



**Interreg**  
**Estonia-Latvia**  
European Regional Development Fund



**Interreg VA – EE-LV - Estonia-Latvia**

**Cooperation programme under European territorial cooperation goal**

**Annual Implementation Report 2016**

**June 2017**

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## 1. IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

CCI	2014TC16RFCB050
Title	Interreg V-A EE-LV - Estonia-Latvia
Version	1.3
Reporting year	2016
Date of the approval of the report by the monitoring committee	28 June 2017

## 2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME

This Annual Implementation Report has been prepared in accordance with the Article 50 of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 and Annex X of the Commission Implementing Regulation (EU) 2015/207 of 20 January 2015.

The programme Interreg V-A EE-LV - Estonia-Latvia, (Estonia - Latvia Programme or programme), which is the cooperation Programme under the European territorial cooperation goal, was adopted by the European Commission on 4 December 2015 with the decision C(2015) 8926.

The programme covers the following NUTS regions: EE004 Lääne-Eesti, EE008 – Lõuna-Eesti, LV003 - Kurzeme, LV006 – Rīga, LV007 – Pierīga, LV008 – Vidzeme. For the implementation of the programme the Agreement on management and administration of the Estonia-Latvia Programme 2014-2020 was signed between the Republic of Latvia, the Republic of Estonia, and the Ministry of Finance of the Republic of Estonia on 07.07.2016.

**The total budget of the programme is 45 654 342 EUR** of which the **Union support is 38 020 684 EUR**. For projects the foreseen ERDF amount is 35 359 237 EUR. The rest of the budget is allocated to technical assistance.

In 2016, on the programme level the main efforts were related to **receiving the designation** of the Managing Authority (MA) as foreseen in the 123(3) of the Regulation (EU) No 1303/2013 of the European Parliament and of the Council. The MA also carries out the functions of Certifying Authority (CA) and is located in the cross-border programmes implementation unit in the Regional Development Department of the Ministry of Finance of Estonia.

For designation, the audit was carried out by the Audit Authority (AA) the scope of which included the MA along with bodies supporting the MA such as the Joint Secretariat (JS) and the Financial Control. The audit was based on the Description of Management and Control Systems prepared by the MA. The designation process also included inspection of other relevant documents and interviews with the MA along with other responsible programme bodies. Within this particular audit, the electronic monitoring

system (eMS) was not tested, as it was in the phases of development, it will be tested separately once all the modules have been established in their finalized form.

However, the eMS system has been constantly developed and adjusted to the programme needs and as of May 2017, all official information exchange between the project lead partners and programme authorities is done via eMS.

The AA gave their unqualified opinion that the Managing Authority responsible for the Cross-border cooperation programme Interreg V- A – Estonia–Latvia (CCI No 2014TC16RFCB050) complies with the designation criteria of Annex XIII of Regulation (EU) No 1303/2013 regarding internal control environment, risk management, management and control activities, and monitoring.

In the Estonian 2014-2020 Structural Assistance Act there is no specific procedure to be carried out after an opinion has been provided by the Audit Authority, thus 14 November 2016, when the audit opinion was issued, is also the date of the designation of the Managing Authority.

Other more noteworthy activities included preparation and finalising various programme documents. On 23 February 2016 the Monitoring Committee (MC) approved the Programme Manual and its annexes for the 1<sup>st</sup> call for proposals. The annexes included Guidelines for State Aid, Revenue Guidelines, Prepayment procedure and Complaint procedure. All these guidelines along with other guiding documents are available on the programme web site [www.estlat.eu](http://www.estlat.eu).

For applicants, but surely also for the programme authorities the event of major importance was the launch of the first call for proposals on 23 February with the deadline of 22 April 2016 for the project ideas. The procedure for submitting the project applications for this first call as approved by the MC was the following: **at first the applicants had to submit a project idea**, which was a rather short form with only a core information on project content, partners and budget. The project ideas were assessed by the JS and MC and based on the results, the **recommendation** was given to the applicants by the JS either to submit or not to submit the full application form. The procedure for the assessment of the full project applications was a similar one, only following the selection of the MC, according to the Estonian legislative requirements, the MA issued **an administrative act** on the projects selected or not selected for financing. **Altogether 123 project ideas** were submitted **and 35 ideas were recommended to continue with the preparation of a full project application**. The recommendation was not binding to the applicants thus also the applicants, who got negative feedback, could submit a full application form.

Applicants had actively anticipated the opening of the call and already in 2014-2015 the JS had over hundred consultations. Throughout the time when the call was open, the interest towards the programme was very high - in 2016 the JS had altogether 196 consultations most of them before the project idea submission deadline. All the recommended ideas had consulted the JS beforehand thus it is evident that the preliminary consultations proved to be beneficial. By the deadline for submission of full applications, 7 October 2016 the programme received **43 project applications** and after technical eligibility check, **38 of them reached** the selection procedure by the MC in January 2017.

As a result of the first call, by an administrative decision of the MA based on the selection decision of the MC, **28 projects were supported with the ERDF amount of 15 MEUR**. Altogether 144 partners will start implementing the activities in spring and summer 2017.

In parallel to the open call, the programme authorities carried out preparatory activities for the direct award procedure for the predefined project under Priority 3 that supports creation of a network of small harbours on the western coast of Latvia and in the Gulf of Riga for providing services of unified quality. The National Responsible Authorities (NRA) carried out the pre-selection procedures of harbours in Estonia and Latvia in summer 2016. The JS organized two seminars in October and December for the representatives of the harbours and NRAs in order to explain the rules of the programme. The pre-selected harbours started elaborating the construction documentation in late 2016 in order to be ready for the submission of the full application on 3 March 2017.

### 3. IMPLEMENTATION OF THE PRIORITY AXIS

#### 3.1 Overview of the implementation

In this chapter, only the figures are provided regarding the submitted project ideas and full applications under the different priority axes as of 31 December 2016. No financing decisions were made in 2016 and therefore neither financial execution of the priority axis 1-4 nor any achievements can be reported. However as the deadline for submission of full applications was in October 2017, a brief overview is given of the content of the applications in chapter 9.1.

**Table 1<sup>1</sup>**

ID	Priority Axis	Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems
Priority Axis 1	Active and Attractive Business Environment	69 submitted project ideas. 22 ideas were recommended to submit the full application. 30 full applications were submitted and 25 of them reached the selection procedure by the MC (in January 2017).
Priority Axis 2	Clean and Valued Living Environment	37 submitted project ideas.

<sup>1</sup> The numbers of the tables are provided as occurring in the AIR document.

		13 ideas were recommended to submit the full application.  12 applications submitted and all reached the selection procedure by the MC (January 2017).
Priority Axis 3	Better Network of Harbours	The pre-selection of harbours were carried out.
Priority Axis 4	Integrated Labour Market	2 submitted project ideas.  1 idea was recommended to submit the full application.  1 application submitted and reached the selection procedure by the MC (January 2017).
Priority Axis 5	Technical Assistance	The Technical Assistance was used according to the approved budget of 562 425 EUR

### 3.2 Common and programme specific indicators (Article 50 2) of Regulation (EU) No 1303/2013

Below, as required by the template in SFC2014 system, a consolidated table of the programme output indicators is given. As there were no project activities in 2016, the total for 2016 is zero.

**Table 2**

Priority Axis 1 Active and attractive business environment				
ID	Indicator	Measurement unit	Target value	2016 total
O01	Participants at project events, except management meetings	Number	500	0,00
O02	Jointly organised events, except management meetings	Number	30	0,00
CO01	Productive investment: Number of enterprises receiving support	Enterprise	125	0,00
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprise	125	0,00
O03	Joint products and services developed in cooperation	Number	12	0,00
O04	Joint marketing activities	Number	12	0,00
CO01	Productive investment: Number of enterprises receiving support	Enterprise	105	0,00

CO02	Productive investment: Number of enterprises receiving grants	Enterprise	25	0,00
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprise	80	0,00
CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	60	0,00
				0,00
<b>Priority Axis 2 Clean and valued living environment</b>				
ID	Indicator	Measurement unit	Target value	2016 total
O06	Improved natural or cultural heritage sites	Number	35	0,00
O07	(Sets of) products or services that are created based on cultural or natural heritage	Number	7	0,00
O08	Cross-border networks that are established or which are strengthened in order to manage and promote the sites	Number	7	0,00
O09	Participants at project events, except management meetings	Number	450	0,00
O10	Public campaigns that are targeted at environmentally-friendlier behaviour	Number	6	0,00
O11	Joint management initiatives for water or coastal areas	Number	5	0,00
O12	Small-scale investments	Number	40	0,00
<b>Priority Axis 3 Better network of harbours</b>				
ID	Indicator	Measurement unit	Target value	2016 total
O13	Small harbours with improved services	Number	17	0,00
<b>Priority Axis 4 Integrated labour market</b>				
ID	Indicator	Measurement unit	Target value	2016 total
O14	New and/or improved services for job seekers and/or job providers	Number	2	0,00
O15	Participants in cross-border mobility initiatives	Number	160	0,00
<b>Priority Axis 5 Technical Assistance</b>				
ID	Indicator	Measurement unit	Target value (2023)	2016 total
O17	Approved applications	Number	45	0,00
O18	Face-to-face consultations provided for applicants	Number	220	71
O19	Events organised for applicants, partners and general public	Number	50	4
O20	Employees, (full-time equivalents – FTEs) whose salaries are co-financed by technical assistance	Number	12	10,205

The TA indicator for FTE 10,205 includes 2,83 for MA; 6,375 for JS and 1 for AA

**Table 3 Result indicators (by priority axis and specific objective and as presented in the SFC 2014 system)**

As in the SFC system, based on the Cooperation Programme						Annual value		Observations
ID	Indicator	Measurement unit	Baseline Value	Baseline Year	Target value (2023)	2015	2016	
S01	The share of entrepreneurs and new businesses in the region, which are ready for cross-border cooperation	%	53%	2014	59%			No activities in 2016 Achievement will be measured in 2018
S02	The share of entrepreneurs carrying out joint product or service development	%	14%	2014	19%			No activities in 2016 Achievement will be measured in 2018
S03	The number of visitors at cultural and natural heritage sites	Number of visitors	3,103,576	2014	3,786,000			No activities in 2016 Achievement will be measured in 2018
S04	Awareness of people in terms of resource efficiency	% of persons who are very familiar with the targeted topics	43%	2014	53%			No activities in 2016 Achievement will be measured in 2018
S05	Cooperation intensity between institutions in the management of water bodies and coastal areas	% of institutions that carry out regular co-operation	36%	2014	59%			No activities in 2016 Achievement will be measured in 2018



		activities						
S06	The number of visiting vessels at small harbours	Number of vessels	6,420	2014	15,000			No activities in 2016 Achievement will be measured in 2018
S07	Work commuters crossing the border	Number of persons	2,753	2014	3,100			No activities in 2016 Achievement will be measured in 2018
S08	The share of inhabitants of Valga and Valka recognising Valga-Valka as a joint town	%	21%	2015	28%			No activities in 2016 Achievement will be measured in 2018.
00	N/A	N/A	00	00	N/A	N/A	N/A	

**Table 4 Information on the milestones and targets defined in the performance framework**

Priority axis	Ind type	ID	Indicator	Measurement unit	Fund	Milestone for 2018 total	Final target 2023 total	2016	Observations
1	F	F01	Expenditure, priority axis 1	€	ERDF	2,514,380.00	13,374,340.00	0,00	There were no projects approved in 2016 therefore there were no activities or payments.
1	I	03	Approved projects	number	ERDF	10		0,00	
1	O	O03	Joint products and services developed in cooperation	number	ERDF	0	12	0,00	
1	O	O04	Joint marketing activities	number	ERDF	0	12	0,00	

2	F	F02	Expenditure, priority axis 2	€	ERDF	3,018,127.00	16,053,871.00	0,00	
2	I	03	Approved projects	Number	ERDF	9		0,00	
2	O	O21	Improved and revitalized cross-border joint urban area	Square meter	ERDF	0	18,000.00	0,00	
2	O	007	(Sets) of products or services that are created based on cultural or natural heritage	Number	ERDF	0	6.00	0,00	
2	O	O10	Public campaigns that are targeted at environmentally-friendlier behaviour	Number	ERDF	0	6.00	0,00	
2	O	O11	Joint management initiatives for water and coastal areas	Number	ERDF	0	5.00	0,00	
3	F	F03	Expenditure. Priority axis	€	ERDF	2,064,480.00	10,981,275.00	0,00	
3	I	03	Approved projects	number	ERDF	1		0,00	
3	I	01	Small harbours within approved projects aimed at improving those harbours	number	ERDF	10		0,00	
3	O	O13	Small harbours with improved services	number	ERDF		17	0,00	
4	F	F04	Expenditure priority axis 4	€	ERDF	223,649.00	1,189,626.00	0,00	
4	I	03	Approved projects	Number	ERDF	1		0,00	
4	O	O14	New and/or improved services for job seekers and/or job providers	Number	ERDF	0	2	0,00	

The table of performance framework is presented as is the template in the SFC 2014 system. As there were no projects approved by the end of 2016, the achievement of 2016 is marked as zero.

**Table 5 Financial information at priority axis and programme level**

The financial allocation of the priority axis based on the operational programme					Cumulative data on the financial progress of the operational programme					
Priority axis	Fund	Basis for the calculation of Union support	Total funding (€)	Co-financing rate (%)	Total eligible cost of operations selected for support (€)	Proportion of the total allocation covered with selected operations (%)	Public eligible cost of operations selected for support (€)	Total eligible expenditure declared by beneficiaries to the managing authority	Proportion of the total allocation covered by eligible expenditure declared by beneficiaries (5)	Number of selected operations
1	ERDF	Total	13,374,340.00	85.00	0.00	0.00	0.00	0.00	0.00	0
2	ERDF	Total	16,053,871.00	85.00	0.00	0.00	0.00	0.00	0.00	0
3	ERDF	Total	10,981,275.00	85.00	0.00	0.00	0.00	0.00	0.00	0
4	ERDF	Total	1,189,626.00	85.00	0.00	0.00	0.00	0.00	0.00	0
5	ERDF	Total	4,055,230.00	65.63	1,298,454	32,04	1,298,454	0.00	0.00	4
<b>Total</b>	<b>ERDF</b>		<b>45,654,342.00</b>	<b>83.28</b>	<b>1,298,454</b>	<b>2,84</b>	<b>1,298,454</b>	<b>0.00</b>	<b>0.00</b>	<b>4</b>
<b>Grand total</b>	<b>ERDF</b>		<b>45,654,342.00</b>	<b>83.28</b>	<b>1,298,454</b>	<b>2,84</b>	<b>1,298,454</b>	<b>0.00</b>	<b>0.00</b>	<b>4</b>

The amount of 1 298 454 EUR is identical with the information provided in the SFC2014 system. It includes the 2015 IV quarter TA costs of 160 964 EUR and 2016 TA costs of 562 425 EUR as well as TA forecast for 2017.

#### 4. SYNTHESIS OF THE EVALUATIONS (Article 50(2) of Regulation (EU) No 1303/2013)

No evaluations were carried out during the previous financial year. More information about planned evaluations is included in the chapter 10.1.

#### 5. ISSUES AFFECTING PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN (Article 50(2) of Regulation (EU) No 1303/2013)

There have been no issues that have seriously affected the performance of the programme. It is true that the programme start was somewhat delayed due to longer than expected preparation period but in reward quality programme along with sufficiently thorough programme documents were developed bearing in mind the needs of the applicants and beneficiaries. Due to the delay there were no financing decisions in 2016 but as seen from the chapters 2, 3.1 and 9.1 the interest of the applicants was high and many good project ideas were received, and the best of them were ultimately elaborated into full applications.

#### 6. CITIZEN'S SUMMARY

Citizen summary is a separate document annexed to this Annual Implementation Report and will be uploaded separately in the SFC2014 system. It will be also made available on the programme web site.

#### 7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS (Article 46 of Regulation (EU) No 1303/2013)

Financial instruments are not applicable to the Estonia-Latvia Programme 2014-2020.

#### 8. IMPLEMENTATION OF MAJOR PROJECTS AND JOINT ACTION PLANS (Article 101 (h) and Article 111 (3) of Regulation (EU) No 1303/2013 and Article 14(3)(b) of Regulation (EU) No 1299/2013)

Major projects and joint action plans are not implemented in the framework the Estonia-Latvia programme 2014-2020.

#### 9. ASSESSMENT OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME (Article 50(4) of Regulation No 1303/2013 and Article 14(4) of Regulation No 1299/2013)

## 9.1. Information in Part A and achieving the objectives of the programme (Article 50(4) of Regulation (EU) No 1303/2013

### **Priority Axis 1 Active and Attractive Business Environment.**

Attraction of businesses into the programme was one of the major goals already in the Estonia-Latvia Programme 2007-2013. Then we were not so successful and bearing that in mind, more focussed activities towards this direction were undertaken in the current period. Importance of involvement of businesses was taken into account in compiling the Cooperation Programme(CP), which outlined the challenges and opportunities in the programme area based on the ex-ante assessment and experience of the previous period. More clear guidance was given on the expected activities and results was given in the Programme Manual. In addition targeted seminars were organised where the programme rules were in detail explained in order to avoid the situation where the applications are not submitted because of complexity and lack of knowledge of the requirements. In reward, 55 project ideas with the participation of 116 private partners were eligible for quality assessment under priority axis 1<sup>2</sup>.

### **Priority Axis 1 includes two SOs.**

**SO 1.1 Increased entrepreneurial cross-border cooperation in the programme area** aims at supporting business environment, start new businesses to develop ideas that support cooperation across the border.

Here the projects, which promote entrepreneurial cooperation in the programme area and carry out different events and actions to bring Estonian and Latvian entrepreneurs together, were expected. The submitted project applications represented a wide range of activities from traditional ones like farming, food production, handicraft, wood and furniture industry to life sciences, biotechnology and even space technology as well as creating more wide-based cooperation platforms for entrepreneurs for future business development. For this SO 1.1, 21 project ideas were received and 10 ideas were recommended to submit a full application. Eventually 11 full applications were received as the recommendation was not binding and the applicants could submit a full application even when the feedback from the MC was negative.

**SO 1.2 More jointly developed products and services in the programme area** is targeted primarily at supporting existing businesses in joint product and service development as well as joint marketing activities. For this SO, there was a special requirement that the projects must include at least one SME from Latvia and one SME from Estonia.

The received project applications disclose that the partners would like to develop variety of new products and services. The objective of some projects is creation of new IT services. Two submitted projects target their activities towards children: production of organic candies was the objective of one project and audio-learning books of another. Similar to the previous programme, the partners would like to continue cooperation in the health and medicine sector, which should result in two new products: next generation hand-held spectrometer and PET-precursor used in positron emission tomography for cancer, Alzheimer or Parkinson diagnostics. 48 project ideas were submitted within

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<sup>2</sup>Only those project ideas that passed technical eligibility check are counted.

this SO, the applicants of 12 ideas were recommended to elaborate their ideas into full application. However, ultimately 19 full project applications were received.

As a result of the project idea selection procedure the MC saw the need to pay more attention to the financial situation of the SMEs applying for funding. The assessment methodology was elaborated under certain assessment criteria (none of the main criteria was changed) during the call for the projects under SO 1.2. Additional information regarding the financial capacity was required and assessed by the external financial experts. The measure proved to be justified, as the more solid evidence of the SME-s situation was provided for the quality assessment.

## **Priority Axis 2 Clean and Valued Living Environment**

### **SO 2.1 More diversified and sustainable use of natural and cultural heritage**

This SO aims at promoting values and supporting wise use of natural resources and tangible and intangible cultural heritage by developing their potential for tourism and recreational activities. 22 project ideas were submitted but only 5 ideas were recommended to elaborate the project idea into a full application. Thus on one hand the SO proved to be very popular, which is understandable as tourism is a traditional field of business with experienced people both in the countries separately and by cooperation. On the other hand, judging on the assessment results, it appears that the majority of ideas were not sufficiently thought over and sometimes the activities were of ad-hoc nature. Often the need for cross-border cooperation remained weak, the objectives and benefits as well as the link between the project idea and the SO appeared to be vague. Also the themes of some projects coincided and in this case the MC asked to seek for the possibility to combine the ideas or selected the strongest.

While reading the submitted project applications it is evident that there is still a lot of potential in developing or preserving natural and cultural heritage sites and turning them into sustainable public attractions. Creation of new and attractive tourism routes some of them with a specific touch like joint industrial heritage route with thematic sub-routes like mills and hydro-electric power stations, old manufacturing sites, railway heritage and lighthouses was the objective of a couple of projects. Tourism and development organisations of Estonia and Latvia would like to revitalise Livonian culinary traditions and if that will be materialised, soon Livonian traditional tastes can be enjoyed.

### **SO 2.2 Increased awareness of energy saving, sorting waste and re-use, and the more efficient management of common water resources.**

The aim of this SO is to promote activities and raise people's knowledge in efficient energy use, waste recycling, sustainable daily behaviour as well as improve cooperation in joint water resource management. The SO involves two parts: the one related to energy and the other to the management of water resources. 10 project ideas were received in the area of energy saving and waste processing out of which 2 projects got recommendation to elaborate a full application form; in water management 4 ideas were received with also 2 ideas recommended. The reasons for low rate of recommended ideas relate mostly to weak cooperation element, the partners tended to consider more their own needs than the broader cooperation aspect, which would have a larger effect. Also in a number of cases the link between the SO and the project was vague and weak.

Increasing awareness and promoting best practices for energy efficiency as well as methods of waste reduction in public events are the main topics of submitted project applications in the energy saving area. In the field of water management the goal of the projects is to improve water purity and environmental security in the coastal and marine area of the Gulf of Riga.

### **SO 2.3: More integrated Valga-Valka central urban area.**

The goal of the **SO 2.3 More integrated Valga-Valka central urban area** is the revitalisation and renovation of the joint urban area of the Valga-Valka twin town. As the result of the project, the joint area should have a new look and become a place with many facilities for business and entertainment activities where the people would like to come, either to work or spend their free time. It is also expected that the project will further boost the cooperation between the two towns and why not between the two countries. One project idea was received here, and it was decided to ask the applicants to develop a full application, which was also submitted.

### **Priority axis 3 Better Network of Harbours**

This priority has one SO 3.1: **An improved network of small harbours with good levels of service.** Here the programme will finance through a direct award procedure a pre-defined project that supports creation of a network of small harbours on the western coast of Latvia and in the Gulf of Riga for providing services of similar quality. In 2016, the negotiations with the potential harbours participating in the project took place and the project application was prepared.

### **Priority Axis 4 Integrated Labour Market**

This priority axis includes only SO: **4.1 Improved conditions for accessing jobs across the border.** The objective is to promote employment possibilities, accelerate the completion of vacancies and improve the availability of information for the job seekers and employers across the border.

Only 2 project ideas were submitted and of those, 1 idea got the recommendation to submit a full application.

Labour market and education, in this context vocational and higher education, are the areas that are much governed by and depend on national legislations and this may be one obstacle for finding a good and realizable project idea. Factors like differences in tax policy, lack of skilled workforce, also rare transport connections across the border can be named as some of the main reasons hampering cross-border labour activities.

These problems have been discussed over the years and are well known by local authorities on both sides of the border and have been in the agenda Estonia-Latvia Intergovernmental Conference. Solutions are sought step by step and one possibility to improve the situation is also Estonia-Latvia programme. In fact, this Priority Axis and Specific Objective were designed to address these problems.

The project idea, "Valka-Valga Mobility", which was recommended and also submitted a full application addresses labour mobility and employability in cross-border area by involving major public sector stakeholders – employment agencies and local governments. Their aim is to join efforts to carry out strategical research about business environment of cross-border area, implement promotional activities of cross-border labour market (job fairs, networking activities for employers, informational newsletter for citizens) and activities of capacity building (information days and

workshops for job seekers and unemployed persons, language courses, support of mentor for employees).

### **Priority 5 Technical Assistance**

**The technical assistance was used as was foreseen in the Work Plan of 2016 and in accordance with the approved budget, which was 562 425 EUR.** 374 356 EUR was allocated for the Joint Secretariat and 188 069 for the MA and AA. The main activities carried out under technical assistance were related to the consultations to the applicants, organisation of meetings of programme authorities and MC, celebration of the European Cooperation Day and networking and training activities. Last year the personnel of programme authorities participated in MA and JS, CA and AA network meetings. Main training activities included training on programme evaluation, monitoring and financial management. Some information on training is also provided in the chapter 11.2.

### **9.2 Specific actions taken to promote equality between men and women and to promote non-discrimination, in particular accessibility for persons with disabilities, and the arrangements implemented to ensure the integration of the gender perspective in the cooperation programme and operations** (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2, (d) of Regulation (EU) No 1299/2013)

In the full project application form, under “Horizontal principles” in the applicants/beneficiaries have to describe how they address equal opportunities, non-discrimination and equality between men and women. The projects are expected to integrate these horizontal issues into their activities or, at least, to consider the project’s influence on them. Guidance is given in the Programme Manual. As the projects start their activities only in spring-summer 2017, it is too early to assess the actual results of these contributions.

### **9.3 Sustainable development** (Article 50(4) of Regulation (EU) No 1303/2013 and Article 14(4), subparagraph 2 (e) of Regulation (EU) 1299/2013)

Similar to the previous chapter, the full project application includes, under “Horizontal principles” a section where the applicants have to describe how they apply the principles of sustainable development. The requirement to address this issue is stipulated in the Cooperation Programme and in the Programme Manual. Especially projects under priority axis 2 must clearly demonstrate a direct positive and integrative impact on the sustainable development in its region.

Sustainability aspect as well as other horizontal principles mentioned in chapter 9.2 are taken into account in the assessment of the project applications. Also the project beneficiaries have to describe in the reports how these principles were addressed.

### **9.4 Reporting on support used for climate change objectives** (Article 50(4) of Regulation (EU) No 1303/2013)

The Estonia-Latvia Programme 2014-2020 does not have a special objective of climate change. However, it is expected that the activities carried out, particularly in the projects implemented under



priority 2 “Clean and valued living environment” and priority 3 “Better network of harbours” will positively tackle climate change issues.

## 9.5 Role of partners in the implementation of the cooperation programme

The role of partners (referred to in Article 5 of Regulation (EU) No 1303/2013) has been significant when outlining the expectations of the programme as regards to the high quality applications. The MC, which is the main decision-making body of the programme, consists of different levels of public authorities and socio economic partners from both countries. The different areas the programme is implemented and expertise needed was the basis for the selection of MC members. All MC members are very committed as regards the fair implementation of the programme and have provided their expert contribution in assessing and selecting the projects. The MC members are informed about the programme developments and issues at the meetings and at all times between the meetings if such need arises, and provided with the input and data to make balanced decisions. The members of the MC declare their confidentiality and impartiality by signing the respective document at the beginning of the meetings. Those persons, whose organisation is a partner in the project application discussed at the meeting, leave the room.

## 10 OBLIGATORY INFORMATION AND ASSESSMENT ACCORDING TO ARTICLE 14(4), SUBPARAGRAPH 1 (a) AND (b) OF REGULATION (EU) No 1299/2013

### 10.1 Progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations.

The Evaluation Plan was compiled in the year 2016 as foreseen in the Common Provisions Regulation (CPR) 1303/2013 Articles 54, 56 and Article 56.3 specifically for impact evaluation and in the Cooperation Programme Interreg V-A – Estonia-Latvia. The Evaluation Plan was approved by the Monitoring Committee on 16 November 2016 and was submitted to the European Commission via e-mail on 21. November 2016 and via SFC on 6 January 2017.

In the Evaluation Plan, three types of evaluations are foreseen: performance evaluation, assessment of result indicators as stipulated in the Cooperation Programme and impact evaluation. The first one to be carried out is performance evaluation. The deadline for preparation of Terms of Reference is end of May 2017. The purpose of the performance evaluation is to learn how well the programme has done with regard to the targets set in the Cooperation Programme, in principle, are the commitments declared in Cooperation Programme achievable considering the current implementation procedures of different levels. The aim is to receive the evaluation report in November 2017 in order to take the recommendations on board in further implementation of the programme including the launch of 3<sup>rd</sup> call of proposals.

## 10.2 The results of the information and publicity measures of the Funds carried out under the communication strategy

**Launching and carrying out the 1st call for proposals** (the procedure of the call for proposal is described in chapter 2)

**123 submitted project ideas is the result** of the 1st call for proposals, which was launched on 23 February and ended on 22 April 2016. Various measures to inform and support potential applicants were undertaken by the JS. The call was announced on the programme website and Facebook account and was supported by publishing the announcement through different channels of stakeholders and intermediates, as well by distributing press releases to wider public in Estonia and Latvia. The JS staff held 196 consultations with potential applicants in 2016 before the idea submission deadline. This includes face-to-face consultations as well as those provided by skype, e-mail, phone. **Major launching event of the 1<sup>st</sup> call was organized on 31 March in Rūjiena (Latvia), where programme requirements were presented to approximately 200 interested persons.**

Link to photos of the event on Facebook - [https://www.facebook.com/pg/estlat/photos/?tab=album&album\\_id=1007454012666028](https://www.facebook.com/pg/estlat/photos/?tab=album&album_id=1007454012666028)

Ideas and partners



	Eligible ideas (n=108)			Recommended by JS (n=35)		
	Latvia	Estonia	Total	Latvia	Estonia	Total
Lead partners	60	48	108	15	20	35
Partners	248	239	487	100	85	185

During the full application submission phase of the call, the programme organised a seminar in Tihemetsa (Estonia) for applicants, who were interested in preparing a full application. It included the introduction and instructions for using the electronic monitoring system (hereafter eMS) for the first time. Further on the JS provided applicants with the eMS guidelines published on the programme website. Additional consultations on submission issues were held with potential applicants. **43 full applications** were submitted by 7 October 2016 in the eMS of the programme. Finally, the Monitoring Committee selected **28 project applications for funding** at its meeting on 11 January 2017.

Using the eMS and involvement of private partners were mentioned as challenges in the communication strategy of the programme. Programme successfully overcome both of them: 132 private companies with the biggest interest under SO 1.1 and 1.2, were eligible for the competition in the idea phase and eMS platform worked out well and without any obstacles for the applicants during the call.

## Ideas and partners



	Eligible ideas (n=108)				Recommended by JS (n=35)			
	Latvia	Estonia	Total	%	Latvia	Estonia	Total	%
County governments/ Planning regions	8	2	10	2%	7	1	8	4%
Municipalities	71	49	120	25%	40	22	62	34%
State institutions	21	12	33	7%	4	5	9	5%
Public companies	8	9	17	3%	1	5	6	3%
Private companies	69	63	132	27%	22	14	36	19%
Foundations, NGOs	48	85	133	27%	20	33	53	28%
Universities	23	19	42	9%	6	5	11	6%
			487				185	

### Communication tools

**The communication activities of the programme were carried out according to the Communication Strategy, which was approved by the MC on 13 April 2016.**

The new version of the **programme website [www.estlat.eu](http://www.estlat.eu)** was developed following the approach of concentration of the programme's messages. The webpage provides direct access to our social media channels in Facebook and YouTube, and at the same time both channels are managed independently. This opportunity enables to raise visibility of the programme in social media more efficiently.

Programme produced attractive and engaging content (related to project results, EE-LV relations in general and about common issues for both countries) for the Programme Facebook (for tagging: @estlat) page, which resulted in increase of followers by 300 persons, without using paid services.

Four News Flashes were issued in 2016 in order to inform on average 2184 persons in the contact list per publication about highlights of the programme.

### Promotion of the programme

Programme was promoted at the occasions of the Europe Day, Entrepreneurs' Days of the Vidzeme Region, European Cooperation Day and Tartu Business Week. The largest was the European Cooperation Day 2016 event. It took place on the road Karksi – Nuia - Seda River, which was renovated with the programme funds in period 2007 – 2013. All participants from both countries had a chance to cross the border on this road section on kick bikes, as well as work jointly in the nature on the Estonian side and take part in bread baking or percussion workshops on the Latvian side of the border. It attracted more than 200 participants and around 60 of them were pupils from various schools of Estonia and Latvia. Link to photos of the event on Facebook - [https://www.facebook.com/pg/estlat/photos/?tab=album&album\\_id=1140755369335891](https://www.facebook.com/pg/estlat/photos/?tab=album&album_id=1140755369335891)

Estonia-Latvia programme cooperated with other Interreg programmes for organising activities within the Europe Day and for the Vidzeme Entrepreneurs' Days.

In conclusion we can safely say that the programme is well visible in the area that we target. This can be much contributed to the application of different tools and activities. The main evidence is our traditional European Cooperation Day (we call it also Estonian-Latvian cooperation day), that welcomed participants, who were not related to any project or implementing organisation, but who had just noticed and took interest in our presence. The journalist from the Estonian national TV has become a regular reporter at the EC Day and broadcasted about EC Day 2016 event as well. As mentioned before, also the wide interest in the 1<sup>st</sup> Call for Proposals and large number of applicants definitely demonstrate the attractiveness of the programme.

**Table 6**

**Contribution to the fulfilment of quantitative indicators in 2016**

INDICATOR	2016	Target 2015 - 2017
Visits on the website (monthly)	Monthly average 2541	2000
Number of different e-mail addresses in the JS contact list receiving regular information	Average per publication 2184 (4 publications)	2000
Number of sharable items produced (videos, digital publications, etc.)	13	20
Number of project ideas consulted*	109	300
Number of submitted project applications to the JS	123 project ideas and 43 full applications	180
Number of programme and project related articles/appearances in media.	14	210
Number of projects covered by mass media with reference to co-financing.	N/A	60

\* The number is for the consulted ideas. The above-said number 196 shows all consultations, not specifically ideas.

Media coverage about the programme on 2016 was mostly related to the press releases about the first call for proposals. In addition, the EC Day was promoted in media. It is planned to implement the media activities and use the different tools foreseen in the communication strategy to proactively help projects be more attractive, visible and interesting for media and general public. When organising the programme events, all the efforts are made to involve the regional and local media partners as strategic actors for getting wider reach among applicants and general public.

**11 ADDITIONAL INFORMATION WHICH MAY BE ADDED DEPENDING ON THE CONTENT AND OBJECTIVES OF THE COOPERATION PROGRAMME** (Article 14(4), subparagraph 2(a), (b), (c) and (f) of Regulation (EU) No 1299/2013)

## 11.1 Progress in implementation of actions to reinforce the capacity of authorities and beneficiaries to administer and use the ERDF

To reinforce the capacity of beneficiaries in using the ERDF and to ensure the eligibility of expenditure, the JS organised seminars on implementation of the programme, firstly on issues new to the 2014-2020 period. Mainly these were related to the use of eMS and state aid. The beneficiaries are always welcome to contact the JS on any question that may come up in the implementation and JS also closely monitors the projects in order to avoid any setbacks. It is especially important for the beneficiaries who are new to our programme, which is ca 2/3 of the total number of the partners.

Regarding the programme-related issues, the programme staff mainly participated in the trainings provided by Interact. In 2016 the representatives of the MA and JS attended a seminar on programme closure, which gave final touch to the closure preparation. In the current period special attention is paid to the programme evaluation and therefore the MA and JS have taken part in quite a few evaluation seminars organised on this topic. In these seminars the presentations were made by top specialists of the EC and outside thus giving a valuable synergy for evaluation activities.

In order to best support the applicants/beneficiaries and programme staff in using the eMS, the eMS manager participated in trainings in eMS usage.

Besides Interact annually organises network meetings for the MA, JS, CA and also for the communication managers. These meetings have been regularly attended as they enable discussion of implementation-related issues and the agenda is pretty much composed on wishes of the programmes, which gives it an added value.

Financial management has always been a challenge in implementing the programmes and to raise the capacity in this area, the MA employee fulfilling the functions of the CA participated in a training where financial management of the EU structural and investment funds was discussed. This training was provided by the European Institute of Public Administration, which is known for the high quality of its events. As the state aid issues is under special attention in Interreg programmes in this period, a state aid training was organised where the whole programme staff including the financial controllers of both countries participated.

The AA also participated in various trainings and seminars. These were mostly organised by international or national institutions of the profession such as European Confederation of Institutes of Internal Auditing and Association of Estonian Internal Auditors or by relevant authorities.

The most important topics during the previous period were the following: how to prevent, detect and manage the fraud risks; how to apply correctly the state aid rules; which were the most common problems by applying the public procurement rules; how to improve the quality of the audit work, including changes in audit standards, planning the audit procedures, communicating the audit results, quality assessment tools.

As a result the auditors improved their understanding of applicable rules and gained CPE points which are necessary to hold the qualification of the auditors' profession (CGAP certificate).

Apart from strictly programme-related trainings, the programme staff attended trainings and seminars of general educative character, where the knowledge received can be used for the benefit of the programme. This includes for example construction and planning issues and environmental awareness.

## 11.2 Contribution to macro-regional strategies

The territory of the Estonia-Latvia Programme is part of the area that is covered by the European Union Strategy for the Baltic Sea Region (hereafter the EUSBSR or the Strategy).

In the implementation, the Strategy will be taken on board as relevant and as much as possible. Contribution to the EUSBSR gives the project broader visibility, may facilitate project beneficiaries to find new partners outside their country, which in turn may widen the scope of activities and increase the capacity of the organisation. The programme has developed certain criteria, which should be taken into account while assessing the contribution to the EUSBSR, and these are the following:

1. The project should have an impact in the whole programme territory and possibly beyond it;
2. The project should create new development potential in the area in which it is implemented, with the possibility of using the results outside the programme area;
3. The project should support the achievement of objectives and sub-objectives as specified in the latest Action Plan.

**Following the first call for proposals, one project application was identified as contributing to the Strategy: “Integrated Nitrogen Management System for the Gulf of Riga” with a short name “GURINIMAS”**

The objective of the project application is to develop an integrated nitrogen management system for the Gulf of Riga in close cooperation between Estonian and Latvian authorities and research institutions. The management approach provides additional, cost-effective measures to control internal flows between relevant sectors of the economy/ecosystems including accumulation and to increase the efficiency of use of N and to reduce N loss.

The total budget of the proposed project is EUR 427 290; the ERDF contribution is EUR 363 196,50. The Lead partner is Estonian Ministry of Environment and the partners are: Tallinn University of Technology, Latvian Environment, Geology and Meteorology Centre, Latvia University of Agriculture, Latvian State Forest Research Institute "Silava", Latvian Institute of Aquatic Ecology.

Analysing the project application, it was concluded that if selected, the project contributes to the EUSBSR as it has an effect beyond the programme territory, in principle it should influence the whole Gulf of Riga. Also the results can be used outside the programme area and it supports the Strategy objective Save the Sea having a direct link with a *PA Nutri – Reducing nutrient inputs the sea to acceptable levels*.