

STRATEGY FOR 2020–2024

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Background and general basis of the operation

The EIC was founded in 2000, and for the last 20 years it has served as one of the main financiers of environmental projects in Estonia. With the support of various sources of financing, the EIC has helped to implement activities within the scope of different ministries in Estonia.

The organisation's main task is to finance projects that are necessary to meet its statutory* objectives.

These objectives are:

- the reduction of environmental nuisances to the maximum extent possible in order to protect the environment, human health, well-being, property and cultural heritage;
- the promotion of sustainable development in order to secure an environment that meets the health and well-being requirements of the present generation and future generations;
- the preservation and protection of biodiversity;
- a healthy environment;
- the prevention and remedying of environmental damage.

The EIC was established by the Republic of Estonia, and the Ministry of the Environment exercises founder rights.

*General Part of the Environmental Code Act, §1.



ENERGY SECTOR

**3500 projects and
EUR 569 million**

Green technologies
for developing
countries

Demolishing
dilapidated
buildings

Gas-fuelled buses
and biomethane
filling stations

Reconstruction of
nursery schools
rising energy
efficiency

Renewable
energy based
heating plants
and pipelines

Waste collection
stations, waste
recycling & re-use,
hazardous waste
collection networks

Electric cars

Renovation of
street lightning

Circular economy
and
eco-innovation

Resource
efficiency of
industry

Connecting railway
stops with various
green travel options,
reconstruction of tram
lines

Renewal of
manor parks

Hiking and
study trails,
information points
and observation
towers

Visitors centres
for nature
conservation areas
and environmental
education centres

Forest nurseries
and monitoring
of hunting
habitats

Awareness raising
campaigns,
trainings, TV and
radio broadcasts

BIODIVERSITY AND ENVIRON- MENTAL AWARENESS

**12,500 projects and
EUR 431 million**

Restoring
protected
habitats and
spawning
grounds

Landscape
arrangement
and control of
invasive species

Emergency services
and pollution
control equipment
and environmental
supervision

Training visits and
camps for schools
and nursery schools

WATER MANAGEMENT

**4000 projects and
EUR 1 billion**

The construction
of water and
sewerage
infrastructure for
private households

Water and waste
water treatment
plants

Remediation and
maintenance of
inland and coastal
water bodies

Reducing the
consequences of
flooding

Improving
fish migration
conditions

Water and
sewerage
infrastructure

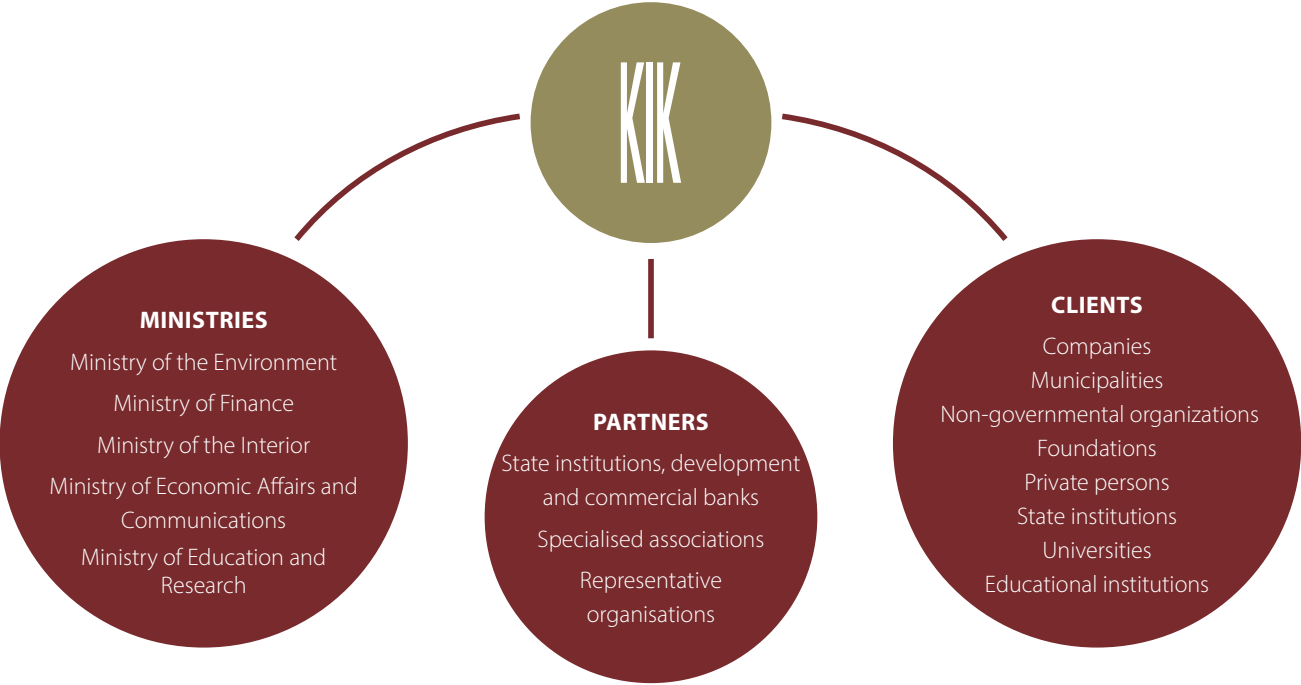
Remediation of
residual
contamination

Restoration of
peat areas

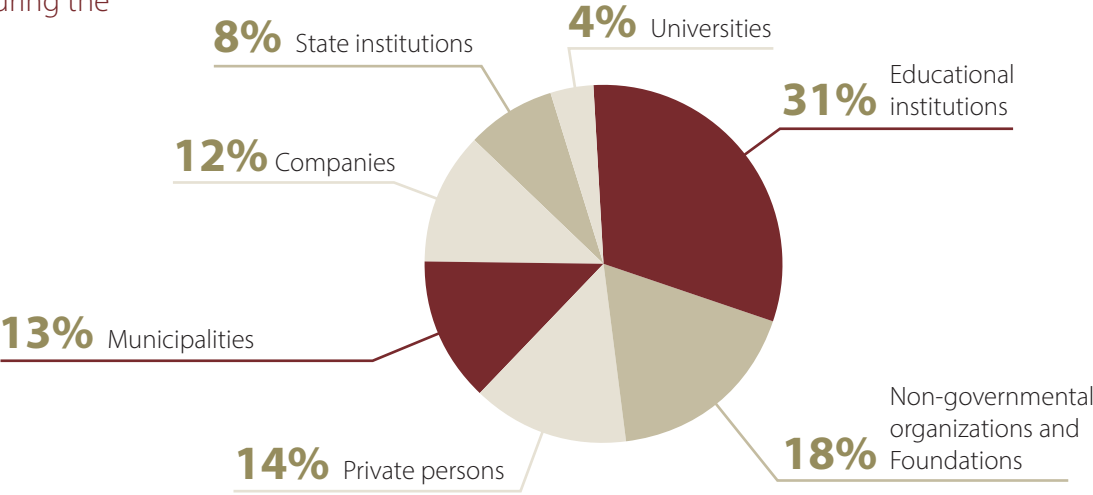
**AS OF 2020, OVER 20,000
ENVIRONMENTAL PROJECTS
HAVE BEEN IMPLEMENTED
WITH A FINANCIAL
CONTRIBUTION OF MORE
THAN EUR 2 BILLION
FROM THE EIC.**

Photos: Jarek Jöepera

The EIC has implemented environmental measures for several ministries. The EIC's current experience covers a wide range of target groups and partners.



The EIC's clients during the period 2000-2018



In 2019, the environment and climate have become areas of concern to everyone – the state, businesses, and individuals. The government made the decision that Estonia must reach climate neutrality by 2050. To do so, several large-scale measures and innovative aid schemes are being planned, which require close cooperation between the private and the public sector, along with joint financing of the area. In 2020, preparations will begin for the programmes in the next European Union (EU) structural funding period of 2021–2027. The EIC continues to carry out projects within the framework of the EU funding period 2014–2020, the implementation of which will continue until the end of 2023, with the volume of disbursements set to decrease starting in 2022.

In light of these developments, it is important to thoroughly review the role of and the basis for the actions of the EIC, in order to be able to contribute effectively to the meeting of ambitious climate and environmental objectives.

The EIC's strategy is based on environment and climate policy framework documents, e.g. the Estonian Environmental Strategy 2030, the national sustainable development strategy Sus-

tainable Estonia 21, the General Principles of Climate Policy Until 2050, and the National Development Plan of the Energy Sector until 2030. In addition, the EIC's development is influenced by EU and global vision documents like the EU's 7th Environment Action Programme 'Living well, within the limits of our planet', the EU 2050 strategic vision 'A Clean Planet for all', the United Nations Framework Convention on Climate Change, and the scoping papers of various financial donors, e.g. Financial Implementation of European Structural and Investment Funds. During the preparation of the strategy, relevant and up to date research and policy decisions have been taken into account, such as SEI Estonia's 'Analysis of the opportunities to increase climate ambition in Estonia', an analysis of the development needs in the strategy 'Estonia 2035', and the decision of the Government of the Republic to achieve climate neutrality by 2050.

The strategy document defines the fundamentals governing the functioning of the EIC as an organisation, in order to best achieve the EIC's objectives and to establish a clear basis for the development and working principles of the organisation, on both a short and a long term basis.



Stakeholder Expectations

The expectations of various stakeholders serve as the basis on which EIC's activities are developed. The most important of these are:

- **the expectations of the Ministry of the Environment as the owner**, which in large part overlap with the expectations of other ministries served;
- **the expectations of private and public partners**, who play a key role in enabling effective solutions;
- **the expectations of clients (target groups)**, whom it is important to motivate to carry out projects; and whose needs and interests are taken into account when designing the activities and services of the EIC.



EXPECTATIONS OF THE MINISTRY OF THE ENVIRONMENT AS THE OWNER

- Well targeted, efficient and flexible implementation of projects and measures; professional operations; low level of risk.
- An excellent understanding of the priorities and practical needs of the target group (clients), which allows for appropriate funding measures to be designed accordingly, while being logically consistent with all relevant actors in the field, and synergies to be found between the parties.
- Effective cooperation with the private sector and other partners in implementing measures.
- Creating an overview of, and benchmarks for, the actions needed to achieve sectoral strategic goals, based on examples and best practices from Estonia, the region, Europe, and the world.
- Providing a proactive input into measures being developed and implemented in order to achieve strategic sectoral objectives.
- Developing and implementing a sustainable funding model utilising various sources of funding for development of the sector, finding additional partners and funding opportunities for it, and developing appropriate ways to involve private sector funding.
- Becoming a centre of competence for sustainable funding in our field, serving as a partner for the State, municipalities, and private businesses.
- Having a complete picture and overview of the measures to be implemented in the country to promote the development of green innovation, which enables targeted development of the field according to the needs of both the State and the private market.



EXPECTATIONS OF PUBLIC (BOTH ESTONIAN AND INTERNATIONAL) PARTNERS

- Better synergy, added value, and efficiency arising from cooperation.
- Clear definition of the scope of activities, avoiding duplication.
- Clear terms of reference and cooperation agreements.
- Capacity to implement pilot projects and new initiatives.
- Flexibility to find solutions to different problems.

EXPECTATIONS OF PRIVATE PARTNERS

- Professional expertise as a pre-condition for cooperation.
- An excellent understanding of the public sector's possibilities and the ability to negotiate agreements flexibly and promptly within the existing framework.
- Carrying out activities and achieving results within acceptable timeframes.
- Gathering and communicating partners' interests to public parties.
- Implementing of general, balanced solutions through the aggregation of individual interests.
- Clarity and consistency of the financing conditions, and proper risk management.



CLIENT EXPECTATIONS

- Finding and providing motivating opportunities to carry out the required activities.
- Clarity and simplicity of agreements and procedures.
- Clear and binding explanations of legislation (state aid, procurement conditions, financing regulations, etc.).
- Risk mitigation (innovative technologies, partnership and cooperation, continuity of conditions).
- Efficient, professional and smooth service / procedures.
- Full service: awareness raising, consultancy, information sharing, best practices, objective and clear answers.



Vision, mission, and values

VISION

The Estonian people enjoy a good natural environment for both living and engaging in economic activities.

The quality of life in Estonia is improving, the natural and business environment are developing in a balanced way, supporting the long-term sustainability of the Estonian economy and increasing its global competitiveness.

MISSION

EIC is a provider of innovative, smart and impactful solutions in the Estonian environmental landscape.

We are working on developing practical solutions, finding cooperation and financing opportunities, both in Estonia and internationally, providing competent services, and bringing projects to life.

VALUES

We know what we are doing



- We have knowledge, experience, and skills.
- We aim to evolve and learn.
- We are curious, dare to experiment and put ourselves to the test.
- We follow through on what we start.



We open doors to new opportunities

- We are a good cooperation partner, we are open to new ideas.
- We are bound together by our goals, and are flexible when it comes to finding solutions.
- We provide well-designed services and create value.



Together we achieve more

- We have a strong team that is excited about their job.
- Everyone's contribution matters, the roles are clear and different perspectives ensure good results.
- We are willing to talk and listen. We will find a way.
- We dare to take responsibility, we trust and involve others.

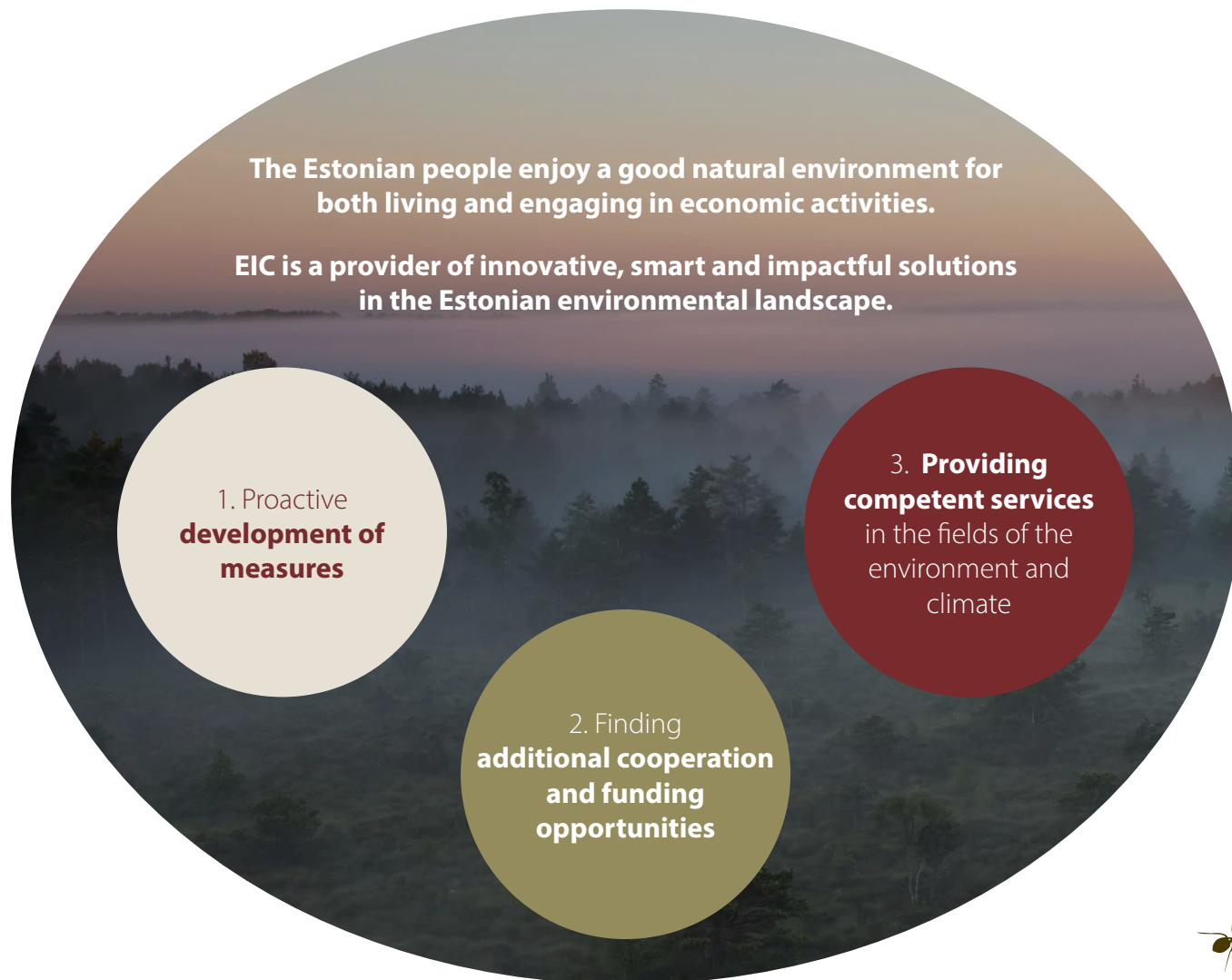
We care



- We care about the environment, our clients, partners and colleagues.
- We care about what we do and how we live.
- We know that small steps lead to great changes.
- Caring for the environment is not just work, it's a way of life.

Strategic objectives and target activities

Based on its vision, the EIC's activities could be divided into three strategic directions of development, the effectiveness of which can be measured and which have a clear cause-and-effect connection between the EIC's contribution and the result.



Competencies and value proposition

The EIC is focused on increasing its impact in society through implementation of practical projects with a long-term positive environmental and socio-economic impact. This will be done via the inclusion of public and other capital.

The EIC has extensive knowledge and experience in the implementation of measures, which together provide a solid foundation for the development of future activities. In addition to excellent risk management and familiarity with regulations, close communication with beneficiaries, bringing together the interests of various parties, and the ability to use different sources of financing have also proven necessary.

The following aspects could be highlighted:

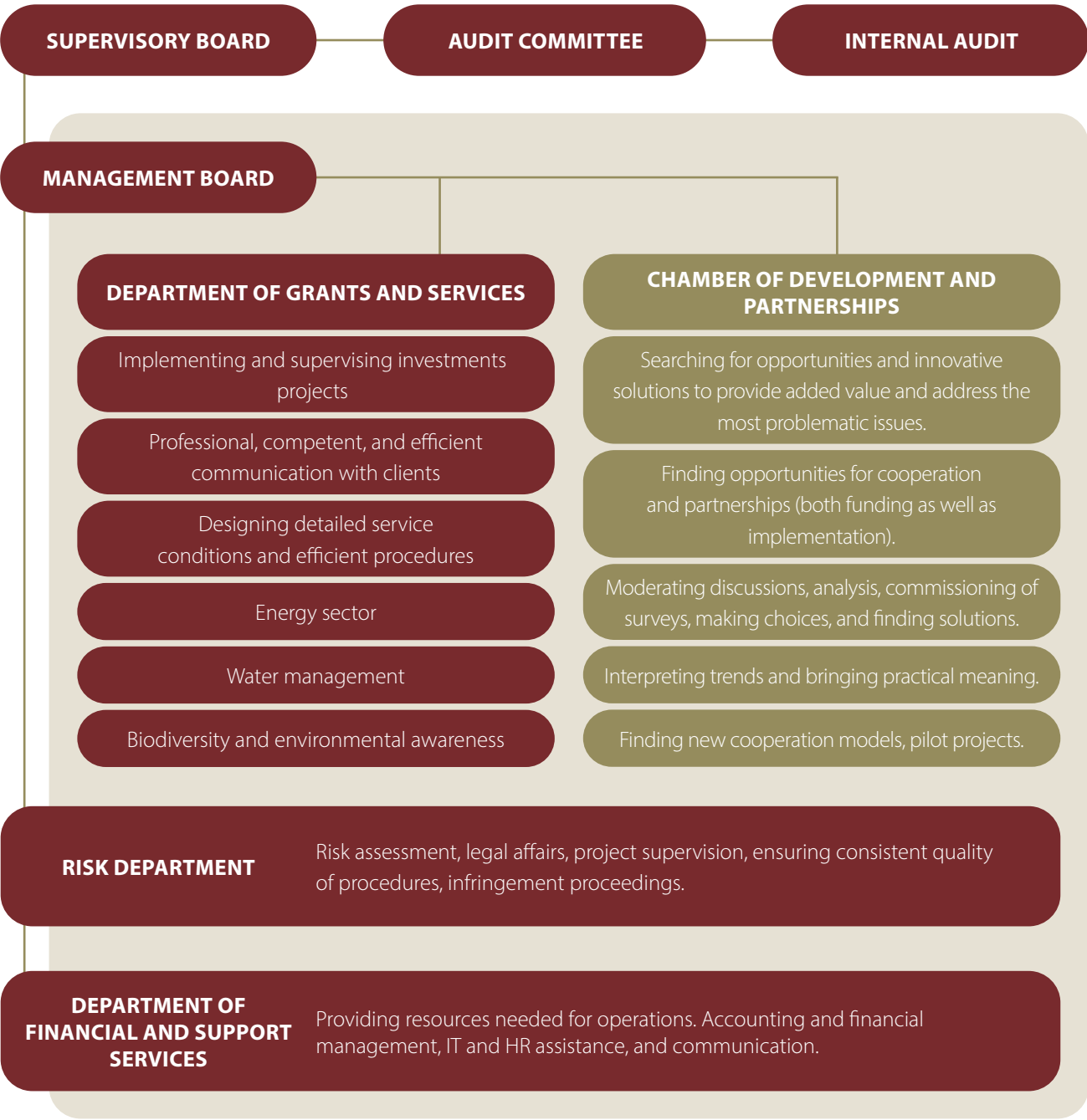
- close relationship with the target group, thorough knowledge about specific interests and capabilities;
- the EIC's main focus is on the field of the environment;
- the EIC combines and deploys various financial instruments from various sources;
- the EIC is able to implement policy instruments for different ministries in cross-sectoral areas;
- the EIC brings together the interests of the private and the public sector to carry out projects;
- a comprehensive portfolio of measures and services of sufficient volume;
- cost effectiveness;
- the foundation is a flexible organisation that can react relatively quickly and is able to generate additional revenue;
- experience in implementing EU and national regulations and interpreting the rules.

When the EIC is operating efficiently, it is expressed through the following added value for stakeholders:

- citizen (people)-oriented and down to earth approach;
- fast paced proceedings, cost effectiveness, and effective results;
- meaningfulness and innovation.

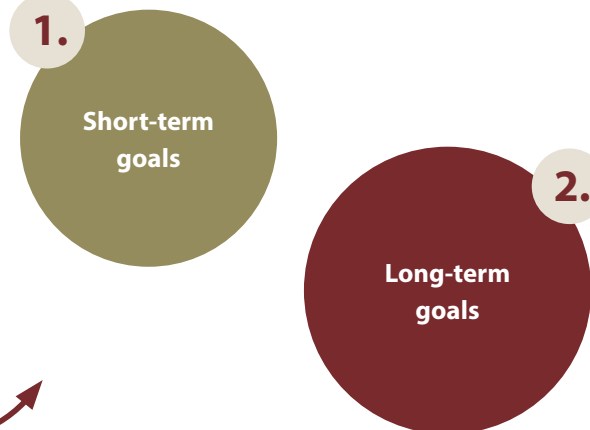


Functions and management of the organisation



Focus activities and key performance indicators

Significant developments are set to take place in 2019-2020 in the fields of the climate and the environment. Since country-level targets and more detailed action plans are currently being prepared, the EIC's focus activities and key performance indicators have been divided into two stages:



SHORT-TERM FOCUS ACTIVITIES AND KEY INDICATORS (2020-2021)

Over the next two years, the focus will be on activities that create the preconditions necessary for efficient long-term goals.

1. Main goal

- Efficient functioning of the organisation.
- Defining a package of support measures to be implemented in Estonia with the participation of the EIC.

2. How will we achieve this?

- Overview of the measures provided in the field. A more detailed description of the measures that are most important to Estonia has been prepared.
- Engaging the team from the Chamber of Development and Partnerships.
- Mapping the international and Estonian partnership network and mutual interests.

- Effective preparation of environmental support measures, including developing new measures and enhancing already existing ones.

3. Effective operation

- High level of satisfaction with services.
- Comprehensive and effective risk management.
- Grant disbursement volume reached.
- Comprehensive KPI system developed.
- Strategy-based team development and training system implemented.
- Voluntary employee turnover under control, additional jobs created outside Tallinn and Harju County in accordance with public sector guidelines.

Short-term goals

LONG-TERM FOCUS ACTIVITIES AND KEY INDICATORS (2021-2024)

In connection with the preparation of sectoral development plans at the national level, the focus activities of the EIC will also be specified during 2020–2021, enabling more precise targets and objectives to be established.

However, the following areas of activity will remain highly relevant:

- looking for new forms of cooperation and developing innovative measures;
- continuous development of measures and procedures;
- continued excellent level of risk management;
- continued development of the organisation and its competencies.

As the national development plans become clearer, more precise target levels can be set for the goals, including in the following areas:

1. Overall indicators that do not depend solely on the EIC, although it is reasonable to monitor and define their connection with the EIC's measures.

- Estonia's ecological footprint is decreasing (CO₂), emissions per capita (SOx, NOx, etc.) are declining, its position in the rankings is improving, environmental indicators in key areas are improving, and the impact of support measures on the economy have been specified.

2. New measures and development


- The number of innovative measures described in the priority policy areas, including in research and development.
- The number of innovative actions implemented.

3. Capital involved

- Additional capital raised in addition to the state budget.
- (Decreasing) share of state funds in total funding of support measures.

4. Effective service and appropriate measures

- High level of satisfaction with services.
- Impact objectives are met (e.g. CO₂ equivalent, increase in resource efficiency, land surface area/volume restored or cleaned, number of water bodies in an improved state, and reduced environmental pollution).
- The public financial contribution needed to achieve the desired impact is decreasing over time.
- Number of process updates.



**Long-term
goals**

Implementation of the Strategy

The Strategy is reviewed annually from September to November.

The Strategy is the basis for the annual objectives and the drawing-up of respective action plans and the budget. The annual objectives and the action plan will set out the main activities and performance indicators which, in turn, are described in more detail in the quarterly action plans.



