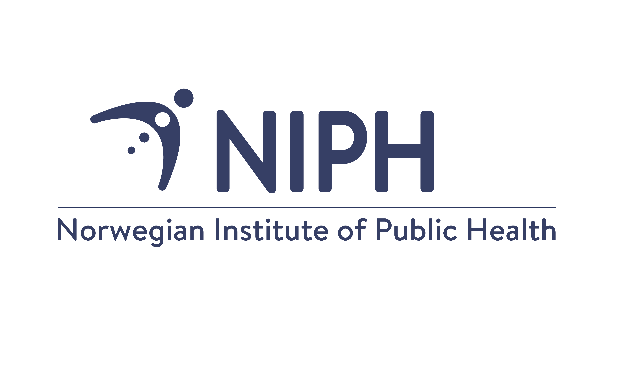
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**EEA and Norway Grants 2014-2021**

**Programme “Local Development and Poverty Reduction”**

**Selection Committee meeting**

**Date and time:**

March 25, 2021 from 10:00 to 14:00 (Estonian time)

**Venue:** Cisco Meet web platform & MoSA, 7th floor, room Siil (Suur-Ameerika 1, Tallinn)

**Open call for proposals**

**„Historic old town centres with cultural heritage protection areas*“***

Selection Committee voting members:

* **Ms Liina Jänes** – adviser to the Cultural Heritage Department, Ministry of Culture;
* **Ms Nele Rent** – member of the Estonian National Committee of the International Council on Monuments and Sites (ICOMOS);
* **Mr Siim Raie** – head of the Estonian National Heritage Board.

Observers:

* **Ms Gudrun Gudmundsdottir** – Financial Mechanism Office, Senior Sector Officer, Health, Children and Youth, also representing the Financial Mechanism Committee
* **Ms Kristin Eliassen –** representative of the donor programme partner, Norwegian Directorate for Cultural Heritage;
* **Ms Noelle Dahl-Poppe –** representative of the donor programme partner, Norwegian Directorate for Cultural Heritage;
* **Ms Laura Pikkoja** – representative of the National Focal Point; State Shared Service Centre;
* **Ms Piret Marvet** – representative of the donors, Royal Norwegian Embassy in Tallinn.
* **Ms Kelly Poopuu** – representative of the PO Implementing Agency, State Shared Service Centre.
* **Mr Ülar Vaadumäe** – Ministry of Social Affairs, Smart Development Department, chief specialist, PO.

Experts:

* **Ms Maris Mändel,** PhD– head of architectural conservation in-service training courses, Estonian Academy of Arts;
* **Ms Helen Haab** – School of Natural Sciences and Health (SNSH), research coordinator, Tallinn University.

Minutes of the meeting

Mr Ülar Vaadumäe gave an overview of the goals, targets and criteria of the call for proposals. Also, Mr Vaadumäe introduced the submitted project and explained the tasks of the Selection Committee. For more, please see Annex 1 (PO presentation).

Altogether 29 project applications were received within the deadline (November 30, 2020 at 17:00 o’clock local time) set for the call, 5 of them did not meet the administrative or eligibility criteria and will automatically receive a negative decision.

As a result, the overall grant total grant amount applied for is approx. 11 EUR, while the total grant available is 2,86 MEUR.

Programme Operator Implementing Agency (State Shared Service Centre) has carried out the assessment of project application to the eligibility and administrative criteria set in the call text. The project met the administrative and eligibility criteria and was forwarded for evaluation by two impartial, independent and reliable experts.

These experts were:

* Evaluator 1: Ms Maris Mändel, PhD, head of architectural conservation in-service training courses, Estonian Academy of Arts;
* Evaluator 2: Ms Helen Haab, School of Natural Sciences and Health (SNSH), research coordinator, Tallinn University.
* There were no project applications where the difference between the scores given by the two experts was over 30%, therefore no third evaluation was necessary (point 20.5 of the Rules), *all differences were below 20%;*
* There was 1 project application that received under 40% of the total score, leading to an automatic negative decision (point 20.6 of the Rules).

Please see also Annex 2 (Ranking list of experts).

Discussion

Ülar Vaadumäe opened with a remark that according to the evaluators the first 10 project proposals seem to have received a qualitatively higher score and could be put forward for financing. Nevertheless, the total grant amount available allows to finance at full extent only first 6 applications leaving approx. 205 000 euros for the project proposal ranking at place No 7 (Museum of Mr Evald Okas).

Mr Vaadumäe also stated that Mr Siim Raie has informed the Programme Operator on his conflict of interest in connection with Viljandi City Government project proposal “*Puppet theatre. Renovation of a building at Lossi str 3, Viljandi*” as the proposed project manager in this project is his brother Mr Jaak Raie. So – Mr Siim Raie will not be contributing in any way to the discussion and decision made in regard to Viljandi City Government project proposal.

Ms Liina Jänes recognised that the overall focus of the call was well targeted and many strong and important project proposals were submitted. The work with small town conservation areas is essential and for the common good.

1. Lääneranna Municipality project proposal “*Renovation of the spirits barn of the Lihula manor into community handicraft centre and heritage protection information centre (Linnuse road 1, Lihula city)*”

The Selection Committee acknowledged the strong project team with Ms Marika Valk acting as a project manager, a very strong project, the building is listed also as a cultural heritage monument. And although the prognosis regarding the number of potential visitors is a bit optimistic, then the sustainability would be ensured by the local government.

Mr Siim Raie noted that the applicant has foreseen 50 000 euros for furnishing and whether this would be eligible.

Ms Liina Jänes answered that although this is not essential from the point of view of the renovation of the building, then – still – it is an important component for opening up the building for public and enlivening the community.

Ms Nele Rent said that the renovation calculation has not been explained in depth and this should be clarified with the applicant to get more insight in the calculation total.

1. Valga Municipality project proposal “*Renovation of a historical building (timber) at Kesk str 19, Valga*”

Mr Siim Raie expressed his gratitude from the point of view of heritage protection as this building has been also on the verge of demolition.

Ms Liina Jänes complemented that the building is situated at the newly reconstructed town square, so it has an outstanding location and is therefore an important part of the conservation area.

Still, Kesk 19 is a rather small (1,5 storey) and simple building to design. Budget line seems to be calculated with some reserve.

1. Kuressaare Port Storehouse Ltd project proposal “*Renovation of Kuressaare port storehouse (Veski str 9, Kuressaare)*”

The Selection Committee admitted that the building is a big limestone building, very well located near the castle, enlivening the district. It is one of the oldest buildings in Kuressaare.

Ms Nele Rent brought out the concern that was also highlighted by the evaluators – the applicant co-financing responsibility is guaranteed by an investor letter acting in car dealership (Autotest OÜ). It is not clear whether the investor has the realistic capability to finance the project from its own finances (over 200 000 euros). The applicant should clarify this issue more in depth.

Ms Maris Mändel agreed that sometimes it is somewhat hard to evaluate the realism of investor guarantees, because there are new companies established or there are holding companies through which people operate. But good ideas and projects attract the investors and the cash flow is divided between many years.

1. Holisticum Ltd project proposal “*Holistic lifestyle centre (Tolli str 4, Kuressaare)*”

Ms Liina Jänes praised the project for a clear concept, uniting two buildings and taking them into year-round use. It has potential to be profitable in Kuressaare, considered as our spa and wellness city. From the administrative side, Ms Jänes commented that the project assistant Ms Karin Närep has since the call deadline taken up a job at the Ministry of Culture.

Design/renovation/furnishing budget line seems to be calculated with some reserve.

Mr Siim Raie was glad to say that the Heritage Board has approved the building’s construction project.

Ms Kristin Eliassen and Ms Noelle Dahl-Poppe inquired about the Norwegian partner.

Mr Sigmund Kristoffer Vatvedt (Norway) is anature therapy doctor/naturopath. He is engaged in the activities to be launched in the building – whole body detox programmes, health packages, establishing nature therapy methods for the centre.

Mr Ülar Vaadumäe explained that on one part the call is devoted to renovating cultural heritage buildings but on the other hand equally important is to open up these buildings to the public and furnish them with attractive activities. The call criteria evaluated “*the partnership with cooperation throughout the project period and in several activities*” and whether there were donor partners included. So, it was not explicitly restricted only to heritage related partners.

Ms Kristin Eliassen was wondering about whether the applicant has foreseen a budget also for the donor partner. Mr Vaadumäe answered that at the moment the project application does not indicate that any financial resources have been set aside for the donor project partner, sometimes the partners bear their own (travelling?) costs, but – for sure – this aspect will be clarified.

1. NGO Paide unit of Information Centre for Sustainable Renovation project proposal “*Development of a community centre for NGO Paide unit of Information Centre for Sustainable Renovation)*”

The Selection Committee and the experts see this an exemplary project regarding sustainable renovation, the project team has the skills and experience, but the budget seems to be exaggerated in places (communication, management etc). There can be reductions made to the proposed budget.

The applicant has searched for donor project partner and even set a side some finances in the budget for partnership activities, but they have not still signed any official partnership agreements.

1. Freinhold House Ltd project proposal “*Development of an historic inn into a guest house and remote workplace (F. R. Kreutzwaldi str 52, Võru)*”

The Selection Committee agreed that the project is very well thought trough and financially calculated.

The building itself is an example of wooden architecture in a very visible location.

Ms Liina Jänes brought the committee’s attention to the fact that the building has a Soviet period annex, that will not be included in the current renovation. Still, the project can be seen as a functional unit both visually and content wise that would complete phase I. The applicant has a clear view and action plan also for phases II and III that can be visually seen as separate buildings.

1. NGO Museum of Mr Evald Okas project proposal “*Development of the museum of Mr Evald Okas into a year-round art centre*”

The Selection Committee was in favour of supporting the project – even partially, if seen feasible – for several reasons. The building is located at the gateway to Haapsalu old town conservation area, year-round use of the building would have strong impact for the community and tourism.

Still, the budget seems to be exaggerated in places (unexpected costs etc). There can be reductions made to the proposed budget.

Reserve list candidates

1. Pärnu City Government project proposal “*Renovation of a building at Uus str 2, Pärnu into a Town Hall Courtyard Music House*”

The building is situated at a visible location. The music house action plan is foreseen at the local government development plan, it does not seem to be profitable, but as it is backed by city government, then seems feasible. The applicant should elaborate on the possibility to further open up the house to the public (currently only a few concerts and rent events).

1. Viljandi City Government project proposal “*Puppet theatre. Renovation of a building at Lossi str 3, Viljandi*”

The building has been unused for 10 years and has been evaluated as in state of emergency. The puppet theatre action plan does not seem to be profitable in any way, but is listed at the local government development plan as a priority.

The project writes that it cooperates with Viljandi Puppet Theatre and Viljandi Perepesa (childcare, family support services), but has not concluded formal partnership agreements with these partners, so losing evaluation points in this criteria.

1. Valga Municipality project proposal “*Renovation of a historic Valga city school at Kesk str 22, Valga*”

The building is a cultural heritage monument and is in a bad shape.

The financial cost-effectiveness of the action cannot be analysed in depth, but as it plays an important function (music school) for the local community, it would be sustainable.

The applicant has presented a co-fin guarantee letter in combination with another application (Kesk str 19) in the total amount of 180 000 euros. In case this application would also be up for financing, the applicant should re-issue its guarantee, as at present it falls approx. 40 000 euros short.

Donor Partrerhips

At present, Lääneranna, Valga and Paide projects have budgeted donor partnership costs, while Paide does not still have a concrete partner. Holisticum has a Norwegian individual expert has a partner included in the project, other possible candidates for financing are lacking donor partners as well as have not set aside finances for partnerships.

Ms Noelle Dahl-Poppe stressed that the bi-lateral partnership objective is one of the two main objectives for the EEA and Norway grants and should be facilitated as much as possible.

Mr Ülar Vaadumäe indicated the bi-lateral funds reserved for each programme and from the LOCALDEV programme currently the heritage protection focus area has been allocated 33 520 euros for donor partnership activities (originally foreseen for a partnership search trip in 2020). Although the overall bi-lateral sum for LOCALDEV is 125 000 euros (and potentially +125 000 euros, in case the original sum has been utilised), then due to the current pandemic situation, no costs have been made yet. So, in case, there is a clear and realistic proposal, then there is a possibility to acquire additional funds (needs the agreement of the Cooperation Committee).

In any case, there is possibility to finance the projects to be supported from the open call, in their mission to find and facilitate partnerships with donor country organisations.

Ms Piret Marvet made a remark that decisions regarding reserve bi-lateral funds would be made in the coming summer by the Joint Committee of Bi-Lateral Funds and before asking for reserve funds there has to be real consumption of the original budget already in progress.

Selection Committee decisions

Selection Committee decisions are guided by the desire to finance 7 project proposals.

**Approve a project grant to the following project applications as requested:**

* Lääneranna Municipality project proposal “*Renovation of the spirits barn of the Lihula manor into community handicraft centre and heritage protection information centre (Linnuse road 1, Lihula city)*” 🡪 award a grant in the amount requested, i.e. 500 000 euros;
* Freinhold House Ltd project proposal “*Development of an historic inn into a guest house and remote workplace (F. R. Kreutzwaldi str 52, Võru)*” 🡪 award a grant in the amount requested, i.e. 354 383,77 euros.

**Approve a project grant to the following project applications with conditions:**

* Valga Municipality project proposal “*Renovation of a historical building (timber) at Kesk str 19, Valga*” 🡪 award a grant for 359 009,60 euros, taking into account the following: decrease the budget lines for project design and renovation by 51 218 euros (please see Annex 3). Kesk 19 is a rather small and simple building with not many historic details.
* Kuressaare Port Storehouse Ltd project proposal “*Renovation of Kuressaare port storehouse (Veski str 9, Kuressaare)*” 🡪 award a grant for 494 489,96 euros, taking into account the following: remove the budget line for renovation workshops (8 000 euros) as this activity will be financed by the EEA and Norway Grants pre-defined project “Historic town centres revitalised through heritage-based local development implemented by the National Heritage Board.
* Holisticum Ltd project proposal “*Holistic lifestyle centre (Tolli str 4, Kuressaare)*” 🡪 award a grant for 458 264,18 euros, taking into account the following: decrease the budget line for project design, renovation and furnishing by 58 314 euros (please see Annex 3). Tolli str 4 is a rather small building that is in an average condition.
* NGO Paide unit of Information Centre for Sustainable Renovation project proposal “*Development of a community centre for NGO Paide unit of Information Centre for Sustainable Renovation)*” 🡪 award a grant for 338 328,40 euros, taking into account the following: decrease the budget lines in total by 76 799,50 euros (please see Annex 3).
* renovation workshops (8 000 euros) will be financed by the EEA and Norway Grants pre-defined project “Historic town centres revitalised through heritage-based local development implemented by the National Heritage Board.
* accounting costs (8 576,50 euros) are deemed to be covered from indirect costs according to point 11.3.1 of the Rules;
* project management, communication as well as project design and renovation costs are considered to be a bit over-estimated;
* NGO Museum of Mr Evald Okas project proposal “*Development of the museum of Mr Evald Okas into a year-round art centre*” 🡪 offer the applicant a grant in the amount of 355 171 euros, taking into account the following: there are possible cuts in the budget in total approx. for 58 540 euros (project design, renovation and renovation workshops, please see Annex 3), making the updated budget 597 867 euros in total and the grant sum 455 408,76 euros with the grant rate of 76,17%. Unfortunately, it still leaves the Project Promoter in deficit for approx. 100 238 euros.

Therefore, the Selection Committee proposes the NGO Museum of Mr Evald Okas a maximum grant available, i.e. 355 171 euros and asks the applicant to consider whether it is feasible with this grant amount to execute and achieve a functional result. The applicant may – in case not feasible – also reject the proposal.

**Selection Committee decided to form the following reserve list of project applications that are recommended for support, but due to lack of funding cannot be supported at the time of the decision, but could be should further funds become available.**

Reserve list of projects to be potentially supported (in ranking order):

1. Pärnu City Government project proposal “*Renovation of a building at Uus str 2, Pärnu into a Town Hall Courtyard Music House*” 🡪 a grant application for 500 000 euros
2. Viljandi City Government project proposal “*Puppet theatre. Renovation of a building at Lossi str 3, Viljandi*” 🡪 a grant application for 500 000 euros;
3. Valga Municipality project proposal “*Renovation of a historic Valga city school at Kesk str 22, Valga*” 🡪 a grant application for 479 924 euros.

Mr Ülar Vaadumäe thanked everybody for their input and closed the meeting.

Meeting chaired by

(digitally signed) minutes taken by

Liina Jänes

(*digitally signed*)

Ülar Vaadumäe