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Estonia-Latvia
European Regional Development Fund



EUROPEAN UNION

Interreg V-A - Estonia-Latvia

**Cooperation programme under European territorial
cooperation goal**

Annual Implementation Report 2019

May 2020

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ABBREVIATIONS

AA	Audit Authority
AIR	Annual Implementation Report
CBC	Cross border cooperation
DMCS	Description of the Management and Control System
eMS	electronic monitoring system
GoR	Gulf of Riga
EC	European Commission
EC Day	European Cooperation Day
ERDF	European Regional Development Fund
EUSBSR	European Union Strategy for Baltic Sea Region
FC	Financial Control
JS	Joint Secretariat
LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
OI	Output indicator
PA	Priority axis
SO	Specific Objective
TA	Technical Assistance

1. IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

CCI	2014TC16RFCB050
Title	Interreg V-A EE-LV - Estonia-Latvia
Version	2.1
Reporting year	2019
Date of the approval of the report by the monitoring committee	20 May 2020

2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION

PROGRAMME (Article 50(2) of Regulation (EU) No 1303/2013 and Article 14(3)(a) of Regulation (EU) No 1299/2013)

The programme Interreg V-A EE-LV - Estonia-Latvia, (Estonia-Latvia programme or the programme), which is the cooperation programme under the European territorial cooperation goal, was adopted by the EC on 4 December 2015 with the decision C(2015) 8926. The latest amendments to the programme were adopted by EC on 12 December 2018.

The programme covers the following NUTS regions: EE004 Lääne-Eesti, EE008 – Lõuna-Eesti, LV003 - Kurzeme, LV006 – Rīga, LV007 – Pierīga, LV008 – Vidzeme.

The programme plays a significant role in bringing together the programme's area Estonian and Latvian border regions and socio-economic partners which also contributes to addressing and resolving cross-border obstacles. Through its support for a number of projects, the programme has helped to amplify existing national measures with additional cross-border investments to create integrated solutions that benefit both sides of the border.

The total budget of the programme is 46 728 593.00 EUR of which the EU support makes up 38 933 803.00 EUR. 36 272 356.00 EUR from the ERDF is made available for the projects. The programme has five PAs with 8 relevant SOs, which are more elaborated further in the report. 51 projects had been approved and **46** projects contracted by the end of 2019. **The contracted ERDF amount is 29 686 334.16 EUR.** Of 46 projects 22 finished their activities in 2019 but continued with reporting. **6** projects have been completely finalised with final payment made. There are 116 Latvian and 107 Estonian unique partners participating in the projects. In 2019 the JS confirmed close to 100 progress reports and 6 final reports.

The values of the fulfilled OIs are aggregated from the eMS, where the data is collected from the progress reports according to the information reported by LPs. There are differences in the data in the AIR for the year 2019 in comparison with the AIR for the year 2018, which was aggregated in spring 2019. Namely, values for some indicators in AIR for the year 2018 were

counted twice. The MA is of the opinion that the data we present in the current report are correct and that the mistake in the previous AIR occurred due to flaws in the previous version of eMS function, which has been fixed by now with the version upgrades.

The MC assembled twice in 2019 to select projects for funding. **In May 2019, the MC selected 5 projects for funding** from 14 that applicants submitted during the 4th call for proposals by 3 January 2019. The 4th call was open for the SO 1.2 and SO 4.1. **All the selected projects were submitted under the SO 1.2 and the total ERDF support for these projects was 1 691 608.11 EUR.**

In December 2019, the MC took the decisions for the 5th call for proposals, which was open 1 February - 3 June 2019 and resulted with 10 applications. This call was targeted for SO 2.1 and 2.2. **In total 2 648 195.34 EUR support was granted to 1 selected project under SO 2.1 and 3 selected projects under SO 2.2. The titles and allocations to each SO are provided in Chapter 3.**

In addition, the 6th call for proposals was opened for the SO 4.1 from 1 July to 30 September 2019, but it resulted with no applications. In parallel with the calls in 2019, the programme agreed on the requirements and drafted the manual for the second pre-defined project under priority 3 *Better network of harbours*. The submission and selection of it is planned for spring 2020.

By the end of the 2019 the available amount of programme support for projects was ca 3.6 MEUR, of which 2.8 MEUR was planned for a pre-defined project under priority 3. The programme authorities and the MC started the discussions on using the not committed funds and expected surplus from the finishing projects in spring 2019. Taking into account the planned and achieved indicators, the programme authorities discussed the need for reallocating the funds between the PAs. By the end of the year it was agreed that after revising the potential new project ideas and having more exact overview of the available funds, the modifications of cooperation programme will be introduced in mid-2020.

The two large scale projects - “ESTLAT harbours” under PA 3 “Better network of harbours” and “Valga-Valka city centre” under SO 2.3 progressed well. The majority of the harbours completed their construction works and the marketing of the network was effective. The procurement for construction of the Valga-Valka joint city centre was successful and the construction starts in early spring 2020.

The JS carried out 2 seminars for the 5th call applicants on submission of the application in eMS and 3 seminars for the potential partners of the second pre-defined project under the priority 3. For the 5 newly financed projects of the 4th call the JS carried out the partner seminars where the Estonian and Latvian financial controllers, auditors and the JS gave information about the eligibility, reporting basic principles of state aid, public procurement and publicity rules. The annual meeting of the MA, JS, AA and FC resulted with revision of the eMS guidelines for submitting the reports and the paper about the common mistakes in the partner reports.

In 2019 work started on updating and amending the programme key documents like the programme manual, DMCS, Complaint Procedure, Guidelines to Financial Corrections, guidelines for submitting partner reports in the eMS. The major changes in the programme

manuals are related to the granting indirect *de minimis*. The Latvian Ministry of Finance opened new electronic System for Accounting of *de-minimis* aid and the procedures for the programme and Latvian partners had to be brought into line. In the updated eMS guidelines more detailed descriptions and instructions are provided about reporting the output indicators. The Programme Manual was separately elaborated for the 5th call and for the 2nd pre-defined project. The updated documents were approved by the MC in January 2020.

The 2019 was very active on the implementation and reporting side, and volumes of programme communication and publicity were equally considerable. The main source of information for applicants and beneficiaries is the webpage www.estlat.eu that holds the number of visits and visitors in average on the same level as in 2018 – respectively ca 2200 and ca 1000 as per month. The website is regularly provided with updated information about calls, modified documents, programme and project events and projects. In terms of communication of the results and events of the programme and projects, the presence in Facebook has proven to be effective. With 252 post in 2019 we have brought to this platform almost all of our projects, including those not having the account for the project or the partner organization. The programme account had 2243 fans and 2326 followers by the end of 2019, which is respectively 259 and 283 more than on 1 January 2019. This growth is achieved organically, i.e. the programme did not pay for boosting the posts.

In 2019 the programme introduced a series of innovative events: thematic roundtables called **Talking Results**. There is a plan to carry out three thematic roundtables. The first, tourism, featuring project managers and experts from our tourism projects, was filmed in the end of 2019. The annual celebration of the **EC Day** was a great success also in 2019. The Green Space Tour on 21 September focused on the environmental awareness, waste sorting and energy saving. In cooperation with Estonia-Russia programme we showcased several projects and provided the ca 220 participants very hands on, educative yet entertaining day. The JS will continue making efforts to give the programme wide publicity and encourage the partners to do the same with their projects.

3. IMPLEMENTATION OF THE PRIORITY AXIS (Article 50(2) of Regulation (EU) No 1303/2013)

3.1 Overview of the implementation

3.2 Common and programme specific indicators (Article 50(2) of Regulation (EU) No1303/2013)

Priority axis 1 Active and attractive business environment

Altogether 28 projects are contracted under PA 1: 9 under the SO 1.1 *Increased entrepreneurial cross-border cooperation in the programme area* with total 2 581 105.06 EUR of ERDF support, and 19 under SO 1.2 *More jointly developed products and services in the programme area* with total 6 364 364.93 euros ERDF support. In addition to the four projects that had finished their activities in 2018, another eleven reached their closing in 2019: Wood and Furniture, EstLat-Accelerate, B-idea, PET-Diagnostics, Social&Creative, Baltic Geodata Marketplace, COOP Local, How the Shammies learned, MyTree Alert Service, SpaceTEM and EstLat BioBoost. Their last progress reports and final reports are expected to be submitted in 2020.

The fourth call for proposals, with the submission deadline of 3 January 2019, was targeted to the PA 1 and PA 4. The interest for the call was quite high in the business community, the applicants submitted 14 applications in eMS – 13 for SO 1.2 and 1 for SO 4.1. The available support was much lower than requested by the applicants: ca 1.8 MEUR and ca 4 MEUR respectively for PA 1. The MC selected 5 projects for funding, all under SO1.2, and allocated in total 1 691 608.11 euros of ERDF. Of those five, four signed the subsidy contract in 2019.

In addition to the previously supported products and services, the programme has now in its portfolio the development of the Estonian-Latvian Neural machine translation toolkit, geoname translator for maps, development of bio-active dietary supplement for Asian market, FTIR spectroscopy based remote breast cancer screening service and liquid household cleaning and personal care products based on herbal water as a natural fragrance.

Table 1 Result indicators priority axis 1

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) Total	2018 Total	2018 Qualitative	2019 Total	2019 Qualitative	Observations
S01	Share of entrepreneurs and new business in the region (not older than 3 years), which are ready for cross-border cooperation	%	53%	2014	59%	46%		N/A		The next assessment on achievement of the result indicators will take place in 2021. Therefore for 2019, there is no information to add for the result indicators.
S02	Share of entrepreneurs carrying out joint product or service development	%	14%	2014	19%	13%		N/A		

Table 2 Common and Programme specific output indicators priority axis 1

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F ¹	CO01	Productive investment: Number of enterprises receiving support	Enterprises	125.00	0.00	109.00	278.00	858.00	
S	CO01	Productive investment: Number of enterprises receiving support	Enterprises	125.00		0.00	0.00	0.00	In Estonia-Latvia programme 2014-2020 the annual forecast of fulfilment of indicators is not asked and not provided by beneficiaries. In table 2, in the box S, the forecast of the 1st call for proposal is provided.
F	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	125.00	0.00	109.00	278.00	858.00	
S	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	125.00		0.00	0.00	0.00	The relevant SO was open only in the first call for proposals. As a result of the first call, according to the forecast provided by the beneficiaries, 283 enterprises will receive non-financial support.
F	O01	Participants at project events, except management meetings	Number	500.00	0.00	179.00	1 362.00	3 052.00	
S	O01	Participants at project events, except management meetings	Number	500.00		0.00	0.00	0.00	According to the forecast provided by the beneficiaries, there will be 2755 participants in the project events.
F	O02	Jointly organised events, except management meetings	Number	30.00	0.00	2.00	49.00	120.00	
S	O02	Jointly organised events, except management meetings	Number	30.00		0.00	0.00	0.00	Based on the projects, there will be 166 jointly organised events.
F	CO01	Productive investment: Number of enterprises receiving support	Enterprises	105.00	0.00	15	36.00	96	

¹ F=Cumulative value — outputs delivered by operations [actual achievement] S=Cumulative value — outputs to be delivered by selected operations [forecast provided by beneficiaries]. In Estonia-Latvia programme, annual forecast of fulfilment of output indicators is not foreseen, therefore „S“ cells for separate years have been left empty.

S	CO01	Productive investment: Number of enterprises receiving support	Enterprises	105.00		0.00	0.00	0.00	Based on the applications, 340 enterprises will receive support. There will be no calls for this SO, the target number will not increase.
F	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	25.00	0.00	15.00	32.00	40	
S	CO02	Productive investment: Number of enterprises receiving grants	Enterprises	25.00		0.00	0.00	0.00	Based on the results of the first, third and fourth call, 40 enterprises receive grants. There will be no calls for this SO, the target number will not increase.
F	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	80.00	0.00	0.00	4.00	56	
S	CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	80.00		0.00	0.00	0.00	Based on the projects, the number of enterprises receiving non-financial support will be 310.
F	CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	60.00	0.00	0.00	14.90	38.90	
S	CO08	Productive investment: Employment increase in supported enterprises	Full time equivalents	60.00		0.00	0.00	0.00	Based on the project applications, 97 work places will be created.
F	O03	Joint products and services developed in cooperation	Number	12.00	0.00	1.00	5.00	8.00	
S	O03	Joint products and services developed in cooperation	Number	12.00		0.00	0.00	0.00	Based on the project applications, 29 joint products and services will be delivered in cooperation. There will be no calls for this SO, the target number will not increase.
F	O04	Joint marketing activities	Number	12.00	0.00	0.00	3.00	5.00	
S	O04	Joint marketing activities	Number	12.00		0.00	0.00	0.00	Based on the project applications, 31 joint marketing activities will be carried out. There will be no calls for this SO, the target number will not increase.

Priority axis 2 Clean and valued living environment

The 5th call for proposals was targeted to the PA 2: SO 2.1 *More diversified and sustainable use of natural and cultural heritage* and 2.2 *Increased awareness of energy saving, sorting waste and re-use, and the more efficient management of common water resources*. 10 applications were submitted, 5 under each SO. Total available support was 2.6 MEUR, the requested ERDF ca 8 MEUR. The MC selected 4 projects for funding, 1 under SO 2.1 and 3 under SO 2.2, and allocated in total 2 648 195.34 EUR. The JS provided 31 consultations for applicants who wished to submit a project application under this priority.

The programme requires different topic for every developed tourism product. The programme has already supported development of two hiking trails, UNESCO sites and cultural heritage, industrial heritage, Livonian culinary route and open gardens. In addition, the future tourists can enjoy the improved sites of military heritage. Three projects under SO 2.2 bring one public campaign for environmentally friendlier behaviour and three joint management initiatives for water or coastal areas.

The only project under SO 2.3 *More integrated Valga-Valka central urban area* continued its activities through 2019. By the end of the 2019, the procurement resulted with the successful bidder for the construction of the joint city centre, to be completed by the end of 2020.

Altogether 15 projects are contracted in priority 2: 6 under SO 2.1, 8 under SO 2.2 and 1 under SO 2.3. The programme has respectively committed 6 991 968.27 EUR, 3 535 473.59 EUR and 2 999 999.98 EUR of ERDF support. 4 projects: SAFE SEA, Industrial Heritage, GURINIMAS, and Green Railway ended in 2019.

Table 1 Result indicators priority axis 2

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) Total	2018 Total	2018 Qualitative	2019 Total	2019 Qualitative	Observations
S04	Awareness of people about resource efficiency with a focus on waste and energy saving	% of persons who are very familiar with the targeted topics	43%	2014	53%	53%		N/A		The next assessment on achievement of the result indicators will take place in 2021. Therefore for 2019, there is no information to add for the result indicators.
S05	Cooperation intensity between institutions on management of water bodies and coastal areas	% of institutions that carry out regular co-operation activities	36%	2014	59%	46%		N/A		
S08	The share of inhabitants of Valga and Valka recognising Valga-Valka as a joint town	%	21%	2015	28%	29%		N/A		
	The number of visitors to the natural and cultural heritage sites	Number	3 103 576	2014	3 786 000	3 729 721 (for 2017)		N/A		

Table 2 Common and programme specific output indicators priority axis 2

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O06	Improved natural or cultural heritage sites	Number	35.00	0.00	0.00	4.00	35.00	The projects started in 2017, 2018 and 2020 and the duration for the most of them is 3 years. The sites are gradually being improved and the results reported mostly in 2020, some by the end of 2022.
S	O06	Improved natural or cultural heritage sites	Number	35.00		0.00	0.00	0.00	According to the project applications of the first, second and fifth call, 146 improved natural or cultural heritage sites will be presented.
F	O07	(Sets of) products or services that are created based on cultural or natural heritage	Number	7.00	0.00	0.00	0.00	0.00	The projects started in 2017 and 2018 and the duration for the most of them is 3 years. The product (sets of product) development will reach the results by the end of the projects in 2019-2022, reported in 2020-2023.
S	O07	(Sets of) products or services that are created based on cultural or natural heritage	Number	7.00		0.00	0.00	0.00	According to the project applications of the first, second and fifth call, 7 (sets of) products or services that are created based on cultural or natural heritage will be delivered.
F	O08	Cross-border networks that are established or which are strengthened in order to manage and promote the sites	Number	7.00	0.00	0.00	2.00	3.00	The projects started in 2017 and 2018 and the duration for the most of them is 3 years. The indicator will be fulfilled the end of the projects in 2019-2022, reported in 2020-2023.
S	O08	Cross-border networks that are established or which are strengthened in order to manage and promote the sites	Number	7.00		0.00	0.00	0.00	According to the approved applications of the first, second and fifth call, 10 cross-border networks will be established.
F	21	Improved and revitalised cross-border joint urban area	Square meter	18 000.00	0.00	0.00	0.00	0.00	The project started in 2017. Due to complexity of the compiling the cross-border building design, the project reached the construction procurement only in 2019. Construction started in spring 2020. No achievements can be reported.
S	21	Improved and revitalised cross-border joint urban area	Square meter	18 000.00		0.00	0.00	0.00	This indicator concerns only one specific project and 18 000 square meters of improved joint urban area of Valga and Valka will be achieved by the end of the project.
F	O09	Participants at project events, except management meetings	Number	450.00	0.00	253.00	4 994.00	9 597.00	
S	O09	Participants at project events, except management meetings	Number	450.00		0.00	0.00	0.00	According to estimations provided by the beneficiaries of the first, second and fifth call, the expected number of participants is 5655.

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O10	Public campaigns that are targeted at environmentally-friendlier behaviour	Number	6.00	0.00	1.00	2.00	4.00	The two finalised projects «Green Public Events » and «SEC» delivered their targeted outputs.
S	O10	Public campaigns that are targeted at environmentally-friendlier behaviour	Number	6.00		0.00	0.00	0.00	Based on the estimations of the applications, the number of public campaigns to be carried out is 7.
F	O11	Joint management initiatives for water or coastal areas	Number	5.00	0.00	0.00	0.00	1.00	The management initiative is measured when all the planned activities are carried out - outputs will be delivered by the end of the projects and reported in 2020-2022.
S	O11	Joint management initiatives for water or coastal areas	Number	5.00		0.00	0.00	0.00	Based on the applications there will be 7 joint management initiatives.
F	O12	Small-scale investments	Number	40.00	0.00	1.00	23.00	40.00	
S	O12	Small-scale investments	Number	40.00		0.00	0.00	0.00	Based on the project applications, 46 small-scale investments will be delivered.

Priority axis 3 Better network of harbours

There is only one SO under PA 3, SO.3.1 *An improved network of small harbours with good levels of service*, and so far the only pre-defined project “ESTLAT harbours” is implemented within this SO and it was progressing well. Jaagupi harbor on Estonian side was excluded from the project, as the additional measurements and geological evaluation of the location for the harbour suggested a significantly higher costs for construction than planned in the project. The prognosis also clearly exceeded the financial capacity of the implementing partner OÜ Wetmen. The planned results and set output indicators were not affected by the change, however, the ERDF support for the project was decreased from 9 333 981.31 to 9 189 510.21 euros. There will be improved services in 20 harbours in Estonia and Latvia. In 2019 several harbours had completed their investments. For instance Mõntu, Varbla, Suaru in Estonia and Riga and Pavilosta in Latvia. Others will finish their reconstructions in spring and summer 2020. The project partners have done extensive marketing for the network and its service.

The MC agreed on the requirements for the second pre-defined project to be submitted in April 2020. According to the rules set forth in the Programme Manual, the pre-defined project must involve at least two Estonian harbours, which are located on the western coastline of the Hiiu County. On the Latvian side only those Latvian harbours, which are operating in the port territories defined in the decisions of the Latvian government, can be involved. The foreseen ERDF support for the project is 2 808 694.79 euros. The total ERDF for the priority is 11 998 205 euros.

Table 1 Result indicators priority axis 3

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) Total	2018 Total	2018 Qualitative	2019 Total	2019 Qualitative	Observations
S06	The number of visiting vessels at small harbours	Number of vessels	6 420	2014	16 000	7 789		N/A		The next assessment on achievement of the result indicators will take place in 2021. Therefore for 2019, there is no information to add for the result indicators.

Table 2 Common and programme specific output indicators priority axis 3

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O13	Small harbours with improved services	Number	23.00	0.00	0.00	0.00	2.00	There are harbours that have completed their investments in 2019 in the first pre-defined project. The outputs will be fully delivered in 2020 and reported in 2021.
S	O13	Small harbours with improved services	Number	23.00		0.00		0.00	

Priority axis 4 Integrated labour market

One of the two projects implemented under SO 4.1: Improved conditions for accessing jobs across the border “Valka-Valga mobility”, ended in 2019. The last report and final result will be submitted in 2020. The other project, Cross-Border Work-based Learning in Estonia and Latvia, is running and will end in July 2020. In total 672 106.92 euros of ERDF is contracted for the two projects that are aiming at developing 5 new and/or improved services for job seekers: job fairs, networking activities for employers, informational newsletter for citizens, capacity building events (information days and workshops for job seekers and unemployed persons, support of mentor for employees) and work based learning systems. Projects aim at engaging 312 participants in cross-border mobility initiatives. The latter target is already exceeded.

This SO was open under the 4th and 6th call. Under the 4th call, 1 project application was submitted but was not selected for financing. Regarding the 6th call, although the JS held 5 consultations, no applications were ultimately submitted. The MC of the programme has concluded that there is no demand for the support among the relevant applicants and target groups in this field. The programme indicators are fulfilled and the MC considers reallocation the unused funds from PA 4 to PA 2.

Table 1 Result indicators priority axis 4

ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023) Total	2018 Total	2018 Qualitative	2019 Total	2019 Qualitative	Observations
S06	Work commuters crossing the border	Number of persons	2 753	2014	3 100	4 598.40		N/A		The next assessment on achievement of the result indicators will take place in 2021. Therefore for 2019, there is no information to add for the result indicators.

Table 2 Common and Programme specific output indicators priority axis 4

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O14	New and/or improved services for job seekers and/or job providers	Number	2.00	0.00	0.00	2.00	2.00	
S	O14	New and/or improved services for job seekers and/or job providers	Number	2.00		0.00		0.00	Based on the applications of the 1 st and 2 nd call, there will be 5 new and/or improved services for job seekers and/or job providers.
F	O15	Participants in cross-border mobility initiatives	Number	160.00	0.00	0.00	216.00	767.00	
S	O15	Participants in cross-border mobility initiatives	Number	160.00		0.00		0.00	The projects forecasted 312 participants in the cross-border mobility initiatives.

Priority axis 5 Technical assistance

The TA budget for 2019 was approved by the MC on 31 January 2019 and was 551 338.00 EUR - 422 000.00 EUR for the JS and 129 338.00 EUR for the MA. The TA budget is in compliance with the work plan of the programme.

In the JS budget, one of the major cost articles was external expertise under which assessment of project applications by the financial experts for the 4th call SMEs and external thematic experts for the 4th call product development projects and 5th call tourism projects was carried out. In addition it included costs for hosting the server for the web-page, eMS platforms, and eMS development, publicity and marketing, costs for organising events for project partners and meetings for the programme authorities.

During 2019 the staff of the JS and MA participated also in a number of trainings and seminars mainly organised by Interact but also by other organisations. Interact trainings were about evaluation, capitalisation and communication; AIR and Performance Review; simplification; network meeting for CBC financial issues; state aid, transition from 2014-2020 to 2012-2027 programme period; training on KEEP database; principles for talking to camera.

The programme consultant responsible for information and communication participated in a training "Visuals in digital communication", a workshop organized by the Latvian journal and portal IR.

Another programme consultant participated in a seminar targeted to the Latvian and Estonian cultural coherence and uniqueness. The seminar was held in Alūksne County, LV and it brought together culture field workers from Estonia and Latvia border area who discussed what could be the further development trends in culture in both countries.

The MA budget included staff costs, expenditure of programme authorities related to travel and accommodation, which mostly included meetings with other programme authorities, travel costs of the MC members, events outside Estonia.

Table 1 Result indicators priority axis 5

Result indicators are not applicable to the technical assistance

Common and programme specific output indicators priority axis 5

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O17	Approved projects	Number	45.00	0.00	29.00	43.00	51.00	The figures, except O20, are cumulative
S	O17	Approved projects	Number	45.00		29.00	43.00		
F	O18	Face-to-face consultations provided to applicants	Number	220.00	71	135	174.00	210.00	In 2019 the JS provided 36 consultations, 11 qualified as compulsory consultations for the 5 th call applicants.
S	O18	Face-to-face consultations provided to applicants	Number	220.00		0.00			

	ID	Indicator	Measurement unit	Target value	2016	2017	2018	2019	Observations
F	O19	Events organised for applicants, partners of supported projects, and the general public	Number	50.00	4	19.00	27.00	37.00	In 2019:10 events
S	O19	Events organised for applicants, partners of supported projects, and the general public	Number	50.00			0.00	0.00	
F	O20	Employees (full-time equivalents - FTEs) whose salaries are co-financed by technical assistance	Number	12.00			11.00	10	The FTE for 2019 represents 2.5 for MA, 7.5 for JS.
S	O20	Employees (full-time equivalents - FTEs) whose salaries are co-financed by technical assistance	Number	12.00			0.00	0.00	

3.3 Milestones and targets defined in the performance framework (Article 50(2) of Regulation (EU) No 1303/2013)

Table 3 Information on milestones and targets defined in the performance framework

PA	Ind type	ID	Indicator	Measurement unit	Milestone for 2018 Total	Target value (total) (2023)	2018 Total	2018 Qualitative	2019 Total	2019 Qualitative	Observations
1	F	F01	Expenditure², priority axis 1	EUR	2 514 380.00	11 314 329.00	3 613 214.79		6 121 241.97		
1	I	03	Approved projects	number	10		24		28		
1	O	003	Joint products and services developed in cooperation	number	0	12	5		8		Based on the project applications, 29 joint products and services will be delivered in cooperation. There will be no calls for this SO, the target number will not increase.
1	O	004	Joint marketing activities	number	0	12	3		5		Based on the project applications, 31 joint marketing activities will be carried out. There will be no calls for this SO, the target number will not increase.

² The expenditure of all PAs refers to the amounts certified to the European Commission as included in table 4.

2	F	F02	Expenditure, priority axis 2	EUR	3 018 127.00	16 053 871.00	3 658 020.60		6 505 422.67		
2	I	03	Approved projects	Number	9		15		15		This is the number of contracted projects. All in all, the funds have been allocated to 19 projects, after the 5 th call for proposals.
2	O	007	(Sets) of products or services that are created based on cultural or natural heritage	Number	0	7	0		0		According to the project applications of the first, second and fifth call, 7 (sets of) products or services that are created based on cultural or natural heritage will be delivered.
2	O	O10	Public campaigns that are targeted at environmentally-friendlier behaviour	Number	0	6	2		4		The two finalised projects «Green Public Events » and «SEC» delivered their outputs. Based on the estimations of the applications, the number of public campaigns to be carried out is 7.
2	O	O11	Joint management initiatives for water and coastal areas	Number	0	5	0		1		Based on the applications there will be 7 joint management initiatives.
2	O	O21	Improved and revitalised cross-border joint urban area	Square meter	0	18 000	0		0		

3	F	F03	Expenditure, priority axis 3	EUR	2 064 480.00	14 115 537.00	2 081 774.72		3 993 913.49		
3	I	03	Approved projects	number	1		1		1		
3	I	01	Small harbours within approved projects aimed at improving those harbours	number	10		21		20		One harbour at EE side, Jaagupi, withdrew from the project due to insufficient financial capacity.
3	O	O13	Small harbours with improved services	number		23	0		2		The outputs will be fully delivered in 2020 and reported in 2021.
4	F	F04	Expenditure, priority axis 4	EUR	223 649.00	1 189 626.00	157 096.37		281 113.33		
4	I	03	Approved projects	Number	1		2		2		
4	O	O14	New and/or improved services for job seekers and/or job providers	Number	0	2	2		2		Based on the applications of the 1st and 2nd call, there will be 5 new and/or improved services for job seekers and/or job providers.

3.4 Financial data (Article 50(2) of Regulation (EU) No 1303/2013)

Table 4 Financial information at priority axis and programme level

Priority axis	Fund	Calculation basis	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	Number of operations selected
1	ERDF	Total	11,314,329.00	85.00	11,414,325.34	100.88%	9,392,314.79	6,121,241.97	54.10%	28
2	ERDF	Total	16,053,871.00	85.00	14,324,124.80	89.23%	13,878,985.59	6,505,422.67	40.52%	15
3	ERDF	Total	14,115,537.00	85.00	10,811,188.53	76.59%	9,962,292.30	3,993,913.49	28.29%	1
4	ERDF	Total	1,189,626.00	85.00	790,714.08	66.47%	752,263.35	281,113.33	23.63%	2
5	ERDF	Total	4,055,230.00	65.63	2,446,976.87	60.34%	2,446,976.87	843,767.43	20.81%	8
Total	ERDF		46,728,593.00	83.32	39,787,329.62	85.15%	36,432,832.90	17,745,458.89	37.98%	54
Grand total			46,728,593.00	83.32	39,787,329.62	85.15%	36,432,832.90	17,745,458.89	37.98%	54

Table 5 Breakdown of the cumulative financial data by category of intervention (Article 112(1) and (2) of Regulation (EU) No 1303/2013)³

Priority axis	Fund	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic objective dimension	ESF secondary theme	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	The total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
1	ERDF	067	01	01	07	03		13	LV006	892,873.46	627,475.52	10,000.00	2
1	ERDF	067	01	01	07	03		24	EE008	1,788,450.00	1,594,489.28	757,270.91	4
1	ERDF	067	01	01	07	03		24	LV003	389,365.97	374,424.69	203,123.45	1
1	ERDF	067	01	01	07	03		24	LV006	619,101.69	568,313.60	393,350.85	2
1	ERDF	067	01	03	07	03		24	EE008	763,035.10	763,035.10	602,807.39	3
1	ERDF	104	01	01	07	03		03	EE001	536,349.00	417,661.97	407,314.87	1
1	ERDF	104	01	01	07	03		03	LV006	183,209.20	155,727.82	138,898.13	1
1	ERDF	104	01	01	07	03		07	EE008	2,762,812.17	2,152,947.70	1,484,748.88	6
1	ERDF	104	01	01	07	03		13	EE004	315,770.00	268,404.50	310,929.13	1
1	ERDF	104	01	01	07	03		13	EE008	1,830,441.65	1,335,693.94	1,086,023.07	3
1	ERDF	104	01	01	07	03		13	LV006	664,907.10	533,065.47	502,515.30	2
1	ERDF	104	01	01	07	03		13	LV008	322,000.00	273,700.00	148,745.72	1

³ This table is completed according to Annex 1 of the Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014. The codes of the economic dimension refer to the following:

- 24 Other unspecified services
- 03 Manufacture of food products and beverages
- 07 Other unspecified manufacturing services
- 13 Information and communication activities, including telecommunication. Information service activities, computer programming, consultancy and related activities
- 22 Activities linked to the environment and to climate change
- 18 Public administration
- 15 Tourism, accommodation and food service activities
- 18 Public administration

Priority axis	Fund	Intervention field	Form of finance	Territorial dimension	Territorial delivery mechanism	Thematic objective dimension	ESF secondary theme	Economic dimension	Location dimension	Total eligible cost of operations selected for support	Public eligible cost of operations selected for support	The total eligible expenditure declared by beneficiaries to the managing authority	Number of operations selected
1	ERDF	104	01	01	07	03		24	EE008	346,010.00	327,375.20	75,514.27	1
2	ERDF	018	01	01	07	06		22	LV003	259,720.80	220,762.67	142,404.34	1
2	ERDF	018	01	01	07	06		22	LV008	344,452.87	321,074.84	83,153.69	1
2	ERDF	018	01	02	07	06		22	EE008	400,474.96	340,403.71	330,385.66	1
2	ERDF	018	01	03	07	06		22	EE008	289,730.00	289,730.00	241,164.18	1
2	ERDF	021	01	01	07	06		22	EE001	837,546.00	831,657.60	445,698.51	2
2	ERDF	021	01	01	07	06		22	LV003	547,815.20	547,815.20	511,519.20	1
2	ERDF	021	01	01	07	06		22	LV006	411,764.72	411,764.72	184,371.20	1
2	ERDF	055	01	02	07	06		18	LV008	4,935,767.48	4,935,767.48	194,657.98	1
2	ERDF	091	01	01	07	06		15	EE001	1,053,310.70	965,709.58	677,965.08	1
2	ERDF	091	01	03	07	06		15	EE008	1,116,703.40	1,092,284.33	871,644.23	1
2	ERDF	091	01	03	07	06		15	LV003	1,143,135.40	1,072,425.85	817,695.85	1
2	ERDF	091	01	03	07	06		15	LV007	1,089,737.80	968,542.14	781,284.86	1
2	ERDF	091	01	03	07	06		15	LV008	1,893,965.47	1,881,047.47	1,223,477.89	2
3	ERDF	040	01	01	07	07		15	LV003	10,811,188.53	9,962,292.30	3,993,913.49	1
4	ERDF	102	01	02	07	08		24	LV006	790,714.08	752,263.35	281,113.33	2
5	ERDF	121	01	07	07			18	EE001	1,213,476.87	1,213,476.87	117,681.58	5
5	ERDF	121	01	07	07			18	EE008	1,233,500.00	1,233,500.00	726,085.85	3

Table 6 Cumulative cost of all or part of an operation implemented outside the Union part of the programme area⁴

1. Operation⁵	2. The amount of ERDF support⁶ envisaged to be used for all or part of an operation implemented outside the Union part of the programme area based on selected operations	3. Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) (column 2/total amount allocated to the support from the ERDF at programme level *100)	4. Eligible expenditure of ERDF support incurred in all or part of an operation implemented outside the Union part of the programme area declared by the beneficiary to the managing authority	5. Share of the total financial allocation to all or part of an operation located outside the Union part of the programme area (%) (column 4/total amount allocated to the support from the ERDF at programme level *100)
Whey valorization	166 858.59	0.43%	100 741.75	0.26%
Delbi 2	72 250.00	0.19%	48 767.79	0.13%
EstLat Accelerate	26 059.58	0.07%	19 968.75	0.05%
Coastal Hiking	60 820.05	0.16%	40 668.99	0.10%
Livonian Culinary Route	135 031.85	0.35%	97 688.48	0.25%
GURINIMAS	149 850.75	0.38%	131 440.01	0.34%
WBWB	125 576.49	0.32%	56 442.44	0.14%
GroundEco	82 305.50	0.21%	26 975.84	0.07%

⁴ % calculated automatically by the SFC 2014 system.

⁵ In accordance with and subject to ceilings set out Article 20 of Regulation (EU) No 1299/2013.

⁶ ERDF support is the Commission decision on the respective cooperation programme.

Valka-Valga mobility	28 152.00	0.07%	5 795.39	0.01%
PDS	231 885.00	0.60%	107 357.85	0.28%
PFM-AIHEN	20 527.50	0.05%	15 210.44	0.04%
Military Heritage	222 103.64	0.57%	0.00	0.00%
DAML	90 086.40	0.23%	0.00	0.00%
WaterAct	94 386.42	0.24%	0.00	0.00%

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

In 2019, the Evaluation Plan of the Programme was updated. Initially, the 2nd assessment of result indicators was foreseen to be carried out in 2020. However, as the 1st assessment took place only in the end of 2018 and some results became available only in the beginning of 2019, then it was considered too early to have the 2nd assessment of result indicators in 2020. Instead, it will be carried out in 2021. The results of the 1st assessment of the result indicators is comprehensively described in Annual Implementation Report 2018 and the surveys are available at <https://estlat.eu/en/about-estlat/evaluation-and-surveys>.

Also the time for carrying out the impact evaluation was shifted a little. It was decided to implement it earlier, in 2020 (not at the end of 2020/beginning of 2021 as foreseen in the initial plan) in order to have input for the Estonia-Latvia Programme 2021-2027. The preparations for compiling the Terms of Reference were made in 2019, the tender was launched and contract signed in 2020.

Therefore, no direct evaluation activities took place in 2019, but the evaluation plan was updated in order to be in compliance with the real programme development.

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

In general, the Programme is running smoothly, the partners implement their projects responsibly and are committed to follow the established requirements.

One issue where mistakes tend to occur more often than in other spheres is public procurement. Mostly the violations concern of not taking comparable offers and restrictive criteria in procuring services. This does not particularly affect the performance of the programme but slows down the approval of the reports and making payments. Also it puts additional obligation to the Programme authorities as in these cases financial correction decisions have to be made if it cannot be settled with the next payment.

In order to improve carrying out the procurement, it is regularly discussed at the consultations and seminars for the project partners. The partners are also always encouraged to turn to the programme authorities in case they need assistance in a procurement or in any other issue.

However, currently it may be said that there is an evidence that the project partners have become more attentive as regards carrying out procurements. According to financial control, the errors related to the procurement have decreased and therefore the consultations, explanations and assistance have proved to be beneficial.

6. CITIZEN'S SUMMARY (Article 50(9) of Regulation 1303/2013)

A citizen's summary is added as a separate file to this Annual Implementation Report.

7. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS

(Article 50(9) of Regulation (EU) No 1303/2013)

Financial instruments are not applicable to the Estonia-Latvia programme.

8. PROGRESS IN PREPARATION AND 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 applicable to Estonia-Latvia programme.

9. CONTRIBUTION TO MACRO-REGIONAL AND SEA BASIN STRATEGIES⁷

The territory of the Estonia-Latvia programme is part of the area covered by the European Strategy for the Baltic Sea Region (EUSBSR or Strategy). In the implementation, the EUSBSR is taken into account as much as possible and relevant. The programme has elaborated the criteria to decide whether the project contributes to the Strategy. The criteria are described in the Programme Manual, but in determining the contribution, it is essential that project impact reaches beyond the programme territory. The projects, which are labelled as contributing to the Strategy, are free to advertise their contribution and a respective notice has been made on the programme web-page on the link of a particular project. Also, the Policy area coordinators have been informed about these projects. The programme has made steps to present and bring out supported tourism projects at the EUSBSR Forum (the Participation Day) and at the Baltic Sea Region Tourism Forum.

As of the end of 2019, three projects have been identified as contributing to the Strategy:

Hiking Route in the Baltic Sea coastline in Latvia and Estonia (Coastal hiking)

Baltic Coastal Hiking is a long distance hiking route, part of E9, along the Baltic Sea coast. The hiking route starts at the Lithuanian-Latvian border in the village of Nida in Latvia and finishes at the Port of Tallinn in Estonia. The total length of the route is ca 1200 km. The total contracted amount for this project is 1 089 737.80 EUR with the ERDF of 926 277.12 EUR.

Integrated Nitrogen Management System for the Gulf of Riga (Gurinimas)

This project tackled the problem of excessive nitrogen loads coming from many land-based sources of Estonia and Latvia that causes eutrophication of the GoR. In close cooperation, the Estonian and Latvian authorities and research institutions developed an integrated nitrogen management system for GoR with the aim to reduce nutrient load. The integrated nitrogen management system involves economy wide inventory of the nitrogen cycle and definition of the risk areas in the Gulf of Riga catchment where to act. As the main project activities, the partners 1) developed methodology for assessment of nitrogen flows based on the OECD

⁷ In the SFC2014 system the EUSBSR is chapter 11.3 as the SFC follows the format of reports to be submitted in 2017, 2019 and final implementation report (longer version of reports).

research methodology and suitable for Baltic Sea Area, 2) composed nitrogen budget for the defined 12 pools, evaluated and interpreted research results, 3) developed the integrated nitrogen management system (GURINIMAS) and disseminated results to target groups and stakeholders. The contracted amount of the project is 423 546.48 EUR with the ERDF of 360 014.50 EUR.

The project **Improvement of sailing infrastructure and yacht harbours network building in Estonia and Latvia (ESTLAT harbours)** supports creation of a network of small harbours on the western coast of Latvia and in the Gulf of Riga and the purpose is to establish similar service standards in all harbours.

With the help of the project, small harbours are improving sailing infrastructure and building network to promote East Baltic as sailing destination. By the end of 2019 all planned infrastructure works were finalized in several Estonian harbours, as well as in most Latvian harbours. Project representatives have promoted East Baltic harbour network in several boat shows. Partners have created Facebook page for East Baltic and published second edition of harbours' network catalogue. The total budget of the project is 10 811 188.53 EUR with the ERDF of 9 189 510.21 EUR.