

Interim financial report EEA and Norway Financial Mechanisms 2014 – 2021

Interim financial report number 9

Programme summary

Programme operator	Ministry of Social Affairs - Estonia
Beneficiary State	Estonia
Programme title	Local Development and Poverty Reduction
Programme code	EE-LOCALDEV
Eligible Expenditure	€ 21,685,069.43
Programme grant rate	85.00 %
Programme grant amount	€ 18,432,309.00
EEA Grant Amount	€ 10,441,217.00
Norway Grant Amount	€ 7,991,092.00
Start date of eligibility	10/05/2017
Final date of eligibility	31/12/2024

Part A - Statement of actual expenditure incurred and interest earned

Incurred expenditure - summary

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Start date of incurred expenditure period 01/07/2023

End date of incurred expenditure period 31/12/2023

	Previously incurred expenditure	Incurred this period	Total to date	Total Budget	Available balance
Eligible expenditure	€ 10,243,813.40	€ 3,323,593.88	€ 13,567,407.28	€ 21,685,069.43	€ 8,117,662.15
Financial Mechanisms	€ 8,707,241.39	€ 2,825,054.81	€ 11,532,296.20	€ 18,432,309.00	€ 6,900,012.80
EEA Grants	€ 4,760,978.95	€ 1,427,787.50	€ 6,188,766.45	€ 10,441,217.00	€ 4,252,450.55
Norway Grants	€ 3,946,262.44	€ 1,397,267.31	€ 5,343,529.75	€ 7,991,092.00	€ 2,647,562.25
Co-financing	€ 1,536,572.01	€ 498,539.07	€ 2,035,111.08	€ 3,252,760.43	€ 1,217,649.35

Incurred expenditure - details

Title: Programme management

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 498,359.30	€ 55,578.53	€ 553,937.83	€ 920,588.24	€ 366,650.41

Brief description of actual expenditure incurred

Costs related to Cooperation Committee meeting in Sept 2023, PO networking meetings in Brussels (cultural heritage) and Bratislava (SYNERGY) as well as PO Implementation Agency labour costs.

Eligible expenditures

Eligible expenditure - EUR	€ 55,578.53
Total	€ 55,578.53

Title: Outcome 1: Enhanced wellbeing of children and youth (EEA Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 2,447,731.91	€ 1,014,926.17	€ 3,462,658.08	€ 5,629,577.65	€ 2,166,919.57

Brief description of actual expenditure incurred for the outcome

The expenditure includes cost reimbursement to pre-defined project No 2, vocational schools implementing career orientation programme, projects financed in the area of integrated services to prevent early school leaving as well as a smart youth work projects (incl. 4th advance payment to project dealing with cybersecurity issues for the youth).

Eligible expenditures

Project	Eligible expenditure - EUR

EE-LOCALDEV-0002	€ 46,945.14
EE-LOCALDEV-0013	€ 20,372.00
EE-LOCALDEV-0012	€ 11,575.00
EE-LOCALDEV-0014	€ 6,482.00
EE-LOCALDEV-0015	€ 2,315.00
EE-LOCALDEV-0017	€ 22,224.00
EE-LOCALDEV-0018	€ 34,725.00
EE-LOCALDEV-0019	€ 58,801.00
EE-LOCALDEV-0020	€ 14,816.00
EE-LOCALDEV-0025	€ 43,522.00
EE-LOCALDEV-0026	€ 24,076.00
EE-LOCALDEV-0037	€ 174,287.00
EE-LOCALDEV-0038	€ 64,539.70
EE-LOCALDEV-0039	€ 128,000.00
EE-LOCALDEV-0041	€ 50,000.00
EE-LOCALDEV-0042	€ 151,077.85
EE-LOCALDEV-0043	€ 67,915.58
EE-LOCALDEV-0044	€ 93,252.90

Total

€ 1,014,926.17

Title: Outcome 1: Enhanced wellbeing of children and youth (Norway Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 3,028,589.52	€ 1,120,308.97	€ 4,148,898.49	€ 5,422,944.71	€ 1,274,046.22

Brief description of actual expenditure incurred for the outcome

The expenditure includes cost reimbursement to pre-defined project No 1 as well as restorative justice projects financed through the small grant scheme (advance payments and reimbursement of costs). Final payment to projects No 34 and 48.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0001	€ 1,008,322.33
EE-LOCALDEV-0034	€ 26,888.01
EE-LOCALDEV-0046	€ 32,300.00
EE-LOCALDEV-0047	€ 30,364.73
EE-LOCALDEV-0048	€ 22,433.90

Total

€ 1,120,308.97

Title: Outcome 2: Reduced domestic and gender-based violence and gender inequalities (EEA Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 314,648.09	€ 38,746.12	€ 353,394.21	€ 565,430.59	€ 212,036.38

Brief description of actual expenditure incurred for the outcome

The expenditure includes cost reimbursement to pre-defined project No 3.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0003	€ 38,746.12
Total	€ 38,746.12

Title: Outcome 2: Reduced domestic and gender-based violence and gender inequalities (Norway Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 381,198.20	€ 88,698.92	€ 469,897.12	€ 469,897.65	€ 0.53

Brief description of actual expenditure incurred for the outcome

The expenditure includes final payments to pre-defined project No 4 and project No 24.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0004	€ 70,424.37
EE-LOCALDEV-0024	€ 18,274.55
Total	€ 88,698.92

Title: Outcome 3: Improved quality of integrated services and public health interventions at local level (EEA Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 1,366,101.90	€ 106,200.87	€ 1,472,302.77	€ 2,298,030.59	€ 825,727.82

Brief description of actual expenditure incurred for the outcome

The expenditure includes cost reimbursement to pre-defined project No 4.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0005	€ 106,200.87
Total	€ 106,200.87

Title: Outcome 3: Improved quality of integrated services and public health interventions at local level (Norway Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 1,027,993.00	€ 405,623.87	€ 1,433,616.87	€ 2,129,978.82	€ 696,361.95

Brief description of actual expenditure incurred for the outcome

The expenditure includes cost reimbursement to pre-defined projects No 6 and 7 as well as final payments to open call projects dealing with injuries in home environment and midwives' home visits to children and families at risk.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0006	€ 221,689.17
EE-LOCALDEV-0007	€ 77,148.25
EE-LOCALDEV-0035	€ 23,362.87
EE-LOCALDEV-0036	€ 83,423.58
Total	€ 405,623.87

Title: Outcome 4: Historic town centres revitalised through heritage-based local development (EEA Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 1,179,191.48	€ 487,147.01	€ 1,666,338.49	€ 3,248,621.18	€ 1,582,282.69

Brief description of actual expenditure incurred for the outcome

The expenditure includes final payment to pre-defined projects No 8 as well as pre-financing payments to projects renovating buildings of cultural heritage.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0008	€ 119,196.43
EE-LOCALDEV-0030	€ 66,950.58
EE-LOCALDEV-0031	€ 230,000.00
EE-LOCALDEV-0033	€ 71,000.00
Total	€ 487,147.01

Title: Outcome 4: Historic town centres revitalised through heritage-based local development (Norway Grants)

	Previously incurred expenditure	Incurred this period	Total to date	Budget	Available balance
Eligible expenditure	€ 0.00	€ 6,363.42	€ 6,363.42	€ 1,000,000.00	€ 993,636.58

Brief description of actual expenditure incurred for the outcome

Pre-financing to project EE-LOCALDEV-0030 Holistic lifestyle centre (Tolli str 4, Kuressaare) - additional grant from NOR Grants.

Eligible expenditures

Project	Eligible expenditure - EUR
EE-LOCALDEV-0030	€ 6,363.42
Total	€ 6,363.42

Interest Earned

Interest generated on accounts established by the Programme Operator for funds intended for regranting for 2023

Norway Grants	EEA Grants	Total

€ 0.00	€ 0.00	€ 0.00
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Cumulative Interest generated on accounts established by the Programme Operator for funds intended for regranting

Norway Grants	EEA Grants	Total
€ 289.26	€ 460.64	€ 749.90

Comment

No interest earned. Interest-bearing bank accounts for the programme have been established by CA.

Part B - Statement of proposed expenditure

Proposed expenditure - summary

Start date of proposed expenditure period 01/05/2024

End date of proposed expenditure period 31/10/2024

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 18,316,280.95	€ 1,017,926.33	€ 19,334,207.28	€ 21,685,069.43	€ 2,350,862.15
Financial Mechanisms	€ 15,568,838.81	€ 865,237.39	€ 16,434,076.20	€ 18,432,309.00	€ 1,998,232.80
EEA Grants	€ 8,701,269.00	€ 574,366.56	€ 9,275,635.56	€ 10,441,217.00	€ 1,165,581.44
Norway Grants	€ 6,867,569.81	€ 290,870.83	€ 7,158,440.64	€ 7,991,092.00	€ 832,651.36
Co-financing	€ 2,747,442.14	€ 152,688.94	€ 2,900,131.08	€ 3,252,760.43	€ 352,629.35

Title: Programme management

Brief description of activities to be financed

Implementing Agency salary costs, Cooperation Committee costs, PO networking events costs, evaluation and final event costs.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 622,375.33	€ 114,882.50	€ 737,257.83	€ 920,588.24	€ 183,330.41

* For management costs it is not possible to request more than € 828,529.42 of the total amount as 10.00 % is retained for the programme closure.

Title: Outcome 1: Enhanced wellbeing of children and youth (EEA Grants)

Brief description of activities to be financed

232 500 € to Education and Youth Board and 174 287 € to CTF-Tech projects on smart youth work; 610 000 € to local government integrated support services projects; 337 9905 € to vocational school projects; 137 500 € to PDP No 2 and 120 350 € to PDP No 9.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 4,605,454.62	€ 469,821.00	€ 5,075,275.62	€ 5,629,577.65	€ 554,302.03

Title: Outcome 1: Enhanced wellbeing of children and youth (Norway Grants)

Brief description of activities to be financed

918 265 € to PDP No 1; 18 850 € to SGS#1 final payments and 43 100 € to SGS#1b.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 4,697,159.76	€ 431,954.00	€ 5,129,113.76	€ 5,422,944.71	€ 293,830.95

Title: Outcome 2: Reduced domestic and gender-based violence and gender inequalities (EEA Grants)

Brief description of activities to be financed

177914 € to PDP No 3 (final payment) and 15 722 € to SGS projects (final payments).

Title: Outcome 2: Reduced domestic and gender-based violence and gender inequalities (Norway Grants)

Brief description of activities to be financed

No payments. Outcome completed.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 481,623.71	€ -11,726.59	€ 469,897.12	€ 469,897.65	€ 0.53

Title: Outcome 3: Improved quality of integrated services and public health interventions at local level (EEA Grants)

Brief description of activities to be financed

Payments in the sum of 701 400 € to PDP No 5.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 2,107,710.61	€ 24,593.00	€ 2,132,303.61	€ 2,298,030.59	€ 165,726.98

Title: Outcome 3: Improved quality of integrated services and public health interventions at local level (Norway Grants)

Brief description of activities to be financed

300 000 € to PDP No 6 and 57 109 € to PDP No 7.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 1,969,865.09	€ -179,139.00	€ 1,790,726.09	€ 2,129,978.82	€ 339,252.73

Title: Outcome 4: Historic town centres revitalised through heritage-based local development (EEA Grants)

Brief description of activities to be financed

Payments to cultural heritage renovation projects in the sum of 1 057 400 €.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 2,610,081.12	€ 113,658.00	€ 2,723,739.12	€ 3,248,621.18	€ 524,882.06

Title: Outcome 4: Historic town centres revitalised through heritage-based local development (Norway Grants)

Brief description of activities to be financed

Payments to cultural heritage renovation projects in the sum of 722 500 €.

	Previous advance and interim payments	Interim payment this period	Total to date	Budget	Available balance
Eligible expenditure	€ 674,980.00	€ 53,883.42	€ 728,863.42	€ 1,000,000.00	€ 271,136.58

Programme operator

Full legal name: Ministry of Social Affairs - Estonia (EE)

Programme operator signature

I certify that I am duly authorised to sign this interim financial report and that the proposed expenditure described in Part B from which this interim payment is calculated is a realistic estimate of the expenditure that will actually be required by the Programme in the period referred to in Part B.

I have thoroughly reviewed the actual expenditure incurred declared in Part A, and co-financing provided in Part B of this report, and confirm that the information provided is accurate. I confirm that this Programme is carried out as described in the Programme Agreement and that the incurred expenditure is correctly represented.

Overall implementation status (including milestones):

Out of 9 pre-defined projects 7 pre-defined projects are currently running (PDP 1, 2, 3, 5, 6, 7), 2 pre-defined projects have finished their activities (PDP 4 and PDP 8) and 1 pre-defined project (PDP 9) started its activities only in March 2023. The implementation period of pre-defined projects No 5 and 7 were prolonged to successfully conclude the projects' activities.

Out of 41 projects had received financing via different open calls for proposals 25 are still running and 16 have completed their activities. Project EE-LOCALDEV-0038 has pleaded for termination with partial results and project EE-LOCALDEV-0028 will be terminated by PO because of no progress made.

All in all, the projects in programme are achieving results and therefore contributing to the targets set for programme area outcomes.

Question	Answer	Comment
Management and control systems of the Programme Operator set up fulfilling the general principles set out in the Regulation and approved by the National Focal Point (Art 5.7)	Yes	Management and control systems of the Programme Operator have been audited and approved by the Auditing Authority in July 2019.
Separate interest-bearing bank accounts dedicated to the funds intended for regranting established and maintained (Art 5.6.1 (m))	N/A	No interest earned. Interest-bearing bank accounts for the programme have been established by CA.
Information and publicity obligations fulfilled (Art 3.3)	Yes	Communication strategy is in place and approved by the FMO. Programme has a dedicated web-site both in Estonian and English languages. All open calls have been and will be published in a national newspaper, web-sites of the programme and Implementing Agency; the launch of calls will also include a press release and information distribution via Facebook EEA and Norway Grants Estonia

		web-page as well as directly targeting potential target group organisations. Summaries of all financed projects are put up at the web-site of the programme in addition to the projects' own web-sites.
Monitoring and verifications conducted to ensure quality and/or regularity of implementation (Art 5.6.1 (g) and Art 5.6.2)	Yes	System and regularity of verification payment claims has been established (every 3 months) and are being carried out as projects progress.
Annual monitoring of a sample of projects conducted (Art 5.6.1 (i))	Yes	Sample based monitoring of selected projects (on-the-spot checks as well as random checks on events like trainings, meetings, information days, seminars, supervisions, roundtables, etc.) is being implemented, separate monitoring visits have been carried out in the 2nd half of 2023.
Project-specific statistical data is entered and up to date in the reporting database (Art 5.6.1 (s))	Yes	The statistical data of all projects that have launched has been entered into GRaCE.
Special conditions and Programme-specific rules set out in the programme agreement fulfilled (Art 5.6.1 (x))	Yes	Pre-eligibility conditions set for PDPs in Annex I of the PA have been fulfilled for all PDPs No 1-8. For PDP No 4 the POs responsibilities regarding the verification of payment claims and the verification of project outputs has been externalised via procurement and is being carried out by an independent and unrelated party KPMG Baltics Ltd.
All irregularities, their investigation and any remedies taken reported (Art 5.6.1 (v))	Yes	Irregularities are investigated by the PO Implementing Agency and Certifying Authority and are being reporting by the Irregularity Authority.

For the Programme Operator

Signed in Tallinn on 19.02.2024

[Signature]

Ms Nele Labi
Deputy Secretary General on
Innovation Affairs

Certification of actual expenditure incurred and co-financing

Interim financial report number	9
Start date of incurred expenditure period	01/07/2023
End date of incurred expenditure period	31/12/2023
Actual expenditure incurred this period	€ 3,323,593.88
Start date of proposed expenditure period	01/05/2024
End date of proposed expenditure period	31/10/2024
Co-financing committed to date	€ 2,900,131.08
Co-financing for incurred expenditure paid	€ 2,035,111.08
Interest earned 2023	€ 0.00

The Certifying Authority hereby certifies that:

The Certifying Authority hereby certifies that:

- (i) the summary of eligible expenditure submitted by the Programme Operator is in full conformity with the supporting documents;
- (ii) the supporting documents have been examined and found to be authentic, correct and accurate;
- (iii) the summary of eligible expenditure is based on verifiable accounting which is in compliance with generally accepted accounting principles and methods;
- (iv) the summary of eligible expenditure falls within eligible expenditure under the Regulation for the implementation of the EEA / Norwegian Financial Mechanisms 2014-2021;
- (v) the summary of expenditure is incurred as part of the implementation of the Programme in accordance with the Programme Agreement;
- (vi) sufficient audit trail exists;
- (vii) co-financing committed to date has been made available;
- (viii) co-financing in relation to incurred expenditure has been paid;
- (ix) when relevant, that the interest earned at PO account is correct.

For the Certifying Authority

Signed in on

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