



ANNUAL REPORT

beginning of financial year: 01.01.2022

end of the financial year: 31.12.2022

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SEI TALLINN IN 2022

In 2022, SEI Tallinn had a very strong performance in terms of our research output, policy engagement and communication outreach. We saw our work nudging the agendas, improving decisions and enhancing the capacities in all three key impact areas for SEI.

However, 2022 was also a year of challenges. War in Ukraine opened up debates in public on whether we should put the green transition on hold and focus on security, so we had to show much more proactively in each line of our work, how decarbonization policies, circular economy policies, use of local bioresources sustainably, can actually lead to much resilient and less vulnerable society and economy. This communication culminated at our SEI Tallinn 30th celebration conference, “Resilience through sustainability”, which was a great success with excellent panelists, speakers and key stakeholders and partners. The conference also looked back on the transformation story of Estonia in the last 30 years. It reminded how much there are lessons to be learned and shared with countries, such as Ukraine, Moldova, Georgia, Armenia etc., going through similar development challenges. That is why in 2023, we will focus our work even more so on building this transition knowledge and contributing to projects in those aforementioned regions.

Last year, we sustained a high revenue level of ca 1.2 million Euros and worked on more than 30 projects covering Estonia, the Nordic-Baltic area, European green transition policies and also selected projects globally with our colleagues from other SEI centres. Some of the highlights from our portfolio in the area of reducing climate risks included the project Transitioning to carbon-neutral heating and cooling in Estonia by 2050, which aimed to assess the pathways for decarbonization of the heating and cooling sector and the necessary policy measures to support implement necessary steps over the next three decades. The research and the study outcomes were designed to support the Ministry of Economic Affairs and Communications of the Republic of Estonia in making important decisions in the longer term for solving climate crises but also in the shorter term in response to current energy crises. The results of the study have already been taken as a steppingstone for developing a new national energy plan, that is currently in preparation.

Helping to address both climate risks and improving health and well-being, were our efforts in the B.Green project, where in 2022, SEI Tallinn set up and started to operate a weather sensor network to show the climatic value of green spaces in cities (Tallinn is the European Green Capital in 2023), make urban climate challenges visible and push climate action. Tallinn is among the global forerunners with this network because just a few cities worldwide operate their own urban sensor networks. Data are accessible to decision-makers and scientists. The results are visualized in real-time on a dedicated webpage for everyone interested and will direct Tallinn in implementing its European Green Capital 2023 activities.

In the area of sustainable resource use, SEI Tallinn contributed to Estonia’s progress towards meeting its climate change mitigation goals by developing a methodological approach to carbon footprint calculations as well as guidelines and tools for Estonian public and private sector organizations. First, we developed a methodological approach and a tool for the Estonian ministries to assess the environmental footprint of their governance area, and secondly, a calculation model and guidance material for all other organizations. The footprint assessment model and guidance are based on the most widely used international

methodologies and standards for GHG accounting and reporting and will be used throughout public sector decision-making.

As a testament to SEI Tallinn's good work throughout the years in providing a fact-based, balanced knowledge base for better decision, SEI Tallinn Centre Director Lauri Tammiste was tasked by the Prime Minister of Estonia to chair the Green Policy Expert group, which consisted of key business leaders, scientists and policy experts from different sectors. The expert group delivered to the government a special report on how to frame green transition, what are the key areas to focus upon (ranging from energy, mobility, adaptation to just transition, food systems, ecosystems etc.), what are main bottlenecks in those focus areas and what are the key policy recommendations to remove those bottlenecks and speed up the transition. The expert group held several one-on-one sessions with key cabinet members to discuss the recommendations, and by now, a number have already been implemented or are in the pipeline. Also, the report was major input for the green transition action plan that the government put together and sent out for public consultation to stakeholders.

MANAGEMENT AND EMPLOYEES

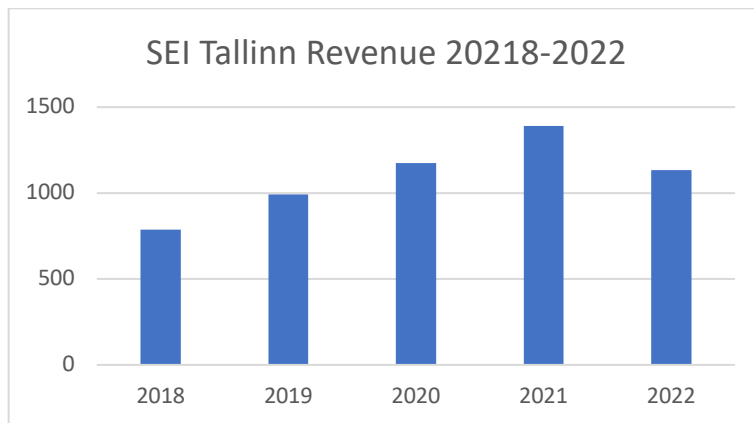
Daily activities at SEI Tallinn are administered by the Centre Director (CD), a member of the Management Board. At the centre level, the Management Team (MT) is an advisory body for the Centre Director. MT consists of the Centre Director, Financial Manager, Communications Manager and Programme Directors.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

2022 was a challenging year regarding people management and team retention. We launched the People First programme to respond to the challenges our team faced. This gives long-term attention to the employee needs to avoid stress and burnout and prevent talents from leaving SEI. We have held several workshops to address and discuss these issues and solve them transparently and sustainably. Additionally, we plan other activities to improve the well-being of employees. This includes improving the onboarding process for new colleagues, improving line management, and continuing significant investment into training and counselling on mental resilience and managing stress. We have started to rearrange administrative management to assist researchers with non-research-related tasks. Also, we decided to create the Head of Operations and Collaboration position to ensure more resources to process support. This would make their work more efficient by letting them focus on content rather than administrative work. SEI HQ has been of great help in supporting this process and the collaboration will continue in 2023. The employee full-time equivalent was 18 and total salary costs with social taxes amounted to 716 658 euros in 2022 (2021, 822 171 euros).

In 2022, the 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's activities. SEI Tallinn follows the SEI strategy and policies. The Centre Director is also a member of the SEI Global Management Committee (GMC), including all Centre Directors and other Directors from the HQ Executive Team. GMC is a decision-making body in terms of SEI-wide policies and strategies.

FUNDING

In 2021 we did forecast a small revenue decline for 2022 and planned to focus on preparation and developing new long-term projects during the year. The revenue in 2022 was decreased indeed ca 18% compared to 2021 but still remained at the level of 1,2 million euros. The revenue decrease was mostly affected by a decrease in outsourced activities, where SEI Tallinn acted as a contracting partner. Our portfolio in 2022 relied strongly on various EU funding sources – most notably Interreg, Horizon 2020, but also new streams of income, like framework tenders for DG Reform. SEI's various internal funding instruments, such as seed and innovation, initiatives, co-funding and joint projects also collectively make up an important part of our revenues. Thirdly, various tender-based shorter policy engagement/consulting type projects complement other funding streams. Several larger EU-funded projects ended in 2022, but we managed to secure a number of solid new long-term-funded projects. Some of the new EU-funded projects kick off in late 2022 and most of them from January 2023. SEI Tallinn's revenues for 2018-2022 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 effectively delivering those priorities.

In 2022, SEI Tallinn's work was organised in three programmes: Climate, Energy and Atmosphere, Sustainable Development and Environmental Management.

The work in the **Climate, Energy and Atmosphere Programme (CEA)** was organised in two work groups in 2022:

- 1) one group covering topics around weather, water and climate (4 people = 2.5 FTE in 12/22: 2 senior experts, 1 expert, 1 programme assistant). The group's mission is to improve communication of climate change and its impacts and support climate risk reduction and adaptation policy on all spatial scales.
- 2) one group covers energy topics like green energy transitions and energy security (3 people =2.8 FTE in 12/22: 2 experts, 1 junior expert). The group's mission is to advise policy to increase energy

efficiency, renewable energy use and sustainable transport to support green transition in Estonia, Europe and elsewhere.

During early 2022, the programme experienced a significant staff fluctuation: While 7 people worked for the programme in December 2021, their number dropped by 5 (to 2) in February 2022, to gradually increase again during the rest of the year. This fluctuation in staff posed a significant challenge.

The **Sustainable Development Programme (SD)** also underwent important changes in 2022. The programme's long-term leader passed away in March 2022, so CEA took over the programme leadership on an interim level during the rest of the year. The group was after that revitalised towards the end of the year (3 people = 1.7 FTE in 12/22): 2 senior experts, 1 programme assistant). As redefined at the end of the year, the programme's mission is supporting societal changes for moving towards more sustainable, resilient and just societies and ways of living and decision-making – to fit our ways of life within planetary boundaries.

Despite the challenges, **CEA-SD** has been active in a remarkably high number of EU-level proposals in 2022 (12 such proposals compared to 5 in 2021) – the team participated in 5 HORIZON EUROPE, 2 INTERREG, 1 LIFE, 1 DG REFORM, 1 ICLEI, 1 EUKI and 1 Water JPI consortia. Of them, 2 HORIZON EUROPE, 1 INTERREG and 1 DG REFORM got funded (the Water JPI is not decided yet).

The CEA-SD programme contributed to SEI EU policy engagement in various ways (by publications and media appearances, collaborating on Energy Policy Tracker etc, participating in consortia advising European Environmental Agency etc). The team published 1 scientific article, 2 SEI discussion briefs, 4 newspaper op-ads and appeared on TV and radio.

During 2022, CEA-SD was active in 20 different (national and international) projects - 12 projects were ending, 2 continued and 6 started.

Significant projects of previous years ended in early 2022, like RESPONSE (lead partner, investigating demand-responsive public transport in the rural areas of the Baltic Sea Region; a scientific paper was published), CAMS (a Climate Adaptation and Mitigation Synergies in Energy Efficiency Projects platform aiming at capitalizing results of ongoing EU INTERREG and other EU energy efficiency projects), ClimVis Europe (investigating stakeholder needs and conducting an EU-level climate tool inventory to prepare a climate visualisation tool for Europe; an SEI discussion brief was published) and QGasSP (developing a web-based model of calculating GHG emissions arising from land use change, changes in infrastructure and building sector in the urban environment).

The group covering **weather, water and climate** topics emerged from the activities encircling the ClimVis idea, successfully diversifying into additional topics (and incorporating water issues later that year). The group was very active in proposal writing and consortium participation during 2022 (6 EU-level proposals, 3 successful), leading to further strengthening and diversification of topics in 2023.

One major new topical framework emerged from a study related to the B.Green project (EM), using weather sensors for temperature, humidity and precipitation to show the benefit of green infrastructure solutions in

Tallinn, which will also support Tallinn's visibility being the Green Capital in 2023. Grey infrastructures like buildings, roads and parking lots relate to surface sealing, lack of ventilation and anthropogenic heat – leading to effects like the urban heat island and impact surface runoff during precipitation events. Hence, more granular data to quantify the effect city space has on weather parameters is needed. However, observations and weather forecasts are usually made for rural areas, a representative of a larger area – not for spaces where most people live, work and sleep. While a lot of data exists for urban areas – e.g., from satellites, radar stations and climate models – they all need calibration from measurements in the city itself. SEI Tallinn is the first institution to install a city-climate network in the Baltic states and, in fact, one of the first implementers of such a network on a European and global level as well.

In the summer, two seed projects started. One investigates the success and obstacles of implementing impact-based alerting systems at national weather services (together with SEI Asia). This project aims to compile a best-practices document that builds on the successes of agencies that have already made the transition to impact-based warnings while identifying potential issues and pitfalls for agencies that are in the transition process. The other seed project analyses stakeholder needs for a radar-based precipitation climatology in the Baltic Sea Region (together with the weather services of Sweden, Finland, Germany, Poland and Estonia, as well as the Universities of Lund, Krakow and Tartu). The project aims to lay the groundwork for developing a transnational radar climatology spanning the entire BSR.

Two new HORIZON EUROPE and one INTERREG BSR projects start in January 2023.

The group covering **energy and mitigation** topics continued its activities in projects related to green energy transitions and increased energy efficiency in 2022. The project Transitioning to a climate-neutral electricity generation in Estonia proposed and analysed institutional, administrative, and growth-sustaining reforms in Estonia that will enable the country to achieve climate-neutral electricity production by 2050 while addressing any adverse socio-economic impacts of decarbonisation. It supported the Estonian Ministry of Economic Affairs and Communications by a) Defining pathways towards climate-neutral electricity production; and b) proposing regulatory Action Plans on implementing decarbonisation measures and mitigating risks for eventual adoption.

Investigating another energy sector, Transitioning to carbon-neutral heating and cooling in Estonia by 2050 analysed three different scenarios compared with the business-as-usual scenario towards the carbon-neutral heating and cooling sector and was accompanied by socio-economic impact assessments and action plans for each scenario to support deciding the pathway to be chosen. The project outcomes provided Estonian officials with a clear understanding of the benefits associated with different pathways to heating and cooling decarbonisation and an evidence base for future policy recommendations to scale Estonia's low carbon transition.

The large project on Gas decarbonisation pathways for Estonia analysed the future use of alternative gases (renewable hydrogen, biomethane, and synthetic methane) in the joint regional gas market (Baltics and Finland) and the conditions for common quality standards. During different project phases in 2022, necessary data collection and situation analysis have been carried out for the joint gas market (Baltics and Finland) pathway, and the pathway modelling is already underway. The project aims to provide the necessary recommendations to the involved ministries from the region (Baltics and Finland) to achieve the development of a new legislative framework adopted to decarbonise the regional gas market by 2050.

SEI Tallinn has joined the SEI HQ's initiative on Gridless solutions for geographically challenged zones and to find approaches to develop and deploy decentralised "gridless" technologies to fill the energy access gap. Since the last quarter of 2022, SEI Tallinn has been involved in work package 3 (WP3); 'Hybrid systems in the island settings'. The CEA team at the Tallinn centre is modelling the decentralised renewable electricity production system (a mini-grid system) for the climate-vulnerable areas in Cuba (selected region: Regla Municipality, Havana region).

The group also conducted a new study analysing the progress which was made towards reaching climate neutrality in Estonia. Already in 2019, SEI Tallinn conducted a study looking into potential measures to help the country reach climate neutrality by 2050. That study concluded that it is possible if all sectors, including private, public and non-profit, contribute to the aim. This new study analysed the progress made in Estonia since 2019.

The **sustainable development programme** was active in several projects in 2022. One important new project started in the summer, aiming to develop a solid basis for reforming Estonian spatial planning and ensuring that decisions are made coherently considering the high-quality and sustainable living environment. By the end of 2022, the first three deliverables, including policy suggestions, had been developed in cooperation with the beneficiaries - the Ministry of Economics and Communications and the Ministry of Finance. Regional seminars to ensure broad-based participation on the municipal level were held in November and December and preparations were made for the WP5, where SEI Tallinn has the lead, namely in developing recommendations to improve governance and coordination system for spatial decisions.

The YENESIS project – Youth Employment Network for Energy Sustainability in Islands – which began in 2018, was prolonged to 2024. It addresses the challenge of unemployment of young people 19-29 years of age not in education, employment, or training (NEETs) residing primarily on islands in the beneficiary states Estonia, Cyprus, Italy, Spain, Croatia and Norway. While YENESIS 1 focused on supporting youth employment in 4 thematic areas: energy efficiency, renewables, sustainable tourism, and mobility, YENESIS 2 focuses on fostering the creation of green jobs among NEETS, but also employers and schoolchildren in the areas of climate adaptation, sustainable food systems, sustainable water systems, circular economy and Covid-19 recovery.

The project EU Climate Action Dialogue – Climate Recon 2050 – a dialogue on long-term strategies (2020-2022) addressed developing and implementing national long-term climate strategies. The final reports analysed and highlighted the best practices, deficiencies and gaps in national long-term climate-planning frameworks while contributing to harmonising long-term climate action across the EU. The project supported a growing community of political and technical experts inside government institutions, providing opportunities for capacity building, exchange, and knowledge generation. Participating countries were Estonia, Poland, Germany, Czechia, Slovenia and Romania.

SD leads SEI Tallinn's contribution to the European Topic Centre on Sustainability Transitions (ETC ST), -a consortium of twelve European organisations working in partnership with the European Environment Agency under a Framework Partnership Agreement for the period 2022-2026. The aim is to enhance the knowledge base to support European Union policies. In 2022 SEI Tallinn supported the European

Environment Agency (EEA) in understanding sustainability transitions in developing integrated assessment frameworks, uncertainty and quality appraisal, assessment framework for cities and regions and providing insights on stakeholder engagement.

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 programme focuses on two main work streams: sustainable production and consumption and societal transitions. Our aim is to improve sustainability management and challenge both the public and private sectors to increase their ambitions in sufficiency-based circularity, resource management, urban sustainability and climate resilience. We also recognise the importance of ensuring that stakeholders cutting across our society are engaged in this process of change to ensure equitable outcomes. Through partner cooperation, we develop a shared understanding of stakeholder needs, help identify and develop tools and processes that enable knowledge transfer and increase our partners' competence related to sustainable transitions.

As for human resources, the EM programme has been relatively stable in the last few years. In total, the EM programme had 6 people working full time (FTE) and one person working 0,25 FTE. Two people left the programme, and two new experts were hired in 2022.

In 2022, 7 bigger projects were at work in the EM programme. 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, 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. EM programme experts also contributed to the SEI HQ project in the Fact-finding Mission (FFM) in Georgia on the Waste and Chemicals Management project and the development of the new project Green Transition in Eastern Partnership countries of Armenia, Georgia, Moldova and Ukraine.

EM programme also continued to support the Estonian national and local authorities in analysing resource efficiency (food waste analysis for the Estonian defence sector) and developing the strategies and action plans for municipalities (assisting Tallinn city in developing waste and circular economy action plans as well as developing environmental management plan for Tallinn city organisation). The programme has also continued facilitating and developing cooperation with the Estonian Ministry of the Environment on circular economy and green public procurement (GPP). The research cooperation continued in the SEI initiatives on City Health and Wellbeing and Gender Equality, Social Equality and Poverty.

The programme has been also active in further strengthening the research partnerships on the EU and Baltic Sea levels. The cooperation with other research partners has led to several successful project applications. At the end of 2022, two new Interreg projects were launched in the framework of the Interreg BSR programme - project ChemClimCircle – Integrating criteria for chemicals, climate and circularity in procurement processes and project StratKIT+ Sustainable public procurement and catering network. In addition, the 2023 programme will have two bigger international projects (BaltiBlast and R4C) that result from successful application development with strategic research partners.

During the year, the topics of the environmental management programme also attracted media attention, and the programme's experts made several appearances on television and radio, and commented on topical issues for various publications, including three opinion pieces in newspapers.

In September 2022, SEI Tallinn celebrated its 30th anniversary with the conference "Building resilience through sustainability". The conference brought together interdisciplinary views on building resilient, just, democratic and sustainable societies that are less vulnerable to current global turbulences. The conference brought together around 100 people on the spot and 150 online, including stakeholders and high-level decision-makers as guests and panellists. This involved representatives from Estonian ministries, state agencies, diplomatic organizations, NGOs, universities and the private sector. The presentations and discussions enhanced advanced and holistic discussions on how to build resilience through sustainability. The conference got excellent feedback from the participants, including the SEI global board members who were present. The conference was streamed live on one of the most popular Estonian media portals, delfi.ee, and thus the accessibility for the diverse audience was enabled.

SEI Tallinn's communications team supported achieving the Centre's strategic goals by strengthening the reach through different outputs (website, social media, media, events etc). This involved support to SEI Tallinn's ongoing projects according to project communication plans and ad hoc needs, but also the support in Centre-wide communication, external collaboration and events.

In 2022 we strengthened our proactive media work by conducting briefings and reaching out to journalists with new reports and insights to offer them more exclusive coverage. As a result, we increased the media coverage where our spokespersons actively comment on their research, daily environmental issues, and expected policy decisions (e.g. op-eds, interviews). In addition, we widened the circle of SEI Tallinn's spokespersons regarding topics and gender distribution.

RESEARCH AND PUBLICATIONS

Our portfolio closely links to the three SEI impact areas. We worked on reducing climate risks by 1) removing barriers to accessing/understanding climate information and supporting adaptation as well as 2) supporting pathways towards a decarbonized energy system in alignment with EU energy transition policy goals. We supported action towards low carbon pathways and industrial transitions in Estonia and the Baltic Sea Region (R1, R3) via multiple projects e.g. related to heating and cooling systems, gas infrastructure, electricity networks and gridless technologies. We worked on improving or establishing accessibility to climate data to strengthen decision-making on adaptation and disaster risk reduction (R2) as well as fostering international cooperation on climate change (R5), e.g., by establishing a weather sensor network in Tallinn, creating spatially much more granular data insights to support a green and climate-friendly city planning. We also started projects linking stakeholders and weather services to improve weather and climate data quality and communication-related to impact-based warnings and heavy precipitation events. We also contributed to the achievement of climate change mitigation goals and carbon footprint assessment in Estonia by developing a methodological approach as well as guidelines and tools for Estonian public and private sector organisations, based on the international methodologies and standards for GHG accounting and reporting.

We worked on sustainable resource use and resilient ecosystems, e.g., by creating a spatial planning development strategy and an action plan to support coherent policy development for a high-quality and sustainable living environment in Estonia. Also, we contributed to the delivery of the new Bosnia and

Herzegovina environmental strategy and action plan and worked under a framework contract with European Environmental Agency on future trends in sustainability.

In the impact area of Improved health and well-being, we worked on mostly issues related to a circular economy, sustainable consumption and city planning to improve health and wellbeing. Several projects focusing on circular economy aim at safer, more effective waste management and circular systems (such as food and textiles), as well as shifting society and stakeholders to more sustainable lifestyles and consumption. For example, we are co-leaders of a work package in the new Horizon project SchoolFood4Change, which aims to make school meals enjoyable and healthy for both our children and the planet. With this project, we continue our work on sustainable food systems, including preventing and reducing food waste – this year, we conducted a food waste study for the Estonian defence sector.

Our projects have enhanced the EU Eco-Management and Audit Scheme (EMAS) and circular/green procurements in the public and private sectors. We are also working on the local level with municipalities. In 2022, we gave our expert input to Tallinn's new waste management plan and started a new project to transform waste stations into circular economy centres in Tallinn.

For city planning that improves well-being and environmental health, we co-created with the partner's B.Green handbook to guide urban planners and other stakeholders on green infrastructure planning with digital and participatory tools. We continue working towards sustainable and low-carbon tourism by coordinating the Green Key eco-label and providing training in Estonia.

Out of the projects in 2022 (46 in total), the following are scientific and applied research projects:

1. INTERREG BSR: RESPONSE (Demand-Responsive Transport to ensure accessibility, availability and reliability of rural public transport)
2. ESPON: QGasSP (Quantitative Greenhouse Gas Impact Assessment Method for Spatial Planning Policy)
3. DG Reform: Transitioning to a Climate-Neutral Electricity Generation
4. EEA: ETC-ST (European Topic Centre on Sustainability Trends, Prospects and Responses)
5. Swedish Institute: ClimVis Europe (Towards a climate data visualisation platform for Europe - identifying stakeholders needs)
6. SEI: Implementing urban climate sensors in Tallinn
7. DG Reform: Gas decarbonization pathways for Estonia
8. DG Reform: Coherent policy development for high-quality and sustainable living environment in Estonia
9. SEI S&I: Assessing Best Practices of Impact Based Alerting
10. Swedish Institute: RadClim BSR (Framework and stakeholder needs assessment for a Baltic Sea Region radar climatology)
11. SEI: Initiative on Gridless Solutions
12. Urban Initiative (CHeW) Phase 3: Equitable Urbanisation for health and wellbeing, Phase 3
13. SEI Oceans Strategy
14. Baltic Green Urban Infrastructure Planning
15. Recycling and product development solutions for textile waste generated in Estonia
16. Stockholm+50 scientific report youth component

17. SchoolFood4Change - Shifting school meals and schools into a new paradigm by addressing public health and territorial, social and environmental resilience
18. Development of guidance and model of GHG footprint calculation for companies
19. Accelerating EU's GPP uptake: levers to reduce GHG intensity in key sectors
20. Analysis of resource usage of defence sector catering
21. ChemClimCircle: Integrating criteria for chemicals, climate and circularity in procurement processes
22. StratKIT+: Innovative Strategies for Public Catering: the Expansion of the Sustainable Public Meal Toolkit.
23. INTERREG: CAMS (Climate Adaptation and Mitigation Synergies in Energy Efficiency Projects)
24. SEI: Developing a detailed Project Proposal for the support of the development of an environmental policy in Bosnia and Herzegovina
25. H2020: Climate Recon 2050
26. Housing and Communication Ministry Estonia: Estonia's transition to a carbon-neutral heating and cooling economy by 2050
27. British Embassy: Study on Estonia's progress towards climate neutrality
28. Energy Policy Tracker
29. EU - Climate Action Dialogues
30. Considering climate arguments in environmental impact assessment.
31. ENHANCE: EMAS as a Nest to Help And Nurture the Circular Economy
32. CircPro: Smart Circular Procurement
33. Expert opinion to the draft Tallinn waste management plan 2022-2026 and forecast of the waste generation
34. Development of environmental management action plan of Tallinn city authorities

PUBLICATIONS:

In 2022, SEI Tallinn Experts were very active in publishing both peer-review journal articles and project reports, policy briefs. Below are listed the contributions we made last year:

Peer-reviewed articles:

- Juhola, S.; Käyhkö, J.; Heikkinen, M.; Neset, T.; and **Tuhkanen, H.** (2022). Governing everyday adaptations? Examining the disconnect between planned and autonomous adaptation through justice outcomes. *Ecology and Society*, Special issue: Everyday Adaptations to Climate Change.
- **Tuhkanen, H.**; Cinderby, S; De Bruin, A.; Wikman, A.; Adelina, C.; Archer, D.; and Muhoza, C. 2022. Health and wellbeing in cities - Cultural contributions from urban form in the Global South context. *Wellbeing, Space and Society* 3 (2022): 100071.
- **Poltimäe H, Rehema M**, Raun J, Poom A (2022) In search of sustainable and inclusive mobility solutions for rural areas. *European Transport Research Review* 14 (13). DOI 10.1186/s12544-022-00536-3
- **Hoy A**, Swartling AG, Leander E (2022) Adopting a user-oriented approach to make climate information more accessible across Europe. SEI Discussion Brief. DOI: 10.51414/sei2022.009

- Wagner CC, Veysey J, **Nolan ST**, Malley C (2022) Integrated Climate and Development Planning Initiative: Supporting prospective, quantitative assessment of linkages between climate change mitigation and sustainable development. SEI Discussion Brief. DOI: 10.51414/sei2022.023

Project and policy reports:

- **Butt, TE; Aslam, A; Muthukumaran, G; Keypour, J; Tammiste, L;** Gerard, Frank; Cheikh, Nora, Kask, Ülo; Grünvald, Olavi; (2022), Eesti üleminek süsinikuneutraalsele soojus- ning jahutusmajandusele aastaks 2050, [Transitioning to a carbon neutral heating and cooling in Estonia by 2050], pp 1-45, <https://energiatalgud.ee/sites/default/files/2022-12/D8%20-%20HC%20Project%20summary%20%281%29.pdf>
- **Kaaret, K., Tool, B., Suik, K., Kirsimaa, K., Tammiste, L.** (2022). Reaching Climate Neutrality in Estonia – a progress update. Stockholm Environment Institute. Tallinn. <https://www.sei.org/projects-and-tools/projects/reaching-climate-neutrality-in-estonia-a-progress-update/>
- Rademaekers, Koen; Smith, Matthew; Demurtas, Andrea; Cheikh, Nora; **Tammiste, Lauri;** Veysey, Jason; Ulloa, Silvia; Koduvere, Hardi; Charalampidis, Ioannis; Paroussos, Leonidas; (2022), Transitioning to a climate-neutral electricity generation in Estonia, pp 1-57, <https://energiatalgud.ee/sites/default/files/2022-11/D8%20Final%20report%20-%20FINAL%2022.11.2022%20Clean.pdf>
- **Walke, P., Tool, B., Tamm, K. (2022):** Carbon Dioxide Removal options in the National Longterm Strategies of EU Member States. Stockholm Environment Institute. Tallinn. <https://www.sei.org/wp-content/uploads/2022/12/cdr-lts-assessment.pdf>
- **Walke, P., Tool, B., Peterson, K. (2022):** Assessment of the national Long-Term Strategies of the Baltic State countries. Stockholm Environment Institute. Tallinn. <https://www.sei.org/wp-content/uploads/2022/12/report-lts-b3.pdf>
- Nilsson Lewis, A., Kaaret, K., Torres Morales, E., **Piirsalu, E.**, Axelsson, K. (2023). Green Public Procurement: a key to decarbonizing construction and road transport in the EU. Stockholm Environment Institute. <https://doi.org/10.51414/sei2023.007>
- **Tuhkanen, H., Kuldna, P., Fathi, I.** (2022) B.Green handbook for planning urban environment with digital tools and participatory methods <https://bgreen-handbook.eu/>
- **Moora, H., Piirsalu, E., Kuldna, P.** (2022) Guidance for Green and circular procurement <https://ringhanked.ee/>, https://ringhanked.ee/wp-content/uploads/2022/10/Ringhangete-juhend_SEI-Tallinn-2021.pdf
- **Estonian Academy of Arts, SEI Tallinn (Moora, H., Kuldna, P., Martin, K.), Taltech, et al.** (2022). Solutions for recycling and upcycling of textile waste in Estonia. <https://www.sei.org/wp-content/uploads/2023/01/tekstiilijaatmete-ringlussevotu-ja-tootearenduste-projekt-raport.pdf>
- **Piirsalu, P., Moora, H., Uiboleht, K.,** (2022) Food waste and food loss analysis in Estonian defence sector
- **Moora, H., Kuldna, P., Martin, K.** (2022) Guidance for GHG footprint assessment for organisations <https://envir.ee/kliima/toetavad-materjalid/organisatsioonide-khg-jalajalg#juhendmaterjal--accordion>

- **Moora H., Kuldna, P.** (2022) Analysis of developing of collection systems for bio-waste and textile waste in the city of Tallinn https://uuringud.tallinn.ee/file_download/1298
- **Moora H., Kuldna, P.** (2022) Analysis and action plan for the environmental management system of Tallinn city institutions https://uuringud.tallinn.ee/file_download/1388

INPUT INTO POLICYMAKING

Lasting partnerships are key for successful projects – in terms of research as well as policy engagement activities. In 2022, SEI Tallinn maintained its long-term connections and created new ones. SEI Tallinn is the founder of the Estonian Association for Environmental Management, a network of sustainable enterprises in Estonia, under which we organized and participated in various activities such as training sessions, seminars, and events. In our work, also collaboration with other SEI centres and their partners plays a pivotal role. In 2022, we also started to develop new partnerships both at the EU level (such as European Energy Research Alliance) and regionally (participating in the Eastern Partnership flagship conference and developing a network of contacts in this region).

Last year, SEI Tallinn supported the Estonian Ministry of Economic Affairs and Communications to identify and analyse scenarios for achieving carbon-neutral heating and cooling in Estonia by 2050. In the conducted study, we worked together with national-level policy-makers, stakeholders and enterprises to propose carbon-neutral heating and cooling scenarios covering the different sustainable energy vectors and infrastructural changes and develop a pathway Action Plan for the eventual adoption of the carbon-neutral heating and cooling sector in Estonia. We ensured that the relevant actors were constantly engaged in the study in all key project deliverables (e.g. during the stakeholder discussions or the risk analysis, where we evaluated stakeholders' perception of the proposed risks and how they may affect different scenarios. To do so, a questionnaire was shared with stakeholders, asking open questions and requesting stakeholders to rate the likelihood and severity of different risks for each pathway; in pathway selection and modelling, also stakeholders were consulted in the design phase and also got to give feedback to the results of each phase).

SEI Tallinn, as a partner of the European Topic Centre on Sustainability Transitions (ETC ST) consortium (running 2022 to 2026), has supported the European Environment Agency's (EEA) in developing Europe's sustainable objectives. SEI Tallinn experts have contributed to aspects like sustainability measurement and assessment, planetary boundaries, energy transitions related to future energy and materials requirements, as well as machine learning/horizon scanning and citizen engagement processes and all this has been done in close cooperation with EEA experts. The long-term goal is to integrate sustainability transitions into the next round of EEA's report European environment — state and outlook 2025 (SOER 2025).

SEI Tallinn is also a founding member of the Estonian Council of Environmental NGOs, an umbrella organization for environmental organizations. During 2022, we collaborated with the council to create policy positions and suggestions for various government initiatives. In 2022, we contributed to policy-making recommendations such as "Impact of drainage on biodiversity, climate, and waterbodies," "Messages to political parties for parliament elections in 2023", or "Climate crisis and effective protection

of biodiversity." In 2021, the Estonian Ministry of Environment launched a new process to compile the environmental strategy "Kevad", including different areas of the environment. SEI experts were invited to contribute and gave valuable input for this strategy during 2022. The process is in the final stages.

The success and good connections developed in the Yenesis project have led to the continuation of the project as Yenesis 2. This project addressed the challenge of unemployment for young people and developed jobs in sustainable energy, tourism and transport-related sectors on EU islands to provide sustainable job perspectives for young people aged 19-29 who are currently neither studying nor working. The project connects organizations from 8 European countries – 3 organizations from Cyprus (Cyprus Energy Agency, Frederick University and Chrystal Leap), the DAFNI Network (GR), The Canary Islands Institute of Technology (ES), Aream (Madeira, PT), SWEDES (CR), Sapienza University (IT), SEI Tallinn (EE), and Møre Og Romsdal (NO). The problems in island regions are similar across Europe, so best practices were shared. Together with this consortium, we have written some proposals and have many other project ideas besides youth issues in mind to extend the excellent collaboration and work when the Yenesis project ends. This is a good example of how the project consortiums can remain a good network when maintaining the established connections and taking advantage of new cooperation opportunities.

In the B.Green project, SEI Tallinn worked with the city administrations and stakeholders of Tallinn and Helsinki. By considering green infrastructure in the early planning phases, cities can be made into more pleasant and safer living environments that are both more sustainable and more 'climate-wise'. Together with partners, we piloted various urban green infrastructure solutions and communicated the benefits of participatory urban planning to all levels of relevant stakeholders, including city planners, decision-makers and residents. In the project, we also mapped out digital and participatory tools as solutions that can help planners overcome some of the major challenges when planning green infrastructure. For example, as lack of finance is frequently mentioned as a barrier to green infrastructure projects, we organized a workshop for the city planners in Tallinn and Helsinki to brainstorm how funding opportunities for green infrastructure can be mobilized and the existing ones scaled up. In addition, we initiated the meteorological data collection with sensors in the project focus area and surroundings to show the value of the green corridor from a city-climatological perspective and support the city of Tallinn's preparations for being a European Green Capital in 2023.

CAPACITY BUILDING

Throughout 2022, we continued with a significant amount of trainings and seminars and events directed at supporting awareness-raising and capacity building. We did this based on project work directly aimed at capacity building and on tools developed in research-oriented projects.

For example, SEI Tallinn conducted a series of training on the Green Museum with the International Council of Museums (ICOM) Estonia. The Green Museum environmental management scheme has been developed by SEI Tallinn in cooperation with ICOM Estonia to help museums act more sustainably and reduce their environmental impact. More than 50 museums participated in altogether four training seminars which took place in Tallinn and Tartu. The training targeted museums willing to implement the Green

Museum integrated environmental management principles in their organizational practices, strategies and planning. As the interest in museums has been very high, we plan to initiate a new training series next year. In recognition of this good collaboration, SEI Tallinn received the “museum friend of the year” award from National Museum Association.

SEI Tallinn developed a digital guideline/tool for circular procurements (<https://ringhanked.ee>) under the CircPro project. The tool is meant for public procurers and public sector decision-makers. The tool provides an overview of circular procurement as a subtype of green procurement, introduces opportunities and approaches for implementing circular procurement, and offers tips for organising green and circular procurement.

SEI Tallinn led the development of the B.Green handbook on planning the urban green infrastructure with digital tools and participatory methods. The handbook is available in three language versions (English, Estonia, Finnish) and is available for everyone who is interested in more digital and participatory urban planning <https://bgreen-handbook.eu/> The B.Green project sought new green infrastructure solutions suitable for the northern climate – and particularly for the Baltic Sea region. The handbook was developed in a participatory way together with various stakeholders during several workshops and interviews that enabled to collect the input from various initiatives, cases and projects on green infrastructure, digital tools and participatory methods in Northern Europe. As a result, the handbook uses many very concrete examples and is built as a so-called digital journey. Each handbook topic can be used as a starting point that connects to the examples, as well as to the other topics.

SEI Tallinn carried out many capacity-building projects. During 2022 the following project activities were carried out:

1. EEA/Norway Grants for Youth Employment: Yenesis (Youth Employment Network for Energy Sustainability in Islands).
2. Estonian Government: Council of Environmental NGOs, Estonia (Participation in the Network of Environmental NGOs).
3. Assistance of the Estonian Association for Environmental Management.
4. Textile Project SIF: Identifying the gaps in sustainable Garment Manufacturing supply chain.
5. Innovative approaches to behavior change in consumption pattern for fostering reduction of hazardous substance to the Baltic Sea.
6. StratKIT: Innovative Strategies for Public Catering: Sustainability Toolkit across Baltic Sea Region
7. VINCI: Virtual & Augmented Reality Trainers Toolbox To Foster Low Carbon Tourism & Related Entrepreneurship
8. Sitra carbon footprint calculator „Sustainable lifestyle planning tool“
9. Green Key: Green Key coordination in Estonia
10. Georgia FFM: Georgia - Fact-finding Mission (FFM) on Waste and Chemicals Management
11. RM: Implementation of the Green Museum system
12. Transforming waste stations into circular economy centres, promotion of recycling and creation of repair workshops.

SEI TALLINN'S GOALS FOR 2023

In 2023, we aim to continue very solid performance in terms of projects executed, proposals submitted, capacity building delivered, policy engagement and communication outreach. To support that, we have set 3 operational priorities for 2023:

- 1) Start implementing new research management based on topical focuses – energy and transport, climate and water, circular systems and sustainable consumption, urban planning, transitions and adaptation
- 2) Recruit and make sure to retain good people, in order to ensure necessary resources to deliver and have internal team stability and
- 3) Revamp internal processes to provide the best support to people in their work and high-quality delivery.

At the time of the annual report compilation in January 2023 there were 26 projects in process.

The annual accounts

Statement of financial position

(In Euros)

	31.12.2022	31.12.2021	Note
Assets			
Current assets			
Cash and cash equivalents	14 049	143 580	2
Receivables and prepayments	614 790	718 766	3
Total current assets	628 839	862 346	
Non-current assets			
Receivables and prepayments	0	2 765	3
Property, plant and equipment	10 752	22 511	5
Total non-current assets	10 752	25 276	
Total assets	639 591	887 622	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	352 359	619 404	7
Total current liabilities	352 359	619 404	
Total liabilities	352 359	619 404	
Net assets			
Foundation/Issued capital	87 152	87 152	
Reserves	2 092	2 092	
Accumulated surpluses (deficits) from previous periods	178 974	160 583	
Surplus (deficit) for the period	19 014	18 391	
Total net assets	287 232	268 218	
Total liabilities and net assets	639 591	887 622	

Statement of revenues and expenses

(In Euros)

	2022	2021	Note
Revenue			
Grants and donations	639 777	913 251	8
Business income	491 299	458 830	9
Other income	869	1 390	
Total revenue	1 131 945	1 373 471	
Expenses			
Other operating expense	-358 199	-509 308	10
Employee expense	-733 849	-822 280	11
Depreciation and impairment loss (reversal)	-17 118	-20 825	5
Other expenses	-3 054	-1 192	
Total expenses	-1 112 220	-1 353 605	
Surplus (deficit) from operating activities	19 725	19 866	
Interest income	12	7	
Interest expenses	-36	0	
Other financial income and expense	-687	-1 482	
Net surplus (deficit) for the period	19 014	18 391	

Statement of cash flows

(In Euros)

	2022	2021	Note
Cash flows from operating activities			
Surplus (deficit) from operating activities	19 725	19 866	
Adjustments			
Depreciation and impairment loss (reversal)	17 118	20 825	5
Other adjustments	2	210	
Total adjustments	17 120	21 035	
Adjustments for operating receivables and prepayments	106 741	-216 001	3
Adjustments for operating liabilities and prepayments	-267 046	276 458	7
Interest received	12	7	
Interest paid	-36	0	
Other cash flows from operating activities	-55	-18	
Total cash flows from operating activities	-123 539	101 347	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-5 359	-4 195	5
Total cash flows from investing activities	-5 359	-4 195	
Total cash flows	-128 898	97 152	
Cash and cash equivalents at beginning of period	143 580	47 892	2
Change in cash and cash equivalents	-128 898	97 152	
Effect on exchange rate changes on cash and cash equivalents	-633	-1 464	
Cash and cash equivalents at end of period	14 049	143 580	2

Statement of changes in net assets

(In Euros)

				Total net assets
	Foundation/Issued capital	Reserves	Accumulated surpluses deficits from previous period	
31.12.2020	87 152	2 092	160 583	249 827
Net surplus (deficit) for the period	0	0	18 391	18 391
31.12.2021	87 152	2 092	178 974	268 218
Net surplus (deficit) for the period	0	0	19 014	19 014
31.12.2022	87 152	2 092	197 988	287 232

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)

	31.12.2022	31.12.2021
Cash at bank	14 049	143 580
Total cash and cash equivalents	14 049	143 580

Note 3 Receivables and prepayments

(In Euros)

	31.12.2022	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	481 887	481 887	0	
Accounts receivables	481 887	481 887	0	
Tax prepayments and receivables	3 419	3 419	0	4
Prepayments	1 988	1 988	0	
Deferred expenses	1 751	1 751	0	
Other paid prepayments	237	237	0	
	124 731	124 731	0	
	2 765	2 765	0	
Total receivables and prepayments	614 790	614 790	0	
	31.12.2021	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	707 200	707 200	0	
Accounts receivables	707 200	707 200	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	721 531	718 766	2 765	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2022		31.12.2021	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	0	11 777	0	15 824
Personal income tax	0	10 246	0	14 167
Fringe benefit income tax	0	349	0	322
Social tax	0	18 382	0	24 948
Contributions to mandatory funded pension	0	937	0	1 382
Unemployment insurance tax	0	1 129	0	1 612
Other tax prepayments and liabilities	309	429	0	0
Prepayment account balance	3 110		10 037	
Total tax prepayments and liabilities	3 419	43 249	10 037	58 255

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	
31.12.2020			
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
Acquisitions and additions	5 359	0	5 359
Depreciation	-5 783	-11 335	-17 118
Other changes	1	-1	0
31.12.2022			
Carried at cost	40 683	54 908	95 591
Accumulated depreciation	-33 148	-51 691	-84 839
Residual cost	7 535	3 217	10 752

Note 6 Operating lease

(In Euros)

Accounting entity as lessee

	2022	2021
Operating lease expenses	32 543	30 705

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)

	31.12.2022	Within 12 months	Note
Trade payables	13 695	13 695	
Employee payables	26 593	26 593	
Tax payables	43 249	43 249	4
Other payables	2 175	2 175	
Other accrued expenses	2 175	2 175	
Prepayments received	266 647	266 647	
Total payables and prepayments	352 359	352 359	
	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	467 501	467 501	
Total payables and prepayments	619 404	619 404	

Note 8 Grants and donations

(In Euros)

	2022	2021
Grants and donations related to income	639 777	913 251
Total grants and donations	639 777	913 251

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2018-2022.

Note 9 Business income

(In Euros)

	2022	2021
Sales revenue (other international organizations)	210 763	84 218
Sales revenue (Estonian public sector)	203 141	211 382
Sales revenue (Estonian private sector)	1 400	69 664
Sales revenue (Estonian educational institutions)	51 662	58 737
Sales revenue (other Estonian organizations)	24 333	26 377
Sales revenue (SEI Centres)	0	8 452
Total business income	491 299	458 830

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2018-2022.

Note 10 Miscellaneous operating expenses

(In Euros)

	2022	2021
Leases	32 543	30 705
Energy	9 012	5 586
Electricity	3 216	1 428
Heat energy	4 075	2 632
Fuel	1 721	1 526
Miscellaneous office expenses	9 157	10 012
Travel expense	34 475	9 029
Training expense	3 098	5 463
Other	269 914	448 513
Total miscellaneous operating expenses	358 199	509 308

Note 11 Labor expense

(In Euros)

	2022	2021
Wage and salary expense	530 849	605 441
Social security taxes	174 897	197 792
Fringe benefits	28 103	18 938
Total labor expense	733 849	822 171
Average number of employees in full time equivalent units	18	18

Note 12 Related parties

(In Euros)

Related party balances according to groups

SHORT TERM	31.12.2022	31.12.2021
Receivables and prepayments		
Founders and members	47 572	59 022
Total receivables and prepayments	47 572	59 022
Payables and prepayments		
Founders and members	4 995	0
Total payables and prepayments	4 995	0

SOLD	2022	2021
	Services	Services
Founders and members	231 124	338 337
Total sold	231 124	338 337

BOUGHT	2022	2021
	Services	Services
Founders and members	24 502	0
Other entities belonging into same consolidation group	96 330	113
Total bought	120 832	113

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2022	2021
Remuneration	83 820	82 612