



Interreg VA – EE-LV - Estonia-Latvia

Cooperation programme under European territorial cooperation goal

Annual Implementation Report 2015

July 2016

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1. IDENTIFICATION OF THE ANNUAL IMPLEMENTATION REPORT

| | |
|--|-------------------------------------|
| CCI | 2014TC16RFCB050 |
| Title | Interreg V-A EE-LV - Estonia-Latvia |
| Version | 1.3 |
| Reporting year | 2015 |
| Date of the approval of the report by the monitoring committee | 13 April 2016 |

2. OVERVIEW OF THE IMPLEMENTATION OF THE COOPERATION PROGRAMME

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

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

It is the continuation of the Estonia-Latvia Programme 2007-2013 covering the same territory and having the same implementation structures. More precisely, the programme covers the following NUTS regions: EE004 Lääne-Eesti, EE008 – Lõuna-Eesti, LV003 – Rīga, LV007 – Pierīga, LV008 – Vidzeme. The basis for implementing the programme is the Agreement signed between the Republic of Latvia, the Republic of Estonia, and the Ministry of Finance of the Republic of Estonia on 7 July 2016. The Agreement stipulates the structure, rights and obligations of the programme institutions, and the main principles of the programme implementation and management. According to the Agreement the Ministry of Finance of the Republic of Estonia hosts the Managing Authority (MA), which fulfils also the tasks of the Certifying Authority (CA), and the Audit Authority (AA) of the programme. The MA is supported by the Joint Secretariat (JS), which is located in Tartu, Estonia, in Enterprise Estonia (EAS) with the Information and consultation point in Riga, Latvia, in the State Regional Development Agency (VRAA). The JS is the main contact point for applicants and beneficiaries. The relations between the Programme authorities and the JS as well as the JS' activities and obligations are regulated by the Administration Contract between the Ministry of Finance of Estonia and the EAS.

In Estonia, the Ministry of Finance acts as the NA of the programme, in Latvia the responsible institution fulfilling also the task of the NA is the Ministry of the Environmental Protection and Regional Development of the Republic of Latvia.

The main decision-making body for the programme is the Monitoring Committee (MC) composed of the representatives of the public sector, socio-economical partners and representatives of civil society of Estonia and Latvia.

The total budget of the programme is 45,654,342.00 EUR of which the ERDF contribution is 38,020,684.00 EUR. Public bodies, public equivalent bodies, private companies, non-governmental organisations and sole proprietors are eligible for funding and can act as project partners.

As the programme was approved only towards the end of 2015, no essential implementing activities were carried out last year. In December two information events took place. One was held in Latvia where the JS participated in the meeting with Vidzeme Food Cluster and introduced the programme with a special focus on entrepreneurship. The other one was held in Estonia, where the JS introduced the programme for the development specialists in South-Estonia. However, since the approval of the content of the Cooperation Programme by the Member States, the authorities were elaborating the programme documents in order to be prepared for the launch of the call after the adoption and the JS carried out quite a number of information seminars on the new programme, its requirements, priorities, expected results.

The first call for proposals was launched on 23 February with the deadline of 22 April 2016. The applications procedure consists of 1) submission of the project idea form followed by the JS feedback, and 2) Submission of full application. The JS may give two types of recommendations, including possible MC recommendations: 1) recommendation to submit a full application during the same call for proposals. The recommendation may include conditions for further development of the project idea; 2) recommendation not to submit a full application. The recommendation includes the shortcomings of the project idea.

Through different regulatory requirements the European Commission has made compulsory for the Member States and programme authorities to use **electronic data exchange system**, which should enable electronic interaction between all counterparts of the programme thus reducing the administrative burden of all parties involved in the programme implementation. Estonia-Latvia Programme has decided to use electronic monitoring system (eMS) which development was initiated and coordinated by Interact and is being used by several ETC programmes.

For the Estonia - Latvia Programme, the eMS is operated and maintained by the JS. As of the end of March 2016, the system has been installed and its applicability for the programme is being tested. It will be operational by the time the applicants will have to submit their full project proposals. Following the submission all procedures related to the project applications will be carried out in the eMS.

Estonia - Latvia Programme is part of the territory that is covered by the **European Union Strategy for the Baltic Sea Region (the Strategy)**. In the selection and approval of the projects the contribution to the Strategy is taken into account as appropriate and the latest Action Plan for the implementation of the Strategy is followed. In the analysis and when it comes to labelling the project as contributing to Strategy, the following criteria will be considered:

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

The labelling will be coordinated with the Policy Area coordinators and the projects will be notified on the contribution to the Strategy.

3. IMPLEMENTATION OF THE PRIORITY AXIS

3.1. Overview of the implementation

Table 1

| ID | Priority Axis | Key information on the implementation of the priority axis with reference to key developments, significant problems and steps taken to address these problems |
|-----------------|--|---|
| Priority Axis 1 | Active and Attractive Business Environment | The Programme was adopted by the EC only in December 2015 therefore there isn't any information to report on the implementation. |
| Priority Axis 2 | Clean and Valued Living Environment | See the information for Priority Axis 1. |
| Priority Axis 3 | Better Network of Harbours | See the information for Priority Axis 1 |
| Priority Axis 4 | Integrated Labour Market | See the information for Priority Axis 1 |
| Priority Axis 5 | Technical Assistance | Technical Assistance of the period 2014-2020 was used for the 4 th quarter of 2015. Besides staff and administration costs the TA was mainly used for consultations and information events to introduce the programme. |

3.2. Common and programme specific indicators

Table 2 Result indicators (by priority axis and specific objective)

| As in the Cooperation Programme | | | | | | Annual value |
|---------------------------------|---|---|----------------|---------------|---------------------|-----------------------|
| ID | Indicator | Measurement unit | Baseline Value | Baseline Year | Target value (2023) | 2015 |
| S01 | The share of entrepreneurs and new businesses in the region, which are ready for cross-border cooperation | % | 53% | 2014 | 59% | No activities in 2015 |
| S02 | The share of entrepreneurs carrying out joint product or service development | % | 14% | 2014 | 19% | No activities in 2015 |
| S03 | The number of visitors at cultural and natural heritage sites | Number of visitors | 3,103,576 | 2014 | 3,786,000 | No activities in 2015 |
| S04 | Awareness of people in terms of resource efficiency | % of persons who are very familiar with the targeted topics | 43% | 2014 | 53% | No activities in 2015 |
| S05 | Cooperation intensity between institutions in the management of water bodies and coastal areas | % of institutions that carry out regular co-op. activities | 36% | 2014 | 59% | No activities in 2015 |
| S06 | The number of visiting vessels at small harbours | Number of vessels | 6,420 | 2014 | 15,000 | No activities in 2015 |
| S07 | Work commuters crossing the border | Number of persons | 2,753 | 2014 | 3,100 | No activities in 2015 |

| | | | | | | |
|-----|---|-----|-----|------|-----|-----------------------|
| S08 | The share of inhabitants of Valga and Valka recognising Valga-Valka as a joint town | % | 21% | 2015 | 28% | No activities in 2015 |
| 00 | N/A | N/A | 00 | 00 | N/A | N/A |

3.3. Financial data

Table 3 Financial information at priority axis and programme level

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

4. SYNTHESIS OF THE EVALUATIONS

The Interreg VA Estonia - Latvia Programme 2014-2020 was adopted by the European Commission on 4 December 2015. Therefore no evaluation activities have been carried out within the programme.

5. ISSUES AFFECTING THE PERFORMANCE OF THE PROGRAMME AND MEASURES TAKEN

There have been no issues that affect the performance of the programme.

6. REPORT ON THE IMPLEMENTATION OF FINANCIAL INSTRUMENTS

Financial instruments are not applicable for the Estonia - Latvia Programme.