



ANNUAL REPORT

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SEI TALLINN IN 2020

Despite the challenges imposed by COVID-19 pandemic SEI Tallinn had in 2020 strong performance in terms of our research output, policy engagement and communication outreach. Our whole team reacted and adjusted swiftly to new conditions of working and collaborating with our partners. We also put significant effort into providing everyone support to cope with the mental side of challenges (training, increased online team interaction etc). Similarly, we put effort into managing project delivery and financial risks.

Key positive development was growing the team to 24 people with most of the new colleagues being international experts, thus increasing significantly the diversity of the team. SEI Tallinn managed to grow not only in terms of people, but also in terms of revenues – for the first time breaking 1-million-euro income threshold.

Publishing of peer-reviewed journal articles remained solid and our media mentions grew this year, which was notable, given that in 2019 we had already seen a significant growth. Our work continued to have direct impact on policy decisions and generate interest both at national, but also regional and EU level. Our most notable work was centred around key topics of EU green deal (transition to low-carbon economy, circular economy). In order to support the policy engagement at EU level, we helped to organize in Brussels a seminar on “Tools for transition”, which was attended by European Commissioner for Energy, Ms Kadri Simson. In the framework of the [ENHANCE project](#), SEI Tallinn together with international partners delivered a set policy recommendation that led to significant increase in the number of European businesses adhering to the [EU Eco-Management and Audit Scheme \(EMAS\)](#), a voluntary environmental management tool. Last year, SEI Tallinn led the first-ever pan-Baltic [research](#) in post-consumer textile flows in Estonia, Latvia, Lithuania, in order to create transparent data regarding used clothes and textiles circulating in the Baltics. The study finally led to number of proposals for an improved policy framework. The project had a strong impact in raising awareness in society about the topic as the media picked up the topic and the issue was widely covered in the Baltic public discourse with extensive interviews, discussions and references to our study and statistics. In 2021, we will aim even further to streamline our research around the key topics of the EU green deal agenda and continue to work to link better with policy making at the EU level.

MANAGEMENT

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.

In 2020, composition of our Supervisory Board remained the same. Måns Nilsson continued the Chairmanship of the Board. The 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

Despite the COVID-19 pandemic, 2020 was a solid year for SEI Tallinn regarding communications and sharing its work and research results with the wider public. Although our international communication processes were mostly carried out digitally in Zoom/Teams throughout the year, SEI Tallinn's research attracted wide media attention and our coverage statistics continued to climb as in previous years. So did the societal interest for environmental topics and SEI Tallinn's role continues to be to contribute to these discussions and raise environmental awareness based on our science-based research.

As a project-based organisation, SEI Tallinn carries out research and shares the research results with the wider public on a wide range of environmental topics. In 2020, considerable change and impact was brought about through the EMAS-related international project [ENHANCE](#) that ended in autumn. In the framework of ENHANCE, SEI Tallinn worked towards establishing a number of regulatory reliefs that would incentivise businesses to implement [EMAS, the EU Eco-Management and Audit Scheme](#). Concrete regulatory legal acts were amended and as a result, 7 out of 10 major waste management companies in Estonia have started implementing EMAS. Therefore, a 5-fold increase of EMAS registrations among Estonian businesses can be expected in 2021.

Another SEI Tallinn research highlight included leading and completing the first-ever pan-Baltic [research](#) in post-consumer textile flows in Estonia, Latvia and Lithuania in order to create transparent data regarding used clothes and textiles circulating in the Baltics. The study led to number of recommendations for an improved policy framework. The project had a strong impact in raising awareness in society about the topic as the issue was widely covered in Estonian media and in Baltic public discourse with extensive interviews, discussions and references to our study and statistics.



What happens to used textiles was a topic covered at the Opinion Festival held in Paide in August 2020. The discussion panel on the environmental footprint of used clothes included the then Minister of the Environment Mr Rene Kokk, the EU commissioner on Energy Ms Kadri Simson, Mr Harri Moora from SEI Tallinn and ethical re-use fashion designer Ms Reet Aus. A further workshop on used clothes included representatives of the Re-use centre (on the photo). Photo by Meeli Küttim.

In November, SEI Tallinn organised the 10th Sustainable Development Forum, a hybrid event held at the Estonian Parliament with an online audience. The Forum concentrated on tackling climate change in cities and included the first ever nomination of a “Environmentally Friendly Local Government” in Estonia (www.sei.org/featured/a-collaborative-green-transition-is-crucial-for-tackling-climate-change-in-cities/).

SEI Tallinn continued contributing to and sharing information regarding the progress on a large number of projects such as ([YENESIS](#)) - creating green jobs for young people not in education or employment (NEETs) living on islands, climate adaptation and mitigation synergies in energy efficiency projects

([CAMS](#)) or the project to enhance sustainable catering services in the Baltic Sea region ([StratKIT](#)), amongst others.

In the Interreg funded project RESPONSE (www.response-project.eu), SEI Tallinn is the leader of the communication package and therefore responsible for disseminating the project's messages and results, managing its website and social media account.

SEI Tallinn continued to publish its news through its website (www.sei.org/tallinn) and the Facebook social media channel. 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.

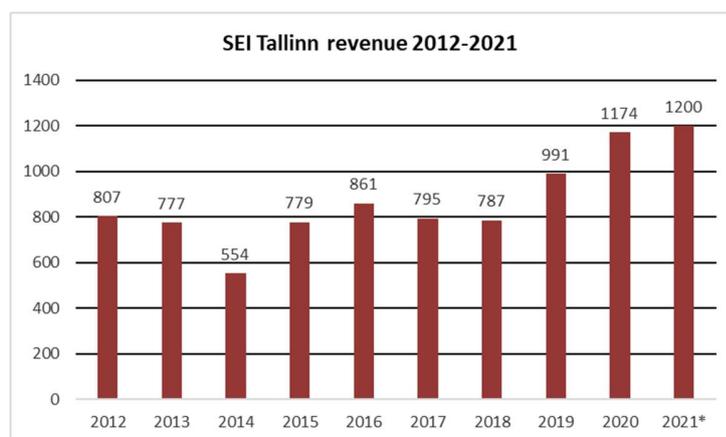
EMPLOYEES

Key positive result from 2020 was the growth of our team to 24 people – all 3 thematic programs in Tallinn centre added new colleagues to their team. Most notably grew Climate and Energy team, increasing their nr of people from 2,5 to 8. Also, we grew the share of international hires, which significantly boosted the diversity of backgrounds, competencies and talents. Obviously, another keyword for 2020 was maintaining positive team spirit and mental resilience in the context of remote work and psychological pressures. For that purpose, we provided throughout the year related training, individual consultation and support. In addition to usual routines (implementing follow-up actions from employee survey etc), we reviewed and redesigned in cooperation with HQ HR team our development dialogue processes in order to make them more effective, transparent and easier to follow-up.

FUNDING

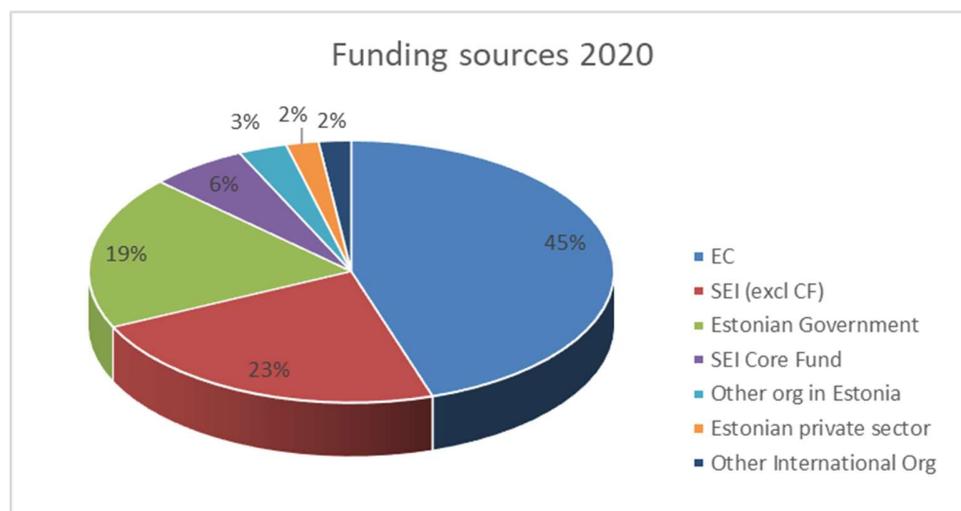
Finances: The revenue for 2020 increased ca 18 % compared to the outcome in 2019 despite of the COVID-19 pandemic. As 2020 was very successful in terms of developing a solid pipeline of projects, we can expect the revenue growth to continue and for 2021 we aim for reaching the revenue level over 1,2 mil euros. Currently we are on good track with nearly 85% of that forecasted revenue being secured with projects. Last year, we had a good balance between selected larger and longer research projects and solid amount of shorter, consulting type of work.

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 2012-2021 are presented in the graph below (*thousand Euros*):



*forecasted

Overview of our funders in 2020 are presented in the graph below (% from the revenue):



MAIN ACTIVITIES

In order to deliver positive changes, the SEI global strategy focuses on scientific research, policy engagement and capacity building. SEI Tallinn's activities are aimed at identifying different environmental and developmental problems facing society as well as finding and developing solutions for these problems. The main parts of SEI Tallinn's activities are aimed at integrating environmental sustainability into economic and social areas, raising awareness of these issues as well as building capacity among different stakeholders in Estonia, the Baltic Sea region and Central and Eastern Europe.

In 2020, SEI Tallinn work was organised in three programmes: Climate and Energy, Environmental Management and Sustainable Development.

Climate and Energy Programme supports the analysis related to global and EU level energy and climate policies as well as governance. The programme analyses scenarios of greenhouse gas reduction and climate change mitigation and adaptation, as well as policy instruments of meeting energy efficiency targets. The programme staff carries out impact assessments and integration of environment and climate into sectoral policies. In 2020, there were 8 experts working in CEA program (some working part-time) – in addition to Program Director, also 2 new Senior Experts joined the team, 3 mid-level experts, one junior expert and one program assistant. In 2020, CEA program continued to lead partner Interreg RESPONSE project dealing with demand responsive public transit in the rural areas of the Baltic Sea Region. Also, a major project in cooperation with SEI US aiming to model the most cost-effective pathways to decarbonise the electricity sector was launched. In addition to that, very high-profile project looking to support developing national strategy on hydrogen uptake in Estonia, was launched as well. In cooperation with other programs in SEI Tallinn, CEA team also executed several projects on calculating carbon footprint (e.g., for rail company Elron etc). 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. Notable was also addition of new competencies in the area of transport policy, which also led to several projects related to transport issues. CEA also started ClimVis project in cooperation with HQ, that aims to build a data visualization platform for climate data, linking it to GIS and making it more accessible to non-expert audiences.

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 2020, 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”, Nordic Council of Ministries project “Nordic Baltic Textiles – towards Nordic-Baltic circular textile system” and Interreg Central Baltic programme projects “Urban Eco Islands” and “B.Green”. The programme has also continued to facilitate and develop the cooperation with the Estonian Ministry of Environment on circular economy and sustainable consumption (GPP). Two bigger studies were finalised on these topics commissioned by the Ministry of Environment. The EM programme experts (Harri Moora, Heidi Tuhkanen and Evelin Piirsalu) were successful in publishing academic papers: 4 high-quality peer-reviewed papers were published in 2020.

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 2020, 20 projects were at work. The largest projects were Interreg projects - RDI2Club and 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. 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 started 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. The project is led by TalTech and implemented in cooperation with Irish Energy Agency and Finnish IT company Oivan OY. SEI Tallinn research staff made comparative analysis of seven European Green Capitals to provide insights to the City of Tallinn for further EGC applications.

RESEARCH AND PUBLICATIONS

Over the years our aim has been to develop balanced portfolio of research and policy-oriented projects. Most of our projects are EU and Nordic-Baltic region oriented, but with recent years also growing activities in global south in cooperation with other SEI centres.

Our portfolio links well with SEI global strategy, especially in impact areas Reduced climate risks and improved health and well-being. We were implementing a cluster of projects related to climate risks (covering nearly all priorities for change R1-R5), such as *Decarbonization scenarios of Estonian electricity sector* financed by European Commission DG Reform, *Guidelines for municipalities for planning wind and solar projects* in support for faster deployment of low-carbon technologies, *ClimVis: Climate change data visualization* toolset in geographically localised manner, *YENESIS* focusing on how to create green jobs for

youth in remote regions or doing the groundwork *analysis for Estonian national hydrogen deployment strategy*.

Also in improved health and well-being area we had solid number of projects, especially covering priorities for change H3-H6, such as *Interreg project Urban Eco-Islands* aiming to boost the utilisation of green ecosystems, *Interreg Europe – CircPro* – providing solutions for Smart Circular Procurements, *Interreg Europe - ENHANCE*, looking at EMAS as a nest to help and nurture the circular economy, *EU BSR Programme - StratKIT* supporting creating of Innovative Strategy for Public Catering.

Our work In the Impact Area of ‘Sustainable Resource Use and Resilient Ecosystems’, has been mostly focused on S1 and S2, most notably through contributing to *SEI bioeconomy initiative* and several Interreg projects on water resources management issues, such as *Waterdrive*, which focuses on Baltic sea.

Overall, there is already very good alignment with SEI global priorities, but this can even further be improved through more joint research activities with other centres. Throughout 2020 we quickly did risk assessment for our portfolio and renegotiated contract extensions to those projects that had field work elements that couldn’t be carried out and finally this resulted in keeping our promises to funders and record project income.

Out of projects in 2020 (49 in total), the following are scientific and applied research projects:

1. Interreg RDI2CluB - Rural RDI milieus in transition towards smart Bioeconomy Clusters and innovation ecosystems.
2. Interreg ConnectedbyBioBord -Biobord model.
3. Interreg Waterdrive - Water driven rural development in the Baltic Sea Region.
4. EUKI Climate Recon 2050.
5. ESPON QGasSP - Quantitative Greenhouse Gas Impact Assessment Method for Spatial Planning Policy (QGasSP).
6. Climate impact of the TEN project Rail Baltic in Estonia.
7. Rural mobility in Estonia.
8. Guidance book on the application of derogation procedure of Appropriate Assessment.
9. Study on energy costs, taxes and impact of government interventions on investments in the energy sector.
10. Interreg RESPONSE - Demand-Responsive Transport to ensure accessibility, availability and reliability of rural public transport.
11. CircPro - Smart Circular Procurement.
12. ENHANCE - EMAS as a Nest to Help And Nurture the Circular Economy.
13. Nordic-Baltic textile - Towards Nordic-Baltic circular textile system: an analyses of post-consumer textiles in Baltic countries.
14. UCPM CASCADE - Community Safety Action for Supporting Climate Adaptation and Development.
15. Analysis of green public procurement in Europe and in Estonia.
16. Interreg StratKIT - Innovative Strategy for Public Catering.
17. Sorting analysis of mixed waste, separately collected paper and packaging and electronic waste.
18. GB Impact Reporting - The Impact of Nordic Green Bonds.
19. SEI Initiative - Equitable Urbanisation for health and wellbeing, phase 2.
20. SEI Initiative - SEI Oceans Strategy.
21. Analysis of food waste and food loss in Estonian food chain.
22. Interreg Urban Eco-Islands - Urban and Smart Island Tourism Destinations.
23. B.Green - Baltic Green Urban Infrastructure Planning.
24. IEEP Environmental Taxes - Mapping objectives in the field of environmental taxation and budgetary reform: internalisation of environmental external costs.

25. DG Reform - Transitioning to a Climate-Neutral Electricity Generation.
26. ClimVis - Towards a climate data visualisation platform for Europe - identifying stakeholders needs.
27. Analysis of the utilization of Estonian hydrogen resources.

PUBLICATIONS:

In 2020, 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:

- Pateman, R. M., de Bruin, A., Piirsalu, E., [Reynolds, C.](#), Stokeld, E. and West, S. E. (2020). Citizen Science for Quantifying and Reducing Food Loss and Food Waste. *Frontiers in Sustainable Food Systems*, 4, 589089. doi: [10.3389/fsufs.2020.589089](https://doi.org/10.3389/fsufs.2020.589089)
- Vihma, M., Moora, H. (2020) Potential of Circular Design in Estonian SMEs and their Capacity to Push it. *Journal of Environmental and Climate Technologies 2020*, vol. 24, no. 3
- Watson, D., Hvass, K., Moora, H., Martin, K. (2020) Post-consumer textile circularity in the Baltic countries – Current status and recommendations for the future. *TemaNord 2020:526*
- Ensor, J., Tuhkanen, H., Boyland, M., Salamanca, A., Johnson, K., Thomalla, F., and Lim Mangada, L. Redistributing resilience? Deliberate transformation and political capabilities in post-Haiyan Tacloban World Development 140 (2021) 105360. <https://doi.org/10.1016/j.worlddev.2020.105360>
- Tuhkanen, H. and Vulturius, G. 2020. Are green bonds funding the transition? Investigating the link between companies' climate targets and green debt financing. *Journal of Sustainable Finance & Investment*, DOI: 10.1080/20430795.2020.1857634
- Tuhkanen, H. (2020). Green Bonds: A Mechanism for Bridging the Adaptation Gap? SEI Working Paper.
- Peterson, Kaja; Kaaret, Kaidi (2020). Bioeconomy pathways at national and regional levels. SEI Discussion Brief.
- Peterson, Kaja; Vainu, Marko; Laasi, Tõnu; Uustal, Meelis (2020). Climate-proof cities: City of Tallinn, Estonia.
- Kirsimaa, Kerli; Suik, Karina (2020). Demand-responsive transport (DRT) in the Baltic Sea Region and beyond: A mapping study of business models and targeted barrier-enabler analysis for policymakers. Tallinn: Stockholm Environment Institute Tallinn Centre.
- Kirsimaa, Kerli; Org, Madis; Kuldna, Piret (2020). Mapping climate adaptation options in energy efficiency projects. SEI Tallinn.
- Peterson, Kaja; Grünvald, Olavi; Noorkõiv, Rivo; Jõgiste, Kalev; Maamets, Lembit; Salmar, Siim; Poltimäe, Helen; Kutsar, Riin (2020). *Metsanduse arengukava 2030 arengustenaariumite mõju analüüs*. [Impact assessment of policy scenarios of Estonian forestry development plan 2030]
- Kuldna, Piret; Poltimäe, Helen; Tuhkanen, Heidi (2020). Perceived importance of and satisfaction with nature observation activities in urban green areas. *Journal of Outdoor Recreation and Tourism*, 29, 100227. DOI: 10.1016/j.jort.2019.100227.
- Kaaret, Kaidi; Nõges, Kristel; Peterson, Kaja (2020). *Seitsme Euroopa rohelise pealinna võrdlus: lävendtegevused ja initsiatiivid*. SEI Tallinn [Comparative analysis of seven European Green Capitals: threshold activities and initiatives]

INPUT INTO POLICYMAKING

SEI Tallinn was actively involved in EU policy engagement stream in 2020. In March we organised together HQ and with Permanent Representation of Estonia to the EU seminar *Tools for transition* which presented insights from our researchers, industry representatives and policy makers on how EU member countries can successfully achieve a just transition towards climate neutrality. <https://www.sei.org/events/tools-for-transition-achieving-the-vision-of-a-just-and-climate-neutral-europe/>

In RESPONSE project, we worked together with municipalities and public transport service providers to map out the state of play in demand-responsive public transport and identified bottlenecks holding back the roll-out of more accessible and climate friendly public services.

In Interreg Europe programme project ENHANCE we worked together with national governments in several EU member states to improve the implementation of regional policy instruments oriented to increasing the efficiency of resources by the exchange of experiences and practices on supporting EU EMAS implementation and registration.

In Nordic Council of Ministries funded project Towards a Nordic-Baltic circular textile system we drafted in cooperation with policy-makers proposals for improved framework to support the increased circularity of resources in textile sector.

In Waterdrive project we worked with national policymakers around Baltic Sea region to come up with policy recommendations for better water governance systems. SEI Tallinn mobilised the 19 partners of the project to provide information on the current and future measures applied in water management. The synthesis report was developed and shared among the partners and associated partners and via an open to wider public webinar. The analysis provided input to the national level CAP strategic plan that is being developed in each of the EU member state. Six policy recommendations were co-created and communicated to wider public.

SEI Tallinn has several long-standing cooperation networks, through which we continued to actively work also in 2020. For example, we are founders of Estonian Association for Environmental Management - network of sustainable businesses in Estonia. Last year we organised a series of trainings, seminars, events together with them. Also, they are partners for several SEI Tallinn projects and initiatives such as Estonian Platform for Circular Economy (was established with SEI Tallinn and EKJA), ENHANCE project network, Circular procurement network, etc).

SEI Tallinn is also a founding member of Estonian Council of Environmental NGOs, which is an umbrella organisation for environmental organisations. In 2020, we contributed through that organisation in putting together policy positions and recommendations for several important initiatives by government. Organisation also gave us platform for contributing to processes like putting together national forestry action plan and just transition action plan for oil-shale based fossil region in North-East Estonia.

We also advised and helped several other umbrella organisations, such as www.rohettiiger.ee, which was launched in 2020 and aims to support the transition to green circular business models.

CAPACITY BUILDING

One important shift from 2020 was going online with trainings and seminars, which brought along growth in participation and the reach of our events. Instead of usual 50-60 participants, we could now reach 100-200 participants in events and have also people streaming the content later.

We hosted on number of events, trainings around circular economy. For example, SEI Tallinn together with the [Estonian Association for Environmental Management](#) (EKJA) organized a webinar focusing on the possibilities of implementing circular economy in cities <https://www.sei.org/events/circular-cities/>

Also, SEI Tallinn together with the Estonian Association for Environmental Management and other partners are organizing yet another online seminar to discuss the possibilities of implementing a circular economy in the textile sector. <https://www.sei.org/events/webinar-circular-economy-and-textiles/>

Our seminar on circular procurement had good attendance from public, private and academic sector. <https://www.interregeurope.eu/circpro/news/news-article/8702/webinar-how-to-implement-circular-economy/>

In the framework of YENESIS project, which is focusing on reducing youth unemployment by creating policies for boosting green jobs for young people from remote areas, we organised 5-day training for youth on topics like green innovation and entrepreneurship, energy efficiency, sustainable tourism and transport. <https://www.sei.org/events/noorte-keskkonnaprogrammi-yenesis-koolitusnadal-saaremaal/>

In November, SEI Tallinn organised the 10th Sustainable Development Forum which was held at the Estonian Parliament premises and was a hybrid event with an online audience. The Forum concentrated on tackling climate change in cities and included the first ever nomination of a “Environmentally Friendly Local Government” in Estonia. www.sei.org/featured/a-collaborative-green-transition-is-crucial-for-tackling-climate-change-in-cities/

SEI Tallinn carries out many capacity building projects. During 2020 the following project activities were carried out:

1. Environmental Strategy and Action Plan for Bosnia&Herzegovina.
2. SAF2020 - Estonian Forum of Sustainable Development 2020.
3. YENESIS - Youth Employment Network for Energy Sustainability in Islands.
4. Avoiding and reducing food waste in school catering.
5. Circular Design Best Practices.
6. Green Key coordination in Estonia.
7. Enhancing circular economy and design capacity in Estonian SMEs.
8. Enhancing circular economy and design capacity in Estonian regional SMEs.
9. Implementation of EMAS in Tartu University.
10. Assistance of the Estonian Association for Environmental Management.
11. Participation in the Network of Environmental NGOs.
12. European Green Capital Award winners 2015-2021 analysis and preparation of Tallinn City application for the European Green Capital 2023 competition.
13. CAMS - Climate Adaptation and Mitigation Synergies in Energy Efficiency Projects
14. MSc course on Strategic Environmental Assessment in Tallinn University.
15. Sustainable Finance and Decentralised Energy with Stockholm Centre.
16. Development and implementation of industrial textile waste upcycling method and certification scheme.

SEI TALLINN'S GOALS FOR 2021

In 2020, SEI Tallinn showed very solid performance in terms of projects executed, proposals submitted, capacity building delivered, policy engagement and communication outreach. In order to continue that positive trend in 2021, we will set as our goals to:

- Review and improve operations and organisational structure to support the delivery of impact and quality.
- Raising the capacity for scientific output.
- Anchoring our work more to Green.
- Taking SEI cooperation to new level.
- Ensuring well-being and motivation of our people.

At the time of the annual report compilation in January 2021 there were about 38 projects in process.

Lauri Tammiste
Centre Director

The annual accounts

Statement of financial position

(In Euros)

	31.12.2020	31.12.2019	Note
Assets			
Current assets			
Cash and cash equivalents	47 892	9 314	2
Receivables and prepayments	502 765	465 285	3
Total current assets	550 657	474 599	
Non-current assets			
Receivables and prepayments	2 765	2 765	3
Property, plant and equipment	39 351	49 506	5
Total non-current assets	42 116	52 271	
Total assets	592 773	526 870	
Liabilities and net assets			
Liabilities			
Current liabilities			
Payables and prepayments	342 946	288 557	7
Total current liabilities	342 946	288 557	
Total liabilities	342 946	288 557	
Net assets			
Foundation/Issued capital	87 152	87 152	
Reserves	2 092	2 092	
Accumulated surpluses (deficits) from previous periods	149 069	134 670	
Surplus (deficit) for the period	11 514	14 399	
Total net assets	249 827	238 313	
Total liabilities and net assets	592 773	526 870	

Statement of revenues and expenses

(In Euros)

	2020	2019	Note
Revenue			
Grants and donations	881 260	751 641	8
Business income	288 424	238 057	9
Other income	3 965	1 528	
Total revenue	1 173 649	991 226	
Expenses			
Other operating expense	-369 954	-367 846	10
Employee expense	-768 859	-582 767	11
Depreciation and impairment loss (reversal)	-21 525	-18 194	5
Other expenses	-873	-4 208	
Total expenses	-1 161 211	-973 015	
Surplus (deficit) from operating activities	12 438	18 211	
Interest income	9	4	
Other financial income and expense	-933	-3 816	
Net surplus (deficit) for the period	11 514	14 399	

Statement of cash flows

(In Euros)

	2020	2019	Note
Cash flows from operating activities			
Surplus (deficit) from operating activities	12 438	18 211	
Adjustments			
Depreciation and impairment loss (reversal)	21 525	18 194	5
Other adjustments	0	-1 025	
Total adjustments	21 525	17 169	
Adjustments for operating receivables and prepayments	-37 480	-170 648	3
Adjustments for operating liabilities and prepayments	54 389	148 288	7
Interest received	9	4	
Total cash flows from operating activities	50 881	13 024	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-11 370	-15 936	5
Total cash flows from investing activities	-11 370	-15 936	
Total cash flows	39 511	-2 912	
Cash and cash equivalents at beginning of period	9 314	16 042	2
Change in cash and cash equivalents	39 511	-2 912	
Effect on exchange rate changes on cash and cash equivalents	-933	-3 816	
Cash and cash equivalents at end of period	47 892	9 314	2

Statement of changes in net assets

(In Euros)

				Total net assets
	Foundation/Issued capital/ Reserve capital	Reserves	Accumulated surpluses deficits from previous period	
31.12.2018	87 152	3 117	134 670	224 939
Net surplus (deficit) for the period	0	0	14 399	14 399
Changes in reserves	0	-1 025	0	-1 025
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

As of 31.12.2020 the reserve fund under the net assets comprises a training fund in amount of 2,092 euros (2019: 2,092). In 2020 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)

	31.12.2020	31.12.2019
Cash at bank	47 892	9 314
Total cash and cash equivalents	47 892	9 314

Note 3 Receivables and prepayments

(In Euros)

	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	
	31.12.2019	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	463 115	463 115	0	
Accounts receivables	463 115	463 115	0	
Tax prepayments and receivables	100	100	0	4
Other receivables	209	209	0	
Prepayments	1 861	1 861	0	
Deferred expenses	1 861	1 861	0	
Total receivables and prepayments	468 050	465 285	2 765	

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2020	31.12.2019	
	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	9 820	0	13 762
Social tax	9 986	0	14 257
Unemployment insurance tax	891	0	16
Prepayment account balance		100	
Total tax prepayments and liabilities	20 697	100	28 035

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	
31.12.2018			
Carried at cost	32 219	52 118	84 337
Accumulated depreciation	-26 096	-6 477	-32 573
Residual cost	6 123	45 641	51 764
Acquisitions and additions	13 146	2 790	15 936
Depreciation	-6 984	-11 210	-18 194
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

Note 6 Operating lease

(In Euros)

Accounting entity as lessee

	2020	2019	Note
Operating lease expenses	30 561	30 033	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 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)

	31.12.2020	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	
Prepayments received	276 241	276 241	
Total payables and prepayments	342 946	342 946	
	31.12.2019	Within 12 months	Note
Trade payables	14 458	14 458	
Employee payables	18 232	18 232	
Tax payables	28 035	28 035	4
Other payables	983	983	
Prepayments received	226 849	226 849	
Total payables and prepayments	288 557	288 557	

Note 8 Grants and donations

(In Euros)

	2020	2019
Grants and donations related to income	881 260	751 641
Total grants and donations	881 260	751 641

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2012-2020 and forecast for 2021.

Note 9 Business income

(In Euros)

	2020	2019
Sales revenue (other international organizations)	15 119	1 450
Sales revenue (Estonian public sector)	219 480	152 340
Sales revenue (Estonian private sector)	25 380	46 935
Sales revenue (Estonian educational institutions)	500	2 208
Sales revenue (other Estonian organizations)	25 115	34 321
Sales revenue (SEI Centres)	2 830	803
Total business income	288 424	238 057

The Management Report provides information on SEI Tallinn's funding sources for the total annual revenues during the period 2012-2020 and forecast for 2021.

Note 10 Miscellaneous operating expenses

(In Euros)

	2020	2019	Note
Leases	30 561	30 033	6
Energy	4 558	5 470	
Electricity	1 465	1 410	
Heat energy	1 642	2 417	
Fuel	1 451	1 643	
Miscellaneous office expenses	13 815	14 533	
Travel expense	12 757	51 457	
Training expense	5 187	3 000	
State and local taxes	48	0	
Other	303 028	263 353	
Total miscellaneous operating expenses	369 954	367 846	

Note 11 Labor expense

(In Euros)

	2020	2019
Wage and salary expense	570 672	428 108
Social security taxes	183 331	137 782
Fringe benefits	14 856	16 877
Total labor expense	768 859	582 767
Average number of employees in full time equivalent units	17	13

Note 12 Related parties

(In Euros)

Name of accounting entity's parent company	Stockholm Environment Institute
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Number of members by the end of economic year		
	31.12.2020	31.12.2019
Number of juridical person members	1	1

Balances with related parties by categories

	31.12.2020		31.12.2019	
	Receivables	Liabilities	Receivables	Liabilities
Founders and members	37 487	0	26 379	0
Other entities belonging into same consolidation group	0	160	0	0

Purchases and sales of goods and services

	2020		2019	
	Purchases of goods and services	Sales of goods and services	Purchases of goods and services	Sales of goods and services
Founders and members	0	347 596	1 845	355 028
Other entities belonging into same consolidation group	160	0	283	0

Remuneration and other significant benefits calculated for members of management and highest supervisory body		
	2020	2019
Remuneration	74 613	72 000