



# Swiss Contribution to the enlarged EU Country Estonia Final Programme Report

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## Accomplishment of objectives

- **Reduction of economic and social disparities in the EU and within the country**

The Framework Agreement between the Government of the Republic of Estonia and the Swiss Federal Council concerning the implementation of the Estonian-Swiss Cooperation Programme was signed on 20<sup>th</sup> December 2007. In total eighteen project agreements (including Technical Assistance Fund and PPF agreements) were signed. The last of the individual projects financed under the Programme concluded their activities 30<sup>th</sup> November 2016. The aim of the Estonian-Swiss Cooperation Programme was to reduce economic and social disparities within the enlarged European Union. The overall aim was divided between five specific objectives.

*Improving public safety and security (e.g. modernization of the judiciary, border protection, combating corruption and organized crime, managing natural disasters and emergency situations)*

The internal security policy of the Estonian Government is reflected in the Internal Security Strategy for 2015-2020, the objective to ensure security of citizens, is being sought through balanced preventive and reactive measures considering at the same time resources available, which include staff, infrastructure and technique. Related objective in State Budget Strategy is to reduce the proportion of victims of crime among residents over the past 12 months to less than 10% by 2016 and less than 8% by 2020. In 2016 the level was 7%.

Demand on internal activity measures, thus to what extent the residents of Estonia report criminal offences made to the police, is affected and in direct correlation with law enforcement agencies ability to react to crime and solve criminal cases. The rate of solving criminal offences (the proportion of criminal offences solved throughout the year in pre-trial proceedings, compared to total criminal offences registered in that year) has raised over the years. In 2016, a total of 28 986 (2015, 32 575; 2014, 37 787; 2013, 39 631 and 2012, 40 816)<sup>1</sup> criminal offences were reported in Estonia, 13 930 of them in Harju County. In 2016, 19 541 crimes were solved in pre-trial proceedings. Compared to 2015, the number of solved crimes increased by 4%.

Switzerland's support has contributed with several projects directly to these objectives of improved public safety and security, as well as enhanced crime prevention. With Switzerland's support forensic equipment has been procured to Estonian Forensic Science Institute (EFSI), computer tomography (CT) and magnet resonance imaging (MRI), which has helped to make a huge step in the quality of investigation process and evidence to be presented at legal proceedings. This equipment opened up new scope, e.g. CT+MRI allows to explore all traumas that have caused death, murders and other crimes against people, including injuries related to traffic accidents. New equipment enables to use methods that are more efficient to analyse evidences. More complete and efficient analysis will allow shortening time to criminal proceeding and investigations. As a result of the project, the EFSI is compliant with the EU directives and as such joined the EU Information System network.

As a result of the project modernization of judiciary, objective of which was to enable parties to attend court hearings over video-conference, 35 locations were provided with video-conference equipment. Distant hearing over video conference makes court proceedings faster

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<sup>1</sup> Source: Ministry of Justice of Estonia



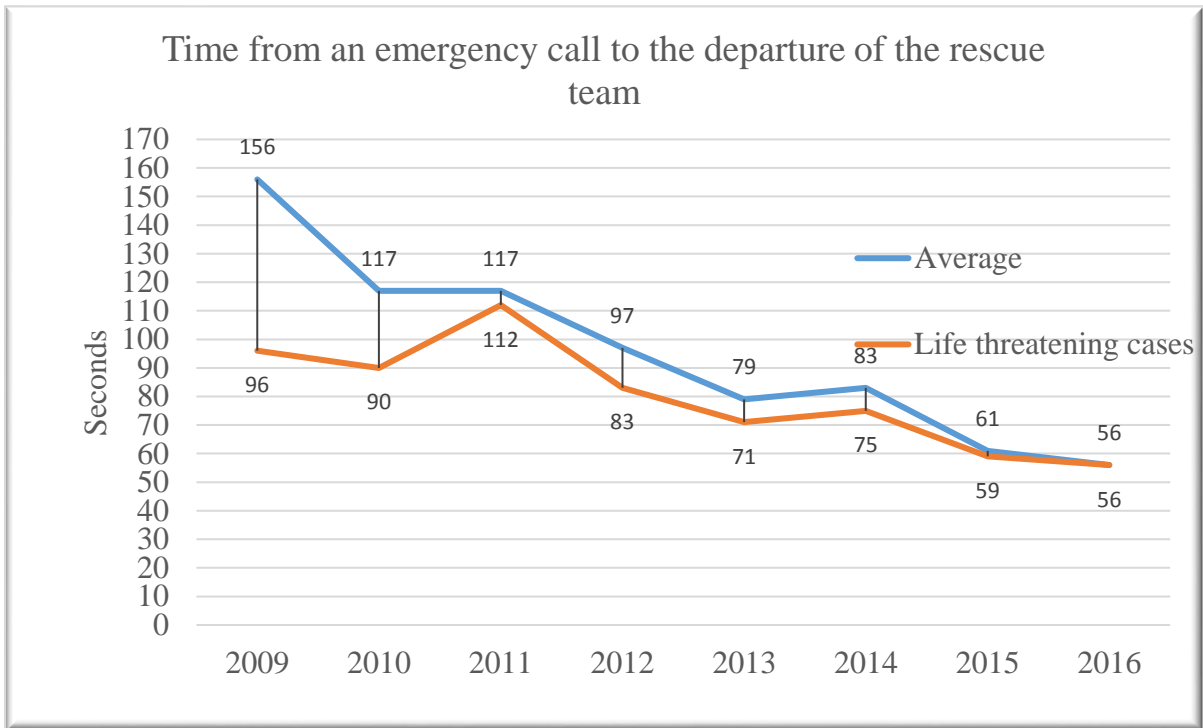
(easier to find suitable time for all parties, proceeding takes less time), cheaper while saving transportation costs, safer (no need to convoy over 4000 internees a year), more comfortable (parties can attend hearing from their customary environment, no travelling) and more environment friendly (less CO2 emission due to cancelled transportation).

In addition, with the help of Switzerland, in order to equip the Estonian border (seaports) the installation of License Plate Recognition System (LPRS) as well as integration of these recognition points with LPRS central system of Estonian Tax and Customs Board was made possible.

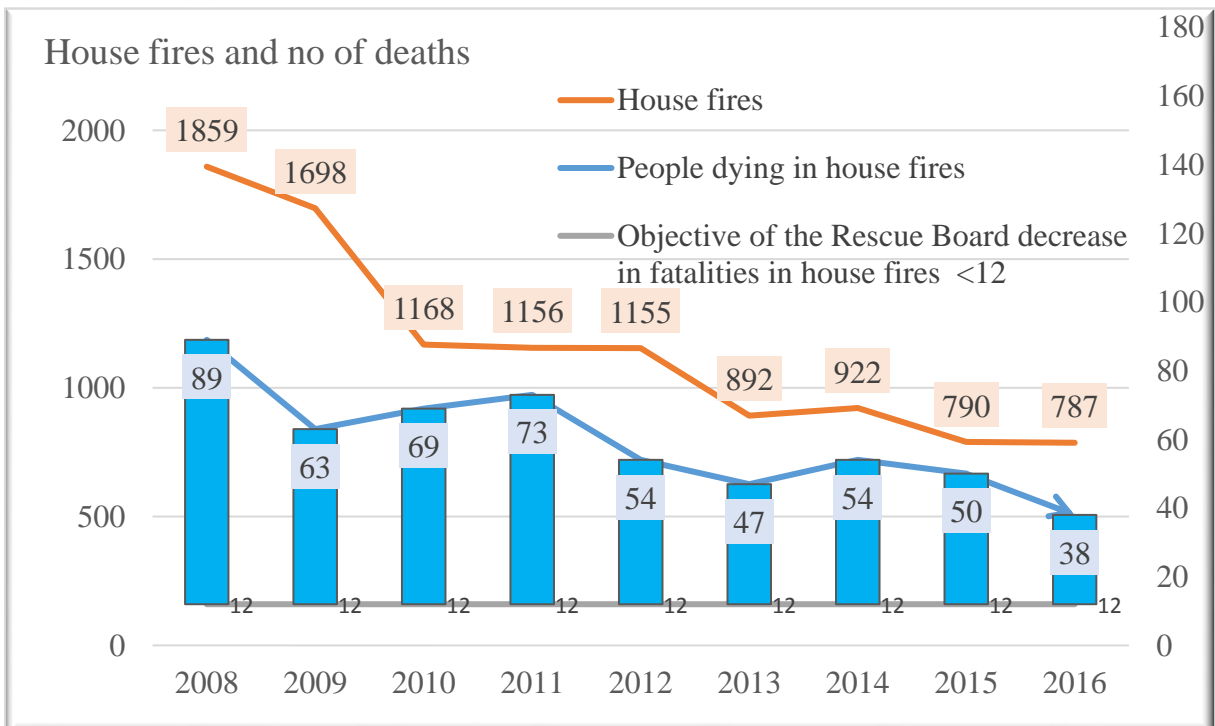
Under the project concerning treatment and rehabilitation of drug-addicted offenders the aim was to work out an integrated system for treatment, rehabilitation and social re-integration of drug-addicted offenders and to provide treatment and rehabilitation services for drug addicts whose sentence to imprisonment has been replaced by a treatment programme and for drug-addicts released from prison on parole. According to the Ministry of Justice main problems after release from prison concern debts, lack of housing, lack of support relationships, finding work, inadequate social and life skills and addiction problems. Repetitive criminality is also largely influenced by dependency problems, so dealing with addiction problems also reduces recidivism. With Swiss support in 2015 evidence-based rehabilitation programme "Strength to Change" was procured, the purpose of which is to help a person to withdraw from addiction and gain control over addiction. Combined with trainings held for prison officials, piloted relapse prevention services and educating inmates about lowered drug tolerance once released (imprisonment leads to forced abstinence or much reduced opioid use) is expected to lead to increased rehabilitation of drug addicted offenders and decline in repeated crime over a longer period of time. By the end of the project rehabilitation programme is used in prison system.

In addition Switzerland supported Estonia through financing the project increasing fire safety in Estonian 24-hour social welfare and health care institutions. Under this project a risk assessment was performed, risks were analyzed altogether in 282 buildings and it was found that there were 51 low risk buildings (18% of total); 144 middle risk buildings (51% of total) and 87 buildings deemed high risk buildings (31 % of total). Primary problems derive from the fact that the buildings are old. As a result of the project training materials for fire safety training in printed form and on DVD were prepared and delivered. Training of experts was conducted, legislative proposals made. Under the project 10 000 rescue sheets and 200 non-combustible bed-textiles were procured and distributed to nursing homes and hospitals, altogether to 175 institutions, which ensures quick and safe evacuation of all people from danger zone.

Through the project strengthening information and communication technology systems of Emergency Respond Centre, the ability to prevent and manage disasters was supported with the aim to give an opportunity for all the inhabitants of Estonia to have access to quick and professional help and support in case of emergency, regardless of their location within Estonia. As a result of the project, new geo information system GIS112 and m-Gis112 software was developed and is ready and working. The software allows to reduce the time of answering emergency calls, time for determining callers location through a new digital map system and allows to provide quicker professional help for people in need. So far, the most time consuming part of the emergency call was to determine precisely the callers' location, especially in the countryside or in new residential areas. Procured and installed mobile hardware (mobile computers) in 24 command and control vehicles allows for aid to reach the scene of accident in quicker way, which – in turn – enables to reduce the number of fatalities in fires and increase the number of patients successfully rescued.



Source: Rescue Board



Source: Rescue Board



*Protecting the environment (e.g. public transport, drinking water supply, wastewater treatment, energy efficiency and renewable energy, environmental monitoring, waste disposal, biodiversity)*

It is important to ensure energy security with the lowest possible energy price for consumers and the smallest possible impact on the Estonian environment. It is equally important to pay attention to measures that reduce final energy consumption. While final consumption decreased due to the decline of economic activities during the years of the economic crisis, Estonia faces the challenge of avoiding an increase in energy consumption. Therefore priorities in the State Budget Strategy include increasing the share of renewable energy in the final energy consumption, which was 28,6% in 2015<sup>2</sup> (26,5% in 2014, 25,6% in 2013, 25,8% in 2012), the objective for 2020 in the State Budget Strategy is 27%. This is a step contributing to higher objective of keeping greenhouse gas emissions at the level of 2010 (or below 20 million tons per year). The same targets have been set for the years 2017 and 2020.

The objective was addressed with Switzerland's support to projects in the frame of which energy efficient construction methods and modern building standards were developed and promoted. As a result of the project three kindergartens (Rakvere, Haapsalu and Lasva), a nursing home and a basic school in Väätsa and Alu Educational Centre were renovated or constructed into energy efficient buildings. These projects were spread all over Estonia and contributed to the improved living environment in different regions and local governments, thus having positive impact also on regional development.

The objective in the environment sector is also to shape a responsible attitude towards nature and preserve a clean and biodiverse living environment for the people in Estonia. Important activities to fulfil the target set were carried out under the Swiss-Estonian programme. The environmental monitoring systems were modernised and upgraded by supplying up to date environmental measuring equipment enabling increased monitoring efficiency.

High quality monitoring data contributes to the achievement of objectives set in environmental strategies and policies, for example "The Environmental Strategy 2030" which builds upon the principles of the National Strategy on Sustainable Development "Sustainable Estonia 21" as well as enables to comply with international requirements and EU standards.

Reliable automatic monitoring network was acquired, which enables receiving accurate and prompt information regarding air radiation levels. New tools for studying the condition of aquatic ecosystem, which allows Estonia to perform airborne environmental monitoring for the first time. New equipment was acquired with support for increasing the identification capability of hazardous substances from any environment, such as water, soil, air or any other. Before the programme Estonia lacked a sufficiently sensitive apparatus for identifying such hazardous substances on required level. New automatic measuring devices were installed in the observation wells of Estonian groundwater monitoring, which enables to receive statewide operative information on the condition of groundwater, which is the main source of drinking water.

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[http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020\\_31&plugin=1](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_31&plugin=1)



Achievement of indicators	Achievement of Estonia					Objective EE2020
	2012	2013	2014	2015	2016	2020
<b>Total greenhouse gas emissions in sectors outside the trading system, million tonnes of CO<sub>2</sub> equivalent</b>	*	*	6,1	6,09	6,03	6,47
<b>Share of renewable energy in final energy consumption, %<sup>3</sup></b>	25,8	25,6	26,3	<b>28,6</b>	*	EE2020 - 25 Update in SBS - 27

*Promoting economic growth and improving working conditions (e.g. access to financing for SMEs, export promotion, regulation of the financial sector, regional development and employment, scholarship and research programmes, vocational training, public procurement)*

Foundation to economic growth is financial stability, which can only be assured through sufficiently regulated financial sector. The financial reporting technical assistance project supported by Switzerland enabled to enhance the implementation of the *aquis communautaires* as it relates to financial reporting in Estonia. The project contributed to achieving financial transparency and increased confidence in financial reporting by the enterprises, which in turn, results in improved business environment and increased foreign investments. According to the World Bank's comparative analysis of the business environments of different countries, "Doing Business 2018"<sup>4</sup>, Estonia ranks 12<sup>th</sup> among 190 countries.

As a result of the project, the Public Oversight System of Audit Activities, Public Register as well as examination system for new statutory auditors' and internal auditors' are in place and operational. Audit software is developed and linked to the Commercial Register, Company Registration Portal and Auditors Activities Register. Under the master degree programme which was created at Tallinn Technical University in 2011 the first masters degrees were received in 2014. Tallinn Technical University continued teaching auditing at master degree after the programme period. These are important developments with long-term positive impact in the accounting and auditing area which were financed and made possible under the Estonian-Swiss Cooperation Programme.

The overall objective of developing research and development activities and innovation is creating favorable conditions for an increase of productivity and quality of life, for good education and culture. The focus of the Government of Estonia is on a greater involvement of the funding of enterprises in research and development and stimulating the co-operation of enterprises with universities and research institutions as well as internationalization of research and higher education. Increasing the productivity and innovation of the economy is one of the

<sup>3</sup> [http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=t2020\\_31&plugin=1](http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=t2020_31&plugin=1)

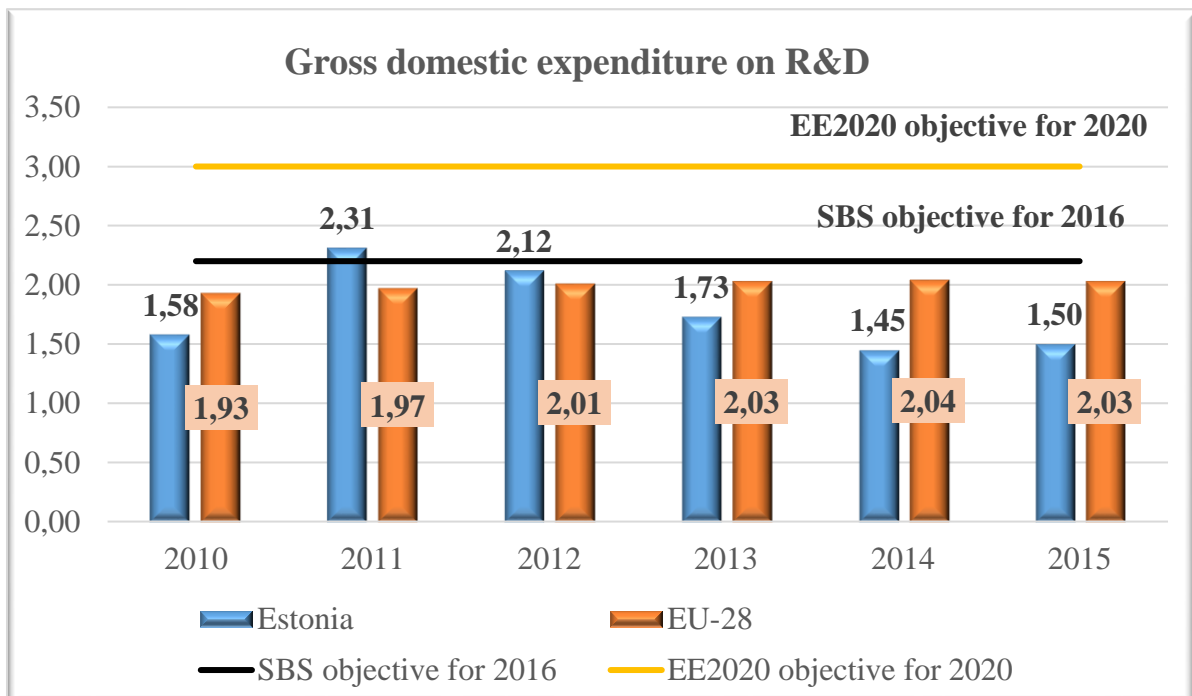
<sup>4</sup> The report examines business environment and regulatory environment in a given country by ten different aspects having a role in simplicity of doing business there.



most important preconditions of achieving the growth of GDP per capita. In Estonia GDP per capita in PPS comparison with the EU28 continues to be low - 74% in 2016, EU28 being 100% and the primary reason is relatively low productivity.

It is the task of the public sector to create a supportive environment with a sufficient number of highly qualified people and international contacts, an attractive working environment and a high level of higher education and research. Support offered under the Swiss-Estonian programme contributes to government's efforts in this field. Estonia 2020 sets the target of raising the level of investment in research and development (R&D) to 3% of gross domestic expenditure, according to the latest data the achievement level was 1,5% in 2015, (1,45% in 2014, 1,74% in 2013 and 2,12% in 2012,)<sup>5</sup> and ensuring that the increase in labour costs does not significantly exceed the growth rate of productivity.

Although Estonia has been rather successful in improving the quality and increasing the volume of research since regaining its independence, Estonia is still behind the European average in the ranking of the European Innovation Scoreboard. Estonia's position has been between 12th and 15th over a longer period of time. The goal is to reach the list of strong innovators, instead of moderate innovators as it is today<sup>6</sup>. The number of filed patents has remained more or less the same in recent years. Estonia has filed 47 applications in 2016, (57 in 2015, 55 in 2014, 43 in 2013, 51 in 2012). As Switzerland is the most innovative country in Europe and neighboring countries as seen from the Innovation Scoreboard, then co-operation and knowledge transfer supporting science and technology development and enabling economic growth is highly appreciated.



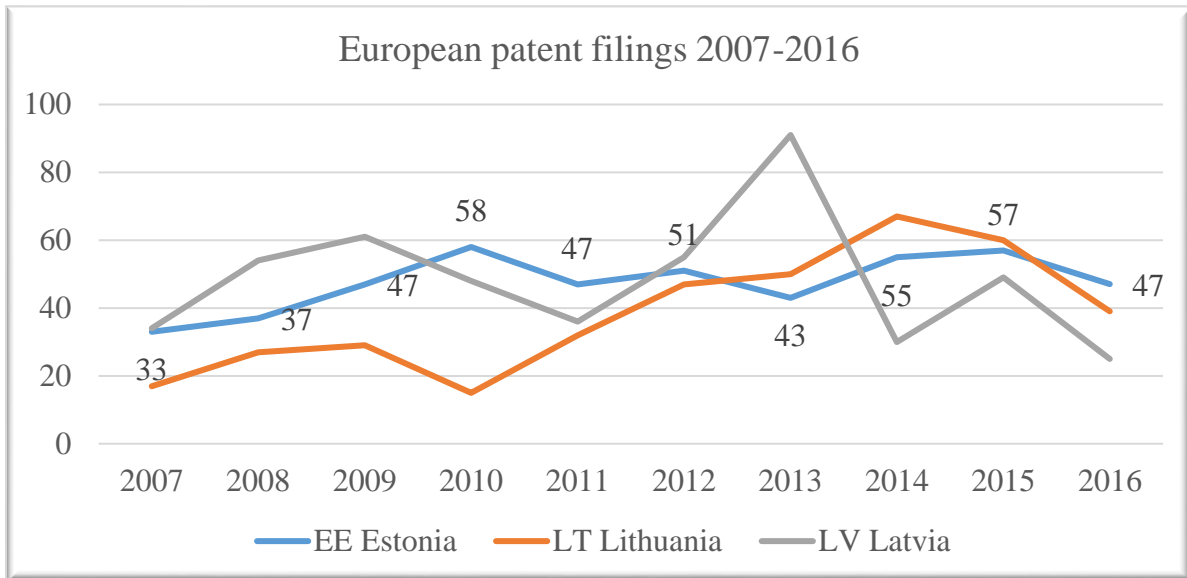
Source: Eurostat<sup>7</sup>

<sup>5</sup> <http://www.stat.ee/57298>;

<sup>6</sup> [http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards\\_en](http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en)

<sup>7</sup>

[http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020\\_20](http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_20)



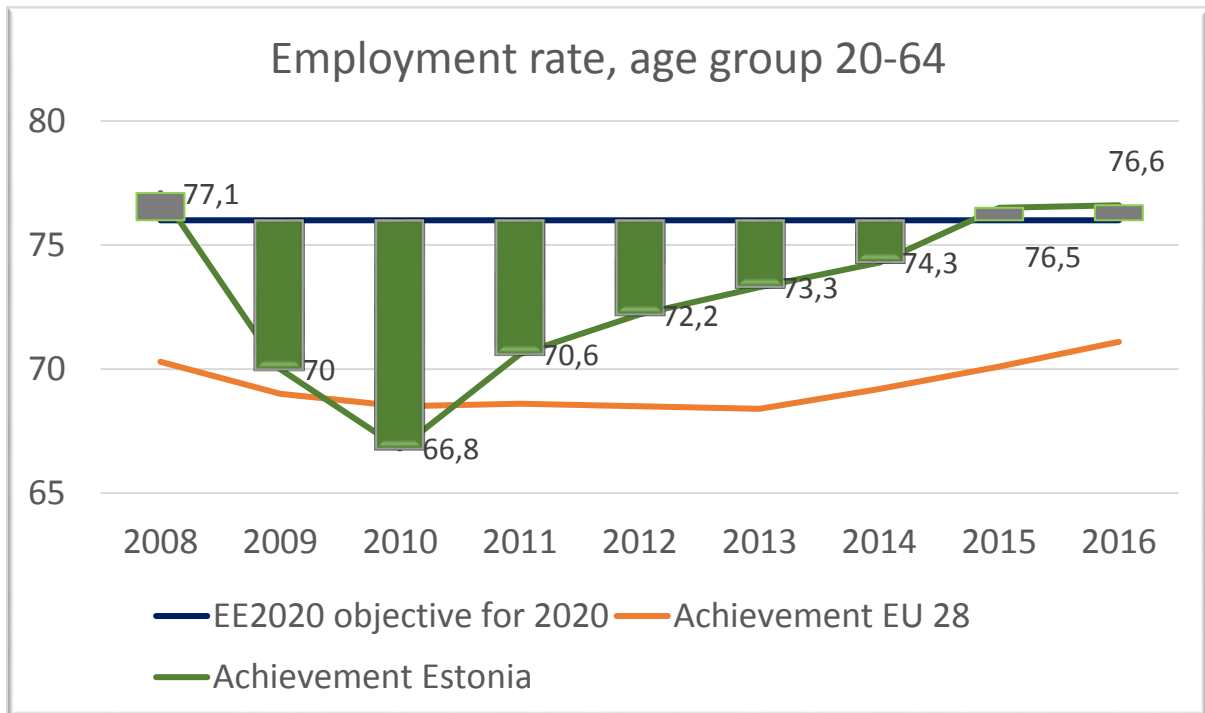
Source: *European Patent Office*<sup>8</sup>

Under this specific objective, which aimed at promoting economic growth and enhanced employment conditions, support offered by Switzerland involved two R&D projects. Scholarship Fund - fostering the scientific capacities of researchers in beneficiary states promoting sustainable research partnerships between Estonia and Switzerland; AFM and MFM microscopy for nanoscale properties of functional materials – with procurement, installation and user trainings of specific microscope enabled researchers to carry out several new studies; the procured PPMS-AFM will strengthen further the cooperation between Estonian researchers and Swiss Academy and Industry. Estonian young researchers have gained insight into Swiss educational system and acquired new skills through training and are more capable in their work. Both projects contribute directly to the main priorities of Estonian Government. In addition to above mentioned objective of raising the level of investment in R&D and especially private sector investments, R&D projects enable moving towards the objective of increased productivity to 80% of the EU average by 2020. By the end of 2016 Estonia remained at the level of 71.3%, with slight decrease compared to previous years (71.3% in 2015, 73.8% in 2014, 72.8% in 2013 and 73.2% in 2012); for comparison Switzerland has reached the level of 122.3% of EU average.

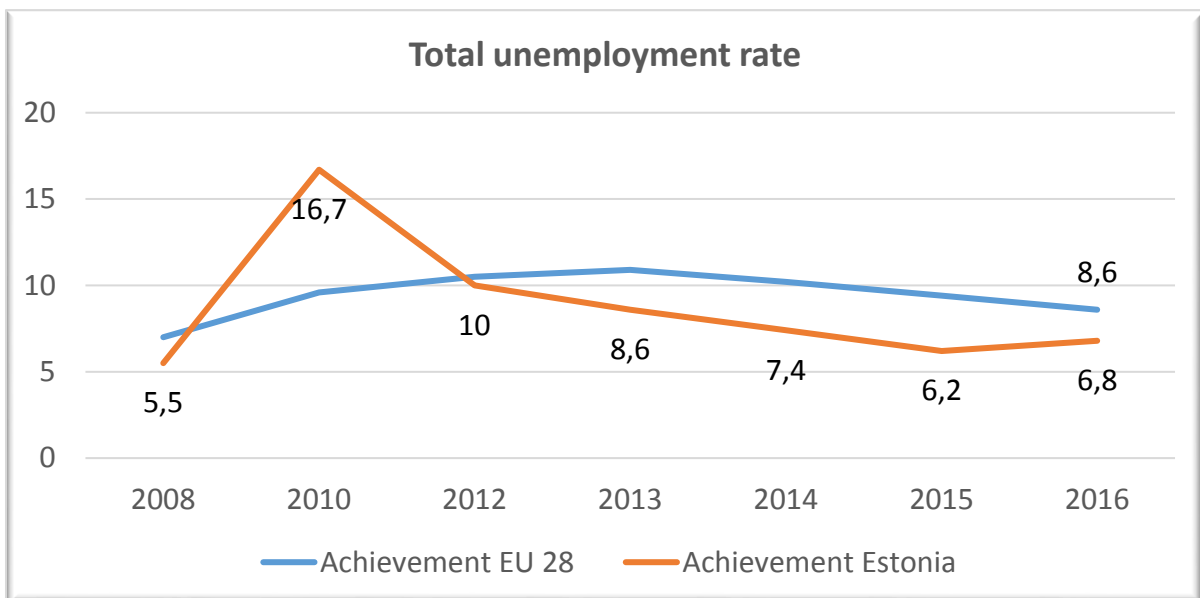
The rapid decrease of the working-age population and an analysis of Estonia's GDP components show that, regardless of their region or gender, the working-age population must be engaged to the maximum extent possible in high value-added enterprises. Therefore it is essential to maintain the high employment level also in order to ensure the well-being of the citizens. Estonia has set a target of achieving a 76% employment rate in the 20-64 age group by 2020, this objective was achieved by the end of 2015 when the level of employment reached 76.5%, being 76.6 in the end of 2016. Unemployment in the 15-74 age group decreased to 10.2%<sup>9</sup> in 2012 and continued to decline, reaching 6,8% in 2016 (6.2% in 2015, 7.4% in 2014 and 8.6% in 2013).

<sup>8</sup> <http://www.epo.org/about-us/annual-reports-statistics/statistics.html#granted>

<sup>9</sup> <http://www.stat.ee/66661>



Source: Eurostat<sup>10</sup>



Source: Eurostat<sup>11</sup>;

<sup>10</sup>

[http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020\\_10](http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=t2020_10)

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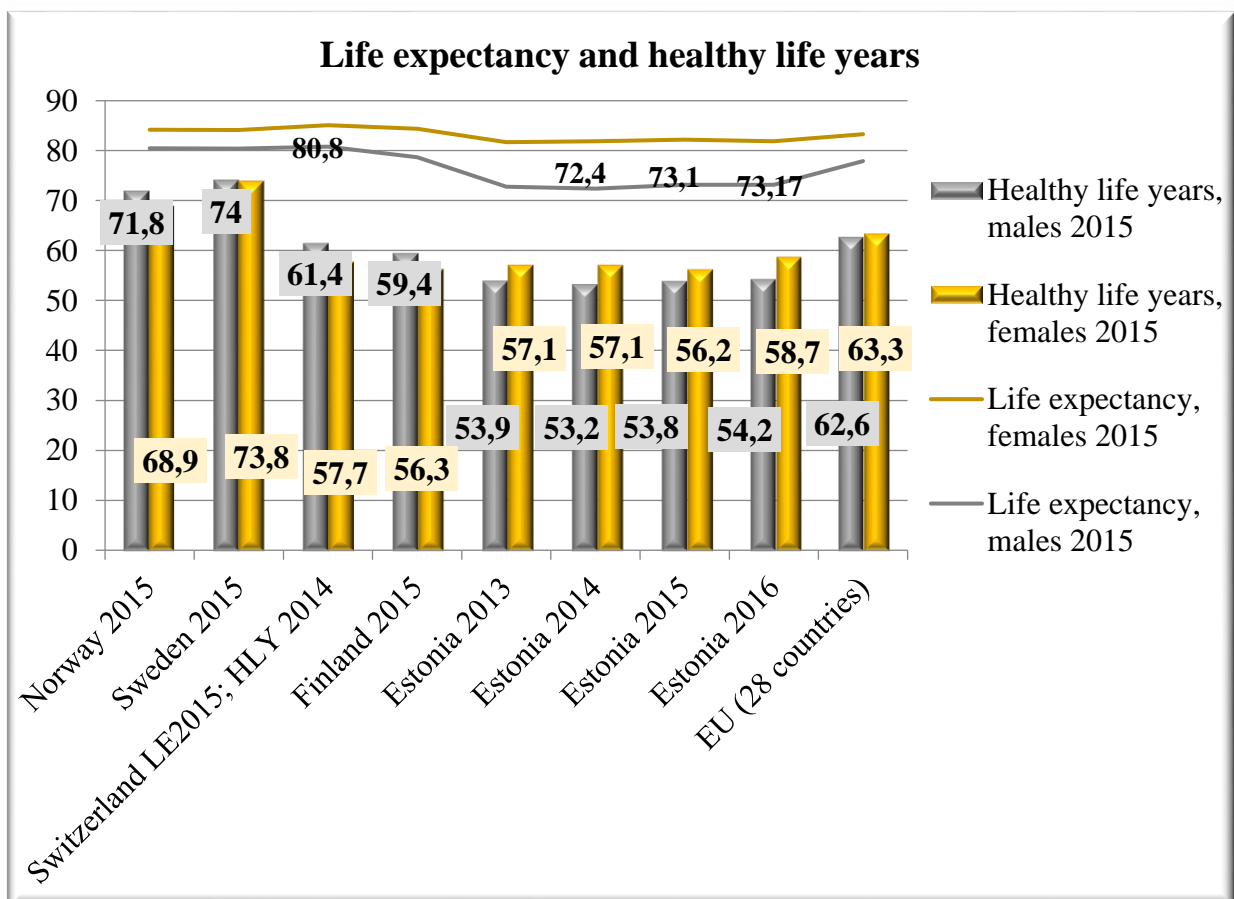
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*Improving social security (e.g. basic healthcare services, hospital modernization, prevention, social services)*

Projects under this objective contribute to Estonian Government's high level goal to increase healthy life expectancy, targets for 2020 are 60 years for men and 65 years for women. In order to increase the number of healthy years of life, it is among other measures important to have prompt and accurate data in emergency cases.

With Switzerland's support in financing and as part of the optimization of emergency services in Estonia, all ambulance brigades and ambulance bases, units of emergency medicine of the active care hospitals, Estonian Health Board and regional operative managers of ambulance have joined the state-wide operative radio communication system of alarm services, are using the agreed status messages and forward the necessary positioning information and voice communication.



Source: Eurostat<sup>12</sup> and Statistics Estonia

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



All the regular and obligatory reserve ambulance vehicles (131) have been equipped with portable computer work stations, internet connection and devices. Personnel (up to 1350) has been trained and provided with necessary guidance materials. These devices enable to prepare the emergency e-card, which is an electronic document prepared by the ambulance team for each case and also for obtaining emergency medical information both, from the alarm center and the health information system. This reduces the time spent in the emergency scene and also exchange of information in the hospital will go much faster, which might be a critical factor in some cases. As a result of the project there is possible to offer high quality ambulance service, to identify faster and more accurately location of the scene of an accident by positioning the caller or accident location on a digital map as well as enabling fast and accurate information exchange between Emergency Response Centre, rescue teams, ambulance brigades and hospitals.

This contributes among others to the sub-objective of the Internal Security Development Plan 2015-2020 – reliable and fast organization of rescue and to the objective of the State Budget Strategy to reduce the number of fatalities from accidents, poisoning and traumas to 61 per 100 000 by the year 2020. In 2013 the number of fatalities was 73 (71 in 2014, 66 in 2015) and during 2016 the number of fatalities decreased being 65.<sup>13</sup> Rescuers saved 383 people last year, 74 of them from fires. The first responders' average arrival time at the scene of an accident has decreased during the last couple of years from 9.41 minutes in 2013 to 9.11 minutes in 2016.

In addition, the procurements of two automated gait orthosis, i.e “walking robots” for disabled children and adults were supported. Both walking robots are fully operational and it is now possible to hold therapy sessions for children and adults upon need. This particular therapy service is used by children all over Estonia. Estonian Government's family and population policy goal is that Estonians are a growing nation and the well-being and quality of life of children and families have improved.

Development of a comprehensive substitute care system also contributed directly to this objective. Family-centered approach favors guardian and foster families, adopting and substitute home service. 14 family type substitute homes in Viljandi, Saarepeedi, Juuru and Elva, Valga and Paide were constructed and furnished for children without parental care. Children and the family parents living in the houses constructed with the help of Swiss support are very satisfied as they now have the possibility to live in a small family type environment, feeling as a family, planning their own activities and shaping their own traditions.

#### *Strengthening civil society (e.g. non-governmental organizations, bilateral partnerships)*

In this area, NGOs were supported by Switzerland in order to promote civil society's influence on economic and social cohesion. With the support it was possible to improve the access and quality of public services that contribute to the enhancement of social cohesion and to create a healthy living environment for local residents.

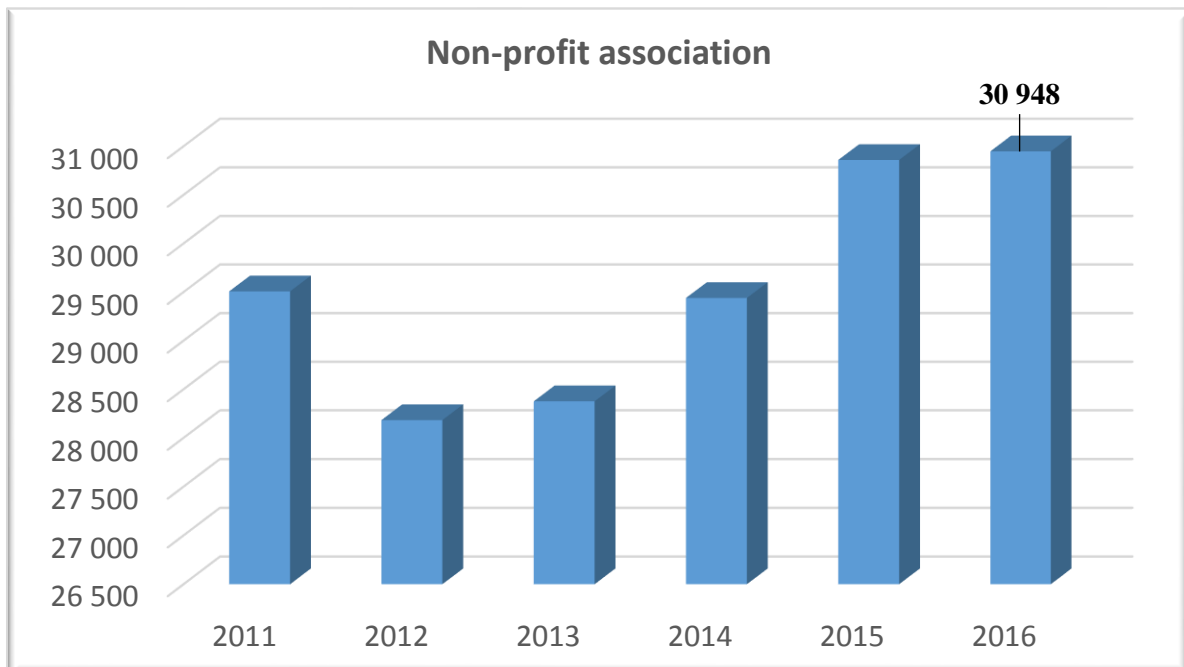
Projects financed contributed to the Estonian Civil Society Development Plan 2015-2020, which focuses on two priorities: socially active residents and acting capabilities of citizens' associations, i.e. ensuring that citizens' associations have sufficient possibilities for achievement of their goals. The development plan establishes the goal of participation of citizens' associations in the formation of policy as a natural valued cooperation. It is also important to increase the influence of citizens' associations in the process of dealing with social

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<sup>13</sup> *Statistics Estonia*



problems and improvement of well-being of people through social innovation, social entrepreneurship and provision of public services.



Source: Statistics Estonia<sup>14</sup>

During the implementation of NGO Fund altogether 57 service providing business plans were composed. Services were provided in cooperation between NGO and public sector in the framework of 62 large sub-projects. More than 100 different services were outsourced by municipalities and provided by the NGOs. 78 unique NGOs were implementing sub-projects. 212 local municipalities and 28 other public sector institutions were participating in large sub-projects.

During 2015, the Institute of Baltic Studies carried out an impact evaluation of the programme and found it to be well implemented support measure with significant impact in improving access to public services and increase in quality. The long-term impact of the NGO Fund is yet to be evaluated. Fund helped to fill a prevalent gap in public sector and third sector cooperation in Estonia. The analysis of the Fund's net effects demonstrates that without support, most of the projects would not have been carried out or, at least, they would have been carried out in a much more limited scope with weaker results.

<sup>14</sup> <http://www.stat.ee/68778>



- **Enhanced partnerships and cooperation**

Swiss support under the Estonian-Swiss Cooperation Programme has been highly valued in Estonia by all organisations involved in implementation and by all beneficiaries of project activities. Each public presentation of project results has always included positive acknowledgement of Swiss support, and in many of those cases the publicity involved national media coverage on all major national news outlets (online, print and television). In addition, the projects under the Cooperation Programme where more direct partnerships, or exchange of know-how, occurred reported high satisfaction with the cooperation and value provided to the outcomes.

In the framework of the Cooperation Programme, some organizations involved in project implementation contributed to bilateral cooperation with Switzerland. Some of the more notable examples include the fire safety project, procurement of forensic science equipment project, drug offenders' project, procurement of AFM and MFM Microscopy for Nanoscale Properties of Functional Materials project and of the judges' conference. The cooperation between the countries has mostly involved study missions, information seminars or cooperation with the service provider.

The participation of Swiss companies through procurements was most prominently involved in the case of following projects:

1. The project of AFM and MFM Microscopy for Nanoscale Properties of Functional Materials where The PPMS-AFM equipment was contracted from ION-TOF GmbH, the parent company of NanoScan, the manufacturer of PPMS-AFM equipment (199750 EUR exc VAT). 8 well motivated (written motivation letters were collected and candidates interviewed) and talented early researchers received instructions in theoretical and experimental aspects of AFM microscopy and microscopes. The AFM/MFM training was contracted from EMPA - Swiss Federal Laboratories for Materials Science and Technology (9824.97 EUR exc VAT) and CCMX - Competence Centre for Materials Science and Technology (737.70 EUR). Swiss federal universities ETH and EPFL use their CCMX for high level flexible trainings on hot research topics and novel equipment. Since EMPA is currently the best qualified research institution developing AFM-MFM and PPMS-AFM, it was natural to use their qualification and competence to host our trainings together with CCMX.
2. In the case of Environmental Monitoring Programme sub-project 1 "Establishment of the GPS-RTK Permanent Station Network" a new GNSS-RTK permanent station network was set up using the most modern GNSS-RTK measurement technology, which ensures the availability of an accurate position-based information in the whole country. The equipment was procured from Swiss company Leica Geosystems AG in several rounds (identification of savings enabled procuring more equipment than initially planned) Overall value of the sub-project 1 033 876.50 EUR.
3. Procurement of automated gait orthosis, i.e walking robots (Lokomat and Lokomat Pediatric which are a locomotion therapy innovation / protected trademark developed by Swiss company Hocoma AG) under the project Automated Gait Orthosis (424 523.98 EUR) has also been notable, as Estonia continued purchasing similar type equipment for other rehabilitation centres.



- **Strategies to inform the general public about the Contribution**

The overall communication strategy set up for the Estonian-Swiss Cooperation Programme at the beginning of the Programme included the following:

- The webpage introducing the Estonian-Swiss Cooperation Programme was set up and can be found by visiting [www.fin.ee/shveits](http://www.fin.ee/shveits) (or [www.swiss-contribution.ee](http://www.swiss-contribution.ee) which leads to the previously mentioned page in English and in Estonian). The webpage contains main information on the projects, agreements and other relevant information concerning implementation of the Estonian-Swiss Cooperation Programme.
- Administrative bodies communicated important information through special mailing lists which enabled quick communication of information concerning general issues of the Cooperation Programme. Target group focused promotion concerning the projects was also done through specific channels like professional unions, information lists etc.
- Stickers indicating that the project was financed from the Estonian-Swiss Cooperation Programme were put on the equipment purchased and posters are used at meetings or trainings to increase the visibility of projects.

While there were few national level publicity activities (detailed in Annex 1), project level publicity eventually took a primary role in communicating and distributing the activities undertaken as well as results achieved during the implementation of projects. For Estonia, this was the preferred publicity strategy due to being the most effective under the circumstances of the first Swiss Contribution in Estonia. The overall scope of the Estonian-Swiss Cooperation Programme compared to other foreign financing sources in the country was quite small and scattered across projects of different sizes in many drastically different thematic areas. All this meant that programme level message or impact after the results had been achieved would not easily be consolidated and that the effectiveness of any Programme level publicity activities undertaken would be limited. Meanwhile project level publicity events such as opening events of the energy efficiency completed infrastructure projects, the launch of Emergency Respond Centre digital information map, new family type children's homes and other such examples received widespread media coverage, both on the local level and national level. That is because they were able to showcase the impact of project and its results in a specific context or field and often also achieve wide media coverage. They were also able to showcase Swiss support much more effectively than any Programme level initiative would have.

- **Lessons learned regarding content and modalities of the Contribution**

#### *Programme design*

While the overall programme design was sufficient in supporting the implementation and the achievement of set objectives, there was room for improvement, also highlighted well in the independent evaluation carried out by the Swiss Contribution. Concerning the overall programme design, in the Estonian case, we would bring out the following:

- 1) Two-loop approach was a time-consuming process that postponed the beginning of implementation. Primary issue was that they were not properly differentiated and the questions during the first loop were already very detailed. If a two-loop approach is maintained, then the first loop need to be simplified.



- 2) Lack of thematic focus. In the first financing period, the focus was divided between 18 individual project agreements of very different sizes, and the net amount compared to other foreign financing sources was much smaller. Overall thematic focus would be preferred going forward, as it would help increase impact of the funds when they are concentrated to a specific area and also strengthen the visibility of Swiss support.
- 3) Regulations arriving while implementation is already underway. Flexibility was ultimately appreciated. However, crucial guidelines and procedures (such as publicity, project amendment procedures etc.) have to be set in place at the beginning of implementation to ensure that they are followed. For instance, in Estonia there were infrastructure objects already completed before publicity guidelines arrived; resulting in the need to replace already bought commemorative plaques.

### *Programme implementation*

Throughout the implementation of the Estonian-Swiss Cooperation Programme the most changes (delays, prolongations, changes in scope etc.) were brought about by considerable savings caused by the fluctuation of the EUR/CHF exchange rate. In the case of several projects, more than one prolongation was needed to utilise savings. The savings meant that the outputs were increased compared to initial planning. In the increasing energy efficiency project we were able to construct or reconstruct 6 objects instead of 4, in the family type homes for children without parental care we were able to construct 4 additional homes, capacity of forensic science project and sub-projects of environmental monitoring programme were able to add several new pieces of equipment; and many other projects benefitted from the savings. While it was good that we had more funds to use for additional activities, the timeframe for selecting which activities to finance was often very small leaving little room for careful consideration and planning to ensure that the activities chosen enhanced previously set project objectives. If grant is given in Swiss francs also during Second Contribution period, it would be beneficial to have a plan set for the possibility of savings at the beginning, even though that plan may not be needed.

Concerning project level implementation, there were some planning issues. Altogether two projects required significant changes. The first of these was the project of financial reporting technical assistance where the working relationship with World Bank failed and many of the activities needed to be rearranged. Secondly, the project concerning treatment and rehabilitation of drug-addicted offenders, where several assumptions were made in the planning phase that did not hold during implementation, proper analysis of treatment and rehabilitation of drug-addicted offenders in Estonia was done only at the end of the project. There were also a few other projects (such as the increasing fire safety in hospitals and nursing homes) where perhaps a different Executing Agency would have been more effective in enforcement. And in the project increasing energy efficiency in public buildings it would have been more time and cost effective to focus on just construction and not to reconstruct existing buildings. However, even in all of those cases the projects were all completed successfully, with good results.

- **Which thematic areas supported by the Swiss Contribution do you consider most relevant?**

All of the thematic areas supported under the first Swiss Contribution were relevant to Estonia and well in accordance with the country's national strategies as documented under the



paragraph concerning achievement of specific objectives. It can be said that the depth of impact varied depending on the size of funding and its concentration.

Many areas (such as treatment of drug offenders, forensics, material science or fire safety) also benefited from Swiss know-how and experience during the implementation of the First Contribution. Knowledge or policy based Swiss-Estonian partnerships in thematic areas could be strengthened during the Second Contribution as well as extended to other fields (for example criminal justice, treatment of sex offenders, social welfare or others). In addition, Ministry of Education and Science has expressed continued interest in a bilateral research programme with Switzerland.

However, when speaking about the potential Second Contribution, it must be said that the eventual choices will be largely determined by the relevant renewed strategic framework, the amount available, as well as the timeframe of implementation. In 2018-2020 Estonia will also re-evaluate its sectoral priorities in the framework of developing new national strategies and development plans, as the implementation periods for approximately half of the previous strategies and development plans are ending in 2020. This process is just starting and therefore specific activities can be determined when more is known about the cooperation period.

Overall challenges for Estonia, which represent our development needs and growth potential in general terms, could be listed as follows:

- Finding new sources of growth, making the economy more knowledge-intensive and increasing the impact of Estonian research;
- Increasing export capacity and growth potential of Estonian enterprises;
- More efficient use of natural resources and less energy- and carbon-intensive economy;
- Improvement of sustainable options for the connection and movement of people and goods;
- Increase in employment, better social cohesion and adapting the education system to the needs of society;
- Increase in healthy life years and development of a health system that meets the requirements;
- Improving the efficiency of citizen-centred and coherent public governance.

However, when considering the lessons learned during the implementation of the first Estonian-Swiss Cooperation Programme, one potential opportunity to explore would be to have a geographic and thematic focus with concentrated funding focusing on Ida-Viru county in North-East of Estonia. The county is the third largest county in Estonia by population, with largely unutilized potential. Ida-Viru county is located near the Russian border, with substantial industrial areas and around 80% of native Russian speaking population. Therefore, we primarily see need for integration activities, vocational training, labor force training for the unemployed, entrepreneurial counselling for local companies, upgrading urban spaces, supporting activities of local communities and other such potential measures. Ida-Viru county topic is increasingly relevant politically and the development needs of the county are getting more attention. While specifics of those needs may have changed by the time the Second Contribution is confirmed, supporting the development of Ida-Viru county will still be vital in the coming years.



## Financial statement

- **Amount disbursed compared to the budget**

According to the Framework Agreement of the Estonian-Swiss Cooperation Programme, the total amount committed to Estonia was CHF 39 920 000, from which 5% was assigned to Switzerland for management costs. The total net amount available for Estonia was CHF 37 920 000. 100% of the total Swiss grant available for Estonia was covered with contracts during the implementation period.

Concerning the funds managed by National Coordination Unit and certified by Estonian Paying Authority, Switzerland reimbursed or made advance payments during the implementation period in the total amount of CHF 35 398 160.35 which corresponded to EUR 29 904 526.50. The total amount reimbursed to Estonia (including grants given to Estonia under Scholarship Fund, which were given directly to recipients) is CHF 37 323 700.60<sup>15</sup>. The final utilisation rate of Swiss grant of the net amount CHF 37 920 000 is 98.43%.

Primary reason for amounts not disbursed were savings that occurred due to the currency exchange rate. Using the exchange rate of the date of the signing of the Framework Agreement (1.6603), the same eventual CHF number would have amounted EUR 22 500 587 which meant that during the implementation period we had a surplus of at least EUR 7 000 000 to cover with previously unplanned activities. In some situations the timeframe no longer allowed for adding additional activities to the project, or last minute activities were unsuccessful, which also resulted in savings.

Complete list of commitments and disbursements at project level is included in Annex 2.

- **Financial Audits**

All interim and final financial audits that were agreed to in the respective Project Agreements signed with Switzerland have been carried out according to the conditions as specified in the aforementioned agreements.

## Contact information

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<sup>15</sup> The amount indicated reflects the amount reimbursed without the additional reimbursement request submitted for the treatment and rehabilitation of drug offenders to cover Exchange rate deficiencies (CHF 1'134.75; 29.5.2015).



## Annex 1: List of publicity measures at country level

<b>Publicity measure</b>	<b>Success in terms of visibility and awareness of the Swiss Contribution and Switzerland's image (media response, feedbacks etc.)</b>	<b>Success factors (timing, place, adjustment to target groups, use of logo etc.)</b>
<b>Programme website at <a href="http://www.swiss-contribution.ee">www.swiss-contribution.ee</a></b>	Impact on overall visibility and awareness is unclear. It did concentrate all related information to one easily accessible location.	Comprehensive information.
<b>Logos and posters (given by NCU to EAs to put on equipment, place at locations etc.)</b>	Success in terms of visibility and awareness varies depending on specifics of the project	Context, location and use of logo primarily. Poster on the wall of a community centre frequented by a hundred local community members has a higher impact than a logo sticker on a microscope in a lab used by three people.
<b>Estonian-Swiss Contribution calendar 2017</b>	As the calendar highlighted the biggest results and was distributed to all project partners, it conceivable did help ensure that the programme partners had a wider view of the programme and its eventual results	All project Intermediate Bodies and Executing Agencies received the calendar at the end of the Programme.
<b>Two media articles highlighting Swiss success stories with a corresponding banner ad in Postimees.ee.</b>	The articles were published in the online news portal postimees.ee, which is the most read news portal in Estonia. However, we followed the overall strategy of highlighting project based results.	Success might have been increased with additional funding and time to do a full scale print out version with more articles, but it is additional impact is uncertain, as it would have been difficult to consolidate the programme into a coherent message due to a very disbursed nature of the Programme.



## Annex 2: List of all commitments and disbursements at project level (in Swiss francs, rounded)

Project	Contact details of Executing Agency	Total Contracted Budget [CHF]	Total Disbursed amount [CHF]	Swiss Contribution [CHF]			Authorisation by PA
				Eligible budget	Disbursed budget	Rate of absorption	
<b>1. Measures for Securing Borders - Capacity Enhancement in Various Areas of Forensic Science and Pre-Trial Procedures to Prevent Crimes and the Capacity of Emergency Response</b>	Estonian Forensic Science Institute (Tervise 30, 13419, Tallinn; www.ekei.ee)	4 117 647	4 088 122	3 500 000	3 474 904	99,28	12.05.2015
<b>2. Prevention and management of natural disasters - Increasing fire safety in Estonian 24-hour social welfare and health care institutions</b>	Rescue Board (Raua 2, 10124 Tallinn; www.rescue.ee)	1 635 801	1 591 122	1 390 431	1 352 453	97,27	29.01.2015
<b>3. Prevention and management of natural disasters - Strengthening information and communication technology systems of Emergency Respond Centre</b>	Emergency Respond Centre (Osmussaare 2, 13811 Tallinn; www.112.ee)	2 369 405	2 337 849	2 013 994	1 987 172	98,67	14.05.2015
<b>4. Enhancing public environmental monitoring capacities programme</b>	Ministry of Environment (Narva maantee 7a, Tallinn 15172; www.envir.ee)	10 000 000	9 913 142	8 500 000	8 426 190	99,13	22.12.2016
<b>5. Improvement of the environment - reducing greenhouse gases and other emissions by increasing energy efficiency in</b>	Ministry of Economy and Communications (Suur-Ameerika 1, 10122, Tallinn; www.mkm.ee)	7 765 005	7 432 842	6 500 000	6 221 950	95,72	19.06.2017



<b>public buildings and promoting energy efficiency building standards</b>							
<b>6. Financial Reporting Technical Assistance Project</b>	Ministry of Finance (Suur-Ameerika 1, 10122 Tallinn; www.fin.ee)	1 800 000	1 795 132	1 800 000	1 795 132	99,73	21.06.2016
<b>7. Creation of the healthy environment for children without parental care - reorganisation of children's homes in Viljandi, Saarepeedi, Juuru and Elva.</b>	Ministry of Social Affairs (Suur-Ameerika 1, 10122, Tallinn, www.sm.ee)	6 635 295	6 635 284	5 640 000	5 639 991	100,00	25.07.2016
<b>8. Procurement of necessary radio communication and information technology means for linking the ambulance and emergency medicine units of active care hospitals to unitary state wide operative radio communication system of alarm services and accomplishment of required communication and it-development works</b>	Health Board (Paldiski mnt 81, 10617 Tallinn; www.terviseamet.ee)	1 505 882	1 491 087	1 280 000	1 267 424	99,02	14.01.2015
<b>9. Scholarship Fund</b>	No coordination body in Estonia	1 973 337	1 935 675	1 973 337	1 935 675	98,01	N/A
<b>10. NGO Fund</b>	National Foundation of Civil Society (Toompuiestee 33a, Tallinn)	2 941 176	2 906 756	2 500 000	2 470 743	98,83	06.05.2016



	10149; www.kysk.ee)						
<b>11. Project Preparation Facility</b>	Ministry of Finance (Suur-Ameerika 1, 10122, Tallinn; www.fin.ee)	107 378	107 378	91 271	91 271	100,00	04.11.2011
<b>12. Technical Assistance Fund</b>	Ministry of Finance (Suur-Ameerika 1, 10122, Tallinn; www.fin.ee)	85 000	83 413	85 000	83 413	98,13	25.07.2017
<b>13. Judges conference in Tartu</b>	Estonian Association of Judges (Pärnu mnt 7 15084 Tallinn; www.ekou.ee)	101 733	101 733	91 626	91 626	100,00	02.03.2011
<b>14. Installation of Automatic License Plate Recognition System in Seaports</b>	Estonian Tax and Customs Board (Lõõtsa 8a, 15176 Tallinn; www.emta.ee)	541 177	563 456	460 000	460 000	100,00	28.06.2013
<b>15. Treatment and rehabilitation of drug-addicted offenders<sup>16</sup></b>	Ministry of Justice (Suur-Ameerika 1, 10122, Tallinn; www.just.ee)	1 117 647	1 036 961	950 000	881 417	92,78	10.04.2017
<b>16. Automated gait orthosis: Procurement of Lokomat and Lokomat pediatric for disabled children and adults</b>	Tallinn Children's Hospital (Tervise 28, 13419 Tallinn; www.lastehaigla.ee)	557 728	557 728	344 341	344 341	100,00	03.10.2011
<b>17. Modernization of judiciary - videoconferencing in court proceedings and judicial management</b>	Centre of Registers and Information Systems (Lökke 4, Tallinn 19081; www.rik.ee)	647 059	647 059	550 000	550 000	100,00	19.12.2013

<sup>16</sup> The amount indicated reflects the sum received by the Executing Agency without the additional reimbursement request that was submitted by the Paying Authority to cover Exchange rate deficiencies (CHF 1'134.75; 29.5.2015).



<b>18. AFM and MFM Microscopy for Nanoscale Properties of Functional Materials</b>	National Institute of Physics and Biophysics (Akadeemia tee 23, 12618 Tallinn; www.kbfi.ee)	294 118	318 944	250 000	250 000	100,00	27.02.2014
<b>Total</b>		<b>44 195 388</b>	<b>43 543 683</b>	<b>37 920 000</b>	<b>37 323 701</b>	<b>98,43</b>	



### **Annex 3: Summary of the main findings of the financial audits**

All interim and financial audits required by respective project agreements have been carried out. While audits occasionally made a few observations, no systematic material weaknesses were reported, and the majority of the final financial audits were concluded with no significant observations at all.

Only twice were non-eligible funds ever identified, either due to audit findings or other control procedures. In the case of the project concerning the reorganisation of children's homes, external audit resulted in the detection of non-eligible expenses in the sum of EUR 2 368.50. The corresponding sum was deducted from the following a reimbursement request. On-the-spot check conducted by the Paying Authority in the NGO Fund resulted in non-eligible funds in the sum of EUR 234.96 being identified in one of the sub-projects financed, which was also deducted from the following reimbursement request. And in the case of ambulance and emergency medicine project, reimbursement was held back until the equipment purchased under the project became operational, based on observations of the final financial audit.

Therefore, no suggestions based on findings from financial audits that should be taken into account for future cooperation projects, can be made.



## Annex 4: Evaluations

There was altogether one external ex-post strictly project evaluation mandated by the respective Executing Agency during the implementation of Estonian-Swiss Cooperation Programme in the NGO Fund project, specifically targeted to assess the impact of the financing provided under the block grant.

In addition there were two more combined evaluations mandated by the respective Executing Agency that included a sector evaluation, but also assessed the impact of Swiss funding and the impact it had to the sector:

- Financial Reporting Technical Assistance project where an independent external analysis called “Changes in Estonian Legal Framework and Practices of Accounting and Auditing during 2004-2014” was carried out. This report also served a function of being a follow up on the Report on the Observance of Standards and Codes prepared in 2004 by the World Bank (ROSC report).
- Treatment of Drug Addicted Offenders project carried out study on “Treatment and rehabilitation of Drug Addicted Offenders in Estonia”. The aim of this study was to assess how drug treatment and rehabilitation is organized in the Estonian penal system, and how services provided are in accordance with expectations of clients. Recommendations for improving the system were also made.

The conclusions and recommendations of aforementioned evaluations, where relevant, have been integrated under the paragraphs concerning the achievement of specific objectives.