

ANNUAL REPORT

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SEI TALLINN IN 2021

In 2021, SEI Tallinn continued to have strong performance in terms of our research output, policy engagement and communication outreach. But this strong performance also posed a challenge for the team. While we saw a growth in project revenue, it, together with continued impact of COVID pandemic on our remote working mode, also brought along challenges in terms of coping with very high work load and difficult working conditions. We continued to provide trainings and support for mental resilience and put also more effort into informal team events to balance the stress, but working towards well-balanced project portfolio (short-term, long-term), corresponding available capacities in the team, having dedicated team-leaders and seniors who could advise more junior colleagues available for all programs, will of no doubt be of top priority also in 2022.

We set a goal to widen the capacity for publishing of peer-reviewed journal articles in our team and it was good to see that in addition to experienced publishers, we also had new colleagues contributing. We also made good progress in anchoring more our work to topics of importance in the context of the European green deal. In 2021, we worked on new topics, like hydrogen, continued on circular economy, contributed to SEI EU policy engagement in various ways (such as by writing op-eds, commenting on EU gas package, collaborating on Energy policy tracker etc., participating in consortia advising European Environmental Agency etc.). In addition to deepened cooperation across SEI in EU policy engagement, we also enhanced the SEI-wide cooperation in project focusing on Bosnia and Herzegovina environmental strategy, by putting forward seed and innovation proposals, doing joint Horizon 2020 proposals, which all puts us at a good starting point for 2022.

Some of the highlights from the last year included developing the holistic analysis of opportunities for hydrogen deployment in Estonia up to 2050, focusing on hydrogen production and use in Estonia, assessing its potential, mapping out opportunities, bottlenecks, market barriers and threats, and the so-called strategic breakthroughs for the future, including identifying and evaluating potential business models. The study gave an overview of the potential role of hydrogen in meeting national and regional energy needs, keeping in mind the Climate objectives and set out a possible ambitious scenario of achieving full independence from fossil fuels with the help of hydrogen.

In sustainable development area, an important contribution was the development of the GHG emission tool for European Commission ESPON programme. The novelty of the tool where SEI Tallinn had a substantial contribution was the land use module and the consumption module. Both modules provide a territorial approach to the GHG emissions. Both modules can be linked with Strategic Environmental Assessment alternatives' comparison and thus provide the decision maker with a tool that enables the construct different scenarios of GHG emission reduction. The GGIA tool is publicly available and could be used across Europe at multiple levels of governance.

As a new strategic partnership, we worked in 2021 very closely with the defense sector. Two large projects were conducted in the Estonian defence sector: the complex study of municipal waste in cooperation with the Estonian Centre for Defence Investments and the development of an environmental footprint model for the Ministries of Defence and the Interior. As a recognition for this partnership, we also received environmental partner of the year award from the Centre of Defence Investment and our recommendations will help to guide the defence sector operations to more sustainable path over the coming years.

MANAGEMENT AND EMPLOYEES

Daily activities at SEI Tallinn are administered by the Centre Director (CD), the member of the Management Board. At the centre level the Management Team (MT) is an advisory body for the Centre Director. MT consists of the Centre Director, Financial Manager and Programme Directors. MT meets approximately once a month. We also have appointed Employee Representative, who provides continuously input to management on employee and HR related matters.

The employee full time equivalent was 18 and total salary costs with social taxes amounted 822 171 euros in 2021. Key positive carry over result from 2020 was the growth of our team and in 2021 we focused on maintaining the momentum. Longer continuation of the pandemic and its effects on our working of course posed challenges and needed more attention in terms of maintaining positive outlook, mental resilience and good social interaction in the team. Hence, in 2021 the HR focus was on team development and support. We provided dedicated training, individual counselling and invested time into informal activities (like weekly social challenges etc).

In 2021, composition of our Supervisory Board remained the same. Måns Nilsson continued the Chairmanship of the Supervisory Board. The Supervisory Board held two meetings to provide strategic guidance to SEI Tallinn activities.

SEI Tallinn follows the SEI strategy and policies. The Centre Director is also a member of the SEI Global Management Committee (GMC), which consists of all Centre Directors and other Directors from HQ Executive Team. GMC is a decision-making body in terms of SEI-wide policies and strategies.

COMMUNICATION

2021 was a successful year for SEI Tallinn regarding communications and sharing its work and research results with the broader public. Societal interest for environmental topics has remained high and SEI Tallinn's role continues to be to contribute to these discussions and raise environmental awareness based on our science-based research. SEI Tallinn's research has attracted wide media attention, leading to numerous coverage in various media channels and mediums (TV, radio, online media, etc.) Media interest was exceptionally high towards our report on food waste and food losses in the Estonian food supply chain, as well as about the analysis of other waste and circular economy issues and the detailed analysis of the environmental pledges in the party's election platforms which were published prior to the local government council elections on Estonia.

As a project-based organisation, SEI Tallinn carries out research and shares the research results with the broader public on a wide range of environmental topics. In 2021, SEI Tallinn continued to contribute and share information on the progress of very different projects, such as the [StratKIT](#) project to promote sustainable catering services in the Baltic Sea region. Also, the [project](#) which was mapping and demonstrating best practices in the circular economy to increase companies' knowledge and ability to create new circular products, services and business models. In addition, work continued on the [YENESIS](#) project, which aims to create green jobs for young people on islands who are not in education or employment (NEETs).

As a partnership with SEI headquarters, SEI Tallinn continued to support various communication activities in the project which aims to help prepare a new [environmental strategy and action plan for Bosnia and Herzegovina](#).

In the Interreg project [RESPONSE](#), which ended in 2021, SEI Tallinn was the leader of the communication package for the first time and therefore responsible for disseminating the project's messages and results, managing the [project's website](#) and social media account. As part of the project, a seminar was held in December 2021, bringing together nearly 150 representatives from Estonian local governments, public transportation agencies, ministries and other relevant organisations. In November 2021, SEI Tallinn organised a pre-COP26 hybrid stakeholder seminar in partnership with the British Embassy in Tallinn to discuss Estonian pathways for the energy transition. The event aimed to support open dialogue between Estonian stakeholders about the pathways for transitioning to a climate-neutral electricity generation in Estonia and strengthen and improve the fact-based discussion based on our recent research about the future scenarios for the Estonian energy sector. In addition, SEI Tallinn organised various webinars during the year.

SEI Tallinn continues to publish its news through its website (www.sei.org/tallinn) and Facebook. Also, through quarterly newsletters which since 2016 have been issued bilingually in Estonian and in English. In addition, the SEI global Twitter accounts @SEIresearch and @SEIclimate were used as a social media channel for communicating SEI Tallinn's news in English.

FUNDING

Despite of the Covid-19 pandemic, the revenue in 2021 increased, as in 2020, by 18 % compared to the year before and our revenue in 2021 for 1,39 million euros is the highest revenue level in our history. As revenue growth of 18% has been achieved for two years in a row and many long-term and large-scale projects ended in 2021, we have forecasted small revenue decline for 2022 and will focus on preparation and developing new long-term projects during a year. Over the years, we have managed to develop a solid financial basis with access to several different funding sources, both locally in Estonia, as well as Nordic-Baltic and the European Union level. SEI Tallinn's revenues 2017-2021 are presented in the graph below (*thousand Euros*):



MAIN ACTIVITIES

In order to deliver positive changes, the SEI global strategy focuses on changing agendas, enhancing capacities and improving decisions in 3 key impact areas – 1) reduced climate risk, 2) sustained resource use and resilient ecosystems and 3) improved human health and well-being. SEI Tallinn has been aligning our research focus and activities to align and contribute to effective delivery on those priorities.

In 2021, SEI Tallinn work was organised in three programmes: Climate and Energy, Environmental Management and Sustainable Development.

Climate and Energy Programme supports global and EU level energy and climate policies, and governance. The programme focuses on climate change mitigation and adaptation action. It analyses and assesses scenarios of greenhouse gas reduction (mitigation) and supports policy instruments of meeting energy efficiency targets. It also supports climate adaptation and risk reduction actions. The programme staff carries out impact assessments and integration of environment and climate topics into sectoral policies. In 2021, there were 8 experts working in CEA program (some working part-time): Program Director, two senior experts, two mid-level experts, two junior experts and one program assistant.

In 2021, CEA program continued to lead partner Interreg RESPONSE project dealing with demand responsive public transit in the rural areas of the Baltic Sea Region. Project RESPONSE has helped strengthen the capacity of public transport authorities and local public transport service providers to implement new transportation services that shift the approach from supply oriented to demand responsive transport (DRT) solutions. The insights gained from DRT piloting enabled the development of several tools, models and solutions such as a business model, data warehouse model and a cost prognostication model.

We continued and intensified our cooperation with SEI US. In this respect, a major project aiming to model the most cost-effective pathways to decarbonise the electricity sector was continued. In addition to that, a very high-profile project looking to support developing national strategy on hydrogen uptake in Estonia, was finalised as well. The study gave an overview of the potential role of hydrogen in meeting national and regional energy needs, setting out possible ambitious scenario of achieving full independence from fossil fuels with the help of hydrogen. We also started a project on transitioning to a carbon neutral heating and cooling in Estonia.

In the context of YENESIS project, we supported the training of youth in green economy areas and are working on improving the policy framework to improve the employment opportunities for youth in remote areas.

CEA continued the ClimVis project in cooperation with HQ, that aims to build a data visualisation platform for climate data, linking it to GIS and making it more accessible to non-expert audiences. It will result in several publications in 2022. Notable was also the addition of new competencies in the area of climate visualisation, adaptation and risk assessment, which led to several proposals.

Finally, the programme contributed to SEI EU policy engagement in various ways (such as by writing op-eds, commenting on EU gas package, collaborating on Energy policy tracker etc, participating in consortia advising European Environmental Agency etc).

The Environmental Management Programme deals with policy implementation related to sustainable consumption and production, including circular economy, sustainable waste management, and climate/disaster risk assessment. The aim of the programme is to improve resource management and decrease environmental impact in both public and private sectors through research and capacity building. Through partner cooperation, we develop a shared understanding of stakeholder needs and help identify tools and processes that enable knowledge transfer and increased competence of our partners related to environmental management.

In 2021, 15 bigger projects were at work. The largest international projects were Interreg Europe programme funded projects “EMAS as a nest to help and nurture the circular economy – ENHANCE” and “Smart Circular Procurements – CircPro”, BSR programme project “Innovative Strategy for Public Catering – StratKIT”, DG ECHO funded project “Community Safety Action for Supporting Climate Adaptation and Development – CASCADE”, and the Central Baltic programme project “B.Green – Baltic Green Urban Infrastructure Planning”. Two large projects were conducted in the Estonian defence sector:

the complex study of municipal waste in cooperation with the Estonian Centre for Defence Investments and the development of an environmental footprint model for the Ministries of Defence and the Interior. The programme has also continued to facilitate and develop cooperation with the Estonian Ministry of the Environment on circular economy and green public procurement (GPP). The study of food waste and food loss in the Estonian food supply chain, financed by the Ministry of the Environment, was completed and introduced widely in the media. In addition, food waste audits together with Wageningen University and the Embassy of Netherlands were carried out. In cooperation with the Tallinn Strategic Management Office, the development of bio-waste and textile waste collection systems and the green public procurement in the city of Tallinn were analysed. Also, a draft action plan for the prevention and reduction of marine litter in Tallinn was prepared. The research cooperation continued in the SEI initiatives on City Health and Wellbeing and Gender, Social Equality and Poverty. The EM programme experts (Harri Moora, Heidi Tuhkanen and Evelin Piirsalu) were successful in publishing academic papers: 5 high-quality peer-reviewed papers were published in 2021.

Sustainable Development Programme focuses on environmental policy and governance analysis, impact assessment and stakeholders' engagement systems. The focus areas of research are environmental assessment methodology and application, environmental footprint, land use change and related GHG emissions, bioeconomy and water management pathways. In 2021, 14 projects were at work. The largest projects were Interreg projects - ConnectedbyBiobord and Waterdrive. In Waterdrive, SEI Tallinn team of experts analysed the agri-environmental measures implemented in the Baltic Sea region and drew conclusions from the survey among the project partners. Waterdrive project was finalised by organising eleven workshops. Also final recommendations were formulated. A partnership project with SEI HQ and SEI Tallinn team of experts to prepare for the development of environmental strategy and action plan in Bosnia & Herzegovina was continued. The action plans of seven thematic areas were launched. The project is financed by SIDA and will be implemented till April 2022. A guidance book on the implementation of the derogation in Appropriate Assessment was developed together with partners. SEI Tallinn developed a methodological framework for calculating the climate footprint of the infrastructure project Rail Baltic. A new project under EU ESPON programme was undertaken to develop a web-based model of calculating the GHG emissions arising from land use change, changes in infrastructure and building sector in urban environment. Emissions are calculated from both a territorial and consumption-based perspective, with SEI having responsibility for the land-use change and consumption components. The calculations can be applied throughout the countries participating in ESPON and at different spatial scales. The project is led by TalTech and implemented in cooperation with Irish Energy Agency and implemented by IT specialists from the university of Tartu.

RESEARCH AND PUBLICATIONS

Our portfolio is strongly tied to SEI global strategy. In impact area reducing climate risks decarbonisation has been one of the main focuses. Projects like Transitioning to a carbon neutral heating and cooling in Estonia by 2050 or also Decarbonization scenarios of Estonian electricity sector contribute to priority for change R1. The groundwork analysis for Estonian national hydrogen deployment strategy was continued and followed by compiling the Estonian hydrogen roadmap, or project that created a methodology to calculate software emissions (including infrastructure) for achieving higher sustainability in data exchange platform contribute to R3. Several projects in R5 have continued like ClimVis: Climate change data visualization toolset in geographically localised manner, YENESIS focusing on how to create green jobs for youth in remote regions.

We also contribute to sustainable resource use and resilient ecosystems impact area of SEI Strategy. Bioeconomy-related projects for S1 were continued thanks to continued project funding under Interreg BSR programme. The network of Nordic-Baltic partners were established in RDI2CluB project in 2019-2020,

continued with establishment and enhancement of digital platform BioBord in 2020-21 and a new project application shall be submitted to the new Interreg programme in 2022. With these projects SEI Tallinn has become a credible expert partner for regional development centres in Estonia, the Baltic and Nordic region. This partnership enables us to maintain the expertise and skills on sustainable bioeconomy over a longer period.

Under improved health and wellbeing, we have continued the research and development activities for H4 and H5 that focuses on sustainable waste management and circular economy, circular business models and procurement and their application. We have contributed to the development circular economy BSR and EU-wide projects (such as Interreg Europe programme project CircPro or BRS programme project StratKIT).

Out of projects in 2021 (52 in total), the following are scientific and applied research projects:

1. Interreg ConnectedbyBioBord - Biobord model.
2. Interreg Waterdrive - Water driven rural development in the Baltic Sea Region.
3. EUKI Climate Recon 2050.
4. ESPON QGasSP - Quantitative Greenhouse Gas Impact Assessment Method for Spatial Planning Policy (QGasSP).
5. Interreg RESPONSE - Demand-Responsive Transport to ensure accessibility, availability and reliability of rural public transport.
6. Mobility study of Kambja Municipality.
7. Lääne-Virumaa mobility study.
8. Peterburi road mobility study.
9. Study of the environmental footprint of X-Road and the possibilities of reducing it.
10. CircPro - Smart Circular Procurement.
11. ENHANCE - EMAS as a Nest to Help And Nurture the Circular Economy.
12. Recycling and product development solutions for textile waste generated in Estonia.
13. Analysis and recommendations for the development of bio-waste and textile waste collection systems in the city of Tallinn.
14. Textile Project SIF - Identifying the gaps in sustainable Garment Manufacturing supply chain.
15. Complex study of municipal waste at national defense objects.
16. UCPM CASCADE - Community Safety Action for Supporting Climate Adaptation and Development.
17. Interreg StratKIT - Innovative Strategies for Public Catering: Sustainability Toolkit across Baltic Sea Region.
18. SEI Initiative - Equitable Urbanisation for health and wellbeing, phase 2.
19. SEI Initiative - SEI Oceans Strategy.
20. Analysis of food waste and food loss in Estonian food chain.
21. Food waste audit together with WUR and Embassy of Netherlands.
22. Study of environmental footprint of the Ministry of Defence and Ministry of the Interior and possibilities for its reduction.
23. URBACT "Global Goals for Cities".
24. European Topic Centre on Sustainability Trends, Prospects and Responses.
25. Interreg Urban Eco-Islands – Urban and Smart Island Tourism Destinations
26. Baltic Green Urban Infrastructure Planning
27. Energy Policy Tracker
28. CAMS - Climate Adaptation and Mitigation Synergies in Energy Efficiency Projects
29. Impact of EU structural funding on the achievement of national energy economy objectives
30. DG Reform - Transitioning to a Climate-Neutral Electricity Generation.
31. ClimVis - Towards a climate data visualisation platform for Europe - identifying stakeholders needs.

32. Analysis of the utilisation of Estonian hydrogen resources.
33. Hydrogen roadmap.
34. Estonia's transition to a carbon-neutral heating and cooling economy by 2050.
35. Stockholm+50 scientific report youth component.

PUBLICATIONS:

In 2021, SEI Tallinn Experts were very active in publishing both peer-review journal articles and project report, policy briefs. Below are listed the contributions we made last year:

- **Poltimäe, Helen; Peterson, Kaja** (2021). Role of environmental awareness in implementing farmland conservation measures. *Journal of Rural Studies*, 87, 58–66. DOI: doi.org/10.1016/j.jrurstud.2021.08.021
- Aus, R., **Moora, H.**, Vihma, M., Unt, R., Kiisa, M., Kapur, S. (2021). Designing for circular fashion: integrating upcycling into conventional garment manufacturing processes. *Fashion and Textiles*, 34. DOI: [10.1186/s40691-021-00262-9](https://doi.org/10.1186/s40691-021-00262-9)
- Pateman, R., **Tuhkanen, H.** and Cinderby, S. (2021). Citizen Science and the Sustainable Development Goals in Low and Middle Income Country Cities. *Sustainability*, 13(17). 9534. <https://doi.org/10.3390/su13179534>
- Cinderby S., Archer, D., Mehta, V.K, Neale, C., Opiyo, R., Pateman, R.M., Muhoza, C., Adeline, C. and **Tuhkanen, H.** (2021) Assessing Inequalities in Wellbeing at a Neighbourhood Scale in Low-Middle-Income-Country Secondary Cities and Their Implications for Long-Term Livability. *Front. Sociol.* 6:729453. [http://doi.org/10.3389/fsoc.2021.729453](https://doi.org/10.3389/fsoc.2021.729453)
- Vidal Merino, M., Kang, Y., Arce Romero, A., Pahwa Gajjar, S., **Tuhkanen, H.**, Nisbet, R., DeMaria-Kinney, J., Min, A.K., Atieno, W.C. and Bray, B. (2021). Climate justice for people and nature through urban Ecosystem-based Adaptation (EbA): A focus on the Global South. Zenodo. <https://www.doi.org/10.5281/zenodo.5187945>
- Ala-Karvia, U., Góralaska-Walczak, R., **Piirsalu, E.**, Filippova, E., Kazimierczak, R., Post, A., Monakhov, V., Mikkola, M. (2021). COVID-19 driven adaptations in the provision of school meals in the Baltic Sea Region. *Frontiers in Sustainable Food Systems*. DOI: <https://www.frontiersin.org/articles/10.3389/fsufs.2021.750598>
- **Moora, Harri** (2021). Olmejäätmete kompleksuurig riigikaitse objektidel [*Municipal waste survey at national defence objects.*] Final report to the Estonian Centre for Defence Investments (in Estonian). SEI Tallinn.
- **Piirsalu, Evelin; Moora, Harri; Väli, Kadi;** Aro, Kersti; Värnik, Rando; Lillemets, Jüri (2021). Toidujäätmete ja toidukao teke Eesti toidutarneahelas. [*The study of food waste and food loss in the Estonian food supply chain.*] Final report to the Estonian Ministry of the Environment (in Estonian). SEI Tallinn, Estonian University of Life Sciences.
- **Moora, H., Piret, K., Väli, K.** (2021) Tallinna linnas tekkivate biojäätmete ja tekstiiljäätmete kogumissüsteemide arendamise analüüs [*Biowaste and textile waste management system development in Tallinn city: challenges and opportunities*] Final report to Tallinn city (in

Estonian).

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Tallinn.

- **Moora, H., Piirsalu, E., Mikkola, M., Kuldna, P.,** Ala-Karvia, U. et al. (2020). Joint Baltic Sea Region Report for Sustainable Public Procurement and Catering Services - O2.4 of StratKIT Interreg BSR project.
- Goldie-Ryder, K., **Tuhkanen, H.**, and Piirsalu, E., 2021. Integrating climate change adaptation and disaster risk reduction in the Baltic Sea Region POLICY RECOMMENDATIONS. June 2021. https://www.cascade-bsr.eu/sites/cascade-bsr/files/publications/policy_recommendations_report_final.pdf
- Ülevaade erakondade keskkonnaalastest lubadustest valimisplatvormides kohalike omavalitsuste volikogude valimistel 2021. aastal [*Overview of the environmental pledges in platforms of political parties in the 2021 local elections*] **Tool, Brigita, Peterson, Kaja**, 2021. cdn.sei.org/wp-content/uploads/2021/10/keskkonnaalased-valimislubadused-kov-valimised-2021.pdf
- Viks-Binsol, Piia; Rell, Martti; Uiibooss, Renar; Treial, Alo; **Tammiste, Lauri; Kirsimaa, Kerli; Aslam, Adil; Ehsan Butt, Tayyab;** Kruusenber, Ivar; Praats, Reio (2021). Eesti vesinikuressurside kasutuselevõtu analüüs. [*The analysis of the hydrogen resources usage in Estonia*] 1–394 <https://cdn.sei.org/wp-content/uploads/2021/07/lopparuanne-vesinikuressurside-kasutamise-analuus.pdf>
- Juhised loodusdirektiivi art 6.4 rakendamiseks Eestis: Natura hindamise eranditegemine [*Guidance to implement Art6.4. of Habitats Directive in Estonia: Appropriate Assessment derogation procedure*] **Peterson, K.**, Kutsar, R., 2021 [Juhend art 6.4. rakendamiseks.pdf](https://cdn.sei.org/wp-content/uploads/2021/07/lopparuanne-vesinikuressurside-kasutamise-analuus.pdf)

INPUT INTO POLICYMAKING

SEI Tallinn has several long-standing cooperation networks, through which we continued to actively work also in 2021. As founders of Estonian Association for Environmental Management - network of sustainable businesses in Estonia, we continued to organise a series of trainings, seminars, events together with them.

SEI Tallinn is also a founding member of Estonian Council of Environmental NGOs, which is an umbrella organisation for environmental organisations. In 2021, we contributed through that organisation in putting together policy positions and recommendations for several important initiatives by government.

In 2021, we continued with our strategic partnership with capital city Tallinn and advised them their action plan for leadership in climate and environmental goals, which helped them to win for the first time the European green capital of the year award.

Estonian Ministry of Environment launched a new process for putting together umbrella environmental strategy "KEVAD" and because our long-standing cooperation, SEI experts were invited to contribute as experts and advisors in several thematic working groups.

Throughout the year, we also hosted in the framework of our research projects a series of events for decision-makers from all sectors. In November 2021, SEI Tallinn organised a pre-COP26 hybrid stakeholder seminar in partnership with the British Embassy in Tallinn to discuss Estonian pathways for the energy transition. The event aimed to support open dialogue between Estonian stakeholders about the

pathways for transitioning to a climate-neutral electricity generation in Estonia and strengthen and improve the fact-based discussion based on our recent research about the future scenarios for the Estonian energy sector. The seminar, which had key high-level decision-makers as panellists discussing the results of our study, engaged more than 40 relevant stakeholders and enhanced in-depth discussion on future scenarios.

In RESPONSE project municipalities and public transport service providers were included in coproducing a new prognostication model helping them plan more accessible and climate friendly public services through a series of testing and feedback sessions. The results of this project were presented and discussed in an event opened by the Minister for Environment and drew some 150 participants active in designing and implementing public transport solutions across the country.

Another example of a co-production process and policy engagement was the Waterdrive project, where the policy recommendations for improving the water quality of Baltic Sea catchment were developed together with the project partners, case area stakeholders, but also with municipalities and state authorities.

CAPACITY BUILDING

Throughout 2021, we continued with significant amount of with trainings and seminars and events directed at supporting awareness raising and capacity building. We did this both based on project work directly aimed at capacity building, but also based on tool developed in research oriented projects.

Some of the tools that we developed that helped to increase our partners in their sustainability efforts, included, an environmental footprint calculation tool for the ministries of Defense and Interior of Estonia. An Excel-based quantitative tool consists of two components: carbon footprint module and resource footprint module. The carbon footprint module provides scope 1 and 2 (electricity, heating and vehicles fuel related emissions) emission calculations, while the resource footprint provides water consumption and waste generation based footprint. This tool provides an easy method for environmental footprint calculation and assessment for a whole governance area of the ministry.

Similarly, a GHG emission calculation tool for urban planners and decision-makers was developed for the EU ESPON programme. The tool provides a territorial approach to GHG emissions derived from land use, buildings, transport and consumption by households. The tool also provides possibilities to develop alternative scenarios for policy makers how to reduce GHG emissions. These questions are usually addressed in the spatial planning process together with Strategic Environmental Assessment.

Also contributing to better decision-making, was the StratKIT Sustainable Public Meal toolkit (www.sustainable-public-meal.eu) developed by SEI Tallinn by compiling and testing the tools. The toolkit provides experience-based advice on how to set up innovative strategies and activities for sustainable public procurement and catering services. The toolkit was developed in the Baltic Sea Region countries but can be used in many more places due to the generic descriptions in the tools. More than fifty tools are available for stakeholders involved in the provision of public meals: policymakers, procurers, caterers, producers, suppliers, consumers, or other public and private bodies.

Directly aimed at capacity building, was YENESIS project, were in 2021 SEI Tallinn helped several program participants to find internships or job opportunities in the fields related to green economy (energy efficiency; sustainable transport; renewable energy). Additionally, SEI Tallinn has also been part of developing an online educational course in the same economic sectors + business innovation. The participants could acquire certification after the completion of these courses.

SEI Tallinn carries out many capacity building projects. During 2021 the following project activities were carried out:

1. Environmental Strategy and Action Plan for Bosnia&Herzegovina.
2. Circular Design Best Practices.
3. Green Key coordination in Estonia.
4. Assistance of the Estonian Association for Environmental Management.
5. Council of Environmental NGOs, Estonia (Participation in the Network of Environmental NGOs).
6. Considering climate arguments in environmental impact assessment.
7. Green Public Procurement in Tallinn City institutions.
8. YENESIS - Youth Employment Network for Energy Sustainability in Islands.
9. EU - Climate Action Dialogues.
10. Wind and solar energy handbook for the local governments.

SEI TALLINN'S GOALS FOR 2022

In 2021, SEI Tallinn showed very solid performance in terms of projects executed, proposals submitted, capacity building delivered, policy engagement and communication outreach. But the year also brought challenges in managing this growth and maintaining good work-life balance. Hence, in order to continue with positive trends in 2022, we will set as our goals to:

- Well-being and motivation of our people
- Quality in everything we do Focusing fundraising on longer-term, bigger projects to provide stability and focus for programs
- At the time of the annual report compilation in January 2022 there were about 30 projects in process.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2021	31.12.2020	Note
Assets			
Current assets			
Cash and cash equivalents	143 580	47 892	2
Receivables and prepayments	726 004	502 765	3
Total current assets	869 584	550 657	
Non-current assets			
Receivables and prepayments	2 765	2 765	3
Property, plant and equipment	22 511	39 351	5
Total non-current assets	25 276	42 116	
Total assets	894 860	592 773	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	610 539	342 946	7
Total current liabilities	610 539	342 946	
Total liabilities	610 539	342 946	
Net assets			
Foundation/Issued capital	87 152	87 152	
Reserves	2 092	2 092	
Accumulated surpluses (deficits) from previous periods	160 583	149 069	
Surplus (deficit) for the period	34 494	11 514	
Total net assets	284 321	249 827	
Total liabilities and net assets	894 860	592 773	

Statement of revenues and expenses

(In Euros)

	2021	2020	Note
Revenue			
Grants and donations	929 354	881 260	8
Business income	458 830	288 424	9
Other income	1 390	3 965	
Total revenue	1 389 574	1 173 649	
Expenses			
Other operating expense	-509 308	-369 954	10
Employee expense	-822 280	-768 859	11
Depreciation and impairment loss (reversal)	-20 825	-21 525	5
Other expenses	-1 192	-873	
Total expenses	-1 353 605	-1 161 211	
Surplus (deficit) from operating activities	35 969	12 438	
Interest income	7	9	
Other financial income and expense	-1 482	-933	
Net surplus (deficit) for the period	34 494	11 514	

Statement of cash flows

(In Euros)

	2021	2020	Note
Cash flows from operating activities			
Surplus (deficit) from operating activities	35 969	12 438	
Adjustments			
Depreciation and impairment loss (reversal)	20 825	21 525	5
Other adjustments	210	0	5
Total adjustments	21 035	21 525	
Adjustments for operating receivables and prepayments	-223 239	-37 480	3
Adjustments for operating liabilities and prepayments	267 593	54 389	7
Interest received	7	9	
Other cash flows from operating activities	-18	0	
Total cash flows from operating activities	101 347	50 881	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-4 195	-11 370	5
Total cash flows from investing activities	-4 195	-11 370	
Total cash flows	97 152	39 511	
Cash and cash equivalents at beginning of period	47 892	9 314	2
Change in cash and cash equivalents	97 152	39 511	
Effect on exchange rate changes on cash and cash equivalents	-1 464	-933	
Cash and cash equivalents at end of period	143 580	47 892	2

Statement of changes in net assets

(In Euros)

				Total net assets
	Foundation/Issued capital	Reserves	Accumulated surpluses deficits from previous period	
31.12.2019	87 152	2 092	149 069	238 313
Net surplus (deficit) for the period	0	0	11 514	11 514
31.12.2020	87 152	2 092	160 583	249 827
Net surplus (deficit) for the period	0	0	34 494	34 494
31.12.2021	87 152	2 092	195 077	284 321

As of 31.12.2021 the reserve fund under the net assets comprises a training fund in amount of 2,092 euros (2020: 2,092). In 2021 we did not use the training fund.

Notes

Note 1 Accounting policies

General information

The financial statements of Stockholm Environment Institute Tallinn Centre (foundation or SEI Tallinn SA) have been prepared in accordance with the Generally Accepted Accounting Principles of Estonia and utilizing the acquisition cost model, unless otherwise specified in the accounting policies below. The Estonian Generally Accepted Accounting Principles are based on internationally acknowledged accounting and reporting principles, whose main requirements are stipulated in the Accounting Act of the Republic of Estonia and supplemented by the guidelines issued by the Accounting Standards Board.

The financial statements have been prepared in euros.

Cash and cash equivalents

Cash equivalents comprise short-term highly liquid investments that can be converted into a known amount of cash and that do not involve any significant risk of market value change, incl. cash.

Foreign currency transactions and assets and liabilities denominated in a foreign currency

Foreign currency transactions have been reported based on official rates of the European Central Bank prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into euros as of the balance sheet date based on the official exchange rates of the European Central Bank prevailing on the balance sheet date.

Profits and losses from foreign currency transactions are recorded in the statement of activities of the reporting period.

Receivables and prepayments

All receivables (e.g. accounts receivable, accrued income, and other short-term and long-term receivables), except receivables acquired for resale, are generally reflected at adjusted cost in the balance sheet. The adjusted cost of short-term receivables is generally equal to their nominal value (less possible discounts), therefore the short-term receivables are reflected at their estimated collectible amounts (reflected for example in the invoice, contract or any other source document) in the balance sheet.

Plant, property and equipment and intangible assets

Assets with an acquisition cost of over 600 euros and useful life exceeding one year are accounted for as property and equipment. Items with a useful life of over one year, but whose acquisition cost is below 600 euros, are classified as low-value items until taken into use and are fully expensed when the asset is taken into use. Expensed low-value assets are accounted for off the balance sheet.

Items of property and equipment are initially recognised at their acquisition cost, which comprises the purchase price and any costs directly attributable to the acquisition. After recognition, items of property, plant and equipment are carried at cost less any accumulated depreciation and possible accumulated impairment losses.

If an item of property and equipment consists of separately identifiable parts which have different useful lives, the parts are accounted for as separate asset items and are assigned depreciation rates which correspond to their useful lives.

Subsequent costs related to an item of property and equipment, such as the costs of replacing part of it, are recognised in the carrying amount of the item if the following conditions are met: (a) it is probable that there are future economic benefits associated with the costs, and (b) these costs can be measured reliably. The carrying amount of the parts which are replaced is derecognised. All other costs related to property, plant and equipment are recognised as an incurred expense over the period when the respective expense occurred.

Items of property and equipment are depreciated using the straight-line method. Each item is assigned a depreciation rate which corresponds to its useful life. Items of property and equipment are depreciated until their residual value exceeds their carrying amount. The residual value of an asset is the amount that the foundation would currently obtain from disposal of the asset, if the asset were already of the age and in the condition expected at the end of its useful life.

The depreciation methods, depreciation rates and residual values of property and equipment are reviewed at least at the end of each financial year and, if expectations differ from previous estimates, the changes are recognised prospectively.

The foundation assesses the carrying amount of an item of property and equipment should any circumstances indicate that an asset may be impaired. Upon the presence of such circumstances the company shall conduct an assessment of the impairment. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset or the cash-generating unit to which the asset belongs is written down to its recoverable amount. The recoverable amount of an asset is the current value of estimated cash flows (value in use) to be derived from the asset or the fair value of the asset, less selling costs, depending on which of these values is higher. Where necessary, the fair value of an asset is determined with the assistance of independent experts. Impairment losses on assets are recognised in the statement of activities as "Depreciation and impairment of non-current assets".

If there is any indication that the recoverable amount of an asset exceeds the carrying amount, the impairment loss recognised in prior periods is reversed and the carrying amount of the asset is increased; however, the amount attributable to a reversal of an impairment loss cannot exceed the carrying amount that would have been determined had no impairment loss been previously recognised for the asset. A reversal of an impairment loss is recognised in the statement of activities in the same row in which the original impairment loss was recognised.

The carrying amount of an item of property and equipment is derecognised when the item is disposed of or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included as other operating income or other operating expenses in the statement of activities of the period in which the item is derecognised.

Minimal acquisition cost 600

Leases

In the case of operating leases, the leased assets are carried in the balance sheet of the lessor. Operating lease payments are recognised as lessor's income and lessee's expense on a straight-line basis over the lease period.

Financial liabilities

Financial liabilities are recognised initially at their acquisition cost, which is the fair value of the remuneration received for the financial liability. After initial recognition, financial liabilities are measured at an adjusted acquisition cost based on an effective interest rate. Transaction costs are taken into consideration upon calculating the effective interest rate, and charged to expenses over the term of the financial liability. Financial liabilities acquired for resale are measured at their fair value and any changes in the fair value are recorded in the statement of activities. Interest expenses related to the financial liability are recognised as an expense when incurred and presented in the statement of activities as financial income and expenses. Financial liabilities are derecognised when the obligations have been discharged, cancelled or expire.

Grants and donations

Accounting for received donations and grants (incl. grants and receipts for specific purposes) is based on the following principles:

- (a) donations and grants not designated for a specific purpose are recognised as income when the donation/grant becomes available;
- (b) donations and grants designated for specific purposes are recognised as income when the donation/grant becomes available and the accompanying conditions are met.

Revenue recognition

Revenue of SEI Tallinn is based on three different financing principles: core funding, project funding and business revenue.

- SEI core funding is project funding by the Stockholm Environment Institute (SEI), which mainly covers SEI-Tallinn's general administrative expenses.
- Other project funding received is used to cover operating expenses of specific projects funded by the donor. These funds are reported in the balance sheet as liabilities (prepayments) and as revenue in the amount of the project's expenses during the period or depending on the proportion of execution.
- Business revenue comprises all other revenue (sale of different services, sale of books etc.) and work performed outside project funding e.g. revenue from projects related to conducting environmental audits and consultations on integrated environmental permits etc. In addition, competitive trainings (e.g. ISO standards, environmental management etc.) are also reflected in this section.

Revenue from the sale of services is reflected upon the rendering of services.

Interest income is recognised on accrual basis using internal interest rates.

Expense recognition

Expenses are recognised in the same period as the income related to them. Expenses, which are likely to be used for earning economic profit in future, are reflected as assets when they arise and are reflected as expenses during the period(s) they give profit (e.g. costs of property, plant and equipment). Expenses, which are used for creating income during the accounting period or are not used for creating income, are

reflected as expenses in the period when they occur.

Related parties

In preparing the annual report of SEI Tallinn SA, related parties are the founder of the foundation and legal entities in the founder's consolidation group, chief management, supervisory board members, close family members of the above mentioned individuals and enterprises under their control or material influence.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2021	31.12.2020
Cash at bank	143 580	47 892
Total cash and cash equivalents	143 580	47 892

Note 3 Receivables and prepayments

(In Euros)

	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	714 438	714 438	0	
Accounts receivables	714 438	714 438	0	
Tax prepayments and receivables	10 037	10 037	0	4
Prepayments	1 529	1 529	0	
Deferred expenses	1 529	1 529	0	
Total receivables and prepayments	728 769	726 004	2 765	
	31.12.2020	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	499 357	499 357	0	
Accounts receivables	499 357	499 357	0	
Prepayments	3 408	3 408	0	
Deferred expenses	3 408	3 408	0	
Total receivables and prepayments	505 530	502 765	2 765	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2021		31.12.2020	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	0	15 824	0	9 820
Personal income tax	0	14 167	0	0
Fringe benefit income tax	0	322	0	0
Social tax	0	24 948	0	9 986
Contributions to mandatory funded pension	0	1 382	0	0
Unemployment insurance tax	0	1 612	0	891
Prepayment account balance	10 037		0	
Total tax prepayments and liabilities	10 037	58 255		20 697

Further details are set out in Note 3 and 7.

Note 5 Property, plant and equipment

(In Euros)

			Total
	Computers and computer systems	Other property, plant and equipment	
31.12.2019			
Carried at cost	34 342	54 908	89 250
Accumulated depreciation	-22 057	-17 687	-39 744
Residual cost	12 285	37 221	49 506
Acquisitions and additions	11 370	0	11 370
Depreciation	-10 191	-11 334	-21 525
31.12.2020			
Carried at cost	42 631	54 908	97 539
Accumulated depreciation	-29 167	-29 021	-58 188
Residual cost	13 464	25 887	39 351
Acquisitions and additions	4 195	0	4 195
Depreciation	-9 491	-11 334	-20 825
Other changes	-210	0	-210
31.12.2021			
Carried at cost	41 048	54 908	95 956
Accumulated depreciation	-33 090	-40 355	-73 445
Residual cost	7 958	14 553	22 511

Note 6 Operating lease

(In Euros)

Accounting entity as lessee

	2021	2020	Note
Operating lease expenses	30 705	30 561	10

As an operating lease, the annual report reflects the costs of the office space and the operating costs of one car. In April 2018, the new office space was rented with 5 years terms (until 31.03.2023) and the vehicle leasing agreement was signed with the end term July 2023 (the contract is for 60 months; the interest expense is related to the 3-month Euribor and the base margin is 2.2%).

Note 7 Payables and prepayments

(In Euros)

	31.12.2021	Within 12 months	Note
Trade payables	14 428	14 428	
Employee payables	30 577	30 577	
Tax payables	58 255	58 255	4
Other payables	611	611	
Other accrued expenses	611	611	
Prepayments received	458 636	458 636	
Total payables and prepayments	610 539	610 539	
	31.12.2020	Within 12 months	Note
Trade payables	8 493	8 493	
Employee payables	36 979	36 979	
Tax payables	20 697	20 697	4
Other payables	536	536	
Other accrued expenses	536	536	
Prepayments received	276 241	276 241	
Total payables and prepayments	342 946	342 946	

Note 8 Grants and donations

(In Euros)

	2021	2020
Grants and donations related to income	929 354	881 260
Total grants and donations	929 354	881 260

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2017-2021.

Note 9 Business income

(In Euros)

	2021	2020
Sales revenue (other international organizations)	84 218	15 119
Sales revenue (Estonian public sector)	211 382	219 480
Sales revenue (Estonian private sector)	69 664	25 380
Sales revenue (Estonian educational institutions)	58 737	500
Sales revenue (other Estonian organizations)	26 377	25 115
Sales revenue (SEI Centres)	8 452	2 830
Total business income	458 830	288 424

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2017-2021.

Note 10 Miscellaneous operating expenses

(In Euros)

	2021	2020	Note
Leases	30 705	30 561	6
Energy	5 586	4 558	
Electricity	1 428	1 465	
Heat energy	2 632	1 642	
Fuel	1 526	1 451	
Miscellaneous office expenses	10 012	13 815	
Travel expense	9 029	12 757	
Training expense	5 463	5 187	
State and local taxes	0	48	
Other	448 513	303 028	
Total miscellaneous operating expenses	509 308	369 954	

Note 11 Labor expense

(In Euros)

	2021	2020
Wage and salary expense	605 441	570 672
Social security taxes	197 792	183 331
Fringe benefits	18 938	14 856
Total labor expense	822 171	768 859
Average number of employees in full time equivalent units	18	17

Note 12 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2021	31.12.2020
Receivables and prepayments		
Founders and members	59 022	37 487
Total receivables and prepayments	59 022	37 487
Payables and prepayments		
Other entities belonging into same consolidation group	0	160
Total payables and prepayments	0	160

SOLD	2021	2020
	Services	Services
Founders and members	338 337	347 596
Total sold	338 337	347 596

BOUGHT	2021	2020
	Services	Services
Other entities belonging into same consolidation group	113	160
Total bought	113	160

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2021	2020
Remuneration	82 612	74 613