

# EX-POST EVALUATION OF THE ESTONIAN EU EXTERNAL BORDER PROGRAMME

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Final report

Authors

Kristjan Kaldur, Kirill Jurkov, Anna-Lisa Aavik,  
Mele Pesti, Kats Kivistik



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**Authors:** Kristjan Kaldur, Kirill Jurkov, Anna-Lisa Aavik, Mele Pesti, Kats Kivistik

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Institute of Baltic Studies  
Lai 30  
51005 Tartu, Estonia  
tel 699 9480  
ibs.ee

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## TABLE OF CONTENTS

1.	<b>Introduction</b> .....	5
1.1.	Overview of the Estonian EU External Border Programme.....	5
1.2.	Purpose of the ex-post evaluation .....	10
1.3.	Methodology.....	12
2.	<b>Effectiveness and impact</b> .....	17
2.1.	Achievement of goals and strategic objectives .....	17
2.2.	Achievement of the result indicators.....	20
2.3.	Fulfilment of horizontal principles of the Programme .....	23
2.4.	Experiences of cooperation .....	24
2.5.	External challenges encountered (COVID-19 and Programme disruption).....	28
3.	<b>Efficiency</b> .....	32
3.1.	Overview of Programme common output indicators .....	33
3.2.	Foresight of financial and human resources .....	35
3.3.	Performance of the Programme authorities.....	37
3.4.	Assessment of the Programme procedures.....	38
4.	<b>Added value and sustainability of the results</b> .....	41
4.1.	Durable benefits for the participating region .....	41
4.2.	CBC Programme's feasible legacy in the region .....	44
4.3.	Added value of LIPs .....	45
4.4.	The impact of closing the CBC Programme & future of the regions .....	46
5.	<b>Conclusion and recommendations</b> .....	49
5.1.	Conclusion.....	49
5.2.	Recommendations for future Programmes .....	50
6.	List of references.....	54

## List of abbreviations

<b>AA</b>	Audit Authority
<b>CB</b>	Central-Baltic Cross-border cooperation Programme
<b>CBC</b>	Cross-border Cooperation
<b>COI</b>	Common Output Indicator
<b>eMS</b>	electronic Monitoring System
<b>ENI</b>	European Neighbourhood Instrument
<b>ERDF</b>	European Regional Development Fund
<b>EstLat</b>	Estonia-Latvia Cross-border cooperation Programme
<b>EU</b>	European Union
<b>FLC</b>	First Level Control
<b>JMC</b>	Joint Monitoring Committee
<b>JOP</b>	Joint Operational Programme
<b>JTS</b>	Joint Technical Secretariat
<b>MA</b>	Managing Authority
<b>NA</b>	National Authority
<b>NGO</b>	non-governmental organisation
<b>RI</b>	Result Indicator
<b>SME</b>	Small- and medium sized enterprises
<b>SO</b>	Strategic Objectives
<b>SSSC</b>	State Shared Service Centre ( <i>Riigi Tugiteenuste Keskus</i> )
<b>TBE</b>	Theory-based evaluation
<b>TO</b>	Thematic Objectives

## 1. Introduction

Institute of Baltic Studies (IBS) has conducted an extensive ex-post impact evaluation for the Estonian EU External Border Programme (hereinafter referred to as the "Programme").

The overall goal of this evaluation is to assess whether the funds contributed by the Programme caused positive changes in the Programme area and possibly outside it. The evaluation examines why some interventions worked with the desired results and some did not, and what internal and external constraints may have prevented the Programme from achieving the desired impact.

The results of this final evaluation of the Programme aim to improve the quality of the design and implementation of the Programme or its possible future follow-up Programmes, as well as to assess the effectiveness, efficiency, impact, added value, and sustainability of project activities in the Programme area.

The evaluation and its conclusions are based on research conducted from March to June 2024. This research included an online survey and interviews with beneficiaries of the Programme, including lead partners, partners, Programme authorities, management staff, and regional experts. Data received from the Programme authorities and the electronic Monitoring System (eMS) was also used to validate and enhance the evaluation findings. See more details on the research methodology in Chapter 1.3.

The key finding from this final evaluation is that, in broad terms, the Estonian EU External Border Programme has been relevant, achieving its intended objectives and introducing impactful projects. The added value of the Programme is clear and visible, as projects have contributed to sustainable activities, including through Large Infrastructure Projects (LIPs), and fostered partnerships that have enabled meaningful cross-border cooperation before the Disruption and cross-regional cooperation afterwards. Thus, the Programme has been a relevant source of funding for projects in the external border areas and beyond, with project activities making a positive impact in the Programme area.

### 1.1. Overview of the Estonian EU External Border Programme

Estonian EU External Border Programme is one of the 15 European Neighbourhood Instrument CBC Programmes<sup>1</sup> (ENI CBC) 2014-2020, which pursue the strategic objectives of 1) promoting economic and social development in border areas, 2) addressing common environmental and societal challenges, 3) putting in place better conditions for persons, goods, and capital mobility.<sup>2</sup> The Programme had 6 Calls for Proposals in total, out of which 4<sup>th</sup> call was cancelled because of the disruption.

Before 2022, the eligible implementation areas of the Programme (the Estonia-Russia Cross-Border Cooperation Programme 2014-2020, co-financed by the EU under ENI at that time), included North-East, South, Central and North Estonia (adjoining region) as well as St. Petersburg, Leningrad, and Pskov regions in the Russian Federation. After 24 February 2022, because of the aggression against Ukraine, the European Commission suspended the Financing Agreement for cooperation programmes with Russia. According to the Council Regulation (EU) 2022/2192<sup>3</sup>, the 2014–2020 Estonia–Russia Cross Border Cooperation Programme was considered a programme facing implementation disruption, and the programme implementation continued only on the Estonian side. As a result of these changes, the 5<sup>th</sup> and then later 6<sup>th</sup> Calls were launched.

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<sup>1</sup>European Neighbourhood Instrument CBC programmes (ENI CBC) 2014-2020, [https://ec.europa.eu/regional\\_policy/policy/cooperation/european-territorial/cbc\\_en](https://ec.europa.eu/regional_policy/policy/cooperation/european-territorial/cbc_en)

<sup>2</sup>European Neighbourhood Instrument CBC programmes (ENI CBC) 2014-2020: [https://ec.europa.eu/regional\\_policy/policy/cooperation/european-territorial/cbc\\_en](https://ec.europa.eu/regional_policy/policy/cooperation/european-territorial/cbc_en)

<sup>3</sup>REGULATION (EU) 2022/2192 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 9 November 2022: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R2192>

The eligible programme areas for the 5<sup>th</sup> and 6<sup>th</sup> Calls were North-East, South, Central, and North Estonia (Figure 1). Besides the disruption, the Programme was affected by the consequences of the COVID-19 pandemic.



Figure 1. Area of the Estonian EU External Border Programme.<sup>4</sup>

The aim of the Estonian EU External Border programme was to promote economic and social development in the Programme area by implementing actions that were included in three (3) **thematic objectives** (hereinafter TO):<sup>5</sup>

1. **TO 1:** Business and SME development;
2. **TO 6:** Environmental protection, climate change mitigation and adaptation;
3. **TO 5:** Support to local and regional good governance.

By focusing on these TOs, the Programme aimed to reach the wider three **strategic objectives** (hereinafter SO):

1. **SO1:** Promoting economic and social development in regions on both sides of the common borders;
2. **SO2:** Addressing common challenges in environment, public health, safety, and security;
3. **SO3:** Promoting better conditions and modalities for the mobility of persons, goods, and capital.

To achieve the TOs and reach the strategic objectives, the **total budget** of 35.8 MLN EUR (with technical assistance)<sup>6</sup> was allocated from the European Regional Development Fund (hereinafter the ERDF), the Republic of Estonia, and before the disruption of the Programme in the area – from the Russian Federation. The EU contribution to the Programme was 16.8 MLN EUR.<sup>7</sup> As noted before, the Disruption shifted the focus of the Programme only to the Estonian side of the previous Programme area.

<sup>4</sup> Source: Webinar for the applicants of the 6th Call of the Programme: [https://www.estoniarussia.eu/wp-content/uploads/2022/12/Presentations\\_6th-Call\\_webinar.zip](https://www.estoniarussia.eu/wp-content/uploads/2022/12/Presentations_6th-Call_webinar.zip)

<sup>5</sup> Joint Operational Programme (JOP) for the Estonia-Russia Cross-Border Cooperation Programme 2014-2020.

<sup>6</sup> Joint Operational Programme (JOP) for the Estonia-Russia Cross-Border Cooperation Programme 2014-2020. Estonian EU external border programme. List of projects (updated 20.09.2023).

<sup>7</sup> Joint Operational Programme (JOP) for the Estonia-Russia Cross-Border Cooperation Programme 2014-2020.

### 1.1.1. Implemented projects

The Programme had two types of procedures for **project selection**: direct award and open calls. Programme had six open calls: 1st, 2nd, 3rd calls for proposals were announced before the COVID-19 pandemic, 4th call for proposals was cancelled due to the disruption of the Programme, and 5th and 6th calls for proposals were announced one-sided after the Programme disruption.<sup>8</sup> See the overview of calls for proposals in Table 1 below.

Table 1. Overview of the Call for Proposals

CALL FOR PROPOSALS	CALL OPENING	DEADLINE FOR FULL APPLICATIONS	IMPLEMENTATION PERIOD FOR SELECTED/FUNDED PROJECTS
LIP	NA	NA	April 2019 – December 2023
1st Call for Proposals	January 2017	February 2018	March 2019 – August 2023
2nd Call for Proposals	January 2018	December 2018	September 2019 – June 2022
3rd Call for Proposals	November 2019	February 2020	September 2020 – November 2022
4th Call for Proposals	August 2021	November 2021	Cancelled
5th Call for Proposals	October 2022	November 2022	April 2023 – December 2023
6th Call for Proposals	December 2022	February 2023	June 2023 – December 2023

Following the Russian military aggression against Ukraine and in line with the EU restrictive measures, the cooperation with Russia and Belarus in the European Neighbourhood Instrument cross-border cooperation programmes (ENI CBC), as well as in the Interreg Baltic Sea Region Programme, was suspended as of 24 February 2022. 2014–2020 Estonia–Russia Cross Border Cooperation Programme was considered a programme facing implementation disruption according to Regulation (EU) 2022/2192. The programme implementation continued only on the Member States' side.

The direct award procedure applied to the large infrastructure projects (hereinafter LIP), which were the following:

1. Improvement of the accessibility of the remote areas in South-East Estonia and Pskov region for traditional entrepreneurship and sustainable development. Acronym: SME ACCESS (TO 1),<sup>9</sup>
2. Development of historical riverside protection area in Narva/Estonia and Ivangorod/Russia III stage/ River Promenades III in SME development. Acronym: River Promenades III (TO 1),
3. Development of the unique Narva-Ivangorod trans-border fortresses ensemble as a single cultural and tourist object 2nd stage. Acronym: Narva-Ivangorod Castles 2 (TO 1),
4. Economically and Environmentally Sustainable Lake Peipus area 2. Acronym: Common Peipsi 2 (TO1, TO 6)

In total, **71 different projects** have been implemented, out of which 36 have been implemented one-sided, only in Estonia (5<sup>th</sup> and 6<sup>th</sup> calls, after the disruption of cooperation with Russia).<sup>10</sup> A breakdown of projects and funding under each of the TOs can be observed in Figure 1 below.<sup>11</sup>

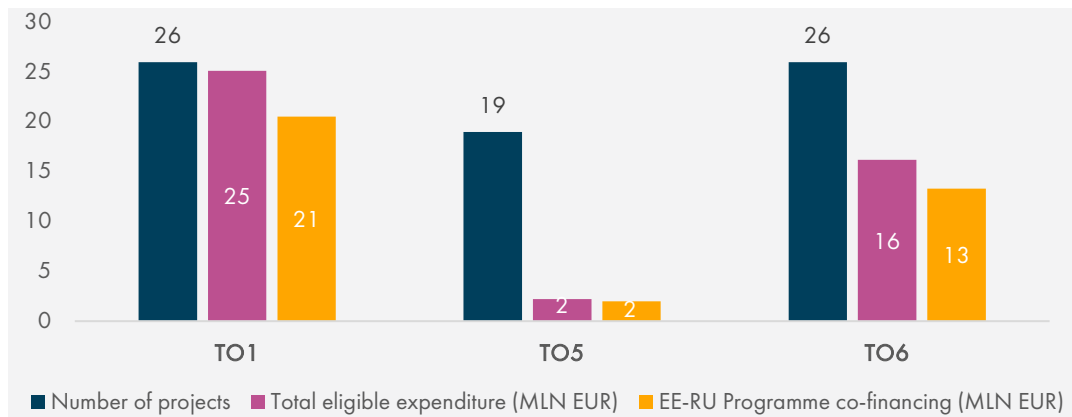
<sup>8</sup> Terms of Reference for the Ex-post evaluation of the Estonian EU external border Programme.

<sup>9</sup> Ibid.

<sup>10</sup> List of contracted projects of the Programme dated 20 September. Retrieved from [https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported\\_projects\\_EEEUXX\\_2023\\_09\\_20.xlsx](https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported_projects_EEEUXX_2023_09_20.xlsx)

<sup>11</sup> The Figures do not take into account the recovery of ineligible costs from Russian beneficiaries and therefore show the overcommitment of Programme funds.

Figure 1. Projects and Funding by Thematic Objective (TO)

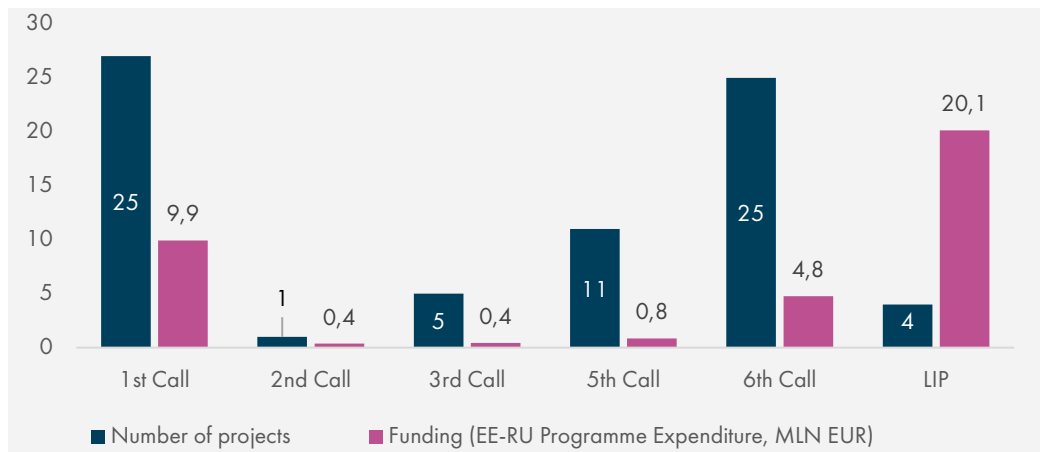


	TO1	TO5	TO6
Number of projects	26	19	26
Total eligible expenditure (MLN EUR)	25,1	2,2	16,2
Programme co-financing (MLN EUR)	20,5	2,0	13,3

Source: Authors' own, 2024. Based on the List of contracted projects of the Programme dated 20 September. Retrieved from: [https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported\\_projects\\_EEEUEX\\_2023\\_09\\_20.xlsx](https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported_projects_EEEUEX_2023_09_20.xlsx)

Each call had a different number of projects selected with varying amounts of funding. A breakdown for each call including the number of projects and funding is included below (Figure 2).<sup>12</sup>

Figure 2. Summary of call results



	1ST CALL	2ND CALL	3RD CALL	5TH CALL	6TH CALL	LIP
Number of projects	25	1	5	11	25	4
Funding (Programme Expenditure, MLN EUR)	9,93	0,37	0,43	0,84	4,76	20,12

Source: Authors' own, 2024. Based on the List of contracted projects of the Programme dated 20 September. Retrieved from: [https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported\\_projects\\_EEEUEX\\_2023\\_09\\_20.xlsx](https://www.estoniarussia.eu/wp-content/uploads/2023/09/List-of-supported_projects_EEEUEX_2023_09_20.xlsx)

<sup>12</sup> The Figures don't take into account the recovery of ineligible costs from Russian beneficiaries and therefore show the overcommitment of Programme funds.



### 1.1.2. Programme management

The main implementing bodies of the Programme are the Managing Authority (hereinafter the MA), and the Joint Technical Secretariat (hereinafter the JTS). The Russian Branch Offices (BO) worked alongside JTS as one unit yet are now closed due to the suspension of the Programme.<sup>13</sup> The MA is responsible for the implementation of the Programme by ensuring financial management and its eligibility of actions. The JTS is a contact point for applicants and beneficiaries providing daily assistance and supervising during preparation and implementation of the projects. The JTS is also monitoring the projects as regards the fulfilment of indicators and achievement of results. In addition, the Programme bodies include First Level Control (FLC) in Estonia (located in SSSC). The Russian Branch Offices were closed due to the suspension of the Financing Agreement of the Programme.<sup>14</sup>

The highest decision-making body of the Programme is the Joint Monitoring Committee (hereinafter the JMC), which, due to the programme disruption, currently consists of the Ministry of Culture, Ministry of Foreign Affairs, Ministry of Climate, Ministry of Economic Affairs and Communication, Ministry of Regional Affairs and Agriculture and regional representatives of Estonia. Additionally, the Ministry of Finance of Estonia fulfils the role of the Audit Authority (AA) and the Ministry of Regional Affairs and Agriculture fulfils the role of the National Authority.<sup>15</sup>

### 1.1.3. Programme evaluation

When the Programme was developed, Common Output Indicators (COI) and results indicators (RI) were identified. COIs were developed to measure the immediate output of the Programme and are collected throughout its implementation period; RIs were expected to measure wider societal impact and are collected after the end of the programme. The mid-term evaluation of the Programme analysed only the COIs, which are presented in **Table 1** below and were expected to measure what has been the direct output of the intervention. See the final reach and achievement of COIs in Chapter 3.1.

Table 1. Programme Common output indicators – initial, midterm and target values.<sup>16</sup>

NAME OF COMMON OUTPUT INDICATOR (COI)	COI INITIAL	COI TARGET	COI MIDTERM (REPORTED BY 29.10.2020)	% FROM PROGRAMM E'S TARGET
<b>TO1 – Business and SME development</b>				
Number of enterprises that are substantially and actively involved in projects as final beneficiaries	0	80	24	30%
Number of improved cultural and historical sites as a direct consequence of programme support	0	4	0	0%
Number of organisations using programme support for cooperation in education, R&D, and innovation	0	6	8 <sup>17</sup>	133%
Number of organisations using programme support for promoting local culture and preserving historical heritage	0	15	0	0%
<b>TO5 – Support for local &amp; regional good governance</b>				

<sup>13</sup> [https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP\\_approved\\_2020\\_08\\_07.pdf](https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP_approved_2020_08_07.pdf)

<sup>14</sup> the Agreement on financing and implementation of cross border cooperation programme “Estonia-Russia” 2014-2020 signed between the Republic of Estonia, the Russian Federation and the European Union (Financing Agreement) has been suspended and implementation of the Programme disrupted from 24 February 2022. See more: REGULATION (EU) 2022/2192 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 9 November 2022: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R2192>

<sup>15</sup> [https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP\\_approved\\_2020\\_08\\_07.pdf](https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP_approved_2020_08_07.pdf)

<sup>16</sup> COI target values were set when the cooperation with Russian Federation was ongoing, hence they should be modified taking into account the contribution from eligible areas of Estonia.

<sup>17</sup> The Programme target value was outreached because of the high interest of enterprises to be actively involved in the projects. However, the target output of the projects was 125 enterprises.

The number of participating organisations cooperating across borders for improved governance	0	15	10	66,6%
The number of participants at events that are aimed at vocational and language training	0	200	93	46,5%
<b>TO6 – Environmental protection, climate change mitigation and adaptation</b>				
The number of projects that are related to the purification of common water assets	0	6	4	66,6%
Additional waste recycling capacity (by number of improved facilities)	0	2	0	0%
The number of persons actively participating in environmental actions and awareness-raising activities	0	1000	829	82,9%
Members of the population who benefit from EE fire protection measures	0	20% of Programme area	0	0%

Source: [https://www.estoniarussia.eu/wp-content/uploads/2021/04/EE\\_RU\\_CBC\\_Mid\\_Term\\_Evaluation\\_Report.pdf](https://www.estoniarussia.eu/wp-content/uploads/2021/04/EE_RU_CBC_Mid_Term_Evaluation_Report.pdf)

The criteria for the Programme's final evaluation are based on the eight (8) result indicators (RI), which are outlined in **Table 2** below. The achievement of RIs is presented in Chapter 2.2.

**Table 2. Programme result indicators – baseline and target values.**

RESULT INDICATOR (RI)	RI BASELINE	RI TARGET	VERIFICATION SOURCE
<b>TO1 – Business and SME development</b>			
<b>RI1.</b> The strength of joint development in products and services by businesses	2,2	3,0	Programme level survey
<b>RI2.</b> Attractiveness of cultural and heritage sites to visitors	3,0	3,8	Programme level survey
<b>RI3.</b> The strength of cross-border activities by institutions in education, R&D, and innovation sectors	2,6	3,1	Programme level survey
<b>RI4.</b> The quality of the cross-border business environment	2,2	3,0	Programme level survey
<b>TO5 – Support for local &amp; regional good governance</b>			
<b>RI5.</b> Accessibility of cross-border social, health and sporting services, and vocational and language training	2,5	3,0	Programme level survey
<b>TO6 – Environmental protection, climate change mitigation and adaptation</b>			
<b>RI6.</b> Increased capacity in environmental protection for joint water assets	3,1	3,6	Programme level survey
<b>RI7.</b> Increased awareness in environmental protection and energy efficiency amongst inhabitants and institutions in the Programme area	2,7	3,2	Programme level survey
<b>RI8.</b> A decrease of the overall number of land and forest fires per year	2031	1500	National statistics

Source: [https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP\\_approved\\_2020\\_08\\_07.pdf](https://www.estoniarussia.eu/wp-content/uploads/2020/08/JOP_approved_2020_08_07.pdf)

## 1.2. Purpose of the ex-post evaluation

The overall goal of this evaluation was to assess and analyse the effectiveness and impact of the Programme implementation on the Programme area (on the eligible areas within Estonia due to the disruption of cooperation with the Russian Federation).

Even though the programme is considered to have two implementation phases: 1) the cross-border cooperation (CBC) phase stated in the Joint Operational Programme (JOP) and 2) the programme

implementation phase after the disruption of cooperation with the Russian Federation, the evaluation covers the Programme's overall implementation period. This means that the evaluation period covers the period from the initial approval of the JOP on 18 December 2015 until the day of signing the contract with the tenderer or 31 January 2024.<sup>18</sup>

The evaluation helps to provide valuable information for the decision-making bodies on both national and regional levels for the future development of the external border area. Also, based on the evaluation, the input can be provided to the European Commission in creating new financial support instruments for the upcoming period. All in all, the evaluation helps to learn broad lessons applicable to other programmes.

The legal basis for evaluation is ENI (European Neighbourhood Instrument) cross-border cooperation (CBC) Implementing Regulation (897/2014), Article 78, of the European Parliament and the Council, laying down the specific provisions for the implementation of cross-border cooperation programmes.<sup>19</sup>

According to Article 78(1) and (2), the MA should ensure that evaluations are carried out to assess the effectiveness and impact of a programme. The Monitoring Committee and the Commission should be informed about the results of evaluations to facilitate management decisions.

The subject to the analysis in the framework of the evaluation are the contracted projects of the first (25), second (1), third (5), fifth (11), and sixth (25) call for proposals, and LIPs (4) which were awarded directly. That is 71 projects in total that have been contracted.

The Programme aimed to achieve three SOs and the achievement of strategic objectives is supported by actions included in three TOs (as listed in more detail in Chapter 2.1). The evaluation concentrated thoroughly on the Programme goal and strategic objectives to understand to what extent they were achieved.

### 1.2.1. Ex-post evaluation questions

The evaluation was based on the **key strategic and operational evaluation questions**:<sup>20</sup>

#### **Strategic level:**

1. To what extent was the Programme able to achieve its goal and strategic objectives considering the implementation disruption, the COVID-19 outbreak, and other external circumstances?
2. Do the produced and reached outputs lead to the achievement of the results? Is the achieved level of target values of the result indicators satisfactory for reaching Programme goals?
3. How was the cross-border cooperation fostered and what was its contribution in the achievement of Programme goals? Evaluate the existence and cooperation impact before and after the Programme disruption.
4. What are the durable benefits for the participating regions, resulting from the Programme? Has the Programme left a feasible legacy that can be used in future activities in the regions and interregional cooperation?
5. What is the impact of closing the CBC programme to the border regions? What does the future of the regions look like in the changed circumstances? What could be recommendations for future cross-border cooperation directions, vision, and implementation measures?
6. What is the added value of the Large Infrastructure Projects implementation for the regions? What is the cross-border impact of funded investments?

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<sup>18</sup> I.e. around eight years and one month.

<sup>19</sup> <https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32014R0897>

<sup>20</sup> Terms of Reference document.

### **Operational level:**

1. Did the performance and responsibilities of the Programme authorities ensure the effective and efficient implementation of the Programme? To what extent did such challenges as the COVID-19 outbreak and Programme disruption influence the Programme authority's performance?
2. How did the project beneficiaries assess the established procedures including adjustment and simplification of them?
3. Were the financial and human resources foreseen for the management of the Programme sufficient and used in the most efficient way?
4. What was the project beneficiaries' experience regarding cooperation with the MA and the JTS and Audit Authority?
5. To what extent has the Programme been effective in meeting the horizontal principles defined in the Joint Operational Programme?

### **The results of the evaluation of the Programme will provide valuable knowledge, by helping the Programme authorities, among other points, determine:**

- What has been the effectiveness and impact of the Programme implementation on the Programme areas?
- What were the internal and external circumstances for the success or non-success of the actions implemented within the Programme?
- What were the broad lessons learned that can be used for the implementation of other programmes?

The chapters 2-5 of this final evaluation are compiled based on these evaluation questions.

## **1.3. Methodology**

### **1.3.1. Ex-post evaluation approach**

The overall framework for approaching the key evaluation questions was dependent on the main horizontal key evaluation themes (as highlighted in Table 3 below), which were considered while analysing the evaluation questions.<sup>21</sup> These main key evaluation themes framed the context of the overall evaluation task. The evaluation helps to improve the quality of the design and implementation of programmes, as well as to assess their **effectiveness and impact**. Therefore, the evaluation methodology, first and foremost, focused on those two elements. However, efficiency and added value and sustainability of the results were also addressed.

**Table 3** summarises the key elements, combined into four evaluation themes of this evaluation.<sup>22</sup> The evaluation approach is **theory-based evaluation** (TBE),<sup>23</sup> that is, focus has been on questions whether the Programme intervention has brought about the wanted change and what are the explanations for the

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<sup>21</sup> P.H. Rossi (2003): "Evaluation: Systematic Approach."; J. C. McDavid, I. Huse and L. R. Hawthorn (2018) "Program Evaluation and Performance Measurement: An Introduction to Practice" Third Edition. Sage Publishing.

<sup>22</sup> See also European Commission (2007) The New Programming Period 2007-2013: Indicative guidelines on evaluation methods: evaluation during the programming period, Working Document No.5, EVALSED (European Commission).

<sup>23</sup> See also: [https://ec.europa.eu/regional\\_policy/sources/evaluation/guide/evaluation\\_sourcebook.pdf](https://ec.europa.eu/regional_policy/sources/evaluation/guide/evaluation_sourcebook.pdf)

change, e.g. what works, what doesn't and under which conditions.<sup>24</sup> Theory-based evaluation methods help to understand the positive and negative impacts of the Programme intervention in the region and to provide recommendations for future programming periods. Theory-based evaluation relies on the understanding that in addition to quantitative result indicators, there is additional information that is necessary for policymakers to truly understand the Programme impact process.

Table 3. Horizontal key evaluation themes.<sup>25</sup>

EFFECTIVENESS	<p>The effectiveness of the Programme assistance, which involves the analysis of outputs, results, and impacts and the assessment of their compliance with the expected objectives in order to understand why there are or may be varying degrees of success. Particular attention was placed on the <b>variables explaining the effects of interventions and deviations from the objectives</b>. As the specific evaluation questions do not directly address efficiency of the Programme, then this horizontal evaluation issue was studied as much as possible by the base data and new gathered data via survey and interviews. The main approach was to measure the degree to which the expected (planned) outputs have been achieved to date and the immediate results that can be detected based on the planned and achieved outputs to date.</p>
IMPACT	<p>Impact can be described as changes in the RI which are due to actions co-financed by the public intervention, i.e. by the funds or other factors.<sup>26</sup> As it relates to this evaluation, the impact of the Programme's contribution to the projects was determined by assessing whether the funds contributed by the Programme caused positive (long-term) changes in the programme area (and possibly outside it). Therefore, the impact was determined based on the contribution of intervention plus the contribution of other factors that may have impacted the RI. Additional information for assessing the potential impact of the Programme was gathered through project reports analysis, the survey, and interviews among the beneficiaries.</p>
EFFICIENCY	<p>The efficiency aspect of impact assessment compares assistance costs with the effectiveness of this assistance. The efficiency of the programme was generally determined by the degree to which the budget was adhered to by the project's time plan, the outcome of the funded projects – i.e. if the projects have completed their planned objectives – and the funding used – i.e. whether the funding was sufficient to achieve their intended objectives or if the project had leftover funds.</p> <p>To assess the efficiency of the Programme, it was necessary to evaluate efficiency at the project level. The study analyses qualitative and quantitative data gathered from project managers, partners, programme authorities, and regional experts to ensure the validity of results by triangulating sources. Overall assessments by different interest groups are supplemented by statistical data from the Programme monitoring system (eMS). However, overall assessment of expert and beneficiaries' interviews takes prevalence over overall statistical data due to the nuanced circumstances under which the Programme was implemented.</p>
ADDED VALUE AND SUSTAINABILITY OF RESULTS	<p>The Programme added value was assessed as far as possible mainly indicating the extent to which the programme contributes to solving problems at beneficiary and regional level. Moreover, important emphasis here lies on added value – i.e. the effects (ideally positive) which would not have come about, either partially or in their entirety, without the support provided. Moreover, the perspective was adjusted towards the impacts of suspension of cooperation with Russia and closing of the cross-border cooperation, and the possible feasible legacy the programme has left, which could be used in future activities in the region.</p> <p>Sustainability refers to the durability of effects, i.e. the extent to which they are likely to last beyond the period of programme intervention mainly by exploring the evaluation questions about the outcomes as well as possible impacts of the projects and the Programme. Therefore, the estimation whether Programme outputs/outcomes/impacts to date and the potential ones in the future will have any impact on the region's social, economic, and environmental development was analysed.</p>

Source: Authors' own, 2024.

<sup>24</sup> See also the Guidance document on monitoring and evaluation (2014). Available at: [http://ec.europa.eu/regional\\_policy/sources/docoffic/2014/working/wd\\_2014\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/2014/working/wd_2014_en.pdf)

<sup>25</sup> Relevance is intentionally left out of the framework because it is not relevant for answering the research questions.

<sup>26</sup> Ibid.

### 1.3.2. Data collection

The evaluation questions were answered primarily based on project-level data, which includes progress and/or final reports of projects, a comprehensive survey among project partners, and interviews with a selection of Programme beneficiaries, managing authorities and regional experts.

#### **Period of evaluation:**

The data was collected, and evaluation was conducted over a period from March to June 2024.

#### **Project-level data that was gathered and analysed:**

Progress and final reports: Detailed progress and final reports from various projects. The evaluators also used the reports of milestones (ROMs) in conjunction with other reports to delve deeper into what project indicators were declared under the common outputs and how they influenced the result indicators.

Survey: A survey was conducted among project partners to gather quantitative and qualitative data on their experiences, outcomes, perceptions, and future needs regarding the Programme. The survey was available in Estonian and English. Most questions were closed-ended, with a smaller share of semi-open or open-ended questions, allowing respondents to provide their own replies. This approach ensured that no key information was missed. Survey responses were analysed, and open-ended answers were translated into English. The survey was sent out to 124 unique contacts (representing the project beneficiaries, both lead partners as well as project partners). 42 fully completed responses were received, which is a response-rate of 34%, which is a very good result (usually in sociological surveys, an average response rate is between 5-15 percent).

#### **Supplementary data sources:**

Desk research and programme documentation analysis: Desk research was conducted, analysing existing Programme documentation, e.g. the Joint Operational Programme (JOP) and guidelines for several Programme calls. The evaluation also used other studies of the Programme, including the Mid-Term evaluation of the Programme and ex-post evaluations of CBC programmes with Russia in other countries (Finland and Latvia).

Secondary analysis of final reports and statistics: Secondary data analysis was performed on the final reports and relevant statistical data from the eMS. Relevant statistical indicators were extracted, summarised and analysed in conjunction with other data gathered during the evaluation to ensure the validity of results by means of triangulation.

#### **Interviews:**

Interviews with beneficiaries: In-depth interviews were conducted with a selection of Programme beneficiaries to gain qualitative insights into their experience with the Programme and the impact of their projects on border areas. Based on these interviews, the evaluators could provide an overall assessment of the Programme on Estonian border areas. A total of 25 interviews involving 28 project beneficiaries were conducted. However, many participants were involved in several projects, so the interviewees represented a total of 38 unique projects, which constitutes over half of all projects. The interview sample included participants from all four LIPs. Interviewees in the sample represented all TOs proportionally to the share of projects under a specific TO among all projects. The sample included lead partners as well as project partners.

Interviews with key Programme personnel: Interviews with key Programme personnel, including those involved in the management and implementation of the Programme, provided additional context and understanding of the operational aspects. The interviewees represented their respective institutions in JTS, MA, NA, and JMC. The sample included a total of 10 interviewees.

Interviews with regional experts not involved in the Programme: In order to gain impartial feedback on the development of the Programme regions, two regional experts were interviewed. The interviewees represented North-East and Southern regions.

Additional interviews: An additional 15 interviews were conducted to ensure comprehensive coverage and to address any gaps identified during the initial phase of data collection.

The table below presents the list of projects interviewed:

Thematic objective	Project number
TO1	ER30, ER48, ER58, ER94, ER189, ER192, ER211, ER217, ER227, ER238
TO5	ER8, ER19, ER52, ER161, ER164, ER186, ER187, ER194, ER195, ER254
TO6	ER29, ER15, ER25, ER54, ER65, ER80, ER101, ER126, ER191, ER209, ER210, ER229
LIP	ER1, ER2, ER3, ER4

### Methodological framework:

Theory-Based Evaluation (TBE): The evaluation was conducted within the framework of a theory-based evaluation. This approach allowed them to systematically link Programme activities to observed outcomes.

### Considerations and limitations of the evaluation:

As with all qualitative research, the methodology of this final evaluation relies on project-based and self-reported data, such as final reports, survey, and interviews. Therefore, some degree of respondent bias could be expected. However, this limitation was counterbalanced by including interviews with programme authorities and analysing other external sources where relevant. Notably, statements made at the project level often mirrored those at the programme authority level. Furthermore, a combined analysis of data was used to assess the evaluation questions and identify shortcomings of the projects and the Programme that could affect longer-term impacts. This approach helped determine why certain aspects worked or did not, and what the direct benefits of the Programme were, particularly for project partners. When similar patterns emerged across different data sources, such as final reports, survey, and interviews from multiple respondents, the reported results could be considered valid.

The overview of the ex-post evaluation methodology is presented below, in table 4.

Table 4. Summary of the ex-post evaluation methodology.

Methodology component	Description
Period of evaluation	March to June 2024
Methodological framework	Theory-Based Evaluation (TBE) used to systematically link Programme activities to outcomes.
Evaluation questions	Primarily answered based on project-level data including progress/final reports, a survey, and interviews.
Project-level data	Detailed progress and final reports, including reports of milestones (ROMs). Analysed to understand the influence on result indicators.
Survey	Conducted among project partners to gather quantitative and qualitative data. Available in Estonian and English. Responses analysed, including open-ended answers. A total of 42 fully completed responses and 15 partial responses.
Supplementary data sources	Desk research & Programme documentation analysis: Analysed Joint Operational Programme (JOP), guidelines, and other studies, including Mid-Term evaluation and ex-post evaluations of CBC programmes with Russia (Finland and Latvia).
Secondary analysis	Performed on final reports and relevant statistical data from the eMS. Summarised and analysed for triangulation.
Interviews with beneficiaries	In-depth interviews with 25 beneficiaries representing 38 unique projects. Included participants from all four LIPs and TOs proportionally.

Interviews with key programme personnel	Conducted with 10 interviewees from JTS, MA, NA, and JMC to provide operational context and understanding.
Interviews with regional experts	Two experts from North-East and Southern regions to gain impartial feedback on regional development.
Additional interviews	15 extra interviews, including with regional experts, to ensure comprehensive coverage and address any gaps.
Considerations and limitations	Recognised potential respondent bias due to reliance on self-reported data. Counterbalanced by including interviews with programme authorities and external sources. Combined analysis used to validate results by identifying consistent patterns across data sources.



## 2. Effectiveness and impact

The effectiveness and impact of the programme is assessed by evaluating the extent to which the planned outputs for each project have been achieved, the immediate results that can be detected based on the planned and achieved outputs, and whether these results had an impact on the RI-s. Effectiveness and impact are separate horizontal themes; however, they have been combined because the determination for both categories rely on the output and result indicators. Effectiveness of the programme is determined by the degree to which the planned outputs have been achieved and the impact of the programme's contribution to the project activities will be assessed by whether the funds contributed by the programme had caused positive changes in the programme area.

This chapter focuses on analysing the achievement of Programme goals and strategic objectives, achievement of project objectives, outputs and Programme result indicators; but also, on the experiences of cooperation and external challenges encountered, which both have an impact on the Programme and its effectiveness.

### Key takeaways:

Survey results show a favourable assessment of the completion of project activities, with projects indicating that they have achieved on average 85% of the Programme strategic objectives. Survey results also indicate that a successful set-up of their partnership, experienced leadership, and good knowledge about the target group as well as cross-border and regional needs were the main success factors for ensuring an effective project. External factors, such as COVID-19 crisis and disruption, and internal factors, like partnership issues and/or procurement challenges, were obstacles for some projects and partners and could potentially impact the project results. However, most have been able to cope, which is a positive indicator of effectiveness. Despite these internal and external challenges, project partners have shown high levels of achievement for their COI-s, demonstrating that project activities have been effective in achieving their goals.

Considering the changed nature and context of the Programme (the disruption) and focusing only on the impact on the Estonian side, the majority of the Programme's result indicators have been reached and fulfilled. Given the adjusted methodology, the largest impact can be observed in thematic objective 6 (environmental protection, climate change mitigation, and adaptation), followed by thematic objective 1 (business and SME development), and thematic objective 5 (support for local and regional good governance).

### 2.1. Achievement of goals and strategic objectives

The Programme had three strategic objectives, which were based on the ENI 2014-2020 programming document:

- A. Promotion of economic and social development in regions on both sides of the common borders;
- B. Addressing common challenges in environment, public health, safety, and security;
- C. Promotion of better conditions and modalities for mobility of persons, goods, and capital.

Furthermore, these three strategic objectives align with the goals of the Estonian Regional Development Strategy 2014-2020, which foresees the following goals: a) national competitiveness based on regional strengths and the benefits of a growing economy reaching all areas; b) ensuring the essential benefits for a good quality of life (employment, services, various activity opportunities) in all regions.

The Programme's strategic objectives are supported by actions included in three thematic objectives (TOs), identified based on a socio-economic and environmental analysis of the Programme area, thematic seminars, and input from potential beneficiaries. The three thematic objectives are as follows:

1. Business and SME development (TO1),
2. Environmental protection, climate change mitigation, and adaptation (TO6),
3. Support for local and regional good governance (TO5).

These thematic objectives provided a framework to address the challenges and opportunities within the Programme area and to implement project activities within these thematic areas. Each TO aimed to

support specific areas within each strategic objective (the TO specific areas are listed in more detail in chapter 3.1). For example, TO1 aimed at increasing SME development by fostering cross-border business contacts and the development of services; TO5 aimed at improving cooperation between local and regional communities; TO6 aimed at increasing awareness of environmental protection.

In general, and based on the survey results among the beneficiaries and according to interviews, the goals set in the projects were achieved. This indicates a successful alignment of project activities with the Programme's strategic and thematic objectives. For projects implementing activities in each thematic objective, we asked the survey respondents to estimate and assess how well the project achieved the specific objectives. The results are explained in more detail as follows.

In **TO1** (Business and SME development; see Figure 3 below), the Programme effectively improved the competitiveness and innovation of SMEs (81% of respondents agreed or somewhat agreed), supported the development and marketing of new products and services (82%), and enhanced entrepreneurial skills through training and education (81%). The strengthened business support infrastructure and developed tourism initiatives were slightly lower (76% and 70% respectively), but nevertheless indicate important progress towards fostering economic growth in the programme areas. Thus, the programme successfully met its objectives in promoting business and SME development.

It should be noted that the projects were not required to fulfil all the specific objectives as listed in Figure 3 below. These were listed and provided in full for the respondents mainly for evaluation purposes. Consequently, some TO1 projects had only a limited number of direct/explicit objectives set out in their project proposals. However, many projects also achieved (unplanned) adjacent or accompanying effects or impacts in other areas, as listed in the figure below. Conversely, not all projects, especially those in the 5th and 6th calls, had the objective of fostering cross-border business collaborations, which explains the high percentage of respondents who disagreed with the achievement of this specific objective.

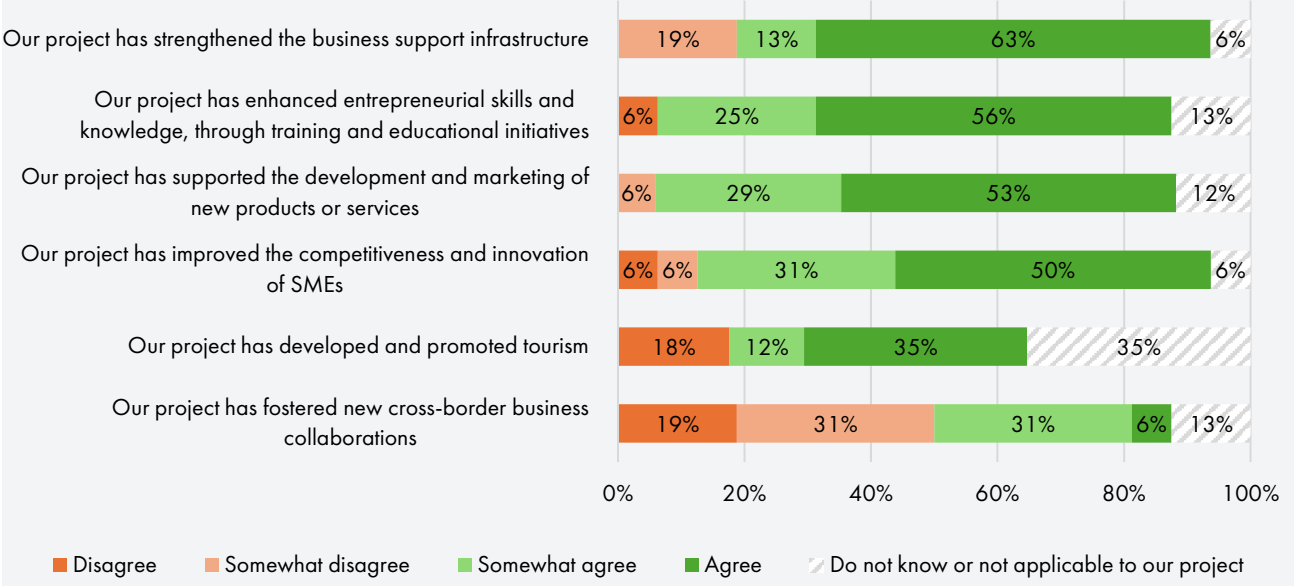


Figure 3. What have been the most important achievements for your project (TO1) (%); results only include respondents/beneficiaries whose project(s) were implemented in TO1.

In **TO6** (Environmental protection, climate change mitigation, and adaptation; see Figure 4 below), the Programme improved the environmental management (75% of respondents agreed or somewhat agreed) and increased public awareness and engagement in sustainability efforts (85%). Effective measures for climate change mitigation and adaptation were implemented (70%), and waste management and sustainable practices were also enhanced (55%). Additionally, the projects and Programme in general fostered collaboration and coordinated efforts across organisations for better environmental management

(85%). These achievements indicate a strong positive impact on environmental protection and climate change initiatives within the Programme area.

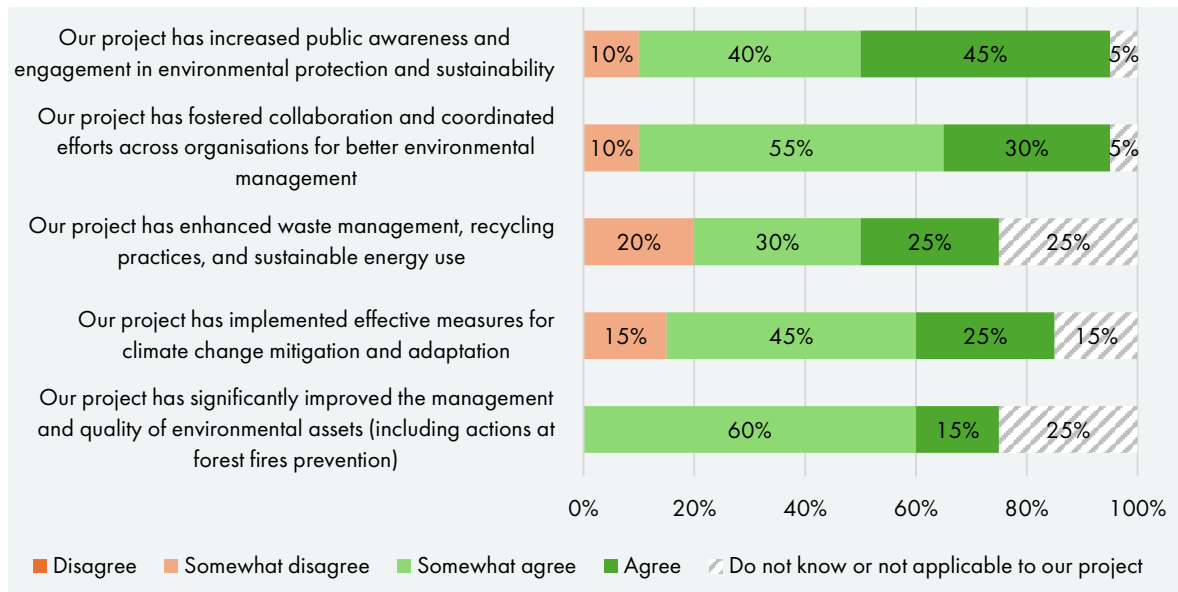


Figure 4. What have been the most important achievements for your project (TO6) (%); results only include respondents/beneficiaries whose project(s) were implemented in TO6.

In **TO5** (Support for local and regional good governance; see Figure 5 below), the Programme and projects improved the governance, transparency, and administrative efficiency in public service delivery (67%). Increased community engagement and public participation in local decision-making processes were evident (84%), alongside strengthened inter-regional and inter-organisational cooperation (83%). The enhanced capacity and capabilities of local and regional authorities (60%), together with making better access to social, health, educational, and cultural services (100%), indicates the respondents' perception in supporting good governance and improving public services with their projects.

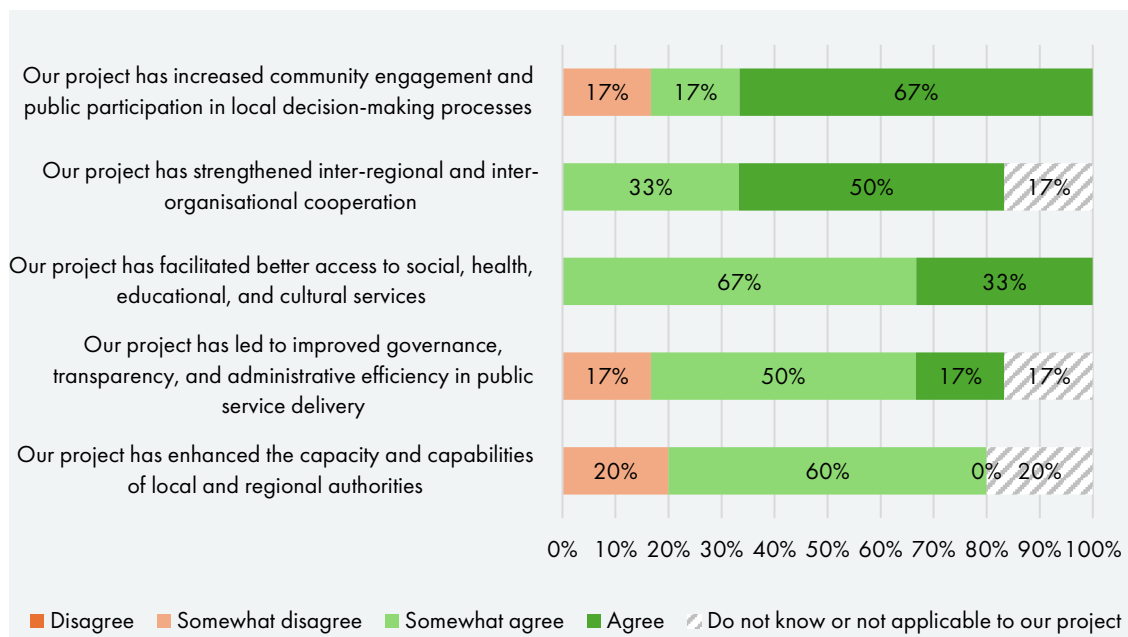


Figure 5. What have been the most important achievements for your project (TO5) (%); results only include respondents/beneficiaries whose project(s) were implemented in TO5.

The interviews with beneficiaries, programme management, and regional experts largely validate the results of the survey. They confirm that overall, the Programme has been a key enabler of regional development. It has provided the necessary resources and support to turn both local (operational) and strategic goals into concrete actions. The strategic goals can be both at the local municipality level or NGO and other stakeholder level – the projects and the Programme have helped to support and facilitate both. The actions implemented have had a significant regional impact, indicating the Programme's effectiveness in fostering sustainable development, enhancing regional cooperation, and building the capacity of local and regional authorities to manage and implement development projects successfully.

Cross-border cooperation also played a crucial role in the Programme. Before the disruption, this cooperation had a meaningful and mostly positive impact. It not only showcased the EU's values and democratic practices to Russian partners but also facilitated environmental standards improvements and infrastructure investments. Although the disruption effectively ended the cross-border cooperation, as further explained in chapters 2.4 and 2.5, while it lasted, it had a significant impact on both sides, particularly on the Russian side.

In conclusion, the Programme has been effective in achieving its goals and strategic objectives across various thematic areas.

## **2.2. Achievement of the result indicators**

The assessment of the RIs of the Programme was approached in this ex-post evaluation with a degree of flexibility and was refined in consultation with the Contracting Authority. The methodology for the assessment of the RIs was necessary to be changed and adopted, because of the changed context of the Programme, especially considering the exclusion of the Russian segment from the Programme (i.e. the disruption). This change impacted the relevance and applicability of the RIs, which were originally formulated at the development and initiation of the Programme, considering the participation of both sides – Estonia and Russia. Thus, both the baseline as well as target values of the result indicators (see Table 2 in Chapter 1.1) were calculated and compiled based on the assumption of project activities taking place on both sides, i.e. in Estonia and Russia.<sup>27</sup>

Given this changed situation, the RIs in their original values (i.e. the baseline and target values) were no longer applicable nor feasible to be assessed to their full extent, especially from the aspect of methodological rigour. This is mainly for the reason because baseline indicators were compiled using a baseline survey in which the majority of the questions were asked from the perspective of either joint or mutual cooperation, or activities between Estonia *and* Russia. The baseline survey consisted of 36 questions for TO1, 10 for TO5 and 34 for TO6. Seven result indicators were compiled based on the result of the baseline survey, whereas the baselines were calculated from the results of multiple questions (i.e., a sum index was compiled from different questions). Therefore, the results of 4-6 questions were used to calculate each baseline value for each result indicator.

Because of this, the joint/mutual cross-border perspective has been hardcoded into the baseline values for most result indicators (with the slight exception of RI6 and RI7; however, the foreseen change in the target values of these two results indicators is also dependent on the cross-border cooperation).<sup>28</sup> Repeating the same survey after the disruption and comparing the results would effectively result in a methodological problem of false equivalency because the comparison would not be made between equally same or similar conditions or elements.

However, the content and relevance of the result indicators are still feasible and can be used for the Programme evaluation. Thus, for this final evaluation, we evaluated the Programme's outcomes

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<sup>27</sup> The initial methodology for creating these indicators was based on the “Result Indicators baselines survey – EST-RUS RIs questionnaire 2015”.

<sup>28</sup> The main exception to this is RI8 (“A decrease of the overall number of land and forest fires per year”), which baseline was calculated from the national statistics and thus could have been measured/reassessed again.

independently from the baseline survey, without attempting a direct comparison between baseline and target values. We used the information from the expert interviews and from all the data collected and analysed in this evaluation. Our focus was thus qualitative, so a combined general and qualitative assessment was given on all the result indicators, whether the results of the programme were achieved or not. This approach is flexible given the exceptional situation of the programme and will give a general and strategic explanation of the benefit of the programme by focusing on understanding the programme's contributions to the development of Estonia's border regions.

Each project could choose at least one result indicator that it was targeting or into which its activities were benefiting. However, many projects also contributed to other result indicators beyond the one chosen. The list of projects categorised under each result indicator is presented in Table 4 below.

**Table 4. Number of projects in each result indicator.**

Result indicator (RI)	Number of projects	Project numbers
<b>TO1</b>		
<b>RI1.</b> The strength of joint development in products and services by business	8	ER1, ER45, ER48, ER91, ER94, ER190, ER192, ER217
<b>RI2.</b> Attractiveness of cultural and heritage sites to visitors	4	ER3, ER4, ER200, ER233
<b>RI3.</b> The strength of cross-border activities by institutions in education, R&D, and innovation sectors	10	ER24, ER30, ER85, ER89, ER189, ER199, ER211, ER227, ER238, ER241
<b>RI4.</b> The quality of the cross-border business environment	4	ER53, ER58, ER201, ER265
<b>TO5</b>		
<b>RI5.</b> Accessibility of cross border social, health and sporting services, and vocational and language training	19	ER8, ER19, ER52, ER78, ER96, ER147, ER153, ER158, ER161, ER164, ER186, ER187, ER193, ER195, ER196, ER206, ER248, ER254, ER259
<b>TO6</b>		
<b>RI6.</b> Increased capacity in environmental protection for joint water assets	14	ER2, ER13, ER25, ER29, ER54, ER55, ER80, ER203, ER204, ER210, ER220, ER229, ER258, ER274
<b>RI7.</b> Increased awareness in environmental protection and energy efficiency amongst inhabitants and institutions in the Programme area	10	ER15, ER65, ER90, ER101, ER188, ER191, ER194, ER205, ER213, ER264
<b>RI8.</b> A decrease of the overall number of land- and forest fires per year	2	ER126, ER209

The implementation of the result indicators (RIs) was evaluated for this ex-post evaluation using a four-scale assessment, with the results provided in Table 5 below. The scale is represented as follows: three green dots indicate the full or over-achievement of the Programme RIs, two yellow dots indicate moderately achieved results, one orange dot indicates partly but more than half achieved results, and three red empty dots indicate that less than half or no results were achieved at all.<sup>29</sup>

Please note that all assessments in the table below were made based on the results achieved in the Estonian side of the Programme area. The additional comments for each RI and TO are presented below the table.

<sup>29</sup> Respectively 90–100% or over-achievement level; 75–89% achievement level; 75%-50% achievement level; and less than 50% achievement level.

Table 5. The achievement of the result indicators.

Result indicator (RI)	Level of achievement*
<b>TO1 – Business and SME development</b>	
RI1. The strength of [joint] development in products and services by businesses	●●○
RI2. Attractiveness of cultural and heritage sites to visitors	●●●
RI3. The strength of [cross-border] activities by institutions in education, R&D, and innovation sectors	●●○
RI4. The quality of the [cross-border] business environment	●●○
<b>TO5 – Support for local &amp; regional good governance</b>	
RI5. Accessibility of [cross-border] social, health and sporting services, and vocational and language training	●●○
<b>TO6 – Environmental protection, climate change mitigation and adaptation</b>	
RI6. Increased <u>capacity</u> in environmental protection for joint water assets	●●●
RI7. Increased <u>awareness</u> in environmental protection and <u>energy efficiency</u> amongst inhabitants and institutions in the Programme area	●●●
RI8. A decrease of the overall number of land and forest fires per year	●●●

\* ○○○○ ●○○○ ●●○○ ●●●● ●●●●

\* The assessment on the result indicators was given based on the results achieved in the Estonian side of the Programme area. This is indicated by excluding the original cross-border aspect in the [brackets].

For **TO1**, we estimate all result indicators as fully or mostly achieved. The large infrastructure projects and other investments have had a long-lasting impact on the regions, increasing their attractiveness. This applies not only to LIPs but also to small-scale investments and other projects. The increased attractiveness relates to tourism (including the development of audiobooks, booklets, signs on tourism sites, teaching materials used at schools, etc – all of which are outputs used in the long-term) and to retaining the local population in these regions. Several funded projects have shown that the implemented activities and achieved outputs and outcomes may contribute to reducing the "brain drain" from these regions. This will be achieved by retaining the younger strata of the local population, building both physical and mental/emotional infrastructure, and retaining some jobs in these regions. These efforts help to avoid and/or lessen the effects of peripheralisation and can be attributed to a large degree to the projects implemented with this Programme. Regarding the business environment, we assess the impact as being more notable in Southern Estonia compared to Eastern Estonia. This disparity partly comes from the "entrepreneurial mindset" of the local population – on average, the population of Southern Estonia presents more distinct and evident entrepreneurial attitudes than in Eastern Estonia. This originates from the historical situation, as the main focus in Eastern Estonia has been on heavy and large-scale industry, and as such, there is a relative lack of SME initiatives and entrepreneurial attitudes among the local population. This issue cannot be easily changed with one programme and requires a more holistic and long-term approach than this Programme. However, the need for further and future focus on business and SME development in these areas continues to be significant.

For **TO5**, we estimate the result indicator as mostly achieved. The aim of TO5 and its result indicator was to improve cooperation between local and regional authorities and their sub-units, as well as enhance social, health, and vocational services. This thematic objective had the broadest range of projects, covering sports, music, education, culture, and more. However, the diversity within TO5 hindered the achievement of its full potential and the full achievement of the result indicator. The broad set of activities makes it challenging to maintain a focused approach – especially when compared to TO1 and TO6. While TO5 projects were successful in their own right, achieving individual impacts, the diverse nature of this thematic objective posed challenges to achieving its full potential. A more targeted approach could

have enhanced the overall effectiveness and impact. As the varying nature of projects makes it difficult to measure and achieve consistent results across all initiatives, we, therefore, estimate this result indicator as mostly achieved.

For **TO6**, we estimate the result indicators as fully achieved. This thematic objective was well-balanced in its result indicators, including those for capacity building (such as investments and infrastructure), general awareness, and a quantitatively measurable indicator (forest fires). This thematic objective was implemented across several areas, with awareness showcased through various projects. Notable projects included those focused on the Narva River and Lake Peipsi, which were effectively implemented, as well as river Emajõgi water safety initiatives. These projects received substantial contributions and effectively addressed the objectives assigned to result indicators in terms of environmental protection, climate change mitigation, and adaptation. As for the forest fires, the official data shows a decline in the number of fires from 2019 to 2021, achieving and surpassing the target set by the Programme.<sup>30</sup>

There may seem to be a slight disparity between the achievement of result indicators (RIs), and the achievement of common output indicators (COIs), most of which were over-achieved (see more detail in chapter 3.1). This difference between the RIs and COIs can be attributed to several reasons: 1) the loss of added value from cross-border cooperation due to the disruption; 2) events being postponed or moved online because of COVID-19, and 3) COIs being simpler to fulfil locally than in cross-border contexts.

The disruption in cross-border cooperation meant that projects could not fully realise the added value that typically comes from such collaborations. Cross-border projects often benefit from shared resources, knowledge exchange, and combined efforts that enhance the impact of individual activities (i.e., projects implemented one-sidedly). Additionally, many planned events and activities had to be postponed, cancelled, or moved online due to the COVID-19 pandemic. In-person events usually have a more substantial impact, facilitating better networking, collaboration, and engagement among participants, which in turn affects the ability to achieve certain result indicators. However, virtual events may help increase the achievement of COIs. Furthermore, achieving common output indicators within a single country or region was more straightforward than doing so across borders.

These factors collectively explain the observed difference between the over-achievement of COIs and the slightly lower achievement of RIs. However, considering the external factors (COVID-19 and the disruption, see in more detail in Chapter 2.5), the majority of the result indicators were still achieved, and achieved to a very good degree. Thus, despite all these challenges that the Programme and its authorities had to face, the Programme – in Estonian side – was implemented very well and it achieved most of its goals.

### **2.3. Fulfilment of horizontal principles of the Programme**

The horizontal four principles include equal opportunity and non-discrimination, HIV prevention, sustainable development, and equality between men and women. The analysis of project reports and ROMs shows that the principles are often not applicable to project results and activities. HIV prevention and sustainable development principles are very specific and were the issues that only a handful of projects actually tackled. However, all partners needed to fill in descriptions of the contribution to all horizontal principles, which showcases a slight inefficiency of the Programme. Most descriptions by the beneficiaries in their reporting were either implicit and sought after or stated as not applicable. Equal opportunities

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<sup>30</sup> However, it is important to note that measuring the impact of forest fire prevention solely based on programme activities can be challenging. Instead of measuring the reduction in the number of forest fires, which can be influenced by external factors such as weather conditions, a more practical and logical approach would be to focus on measurable outcomes directly related to the programme's activities. For example, measuring the reduction in response time to forest fires (e.g., from fifteen minutes to ten minutes) due to improved equipment and resources provided by the programme, and measuring the reduction in the duration of fire suppression activities (e.g., fire extinguishing efforts taking ten minutes less than before), would provide a more accurate assessment of the programme's impact. These indicators would offer a more realistic and relevant measure of the programme's effectiveness, focusing on more concrete improvements in firefighting capabilities rather than the unpredictable and external factors affecting the occurrence of fires.

and non-discrimination, and equality between men and women were often more often explained by project participants, however, mostly broadly. This indicates that horizontal principles were often not prioritised or not relevant for participants in the programme areas/regions.

Although some horizontal principles were not applicable to many projects, there were also good examples for every principle, where activities were closely linked to the principles. For example, in several TO5 projects, it was well-argued that project activities included children of different nationalities and religions and special needs. Additionally, it was argued that students in peripheral areas of Estonia are generally disadvantaged in the accessibility of activities in comparison to their peers in larger cities, such as Tallinn and Tartu. To a small extent, there are also projects that focused on the social inclusion of people with special needs. Most TO6 projects naturally contributed to sustainable development, which was found essential in the border region with scattered settlements as it increases the attractiveness of the region to the residents.

## 2.4. Experiences of cooperation

### 2.4.1. Cooperation with the Russian partners

Up until the disruption, the satisfaction among the Estonian beneficiaries with the cooperation with partners from the Russian Federation varied, but mostly it was relatively positive (see the Figure 6 below): among the survey respondents, 44% were fully satisfied, 38% somewhat satisfied, and 6% somewhat dissatisfied.

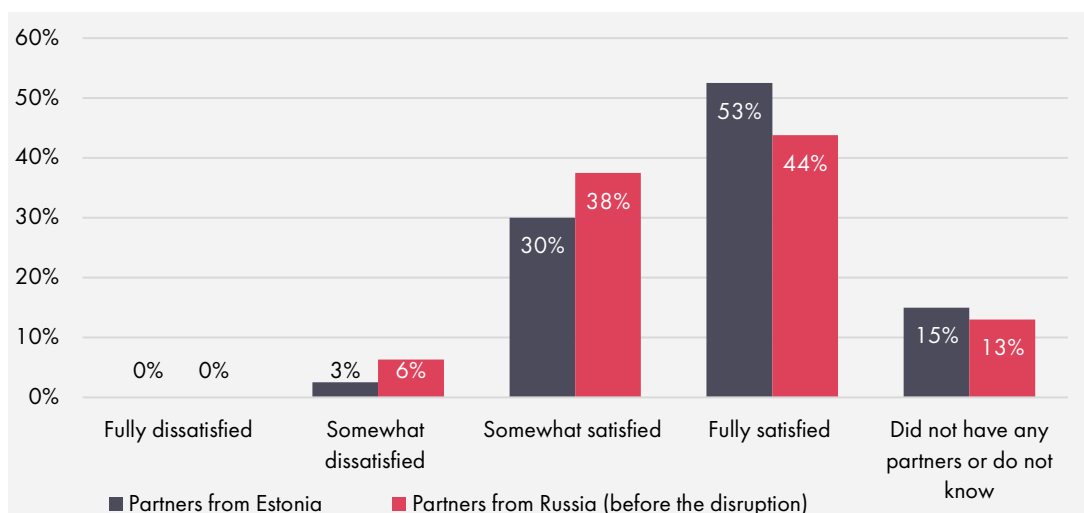


Figure 6. Satisfaction with the cooperation with partners from Estonia and Russia (%).

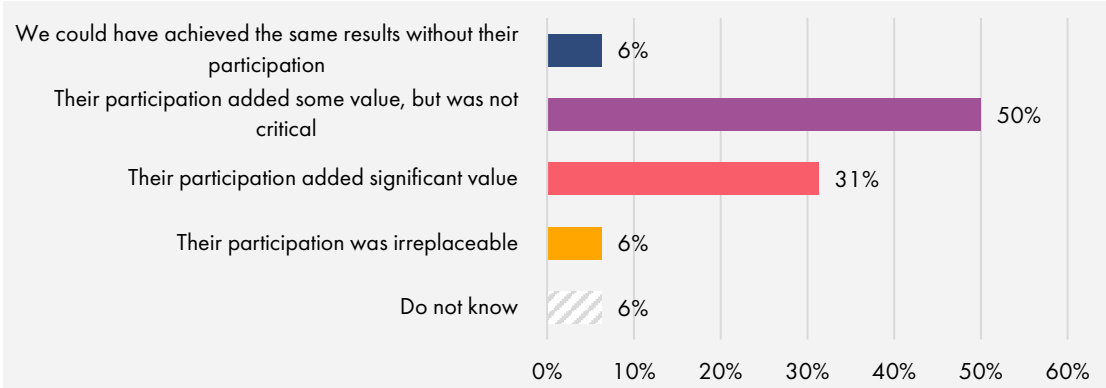
The interviews highlight the following main challenges related to the cross-border cooperation and partnerships with Russian partners.

The issue of trust between the Estonian and Russian partners was brought out as an aspect that hindered the fully engaged partnership in some projects. In some projects, the trust was mutually high, notably in the projects that included scientists from both sides or in the projects where the cross-border relationship has been already taking place for many years before the initiation of the Programme.

In some other projects, it was noted that the trust was rather lacking between both sides, notably in those where the Estonian partners perceived the decision-making taking place (or being influenced) elsewhere than directly in the partner organisation. In few interviews the issue or question of transparency of procurement/selection processes arose (but not substantiated by any factual evidence). Some interviewees also commented that making the decisions took much longer in the Russian side (i.e. “going through the bureaucracy”) than it is common in Estonia.



In the majority of the projects implemented (that had partners from Russia), the cooperation with Russian partners added value to the Estonian side of the project (see the Figure 7 below): 6% of the survey respondents agree that the Russian partnership was irreplaceable (i.e. the project could not have been implemented without them) and 31% agree that the partnership added significant value to the project. Around the half (50%) were on the opinion that the partnership added some value but was not critical (for the implementation of the activities in the Estonian side). This latter proportion does not necessarily mean that there was or is no need for the cross-border cooperation, but it may indicate the varying degrees of perception on the value of this kind of cooperation. Around 6% of the survey respondents are on the opinion that the same results could have been achieved even without the Russian partners.



**Figure 7. The value of the cross-border nature of the cooperation with organisations from Russia to the Estonian side of the project (%).**

In these projects where the Russian partnership was not seen as critical to the achievement of the results in the Estonian side and the cross-border partnership was seen benefiting mostly the Russian side: for example, in the areas where the development was lacking in the Russian side: fire and rescue services standards and practices, water sampling methodologies, organic food production, the change of perspective for Russian schoolchildren etc. These projects had important cross-border effect, but the impact of this cross-border effect was mainly on the Russian side (receiving the know-how and new experiences, seeing, and using innovative tools and techniques, looking at the future development potential). This does not mean that there was no or less impact, or results achieved in the Estonian side – the outputs and outcomes were achieved also in the Estonian side -, but these outcomes would have achieved largely without the cross-border aspect.

However, in some projects, the inclusion of the Russian partner and cross-border cooperation was highly important also for the Estonian side. This relates mostly to environmental projects, but the impact was notable also in some infrastructure projects and project with the focus on tourist and/or cross-border movement, including business relationships.

Indirect benefits of the Programme and cross-border cooperation, as noted by some interviewed experts, was having an open channel of communication with Russians – a channel that several interviewees saw as being deteriorating already long before the disruption (one interviewee pinpoints it to the occupation of Crimea in 2014). The interviewees did not elaborate in detail in which areas the cooperation was getting worse already before the implementation disruption, they mostly referred to general sentiment and the decrease of mutual trust. To a certain degree, increased human-to-human communication preceding the disruption did improve the mutual understanding, especially in the areas that demand a cross-border cooperation despite the current political situation (e.g. in environmental pollution, forest fires etc). Several (personal) contacts were created as a result of the projects, that could be (and some still are currently) utilised also in the future.

Thus, the experience of cooperation with the Russian partners varied, but all in all, the cooperation worked and was relevant to the projects and the achieved outcomes and results. There was a will for the cooperation and effort made from the Russian side in many of the project consortiums. For the Estonian

partners, the cooperation and working with Russian partners required significant flexibility, but some Estonian beneficiaries noted that the experience gained from this kind of cross-border cooperation is also highly valuable for the future partnerships and cooperation (with other countries; see more about the possible future scenarios in chapter 5.2).

#### **2.4.2. Cooperation between the Estonian partners**

The cooperation with Estonian partners continued both before and after the disruption, showing no significant difference in the dynamics of these partnerships. The suitability of local partners largely depended on the previous experience of the lead partner: it was easier for those who had carried out projects previously and more challenging for those with their first experience. The partnerships established with Estonian partners were mostly logical and aligned well with the general objectives and goals of the Programme.

In several projects, the cooperation between Estonian partners was also cross-regional. This type of cooperation was mostly evaluated positively. As a positive and additional impact, a few interviewed project leaders estimated that these established partnerships will continue (and in a few cases, already have continued, as of spring 2024) in the future. Overall, the satisfaction with the local Estonian partners was high (see Figure 6 before).

The main challenges with the local Estonian partners were the skill of the partner to implement the activities, including administrating the project. In more than one interviews challenges were reported regarding the Estonian local municipalities – both in the cases where the lead partner has been another local municipality or in the case where the lead partner has been non-governmental organisation. Mostly these relate to skills of management, sometimes to the change of (political) power in the municipality, but also regarding the complications in reaching agreements when there are differing opinions “around the table”:

|| When you put very different people in the same boat, and one paddles to one direction and another one to other direction, then all the energy goes to the correction of the course and making agreements, where to go.

#### **2.4.3. Cooperation with the programme authorities**

Cooperation with programme authorities was considered mostly very good (see the Figure 8 below). The Joint Technical Secretariat (JTS) and especially the cooperation with programme consultants was highly regarded (60% of survey respondents rate the cooperation as very good and 30% as rather good); similar positive feedback was given to the First Level Control (FLC). These positive attitudes were stated also in the majority of the interviews with project beneficiaries, which can be illustrated by the following quote from the interview with the beneficiary: “[At some point] we did not even understand they are consultants. They were like a [part of the] team”. See also more in chapter 3.3. on the performance of Programme Authorities.

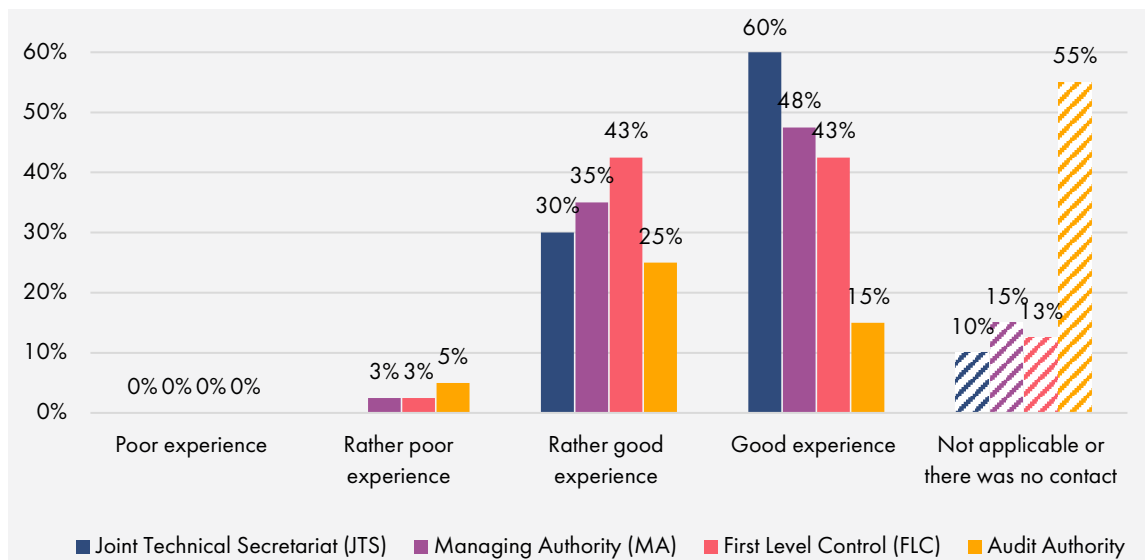


Figure 8. The assessment on cooperation with programme authorities (%).

JTS consultants were positively appreciated especially in the following aspects:

- focus on solution-finding instead of seeking out problems, thinking solutions through together;
- valuing and appreciation of the activities implemented by beneficiaries;
- high quality of support, consultation and help in the phases of proposal compilation as well as day-to-day management and final reporting, including flexibility for making relevant changes in the project;
- communication and flow of information related to the external crisis, such as COVID-19 and the disruption;
- speed and pace of communication, which was especially appreciated by those interviewees who have experience also in other EU-funded programmes (e.g. Central-Baltic and Estonia-Latvia programme);
- information days (e.g. prior to report submissions).

However, although the communication with SSSC (the JTS consultants in the State Shared Service Centre (SSSC; *Riigi Tugiteenuste Keskus*) was positive and helpful, the overall experience with other SSSC departments, particularly the public procurement department, was less favourable. Their attitude was perceived in some interviews as punitive, with too quick imposition of fines and other penalties. In the view of some interviewees, specific issues included strict and sometimes unclear procurement rules, such as those related to the division of projects into parts and the “demand for unnecessary confirmations”. This has led to a feeling of unfair treatment and an unfriendly system, which frustrated several interviewees. These issues with the procurements were brought out in 4-5 interviews.

It was noted that to better address the issues with the procurements in the future, the resources of the SSSC procurement department (which was perceived to be strong and qualified) should be better are more used to review procurements proactively. This could help mitigate risks and address potential issues early on.

Another issue regarding the cooperation and communication with the programme authorities related to the issue of using English as the primary language, even for local Estonian partners. For some (this issue arose in around 3-4 interviews) this was seen partly as inappropriate and created additional barriers for those who preferred to communicate in Estonian. Although some of the consultants were also communicating in Estonian, the assignment of one or the other consultant seemed random. However, JTS managed to ensure the use of English and Estonian in balance, by taking also into account that because of being a CBC programme, the international staff was necessary to be recruited. If there was a need of explanations in native language, it was ensured to the beneficiaries.

Besides being an issue of principles (as stated so in a few interviews), the main challenge in communicating in English was related to the Programme and project terminology. The specific terminology used in the Programme was complex and often new to the participants (especially for those, for whom the participation in the Programme was their first experience with EU funding). This required some project managers and partners to “learn” and use technical terms in English that they were not familiar with, sometimes adding an extra layer of difficulty to the implementation of the project. The translation of terms from their native language into English and then applying them correctly in formal documentation was a time-consuming, in few cases also frustrating. This was particularly challenging when these terms were not only new in English but also new in Estonian, making the learning curve more complicated than assumed in prior. All in all, those interviewees who hinted at their challenges with the terminology acknowledged that these difficulties were part of the learning process and not due to any fault of the JTS.

## 2.5. External challenges encountered (COVID-19 and Programme disruption)

The Programme period encountered several external challenges: COVID-19 pandemic in 2020, Russian aggression in Ukraine in 2022, economic downturn in Estonia (2022-2024). These have challenged and impacted the majority of the projects and beneficiaries, but also the Programme authorities at different levels. This chapter analyses the impact of these external challenges to the projects and Programme.

**COVID-19.** The effect of COVID-19 has been extensively covered in the mid-term evaluation (*Estonia-Russia CBC Programme Mid-Term Evaluation 2021*). Since the results from the data collection for this report (final evaluation) mostly coincide with the assessment given on the COVID-19 impact in the mid-term evaluation, this topic is not going to be analysed in-depth in this report.

All in all, the findings from the interviews and survey overlap with the conclusion in the mid-term evaluation: the COVID-19 did affect the projects/beneficiaries negatively (excluding the projects in the 5<sup>th</sup> and 6<sup>th</sup> call). For some projects, the negative impact was short-term (i.e. it affected mainly the day-to-day operation and implementation of the activities, but not necessarily the achievement of the results). In some projects the impact has been long-term (i.e. it had also a long-term impact as some planned results/objectives were not achieved with the projects). Based on the survey results among the beneficiaries (see Figure 9 below), we could estimate that approximately ¼ of the beneficiaries (23%) encountered the most negative impact due to COVID. Examples for these cases are e.g. projects related to tourism/visitors: several activities (e.g. the cross-border ones) had to be reoriented to either local events, or final-events changed into the hybrid events. In these cases, the negative effect was multiplied also by the disruption (see more below).

Due to the shut-down and/or travel restrictions, the activities that were planned to be carried out on-site were either delayed, postponed or cancelled (e.g. some activities related to the measurement of water quality), or where possible, moved to online (e.g. project meetings, seminars, trainings). This applies both to cross-border activities as well as to activities taking place in Estonia between local partners.

In the cross-border perspective, the COVID-19 had more impact on the cross-border activities than on the activities between local partners.<sup>31</sup> However, no projects were cancelled because of COVID, and in most cases the majority of objectives were achieved. In some projects, where the output indicators were directly related to the cross-border physical activities, the outputs were somewhat underachieved.

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<sup>31</sup> It was highlighted in several interviews that face-to-face meetings, together with the fluency in speaking Russian (including being able to communicate in slang), has helped to foster more extensive relationships and long-term trust between cross-border partners. Thus, the immediate, face-to-face communication is seen to be important in this regard and we could argue that since the Programme, in its original format, has an important focus on cross-border cooperation, then the best value for it could have been gained from face-to-face meetings.

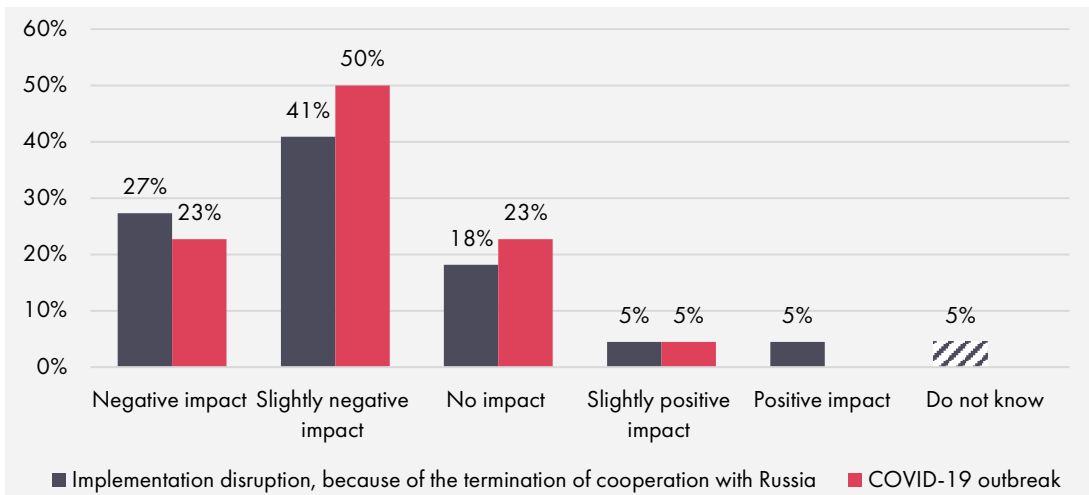


Figure 9. The extent to which the external circumstances affected the success of the beneficiaries' project (%).

Overall, the JTS and other programme authorities were generally perceived as managing the pandemic challenges quite effectively, with the combined "very well" and "rather well" ratings around 90% for each institution. Few respondents indicated poor performance (see Figure 10 below), mostly due to their perception of lack of coherent information from different managing bodies (as discussed in the interviews).

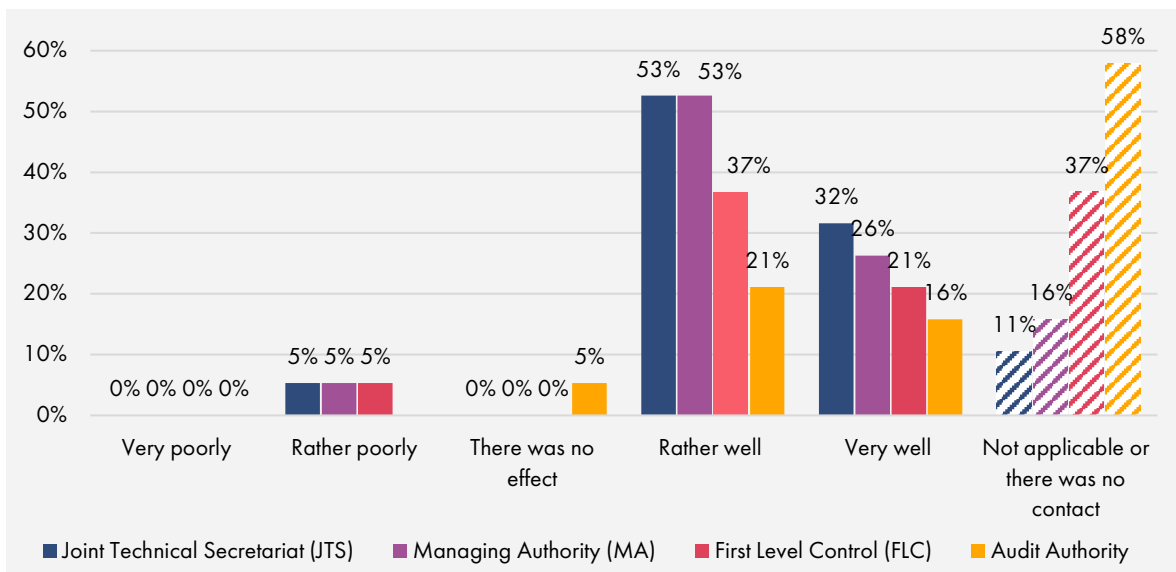


Figure 10. The assessment of programme authorities on handling the challenges related to COVID-19 (%).

It should be noted that these responses are somewhat lower compared to the assessment of these institutions' handling of the Programme disruption (see Figure 11 below).

**Disruption.** The disruption, i.e. the suspension of the participation of the Russian Federation in the Programme, had a major impact on the beneficiaries and on the Programme. The specifics of the disruption are in more detail explained in chapter 1.1.

As noted in previous chapter 2.4, the experience of cross-border cooperation with the Russian partners has had different effect and impact on the Estonian side (Estonian beneficiaries). For some projects, where the cross-border cooperation can be largely seen as benefiting mainly the Russian side (the transfer of know-how, experiences etc), the impact of the disruption for Estonian side was rather small – the activities of the Estonian partners were implemented despite the disruption, albeit in some projects to a lesser degree than planned (less outputs/indicators were achieved, e.g. the cross-border events that were planned

could not have been reported anymore) or in some projects by converting the previous cross-border elements into e.g. study-visits to other (EU) countries or converting cross-border cooperation events into local events/activities (e.g. bringing together local Estonian organisations).

On the other hand, in the projects where the inclusion of the Russian partner was highly important and irreplaceable (especially in the environmental projects), the disruption did hinder the achievement of the full cross-border potential and impact on the Estonian side. This means for example the reduced or cancelled cooperation in cross-border environmental or water management issues.

For some Estonian beneficiaries, the disruption meant taking over the role of the lead-partner (so called temporary lead-partner). In most of these cases, the process of transition was effective, with the support of the JTS that was acknowledge several times in the interviews. In these cases, the most challenging part was submitting the final report, where the activities from the Russian side had to be included and reported, but which was complicated for at least a few temporary lead-partners, as (depending on the project) there was a lack of information or data on the Russian-side activities that were necessary to be included into the report.

The disruption was generally well-handled by the Programme authorities. The majority of respondents assessed the handling of the disruption as very well or rather well. For JTS, 79% of respondents provided a positive assessment (rising to 80% when excluding the not applicable (NA) or no contact responses). Similarly, for the MA, 79% of respondents assessed the handling positively (also rising to 80% when excluding NA responses). For FLC, 69% of respondents gave a positive assessment (rising to 80% when excluding NA responses). This positive feedback was also confirmed in the interviews, where JTS was praised for its flexibility in rethinking and redesigning projects to ensure the continuation of activities on the Estonian side after the disruption.

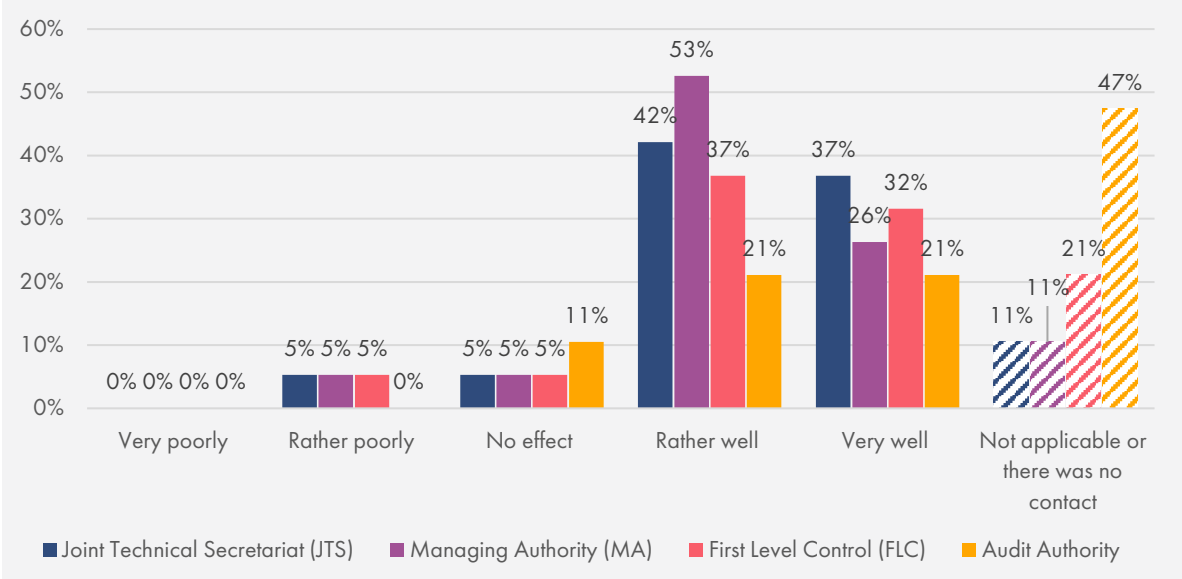


Figure 11. The assessment of programme authorities on handling the suspension of Russia from the Programme.

The main challenge arising from the interviews was the period of 1-2 months uncertainty immediately after the suspension – the questions of what will happen with the projects and the Programme, whether they will be cancelled or postponed, and what will happen with the Russian partners, including payments etc. Some interviewees would have wanted the situation to be clear more quickly, but almost every interviewee agreed that JTS managed to support the beneficiaries and keep the information flow open and detailed as much as they could.

In majority of the cases, there was no communication with the Russian partners after the immediate start of the disruption and until the end of the project. In some projects, the decision was made by the Estonian partners, in some projects the Russian partners stopped the communication (or there was a request by the

Russian authorities to stop communication). In few cases, the minimum level of communication exists until today, but mostly in the areas where this is strictly necessary to handle cross-border issues (e.g. environmental pollution related). In some few cases, where the Russian contact person is seen to be a “good, open-minded and pro-European person”, the contact has been deliberately avoided by the Estonian partners in order to prevent the potential harm to these Russian partners. In some cases, it is believed that with the Programme and despite the disruption, a good collaboration has been set and could be possibly resumed in the future.

However, all in all, the Russian aggression in Ukraine created a great degree of suspicion on both Estonian and Russian side, which had a direct impact also on the Programme areas (Eastern and Southern Estonia). The war created a major community-level tensions, especially in Eastern Estonia region, that are evident as long as today. For example, few projects (in the 5th/6th call) that planned the meetings, seminars and other people-to-people activities in Eastern Estonia, the decision was made to first carry these out separately for ethnic Estonians vis-à-vis the Russian-speaking population in Estonia; or together, but in much smaller groups than initially planned. Thus, the disruption had direct impact not only on the projects funded from the first three calls, but also on the later projects that started after the disruption.

Besides that, not only did the war stop the flow of people (e.g. tourists) to these regions from Russia, but it also hampered cross-border business relationships. These are the two areas which these two border areas have built and targeted their growth and business activities over the last decades. The reversal of the focus from Russia to other countries (e.g. Finland and/or Latvia) takes a lot of effort, time; and resources, of which there are not too many in these regions. See more on the possible future challenges and future scenarios in chapter 5.2.

The disruption had also few positive adjacent effects. First of all, the redistribution of some of the Programme's funding, originally allocated for the Russian side, to projects in need of additional support helped these projects to reach their full potential. This was particularly beneficial for projects where expenditures were significantly higher than planned, such as those in construction.

Secondly, the decision to proceed with the 5th and 6th calls for proposals, rather than cancelling the entire Programme, was viewed positively by all the experts interviewed, including the project beneficiaries. This approach helped to implement several projects addressing local issues and challenges arising from the war. These projects included integration activities for the permanent minority population in Estonia, but also support initiatives for Ukrainian refugees, such as employment assistance and programs to empower entrepreneurial capacities within this target group.

For the Russian side, the impact of the disruption was mainly negative, both in the short-term and long-term. Short-term effects included fewer outcomes achieved, such as the incomplete procurement of equipment and/or constructions. Long-term effects include reduced effectiveness in environmental protection in shared water areas.

### 3. Efficiency

This chapter focuses on the efficiency of the Programme. As noted above, the efficiency aspect of impact assessment compares assistance costs with the effectiveness of this assistance. The efficiency of the programme is generally determined by the degree to which the budget was adhered to by the project's time plan, the outcome of the funded projects – i.e. if the projects have completed their planned objectives – and the funding used – i.e. whether the funding was sufficient to achieve their intended objectives or if the project had leftover funds. However, the efficiency aspect could not be assessed as simply in the Programme, where initially planned schedules and objectives were often changed, which also caused major complications with the budgeting, and many projects rightly received additional funds.

To assess the efficiency of the Programme, it was necessary to evaluate efficiency at the project level. Ideally, one would use a common approach, such as comparing the efficiency of the effect across treatment groups; in this case, the 71 projects that were granted funding from the Programme. However, it must be noted that the projects were not directly comparable due to the unprecedented disruptions caused by COVID-19 and the war in Ukraine. The Programme funds were distributed among three general fields of activity, the TOs. Additionally, across three TOs, the projects had ten different COIs, meaning ten different targets. Disruptions in the Programme influenced the achievement of different COIs to a different extent, e.g. COVID-19 influenced the number of participants in the events differently from the number of improved waste recycling facilities. This means that results would only be comparable inside one COI with the projects implemented during the same time period.

Taking the limitations into account, the approach of evaluating the efficiency of the Programme focuses on overall achievements, different obstacles, potential improvements and sufficiency of resources as indicated by various sources. The study analyses qualitative and quantitative data gathered from project managers, partners, programme authorities, and regional experts to ensure the validity of results by triangulating sources. Overall assessments by different interest groups are supplemented by statistical data from the Programme monitoring system. However, overall interest group assessment takes prevalence over overall statistical data due to the nuanced circumstances under which the Programme was implemented. The chapter will provide an answer to the following questions:

1. Were the financial and human resources foreseen for the management of the Programme sufficient and used in the most efficient way?
2. Did the performance and responsibilities of the Programme authorities ensure the effective and efficient implementation of the Programme?
3. How did the project beneficiaries assess the established procedures including adjustment and simplification of them?

#### Key takeaways:

Overall, while the Programme faced notable obstacles, it achieved substantial success. Despite disruptions, several indicators were highly overachieved, especially in TO1 and TO6. However, high overachievements indicate a necessity to examine and possibly modify the indicators in the future similar programmes or programme documents.

COVID-19 and the war in Ukraine significantly impacted project implementation, making direct comparisons difficult. Projects under different conditions faced varied challenges affecting their outcomes. Surveys and interviews indicated mixed feelings of achievement of expected results. While two-thirds of respondents felt their objectives were fully achieved, one-third achieved only partial success, often due to external factors or partner performance. Common challenges included external economic conditions, partner performance, and the complexity of aligning social project impacts with quantifiable metrics.

Participants generally praised the Programme authorities, particularly JTS, for their support and flexibility. However, some suggested improvements in public procurement processes and the inclusion of the Estonian language in communications. The eMS reporting system was rated quite positively, with clear requirements and quite user-friendly procedures compared to other EU-funded programmes. Satisfaction with co-financing rates and advance payments was high, supporting broader participation of potential participants.



### 3.1. Overview of Programme common output indicators

The overall achievement of the Programme COIs provides the first glimpse at the efficiency of the achieved results (Table 5 below). There are two main takeaways from the data in this table. Firstly, we see that across all TOs, no COIs remained underachieved. This means that Programme beneficiaries met the expectations set by the Programme. The second takeaway is that some indicators were highly overachieved, especially in TO1, where two indicators were overachieved 5,6 and 23 times, respectively. Another highly overachieved indicator was in TO6, which included the number of projects related to the purification of common water assets.

This indicates that overall, the initial objectives of the projects could have been achieved with fewer resources. However, it needs to be considered that 29 projects were affected by the disruption, and 36 projects already started to be implemented one-sidedly. While regional projects might need fewer funds and are likely more cost-efficient in terms of achieving the target objectives, they can also potentially lose added value from cross-border cooperation. Therefore, the first indication from this data is that with solely regional projects without any cross-border collaboration, the indicators can either be increased or modified for better cost-efficiency.

The analysis also showed that some indicators are broad and include very different project outputs. This was the case, especially for TO5 and TO1 COIs. For example, COI, “The number of participants and events that are aimed at vocational and language training”, included project outputs, such as “Improving the quality of public space” and “Increasing island tourism”, which are intuitively not directly related to the common output indicators. Therefore, all data in Table 5 needs to be taken into account cautiously.

Table 5. Overall achievement of the Programme COIs.

Indicator	Target value	Achieved value	Achieved value (%)
<b>TO1 – Business and SME development</b>			
N of organisations using programme support for <b>cooperation in education, R&amp;D, and innovation</b>	6	138	2300
N of organisations using programme support for <b>promoting local culture and preserving historical heritage</b>	15	21	140
N of <b>enterprises</b> that are substantially and actively involved in the projects as final beneficiaries	80	448	560
N of <b>improved cultural and historical sites</b> as a direct consequence of programme support	4	5	125
<b>TO5 – Support for local and regional good governance</b>			
N of participating organisations cooperating across borders for <b>improved governance</b>	15	48	320
N of participants at events that are aimed at <b>vocational and language training</b>	200	443	222
<b>TO6 – Environmental protection, climate change mitigation and adaptation</b>			
Members of the population who benefit from <b>forest fire protection measures</b>	20 (percent)	26,5	133
N of projects that are related to <b>the purification of common water assets</b>	6	27	460
Additional <b>waste recycling capacity</b> (by N of improved facilities)	2	2	100
N of persons actively participating in <b>environmental actions and awareness raising activities</b>	1000	2370	237

Objective indicators only give an insight into the efficiency of the Programme. The survey and interviews also enabled us to look into participants’ perceptions of achieving the results. Figure 12 shows us that

two-thirds of the respondents feel that the results were achieved entirely, while one-third felt they achieved the results but only partially. This means that while the programme’s overall results were achieved, some projects contributed more than others. This is also confirmed by the eMS statistics on COIs: we see that some projects indeed did not deliver all the expected or foreseen results (as indicated in their project proposals). Therefore, we can conclude that while the Programme had its shortages in terms of some deficiency on the individual, project implementation level, the results were nevertheless achieved at the Programme level. Therefore, all in all, the overachievements in some projects compensated for the underachievement in some others. This also means that broadly, the Programme could have been even more efficient. However, it needs to be noted that this is a simplified view, disregarding all other factors that have influenced the course of the Programme (see for example the external factors in chapter 2.5).

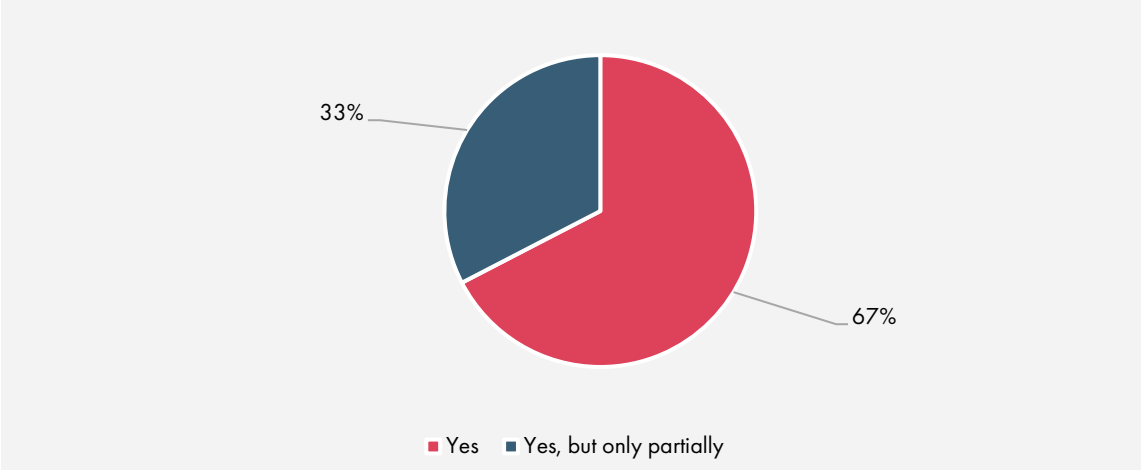


Figure 12. Self-reported achievement of the planned objectives.

Figure 13 below provides insight into the potential reasons for this kind of imbalance between the projects. We see that the two main factors that influenced the underachievement of the results were either external or partner-related, which means that inefficiencies in the Programme were inevitable, as perceived by the participants. The following subchapter (3.2.) delves deeper into the meaning of these results.

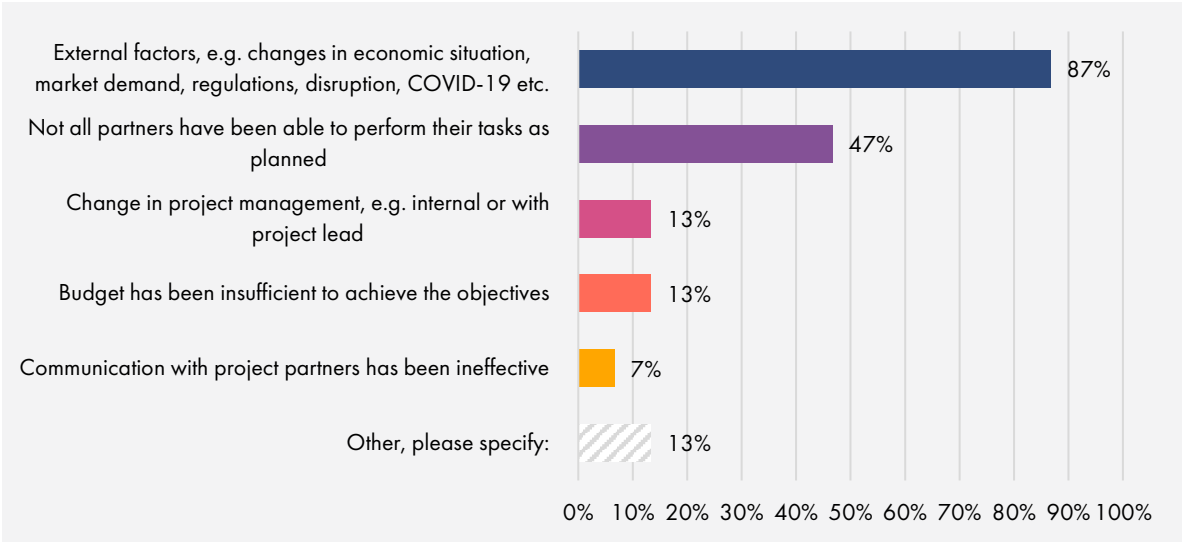


Figure 13. Self-reported reasons on why projects performed differently from expectations (%).

It also needs to be taken into account that obstacles were not only met in the projects that underachieved. Figure 14 shows the common challenges faced by projects that successfully achieved their results. While 40% of the respondents perceived that their project went flawlessly, a third of the respondents attributed

difficulties in their projects to external factors. Interestingly, what seems to distinguish between successful and partially successful projects at first glance is the performance of project partners. This is also a topic that often came up in the interviews, especially for CBC projects. The interviewees perceived that cooperation was more efficient when they were dealing with organisations of similar administration levels of administration, e.g. local governments with local government, NGOs with NGOs, etc. Good partners are a prerequisite to efficient implementation.

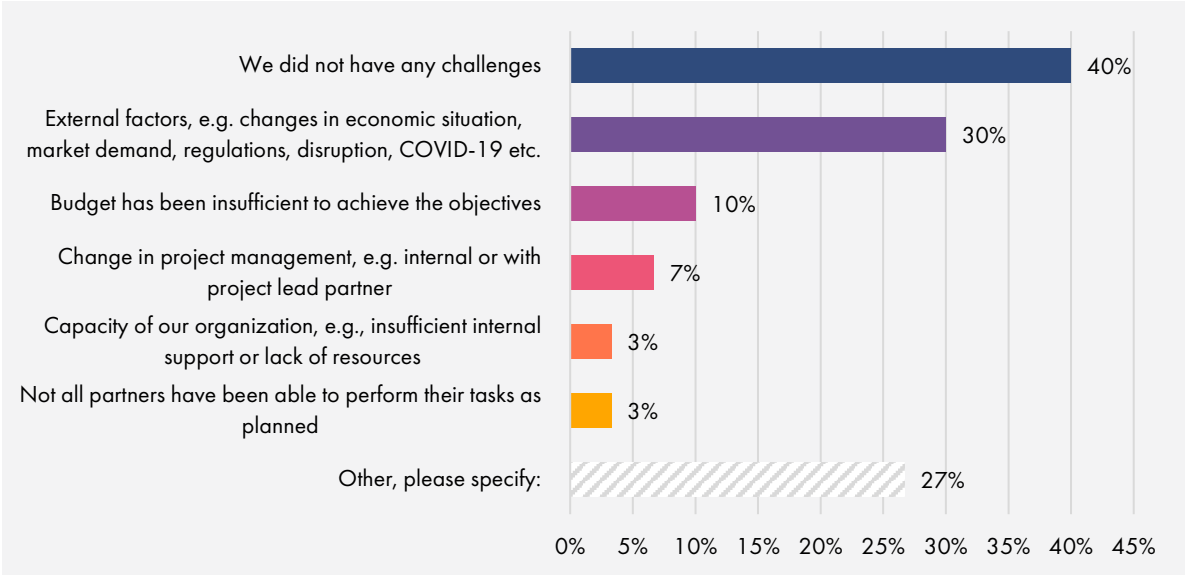


Figure 14. Self-reported challenges in projects (%).

It emerged from the interviews that some common output indicators have been difficult to link with practical project activities. This issue was particularly noticeable in projects with more social activities, where the measurability of outputs could have been more logically aligned with the nature of the project activities. For instance, indicators designed for more tangible outcomes were challenging to apply to projects focused on social integration or community engagement, where qualitative impacts are more significant than quantitative ones, and thus, harder to measure. This makes it more difficult to measure and assess the achievement also of Programme goals and strategic objectives.

Also, measuring and proving (i.e. providing or finding sufficient evidence) some output indicators were challenging for several projects and beneficiaries. The difficulty lays in converting the qualitative benefits of social initiatives into quantifiable metrics that fit the Programme's reporting requirements. One project manager noted that while tangible outputs such as construction or infrastructure investments were straightforward to report, other aspects, like the decrease in forest fires due to preventive measures, were harder to attribute solely to project activities and not to some external factors, such as weather conditions and the like.

**3.2. Foresight of financial and human resources**

The overview of overall reflections leads the way into the different degrees of the implementation of projects. The interviewees can generally be divided into two specific groups based on their previous experience with cross-border cooperation and EU-funded programmes. While most projects in the first five calls mostly had experienced project managers, the sixth call saw many entrants (i.e. newcomers to EU funding) who had not usually considered applying for CBC programme funding. The Programme proved to be an essential learning point for all new entrants unfamiliar with the general requirements for reporting, project management, or public procurements in the EU projects. The projects of the sixth call proved to be especially challenging because of the short period time of about six months to finish the projects. One interviewee well summarised the experience of many new entrants:

The stages [in the project] well exceeded our expectations in every way. Firstly, any infrastructure project required us to carry out a public procurement. But even before, submitting the project was a challenge for us. And then the time frame, it was very non-existent. For a small organisation, it proved challenging to accommodate all the activities and reporting in the Programme. Also, complying with laws was challenging. The whole ordeal would not have gone through if it had not been for such good consultants.

While foresight proved to be rather challenging for some new entrants, in the end, they mostly realised that participating in the Programme was empowering, and most newly-experienced have continued seeking cooperation options in other EU-funded programmes, such as Interreg. While at first, inexperienced project managers found budgeting in terms of time and personnel costs challenging, the issues were mainly resolved together with JTS. Some interviewees also mentioned that a short period of implementation helped them in planning the size of the budget – for such a short time of project implementation, it was difficult to make mistakes with the size of the budget. Interviewees also mentioned that such small-scale relatively short-term projects are well-suited for Estonian border regions, considering the size and administrative capacity of the organisations.

Additionally, the sixth call participants used the flexibility of the Programme to its full extent. Some participants benefitted from the one-sided implementation. This, again, was often associated with the administrative capacity and tendency of Estonian regional organisations to opt for regional small-scale rather than cross-border large-scale projects. Nevertheless, participating in the Programme was a good entry point that was also described as a springboard. Experienced organisations also benefitted from the relatively simple and straightforward administration of the Programme. Estonian organisations also made good use of the division of tasks between multiple partners, where experienced project managers or, in few cases, consultation firms dealt with the management part. In contrast, other partners delved deeper into more substantive and content-related affairs. Many participants also promoted this model of project execution.

Interestingly, the results from the interviews are not confirmed by the results from the survey. Figure 15 shows that, in general, project participants perceived that the Programme’s requirements were fairly clear to them. A third of the respondents felt that everything was completely clear to them. Over half of the respondents marked that the results were rather clear. This can mean that the requirements were mostly clear. However, some of the details proved to be an issue, which would not contradict the results from the analysis of interviews.

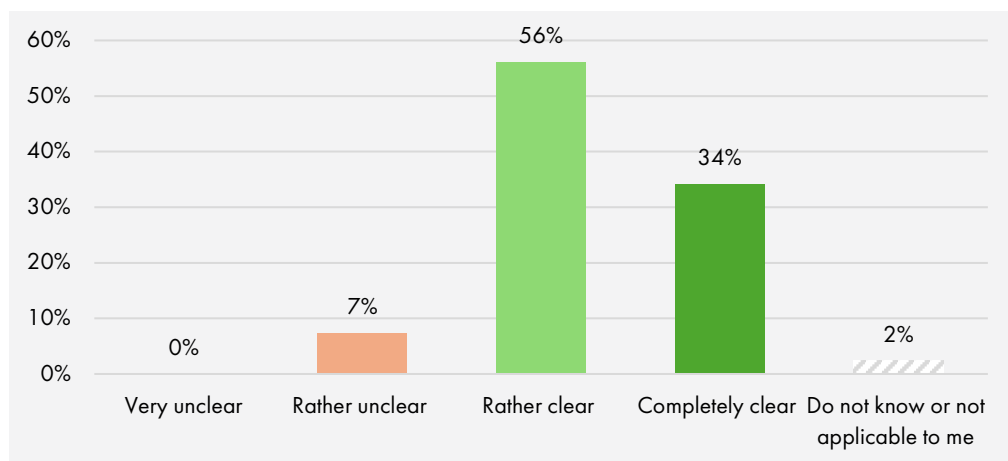


Figure 15. Perceptions of the clearness of the Programme’s requirements (%).

For experienced Programme participants, challenges often arose from unprecedented disruptions, issues with project partners from Russia, or steep increases in prices for products. Some of the projects were also influenced by a combination of these challenges, which often made previous preparations meaningless and changed the whole trajectory of the project plan. For example, COVID-19 and its restrictions cancelled all the cross-border visits and events, which would likely have been especially fruitful for TO5

and TO1 projects. The interviewees who had planned trips and events during COVID-19 often felt that the cross-border effect did not reach its full potential. Therefore, some part of the impact was lost.

Regarding Russian partners, different interviewees had mixed feelings. Some found their presence indispensable, while others claimed to likely have achieved the same results without the partners even quicker. However, the main issue that Estonian project participants often stated they overlooked was the time and human resources when dealing with Russian counterparts. Interviewees often described complications in cooperation because of different operating cultures in public administration. More often than not, the participants felt that their partners over the border had more to learn from the Estonian side. However, multiple interviewees commended their cross-border partners, especially when they felt that the other side really strived to contribute to the project despite their complicated bureaucratic system.

Another prominent issue in the Programme was the steep cost increase, especially for the infrastructure projects. Unfortunately for many Programme participants, the increase of prices occurred in parallel with COVID-19 and the disruption of the Programme. In addition, many participants struggled with Estonian public procurement laws. Even though most participants had experience with public procurements, taking all the circumstances into account was impossible. Even though many things did not go as planned, the Programme authorities confirmed that the Estonian side adapted well to the challenges. The analysis of interviews with all parties shows that while projects might have lost added value because of the disruptions, an injection of resources helped accomplish the results in challenging circumstances, at least on the Estonian side. In that sense, the additional resources were well spent to alleviate the situation where it was challenging to complete all planned activities.

Overall, Programme participants mostly found that the financial resources were sufficient to achieve the results, as also illustrated in Figure 16).

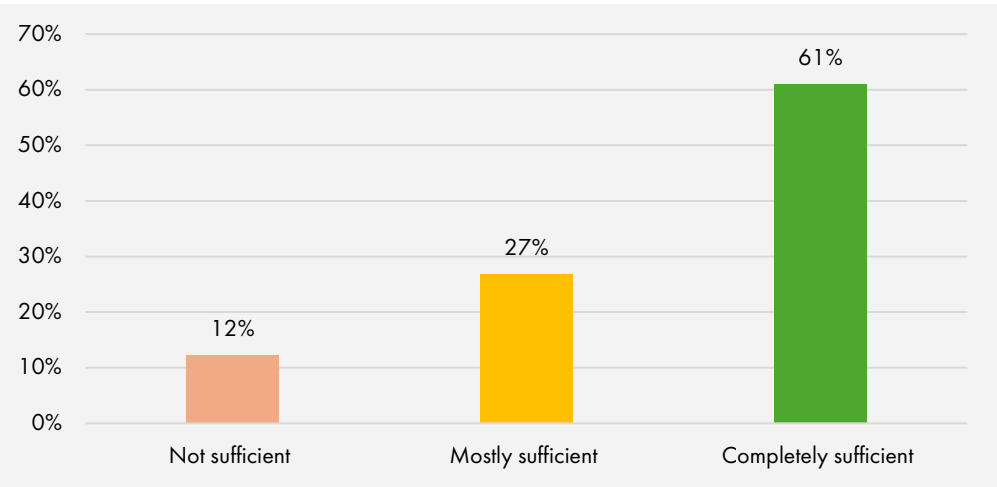


Figure 16. Perceptions of the sufficiency of the funding (%).

### 3.3. Performance of the Programme authorities

The general feedback about Programme authorities was highly positive. Interviewed project participants could most often recall their contact with JTS, very seldom with other authorities. Many interviewees spoke of quick and efficient solutions to any challenges they faced. Most participants commended members of JTS for their agile and proactive counselling option. The interviewees also commended the Programme bodies for continuing with the Programme under the difficult circumstances. Capitalisation of the results of previous projects and additional funds to the projects that involved infrastructure were seen as the most efficient measures across all interviews.

The efficiency of managing authorities is also supported quantitatively. The data presented in Figure 17 indicates that different bodies performed very well according to the Programme participants. While the

ratings are the highest for JTS, we see that participants were generally satisfied with all Programme authorities.

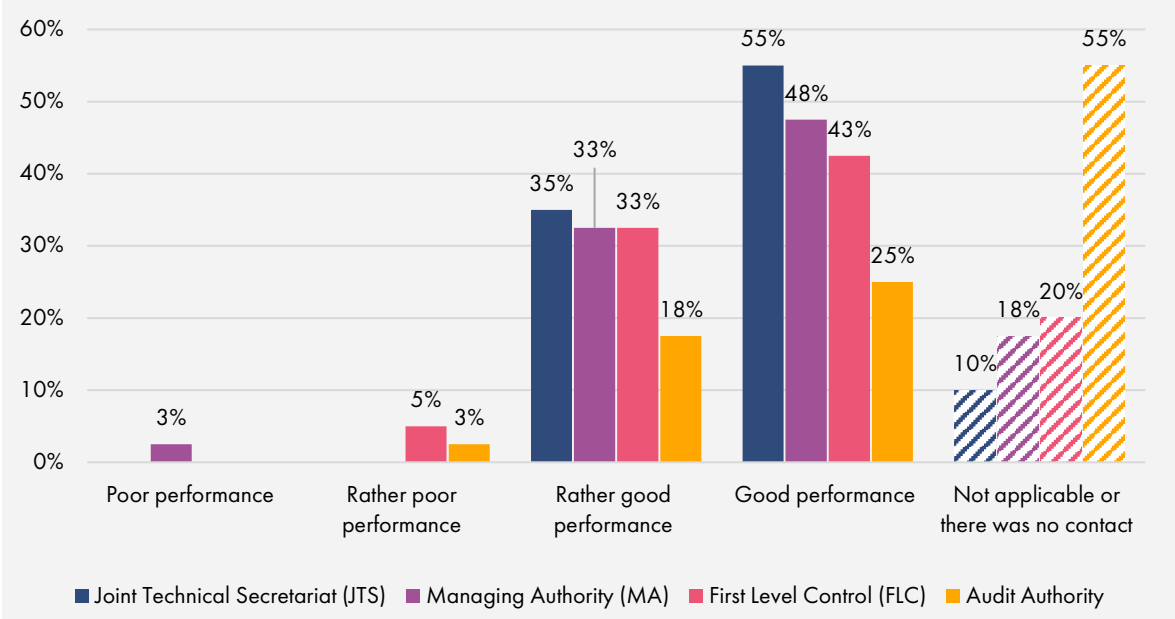


Figure 17. Perceptions of Programme authorities' performance (%).

While most of the participants were satisfied with the Programme authorities, some of them provided feedback that could improve the efficiency of the possible future problems. For example, some interviewees thought that they would have benefitted if it had Estonian as a language of communication. While this can be a peculiarity of the specific regions supported in the Programme, the interviewees also argued why the Estonian language should be a language of communication. The end user of the Programme results was the Estonian population, which means that the Programme participants needed to make materials both in English and Estonian. Nevertheless, most of the interviewees saw it as a minor factor, and the general conclusion is that the language of communication did not influence the end results of the projects. However, in some cases, it could have increased efficiency.

Overall, the results show that the Programme authorities ensured effective and efficient implementation of the Programme. The Programme was perceived as flexible, the consultations and information days were useful, JTS efficiently solved the problems and the decisions by Programme authorities benefitted the results of the Programme.

### 3.4. Assessment of the Programme procedures

The previous section on language barriers leads to the assessment of established procedures in the Programme. Overall, the language was a minor problem for the participants, which was also partly indicated by their satisfaction with the eMS reporting system (Figure 18). While some interviewees suggested that the reporting system had room for improvement, it was not perceived as a factor that influenced the efficiency of the results' achievement. The results show that user experience mainly was either good or average. The interviewees indicated the general level of user experience in the EU-funded programmes is so low that eMS was good in comparison. In addition to user experience, the respondents noted that reporting requirements were easy. Again, compared to other EU-funded programmes, the reporting requirements were perceived as more straightforward and preferable.

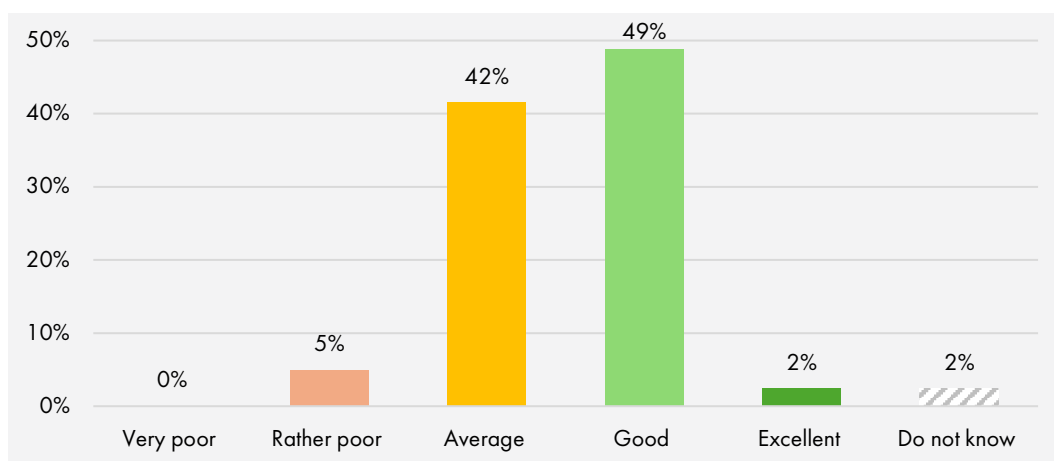


Figure 18. User experience with eMS project monitoring system (%).

In addition to the established procedures, the assessment included an analysis of simplifications in the Programme. Figure 19 shows that participants were satisfied with advance payments and the co-financing rate. These topics were also discussed in the interviews with Programme participants, further validating the survey results. The interviewees often stated that a 10% co-financing rate is generous compared to many other EU-funded programmes and allows access to a much larger pool of applicants. The interviews showed that Estonian regional actors often have issues with high co-financing rates, which excludes them from participating.

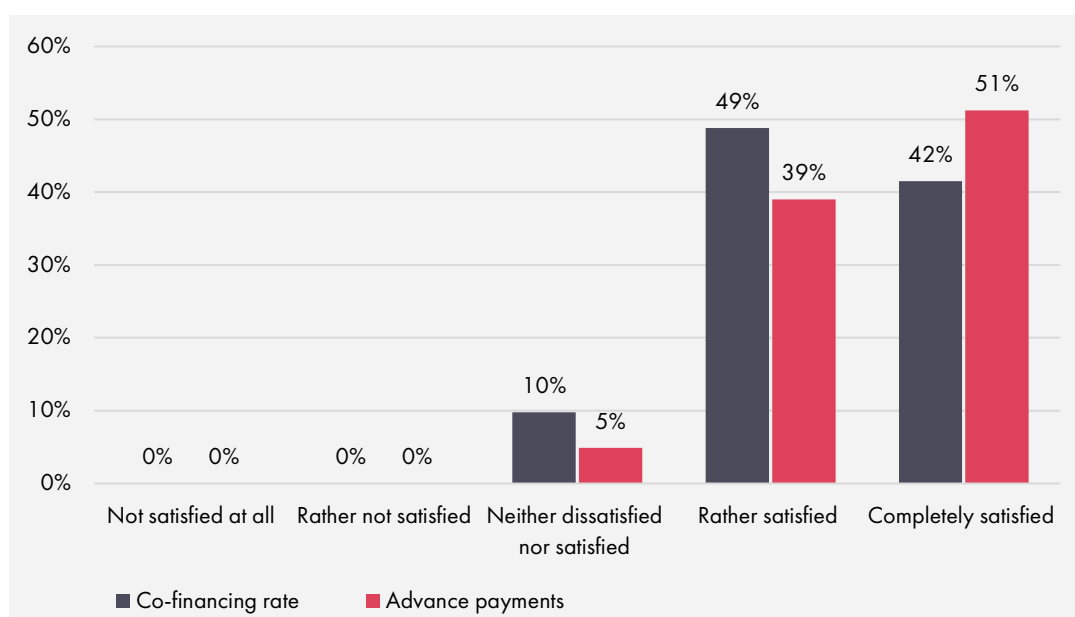


Figure 19. Satisfaction with co-financing rates and advanced payments (%).

While the Programme had many positives, there were also some negatives. The most mentioned issue was associated with public procurements. Public procurements proved to be a major issue for the participants, especially for small municipalities that struggled with carrying them out and abiding by Estonian public procurement law. The interviewees implied that the responsibility to review tenders should already lie with the SSSC, making any suggestions made by consultants a shared responsibility rather than just a recommendation. The SSSC public procurement department was often deemed problematic and *looked for issues*. The interviewees felt that the requirements of public procurements should be flexible to accommodate unforeseen circumstances and should not be strictly enforced to avoid penalties. It was also suggested that SSSC could review the tenders to mitigate the risks early. Additionally, to the authors'

knowledge, there is a handful of court cases where Programme beneficiaries were acquitted by the Court of First Instance and then appealed. These processes cause frustration and demotivation among potential applicants and added costs to all parties. Therefore, it would be reasonable to deal with potential issues pre-emptively by allocating a share of the budget to mandatory consultations and sharing responsibility with the SSSC.



## 4. Added value and sustainability of the results

The given chapter focuses on evaluating the Programme's added value and its contribution to solving regional and beneficiary-level problems, emphasising unique benefits that emerged solely due to its support. This involves assessing the Programme's distinct advantages in improving social, economic, and environmental conditions that would not have occurred otherwise. Additionally, this chapter will determine the sustainability of the Programme's long-term success by examining the durability of positive effects, which go beyond the Programme's active intervention period, and analysing whether current and potential future outcomes will continue to foster regional development. This evaluation considers the broader implications of suspended cooperation with Russia and the closure of the CBC Programme to understand the legacy and future applicability of its achievements.

### Key takeaways:

Survey results and conducted interviews show a favourable assessment of the CBC Programme, with many people seeing the distinct advantages and durable benefits that the Programme brought to the participating regions. The projects have fostered interpersonal relationships, helped to preserve cultural heritage in the border areas, and supported traditional businesses and environmental management. Large Infrastructure Projects (LIPs) have played a crucial role in achieving regional goals and providing comprehensive development support for important regional structures that would have otherwise remained unattainable due to limited national funding opportunities. The CBC Programme is vital for the participating regions as interviewees often mentioned that without the CBC programme, there are no alternative cooperation frameworks available that can effectively support similar initiatives in the participating regions. The survey further illustrates this point: 51% of respondents indicate that the end of the Programme negatively impacts their ability to find alternative funding, and nearly 70% see a need for a new funding instrument to support the participating regions. Establishing a new cooperation mechanism is highly necessary to prioritise local needs, security, and sustainable development of these regions.

### 4.1. Durable benefits for the participating region

The CBC Programme's impact has been influential and multifaceted in the participating regions. The survey results show on Figure 20, that most of the participants see durable benefits created in the projects as the designed products, skills, services, or tools will be used in many years. Based on the conducted interviews, the Programme's durable benefits for the participating region can be categorised into key areas such as improved social cohesion & community building, cultural preservation & regional cooperation, and economic & environmental impact.

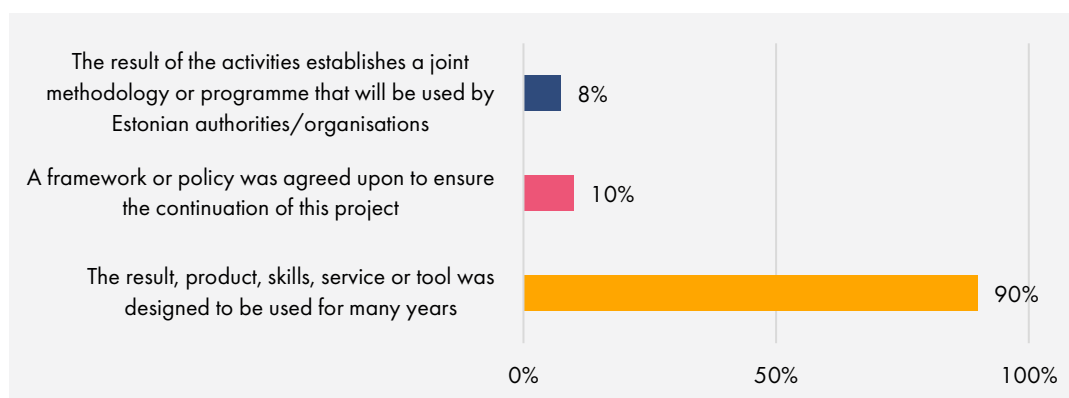


Figure 20. Respondents' view on how the continuation of the initiatives and/or benefits from their project are sustained in the near future (%).

#### 4.1.1. Social cohesion & community building

The Programme's impact on social cohesion and community building was mentioned in multiple interviews as people recalled the projects fostering the creation of strong interpersonal relationships and encouraging collaboration through joint activities and shared goals. Projects brought people together,

creating relationships and cooperation that otherwise might not have developed or developed in such scale.

Project leaders often engaged their local communities as they worked together towards a common goal, which in return increased the shared positive feeling of successful and tangible project results. Project leaders expressed in interviews, how project participants felt, that they were part of something larger, which contributed to the overall development of their regions and nurtured existing social and economic structures in the region. For example, the construction of piers in Luunja and Mustvee engaged local residents who initially questioned the necessity but later recognised the communal benefits and the piers have since become a local hotspot.

These programmes and projects certainly have a social impact. It brings the community together, building relationships and cooperation that would otherwise not happen. It gives people a sense of being part of something bigger and contributes to the development and cohesion of the region. In the future, it will be important for both economic and social sustainability. – local expert

#### **4.1.2. Cultural preservation & regional cooperation**

The Programme significantly contributed to the preservation and promotion of cultural heritage across the participating regions, resulting in the preservation of cultural practices, restoration of historical sites and promotion of intergenerational knowledge transfer. As several projects in the Programme focused on preserving local cultural practices and traditions, these established new networks of cultural organisations and helped to preserve vital documentation to ensure that these cultural practices remain accessible to future generations, thus maintaining a link to the regions' past.

For example, initiatives in Setomaa region involved documenting of folk traditions and teaching Seto language, or events like Pihkva Hansapäevad provided platforms for cultural exchange and celebration of traditions, drawing attention to local arts and crafts, or preserving industrial heritage in Ida-Virumaa. These transfers of knowledge were crucial for ensuring that cultural heritage in the CBC Programme regions remain vibrant and relevant. These results can be regarded as truly lasting benefits of the Programme, which are important for the beneficiaries, their communities, and participating regions.

We wanted to highlight the industrial heritage. It is very important in our region. Highly valued elsewhere in the world, yet we had no record of it. The expertise that we have built up here over the decades is important, so that it doesn't just decay, and the younger generation can also consume it. The fact that it is ready now will benefit for decades. There is this sense of responsibility that we must preserve the value that exists now. – project lead

In some instances, the involvement of Russian partners introduced new cultural themes and practices to the Estonian side, broadening the scope of cultural preservation in border regions with similar historical heritage background. Although disruption affected those cross-border collaborations, the initial exchange of ideas and cultural practices had a memorable effect and helped to foster deeper connection to peoples' cultural identity, especially among young students. These activities will now continue to flourish without the Russian partners to engage youth in preserving cultural heritage in the border areas of Estonia.

Moreover, during 5<sup>th</sup> and 6<sup>th</sup> call, the networks of collaboration expanded as the Programme connected people across different regions and sectors. For example, the relationships formed between Estonian and Latvian partners provided a valuable network for ongoing and future collaboration. Many interviewees recalled good partnerships with other Estonian partners during the last two calls for proposals, which turned out to be very beneficial for realising project activities in the border regions of Estonia.

#### **4.1.3. Economic & environmental impact**

Lastly, the CBC Programme results have yielded numerous benefits, which contribute to long-term economic and environmental impact of border regions. Projects such as the restoration of historical sites and the promotion of cultural tourism, have stimulated local economies by attracting tourists, organising cultural festivals, and promoting heritage trails. Consequently, these results were overshadowed by

COVID-19 and the disruption, yet the achieved results can still be used to attract tourists from other regions and promote internal tourism within Estonia. For example, construction of piers and the restoration of historical buildings serve as lasting assets for the community and such infrastructure improvements enhance regions' attractiveness to tourists.

In some cases, the CBC Programme encouraged the growth of local businesses by fostering a supportive environment for entrepreneurship and enhancing skills and capacities of local residents through workshops and seminars. This capacity building is crucial for the long-term development of the regions, empowering residents to initiate and manage future projects independently. Additionally, initiatives promoting local products and crafts helped businesses reach new markets and sustain traditional industries in the border areas. For instance, initiatives promoting organic farming in South-Eastern Estonia encouraged sustainable agricultural practices, benefiting the environment, and providing healthier food options for the residents.

According to many interviewees, the most durable benefits resulting from the Programme came from environmental projects aimed at promoting sustainable practices, improving ecological knowledge, or cleaning common waters (Lake Peipus) due to shared common environmental issues in the border regions. Yet, some question the lasting effects of these common projects as one cannot be sure, that Russia continues to use the infrastructure built for these purposes. However, some good examples include common research projects as the collaborative nature of these projects allowed for comprehensive data collection from Russian side and analysis, which are essential for an effective environmental management. Since all TO6 projects included elements of awareness raising and environmental education, this helped to foster sense of environmental responsibility, thus ensuring that some positive impact will be sustained through community engagement.

|| The most important result [of the project] is that we didn't know the information from the Russian side, but now we do. Now we can adequately assess the overall picture. Before we could not get this data. It [project] could have been done without the Russians, but then we wouldn't have had data from their side. It [collaboration with Russia] was still necessary. – project lead

Additionally, the survey results highlight the important role of the CBC Programme in enabling projects in the participating regions. More than one-third of respondents indicated that the project or activities would not have been undertaken without the Programme's support and 15% claimed, that there would not have been any other to carry out the same activities in the region. Around the same amount indicated, that the CBC Programme helped to accelerate the process implementing the planned activities as without the funding, activities would've been done on a smaller scale or started later in the timeline. Hence, this shows that even if 43% of people would've gotten funding from other instruments for their projects, a significant number of respondents showed a high dependency on the Programme's support to carry out their projects in the participating region.

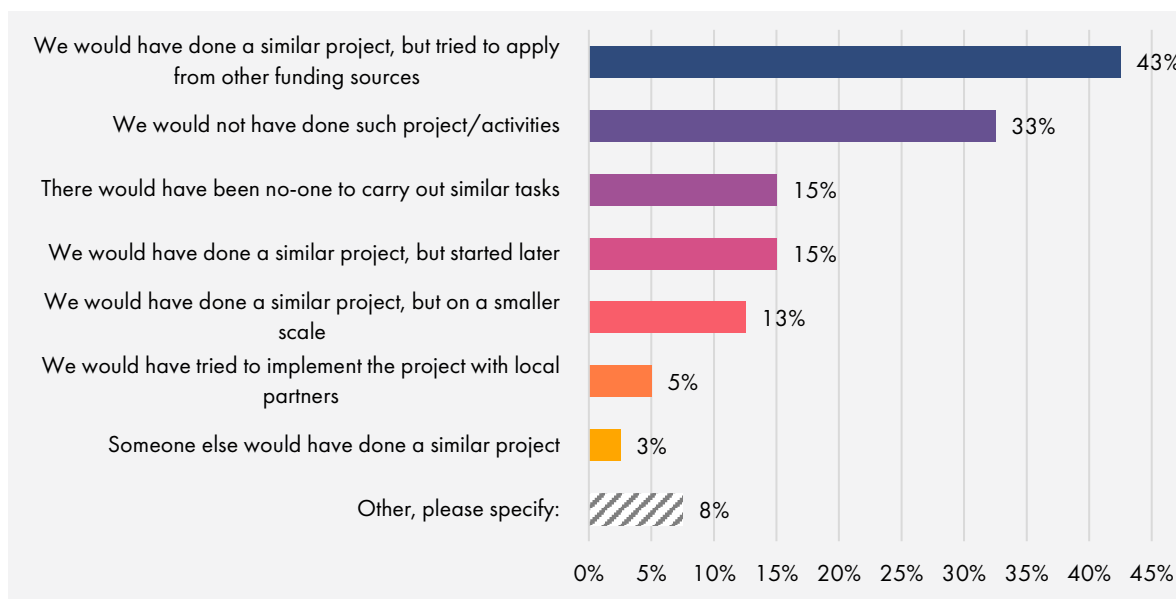


Figure 11. Respondents' views on what would've happened if they had not received support from the CBC Programme (%), N=53.

In conclusion, the CBC Programme has resulted in durable effects in the participating region, which have a lasting impact on the local communities and economic structures. The projects have fostered interpersonal relationships and helped to preserve cultural heritage in the border areas, as well as supported traditional businesses and environmental management. Additionally, the survey indicates a dependency on the Programme's support to carry out projects in the participating region.

#### 4.2. CBC Programme's feasible legacy in the region

Based on the interviews, it is apparent that the CBC Programme has left a feasible legacy in the participating regions, which can effectively be utilised in future endeavours in the region. The analysis shows that the Programme established a solid structure for these future activities by enhancing professional expertise and providing vital administrative lessons for the participants, building effective networks for collaboration, and, to some extent, securing sustainable project outcomes.

The Programme fostered networks and partnerships beneficial for future projects, allowing smaller municipalities to leverage the expertise and resources of more experienced partners as the Programme provided valuable administrative lessons, especially in managing complex projects with international cooperation. The Programme also supported smaller-scale initiatives, which were more manageable for less experienced applicants. This possibility enabled smaller entities to develop their competencies in project management and sector-specific skills, paving the way for future, more substantial projects. Moreover, according to many interviewees, the CBC Programme resulted in lasting personal and professional relationships, facilitating continued collaboration and knowledge sharing even after the official end of projects. This ongoing cooperation testifies to the Programme's lasting impact on regional collaboration.

It has been a positive experience from the project in general and the good friendships that came out of the activities and meetings. Even after the projects, the cooperation has continued [with Estonian project partners], in terms of learning lessons and consulting each other. In terms of personal relations, it [the project] was very positive. – project partner

Lastly, the Programme's focus on three priority areas (at least in Estonia) demonstrated substantial progress, particularly in environmental protection. These areas remain relevant and are likely to attract continued attention and development in the future. Interviewees also mention the legacy of LIPs and other larger projects, which were crucial for areas like Setomaa and Narva. These projects addressed the

immediate needs of the regions and laid the groundwork for further developments and additional funding for local projects. The continued interest of the participants and expansion of these initiatives indicate that the foundational work done by the CBC Programme was solid and capable of attracting future projects in the participating region.

There has been progress in Estonia in the three priority areas of the programme. In the field of environmental protection, there were also effective projects in Russian Federation. Estonia has learnt from the administrative side and this Programme was a good area for action. Thanks to that we have a whole bunch of people who have gotten very good experiences from the Programme. At the same time, there have also been good lessons learnt in dealing with Russian Federation. For those particular regions it has been extremely important. – regional expert

### 4.3. Added value of LIPs

The implementation of Large Infrastructure Projects (LIPs) has provided significant added value for the regions, primarily through the development of critical infrastructure and the enhancement of cultural heritage sites. These projects have played a crucial role in achieving regional goals that would have otherwise remained unattainable due to limited national funding opportunities and lack of self-financing options from the local governments. LIPs had multiple added value elements, which are highlighted in table 6.

Table 6. Added value of LIPs

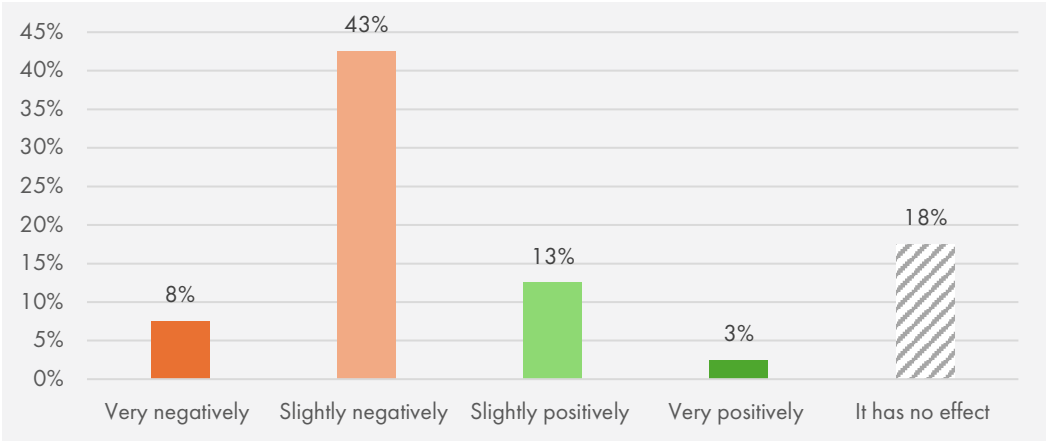
Added value	Description
Accelerated progress	The LIPs allowed regions to meet their objectives more quickly than they would have through national funding alone. As one expert noted, these projects helped to rapidly fulfil regional goals and accelerate the progress of updating both historical and necessary infrastructure in the participating regions.
Comprehensive development	The funding facilitated the comprehensive and systemic development of various important structures in the region. For example, the restoration of the Kristervall Bastion, Narva castle and construction of multiple harbours, was made possible. Without such funding, it is estimated that most of these projects would not have been realised or would have been pushed to the future.
Enhanced urban & cultural spaces	The Programme enabled the enhancement of urban areas, particularly in city centres and local hotspots. For example, the extensive development along the Narva riverfront area has significantly improved the urban landscape and added value to the city's cultural and recreational spaces as such developments have provided the city with a distinct character and contributed to its attractiveness. The restoration of cultural heritage sites, such as the Kristervall bastion and Western Yard of Narva Castle, not only preserved important historical landmarks but also promoted cultural tourism and environmental awareness.
Learning opportunities for the project leads & knowledge exchange	The LIPs motivated regional stakeholders to collaborate and learn from each other thus increasing administrative capacity in the participating regions. Even projects that initially seemed unfeasible were successfully completed, providing valuable learning experiences, and fostering a culture of mutual support and knowledge exchange. Additionally, the Programme promoted cooperation between different cultural and administrative entities. Regular exchanges of information and expertise, such as those with environmental organisations, have enhanced the regions' capacity to manage joint projects and address shared challenges.
Economic & social impact	The creation and enhancement of infrastructure through LIPs has had a positive economic and social impact. For example, the construction of promenades and cultural sites has attracted more visitors, enhanced tourism, and provided economic benefits to the regions. Additionally, the development of infrastructure has improved connectivity and economic integration between regions as improved transportation links and restored facilities facilitated cross-border trade and interaction (before the disruption).
Cross-border impact of the funded investments	The cross-border impact of LIPs was substantial until the disruption, notably benefiting slightly more the Russian side through the exchange of expertise in areas like wastewater management, environmental protection, and business and tourism. ER2 had the most significant cross-border impact, with water purification upgrades expected to provide long-term benefits on both sides. However, the full potential of economic and tourism-related LIPs can only be realised with the resumption of stable cross-border relations, limiting the overall cross-border impact to a low-to-medium level.

The cross-border impact of LIPs was substantial up until the disruption. Both sides, although more so the Russian side, gained from the cross-border cooperation. LIPs facilitated the exchange of expertise, best practices, and methodologies in areas such as wastewater management, environmental protection, and business and tourism. This knowledge transfer was crucial for building capacities and fostering long-term improvements, and it is expected to be sustained (on both sides) even after the disruption. ER2 has the largest cross-border impact, as the upgrades to water purification facilities are expected to continue providing long-term environmental benefits on both sides of the border. However, the full potential of business, SME, and tourism-related LIPs (ER1, ER3, ER4) and their cross-border impact can only be fully realised with the resumption of stable and cooperative cross-border relations. On the Estonian side, the foundation or basis for this future potential has been laid almost in full, with the help of LIPs. Overall, while the Programme has had a substantial impact in terms of environmental improvement and capacity building, the full cross-border impact, particularly in economic/business integration and tourism, has been limited by external challenges and disruptions. Thus, the cross-border impact – the way it was planned at the initiation of the Programme – can be assessed as low-to-medium achievement level.

**4.4. The impact of closing the CBC Programme & future of the regions**

As indicate before in this evaluation report, the CBC Programme was a vital instrument in the participating regions for implementing development activities according to the regions’ needs. The closure of the Programme has left a significant gap in funding opportunities for the border regions of Estonia, which continue to struggle with attracting investments and people to the peripheral areas. The future of the regions in these changed circumstances is complicated and difficult. This was further highlighted during the interviews and from the results of the survey.

The interviewees often mentioned **that without the CBC programme, there are no alternative cooperation frameworks available which can effectively support similar initiatives in the participating regions.** Smaller investments from other national funds are insufficient to cover the regions’ needs, leading to a halt in both significant local infrastructure projects and TO1/TO5 projects, which support the local community and promote cultural heritage. Furthermore, project leads claim, that a lot of national funding instruments have long queues, too many applicants, and funding often goes to larger organisations or to bigger cities, leaving periphery areas empty handed. This is further illustrated in Figure 22, where more than half of the respondents indicate that the ending of the Programme has a negative influence on their ability to find alternative funding.



**Figure 22. Respondents’ view on how the ending of the Programme influences their ability to find alternative funding for development activities in their region (%).**

“ I think it is very necessary for the development of the [cultural] sector. We would not be able to develop this area without the support of such projects, because the local authorities do not support this subject. Everybody supports their own cultural life, but not like this. This was absolutely a very important

opportunity for us. Even in terms of volume [of the activities] as well. The grants from the cultural capital are very small, you cannot do it with such a volume. – Project lead

Of course, this was an extremely worthwhile programme, because there has been a lot of talk about the fact that only large regions are usually eligible for EU funding. The very fact that border regions and smaller applicants can write or participate in a Programme of this international scale is hugely important. Otherwise, in most cases, you cannot compete with Tallinn. – Project lead

Some project leads claim, that the end of the CBC Programme will result in reduced economic activities and an overall decline in regional prosperity. For example, cultural institutions already face closure as small museums struggle to cover their costs without the programme's support. Grass-root organisations fear that they wouldn't be able to continue with their activities as getting funding from larger programmes such as Central-Baltic is harder since they do not support similar local community/government initiatives as CBC Programme did. Hence, the closure of the Programme has left a lot of uncertainty in the participating regions, impacting the local communities and new initiatives being financed. This is further illustrated by the majority of the survey respondents that believe it would be relevant to continue with CBC Programme activities in the future with Estonian and other EU project partners (see Figure 23).

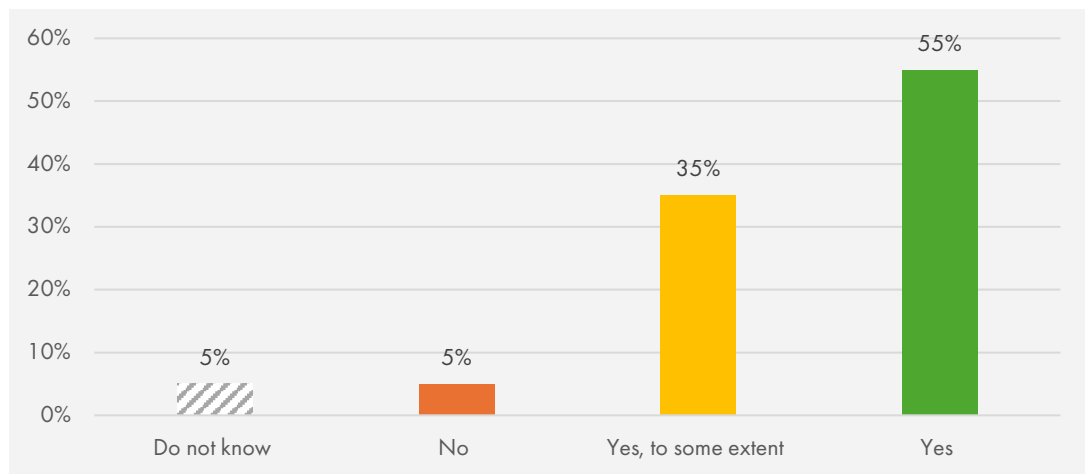


Figure 23. Respondents' views on whether it would be relevant to continue with the activities in cooperation with Estonian and other EU project partners, even after the finalisation of the Programme (%).

Such programmes should be agile because the situation has changed so much. The region [Ida-Virumaa] is in a bad situation and should be supported in the future. There is definitely a need for a collaborative programme to keep the area alive and there is definitely a need for these connection points to save the region. – project lead

Some interviewees feel the gap on the ended cooperation with the Russian Federation. The inability to cooperate with neighbouring region on cultural and environmental issues, such as managing the Peipsi Lake ecosystem, can create long-term challenges, which cannot be solved by doing activities on just the Estonian side. Due to disruption, both sides of the border suffer from a lack of coordinated efforts in preserving shared cultural and natural resources. For example, shared activities between students/pupils in both sides of the Setomaa border helped to enhance common understanding of shared history. Yet, none of the interviewees see the cooperation returning to what it was before the disruption any time soon since the trust and willingness to cooperate with the other side is lost.

There's no white light in the end of the tunnel. The reason we're working in that area is because it's a difficult generation. We still have one lake, one ecosystem, one history – the local languages and how this cultural space has happened here with Russia. We have to manage the fish stocks of Lake Peipsi together with Russia. Both Estonian and Russian children should know who lives there in the Peipsi (...) This is equally important for both the Estonian and the Russian side. One day this war will end and, although I cannot imagine it now, we will have to start talking again. A century of trust needs to be rebuilt. That doesn't mean we shouldn't do it; we will have to. – project lead



Lastly, the interviewees feel that the absence of the CBC Programme exacerbates security concerns in border areas as the locals are “the best border guards”. Some share the opinion that the end of the Programme contributes to depopulation and economic stagnation in the participating regions, which, in turn, heightens security risks as local populations diminish and economic activities decline. Lack of EU presence in the border areas can lead to a sense of abandonment and frustration as regions are left to deal with periphery issues alone.

Therefore, strengthening cultural ties and promoting regional identity through local cultural and infrastructure projects can foster community resilience. Ensuring that border regions have access to cultural and recreational opportunities will help maintain local engagement and counteract feelings of neglect, resulting in stronger EU external border. This is further illustrated by the fact, that almost 70% of the survey respondents see a need for a new funding instrument to support the participating regions (see Figure 24).

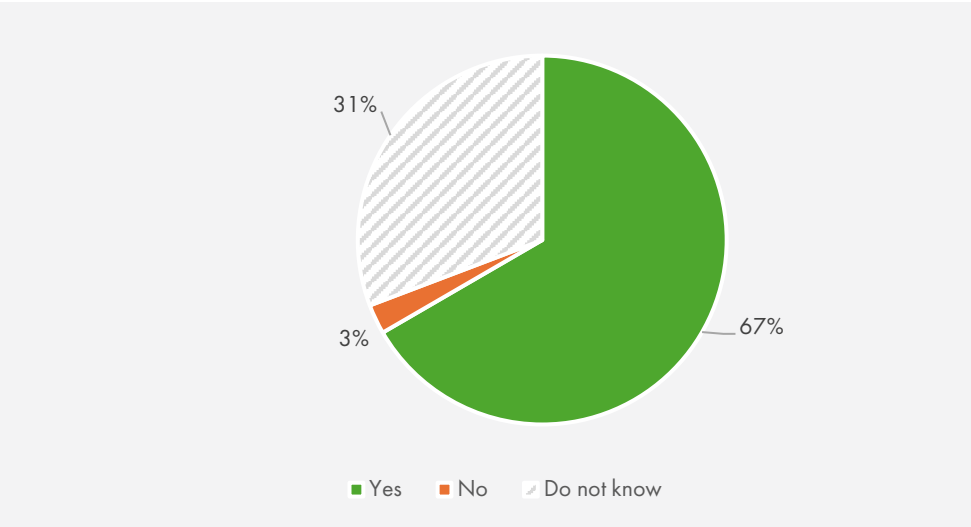


Figure 24. The need for a new funding instrument for EU external border cooperation activities (%).

In conclusion, in the wake of the CBC Programme's closure, the future of Estonian border regions depends on implementing strategic initiatives designed to address the unique challenges in the participating regions. Establishing new cooperation mechanisms is crucial, prioritising local needs, security, and sustainable development. Introducing agile funding systems tailored to the evolving geopolitical landscape will help maintain regional strength and security.

For example, emphasising north-south cooperation corridors, such as enhancing Estonia’s connectivity between Finland or Ukraine, could mitigate the isolation caused by disrupted east-west partnerships. Targeted investments in the participating regions continue to be essential, focusing on infrastructure, economic growth, and cultural projects to sustain local communities and economies. Long-term vision and policy support at national and EU levels are crucial, which would emphasise community ties and infrastructure improvements, which would also help to prevent economic and social isolation of the periphery regions. Only then these regions will be able to fully navigate the current challenges and secure a sustainable and prosperous future if there is a strategic approach that considers the broader European border context.



## 5. Conclusion and recommendations

### 5.1. Conclusion

The key finding from this final evaluation is that, in broad terms, the Estonian EU External Border Programme has been **relevant**, having achieved its intended objectives and introduced impactful projects. The **added value** of the Programme is clear, as projects have contributed to sustainable activities, including through Large Infrastructure Projects (LIPs), and fostered partnerships that have facilitated meaningful cross-border cooperation before the disruption and cross-regional cooperation afterward. The **impact** on direct beneficiaries, i.e., project partners, has been especially strong. Throughout final reports, interviews, and surveys, project partners have reported benefits in their capacity to grow, partnership formation, increased experience, and attractiveness to other partners in EU-funded programmes and projects, as well as in follow-up activities. The Programme has also significantly impacted motivation and self-confidence to participate in future EU funding programmes, i.e. empowering them for the future activities. This applies to both governmental and non-governmental organisations. While some of these impacts are short-term, most have also been manifested in Result Indicators (RIs), and it can be expected that, in the long term, they will have positive spill-over effects for the targeted regions (Programme area).

Before the disruption, the **cross-border cooperation** had a substantial positive impact, contributing to the achievement of Programme goals in environmental protection, economic development, tourism, and capacity building (with regards to capacity building, the positive impact was more prevalent on the Russian than on the Estonian side). After the disruption, while some benefits persisted, particularly in environmental areas, the full potential of cross-border cooperation in achieving broader economic and social integration was hindered and thus, remains limited. The overall cross-border impact post-disruption can be assessed as low-to-medium, which was to be expected following Russia's suspension from the Programme.

The Programme is a **relevant** and impactful source of funding for beneficiaries in the programme area. As discussed in Chapter 4 (Added value and sustainability of the results), the Programme provided targeted funding to address the needs of the EU external border regions, which may otherwise go overlooked by national and other EU-level funding sources. Results also show that many project ideas would not have been implemented, or their activities would have been done on a smaller scale, without Programme funding. Thus, the Estonian EU External Border Programme has been a relevant source of funding for projects in the border area, and project activities have made a positive impact in the programme area.

This final evaluation also finds the Programme **efficient** and **effective**. In general, the goals set in the projects were achieved. However, some common output indicators (COI) have been difficult to link with practical project activities, especially for projects with more social activities or actions, where the measurability of outputs could have been more logically aligned with the nature of the activities. Measuring and proving (i.e. supporting with enough evidence) some output indicators proved challenging for several projects (part of which derived from the Disruption). There were also struggles with budget management, particularly due to unforeseen rises in prices and service costs, suggesting the need to include force majeure clauses in project agreements.

Despite being rather complicated Programme because of the involvement of Republic of Estonia and the Russian Federation – both which have somewhat different legal systems, ways, or traditions of managing, implementing and supervising projects as well as national or external funding – the final evaluation finds the Programme intervention design and processes appropriate and optimal within the given strategic framework.

The Programme encountered several external challenges, such as the COVID-19 pandemic and the Russian aggression in Ukraine (i.e. the disruption). These challenges impacted projects and beneficiaries, but the Programme authorities, particularly the JTS, managed to adapt, largely mitigate the effects, and continue supporting the projects. managed to largely mitigate the effects. For example, the decision to proceed with the 5th and 6th calls for proposals, rather than cancelling the Programme, allowed for the

continuation of several projects focused on local issues arising also from the war, such as integration activities for permanent minority populations and support for Ukrainian refugees. Also, the redistribution of funding to projects in need helped achieve their full potential, particularly in construction and other high-expenditure areas.

Many projects have created durable benefits, including enhanced skills, motivation, and regional cooperation. The Programme has left a good and durable legacy that can be used in future activities and cross-regional cooperation. The benefits include improved environmental protection measures, investments into infrastructure that have laid the foundation for future investments, business opportunities and other activities, and somewhat increased social cohesion in the border regions.

Border areas have been disproportionately impacted by events such as COVID-19 and the (semi)closure of borders because of the sanctioning of Russian Federation. Reversal of the focus from Russia takes (a lot of) effort, time; and resources, of which there are not too many. As the Programme supported the implementation of cross-border, regional and local ideas, which most probably would not have been realised without this funding, the closure of the Programme means losing a financing opportunity. This is going to be a loss for many beneficiaries also because of the appreciation that the Programme was with a relatively simple application and implementation process, compared to other funding sources, both EU and national. The ability to find funding for development activities in the regions will be negatively affected, although some alternatives exist (e.g., Interreg Estonia-Latvia, Central Baltic programme etc).

## **5.2. Recommendations for future Programmes**

### **5.2.1. Continue supporting cross-border and regional cooperation in EU's external border areas, while addressing periphery challenges in the participating region**

- To address periphery challenges and enhance regional collaboration, a holistic approach is needed to foster strong and meaningful cross-border cooperation along the geopolitical corridor, covering EU external border areas in Finland, Estonia, Latvia, and Lithuania. It is crucial to support these areas with strategic investments in infrastructure, community-based projects, and socio-economic initiatives to prevent their decline, and from there, also potential weakening of EU's external border.

### **5.2.2. The continuation of the Cross-Border Cooperation Programme ensures continuous attention and resources through targeted funding and infrastructural development and tailored socio-economic programmes.**

- Prioritise state-funded initiatives for essential infrastructure (e.g., fire and rescue services, environmental protection) while using external funding for complementary projects that. This will enhance security and the quality of life in border communities, thus decreasing the sense of abandonment in the region.
- The current CBC Programme corresponded to the dual needs of Estonia's border areas by combining LIPs and smaller-scale, community-focused projects – lack of funds for developing infrastructure and competition for small-scale projects against strong regional centres in Estonia, such as Tallinn. This type of CBC Programme – by combining small- and large-scale projects –, should continue as this was highly valued by the participants and is also cost-effective in terms of management costs.
- Continue to support large and medium-sized infrastructure projects with public sector partners, who gain valuable experiences and increase their administrative capabilities. However, also greater technical assistance should be offered to ensure effective implementation of these projects. In addition, LIPs support local-level and community initiatives effectively, enabling – in the long turn – local organisations to execute large infrastructure projects independently, rather than relying on national funds for the development of the border region.

### 5.2.3. Foster economic and innovation growth

- Encourage projects that integrate large industry stakeholders with small-scale entrepreneurs to stimulate the economies of local border areas to create a dynamic and resilient economic environment. This approach leverages the strengths of established industries while fostering innovation and sustainable business practices at the grassroots level.
- Continue to promote regional strengths and enhance competitiveness in Estonian border areas through strategic investments in key sectors such as technology, tourism, and agriculture, addressing specific challenges unique to these regions. It's important to support and engage local communities in the planning and implementation of development projects to ensure they meet the needs and preferences of residents.
- Encourage applied science projects under TOs that address regional challenges and practical applications with cross-border relevance, such as environmental sustainability and economic development, leveraging cross-border cooperation to enhance impact and scalability. Foster the creation of new collaborations between research institutions and industry.
- Encourage also research activities that facilitate cooperation between universities. This would help to facilitate and ease cross-border collaboration with Finland, Latvia and Lithuania, in the areas as were targeted with this programme (this could be also further improved by enlarging thematic objectives).

### 5.2.4. Improve programme design and implementation

- Where necessary, refine programme indicators (especially result indicators, as common output indicators were more to the target) to ensure they are practical, relevant, and aligned with project activities by involving stakeholders in the process to guarantee their applicability.
- The current result indicators (RIs) are influenced by external factors such as other funding instruments, the use of structural funds, and changes in the socio-economic situation. This makes it challenging to isolate the impact of the CBC Programme from these other elements, a factor not fully accounted for in the methodology for assessing RIs. It could be better to connect the RIs to the participants and target groups who directly benefit from project activities. For example, in TO1, the RIs could focus on the readiness of businesses that directly benefited from the project activities, providing a clearer indication of the programme's impact and usefulness.
- Another option would be to maintain broader RIs but carefully select evaluation measures to capture the likely programme effect. This approach would help distinguish the project impact from other influencing external factors, such as changes in the labour market, economy, and other interventions. However, such studies are large and complex and have their limitations. Given the programme's scope, it would be more practical to make the RIs more concrete and closely related to the Programme's funding.
- Additionally, include qualitative measures where possible to capture the full impact of social and so-called soft (socially focussed) projects, enabling a more comprehensive evaluation of project outcomes. This is necessary to better measure the expected change resulting from the intervention of the programme (e.g. *increase in specific outcome X*).
- Incorporate *force majeure* clauses in project agreements to manage unforeseen economic changes and ensure financial stability, providing clear guidelines for project adjustments in case of emergencies. This is highly relevant in the situations of public procurement of construction work, infrastructure, or large-scale equipment.
- Continue using supportive innovative elements, as used in the 5<sup>th</sup> call, e.g. lump-sum funding, advance payments, and flexible indicators to ensure adaptability and effectiveness in project evaluation and implementation.

- Encourage active participation and feedback to align projects and future TOs with local needs and priorities, fostering a sense of ownership and commitment among all stakeholders involved.
- Continue the work (or working style) of Programme managing authorities, who received highly positive feedback from participants, who maintained consistent processes and high levels of consultation throughout the projects' and Programme implementation phase.
- Review target values for common output indicators that were overachieved unreasonably, to set more realistic targets and improve the efficiency of the Programme.
- Find a balance between narrow specific TOs with reasonably measurable goals (such as TO6 this term) and broader TOs (such as TO5). While it seemed that TO6 activities likely had an impact that was easier to measure, TO5 activities responded to the needs of the regions.
- In case of a possible continuation of the Programme with one-sided implementation in programme area countries in the future (e.g. if there will be an EU external border cooperation programme focusing on the improvement of the EU border areas), the target values for the common output indicators can be set higher relative to the present level. It is primarily more efficient and effective to meet expected targets without cross-border partnerships. However, in this case, the projects lose the added value from the lack of cross-border activities. While cross-border activities can add significant value, collaboration with foreign partners consumes significantly more resources. For example, one-sided implementation, even with multiple partners from one country, can often result in path-dependency in how different activities are implemented. This means that partners address issues the way they are usually addressed, often or sometimes inefficiently. Cross-border cooperation, however, results in an exchange of new practices that foster the effectiveness and efficiency of the projects.
- Domestic barriers should be minimised to be less challenging than the EU legal requirements. This Programme specifically had issues with the procurement laws and execution. While small regional organisations in Estonia usually have issue in alignment with the Programme requirements, in this case, it was often the national procurement laws or regulations that hindered the effective implementation of the projects. There are multiple solutions to this issue. Firstly, a national stakeholder could share responsibility with project applicants in terms of carrying out procurements by reviewing them before rather than after the procurement is carried out. A second solution would be to set a mandatory share of the project budget to receive counselling with public procurement procedures (e.g. by the SSSC), so that all programme participants take possible complications into account before applying for the funding. Thirdly, and although not directly related to the Programme itself, the Estonian procurement regulations could be more flexible, e.g. in terms of deadlines and eligible costs.
- All in all, in the current programming period, many developments were implemented in the programme area, resulting in a focused approach that has shown positive effects, particularly in TO1 (business environment) and TO6 (environment). However, the limited programme budget of around 25 million EUR has been divided between three TOs and eight specific areas, making it difficult to achieve major significant impact across all areas. Focusing on dedicating larger finances to concrete objectives and ambitious projects (LIPs) proved to be very successful, and this approach should continue if possible. Additionally however, there is a high need to continue many of the already completed projects funded by the Programme, indicating that higher financial support in these areas will be necessary also in the future.

#### **5.2.5. Enhance communication and terminology**

- Establish clear and mutually understood project and programme terminology in both English and Estonian for all stakeholders, including new beneficiaries (entrants) to the EU-funded projects, through the creation of glossaries and training sessions.

- Ensure all programme materials, communications, and support services are available in Estonian to enhance understanding and accessibility for local participants, thereby increasing engagement and satisfaction.

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