EEA Financial Mechanism 2021-2028

Norwegian Financial Mechanism 2021-2028

PROGRAMME AGREEMENT

between

The Financial Mechanism Committee and the Norwegian Ministry of Foreign Affairs

hereinafter referred to as the "Donors"

and

The Estonian State Shared Service Centre (SSSC),

hereinafter referred to as the "National Focal Point",

representing Estonia,

hereinafter referred to as the "Beneficiary State"

together hereinafter referred to as the "Parties"

for the financing of the Programme "Green Transition"

hereinafter referred to as the "Programme"

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Chapter 1
Scope, legal framework, and definitions

Article 1.1
Scope

This Programme Agreement between the Donors and the National Focal Point lays down the rights and obligations of the Parties regarding the implementation of the Programme and the financial contributions from the EEA Financial Mechanism 2021-2028 and the Norwegian Financial Mechanism 2021-2028 (hereinafter referred to as the "EEA and Norwegian Financial Mechanisms 2021-2028") to the Programme.

Article 1.2
Legal Framework

1. This Programme Agreement shall be read in conjunction with the following documents which, together with this Programme Agreement, constitute the legal framework of the EEA and Norwegian Financial Mechanisms 2021-2028:

(a) Protocol 38d to the EEA Agreement on the EEA Financial Mechanism 2021-2028 and the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021-April 2028;

(b) the Regulation on the implementation of the EEA Financial Mechanism 2021-2028 and the Regulation on the implementation of the Norwegian Financial Mechanism 2021-2028 (hereinafter referred to as the "Regulations");

(c) the Memorandum of Understanding on the Implementation of the EEA Financial Mechanism 2021-2028 and the Memorandum of Understanding on the Implementation of the Norwegian Financial Mechanism 2021-2028, entered into between the Donor States and the Beneficiary State; and

(d) any guidelines adopted by the Donors in accordance with the Regulations.

2. In case of an inconsistency between this Programme Agreement and the Regulations, the Regulations shall prevail.

3. The legal framework is binding for the Parties. An act or omission by a Party to this Programme Agreement that is incompatible with the legal framework constitutes a breach of this Programme Agreement by that Party.

Article 1.3
Definitions

Terms used and institutions and documents referred to in this Programme Agreement shall be understood in accordance with the Regulations, in particular Article 1.6 thereof, and the legal framework referred to in Article 1.2 of this Programme Agreement.

Article 1.4
Annexes and hierarchy of documents

1. Annexes attached hereto form an integral part of this Programme Agreement. Any reference to this Programme Agreement includes a reference to its annexes unless otherwise stated or clear from the context.

2. The provisions of the annexes shall be interpreted in a manner consistent with this Programme Agreement. Should the meaning of any provision of the said annexes, so interpreted, remain inconsistent with this Programme Agreement, the provisions of the annexes shall prevail, provided that these provisions are compatible with the Regulations.

3. Commitments, statements and guarantees, explicit as well as implicit, made in the preparation of the programme are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in this Programme Agreement.

Chapter 2
The Programme

Article
2.1 Co-operation

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this Programme Agreement.

2. The Parties agree to provide all information necessary for the good functioning of this Programme Agreement, including risk assessment and response analysis, and to apply the principles of implementation as set out in the Regulations.

3. The Parties shall promptly inform each other of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme.

4. In executing this Programme Agreement the Parties declare to counteract corrupt practices. Further, they declare not to accept, either directly or indirectly, any kind of offer, gift, payments or benefits which would or could be construed as

illegal or corrupt practice or giving rise to a conflict of interest. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to this Programme Agreement.

Article 2.2
Main responsibilities of the Parties

1. The National Focal Point is responsible and accountable for the overall management of the EEA and Norwegian Financial Mechanisms 2021-2028 in the Beneficiary State and for the full and correct implementation of this Programme Agreement. In particular, the National Focal Point undertakes to:

(a) comply with its obligations stipulated in the Regulations and this Programme Agreement;

(b) ensure that the Certifying Authority, the Audit Authority and the Programme Operator properly perform the tasks assigned to them in the Regulations and this Programme Agreement;

(c) take all necessary steps to ensure that the Programme Operator is fully committed and able to implement and manage the Programme, including ensuring the appropriate allocation of staff and other resources, throughout the programme period;

(d) take the necessary measures to remedy irregularities in the implementation of the Programme and ensure that the Programme Operator takes appropriate measures to remedy irregularities in projects within the Programme, including measures to recover misspent funds; and

(e) make all the necessary and appropriate arrangements in order to strengthen or change the way the Programme is managed.

2. The Donors shall, subject to the rules stipulated in the legal framework referred to in Article 1.2 of this Programme Agreement, make available to the Beneficiary State a financial contribution (hereinafter referred to as "the programme grant") to be used exclusively to finance the eligible cost of the Programme.

Article 2.3
Objective(s) of the Programme

1. This Programme Agreement sets out the objective(s), outcome(s), outputs, indicators and targets for the Programme.

2. The National Focal Point shall ensure that the Programme Operator implements and completes the Programme in accordance with the objective(s), outcome(s), outputs, indicators and targets set for the Programme.

Article 2.4
Programme grant

1. The maximum amount of the programme grant, the programme grant rate, and the estimated eligible cost of the Programme shall be as specified in this Programme Agreement.

2. The Programme is supported by grants from both the EEA Financial Mechanism and the Norwegian Financial Mechanism. Nevertheless, this Programme Agreement may contain provisions applicable only to the support from the EEA Financial Mechanism or the Norwegian Financial Mechanism.

3. The programme budget annexed to this Programme Agreement shall:

(a) contain a breakdown between the Programme's budget headings;

(b) contain a breakdown between the support from the EEA Financial Mechanism and the Norwegian Financial Mechanism; and

(c) indicate the agreed advance payment, if any.

4. The management cost of the Programme Operator shall not exceed the amount specified in this Programme Agreement.

Article 2.5
Special conditions and programme specific rules

1. This Programme Agreement shall list any conditions set by the Donors with reference to Article 6.3.2 of the Regulations. The National Focal Point shall ensure compliance with these conditions and take the necessary steps to ensure their fulfilment.

2. The National Focal Point shall ensure compliance with any other programme specific rules laid down in this Programme Agreement.

Article 2.6
Reporting

The National Focal Point shall ensure that the Programme Operator provides financial reports and a Final Programme Report in accordance with Chapter 9 and Article 6.8 of the Regulations as well as other reporting in accordance with guidelines adopted by the Donors.

Article 2.7
Monitoring and audits

The monitoring and audits referred to in Chapter 10 and Chapter 11 of the Regulations shall not in any way relieve the National Focal Point or the Programme Operator of their obligations under the legal framework regarding monitoring of the Programme and/or its projects, financial control and audit.

Article 2.8
Modification of the Programme

1. Unless otherwise explicitly stipulated in this Programme Agreement, any modification of the Programme is subject to prior approval by the Donors.

2. Budget reallocations to and from calls and pre-defined projects (both within the same outcome and between outcomes) are permitted without a modification of the Programme Agreement or prior approval by the Donors for an amount of up to 10% of the total allocation for each planned call or pre-defined project. Reallocations made in accordance with this paragraph may not lead to a change in the total contribution to the Programme from the EEA or Norwegian Financial Mechanism.

3. Changes to the Programme which have been agreed in their entirety through a modification of the relevant Memorandum of Understanding do not require a modification of the Programme Agreement. In such cases, the Programme Agreement shall be updated by the Donors.

4. Programme specific exceptions from paragraph 1, if any, are set in the annexes to this Programme Agreement.

5. Expenditures in breach of this Article are not eligible.

6. Should there be a doubt as to whether a modification of the Programme Agreement is required, the National Focal Point shall consult the Donors before such modifications take effect.

7. Requests for modifications shall be submitted and assessed in accordance with Article 6.7 of the Regulations.

Article 2.9
Communication

1. All communication to the Donors regarding this Programme Agreement shall take place in English and be directed to the Financial Mechanism Office (hereinafter referred to as the FMO), which represents the Donors towards the National Focal Point and the Programme Operator in relation to the implementation of the Programme.

2. To the extent that original documents are not available in the English language, the documents shall be accompanied by full and accurate translations in English. The National Focal Point shall bear the responsibility for the accuracy of the translation that it provides and the possible consequences that might arise from any inaccurate translations.

Article 2.10
Contact information

1. The contact information of the Programme Operator is as specified in this Programme Agreement.

2. The contact information for the Donors and the Financial Mechanism Office are:

Financial Mechanism Office
Att: Managing Director
EFTA House
Avenue des Arts, 19H
1000 Brussels
Telephone: +32 (0)2 286 1701
E-mail: fmo@efta.int

3. Changes of or corrections to the contact information referred to in this Article shall be given in writing without undue delay by the Parties to this Programme Agreement.

Article 2.11
Representations and warranties

1. This Programme Agreement and the awarding of the programme grant is based on information provided by, through, or on behalf of the National Focal Point to the Donors prior to the signing of this Programme Agreement.

2. The National Focal Point represents and warrants that the information provided by, through, or on behalf of the National Focal Point, in connection with the implementation or conclusion of this Programme Agreement are authentic, accurate and complete.

Chapter 3
Projects

Article 3.1
Selection of projects and award of grants

1. The National Focal Point shall ensure that the Programme Operator selects projects in accordance

with Chapter 7 of the Regulations and this Programme Agreement.

2. Eligibility of Project Promoters and project partners is stipulated in Article 7.2 of the Regulations and, in accordance with paragraph 4 thereof, subject only to the limitations stipulated in this Programme Agreement.

3. Pre-defined projects shall be outlined in this Programme Agreement.

4. The National Focal Point shall take proactive steps to ensure that the Programme Operator complies fully with Article 7.5.2 of the Regulations.

Article 3.2
Project contract

1. For each approved project a project contract shall be concluded between the Programme Operator and the Project Promoter.

2. In cases where a project contract cannot, due to provisions in the national legislation, be made between the Programme Operator and the Project Promoter, the Beneficiary State may instead issue a legislative or administrative act of similar effect and content.

3. The content and form of the project contract shall comply with Article 7.9 of the Regulations.

4. The National Focal Point shall ensure that the obligations of the Project Promoter under the project contract are valid and enforceable under the applicable law of the Beneficiary State.

Article 3.3
Project partners and partnership agreements

1. A project may be implemented in a partnership between the Project Promoter and project partners as defined in point (y) of Article 1.6 of the Regulations. If a project is implemented in such a partnership, the Project Promoter shall sign a partnership agreement with the project partners with the content and in the form stipulated in Article 7.10 of the Regulations.

2. If one of the parties to the agreement is an entity from the Donor States, the partnership agreement shall be in English and shall be based on a template provided by the Donors.

3. The eligibility of expenditures declared by a project partner is subject to the same rules as would apply if the expenditures were declared by the Project Promoter.

4. The National Focal Point shall ensure that the Programme Operator verifies that the partnership agreement complies with this Article. A draft partnership agreement or letter of intent shall be submitted to the Programme Operator before the signing of the project contract.

Chapter 4
Finance

Article 4.1
Eligible expenditures

1. Without prejudice to Article 8.9 of the Regulations, eligible expenditures of this Programme are:

(a) management costs of the Programme Operator in accordance with the detailed budget in the financial plan;

(b) payments to projects within this Programme in accordance with the Regulations, this Programme Agreement and the project contract; and

(c) payments to activities funded by the bilateral funds allocated to the programme.

2. Expenditures of Project Promoters and project partners are eligible provided that they are in accordance with the provisions of Chapter 8 of the Regulations and any further provisions contained in this Programme Agreement.

3. The first date of eligibility of expenditures in projects shall be set in the project contract in accordance with Article 8.14 of the Regulations. The first date of eligibility of any pre-defined project shall be no earlier than the date of entry into force of the Programme Agreement.

4. The maximum eligible costs of the categories referred to in paragraph 1 are set in this Programme Agreement. Programme specific rules on the eligibility of expenditure set in this Programme Agreement shall be complied with.

Article 4.2
Proof of expenditure

Costs incurred by Programme Operators, Project Promoters and project partners shall be supported by documentary evidence as required in Article 8.12 of the Regulations.

Article 4.3
Proof of conditions fulfilled for simplified cost options

Costs of the Programme Operators, Project Promoters and project partners that are covered by

simplified cost options shall be supported by the proof of conditions fulfilled in accordance with Article 8.13 of the Regulations.

Article 4.4
Payments

1. Payments to the Programme shall be made when all relevant conditions for payments stipulated in this Programme Agreement and the Regulations have been fulfilled.

2. Payments to the Programme shall take the form of an advance payment, interim payments and payment of the final balance and shall be made in accordance with Articles 9.2, 9.3 and 9.5 of the Regulations.

3. Payments of the project grant to the Project Promoters may take the form of advance payments, interim payments and payments of the final balance.

4. The National Focal Point shall ensure that payments are transferred in accordance with Article 9.1.2 of the Regulations.

5. Chapter 9 of the Regulations shall apply to all aspects related to payments, including currency exchange rules and handling of interests on bank accounts.

Article 4.5
Transparency and availability of documents

The National Focal Point shall ensure an audit trail for financial contributions from the EEA and Norwegian Financial Mechanisms 2021-2028 to the Programme in accordance with Article 9.8 of the Regulations.

Article 4.6
Irregularities, suspension and reimbursements

The Donors has the right to make use of the remedies provided in the Regulations, in particular Chapter 13 thereof. The National Focal Point has a duty to take all necessary measures to ensure that the provisions in Chapter 12 and 13 of the Regulations regarding irregularities, suspension of payments, financial corrections and reimbursement are complied with.

Chapter 5
Final provisions

Article 5.1
Dispute settlement

1. The Parties waive their rights to bring any dispute related to the Programme Agreement before any national or international court and agree to settle such a dispute in an amicable manner.

2. If a demand for reimbursement to the Donors is not complied with by the Beneficiary State, or a dispute related to a demand for reimbursement arises that cannot be solved in accordance with paragraph 1, the Parties may bring the dispute before Oslo Tingrett.

Article 5.2
Termination

1. The Donors may, after consultation with the National Focal Point, terminate this Programme Agreement if:

(a) a general suspension decision according to Article 13.6 of the Regulations or a decision to suspend payments according to point (h) of Article 13.1.1 of the Regulations has not been lifted within 6 months of such a decision;

(b) a suspension of payments according to Article 13.1 of the Regulations, other than under point (h) of Article 13.1.1, has not been lifted within one year of such a decision;

(c) a request for reimbursement according to Article 13.2 of the Regulations has not been complied with within one year from such a decision;

(d) the Programme Operator becomes bankrupt, is deemed to be insolvent, or declares that it does not have the financial capacity to continue with the implementation of the Programme; or

(e) the Programme Operator has, in the opinion of the Donors, been engaged in corruption, fraud or similar activities or has not taken the appropriate measures to detect or prevent such activities or, if they have occurred, nullify their effects.

2. This Programme Agreement can be terminated by mutual agreement between the Parties.

3. Termination does not affect the right of the Parties to make use of the dispute settlement mechanism referred to in Article 5.1 or the right of the Donors to make use of the remedies provided in Chapter 13 of the Regulations.

Article 5.3
Waiver of responsibility

1. Any appraisal of the Programme undertaken before or after its approval by the Donors, does not in any way diminish the responsibility of the National Focal Point and the Programme Operator to verify and confirm the correctness of the

documents and information forming the basis of the Programme Agreement.

2. Nothing contained in the Programme Agreement shall be construed as imposing upon the Donors or the FMO any responsibility of any kind for the supervision, execution, completion, or operation of the Programme or its projects.

3. The Donors do not assume any risk or responsibility whatsoever for any damages, injuries, or other possible adverse effects caused by the Programme or its projects including, but not limited to inconsistencies in the planning of the Programme or its projects, other project(s) that might affect it or that it might affect, or public discontent. It is the full and sole responsibility of the National Focal Point and the Programme Operator to satisfactorily address such issues.

4. Neither the National Focal Point, the Programme Operator, entities involved in the implementation of projects, nor any other party shall have recourse to the Donors for further financial support or assistance to the Programme in whatsoever form over and above what has been provided for in the Programme Agreement.

5. Neither the European Free Trade Association, its Secretariat, including the FMO, its officials or employees, nor the Norwegian Ministry of Foreign Affairs, the Financial Mechanism Committee, its members or alternate members, nor the EFTA States, can be held liable for any damages or injuries of whatever nature sustained by the National Focal Point or the Beneficiary State, the Programme Operator, Project Promoters or any other third person, in connection, be it direct or indirect, with this Programme Agreement.

6. Nothing in this Programme Agreement shall be construed as a waiver of diplomatic immunities and privileges awarded to the European Free Trade Association, its assets, officials or employees.

Article 5.4
Entry into force and duration

1. This Programme Agreement shall enter into force on the date of the last signature of the Parties.

2. This Programme Agreement shall remain in force until five years have elapsed after the date of the acceptance of the Final Programme Report.

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This programme agreement is drawn up in two originals in the English language.

For the Donors	For the National Focal Point
Signed in Tallinn on 26/05/2026	Signed in Tallinn on 26/05/2026
.....	.....
Marius Dirdal	Urmo Merila
Ambassador of Norway	Head of National Focal Point

Annex I to the Programme Agreement

Roles	
Programme Operator:	Ministry of Climate - Estonia
Donor Programme Partner:	-
IPO:	Organisation for Economic Co-operation and Development (OECD)
Other Programme Partner(s):	Ministry of Education and Research - Estonia

Indicator	Disaggregation	Unit of measurement	Data source	Baseline	Planned Target[1]
PA01 objective: Acceleration of the green transition towards a more sustainable society.					
Outcome 1: Enhanced ecosystem resilience and green governance					
Number of urban ecosystems with increased biodiversity		Cumulative number	Project promoter records	0	15
Output 1.1: Urban ecosystems are restored with nature-based solutions					
Number of degraded urban ecosystems restored		Cumulative number	Project promoter records	0	10
Number of new green urban areas created		Cumulative number	Project promoter records	0	3
Number of nature-based solutions applied		Cumulative number	Project promoter records	0	4
Number of municipalities that created or restored urban habitats		Cumulative number	Project promoter records	0	10
Output 1.2: Innovative green solutions are piloted					
Number of low-carbon energy solutions applied		Cumulative number	Project promoter records	0	2
Number of circular solutions piloted and applied		Cumulative number	Project promoter records	0	15
Number of municipalities that piloted and applied circular solutions		Cumulative number	Project promoter records	0	5
Output 1.3: Municipalities have increased capacity					
Number of green public procurements (GPP) completed		Cumulative number	Project promoter records	0	15
Number of people trained in green public procurement		Cumulative number	Project promoter records	0	150
Number of municipalities self-reporting increased ability to apply waste management practices		Cumulative number	Project promoter records	0	40
PA01 objective: Acceleration of the green transition towards a more sustainable society.					
Outcome 2: Environmentally sustainable and efficient maritime operations					

[1] Planned targets included in the above table represent the level of ambition at the time of Programme Agreement conclusion or following major modifications of the Programme. These targets shall not be used to measure the level of success of the programme. Actual targets following project contracting shall be reported on annually in the Country Reports and the Final Programme Report.

Utilization rate of plug-in hybrid multifunctional support vessel		Percentage	Project promoter records	3.84 %	5.21 %
Estimated amount of CO2 emission reductions (tonnes CO2/year)		Cumulative number	Project promoter records	0	700
Output 2.1: Vessels are procured and operational					
Number of next-generation maritime vessels procured and operational under a multi-agency shared-use model		Cumulative number	Project promoter records	0	2
Number of people trained to meet operational needs		Cumulative number	Project promoter records	0	16
PA04 objective: Enhanced quality, access and relevance of education and training for the digital and green transitions, human rights, democracy, and youth employment.					
Outcome 3: Improved awareness, attitudes and behaviours of youth around environmental sustainability					
Number of young people that demonstrated improved knowledge, attitudes and behaviours around environmental sustainability		Cumulative number	Project promoter records	0	45,000
Output 3.1: Environmental education embedded in formal and non-formal learning					
Number of educational tools and methodologies developed and piloted		Cumulative number	Project promoter records	0	10
Number of professionals trained as mentors	Gender	Cumulative number	Project promoter records	0	40
Output 3.2: Environmental awareness raised					
Number of collaborative partnerships formed		Cumulative number	Project promoter records	0	20
Number of guided learning events carried out for youth		Cumulative number	Project promoter records	0	100
Number of local environmental solutions piloted with youth		Cumulative number	Project promoter records	0	10
PA01 objective: Acceleration of the green transition towards a more sustainable society.					
Outcome 4: Increased scientific knowledge of Baltic herring and Atlantic salmon for sustainable management					
Number of research reports and recommendations developed and shared		Cumulative number	Project promoter records	0	3
Output 4.1: Research conducted on Baltic herring and Atlantic salmon					
Central Baltic Herring subpopulations are genetically mapped		Binary	Project promoter records	No	Yes
Genetic composition and origin of Atlantic/Baltic salmon catches in Estonia are determined through scientific research		Binary	Project promoter records	No	Yes
Sea survival rates of Atlantic/Baltic salmon are determined through scientific research		Binary	Project promoter records	No	Yes
Bilateral Outcome: Enhanced collaboration between beneficiary and donor state entities involved in the programme					
Level of relevance of the partnership		Scale 1-5	FMO survey	N/A	4

Level of efficiency of the partnership		Scale 1-5	FMO survey	N/A	4
Level of effectiveness of the partnership		Scale 1-5	FMO survey	N/A	4
Level of added value of the partnership		Scale 1-5	FMO survey	N/A	4
Level of sustainability of the partnership		Scale 1-5	FMO survey	N/A	4
Level of involvement of the donor project partner in project activities		Scale 1-5	FMO survey	N/A	4
Level of trust between partners		Scale 1-5	FMO survey	N/A	4
Level of overall satisfaction with the partnership		Scale 1-5	FMO survey	N/A	4

Conditions

General

1. The Programme Operator shall ensure a functional separation of the tasks of the Environmental Investment Centre as the implementing agency on one hand, and the role of Project Promoter for the pre-defined projects no. 1 and 3 (as identified in section 3 of Annex II to this Agreement) on the other hand. The Audit Authority shall provide the National Focal Point with a positive assessment of a sufficient functional separation within one year from the entry into force of this Agreement.

2. The National Focal Point shall ensure that the Programme Operator ensures that Project Promoters:

- Keep any buildings or vessels purchased, constructed, renovated or reconstructed under the project in their ownership for a period of at least 5 years following the completion of the project and continue to use such buildings or vessels for the benefit of the overall objectives of the project for the same period;
- Keep any buildings or vessels purchased, constructed, renovated or reconstructed under the project properly insured against losses such as fire, theft and other normally insurable incidents both during project implementation and for at least 5 years following the completion of the project; and
- Set aside appropriate resources for the maintenance of any buildings or vessels purchased, constructed, renovated or reconstructed under the project for at least 5 years following the completion of the project. The specific means for implementation of this obligation shall be specified in the project contract.

Pre-eligibility

No costs shall be eligible under the pre-defined projects before a detailed budget for the respective pre-defined project, including the identity, role and contribution of any project partner(s) and/or Donor project partner(s), has been agreed with the respective partners and submitted by the PO to the FMO, and the FMC has confirmed the grant to the project as described in Annex II to this Programme Agreement.

Pre-payment

Not applicable

Pre-completion

Not applicable

Post-completion

Not applicable

Eligibility of costs - period	**First date**	**Final date**
Eligibility of costs	28/05/2025	30/04/2032
Grant rate and co-financing		
Programme eligible expenditure (€)		€ 20,123,000.01
Programme grant rate (%)		85.00 %
Maximum amount of Programme grant - EEA Financial Mechanism (€)		€ 2,719,000.00
Maximum amount of Programme grant - Norwegian Financial Mechanism (€)		€ 14,404,000.00
Maximum amount of Programme grant - Total (€)		€ 17,123,000.00

PA	Budget Heading	EEA Grants	Norway Grants	Total grant	Programme grant rate	Programme co-financing	Programme eligible expenditure	Grant advance payment
PM	Programme management	€ 189,000.00	€ 1,001,000.00	€ 1,190,000.00	85.00 %	€ 210,000.00	€ 1,400,000.00	€ 238,000.00
PA01	Outcome 1 (EEA Grants)					n/a		n/a
PA01	Outcome 1 (Norway Grants)		€ 4,371,000.00	€ 4,371,000.00	85.00 %	€ 771,352.94	€ 5,142,352.94	€ 437,100.00
PA01	Outcome 2 (EEA Grants)					n/a		n/a
PA01	Outcome 2 (Norway Grants)		€ 4,464,000.00	€ 4,464,000.00	85.00 %	€ 787,764.71	€ 5,251,764.71	n/a
PA04	Outcome 3 (EEA Grants)					n/a		n/a
PA04	Outcome 3 (Norway Grants)		€ 4,464,000.00	€ 4,464,000.00	85.00 %	€ 787,764.71	€ 5,251,764.71	€ 892,800.00
PA01	Outcome 4 (EEA Grants)	€ 2,511,000.00		€ 2,511,000.00	85.00 %	€ 443,117.65	€ 2,954,117.65	n/a
PA01	Outcome 4 (Norway Grants)					n/a		n/a
BF	Bilateral funds at programme level	€ 19,000.00	€ 104,000.00	€ 123,000.00	n/a[2]	n/a[3]	€ 123,000.00	€ 24,600.00
Total[4]		**€ 2,719,000.00**	**€ 14,404,000.00**	**€ 17,123,000.00**	**85.00 %**	**€ 3,000,000.01**	**€ 20,123,000.01**	**€ 1,592,500.00**

Retention of management costs

[2] Grant amount of bilateral funds at programme level is not relevant for the calculation of programme grant rate

[3] Grant amount of bilateral funds at programme level is not relevant for the calculation of programme co-financing

[4] The MoU was signed with rounded figures according to standard financial rules for rounding. The figures in the budget tables in Annex I to this Programme Agreement include the two decimals behind the rounded figures in the MoU.

Retention of management costs - Percentage of the management costs	10.00 %
Retention of management costs - Planned Euro value	€ 140,000.00

Green Transition

Operational rules (Annex II)

1. Programme summary

This Annex sets out the operational rules for the programme. The Programme Agreement is based on the MoUs, the Concept Note, and comments made by the FMC. Commitments, statements and guarantees, explicit as well as implicit, made in the Concept Note, are binding for the National Focal Point and the Programme Operator unless otherwise explicitly stipulated in the annexes to this Programme Agreement.

The Programme Operator is the Ministry of Climate of Estonia. Certain tasks of the Programme Operator may be delegated to the Environmental Investment Centre, however this does not in any way reduce or restrict the responsibility of the Programme Operator. The Organisation for Economic Co-operation and Development (OECD) shall act as International Partner Organisation. The Ministry of Education and Research of Estonia shall act as Programme Partner.

The programme covers the two programme areas "Green Transition" (PA01) and "Education, Training and Youth Employment" (PA04).

The programme objective "Acceleration of the green transition towards a more sustainable society" under PA01 shall be attained through projects contributing to three outcomes (Outcome 1, 2 and 4).

Outcome 1 **"**Enhanced ecosystem resilience and green governance" shall support the implementation of the European Green Deal, including climate adaptation, biodiversity protection, nature restoration and inclusive, place-based green reforms through one call for proposals (Call 1) and one pre-defined project (Pre-defined project 1). Call 1 shall support local governments in implementing existing climate and energy plans through infrastructure investments with a particular focus on nature-based solutions, urban ecosystem restoration, and measures that enhance resilience to climate change. Pre-defined project 1 shall strengthen the competence of local governments through capacity building in areas such as green public procurement and environmental friendly development, as well as focus on digital tools and practical solutions to support key green reforms and new technologies.

Outcome 2 "Environmentally sustainable and efficient maritime operations" shall be implemented through one pre-defined project (Pre-defined project 2). Pre-defined project 2 shall support the modernisation of Estonia's state-owned maritime fleet, climate-neutral maritime transport and sustainable marine governance through vessel upgrades, training and stakeholder engagement.

Outcome 4 "Increased scientific knowledge of Baltic herring and Atlantic salmon for sustainable management*"* shall be implemented through one pre-defined project (Pre-defined project 4) that focuses on to the improvement of knowledge necessary for the protection of vulnerable fish populations and supporting informed, sustainable fisheries management.

The programme objective "Enhanced quality, access and relevance of education and training for the green and digital transitions, human rights, democracy and youth employment" under PA04 shall be attained through projects contributing to one outcome (Outcome 3).

Outcome 3 "Improved awareness, attitudes and behaviours of youth around environmental sustainability" shall support the integration of environmental sustainability into formal and non-formal

education and youth work through the implementation of two calls for proposals (Calls 2 and 3) and one pre-defined project (Pre-defined project 3). Calls 2 and 3 shall support projects focusing on the development and implementation of tools and methodologies that strengthen environmental awareness and enhance green knowledge and skills of general school students, as well as projects aiming to increase engagement in local environmental initiatives and strengthen practical skills such as problem-solving, cooperation and civic participation. Pre-defined project 3 shall strengthen the teaching capacity of teachers, mentors and youth workers, and contribute to the systematic integration of environmental sustainability principles into education and youth work in Estonia.

2. Selection of projects

2.1 Calls and availability of funds (including number of calls, duration of calls, and estimated size):

Modality	**Available amount (€)**	**Project grant rate (%)**	**Minimum and maximum project grant amount (€)**	**Indicative launch date and duration of call**
Outcome 1				
Call 1	€4,000,000	Maximum 85%	€50,000 – €500,000	Launch date: July 2026-December 2026 Duration: minimum three months
Outcome 3				
Call 2	€3,000,000	100%	€10,000 – €500,000	Launch date: January 2027-June 2027 Duration: minimum three months
Call 3	€1,251,765	100%	€10,000 – €500,000	Launch date: January 2028-June 2028 Duration: minimum three months

The project grant rate shall in all cases be set at a level that complies with the State Aid rules in force and takes into account any and all other forms of public support granted to projects. Any remaining costs of the project shall be provided or obtained by the Project Promoter and/or project partners.

2.2 Eligible applicants and project partners:

Modality	**Eligible applicants**	**Eligible partners**

Call 1	Municipalities, county development centres, associations of local authorities and environmental education centres whose founding rights are exercised by a local government unit, established as a legal person in Estonia.	Norwegian municipalities.
Call 2	Any public or private entity, including state and local government schools and youth work institutions, operating in the fields of formal or non-formal education and/or youth work, and networks/umbrella organisations thereof[5], associations of educational staff, local governments and county development centres, established as a legal person[6] in Estonia. For projects with a grant size equal to or greater than €100,000: Mandatory partnership with at least one entity from Norway.	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person in Norway or Estonia, actively involved in, and effectively contributing to, the implementation of a project.
Call 3	Any public or private entity, including state and local government schools and youth work institutions, operating in the fields of formal or non-formal education and/or youth work, and networks/umbrella organisations thereof, associations of educational staff, local governments and county development centres, established as a legal person in Estonia. For projects with a grant size equal to or greater than €100,000: Mandatory partnership with at least one entity from Norway.	Any public or private entity, commercial or non-commercial, as well as non-governmental organisations, established as a legal person in Norway or Estonia, actively involved in, and effectively contributing to, the implementation of a project.

For Call 1, nature restoration activities with a dedicated budget allocation over €5,000 shall only be supported in cities with more than 10,000 inhabitants.

[5] "Networks/umbrella organisations" in this table refer to non-profit legal entities that are formally registered and whose statutory purpose is to represent, coordinate or support educational and/or youth work institutions at national, regional or thematic level.
[6] "Legal person" in this table includes state and municipal schools and youth work institutions operating as authorized agencies or institutions under the administration of a state/municipal entity.

For projects under Calls 2 and 3 with a grant size less than €100,000, partnership with Norwegian entities is not mandatory but shall be encouraged.

2.3 Selection procedures:

The International Partner Organisation shall not be a member of the Selection Committees.

3. Pre-defined projects

1) "Support of green transition in local governments"

Project Promoter:	Environmental Investment Centre (KIK)
Other project partner(s):	Ministry of Climate of Estonia
Total maximum eligible costs:	€ 1,142,353
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,142,353
Estimated duration:	52 months

The project addresses barriers to the implementation of green transition at the municipal level by creating support for local green reform processes and training for local officials and administrations to build long-term capacity, focusing in particular on public procurement, environmental data use, and implementation of national reforms such as waste reform and climate legislation. The project will also strengthen the administration's ability to secure additional funding possibilities. The project shall include three core actions:

- Provide assistance and mentoring to local governments in planning and reform through external consultants and experts.
- Identifying and piloting practical solutions that help municipalities overcome legal, administrative and/or market barriers.
- Facilitate access to complementary funding opportunities, including from EU, national or private sources, that can co-finance green investments and scale up successful models.

2) "Emission-Free Green Maritime Transport for Estonia's State Fleet (GreenESTfleet)"

Project Promoter:	Estonian State Fleet
Donor project partner(s):	Norwegian University of Science and Technology (NTNU) Norwegian Coastal Administration
Total maximum eligible costs:	€ 5,251,765
Project grant rate:	100.00 %
Maximum project grant amount:	€ 5,251,765
Estimated duration:	50 months

The project shall address challenges within Estonia's maritime sector through the purchase of two innovative vessels to modernize Estonia's state-owned fleet. This will reduce emissions, fuel consumption and environmental impact, as well as maintain essential public services and operation readiness. Key activities shall include:

- Design and construction of two advanced vessels: One plug-in hybrid multifunctional support vessel for patrol, emergency response, and environmental monitoring. One fully electric autonomous vessel (ASV) dedicated to seabed mapping and data collection.
- Vessel specification and procurement preparation, conducted in collaboration with Estonian agencies and Norwegian partners to ensure operational relevance and address digital and infrastructural gaps.
- Commissioning and digital integration of the vessels into the State Fleet, as well as technical management and maintenance ensured by the Estonian State Fleet.
- Specialized training programs for agency personnel, co-developed with shipbuilders and suppliers. These cover electric propulsion, emissions monitoring, autonomous navigation, cybersecurity, and digital hydrography workflows.

3) "Building Capacity for Environmental Learning"

Project Promoter:	Environmental Investment Centre (KIK)
Donor project partner(s):	Norwegian Centre for Science Education at the University of Oslo
Total maximum eligible costs:	€ 1,000,000
Project grant rate:	100.00 %
Maximum project grant amount:	€ 1,000,000
Estimated duration:	36 months

Strengthening the teaching capacity of teachers, mentors, and youth workers, the project shall develop and tests tools, environments, and methodologies to enhance young people's environmental awareness, critical thinking, and value-based action. The key activities shall be organised in four phases:

- Needs and resource mapping: conducting surveys and analyses among teachers, mentors, youth workers, and environmental education specialists to assess competencies and resource availability, using findings as a guide for the design of subsequent tools and activities.
- Development of tools: the development and piloting of GreenComp-based tools, including sample learning programmes, modules, thematic lessons, project days, and methodological guides for teachers. Topics will cover climate science, sustainable development goals, green transition career opportunities, critical thinking, media literacy, and misinformation and disinformation.
- Piloting and knowledge transfer: testing of materials together with regional support centres, schools, and youth centres, and the organisation of activities such as seminars, workshops, stakeholder and expert exchanges between Estonia and Norway, dissemination, and experience sharing.
- Mentor network support: A nationwide mentor network, linked to the existing environmental education network, will support the implementation of GreenComp-based tools, advise schools and youth centres, and support long-term sustainability of the solutions.

4) "Genetic Mapping of Baltic Herring Subpopulations and Study of Marine Survival and Genetic Origin of Atlantic Salmon"

Project Promoter:	Ministry of Regional Affairs and Agriculture
Donor project partner(s):	Norwegian Institute of Marine Research (IMR) The Norwegian Institute for Nature Research (NINA)
Other project partner(s):	Estonian Marine Institute of the University of Tartu
Total maximum eligible costs:	€ 2,954,117
Project grant rate:	100.00 %
Maximum project grant amount:	€ 2,954,117
Estimated duration:	56 months

The project addresses the lack of data and information on the genetic variation of the central Baltic herring, the marine survival of Atlantic salmon and the genetic origin of salmon in Estonian marine waters, to improve data-driven stock assessments and sustainable fisheries. The project shall address these challenges through the following activities:

- Genetic Mapping of Baltic Herring Subpopulations, including identification of genetic diversity and structure of herring populations, as well as spatial mapping, fishing pressure and spawning success on subpopulations, to determine the cause of stock instability.
- Study of Marine Survival and Genetic Origin of Atlantic Salmon to allow for future analytical stock assessment. The activity will include assessment of marine survival rate of Atlantic salmon and its correlation with smolt size and age, as well as genetic sampling to determine the genetic composition of salmon caught in Estonian waters.

4. Bilateral relations

The bilateral fund shall be used to strengthen bilateral relations between Estonia and the Donor States through cooperation between institutions and persons at administrative and political level as well as in the private sector, academia and civil society. Support shall be provided for a variety of activities, including, *inter alia,* study visits and exchange of experiences and best practices.

The Cooperation Committee shall consist of representatives from the Programme Operator and the International Partner Organisation. The Programme Operator and the International Partner Organisation shall agree on the rules and procedures applicable to the Cooperation Committee.

5. Programme management and financial parameters

5.1 Special rules on eligibility of costs:

- Costs for the purchase of land and/or real estate shall not be eligible.

- The Programme Operator may, in the text of the call for proposals, propose a cap on the percentage of project eligible costs that may be used for salaries, in order to increase the impact of the selected projects.
- Management costs shall take the form of eligible expenditure actually incurred, except for indirect costs, for which a flat rate of 15% of eligible direct staff costs shall apply, in accordance with Article 8.5.1 (b) of the Regulation.

5.2 Programme administrative structures:

The programme is operated by the Ministry of Climate of Estonia. The Environmental Investment Centre shall act as the implementing agency and shall be involved in the selection process as well as take on tasks related to verification of payments, payments to project promoters and monitoring of the projects. The organisational structure of the Programme Operator shall ensure independence and functional separation of the division responsible for verification of incurred expenditure and approval of payments from other divisions responsible for the implementation of the programme.

6. Miscellaneous

N/A