# ANNEX 1 I KPP 2050 POLICY GUIDELINES AND PRINCIPLES

#### Economy-wide policy guidance

- Estonia is developing an attractive environment in particular for the development of innovative technologies, products and services that reduce greenhouse gas emissions. Their exports and global implementation will also be encouraged to address global challenges related to climate change. Areas of green growth with high export capacity and economic and environmental potential will be identified, prioritised and consistently supported by a favourable regulatory environment and access to finance. For example, the criteria for public support measures for companies take account of climate policy objectives and, where possible, give preference to low-carbon alternatives.
- In order to develop climate-friendly attitudes and choices for both consumers and businesses, society's awareness of climate change mitigation and adaptation will be raised. A knowledge, skills and attitude-based approach to climate change will be introduced at all levels of education and in non-formal environmental education. The good example of the public sector will be demonstrated through environmental management measures, including the implementation of environmental management and green procurement by public authorities. The creators and users of best practices will also be rewarded.
- Economic growth will be decoupled from the growth of primary raw materials through the
  promotion of a resource-efficient circular economy, taking into account the Sustainable
  Development Goals and in particular the principles of sustainable production and
  consumption. Based on the waste hierarchy, waste generation will continue to be reduced
  and separate collection will be improved. Production will reduce the use of primary and
  secondary raw materials and implement the principles of eco-design and universal design.
  The uptake of innovative business models, including those based on re-use, sharing and
  renting of resources, shall be encouraged.
- Estonia contributes to climate change mitigation and adaptation in development cooperation on a cross-border basis among other developed countries, possibly mobilising Estonia's best expertise. Existing and future flexibility mechanisms will be used to increase the cost-effectiveness of achieving climate objectives.

### Sectoral policy guidance on climate change mitigation

### Energy and industry

- The planning of energy consumption centres and new generation capacity and the management of consumption and production shall be based on efficient interaction of the system as a whole.
- Industrial processes tend to favour the use of low-carbon technologies with specific emissions and the efficient use of resources. In industrial plants
- The renovation of the existing building stock and the planning and construction of new buildings shall be based on the economic and energy efficiency of the system as a whole, in order to achieve the maximum energy performance of the entire occupied building stock.

- In energy systems, network planning, construction, management and reconstruction shall be based on the economic and energy efficiency of the system as a whole with a view to achieving maximum energy and resource efficiency.
- The use of oil shale is moving towards increasing energy valorisation and production of products with higher added value in order to minimise greenhouse gas emissions from the oil shale treatment process in a way that does not lead to an increase in other negative environmental impacts.
- Actors in the large-scale energy and industry sectors will be driven to ambitiously and costeffectively reduce greenhouse gas emissions by continuing to use market-based mechanisms.
- The gradual expansion of domestic renewable energy sources in all sectors of final consumption will be encouraged, bearing in mind the welfare of society and the need to ensure energy security and security of supply.
- In limiting greenhouse gas emissions from energy and industry, priority will be given to research, development and innovation, promoting the development of efficient energy technologies and maximising the valorisation of domestic renewable energy resources, increasing primary energy savings and reducing greenhouse gas emissions.

## <u>Transport</u>

- Reducing the need for forced movement and personal car dependency through wellintegrated settlement and transport management planning. An energy-efficient traffic culture will also be promoted.
- Increasing the economy of the vehicle fleet and the share of sustainable transport fuels, in particular through targeted tax policies and public sector models.
- Priority shall be given to modes of transport and mobility with low greenhouse gas emissions through the prioritisation of public transport, light traffic and energy efficient freight transport.
- Promoting R & D & I activities that foster awareness and competence of central and local government authorities and enterprises in the development of sustainable transport and mobility and the implementation of relevant demonstration projects.

## Agriculture, Farming

- Soil carbon stock is increased and stored, and land with significant carbon stock is designed and stored.
- The efficient and environmentally friendly use of agricultural land shall be encouraged and its abandonment shall be avoided. The production potential of agricultural land and the area of arable land with valuable soils are maintained.
- The use of vegetative nutrients will be enhanced and the replacement of inorganic fertilisers with organic fertilisers and environmentally friendly soil improvers will be encouraged. The removal of organic matter from the field without need shall be avoided.
- The production of bioenergy and its use as a substitute for non-renewable fuels, in particular energy intensive ones, will be strongly promoted.

- Increase productivity and resource efficiency in the agricultural sector in order to reduce greenhouse gas emissions per unit of output.
- In limiting greenhouse gas emissions from the agricultural sector, priority will be given to research, development and innovation (R & D & I) policies that increase the sustainability of agriculture. To foster innovation, research will be closely linked to agricultural production through education, information and advice.

### Forestry and land use

- The capacity for forest increment and carbon sequestration shall be enhanced through productive and sustainable forest management and, in the long term, the maintenance of forest carbon stocks.
- The use of wood is continuously promoted and the carbon stock in timber products and buildings is increased, thereby replacing the use of non-renewable natural resources.
- The maintenance of existing forest land is encouraged, and techniques to increase carbon sequestration and reduce emissions are preferred in other land use categories.
- Maintain or increase the carbon stock associated with peat in the wetlands. Further drainage of bowels is avoided and already drained peatlands restore close-to-nature water regime where possible, or further degradation of areas is avoided.
- In the forestry and land use sector, priority will be given to research, development and innovation (R & D & I) activities that contribute to increasing carbon sequestration and finding alternative uses of wood.