



National Focal Point of Estonia

Norwegian Financial Mechanism STRATEGIC REPORT 2016

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



REPUBLIC OF ESTONIA
MINISTRY OF FINANCE

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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 achieve 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, and setting up and describing the management and control systems at the same time. The Project Promoters began implementation in 2013 for almost all programmes where pre-defined projects were foreseen in the programme agreement. Most of the planned calls for proposals were launched in 2013, and in several cases the grant decisions were also made. During 2014, the processes of launching calls and making grant decisions developed quickly and by the end of 2016 all the planned open calls were carried out.

All the programmes are in general progressing as expected and are expected to achieve all or most of the outcomes and outputs. Most of the projects were finished by the end on 2016, but as final reports are being analysed and there are some projects still going on the final results of all commitment rates will be available next year.

Out of six programmes four will end on the 30th of April 2017 and two programmes on the 31th of December 2017. The focus from now on is on successful finishing of the programmes and if needed, making necessary adjustments to ensure maximum impact.

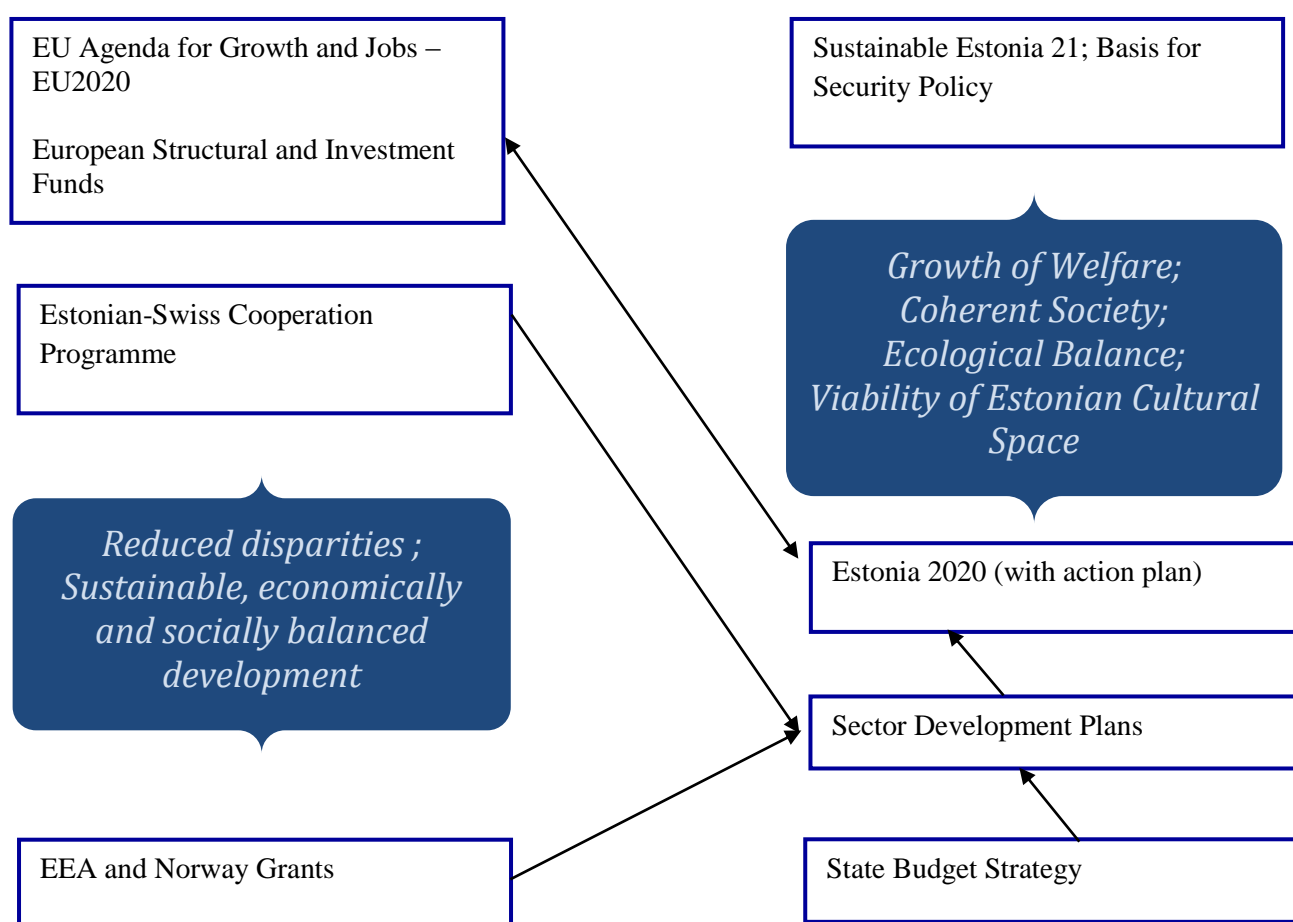
The Audit Authority carried out management and control system audits and audits on projects for five programmes.

Additionally, the report presents an assessment of how the programmes are expected to help address Estonian development needs in the 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.

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 exchange of knowhow and best-practice in order to increase the effectiveness of activities in the priority fields and for the longer perspective enabling strengthened cooperation in the future.

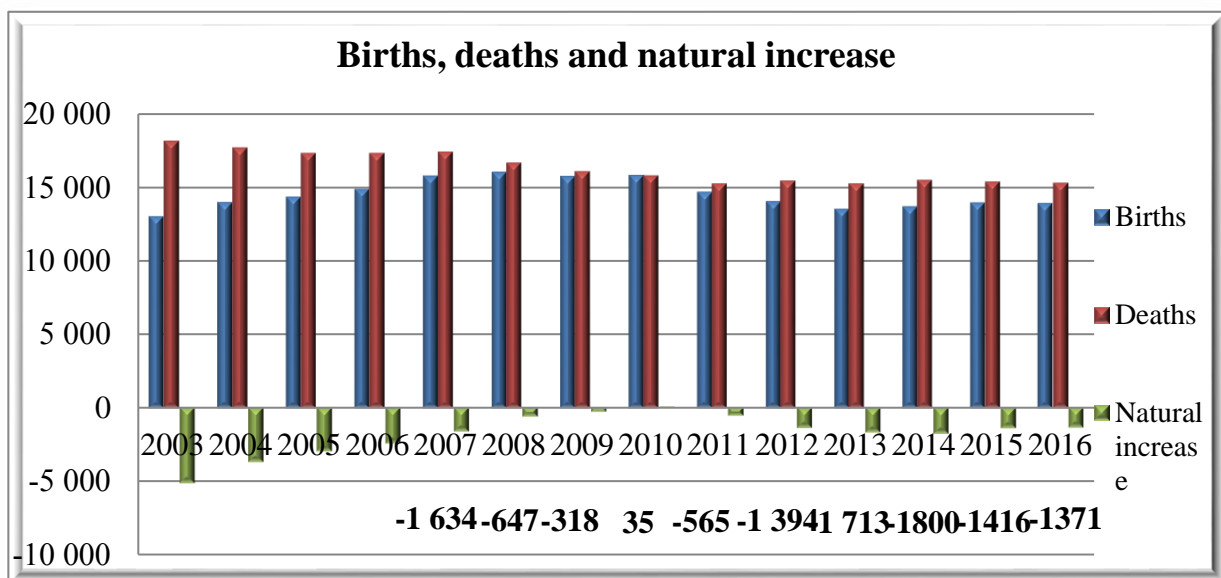
EEA and Norway Grants financial contribution has made possible to address specific problems in the areas, which fall out of the eligibility scope of other funding but are still at great relevance considering the objective of sustainable, economically and socially balanced development and reduced disparities. 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' contribution offers real added value. Although it is sometimes difficult

¹ Sustainable Estonia 21.

to indicate the direct share in the higher indicator level reached, the systematic approach of cooperation and support allows us to believe that the funded programmes and implemented projects will lead to positive long-term impact.

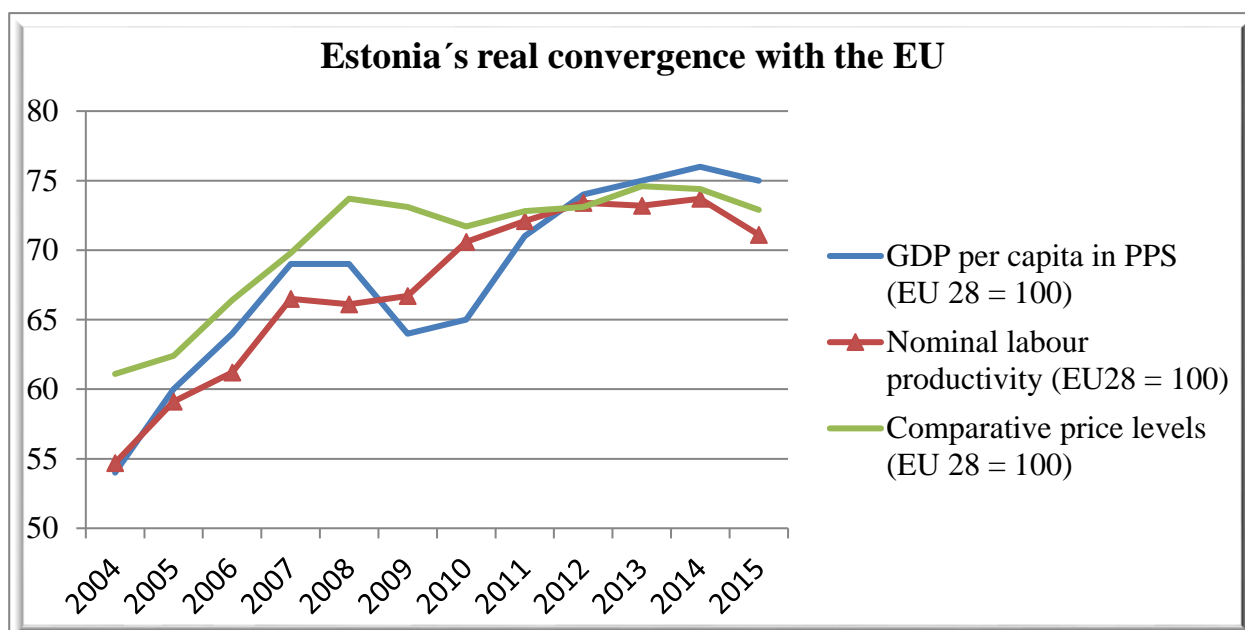
According to the initial estimates of Statistics Estonia, the population number in Estonia was 1 317 800 on 1st January 2017, which is 1 850 persons more than at the same time a year ago.

The population decreased by 1,371 due to negative natural increase (the number of deaths exceeded the number of births) and increased by 3,220 due to positive net migration (more persons immigrated to Estonia than emigrated). In total, the population of Estonia increased by 0.14% in 2016. The population of Estonia has increased for two years already, because immigration has been higher than emigration and negative natural increase.



Source: Statistics Estonia

According to Statistics Estonia in 2016 the gross domestic product of Estonia increased by 1,6% compared to 2015, the GDP at current prices was 20,9 billion euros. The year was characterised by a slow but steady growth of the Estonian economy.



Source: Ministry of Finance, Eurostat²³⁴, compared to EU 28

GDP per capita in comparison with the EU28 continues to be low - 75% in 2015 (EU28 being 100%; Norway 160%, Iceland 123%, Latvia 64%, Lithuania 75%), and the primary reason is relatively low productivity.

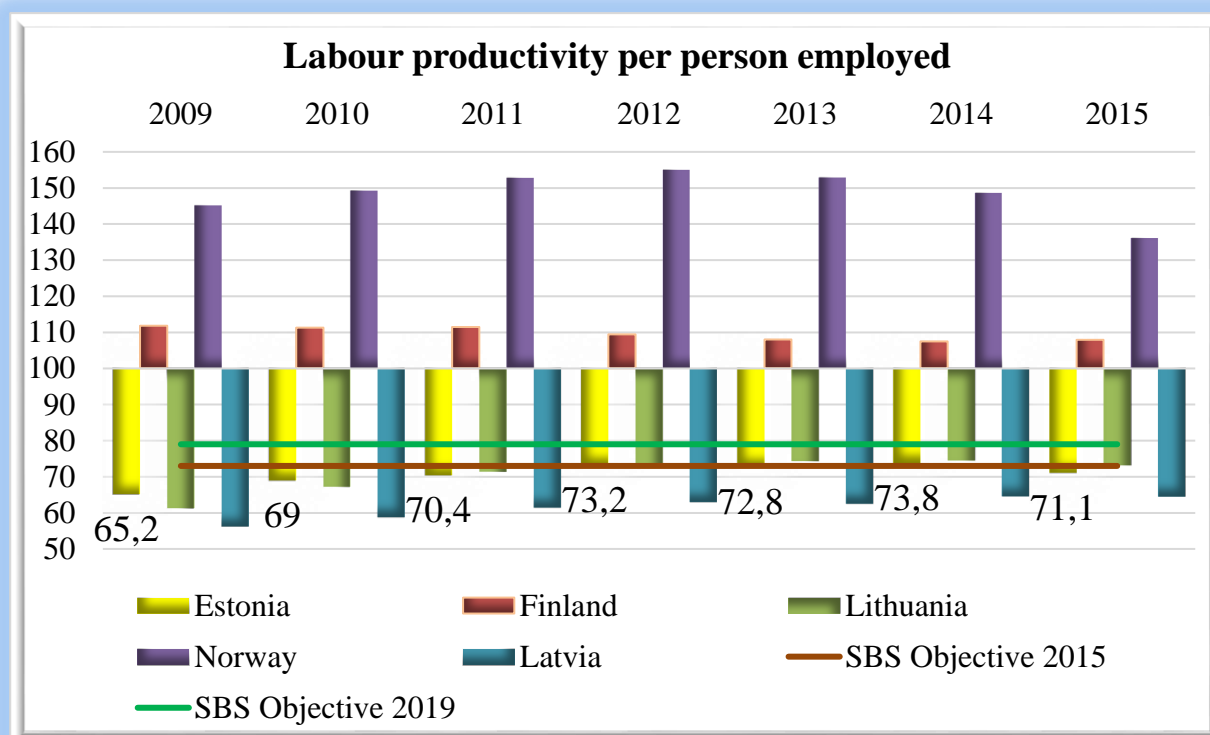
Increasing the productivity and innovation of the economy and moving towards more capital- and knowledge intensive economic model are one of the most important preconditions of achieving the growth of GDP per capita. For that purpose the Estonian Government has set the target to increase the productivity per person employed up to 73% of the EU average by 2015⁵ and to 80% by 2020. By the end of 2015 level of productivity per person employed was lower than the year before -71,1% (73,2% in 2012 and 72,8% in 2013, 73,8% in 2014), thus remained lower than the set target of reaching the EU average.

² <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00116>

³ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00120>

⁴ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114>

⁵ Estonia 2020



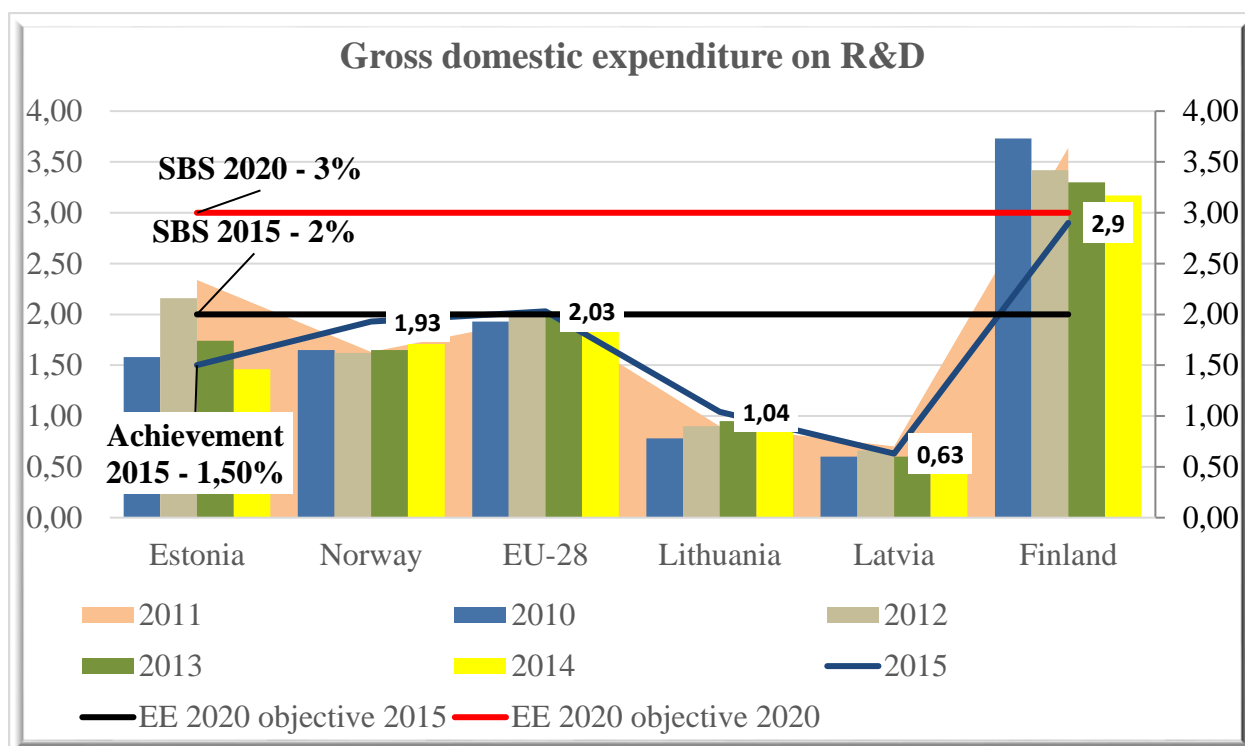
Source: Eurostat⁶

The gross domestic expenditure on R&D was 1,58% in 2010, 1,46% in 2014 and 1,50% in 2015, which is below the European Union average. Level of achievement being less than 2%, which was the objective for 2015, makes it somewhat hard to reach the target set for 2020, which is 3% from GDP.

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

This has been one of the focuses in the Entrepreneurship Growth Strategy for 2014–2020, where it has been pointed out that 44% of Estonian SMEs have carried out some product or process innovation, 34% have introduced changes in the area of marketing or management and around one third of them have managed to implement those improvements without any external help. However, innovative entrepreneurs in Estonia are still behind their European partners when it comes to the growth of turnover based on new products and services. Therefore a rather paradoxical situation has appeared where there are more innovative companies in Estonia than the EU average but the turnover of new products in Estonia is considerably smaller.

⁶ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00116>



Source: Eurostat⁷

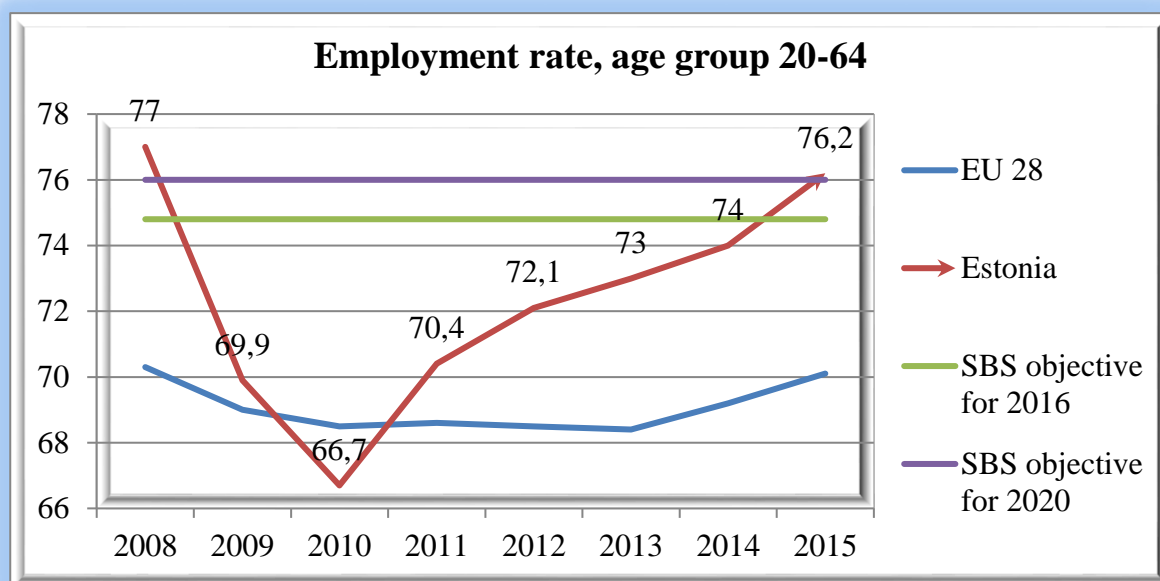
In this context the inputs of the EEA and Norway Grants' research and scholarships programmes' as well as of the Green Industry Innovation programme focusing on green ICT are seen as valuable contribution to and in synergy with EU funding under the specific objective "R&D and higher education are of 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.

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.

Estonia has set a target of achieving a 76% employment rate in the 20-64 age group by 2020, this objective was achieved by the end of 2015 when the level of employment reached 76,2%. The level of employment started to recover rapidly in 2011; in 2012 the employment rate in the 20-64 age group increased reaching the level of 72,1%⁸, 73% by 2013, 74% by 2014 and 76,2 by 2015.

⁷ http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_20

⁸ http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10



Source: Eurostat⁹ and Ministry of Social Affairs of Estonia

This positive trend of raising employment rate is partially explained by compulsory registration of employees since July 2014. In coming years labour market developments are also strongly affected by Work Ability Reform, which implementation started mid-2016 and helps people, with partial work ability to return to the labour market. It is assumed though that remained skills of people, who are being activated by the reform, are not in line with the labour market needs and employers' capability to hire such people is low, resulting in increasing unemployment as of 2017. Positive effects from the Work Ability Reform via increased labour supply are expected to gradually increase in time. This and other activation measures addressed to each age group are prerequisite to cope with the shrinkage of working age population. As the number of people in employment is expected to stop growing due to demographic developments and start declining after 2017, then in the next years economic growth can only be driven by productivity and investments supporting it.

Unemployment increased slightly during 2016 to 6,8% in the 15-74 age group after slight but continuous decrease during the previous years (10,2%¹⁰ in 2012, 8,6% in 2013, 7,4% in 2014 and 6,2% in 2015).

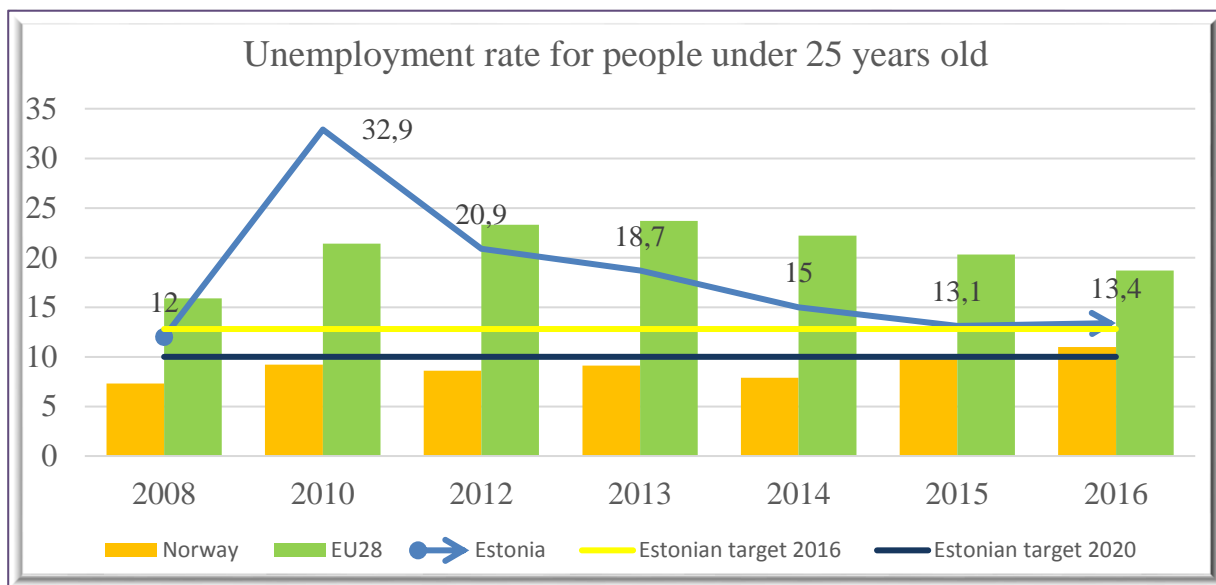
Reducing youth (age group 15-24 years) unemployment remains an important challenge for Estonia. In 2015 compared to 2014, the unemployment rate dropped considerably among young people, being 13,1% (15% in 2014) but increased again slightly during 2016 to 13,4% remaining still higher than other age groups, that still shows that entering the labour market and staying there is still a serious problem for the young. 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 have developed special employment and education measures for youth, which support and prepare for transitions

⁹ http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10

¹⁰ <http://www.stat.ee/66661>

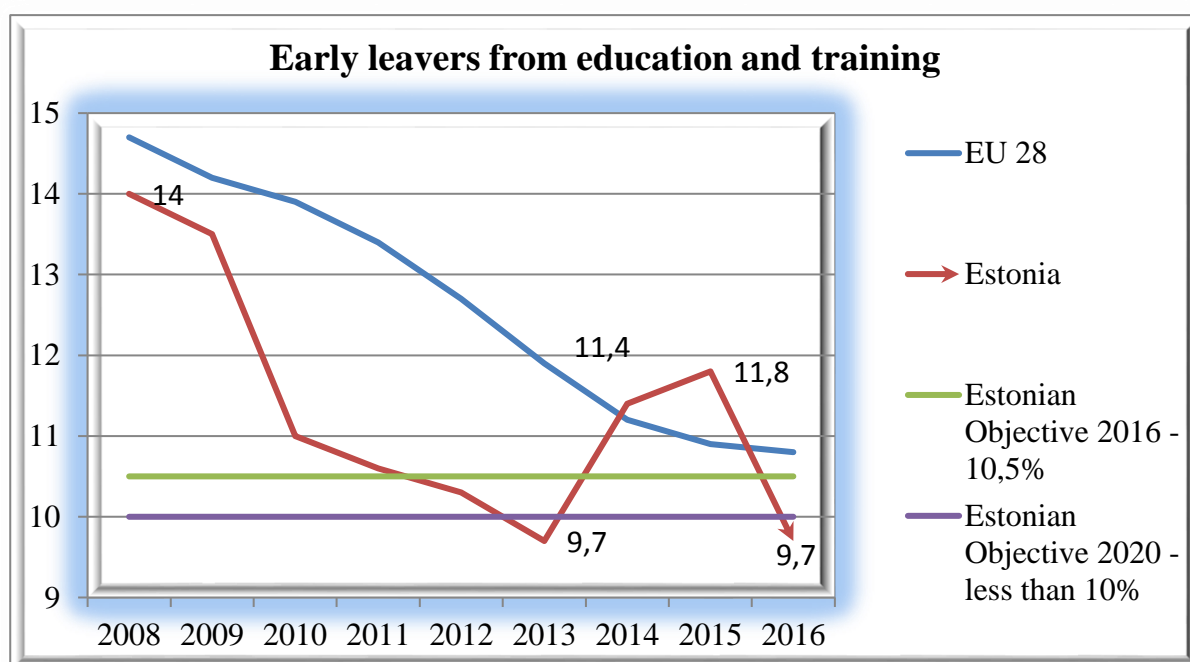
between the education system and labour market. These efforts are supported with the activities under the programme Children and Youth at Risk.



Source: Eurostat¹¹ and Statistics Estonia

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.

¹¹ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en



Source: Eurostat¹²

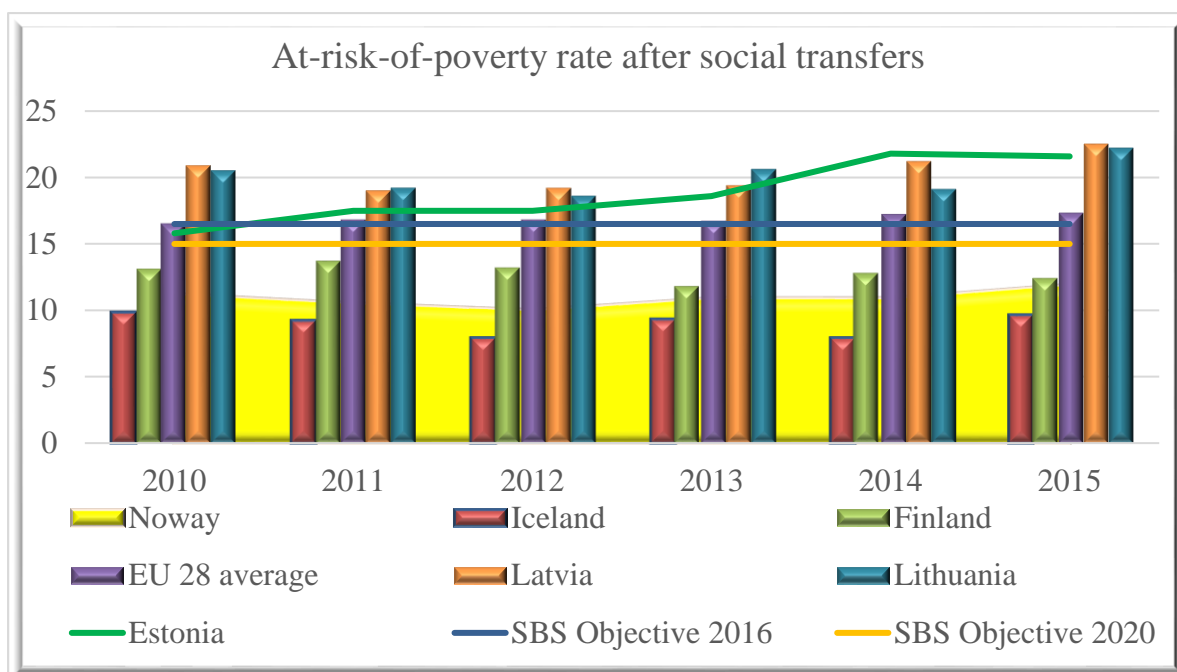
Reduction of poverty and the problems accompanying it are among the priorities of the Government's action programme. The goal of the Government is to reduce the amount of absolute poverty to 5.9% by 2019. Special attention is paid to the reduction of poverty among children, and the related goal is to reduce absolute poverty among children aged 0-17 to 7% before 2019. Reducing social inequality and poverty as well as increasing gender equality and social inclusion, are the targets of the Government's Welfare Development Plan 2016-2023.

According to Statistics Estonia, in 2015 21,3 % (21,6% in 2014, 22,1% in 2013, and 18,6% in 2012,) of the Estonian population lived in relative poverty and 3,9 (6,3% in 2014, 8,0% in 2013 and 7,3% in 2012) in absolute poverty. In 2015¹³, 18,5% of children under 18 lived in relative poverty or one and a half percentage points less compared to the previous year, while the absolute poverty rate of children has decreased (10% in 2013, 9% in 2014 and 4,6 in 2015).

The level of education significantly affects the risk of falling into poverty. Among persons with basic or lower education in every third was in the poorest and only every fourteenth in the richest income quintile. At the same time, one-third of people with higher education belonged to the richest fifth.

¹² <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdsc410>

¹³ 2016 data will be available end 2017.



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 (EES2030), 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 and to the objectives of Estonian Research and Development and Innovation strategy which aims at making the structure of the economy more knowledge-intensive and foresees measures for participation in international RDI cooperation.

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.

Turning environmental challenges into business opportunities will help deliver a resource-efficient, green and competitive low-carbon EU economy. Therefore eco-innovation is also one of the environmental priorities of Estonian EU Presidency. By focusing on eco-innovation during the Presidency, it is hoped to achieve a significant breakthrough in the environmentally

friendly, yet economically beneficial circular economy, which is also in compliance with the principles of sustainable consumption and production¹⁴.

Estonian eco-innovation performance has increased steadily throughout 2013-2015. The highest development can be seen in the Eco-Innovation Scoreboard indexes for socio-economic outcomes and eco-innovation activities, which continuously perform above the EU average. Despite these positive trends, Estonia still scores below EU average overall, mostly due to resource-intensive industrial structure, lack of seed funding opportunities for early-stage start-ups and low level of media coverage on eco-innovation subjects. The composite Eco-IS for 2015 places Estonia below the EU average, behind Hungary and ahead of Latvia. Out of 28 countries analysed, Estonia is placed 19th. When compared to the outcomes of Eco-IS 2013 and 2014, the country has dropped in the ranking by three places since 2013 (when it was 16th) but made a slight improvement in 2015 comparing to 2014 (when it was ranked 20th). At the same time, the average score has improved noticeably from 72 to 79 in 2015 and demonstrates thus a steady growth trend in the field.¹⁵

The biggest domains of green economy in Estonia include the production of goods and services related to renewable energy and energy efficiency, followed by waste management.

In 2012, the percentage of renewable energy in final energy consumption was 25,8%, in 2013 25,6%¹⁶, which exceeds the goal set for 2020 and in 2014 already 26,5%, reaching 28,6% by 2015. The target set in state budget strategy 2015-2018 was changed towards a more ambitious objective, 28% by 2020.

b) Norway Grants' contribution

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. In general it can be stated, that Estonia is moving fast in the development of green energy technologies. Windmills, solar panels, inverters, technology for smart houses, software solutions and much more are being produced with the help of foreign contribution in the form of investments and know-how exchanged between partner organisations. Many of these technologies are already successfully on the export markets, while many are still on the level of prototypes.

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.

Interest towards the programme was higher than expected, which also reflects the companies' willingness to develop green solutions within the selected focus areas and greening the entrepreneurship in general.

¹⁴ <http://www.envir.ee/en/news/first-regional-steps-development-eco-innovation-have-been-made>

¹⁵ https://ec.europa.eu/environment/ecoap/estonia_en

¹⁶ http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_31&plugin=1

Through Norway Grants it was possible to address the challenges of increasing the companies' innovation capability and providing systematic support, including know-how transfer, for young innovative enterprises. Through bilateral activities the programme helped to enhance contact networks growth, find and develop partnership. Co-operation has provided an excellent opportunity to unite the Estonian information technology and Norwegian experience with environmental technology.

The programme resulted in 15 successful large-scale projects, which have developed new solutions or improved existing environmental technologies for the wider range of the final end users. 11 projects out of 15 were implemented in close partnership of Estonian and Norwegian companies. This reflects a high interest to set up a knowledge transfer between the two countries.

One of the success stories under the programme is the Estonian ultracapacitor producer Skeleton Technologies, which has been named among the 100 most influential developers of innovative and cleaner energy solutions for two years in a row.

Other outstanding project with remarkable results and bilateral co-operation beyond the programme is the T-ticket project where software was developed for public transportation services sales, purchase and resource management, which has been named to be an ecosystem and all-in-one tool for operators as well as agents and terminals. Now it has been announced that Norway's leading bus operator, Nettbuss, will buy 15% of the Estonian technology company T solutions and the Norwegians will become strategic investors in the company, their knowledge of the sector gives even greater leverage in becoming a key Global player in the field. The companies have also signed a substantial agreement for the implementation of T solutions' technology on Nettbuss commercial express lines in Norway and Sweden.

And these are only two examples. There are many others including the projects Energy management system: Demand Response, where information and management system for effective electricity consumption and production was developed. Estonian project partner Brightspark OÜ has pointed out that co-operation offered among other knowledge how to sell the product and target it to the Norwegian market. As of today Brightspark OÜ has coinvested into Norwegian software developer Correlate AS.

The total outcome of the programme is a lot higher than initially planned and expected. There were 19 new environmental technologies successfully commercialized instead of the initially planned 5.

2.1.2 Research and scholarships

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

a) Contextual Trends

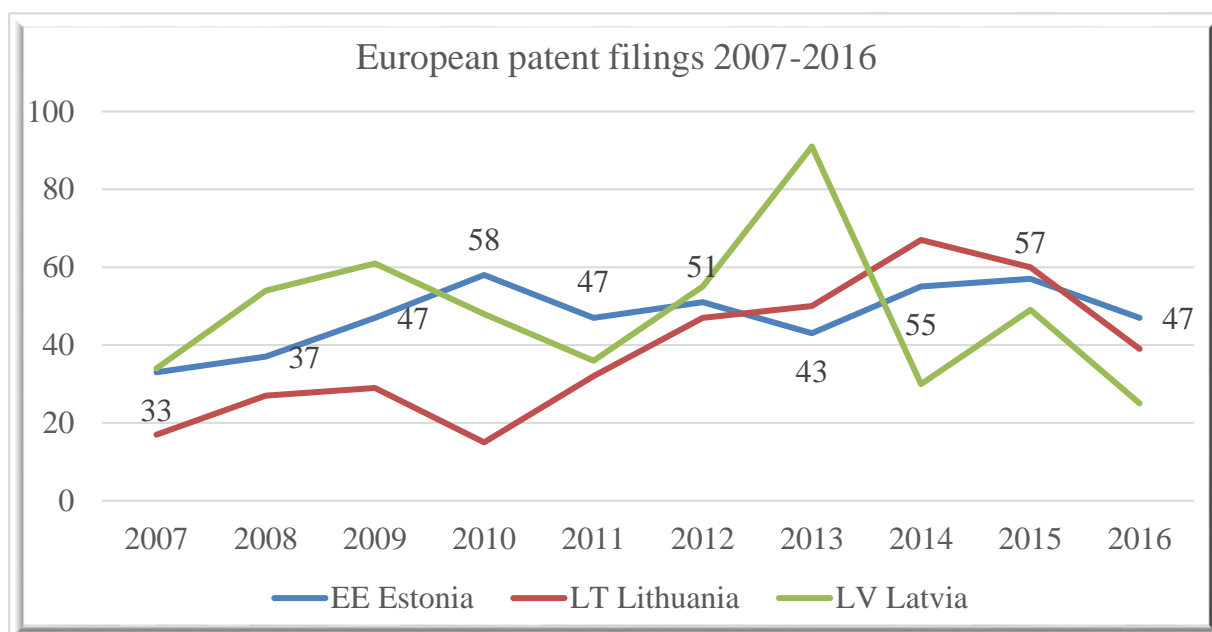
According to analyses made at the end of 2011 finding new sources of growth, making economy more knowledge-intensive and increasing the impact of Estonian science are Estonia's essential development needs in the next 10 years perspective. R&D and more generally the higher education system should be means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

Thus the objective written into the National Reform Programme “Estonia 2020” is to create preconditions for increasing the volumes of research and development in the private sector and raising the number and quality of innovation outputs.

Public sector R&D capability, including the placement of our universities in international ranking lists as well as the efficiency and effectiveness of R&D, play a key role in companies’ research and development capability. The academic activity is a key connecting link between domestic and international networking of people and knowledge, which is one source for raising the innovation capacity of companies and attaining higher value added. In the future, R&D&I will depend more on developments and capacities of Europe and Estonia to contribute more on international cooperation. Economic growth, employment and social well-being depend increasingly on the interaction and substantial cooperation between higher educational institutions science communities and businesses.

Estonia 2020 sets the target of raising the level of investment in R&D to 2% of GDP by the end of 2015 and to 3% by the end of 2020 (achievement level – 2,19% in 2012, 1,74% in 2013, 1,46% in 2014 and 1,50% in 2015) and ensuring that the increase in labour costs does not significantly exceed the growth rate of productivity. The aim is to support the development of growth-capable sectors that are selected through the usage of smart specialisation methodology that make economic structure more knowledge-intensive. Likewise one of the key-elements is to support stronger and more effective cooperation between enterprises and research institutions. This can happen through motivating research institutions of doing more applied sciences for enterprises.

Country Specific analysis 2016 under European Semester include finding that only limited number of companies collaborate with research institutions, resulting in a low level on patent applications. There were 57 patent filings by Estonian companies in 2015 and even less in 2016 – notably 47.



Source: *European Patent Office*¹⁷

¹⁷ <https://www.epo.org/about-us/annual-reports-statistics/statistics.html#filings>

b) Norway Grants' contribution

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

Especially the programme contributes to the achievement of two aims of the Estonian R&D&I strategy 2014–2020:

- research in Estonia is of high level and diverse, that Estonia is an attractive place for R&D and that the career of a researcher is a popular choice, the network of research institutions operates efficiently and that a new generation of researchers and innovators are ensured;
- Estonia is active and visible in international RDI co-operation, which helps solve the tasks that Estonia, and the whole world, is facing, and that Estonia participates as a partner in the initiatives of the European Research Area (including in the joint programming of research), European innovation partnerships and initiatives by the Baltic and Nordic common area.

The objectives for 2020:

- 11% scientific publications in Estonia will be within the 10% most cited scientific publications worldwide (7,69% in 2008, 8,5% in 2009) 8,1% in 2014; 8,5% in 2015, 7,3% in 2016 (Innovation Union Scoreboard 2014; 2015; 2016¹⁸);
- 300 PhD graduates per academic year (190 in 2012, 233 in 2013, 213 in 2013/2014, 208 in 2014/2015, 239 in 2016);¹⁹
- 1600 scientific publications per million population (1245 in 2012, 1439 in 2013) – 1562 in 2014; 1500 in 2015 and 1524 in 2016 (as of Dec 1, 2015).²⁰

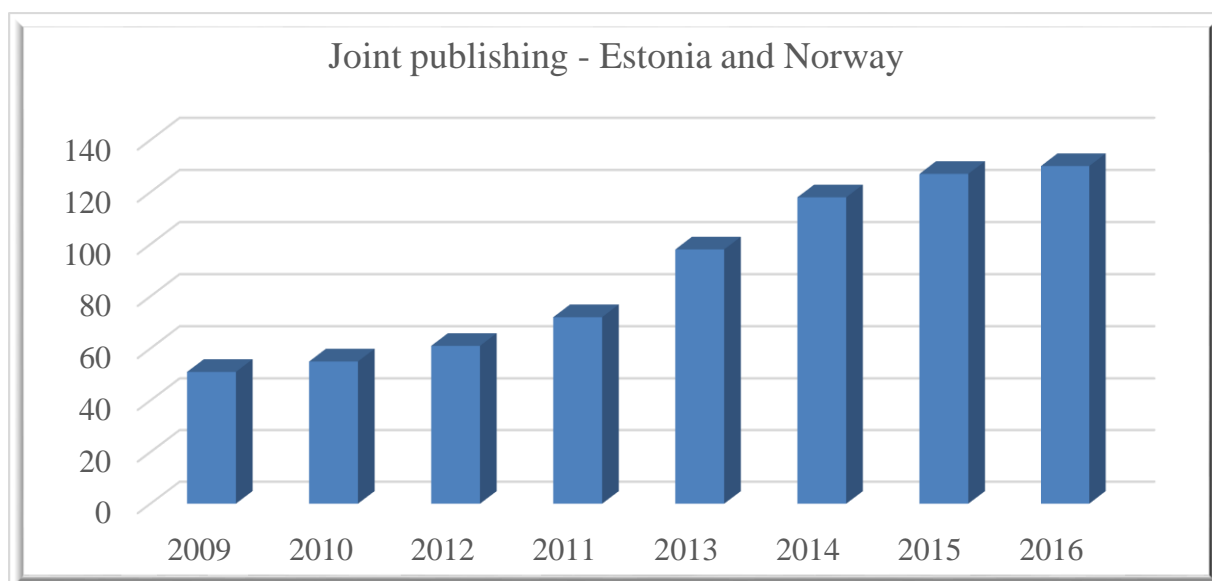
Under the Norwegian-Estonian Research Cooperation Programme 13 donor partnership projects were funded. The projects represent all areas of research: culture and society (6 projects), environment and biosciences (3 projects), physical sciences and engineering (2 projects), and health (2 projects).

The joint projects resulted in high-quality joint scientific publications and supported the PhD students in their studies. There were more than twice as many PhD students involved in the projects as the expected target level that was 44 instead of 15. We can expect evident contribution to the objectives of the Estonian RD&I Strategy 2014–2020.

¹⁸ http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_et

¹⁹ Source: Estonian Education Information System EHIS.

²⁰ http://www.haridussilm.ee/?leht=tea_6



Source: www.haridussilm.ee/?leht=tea_1 as of 26.01.2017

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

Tackling domestic violence has become one of the priority issues on the governmental level in 2014 and has continued to be in 2015 and 2016.

The work continued in the framework of the national Development Strategy for Preventing Violence 2015–2020 that was approved by the Government in February 2015. Violence prevention, improvement of victim support system and cooperation between different relevant counterparts continued. Also, important legislative changes were prepared in 2016.

Estonia has made significant progress regarding the support for victims of violence. In 2016, thorough preparations took place, including negotiations with relevant Ministries, Boards and NGOs, to amend Victim Support Act. The Act was approved by the Parliament on October 19th 2016. Starting from January 1, 2017, women's support service is stated as official service in the Victim Support Act, thus providing more sustainability and more secure financing for organisations providing such services in the future. Services continue to be free for all the women victims and their children. For the first time, the concept of victims of violence against woman is mentioned in the Estonian legislation. This is an important step ahead in acknowledging the problem and providing proper services for the victims. Women's shelters are providing victims with a free service package: initial, case-based and psychological counselling, psychotherapy, legal counselling and if necessary then housing. Women can take their children with them in case they need safe accommodation. In addition, there is 24/7 hotline available for victims of violence against women and their relatives (all the shelters are also available 24/7). This hotline is also now arranged by the Social Insurance Board, this giving more secure and sustainable service provision. Clear requirements for the service providers are guaranteed by the amended Act. This is also important from the victims' point of view.

Most victims of domestic violence use the national victim support system, so it is considered relevant also to improve that system. Victim support workers provide victim support services, arrange for psychological assistance and if necessary then also arrange state compensation for offence victims. MARAC (Multi Agency Risk Assessment Conferences) project was prepared in Estonia to be launched in 2016. Regional networks and network trainings started taking place, the project will continue until 2021. National victim support workers are leading the coordination.

Important development took place also regarding services for victims of sexual violence. In 2015, services were launched for the victims of sexual violence, but it was project-based activity. Project implemented by the Estonian Sexual Health Association created networking and readiness in hospitals to provide specialised support for rape victims. Since November 2016, coordination of services is provided by the Social Insurance Board, which means the service is now part of the official victim support system. We continue developing these services.

Governments' political will to tackle human trafficking is also clearly visible in many aspects. Government's Strategy to Prevent Violence 2015-2020 includes prevention of human trafficking, support for its victims and tackling the crime. Every relevant Ministry has its responsibilities stated out in the Strategy. The Minister of Justice participated in the national anti-trafficking roundtable thus giving the public clear signal of the political will to fight human trafficking. Law proposal to criminalize buying sex from trafficking victim was prepared in 2016, and Penal Code will be amended accordingly. Also, law proposal to amend Victim Support Act in order to improve victims' possibilities to receive services was prepared (enacted since 1.01.2017). Potential victims of trafficking can get services for up to 60 days also if police has not been informed by providing offence notice to them. Again, this shows clear and high-level political will to tackle human trafficking.

Ministry of Social Affairs together with the Labour Inspectorate and Police and Border Guard Board organised trainings in 2016 for police officers, labour inspectors and Tax and Toll board workers in order to improve their cooperation in identifying and investigating labour trafficking cases. Victim referral procedure is described in the victim identification and support guideline. In 2017 this guideline will be modified again, since the Victim support Act and the Penal Code have been or will be amended.

The Ministry of Social Affairs arranged also preventive measure targeting vocational school students. 30 lectures on human trafficking (its meaning, possible threats, about working abroad, about labour contracts, support services etc.) were held in 2016, involving hundreds of students.

Despite the Estonian government's clear commitment and concern, gender-based violence and trafficking remain challenges for the Estonian society. We don't have final statistics for 2016 yet, but in 2015, 4 456 cases of violence registered/victims supported by the Social Insurance Board (3 587 in 2014); 1 763 women received support from women's shelters (1 617 in 2014); 13 victims of human trafficking received services (16 in 2014). 5 persons were killed because of domestic violence (10 in 2014). Researchers and officials continue to recognise the fact that only small amount of cases of sexual violence are reported therefore awareness raising must still continue, and services must be developed further. Also, more attention is needed to perpetrators of violence.

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Number of victims of human trafficking helped	55	78	57	56	22	22	4	16	13
Number of victims of exploitation in prostitution helped in rehabilitation centres					150	235	234	312	413

Source: Ministry of Social Affairs.

b) Norway Grants' contribution

With the contribution of Norway Grants the awareness was raised among general population with regard to domestic and gender-based violence as well as raised 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 out under the programme are most needed. Until now, Estonia has mainly dealt with consequences of domestic violence. Now, with projects implemented under Norway Grants support it has been possible to move towards prevention.

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 carried out in 2014. The survey showed quite a good understanding of the need for intervention and services for victims to tackle GBV and human trafficking. However, the survey revealed the main challenges are attitude of blaming victims, lack of knowledge about the services available and need to raise awareness of general public as well as specialists. 54% of the respondents believed that the victim of domestic violence is to be blamed; 77% of people do not think domestic violence concerns only the family and 94% find that violence in family relations/close relationships is a crime; 48% of people are aware of the Victim Support and Estonian Women's Shelters Union and their hotline. The survey gave a valuable input to the National Development Strategy for Preventing Violence 2015-2020.

2015 also improved knowledge and data about the nature and spread of sexual violence in Estonia (1 survey and 1 study) and launched the services for the victims of sexual violence.

In 2016 a follow-up survey called "Attitudes of Estonian inhabitants in relation to gender-based violence and human trafficking 2016" was carried out to map the population's awareness and attitudes towards domestic violence and human trafficking in 2016 and to assess the changes in awareness and attitudes compared to 2014. 73% of the respondents have noticed anti-domestic violence communication and campaigns and 58% of the respondents have noticed anti-human trafficking violence communication and campaigns during the last three years.

49% of the respondents believed that the victim of domestic violence is to be blamed (decrease of 5% compared to year 2014); 78% of people do not think domestic violence concerns only the family (increase of 1% compared to year 2014) and 94% find that violence in family relations/close relationships is a crime (same % as in year 2014). People are quite aware of the

risks of domestic violence and human trafficking but the awareness is not equally spread in the society. It is important to pay attention to those whose awareness is lower (men, older people, especially 75-year-olds and older, representatives of other nationalities, young people especially regarding human trafficking issues).

Domestic and gender-based violence has been openly discussed in public throughout the year 2016. Triggers for the public discussion and media coverage were the revelation of the studies, conferences and the passing of a new Victim Support Act (in force since Jan 1, 2017) laying down the new regulations for services, standards and financing for tackling gender-based violence and human trafficking issues in Estonia.

A project by the Estonian Sexual Health Association has created a cooperation network between medical system, police, prosecutor's office and victim support and readiness in hospitals to provide specialised support for rape victims, this is also something new in Estonia. Also, as a spin-off of the project 7 health care institutions in Estonia will be provided with special medical examination kits and will offer primary services for victims of sexual abuse.

Estonian Women's Shelters Union project "Developing services for victims of domestic violence, strengthening co-operation between different institutions and raising awareness among victims and the general public" has improved the quality of the services for the victims of domestic violence through trainings of the staff of the shelters and also regional networking. There are 13 shelters-support centres with qualified and trained staff providing accommodation, psychological and legal consulting at the same quality standards all over the country. Between March 2013 and April 2016 altogether approx. 4 900 victims turned to 13 shelters-support centres and approx. 6 200 hours of psychological consulting + 4 600 hours of legal consulting services were provided to them. Hotline 1492 service was available 24/7 and served 2 096 people during the project duration.

The project "Human trafficking prevention and victim support through anti-trafficking hotline services" carried out by NGO Living for Tomorrow (hereinafter: LFT) was finished by the end of 2015. The project supported the sustainability of well-organised services for labour trafficking victims. From March 2013 until December 2015, 24 victims of human trafficking and 64 victims of labour exploitation have been identified and assisted.

The project of NGO Eluliin project „Supporting victims of trafficking for sexual exploitation through improving the services provided by the rehabilitation centre Atoll and shelter Vega" was finished by the end of 2015. The project developed and provided 2 new services: self-help groups for women who would like to exit prostitution and a mother and child group for supporting improvement of parental skills and tighten the relation between mothers and their children. The number of women who benefited from the group-work last was for self-help groups 19 women and for mother-child groups 28 women with children.

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

Estonia still has a considerable distance to go to become a society with equal opportunities and high solidarity. At the moment Estonia has quite a low social cohesion and large differences between different groups. There is the highest gender pay gap in Europe 28,1% in 2014 (Eurostat), The Estonian Human Development Index's rank is 30 according to Human Development Report (2014) and there is an unbalanced representation of genders on political level.

In 2015, the gender pay gap in the European Union (EU) stood at 16.3%. This means that women earned on average 84 cents for every euro earned by a man. Across Member States, the narrowest gender pay gaps were registered in Luxembourg and Italy (both at 5.5%), and the widest in Estonia (26.9%), followed by the Czech Republic (22.5%), Germany (22%), Austria (21.7%) and the United Kingdom (20.8%).²¹

Among the professions where the average hourly wage of women in Estonia is higher than their male colleagues are female executives in the advertising and public relations (nearly ¼ higher) and catering sector (1/5 higher) also bus and tram drivers (12%).

The Ministry of Social Affairs continued to co-ordinate elaboration of development and action plan in the policy areas of labour, employment, social security, social inclusion, gender equality and equal opportunities for the years 2016–2023. Concerning gender equality, the plan will target the issues of equal economic independence of women and men, balanced participation of women and man in all levels of decision-making and management in politics, public and private sectors, reducing negative impact of gender stereotypes on decisions and everyday life of women and men, enhancing right protection concerning equal treatment of women and men and guaranteeing institutional capacity to promote gender equality, including gender mainstreaming. On June 30, 2016, the Government of Estonia adopted the Welfare Development Plan for 2016-2023 and an action plan for its implementation.

To lower gender pay gap Labour Inspectorate will monitor wages and benefits for same kind of jobs. Gender equality law amendment draft will be completed in spring 2017.

Ministry of Social Affairs has prepared a policy analysis on parental leaves and benefits in 2016. In February 2017, the policy recommendations were first discussed in the cabinet. The document gives thorough overview of the statistics connected to all parental leaves and benefits (all together 7 different leaves and benefits), analyses current challenges and bottlenecks, and provides alternative policy recommendations with the assessment of impact. There are 3 main objectives pointed out in the policy analysis: to encourage a more balanced distribution of parental leaves and benefits between mother and father, to create more flexible opportunities for parents to use parental leaves and receive benefits and to ensure legal clarity and purposefulness of measures of the system of parental leaves and benefits. The main recommendations include a so-called father's quota and possibilities for both parents to work part-time and be on leave part-time.

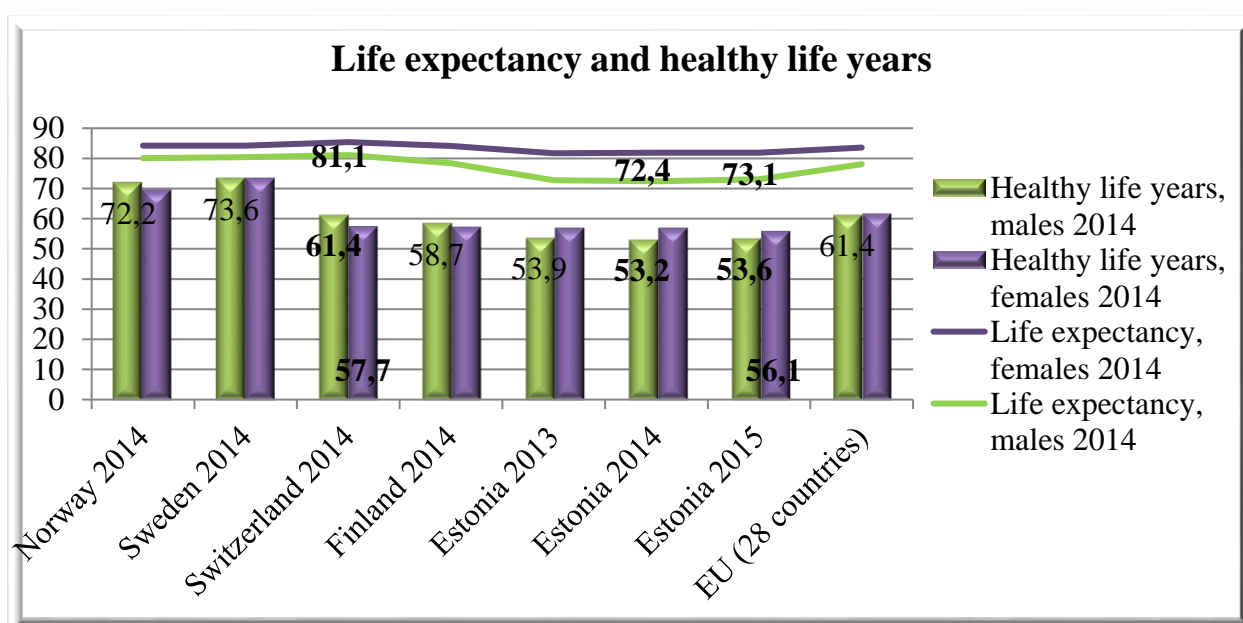
Estonia is taking big steps as a society to change the current situation of quite conservative social expectations and gender roles for women and men. There is evidence that the society is ready to move in the right direction, which is surely achieved through awareness raising and general promotion of gender equality. Norwegian programme has greatly contributed to this activity and the influence will surely be seen also in the years coming.

²¹ <http://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20170307-1?inheritRedirect=true&redirect=%2Feurostat%2F>

Another area where Estonia shows poor results is health. The overall life expectancy is below EU average for women (81,9 years in Estonia compared to 83,6 years in EU average) as well as for men, where Estonian men are left even further behind (life expectancy in EU average for men 78,1 years compared to 72,4 years in Estonia).²²

Similar trend can be observed in healthy life years, but luckily the differences here are smaller compared to the EU average (57,1 vs 61,8 for women and 53,2 vs 61,4 for men). Still, the gender gap in healthy life years and overall life expectancy still exists.

However, it can be observed, that the healthy life years as well as life expectancy is rising slowly but steadily. Political measures and health programmes as also awareness raising activities on gender equality all need time to be implemented and even more years to take an effect. Therefore, there is enough reason to be hopeful.



Source: Eurostat²³ and Ministry of Social Affairs.

The main focus of the Public Health Initiatives programme is improving the field of children's mental health in Estonia.

Among 0–19 year olds the rate of newly diagnosed psychiatric cases in 2015 was 1 966 per 100 000. The main mental and behavioral disorders of children (0–19) are behavioral and emotional disorders (28%), psychological development disorders (27%) and neurotic, stress-related and somatoform disorders (20%).

In 2014 there were 460 death cases from diseases related to alcohol use, 77% of all cases were among males. In 2015 there were 495 cases.

²² Eurostat 2014 -

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

²³ <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdph100&language=en>

Children's health behavioral indicators related to alcohol and tobacco has improved slightly. According to the Ministry of Social Affairs the decrease in alcohol consumption, smoking and injuries has the biggest potential of raising life expectancy and healthy life years.

b) Norway Grants' contribution

The Mainstreaming Gender Equality and Promoting Work-Life Balance programme is concentrated on raising awareness and research on gender issues. Considering the level of unadjusted gender pay gap, which is remarkably higher than EU27 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 and respective behaviour.

By April 30, 2016 all 17 projects had successfully ended their activities. All objectives and results were aimed at promoting gender equality as well as to contributing to the reconciliation of work, family and private life.

Fair amount of attention was directed toward the field of education. For example under the project of Estonian Women's Associations Roundtable "GOAL – Integrating Gender into Teacher Education and Training" for Tallinn University and University of Tartu pre-school, general and vocational teacher education curricula was analysed and syllabi developed for an optional course focusing on gender in education; 10 gender trainings for 207 pre-, general education and vocational schools' teachers across Estonia were carried out. Also, a most comprehensive database was compiled that focuses on gender mainstreaming issues, gathering relevant research, terminology, educational materials, best practices and much more into one web-site "Education and Gender" <http://www.haridusjasugu.ee/about/>.

Under the project of Praxis Centre for Policy Studies "Gender Equality Programme for Social Sciences and Teacher Education Programme Students" university students' survey was carried out; courses "Gender and education" and "Gender (Im)Balance in Society: Analysis and Solutions" were developed and carried out in spring semester at the University of Tartu.

For promoting employee and family friendly social and working environment the project by the Responsible Business Forum held thematic seminars for employers and thematic seminars for wider public, social media campaign was made and new webpage created.

In the framework of the project by Gender Equality and Equal Treatment Commissioner "Promoting Gender Equality Through Empowerment and Mainstreaming" 15 legal counselling sessions in 14 counties took place, a study on prevalence of inequality was carried out. Expertise on gender mainstreaming was provided in the framework of preparing the new development plan in the areas of labour, employment, social security, social inclusion, gender equality and equal opportunities for 2016–2023. Additionally strategic litigation cases were up taken to create legal precedence in Estonia.

Under Statistics Estonia project "Increased Availability of Gender Pay Gap Statistics" gender pay gap statistics were calculated for 2010–2013.

In the course of the project, already existing data sources (surveys, registries) were mapped to find the best data sources for monitoring the gender pay gap. Combined database was created

that contains not only data on wages, but also other significant variables necessary for a complex analysis of the gender pay gap. Publications were prepared in the framework of the project analysing gender pay gap data resources and dynamics of the gap, but also giving an overview of the database creation methodology and of its substance (background variables of the gap). In spring 2016, the Statistics Estonia drafted and published the “Strategy of Pay Gap Statistics 2016-2023“ and will continue to move towards using various registries to produce statistics. At the moment, Ministry of Social Affairs, Statistics Estonia and the Government Office of Estonia are discussing the next steps in gender pay gap statistics.

With implementation of the programme capacity of gender equality organisations and networks has been strengthened.

The programme’s results were optimized to be measured through various indicators. One of them was measured by agreeing with the claim “a society, where women and men are equal, is a good society”, that in 2013 was agreed by 63% of people (Gender Equality Monitor). In 2016 the percentage has slightly dropped to 59%. This decrease is difficult to explain, as the public debate in Estonia on gender equality issues has generally become more daily and more adequate. A good example of this issue is gender pay gap, which is remarkably high in Estonia, reaching 28,1% in 2014 (Eurostat). Being the highest in European Union, there has been a growing attention to the issue on international as well a regional level. It is a pleasure to note, that although not all articles and debaters in public space and media agree with which would be the best measures to decrease the gap and provide equal pay to women as well as men, there is a consensus that the gender pay gap does exist and a large part of it in unadjusted form. This can still be considered as a step forward and a sign of risen awareness, since a few years ago the debate was mostly concentrating on whether the gender pay gap does exist or not.

One of the programme’s objective was to increase the employment level of women with children under three years of age. The numbers of mothers with small children engaged in paid work have somewhat fluctuated over the programme implementation period, being 30,8% in 2012 and then dropping to 23,2% in 2013. This could be explained by the recovering from economic crisis as the rising employment rates for men enabled the women to stay home longer with children. However, the statistics for 2015 show an increase in employment level of women with children under three years 31,2 %, which is a significant increase compared to the only 23,4% in 2014. This certainly shows, that the employment of mothers with small children is on the rising trend.

The Public Health Initiatives programme has an undoubtedly substantial value to the health policy field. Improving children’s mental health services and system has become a high priority for the government which is essential for guaranteeing sustainability of the programme main activities.

Norwegian support has enabled to create a common understanding on how the children’s mental health services system should work, thus it should consist of shared responsibility between health, social and educational sector.

As a result of the programme the infrastructure for Tallinn Children’s Mental health centre was established. Trainings and supervisions for the staff working in the centre and also trainings for other specialists mostly from education, social and primary health care system have been taken place. Video about the services of Tallinn Children’s Mental health centre is available at their web-page - <http://www.lastehaigla.ee/psuhhiaatrikliinik/>.

By the end of 2016, 80 children with severe mental health problems had received rehabilitation services in community residential setting.

Plan for integrated services to improve children's mental health is developed and made public on the Ministry of Social Affairs' (MoSA) website. The concept was introduced to service providers, local governments and representatives from different Ministries. In total 3642 boys with mental health problems got integrated and improved services and respectfully 2112 girls.

During the programme access to services for children and their families in counties was improved and new services were tested. In North-East Estonia access to children's mental health services was rather limited before.

Under the projects of establishing South and North East Estonia children mental health centres local outpatient mental health counselling teams continued providing outpatient services in Põlva, Võru, Valga and Narva hospital. In average 100 appointments per month (4-5 patients during a day).

From 2017 services provided by the mental health centres will be funded by the Health Insurance Fund and local municipalities.

One objective of the programme was to prevent and reduce life-style related diseases. For that purpose guidelines were disseminated to local governments, trainings and effective social marketing campaigns carried out.

In addition it was aimed at prevention and treatment of communicable diseases (including HIV/AIDS and TB). So far, Estonian prisons have been lacking the resources for testing inmates for Hepatitis C. Inmates are tested for HIV on a regular basis but more resources were needed for detecting and treating inmates with Hepatitis C. Under the programme in total 6771 inmates were tested for Hepatitis C and 11 062 for HIV. In 56 cases treatment of Hepatitis C was provided in detention institutions. Testing for HIV and Hepatitis C and B will be continued and treatment for severe cases guaranteed.

As seen from the above data, programme has very positive results and considering the nature of the activities the long-term impact in the form of behavioural change and health improvement will be seen with time lag. To have some further insights evaluation is carried out during first half on 2017.

2.2 Bilateral relations

Extent of cooperation, improved knowledge, and mutual understanding

As in previous years of implementation, during 2016 the POs also played an active role in fostering bilateral relations. There have been organised cooperation events, seminars and study tours and international conferences etc.

All of the POs highlighted in the annual reports the very important role of the donor programme partners, who have been excellent advisers in all matters concerning the implementation of the programmes. The cooperation with donor programme partner was very intensive during the reporting period.

The Norwegian Embassy in Tallinn continues to be a good partner to the POs in information and publicity activities (e.g. programmes' events, publishing news about the supported projects and programmes).

Shared results and wider effects

From the bilateral fund on the national level the Norwegian-Estonian e-Governance Initiative activities continued in 2016. This aim of the feasibility study is to strengthen cooperation between Norway and Estonia and in particular to strengthen, implement and develop cooperation between leading partners in Norway and Estonia within the areas of innovation, business development and e-governance (including cyber security). The project took place between October 2015 and July 2016 providing the partners with multiple opportunities to hold workshops for exchange of information drafted by each project partner. Main outcomes of the study are: concept paper "Norwegian e-Government Cyber Security project"; concept paper "e-Estonia: e-Governance in Practice"; roadmap and the Business Plan for Seed Forum iHUB Lab in Tallinn; plan for co-operation by project partners.

To summarize activities of 2016, the Green Industry Innovation Estonia programme has significantly contributed to encouraging cooperation between Estonia and Norway. In 2016 study tours, seminars and meetings were organised. The best examples of the ongoing projects were shared during the Norway – Estonia Green Industry Innovation cooperation seminar held in June 2016 in Tallinn under the umbrella of ICT Week. The seminar was hosted by Innovation Norway with Norwegian Embassy and Enterprise Estonia. The objective of the seminar was to encourage further Norwegian – Estonian cooperation, to present best cases, share experiences and to inspire new partnerships and projects. In April 2016 a study tour to Raufoss and Gjøvik was organized for 21 participants. The goal of the study tour was to understand industrial developments in Norway and also visit research institutes. In October 2016 a bilateral event was organized under the umbrella of Oslo Innovation Week. Green Industry Innovation bilateral experience sharing event was organized by Innovation Norway in Oslo in November 2016.

In 2016 an important bilateral activity in Public Health Initiatives Programme was a study trip to Oslo. The aim was to get more information and knowledge about how integrated mental health services are provided in Norway and how different sectors are cooperating. During the visit many good contacts were established. Besides that developing a quality network for inpatient and community children and adolescents mental health services continued in 2016. A programme closing event was organised on the 4th of November where the main results were presented and video about the achievements was shown.

Programme Mainstreaming Gender Equality and Promoting Work-Life Balance held the final conference on the 28th of September in 2016 and Programme Domestic and Gender-based Violence on the 26th of May 2016, in both conferences the Programme Operator organised Norwegian partners to take part to facilitate additional bilateral relations.

3. REPORTING ON PROGRAMMES

3.1 Overview of Programme status

	Programme	Open calls launched/closed	Commitments made by PO ²⁴	Disbursements made by PO ²⁵
EE06	Norwegian-Estonian Research Cooperation	Open call completed in 2013, Programme will end on the 31th of December 2017.	3 000 000	2 641 219
EE07	Green Industry Innovation	All planned open calls launched, carried out and finished. Programme will end on the 30th of April 2017.	5 838 986	5 586 457
EE08	Public Health Initiatives	All planned open calls launched, carried out and finished. In 2016 additional open was launched for the first open call projects. Programme will end on the 31th of December 2017.	8 889 386	7 722 735
EE09	Mainstreaming Gender Equality and Promoting Work-Life Balance	All planned open calls launched, carried out and finished. Programme will end on the 30th of April 2017.	1 925 379	1 769 492
EE10	Norwegian-Estonian Scholarship Programme	All planned open calls launched, carried out and finished. Programme will end on the 30th of April 2017.	1 600 000 ²⁶	1 196 362
EE11	Domestic and Gender-based Violence	All planned open calls launched, carried out and finished. Programme will end on the 30th of April 2017.	1 924 199	1 840 501

3.2 Individual Programme summaries

3.2.1 Norwegian-Estonian Research Cooperation Programme

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

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

²⁴ According to the Structural Funds Operating System (grant) 31.12.2016

²⁵ According to the Structural Funds Operating System (grant) and DoRIS 31.12.2016

²⁶ Together with the EEA Scholarship Programme

No calls were carried out during the reporting period. One single call for proposals was launched in 2013 to achieve both outcomes. As a result of a very tough competition, 13 high-quality donor partnership 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. The first projects started in September 2013 and the latest one in September 2014.

Nine projects ended in 2016 (five during the year and four at the end of the year) but are not completed yet (final reports are not evaluated). Four projects will be ended in April 2017. Main results of the programme are closely related to the main results of the financed projects and will be analysed after all the final reports of the projects are evaluated.

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 an initial 200 000 to 300 000 euros and it was possible to finance less projects, but the indicators remained as planned earlier.

Reporting on some of the achieved values of indicators can be done (target value shown in the programme agreement in brackets):

- The number of cooperative projects between Estonian and Norwegian research and development institutions – 13 (15)
- The number of cooperating research institutions of Estonia – 4 (15)
- The number of cooperating research institutions of Norway – 8 (15)
- The number female project leaders – 1 (6)

Target level was fixed based on assumption that 15 projects would be financed, while in reality 13 projects have received support from the programme. The target of 15 therefore will not be reached but a result of 13 means that all projects have delivered on a given indicator.

The number of cooperating research institutions of Estonia and Norway is smaller compared to target value. This target was based on the fact that there are 18 positively evaluated R&D institutions in Estonia, however, only 4 made it to the top of the rank list with their projects. In comparison, the situation on the side of the Norwegian institutions is better: there are 8 Norwegian institutions involved as partners; two of the projects have an additional partner from Norway. However, it should be noted that although the same institution acts as project promoter or partner in several projects, these are large universities with many departments and research groups. Projects are distributed across different faculties and departments, meaning that the number of research groups involved in the cooperation and network building is much higher than what the count of institutions can show.

There were no special measures taken or budget set aside to ensure that projects with female leader get financed. One of the principles followed in the selection process was prioritizing project proposals with a female project leader (as it appeared to be gender less represented) in case of equal scores but it did not have any effect on the rank list of those projects, which were eventually financed.

In 2016, the funds for bilateral relations were used for a capacity building seminar on technology transfer. The seminar on Norwegian technology transfer (TTO) system and its experiences was organised by the Estonian Research Council and took place on June 7, 2016 in Tartu. The aim of

the seminar was to introduce Norwegian experiences on TTO and discuss options for Estonia. The seminar was mainly targeted at TTO officials at the Estonian universities and science parks and entrepreneurial minded scientists and other entrepreneurs.

Also funds for bilateral relations have been used for covering registration fees of 6 participants from research and development departments of the Project Promoters to take part in the 22nd Annual Conference of the European Association of Research Managers and Administrators (EARMA) held in Luleå in June 19-22, 2016. The EARMA Conference 2016 was focused on new horizons in research management. Experiences acquired during the conference improved contacts between research organisations administrators. They also had possibility to take part in the session where Norway grants were introduced.

As for horizontal concerns, Tallinn University and University of Bergen work together to understand the political and social factors for migration. The project addresses directly the horizontal concerns related to promoting tolerance, multicultural understanding and respect of the minorities as the central objective of the research is to develop understanding of the determinants of the inclusive integration context. No other projects have reported on dealing especially or directly with the horizontal concerns issues.

The main challenges of the programme continue to be related to certain results, which may fully appear only after the end of the projects and programme period (e.g. published articles, joint proposals for future cooperation).

No need for major adjustments within the programme has occurred.

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

For achieving the expected outcome, the programme setup of one small grant scheme and two calls for proposals was approved in the programme agreement. All the calls were closed in 2014 and no additional projects were granted in 2015 or 2016.

The first results of the programme implementation can be considered good. 15 open call projects were granted in total. By the end of 2016 all the projects were finished. In addition to the one in 2015 other 18 environmental technologies have been commercialized in 2016.

The analyses after the 15 finished projects show that the number of processes developed and improved by open call projects is altogether 102 (the target value for the entire programme is 10). Therefore, the total number 102 (16 in 2015 and 86 in 2016) exceeds the target (10) more than 10 times. This shows that the granted projects have an ambition to solve different problems with their software. There are also 38 different innovative services developed (the target value for the programme is 10). The initial results are clearly showing that development processes have been successful.

To summarize activities of 2016, the Green Industry Innovation Estonia programme has significantly contributed to encouraging cooperation between Estonia and Norway. The cooperation with donor programme partner was very intensive during the reporting period: Innovation Norway had a leading role in all the bilateral and complementary actions accomplished in 2016. They have been willingly sharing their experiences, giving suggestions and connecting people in Estonian and Norwegian ICT circles.

The best examples of the ongoing projects were shared during the Norway – Estonia Green Industry Innovation cooperation seminar held in June 2016 in Tallinn under the umbrella of ICT Week. The seminar was hosted by Innovation Norway with Norwegian Embassy and Enterprise Estonia. The objective of the seminar was to encourage further Norwegian – Estonian cooperation, to present best cases, share experiences and to inspire new partnerships and projects. In April 2016 a study tour to Raufoss and Gjøvik was organized for 21 participants. The goal of the study tour was to understand industrial developments in Norway and also visit research institutes. In October 2016 a bilateral event was organized under the umbrella of Oslo Innovation Week. Green Industry Innovation bilateral experience sharing event was organized by Innovation Norway in Oslo in November 2016.

The principles of horizontal concerns have been followed in the programme. The issue of human rights has not been specifically dealt with. The main focus of the programme is on environmental sustainability. Transparency and equal treatment are part of Public Procurement Act. Regarding good governance, then the stakeholders were involved in the programme preparation phase (to get ideas, which topics to support).

By the end of the programme period four Open Call projects will be audited and evaluation on the programme performance carried out.

Additional bilateral events have already been and will be organized within the programme to enhance and further develop the bilateral relations.

No need for major adjustments within the programme has occurred.

3.2.3 Public Health Initiatives

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

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

As mental health problems are complex, actions in the field should be integrated across different sectors and therefore programme operator (PO) has been cooperating with other relevant stakeholders when implementing the programme. During the reporting period, PO has been mostly concentrating on extending some of the projects, disseminating programme results and keeping up mental health related discussions in media. Out of 14 projects 8 projects have finished with their project activities and 6 projects were extended until the end of 2016. PO announced additional open call for the 1st open call projects which got an approval for extension. Open call was announced on the 18th of March for the 1st open call (“Service network for the provision of integrated social education and health services for children with mental health problems”) projects. Selection Committee meeting was held on the 19th of April where all three projects got an approval for implementing additional activities until 31.01.2017.

All three predefined projects and open call projects have shown a major contribution and progress towards the programme’s expected outcomes and output indicators. Based on objectives of the projects, it can be said that the outlook for achieving the programme’s outcome indicators’ targets in general is positive.

The Donor Programme Partner is the Norwegian Institute of Public Health who has been advising the programme implementation process. Two Cooperation Committee (CC) meetings have held during the year 2016 (on May 9 and November 3).

PO has continued taking an initiative using bilateral relations fund. During the period a study trip took place where many good contacts were established. Besides that developing a quality network for inpatient and community children and adolescents mental health services continued in 2016. As programme implementation is coming to an end PO organized a programme closing event on the 4th of November where the main results were presented and video about the achievements was shown. Moreover, PO conducted tenders for carrying out programme impact assessment which will be made in 2017 and mental health related campaign (starts in January 2017).

As to horizontal concerns, the programme addresses problematic groups like children, youth and inmates. Children and youth with mental health problems have been one of the most disadvantaged groups due to decreasing investments in the area of mental health. Children with mental health problems 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.

During the period programme modification was made for allocating funds for an additional open call and contracts were extended for the projects “Developing a concept for integrated services to

improve children's mental health" until 31.12.2016; "Establishing Children's Mental Health Centre (part of Tallinn Children's Hospital)," "Developing and piloting the rehabilitation services for children with severe mental health problems" and 1st open call projects (Tartu University Hospital and Pärnu Hospital) until 31.01.2017.

3.2.4 Mainstreaming Gender Equality and Promoting Work-Life Balance

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

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

The implementation of two pre-defined projects began in early 2013, two calls for proposals were launched in mid-2013 and 2 open calls under the SGS were announced respectively in 2014 and in 2015. By the end of the reporting period, all 17 projects under implementation (2 pre-defined projects, 4 open call projects and 11 SGS projects) had finished their activities by April 30, 2016.

Upon approx. four years of implementation the programme has met most of its expected outcomes. All of the projects contributed to the achievement of the programme's outcomes and can be categorized under the outputs in one way or another. Nonetheless, since most of the projects were chosen via open calls, the PO did not have control over the exact contents.

It is important to keep in mind that the actual impact of the programme will likely lag behind the period of active implementation and justifications for shifts in the outcome indicators will have to be examined by taking other actions (i.e. efforts external to the programme) and bigger time period into consideration as well.

In order to foster bilateral relations between Estonia and Norway programme operator opened in February 2015 the call for the project promoters who have received a grant from the SGS. Unfortunately only two grants were awarded as only three SGS project promoters applied for the bi-lateral grant. Still, it is important to note that the projects that were financed in the programme were also themselves contributing to the facilitation of bilateral relations independently from the programme's fund for bilateral relations. Additionally, a joint study visit with programme of "Domestic and Gender based violence" took place in fall 2015 as well and the programme operator organised some Norwegian experts to the programme final conference (FETT,

Norwegian Ministry of Children and Equality) held on Sept 28, 2016 to facilitate additional bilateral relations.

To a certain extent, the programme addressed the majority of horizontal concerns related to fundamental values such as promoting tolerance, multicultural understanding, and respect for the rights of minorities. As was reported in 2013, the programme complements the implementation of two of the fundamental tools for eliminating intolerance and discrimination and creating a basis for equality in the Estonian society as a whole: the Gender Equality Act and the Equal Treatment Act. Close to a third of the programme's budget was 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. It is the Commissioner who is supposed to make proposals to – as well as advise and inform the central and local governments on issues relating to – the implementation of the Gender Equality Act as well as the Equal Treatment Act.

No need for major adjustments within programme occurred. All 17 projects (2 pre-defined projects, 4 open call projects and 11 SGS projects) have successfully finished their activities and achieved their objectives set.

3.2.5 EEA and Norwegian-Estonian Scholarship Programme

The programme has two expected outcomes and 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 the upper secondary education level
- Preparing and working on innovative measures in the teaching process (as a 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

Out of ten projects, five submitted their final reports by the end of the year 2015 and seven by the end of the year 2016. 7 joint teaching materials have been developed, the mutual knowledge and understanding between partner schools is increased through cooperation, shared outcomes and staff visits. In 2016 participation of 90 teachers and 37 administrative staff in the mobility activities was reported. Experiencing the differences and similarities in the education field is considered highly valuable by the teachers and administrative staff of the schools.

Target levels of all output indicators, except for the number of mobile students as part of new or existing mobility agreements and number of HE students involved in work placements, have been achieved and exceeded.

Some indicators (number of bilateral partnership agreements - 10; number of projects - 10; number of promotional events where EEA/NO Grants scholarship programme was presented 4) were achieved already in previous years (related to open calls 2013 and 2014). In 2016 no new agreements were concluded or projects initiated and most of the efforts were targeted to successful finalisation of ongoing projects. Relating to the number of mobile staff in cooperation projects the mobility of 90 teachers (total 191) and 37 administrative staff (total 60) was reported in 2016 and the total targets of two indicators were remarkably exceeded.

As written above the target levels of three indicators could not be achieved: number of mobile students as part of new or existing mobility agreements (2016 – 21; total 42); number of HE students involved in work placements (2016 - 15, total - 25); number of mobile staff as part of new or existing mobility agreements (2016 – 118, total - 201). There are several reasons causing on one hand the low number of students both for studies and placements and on the other hand the unexpected high number of staff mobility. First of all there is a decrease in number of students in Estonia generally due to the demographic reasons and that influences also the number of mobile students. Another reason is related to the fact that Erasmus+ programme supports rather the student than staff mobility and this has also influence to the results by encouraging HEI-s staff to use mobility opportunities of other programmes like EEA/Norway Scholarship programme.

In 2016 the funds for bilateral relations have been used for sending 2 project participants (one from Estonia and 1 from Iceland) to the outreach event in Brussels.

In June 2016 an evaluation of the programme was initiated by the Fund Operator. Evaluation of the programme, carried out in 2016 shows that EEA/Norway grants scholarship programme is one of the most valuable scholarship programmes for increasing mobility and bilateral relations between Estonia-Iceland and Estonia-Norway. The programme enabled to create new and to strengthen old partnerships, gave a possibility to exchange experiences, increase knowledge in specific fields, create new ideas for projects and articles. According to the evaluation the effectiveness of the implementation of EEA/Norway grants scholarship programme has been rather high and most of the indicators have been achieved. The recommendations for the programme (or similar programmes in the future) include better communication on institutional and beneficiary level (both in Donor and Beneficiary countries), better partner search facilities or tools, application deadlines that follow academic calendars in the partner countries, less and simpler reporting, more flexibility in the use of grants. In order to increase the bilateral cooperation and its sustainability, the evaluation recommends to continue with the programme and to increase the awareness of the programme.

One of the major risks concerning the strengthening of bilateral relations was related to the low level of interest among the Norwegian HEIs and other institutions to exchange students and staff with Estonian HEIs. At the end of the Programme the risk of not reaching some target levels of the Programme indicators and having unused funds under the mobility measure is still actual. Unfortunately the actions foreseen to mitigate this risk (stronger support to HEIs participating in the Programme and encouraging them to find alternative partners) have not been successful enough.

In 2016 a request for an amendment of the Programme Agreement was presented to the Financial Mechanism Office. The proposal was related to amend the agreement with the provision allowing allocating the remaining funds from Measure 2 and 5 which cannot be reallocated due to the time restriction, to the bilateral fund. The request was approved and the

amendments issued in October 2016. The Amendment will help to ensure the use of the remaining funds of the Programme.

3.2.7 Domestic and Gender-based Violence

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

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.

All the projects that are being implemented under the programme were selected in 2013 and 2014. The only call that was open in 2015 was from the bilateral relations fund. By the end of the reporting period, all 10 projects under implementation (3 pre-defined projects, 2 open call projects and 5 SGS projects) had finished their activities by April 30, 2016.

Upon approx. four years of implementation the programme has met most of its expected outcomes. Remarkable progress was made over the last years directly thanks to Norway Grants that has enabled to put more focus on public awareness raising activities, improve the quality and availability of services and carry out studies and surveys for future decisions and activities.

Domestic and gender-based violence has been openly discussed in public throughout the year 2016. Triggers for the public discussion and media coverage were the revelation of the studies, conferences and the passing of a new Victim’s Support Act (in force since Jan 1, 2017) laying down the new regulations for services, standards and financing for tackling gender-based violence and human trafficking issues in Estonia. However, reducing GBV in long run we first witness the numbers and statistics increasing simultaneously with the public awareness raising.

The main advancements during the reporting period have been:

- Improved knowledge and data on sexual and gender based violence, including trafficking
- Raise in the availability and quality of training professionals
- Services for victims of sexual violence have been piloted
- Diverse cooperation especially promoting bi-lateral relations

In order to foster bilateral relations between Estonia and Norway programme operator opened in February 2015 the call for the project promoters who have received a grant from the programme. Unfortunately only two grants were awarded as only four project promoters applied for the bi-lateral grant. Still, it is important to note that the projects that were financed in the programme were also themselves contributing to the facilitation of bilateral relations independently from the

programme's fund for bilateral relations. Additionally, a joint study visit with programme of "Mainstreaming Gender Equality and Promoting Work-Life Balance" took place in fall 2015 as well and the programme operator organised some Norwegian experts to the programme final conference (Oslo Sexual Assault Center, RVTS Vest, NKVTS) held on May 26, 2016 to facilitate additional bilateral relations.

In Dec 2016 a conference "Working with refugee families – example of Scotland" was held in Tallinn. The aim of the conference was to learn about cultural differences, forced marriages, teaching parental skills, learning how to prevent and domestic / sexual violence among refugees and by refugees etc. The conference was broadcasted via internet and was communicated to our Norwegian partners, the video of the conference can be used also in the future.

The programme as a whole was addressed to combating the horizontal concerns of violence against women, sexual harassment and trafficking in human beings. To get better progress on horizontal concerns many project promoters set a more specific focus on reaching minorities and people with cumulative disadvantages promoting tolerance, multicultural understanding and respect for the rights of minorities.

No need for major adjustments within programme occurred. All 10 projects (3 pre-defined projects, 2 open call projects and 5 SGS projects) have successfully finished their activities and achieved their objectives set.

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 remained in place in 2016.

At the programme level, setup of management and control systems started for all programmes in 2013 and were finalised in 2014. In 2016 the management and control systems at programme level remained the same.

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 Norway entered into force on 9th of 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 is followed by the Estonian state.

Annexes A and B to the Memorandum of Understanding were updated in August 2015 due to increasing the allocation for the fund for bilateral relations at national level and decreasing the allocation for technical assistance. The changes are related to the funding Estonian-Norwegian e-Governance Initiative.

The Government of the Republic of Estonia Decree No. 78 “The rules and procedures for application for and implementation of the grants from the EEA and Norwegian Financial Mechanisms 2009–2014” for establishment of the rules and procedures for application for and implementation of the grant from the EEA and Norwegian Financial Mechanisms 2009–2014 replacing the implementation agreements between the National Focal Point and the Programme Operators remained unchanged in 2014.

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, was updated according to the needs for implementing the Grants. The updated Decree entered into force on 29 August 2014.

When reviewing the programme documents (open call criteria, draft agreements, etc.), special attention has been paid by the National Focal Point in 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 and 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.

In all actual cases, relevant measures were taken, i.e. the project budgets 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 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 improve the competence of public procurement procedures of the project promoters and avoid subsequent problems, Programme Operators or Implementing Agencies have advised or organised area-specific trainings on public procurement for the project promoters during the implementation period of Norwegian Financial Mechanisms 2009–2014.

In addition to this, 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.

Irregularities

Programme Operator submits the information about the irregularities to the National Focal Point via internal information system of Estonia named SFOS. All cases of the irregularities are then checked by the National Focal Point. After that the National Focal Point composes reports about the irregularities and submits the reports to the FMO via DoRIS. In 2017 the National Focal Point will continue with the same approach in internal and external reporting of the irregularities.

There were 18 cases of new and ongoing irregularities in Estonia in the EEA and/or Norwegian Financial Mechanisms in 2016:

- 2 cases at programme level.
- 18 cases at project level.
- No irregularities at beneficiary state level were detected.

Most of the cases were discovered by the Programme Operators/Implementing Agencies, 5 cases were discovered by Audit Authority, one case was discovered by National Focal Point. Nature of irregularities: 8 deviations from programme agreement/project contract, 10 deviations from public procurement procedures, one error in payment claim, one case of fraud/corruption. 3 cases were closed by Programme Operators without making the financial correction decision while there was no irregularity.

According to the decision of the Estonian Police and Border Guard Board as concerns the before mentioned fraud case (IR-0348) the Gender Equality and Equal Treatment Commissioner was fined. Financial correction has been made, Programme Operators has closed the case.

FMO has closed 8 cases since the beginning of 2016 (one was closed in 2017). So there are 12 cases not closed by FMO out of which 9 cases have been closed by Programme Operators. Which means that there are only 3 cases with no final decision/ reimbursement by PP.

Detailed cumulative financial information about the irregularities is shown in annexes 4 and 5.

4.3 Audit, monitoring, review, and evaluation

National Focal Point

In 2015 the NFP carried out a risks assessment based on fraud indicators (red-flags) in the projects data and payments details that Programme Operators had inserted into Estonia's internal information system SFOS. Programme Operators were informed of all of the risks identified. After analysis by the PO's and NFP some of the risks emerged into irregularities, but major fraud cases were not discovered. The NFP assisted the Programme Operators to ensure that reviews based on the risks discovered were effective and that the risks were mitigated with monitoring activities.

In the beginning of 2016 NFP conducted fraud risk assessments with all of the Programme Operators. Detailed summary of the highest possible fraud risks identified was given in previous strategic report.

As no additional risk indicators emerged, the NFP did not conduct any additional risk assessment in the III quarter of 2016.

Detailed summary of the risks identified by Programme Operators in their Annual Programme Reports for 2016 is shown in annex 7. Detailed cumulative financial information about the irregularities is shown in annexes 4 and 5.

Audit Authority

Audit Authority is responsible for submitting an annual audit report to the Financial Mechanism Committee and to the Norwegian Ministry of Foreign Affairs. The annual audit report sets out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned

During the last reporting period Audit Authority carried out the following audits of the programmes financed by the EEA and the NFM:

	Management and control system audits	Audits on projects
EE02 - Integrated marine and inland water management	1	2
EE05 - Conservation and Revitalisation of Cultural and Natural Heritage	-	1
EE08 - Public Health Initiatives	1	2
EE09 - Mainstreaming Gender Equality and Promoting Work-Life Balance	1	3
EE11 - Domestic and Gender-based Violence	1	3

The results of management and control system audits

- EE02 - Integrated marine and inland water management
Audit report No II-171/2015 (16.10.2015). The objective of the audit was to evaluate the efficiency of the management and control systems of the Estonian Ministry of Environment as the Programme Operator in implementing the EEA Financial

Mechanisms 2009-2014. Operator in implementing the EEA Financial Mechanisms 2009-2014. As the result of the audit the auditors came to the conclusion that the management and control systems works well, but some improvements are needed (Category II²⁷).

- EE08 - Public Health Initiatives; EE09 - Mainstreaming Gender Equality and Promoting Work-Life Balance; EE11 - Domestic and Gender-based Violence
Audit report No II-175/2015 (25.05.2016). The objective of the audit was to evaluate the efficiency of the management and control systems of the Estonian Ministry of Social Affairs as the Programme Operator in implementing the NFM Financial Mechanisms 2009-2014. As the result of the audit the auditors came to the conclusion that the management and control systems works well, but some improvements are needed (Category II)

The results of project audits

- EE02 - Integrated marine and inland water management
 - Audit report No II-173/2015 (09.10.2015). No findings.
 - Audit report No II-174/2015 (18.09.2015). No findings.
- EE05 - Conservation and Revitalisation of Cultural and Natural Heritage
 - Audit report No II-168/2015, 14.07.2015). No findings.
- EE08 - Public Health Initiatives
 - Audit report No II-176/2015 (05.01.2016). No findings.
 - Audit report No II-177/2016 (10.12.2015). The audit report contained one finding with financial impact – bonuses were given to staff working in the NFM supported project at Tallinn's Children's Hospital under programme EE08. Based on the Donors opinion the finding was withdrawn during the follow-up activities.
NFP comment: No financial correction was made due to legal debates, the basis of error did not occur.
- EE09 - Mainstreaming Gender Equality and Promoting Work-Life Balance²⁸
 - Audit report No II-178/2015 (19.02.2016). No findings.
 - Audit report No II-179/2015 (05.01.2016). No findings.
 - Audit report No II-181/2015 (20.04.2016). The audit report contained one finding with financial impact – The Project Promoter had ordered legal aid services ignoring the Anti-Corruption Law (conflict of interest between contract parties). Ineligible expenditure detected in the amount of 4100 euros. The National Focal Point has made the recommendation to the Programme Operator to reclaim the assistance (09.09.2016).
NFP comment: financial correction was made on the 11th of November 2016, unduly paid amount was recovered on the 9th of January 2017.
- EE11 - Domestic and Gender-based Violence²⁹

²⁷ Category I – Works well; only minor improvements needed.

Category II – Works, but some improvements are needed.

Category III – Works partially; substantial improvements are needed.

Category IV – Essentially does not work.

²⁸ 2 audit reports are being finalized.

²⁹ Audit reports are being finalized.

- Audit report No II-180/2015 (26.04.2016). The audit report contained one finding with financial impact – The Project Promotor has not defined itself as the Contracting Authority by the means of the Estonian Public Procurement Act and therefore has not carried out the required procurement. Ineligible expenditure detected in the amount of 10 700 euros. The follow-up actions are pending and the final decision will be made after the legal dispute.

NFP comment: financial correction was not made, because the Audit Authority didn't confirm the financial impact of the irregularity according to the opinion of Public Procurement and State Aid Department

- Audit report No II-182/2015 (20.04.2016). No findings.
- Audit Report No II-183/2016 (06.05.2016). The audit report contained one finding with financial impact – The Project Promotor had not ensured a full and fair competition amongst potential bidders when procuring the group therapy services and also ignored conflict of interest. Ineligible expenditure detected in the amount of 12 000 euros. The National Focal Point has made the recommendation to the Programme Operator to reclaim the assistance (19.07.2016).

NFP comment: financial correction was made on the 3rd of January 2017, deadline for recovery of amounts is 3rd April 2017 (90 calendar days since the decision was made).

According to the Audit Authority no audits are planned for the 2017.

Evaluation

1. Green Industry Innovation – evaluation will be carried out during II quarter of 2017.
2. Norwegian-Estonian Research Cooperation programme – instead of evaluation separate monitoring exercise was carried out – results will be presented in the programme committee meeting on 27th of April 2017. Assessment of programme final results will be given after submission of projects` final reports and presented in the programme committee meeting in September 2017. Looking at the number of published articles and researchers involved and the extent of co-operation, it can be said that the programme has had very positive impact on all parties.
3. Mainstreaming Gender Equality – Survey among general population was carried out in 2016 and published on the 12th week of March 2017 on the web page of the Ministry of Social Affairs.
4. Domestic and Gender-based Violence – Survey, “Attitudes of Estonian inhabitants in relation to gender-based violence and human trafficking 2016”, was carried out and finalized in November 2016.
5. Promoting Work-Life Balance and Public Health Initiatives – Evaluation is in progress and will be finalized by end of April 2017.

4.4 Information and publicity

In general, the communication strategy for the EEA and Norway Grants 2009–2016 in Estonia has been in implementation as planned and does not need revision.

During 2014 most of the publicity was done by the programme operators in connection with launching the calls, organising seminars and conferences, etc. The general Grants website has

been updated continuously by the National Focal Point and news on opening calls or invitations to different seminars under the programmes have been distributed via the Facebook page for the Grants as well. Information which has distributed via social media (Facebook) and home page has been written in language which is understandable wide number of people.

With regard to communication of the programmes performed 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. As of a year ago special commendation 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. Special commendation deserves also manor schools program, who has spread information about their programme via different media channels very actively.

Many events and projects have been organized which are funded by EEA and Norway grants, but following projects examples highlights some of them. Firstly, there are made many activities under public health programme to improve the population's health in Estonia and reduce health inequalities by focusing on mental health problems and communicable diseases in prisons. There have organized many topic specific campaigns and it's also important to mention that end of august 2015 opened children's mental health centre in Tallinn.

Secondly, many activities have done in Green Industry programme, where number of environmental technologies have been successfully developed and number of project partnership agreements in the beneficiary private sector made. Those steps are very important for everyday life.

The communication work of the programme 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 in 2013. It then appeared that 27% of the Estonian population aged 18 to 74 knew that Estonia was receiving support from the EEA and Norway Grants. As a result of the survey carried out by Faktum & Ariko in August 2014, it appeared that the awareness of EEA and Norway Grants within the same age group had risen to 35%, which makes the annual growth eight percentage points. As a result of the survey carried out by Saar Poll OÜ in August-September 2015, it appeared that 16% of the Estonian population aged 18 to 74 knew that Estonia was receiving support from the EEA and Norway Grants. As a result of survey carried out by Turu-uuringute AS in October 2016, it appeared that 11% of the Estonian population aged 18 to 74 knew that Estonia was receiving support from EEA and Norway Grants. It shows big difference in awareness of EEA and Norway Grants in Estonia which can be based in two different social poll firms methodology and also in 2015 many Programme Operators had finished with their projects. Within those aware of the EEA and Norway Grants the level of education showed the biggest difference: the higher the education of respondents, the higher the awareness of the Grants. Also the visibility of the Grants' logos fell during the year between the two surveys from 16% to 9%.

The results of the survey were shared on the Grants website as well as on the Facebook page of the Grants in Estonia. The trends for visibility of the Grants is planned to be monitored annually throughout the entire implementation period.

4.5 Work plan

All the planned open calls under the Norway Grants' programmes were launched by the end of 2014 and most of the actions for disseminating the results of the programmes were planned for 2016.

The table showing the main relevant dates for partner events and information events of the programmes is as follows:

	Programme	Partner / information event
EE06	Norwegian-Estonian Research Cooperation	7 th of June 2016 in Tartu - capacity building seminar on Norwegian technology transfer (TTO) system and its experiences. 8 th of May 2017 – cooperation committee meeting. 21 st – 22 nd of September 2017 – programme closing event. 8 th of May 2017 – annual meeting.
EE07	Green Industry Innovation	5 th -8 th April 2016– study tour to Norway (Oslo-Gjøvik-Raufoss) for entrepreneurs to encourage bilateral relationships between Estonia and Norway. 3 June 2016 – Green IT: closing seminar of Green Industry Innovation programme in Estonia. 3 rd of June 2016– cooperation committee meeting in Tallinn. 17 th -18 th of October 2016 – bilateral event in Oslo in connection to Oslo Innovation Week. 21 st of October 2016 – cooperation committee meeting in Tallinn. 25 th -27 th of January 2017- development workshop in co-operation with companies from Trondheim. 13 th -17 th of March 2017 - Bilateral experience sharing event with matchmaking event and study tour in Norway. 8 th of May 2017 – annual meeting.
EE08	Public Health Initiatives	August 2016 – participated Traditional Festival of Opinion Culture. 1 st of June 2016- the Estonian ombudsman for children gave out recognition awards “To and with children” 2016. Tallinn’s Children Mental Health Centre won a prize in category “Deed of the Year 2016”. 4 th of November 2016– programme closing event. 28 th -29 th of March 2017 – different lectures held in Tartu Health Care College. April-May 2017– different seminars. 8 th of May 2017 – annual meeting.
EE09	Mainstreaming Gender Equality and Promoting Work-Life Balance	19 th of April 2016 – cooperation committee meeting (together with EE11). 28 th of September 2016 – programme closing seminar. 8 th of May 2017 – annual meeting.
EE10	Norwegian-Estonian Scholarship Programme	Two people from implementing agency and 2 people from schools participated in the outreach event organised by the Donor Programme Partners and Financial Mechanism Office in June 2016 in Brussels. In the event, the Programme Operators and Implementing Agencies of Scholarship Programmes shared the results of the programmes in their countries. One person participated in cooperation seminar in Bergen in

		September 2016. 1 st -2 nd of March 2017 – programme closing event. 8 th of May 2017 – annual meeting.
EE11	Domestic and Gender-based Violence	19 th of April 2016– cooperation committee meeting (together with EE09). 26 th of May 2016 – programme closing seminar. 13 th of December 2016– seminar „Domestic violence and refugees – an example of Scotland“. 8 th of May 2017 – annual meeting.

The Monitoring Committee convenes before the annual meeting in order to review the progress of implementation, to give an opinion on the strategic report.

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

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.

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. A list of irregularities detected at the Beneficiary State level and at Programme level during the reporting period and financial corrections made.
5. For each Programme, a list of irregularities detected at project level during the reporting period and financial corrections made.
6. A plan setting out the monitoring and audit activities in the Beneficiary State for the coming reporting period.
7. A risk assessment at the national and programme levels.