operation within the projects.

In addition to that, potential Project Promoters were encouraged to apply from the fund for bilateral relations to find project partners from Norway for developing project proposals under the 3rd open call. Two applications were submitted and both got granted.

The Programme Operator is constantly facilitating networking with Norwegian institutions by providing additional funding to Project Promoters for bilateral activities.

As to horizontal concerns, the programme addresses directly the well-being of vulnerable groups like children and youth with mental health problems and also inmates. Children with mental health problems often suffer from other related problems like school violence, child abuse and domestic violence. There is also a big Russian population in Estonia and the programme aims to develop services available for the Russian population in Russian. All these concerns are taken into consideration when developing new services and improving access to the mental health services and improving treatment and prevention of communicable diseases in prisons.

3.2.4 Mainstreaming Gender Equality and Promoting Work-Life Balance

The programme has three expected outcomes and under each up to three outputs:

1st expected outcome: “Awareness raised and research on gender issues promoted” and its outputs:

- High-quality, comprehensive and sustainable systems for promoting gender equality developed and implemented
- New concept for gender pay gap statistics in place
- Enhanced capacity of Gender Equality and Equal Treatment Commissioner to protect against discrimination and help obliged actors to mainstream gender in their core work

2nd expected outcome: “Balance between work, private and family life improved” and its outputs:

- Research- based concepts for promoting balance between work, private and family life developed
- Employee and family friendly social and working environment promoted

3rd expected outcome: “Capacity of gender equality organisations and networks strengthened” and its outputs:

- Gender equality organisations and networks have improved awareness and better cooperation on gender equality and gender mainstreaming measures
- Work-life balance measures supported

Shortly after the Programme Operator began working on implementing the programme, the two pre-defined projects started their implementation and despite being affected by the general delay in the programme implementation, both projects are on target to meet their objectives.

Following a successful joint opening conference with the Domestic and Gender-based Violence programme on 4 April, the Programme Operator launched two calls for proposals on 29 May. The calls resulted in the selection of two projects under each call, three of them being partnership projects between Estonian and Norwegian entities. One of the three is between organizations in the public sector and thus contributes directly to the achievement of the programme's bilateral outcome of securing two partnership agreements in the Estonian public sector fairly early in the implementation process. Contracts between the Programme Operator and Project Promoters are expected to be signed by the end of the first quarter of 2014.

Due to the general delay in the implementation of the programme as a whole, a full-time project manager for the small grant scheme was hired in December, which is also when the planning for the detailed implementation of the small grant scheme began. The Programme Operator is planning on launching the call under the small grant scheme in the first quarter of 2014.

With only one year of active implementation behind, the programme is on target to achieving all the expected outcomes.

To a certain extent, the programme addresses the majority of horizontal concerns related to fundamental values such as promoting tolerance, multicultural understanding and respect for the rights of minorities. The most immediate effect of the programme is the awareness that will be generated among both policy-makers and the public on not just gender equality, but on a variety of contemporary forms of intolerance. On a policy-level, the programme complements the effective implementation of the two fundamental tools to eliminating intolerance and creating a basis for equality in the Estonian society on the whole: the Gender Equality Act and the Equal Treatment Act.

Close to a third of the programme's budget is directed towards enhancing the capacity of the Gender Equality and Equal Treatment Commissioner. The Commissioner is the main body in Estonia responsible for investigating discrimination cases on the grounds of gender, nationality, race, religious beliefs, disability, age, and sexual orientation. Enhancing the Commissioner's role as the promoter of equality prevents gender and multiple discrimination, assists policy-makers in the creation of anti-discriminatory policies, increases the general public's awareness, and aids members of the populace in case of actual discrimination. By increasing the effectiveness of legal protection against discrimination via raising the general public's awareness on their own rights and helping victims of discrimination through complex legal cases, increasing the capacity of the officials assisting discrimination victims, intensifying the promotion of gender equality and enhancing mainstreaming gender into policies and practises by various actors (especially in the public sector), the awareness of different actors on issues of gender equality and the prohibition of discrimination and prevailing structural gender inequalities in the society will substantially improve.

3.2.4 EEA and Norwegian-Estonian Scholarship Programme

The programme has two expected outcomes and under up to three outputs under these:

1st expected outcome: “Increased and strengthened institutional cooperation at all levels of the education sector (school education, higher education, vocational training/education and adult education) between Estonia and EEA EFTA States” and its outputs:

- Inter-institutional cooperation projects in the upper secondary education sector between Estonia and EEA EFTA States
- Increased mobility for staff related to the inter-institutional cooperation projects at upper secondary education level
- Preparing and working on innovative measures in teaching process (as the result of the cooperation projects)

2nd expected outcome “Increased higher education student and staff mobility between Estonia and Norway” and its outputs:

- Increased HE student mobility between Estonia and Norway through different types of mobility
- Increasing staff mobility between Estonia and Norway through different types of mobility

During the reporting period three calls for proposals were launched. The calls for Measure 2 – “Mobility in Higher Education” and for Measure 5 “Cooperation Projects at Upper Secondary Level” were announced in February with an application deadline in April. The call for Measure 2 was extended until November. The call for Measure 1 – “Preparatory visits” was announced in January 2013 with a rolling deadline.

The number of applications submitted under the calls for Measure 5 and Measure 2 was low. Seven applications were received and all of them were decided to finance under the call for mobility projects. The number of people planned to be involved in mobility is 60 in total: 26 students and 34 staff members. Under the call for cooperation projects three applications were received and all received the grant.

Under the call for preparatory visits 30 applications were received in total and 23 applications were approved and financed during 2013. 17 were submitted by the researchers from Estonia and Norway to meet the project partners and to prepare the project proposals for the Norwegian-Estonian Research Cooperation programme, which shows a strong linkage between the two programmes.

The mobility projects will contribute to the increased higher education student and staff mobility between Estonia and Norway. The topics of the cooperation projects cover areas such as teaching natural sciences, developing sustainable school policy and fostering environmental thinking, which are the priority topics of the programme. All the financed projects are expected to contribute to reaching the outcomes and general objective of the programme.

In order to mitigate the risk of receiving low number of applications within the calls for proposals to be carried out in 2014, more effort in information and publicity activities was put and inter alia an additional match-making/information event was organised in November 2013.

None of the topics of the financed projects deals especially or directly with the horizontal concerns, but may have broader connections with these issues. For instance, one of the cooperation projects implemented by Viimsi Secondary School and the Comprehensive Secondary School of Armuli (Iceland) develops sustainable school policy, which focuses among other issues on pupils’ and teachers’ understanding in democracy and human rights, welfare, health and cultural diversity.

3.2.5 Domestic and Gender-based Violence

The programme has two expected outcomes and under each up to five outputs:

1st expected outcome: “Gender-based violence reduced” and its outputs:

- Estonian Women’s Shelters Union is creating more effective services for victims of gender-based and domestic violence and raising the skills and knowledge of specialists working with victims of violence
- Awareness-raising activities for general public implemented
- Improved knowledge and data on sexual and gender based violence, including trafficking
- Strengthened capacities of NGOs to tackle GBV

2nd expected outcome: “Victims of trafficking supported” and its outputs:

- Anti-trafficking hotline operated by the NGO Living for Tomorrow supported to provide better services
- New services for victims of sexual exploitation, provided by NGO Eluliin
- Awareness-raising activities for general public implemented
- Strengthened capacities of NGOs to tackle human trafficking
- Research in place on trafficking in human beings.

In order to move towards achieving the expected outcomes of the programme, three pre-defined projects started implementing their activities since March and by the end of 2013, a clear progress in all planned activities and thus moving towards achieving the planned results can be seen.

Two calls for proposals were launched in May to find projects that would raise awareness in the society regarding gender based violence and human trafficking and would develop new services for victims. By the deadline, six applications in the field of domestic and gender-based violence and two applications in the field of human trafficking were submitted. As a result of the selection process one grant was allocated to tackle domestic and gender-based violence. No funding was given out under the call for human trafficking projects, because the two submitted projects were not sustainable in the long run and would not have enabled to meet the programme’s expected outcomes. Therefore, an additional call with an increased focus on sexual violence was launched at the end of 2013. The projects will be selected at the beginning of 2014.

Due the general delay in the implementation of the programme as a whole, a full-time project manager for the small grant scheme was hired in December, which is also when the planning for the detailed implementation of the small grant scheme began. The Programme Operator is planning on launching the call under the small grant scheme in the first quarter of 2014.

The Donor Programme Partner, the Norwegian Directorate of Health played an active role during the launch and implementation of the programme in the reporting period, providing technical expertise, relevant contacts and information of the field on programme level and advice on how to facilitate contacts with potential Norwegian project partners. During 2013 much emphasis was placed on promoting cooperation between institutions and experts at different levels in the public sector and between non-governmental organisations. Emphasis was also placed on the general exchange of knowledge, understanding and public awareness about domestic and gender-based violence in Norway, good practices to be shared and lessons to be learned from there. Contact making between the applicants and potential project partners was

facilitated by inviting Norwegian experts to the opening conference in April and also to two information seminars for potential applicants in June and August.

The programme as a whole is addressed to combating the horizontal concerns of violence against women, sexual harassment and trafficking. The areas are increasing areas of concern and grave challenges for the Estonian society, both tending to be unrecognized and thus a great emphasis of the programme is put on raising the awareness of the general public of the areas. In order to measure the initial baseline, two surveys were started in 2013 with published results in 2014. The results will be measured through similar surveys at the end of the programme.

In addition to raising the awareness on the concerns, the programme also aims to tackle them through funding the development and improvement of services for victims of domestic violence, sexual exploitation and trafficking, while strengthening cooperation between relevant institutions to secure an integrated approach.

With its activities, the programme also complements and gives additional value to improving the situation of gender equality in Estonia.

4 MANAGEMENT AND IMPLEMENTATION

4.1 Management and control systems

The management and control systems of the National Focal Point, the Certifying Authority, the Audit Authority and the entity responsible for the preparation and submission of irregularities reports that were set up in the first half of 2012, and submitted to Financial Mechanism Office together with the opinion of the Audit Authority in September 2012 remained in place in 2013. The Financial Mechanism Office acknowledged the receipt of the description of the management and control systems with its letter from March 2013.

In 2013, a need to merge the functions of the Managing Authority and the Paying Authority appeared in the implementation system for the EU Structural Funds in order to reduce the administrative burden and simplify the system. Such request was sent to the European Commission together with the opinion of the Audit Authority based on its audit that there is no functional risk in these changes. It is expected that the European Commission will approve the changes in the beginning of 2014. Since the implementation systems of the EU Structural Funds and the EEA and Norway Grants have a similar structure, where similar tasks are carried out within the same bodies, the need for the National Focal Point to take over the functions of the Certifying Authority and the functions of the national public entity responsible for the preparation and submission of irregularities report rose as well. Consequently, the Ministry of Finance requested with its letter of 16 December from the Donors to take use of the option provided in the Article 4.2.3 of the Regulation, which states that it may be decided in the Memoranda of Understanding that the National Focal Point takes on the tasks of the Certifying Authority.

At the programme level, setting up of management and control systems was started for all programmes. In order to receive clear and precise management and control system descriptions on time, the National Focal Point organised a training for all the Programme Operators and Implementing Agencies, introducing the recommendations for setting up the implementation systems and guidelines prepared for the Structural Funds implementation system. In addition to that, the National Focal Point and the Certifying Authority compiled a check-list for the detailed descriptions of the management and control systems of the Programme Operators that was based on the Structural Funds implementation system and was supplemented with the requirements of the Regulation. The check-list was made available for the Programme Operators for self-check and was used by the National Focal Point when reviewing the submitted descriptions of the management and control systems.

The internal deadline for Programme Operators to submit their descriptions of the detailed management and control systems to the Ministry of Finance was 15 November. However, only one description was received on time, the others were delayed. As assuring the quality of management and control systems has been a priority, the consulting process between the National Focal Point and Programme Operators before submitting the management and control system descriptions to the Audit Authority took slightly longer time than expected.

By the end of 2013, the descriptions detailed management and control systems of the programmes EE05, EE06 and EE10 were reviewed by the National Focal Point and submitted to the Audit Authority for its compliance assessment. In the opinion of the National Focal Point, the descriptions of the systems that were submitted to the Audit Authority were clear and considering the submission

of different documents to the Ministry of Finance it can be said that the processes described are in place and working.

4.2 Compliance with EU legislation, national legislation and the MoU

Legal basis

The Memorandum of Understanding on the implementation of the Norwegian Financial Mechanism 2009-2014 between Estonia and entered into force on 8 June 2011, and the legal framework of the financial mechanism based on the memorandum serves as the main legal basis for implementing the Norway Grants and are followed by the Estonian state. According to the changes described in the paragraph 4.1, the Annexes to the Memorandum of Understanding are planned to be changed in the beginning of 2014.

Since implementation agreements between the National Focal Point and the Programme Operators cannot be signed due to provisions in the Estonian legislation, a Government of the Republic of Estonia Decree “The rules and procedures for application for and implementation of the grants from the EEA and Norwegian Financial Mechanisms 2009-2014” for the establishment of the rules and procedures for application for and implementation of the grant from the EEA and Norwegian Financial Mechanisms 2009-2014 was prepared by the Ministry of Finance at the end of 2012 and entered into force 1 June 2013. The Government of the Republic decree provides a legal basis for the Programme Operators to implement the programmes and delegate their duties to other implementing institutions. The decree also provides rules on payment of grant, the suspension and refusal of payments, reclamation and repayment of the grant, monitoring, audit, publicity and reporting.

In addition to that, the Government of the Republic of Estonia Decree No 278 “Reclamation and Repayment of Grants and Rules and Procedures for Reporting on Irregularities in Awarding and Using the Grants” of 22 December 2006, which stipulates the requirements for informing about irregularities or fraud and conditions for repayment of the financial support, is currently being updated according to the needs for implementing the Grants. The updated Decree is expected to enter into force in the third quarter of 2014.

When reviewing the programme documents (open call criteria, draft agreements etc), special attention has been paid by the National Focal Point to assuring compliance with the legislative framework inter alia the compliance with Community Policy (state aid, public procurement, programme area specific directives).

State aid

In order to make full use of available expertise, the National Focal Point as well as the Programme Operators have had several consultations on state aid with the Public Procurement and State Aid Department of the Ministry of Finance. In some calls, the possibility of granting either state aid or de minimis aid was identified.

The grant given in all the calls under the Green Industry Innovation programme is either de minimis aid, aid for research and development or aid to young innovative enterprises.

In the call for web-based information sources and counselling services on mental and reproductive health and the call for social marketing campaigns on healthy lifestyles and training on health in all policies in non-health sectors under the Public Health Initiatives programme, it was identified that the grant given may be considered to be de minimis aid.

In the call for development projects under the Cultural Heritage programme, it was also identified that the grant given may be de minimis aid.

In all actual cases, relevant measures were taken i.e. the budgets of the projects were reviewed and related conditions were included in the project contracts.

Regarding all possible and actual cases of either de minimis aid or state aid, the Public Procurement and State Aid Department of the Ministry of Finance has been and will be consulted. Information on de minimis aid previously granted to Estonian applicants has been and will be checked from the relevant register under the Ministry of Finance and will be taken into account when awarding the grant.

Public Procurement

In order to make sure that the Programme Operators are aware of the rules on public procurement and are able to check the compliance thereof in the projects, the National Focal Point organised a training for the Programme Operators and Implementing Agencies, introducing the minimum rules on checking the operations of the Project Promoters. The Programme Operators have also been advised to use the check-lists for public procurements of the Structural Funds implementation system.

In addition to that, the expertise of the Managing Authority of the Structural Funds for ex-ante check and advice from the Public Procurement and State Aid Department of the Ministry of Finance are available.

4.3 Irregularities

No irregularities were detected during 2013. Special attention has been given to advise the Programme Operators in order for them to set up well functioning management and control systems of the programmes, which assures avoiding or early detection of irregularities.

4.4 Audit, monitoring, review and evaluation

In 2013, the main emphasis was put on reviewing the descriptions of the management and control systems. The status of the progress is described in paragraph 4.1. Reviewing the descriptions will be finalised in the first quarter of 2014.

The Certifying Authority checked the first payment claims from the programme funds inserted in the information system to get assurance that the Programme Operators are filling in the data correctly. As of 2014 this task will be the responsibility of the National Focal Point.

The Audit Authority will carry out compliance assessments of all the descriptions of the management and control systems within the first half on 2014. Neither management and control system audits nor project audits are planned for 2014.

4.5 Information and publicity

In general, the communication strategy for the EEA and Norway Grants 2009-2014 in Estonia has been in implementation as planned and does not need revision.

The biggest achievement in communicating the EEA and Norway Grants in Estonia in 2013 was the launch of the new website presenting interactive information on programmes and the Grants in general. As one of many novel features of the new website, the readers can now recommend the news items on their Facebook wall, which enhances to the visibility of the website as the possibility is being used by readers actively.

By the end of 2013, the website had been visited for 5 118 times by 2 580 persons (unique visitors), which shows that the website has been a useful tool for the people involved in the implementation system as well as that there is a high interest in the Grants from the general public's side. In addition to that, 35 people have joined the newsletter option in Estonian on the website and 5 people have done this in English. Joining the newsletter enables the reader to receive a notice by e-mail each time a news item has been added to the website, which gives the reader the assurance of being constantly up-to-date will all the developments under the Grants.

The Facebook page of the EEA and Norway Grants in Estonia is being actively followed as well. By the end of 2013, 142 people or organisations "like" the page and share news on their Facebook walls. The reach of each post shows a growing trend as more and more projects have started with events.

Given the statistics, it can be said that the website is serving its purpose well. Still, there is always room for improvement. In order to constantly increase the number of visits by unique visitors of the website, the news on opening another call or invitations to different seminars under the programmes that are being shared on the Facebook page of the EEA and Norway Grants in Estonia, always refer to first the EEA and Norway Grants' website first so that the person clicking on the further information on the news can then either go further to the programme's website or stay on the Grants' website to find more information on other programmes. Another tool to increase the number of visitors on the website is planned to be developed at the beginning of 2014 – an events calendar showing all the events that are open for registration under the programmes and the projects. This will hopefully provide a useful tool for the Programme Operators as well as the Project Promoters to plan their events and trainings so that these don't coincide and all the interested parties can take part in all the relevant events.

The biggest information event organised by the National Focal Point in 2013 was the regional cooperation conference on 15 March. The conference aimed at introducing the financing possibilities from the EEA and Norway Grants, stressing the possibilities of co-operation within Estonia and with partners from Iceland, Liechtenstein and Norway. More information on the conference can be found in paragraph 2.2.

As the role of the National Focal Point is not only communicating the Grants to the general public, but also to act as a central point for advice and guidance, an additional emphasis of the communication was put on educating the Programme Operators on different topics connected with the Grants: monitoring and setting up management and control systems, risk assessment, etiquette in organising international events. In addition to organising trainings, a web-based closed forum for the Programme Operators, the National Focal Point and the Certifying Authority was set up, where guidelines, approaches and experience are shared by all the

participants. This ensures a better storing of relevant historical information than the exchange of e-mails as all new staff members get access to it.

In regards to the communication of the programmes done by the Programme Operators, it can be said that the information and publicity measures that have been taken are effective. The interest in events organised under the programmes as well as active participation in the calls are the best proof of that. A special commend can be given to the programmes of the social field (the Children and Youth at Risk programme, the Public Health Initiatives programme and the gender programmes) for co-operating in organising events, developing selection criteria stressing same directions but clearly focusing on the objectives of the different programmes and avoiding double financing etc.

The communication work of the Programme/Fund Operators and the National Focal Point can be assessed through the results of the public opinion survey ordered by the Ministry of Finance that for the first time included the EEA and Norway Grants in addition to the EU Structural Funds. As a result of the survey, carried out by Faktum & Ariko it appeared that 27% of the Estonian population at the age of 18 to 74 know that Estonia receives support from the EEA and Norway Grants, whereas the Grants are more known in smaller cities and boroughs and among people holding university degrees. People that knew about the EEA and Norway Grants mentioned education, research and the social field as areas that receive the support. Among objects, projects and activities that receive support, culture, recreational activities, sports, schools, education and nature conservation were mentioned most. Since the projects from the 2009-2014 period had not yet been started, it may be presumed that the respondents had objects that were financed from the 2004-2009 period in view. 12% of the respondents had seen the logos of the EEA and Norway Grants. Television and the internet were named as channels where people mostly receive information regarding the Grants. The results of the survey were shared on the website of the Grants as well as on the Facebook page of the Grants in Estonia. The trends of the visibility of the Grants is planned to be monitored annually throughout the whole implementation period.

4.6 Work plan

Altogether four open calls are planned to be launched under the programmes in 2014. All the pre-defined projects have started their implementation.

The table showing the main relevant dates in launching open calls, partner events and information events of the programmes is as follows:

	Programme	Partner/information event	Open calls 2014
EE06	Norwegian-Estonian Research Cooperation		No more calls foreseen
EE07	Green Industry Innovation	4 – 5 February	No more calls foreseen
EE08	Public Health Initiatives	6 May (together with EE04 and EE11)	No more calls foreseen
EE09	Mainstreaming Gender Equality and Promoting Work-Life Balance		SGS to support NGOs and employers – 1 st Q;

EE10	Norwegian-Estonian Scholarship Programme		preparation visits' - rolling call since 21.01.2013 ³⁹ ; mobility projects 1 st Q
EE11	Domestic and Gender-based Violence	6 May (together with EE04 and EE08)	awareness-raising activities (victims of trafficking) II call – 1 st Q SGS to support awareness-raising and tackle gender based violence and trafficking in human beings – 1 st Q

The Monitoring Committee convenes before the annual meeting in order to review the progress of implementation, to give an opinion on the strategic report and to give input to the work plan of 2014/2015 of the bilateral fund at national level.

The Cooperation Committees of the programmes are planned to be convened throughout the year in order to discuss open call conditions, work plans of the bilateral funds at programme level, etc. The dates of the meetings are agreed on a rolling basis.

Most important information activities during 2014 will be partner days and information seminars for Project Promoters listed in the table above.

³⁹ The same open call for both financial mechanisms

5 SUMMARY LIST OF ISSUES AND RECOMMENDATIONS

There are no outstanding issues to be added to those that have already been mentioned under the previous chapters.

The main effort will be put into development of management and control systems, organising partner events, launching of the remaining open calls and implementation of projects. In all these activities the time factor is crucial – the Programme Operators and Project Promoters need to adjust to a shorter timeframe for implementation, still ensuring that the outputs and outcomes will be reached at the end of the programmes. The National Focal Point will advise and keep an eye on the implementation as much as needed and as much as possible.

6 ATTACHMENTS TO THE STRATEGIC REPORT

1. For each Programme, a table showing the breakdown in respect of applications received and projects selected / contracted, as well as the types of intervention supported.
2. For each Programme, a table providing information in respect of donor partnership projects (names of Donor State entities, number and proportion of partnership projects).
3. A summary table on Donor partnership projects on the Beneficiary State level.
4. Annual reporting under the Technical Assistance Agreement.