

Eesti 2035

OVERVIEW OF THE IMPLEMENTATION OF THE
'ESTONIA 2035' ACTION PLAN

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Introduction

On 12 May 2021, the Riigikogu passed the state's long-term development strategy 'Estonia 2035', which is the umbrella strategy for development plans in the field approved by the Government of the Republic of Estonia. The long-term development strategy is implemented on the basis of the 'Estonia 2035' action plan approved by the Government of the Republic of Estonia, which is updated annually by the Government of the Republic. The action plan sets out the planned activities to achieve the necessary changes outlined in the strategy, together with the responsible ministries, and outlines the links with the global sustainable development goals.

This overview of the implementation of the 'Estonia 2035' action plan includes a brief overview of the progress of the state towards long-term strategic goals and the maintenance of the basic principles, which are based on the main indicators of the strategy and action plan. The time series of the indicators are available on the Tree of Truth website¹ and in the database² of Statistics Estonia. This report also provides an overview of the main activities carried out during 2021 or in the first quarter of 2022 under each of the necessary changes. This report does not summarise all the activities carried out by the ministries, but only 4–5 main lines of action for each necessary change.

In addition, it has been agreed within the framework of the long-term strategy 'Estonia 2035' that each member of the government will present a report to members of parliament in the Riigikogu at least once a year, giving an overview of the activities and results of their area of responsibility. The overview allows ministers to address important trends and strategic choices in their field, keeping in mind the long-term goals of the 'Estonia 2035' strategy. This is a new practice in governance, the aim of which is to promote discussion between members of the Riigikogu and the government to achieve the long-term goals of the state. The main theses of the review are first presented in the relevant committee and then a presentation is made to the plenary of the Riigikogu.

The activities necessary for the implementation of the action plan are planned in the development plans of the field and related programmes, and the financing of necessary changes related to the implementation of the action plan is agreed during the preparation of the state budget strategy and the state budget, including the structural funds of the European Union and other foreign aid. In 2021, a number of development plans in the field have been adopted, which have been prepared with the long-term goals of the 'Estonia 2035' strategy in mind. A more detailed overview of the current development plans in the field is available on the website of the government.³

The updated action plan of the 'Estonia 2035' strategy and this report will also be submitted to the European Commission at the end of April 2022 as part of the European Semester framework.

1 <https://tamm.stat.ee/>

2 https://andmed.stat.ee/en/stat/eri-valdkondade-statistika__saastev-areng/EE01

3 <https://valitsus.ee/strateegia-eesti-2035-arengukavad-ja-planeering/arengukavad/kehtivad-arengukavad>

1. Overview of moving towards the long-term strategic goals of the state and maintaining the basic principles

This chapter provides a brief summary of the current state of the basic principles, strategic goals, and indicators of the necessary changes in the long-term development strategy 'Estonia 2035' and the progress towards the set goals. More detailed time series of the indicators are available on the Tree of Truth website⁴ of Statistics Estonia and in the database of indicators of the development strategy 'Estonia 2035'.⁵ The indicators of the 'Estonia 2035' strategy have been selected to assess long-term goals. As the latest data of the reported indicators will become clear with a delay of up to a couple of years and the impact of all implemented activities is not immediately reflected in the time series of the indicators, the impact of the activities carried out in 2021 can only be assessed through the indicators in a few years.

Basic principles

Although the long-term strategy of the state 'Estonia 2035' sets the goal that the population of Estonia will not decrease, as at 1 January 2022 (preliminary data), the **population of Estonia** was 1,328,439 people, which is 1,629 people less than a year ago. The declining population in 2021, despite a positive migration balance, was affected by an exceptionally high number of deaths, which may have been due to both COVID-19 and the hot summer. Contrary to the 2035 target (1.86), the **cohort fertility rate** has also fallen slightly (1.84 in 2020 and 1.83 in 2021).

According to the latest survey (published in June 2021), the **participation rate in cultural life** is 73.8%. The result has decreased by almost five percentage points compared to 2017, which is also influenced by the fact that the survey partly took place during the period when the restrictions imposed to prevent the spread of COVID-19 were in place. Nevertheless, the downward trend in the indicator is more general, as in 2015, the participation rate in cultural life was 84.4%.

According to the **OECD Risks That Matter Survey**, the worries of people of becoming ill or disabled decreased in 2020 (52.3%) compared to 2018 (60.7%). At the same time, the fear of losing their job (55.3% in 2020) increased significantly compared to 2018 (47.6%). Worries regarding the ability to cover all expenses (57.2% in 2020) also increased significantly compared to 2018 (48.4%). According to the OECD survey, the main reason for the increase in worries was the insecurity in society caused by the COVID crisis.

4 <https://tamm.stat.ee/>

5 https://andmed.stat.ee/en/stat/eri-valdkondade-statistika__saastev-areng/EE01

The **EIGE Gender Equality Index**, which measures gender equality in six key areas – power, time, knowledge, health, money, and work – has improved slightly in Estonia. In 2020, the result of Estonia was 60.7 points on a hundred-point scale. In 2021, it increased to 61.6 points. However, there is still room for improvement – the target set for 2035 is 70.7 points.

The **gender pay gap** narrowed by 2.2 percentage points in 2021 compared to the year 2019, reaching 14.9%. The largest wage gap in 2021 was in financial and insurance activities (25.7%), followed by wholesale and retail trade (24.2%), and human health and social work activities (23.8%). Similarly to 2019 and 2020, transportation and storage was the only field where women earned more than men in 2021. Although the indicator has improved in recent years, achieving the 2035 target (5%) still requires significant efforts, both in terms of raising public awareness and encouraging the career choices of women.

Greenhouse gas emissions in Estonia are decreasing. We have set the ambitious goal of achieving climate neutrality by 2050. In Estonia, net greenhouse gas emissions decreased significantly in 2019 compared to 2018 and amounted to almost 14 million tonnes of CO₂ equivalent. According to preliminary data, greenhouse gas emissions decreased further in 2020 to 12.82 million tonnes of CO₂ equivalent. The share of Estonia in greenhouse gas emissions is very small on the global scale – our share of the greenhouse gas emissions of the European Union Member States is about 0.4 per cent. Nevertheless, all states must show solidarity and contribute to climate change mitigation. At the same time, considering the per capita, Estonia is more carbon-intensive than the European Union countries on average. In 2019, the greenhouse gas emissions of Estonia were 11.2 tonnes of CO₂ equivalent per capita, while the EU-27 average was 8.4 tonnes of CO₂ equivalent. This means that the Estonian economy is still relatively carbon-intensive and that efforts to reduce greenhouse gas emissions need to be continued, which, in turn, will support increasing the competitiveness of the Estonian economy.



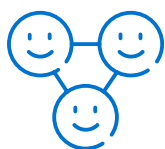
Intelligent and active people who make healthy choices live in Estonia

In 2020, **healthy life years** increased for both men and women. The indicator was 59.5 years for women (57.6 in 2019) and 55.5 years for men (54.1 in 2019). Nevertheless, women are still 5 years and men 7.5 years short from the target for 2035. On the positive side, the gap between the average number of healthy life years of women and the average result of women in the worst-performing county has narrowed to 9.49 in 2020 (from 10.31 in 2019). Unfortunately, the gap between the average number of healthy life years of men and the average result of men in the worst-performing county has widened and moved even further from the 2035 target: in 2019, the difference was 12.13 years for men, and in 2020, it was 13.71 years. This shows that there is an urgent need to pay more attention to the health behaviours of men, helping to reduce the loss of health arising from lifestyle choices.

The goal for 2035 is for the **percentage of overweight people** in the population to be less than 50%. In 2020, the percentage of the overweight population was 51.6, which is higher than in 2018 (50.7%). In the coming years, promoting both physical activity and a healthy diet will need much more attention to reverse the trend towards excess weight.

Adult participation in lifelong learning increased significantly over the last five years before the COVID crisis. While in 2014, the participation of adults (25–64 years) in lifelong learning was 11.6%, in 2019, it was 20.2%. Due to the COVID-19 pandemic, the participation rate in lifelong learning fell to 17.1%, but rose again to 18.4% in 2020. There is still a need to actively support participation in adult learning to reach the 2035 target (25%). Although the goal is for at least 80% of **adults** (25–64 years) to have **professional or vocational education** by 2035, this figure has decreased in 2021 (73.5%) compared to 2020 (74.1%).

The level of education of people is a measure of the success of the education system and the development potential of society; for the young people themselves, it has an important impact on both employment opportunities and the quality of life in general. In the last five years, the **share of people aged 25–34 with tertiary education** in Estonia has remained close to 43%. The challenge for the near future is to find solutions to break this stalemate to move towards a knowledge-based society and a better living environment.



The Estonian society is caring, cooperative, and open

The **rate of persistent relative poverty** decreased significantly (13.8%) in 2019 compared to the 2018 level (16.7%), reaching the target set for 2035 already in 2019 ($\leq 15.6\%$). However, it is important to look at trends in the coming years for this measure, as the data does not yet reflect the impact of the COVID crisis and the resulting rise in unemployment and declining incomes.

The **share of the population with a high care burden** shows the share of people aged 16 and over among the same age group who assist or care for a household member for at least 20 hours a week. While in 2019, the share of the population with a high care burden was 2.1%, it has increased to 2.3% in 2021. This means that there are just over 25,000 people in Estonia with a high care burden. Achieving the 2035 target (1.3%) will require continued focus on both the comprehensive development and the funding of care services.

The **labour force participation rate** among people of working age (15–74 years) has decreased in 2021 (71.1%) compared to 2020 (72.1%). This decrease is mainly due to the fact that young people and middle-aged people who were employed became inactive rather than unemployed as a result of the COVID crisis. In total, the number of people participating in the labour force decreased by almost 8,600 in 2021.



The Estonian economy is strong, innovative, and responsible

Private sector research and development (R&D) expenditure has risen sharply in recent years, exceeding 1% of the GDP (1.01%) in 2020 for the first time in several years. However, it should be borne in mind that 75% of private R&D expenditure was incurred by only 32 enterprises and 72% in only two sectors (41% information and communication, 31% processing industry). This means that the research and

innovation capacity of local enterprises is uneven, most enterprises do not engage in research and development, and new ways must be found to bring research to small and traditional enterprises to reach the target of 2% of the GDP by 2035.

The **number of researchers and engineers in the private sector** has also grown, reaching 1.65 per a thousand residents in 2020. However, the number of researchers and engineers must more than double to reach the 2035 target (4.53).

Both the innovation capacity and the general standard of living of states are linked to the availability of research excellence. The **share of people with a doctoral-level degree among people aged 25–64** in Estonia has been 0.9 per cent for the last four years (target for 2035: 1.5 per cent). The number of doctoral candidates in 2021 has remained at the same level as in the previous year, but considering that the number of doctoral candidates has steadily decreased since 2017, stabilisation can be considered as a good result. However, it stopped in 2021 at the 2015 level. A growing proportion of those entering doctoral studies in those years were foreigners, who may not remain in the Estonian labour market after graduation. In addition, the sectoral distribution of doctoral dissertations is uneven and insufficient in areas important to the economy. However, the share of people with a doctoral-level degree in the labour force is generally positively correlated with public investment in research and development. Thus, both the growth of R&D funding and the ongoing reform of doctoral studies could make research careers more attractive and more stable in the coming years.

Estonia has set an ambitious goal – to exceed the EU average in terms of **labour productivity** by 2035 and to reach 110%. Despite the difficult times, labour productivity in Estonia has grown significantly in recent years, reaching 80.8 per cent of the EU average in 2020. However, further growth will become increasingly complex and will require the introduction of more research and development, a major step in the digitalisation of enterprises, and the development and implementation of green technologies. These steps create the preconditions for rising higher in international value chains and increasing the added value.

Compared to the European Union, the GDP per capita created outside of Harju County has increased from 52.5% (2019) to 53.4% (2020). The rise reflects the smaller contraction of the Estonian economy and the fact that in many Estonian counties, the economy has been more resilient to the crisis than in the European Union on average. At the same time, in 12 counties outside Harju County, GDP per capita has decreased relative to the national average, so economic growth is still uneven by region and the share of most regions in the Estonian economy is still declining.

The **circular material use rate** has increased, reaching 17.3 per cent in 2020. However, reaching the set target (30%) will require effort and the share of used material has to almost double.

Resource productivity has remained at the same level – 0.63 euros/kg in 2020. The achievement of the target (0.90 euros/kg) is greatly influenced by the creation of value from mineral resources (including oil shale, limestone), but also by the development of resource efficiency in general. It is therefore necessary to significantly increase the production of higher value-added products and the provision of higher value-added services in the value chain, to support resource efficiency measures in enterprises, and to increase the share of renewable electricity.

Compared to 2019, the **share of renewable energy in total final energy consumption** has decreased to 30.1 per cent. The share of renewable energy still needs to increase significantly to reach the set target (55%).



Estonia has a safe and high-quality living environment that takes the needs of everyone into account

In 2020, the **number of deaths due to accidents, poisonings, and traumas per 100,000 residents** increased significantly to 71 (the same figure was 58 in 2019). This means that we have moved even further than the target set for 2035 (31.7 deaths per 100,000 residents). Accidental falls, drownings, and road accidents are the main reasons for the deterioration, but the number of deaths due to suicides and violent attacks is also rising. This was partly due to the effects of the COVID-19 pandemic, which affected the mental health of people and made them seek help from substance use to relieve stress. In order to improve the situation, it is necessary to continue with comprehensive, targeted, and cross-sectoral prevention activities.

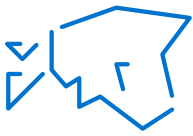
The **environmental trend index** shows the share of improving environmental trends in Estonian environmental indicators for sustainable development. Among the 32 indicators, the environmental trend index has improved to 71.88. Estonia remained in the high 10th place in the **global sustainable development index** in 2021.

Greenhouse gas emissions in the transport sector – due to the COVID crisis, the use of public transport decreased and the share of people working from home increased. However, greenhouse gas emissions in the transport sector have not decreased to the expected extent. It should be borne in mind that the current projections do not adequately assess the effects of the 'Fit for 55' package of the European Union, but the updated projections show that we will not be able to reduce CO₂ emissions in the transport sector to the 2035 target with the existing measures.

The **share of people commuting via public transport, cycling, or walking** decreased to 33.9 per cent in 2021.

The **percentage of people who consider their neighbourhood safe** has dropped to 92% in 2020 compared to 96% in 2018. Given the target set for 2035 (94%), the decline is not very big, but it is important to work on ensuring the security of communities and prevention to increase the sense of security in our neighbourhoods.

The **energy consumption of residential and non-residential buildings** was 16.5 terawatt-hours in both 2019 and 2020, i.e. two terawatt-hours more than the target set for 2035. In order to achieve the set target, it is necessary to continue with support measures to improve the energy efficiency of (residential) buildings.



Estonia is an innovative, reliable, and people-centred country

Trust towards state institutions has grown. Compared to 2019, trust towards the Riigikogu had increased from 40% to 44% by 2020, towards the Government of the Republic from 43% to 46%, and towards local governments from 56% to 58%.

Estonia rose from 89th place in 2018 to 85th place in 2020 in the **Global Presence Index**. The improvement in the position has mainly been achieved thanks to the growth of the economic presence and the development of military capabilities. There is no significant change in the 'soft presence' category, which means, above all, prominence in tourism, sport, science, education, and culture.

The **share of local government expenditures among the general government sector expenditures** decreased from 25.5% to 23.3% in 2020. The main reason is the effects of the COVID-19 pandemic, where the local government revenue base decreased due to a decrease in personal income tax receipts. At the same time, the central government provided more support for the well-being of people and the economy than before.

2. Overview of the implementation of the necessary changes agreed upon in the 'Estonia 2035' strategy



2.1. Skills and the labour market

A. Making the education system learner-based and flexible

The '**Education Strategy 2021–2035**' was approved, which focuses on the integration of formal, non-formal, and informal education, the systematic implementation of modern learning concepts and top-level curricula, and ensuring the next generation of teachers, support specialists, and heads of schools. In addition, the **development directions of the future generation of teachers** until 2026 and a more detailed action plan for 2022 were agreed upon.

Significant changes have been developed in connection with the **updating of the general education curriculum**. The aim of the changes is to support the development of general competencies, to integrate teaching more than before, and to choose content based on the needs of students. A new **legislative act on pre-school education and child care institutions** and a **national curriculum for pre-school education** have been drafted and will be approved during 2022. The law creates the basis for the renewal of the current system of nursery schools and child care institutions and for greater coherence between the final level of pre-school education and the first level of basic education.

The focus for the next few years will be on creating a framework for **closer integration of youth work, hobby education, and recreational activities with general and vocational education**. In 2021, a project funded by the EU structural funds was launched under this framework, as a result of which specific recommendations for the implementation of integration will be completed by the autumn of 2023. The '**Youth Field Development Plan 2021–2035**' was also approved, the aim of which is to involve young people as equal partners, to support their participation in decision-making and implementation, and to empower them.

In order to increase the regional availability of culture and to develop the subject competences of children, the '**Kultuuriranits**' **support measure** was established. The aim of the support measure is to enable children and young people to visit theatre performances, museums, or other cultural activities as part of their study programme. An analysis is planned to draw initial conclusions about the implementation of the measure in 2022.

The **organisation of the school network** continues throughout Estonia. One of the key goals for the coming years is to create a modern learning environment that is optimal in size, is energy-efficient, and uses renewable energy sources.

B. Bringing the knowledge, skills, and attitudes of people into line with the needs of the labour market and structural changes in the economy

A bill to amend the Adult Education Act is being drafted with the aim of including in the act the **regulation of micro-qualifications** and the possibility of assessing the **quality of refresher training** and supplementing the legislation related to the financing of refresher training. The bill is scheduled to be approved in 2022. The tax environment in the field of education was also analysed (income taxation of donations in the field of education, taxation of training expenses as a fringe benefit, etc.).

In 2021, nearly 200 new enterprises offered **work-based learning**. In the years 2022–2024, the provision of refresher training and retraining for adults with lower qualifications and outdated skills will be continued, the return of adults to higher education will be supported, and the provision of work-based learning and the entry of young people into the labour market will be expanded.

An analysis and proposals for providing a workforce with the skills needed for the green transition and the digital revolution and developing the knowledge base have been completed. In the coming years, the **development of skills needed for the green transition and the digital revolution** will be supported through the development of the vocational and higher education activities of the Academy of Engineering, the Progetiiger programme, and the IT Academy, as well as the development of the digital skills of adults needed for the digital revolution. In addition, the interest of children and young people in STEM will be increased.

A **reform of the vocational system** was prepared. In the period 2022–2024, this reform will be implemented (including the skills classification and catalog, updated skills profiles, professional standards and legal framework), the **OSKA methodology** will be updated and the creation of a **self-assessment environment** will be started with the aim of finding out the expectations of society for the skills of students and employees and supporting their assessment and formal recognition.

In order to **support the labour markets of North-East and South-East Estonia** and ensure a regional balance, a support measure for business development in South-East Estonia was opened in 2021, with the aim of contributing to the development of the region and entrepreneurship of South-East Estonia, and a measure for the diversification of entrepreneurship and work skills in Ida-Viru County, with the aim of reviving higher value-added entrepreneurship in the region and curbing the outflow of the younger population.

C. Preparing for future work

In order to adapt social protection schemes to new forms of work, aspects related to social tax were analysed to **ensure the availability of social guarantees for creative people as well as to extend unemployment insurance** to self-employed persons, business account holders, and members of the management or control bodies. The drafting of the legislative intent to amend the Creative Persons and Artistic Associations Act will continue in 2022.

Amendments to the Occupational Health and Safety Act related to teleworking were prepared. The aim of the amendments is to make **compliance with occupational health and safety requirements in the case of teleworking** clearer and more understandable for employers and employees, thereby encouraging teleworking. The amendments will take effect in 2022. In addition, it is planned to analyse in 2022 how the state could support teleworking more than before.

Amendments to the Employment Contracts Act entered into force, which allow for the conclusion of **variable working hours agreements in the retail sector**. This is a temporary pilot project to assess the effects of the amendments and to consider applying them indefinitely and extending them to other sectors. Negotiations are underway to extend a similar pilot project to the HoReCa sector.

Refresher training was provided to teachers and lecturers to develop their competencies to improve their **readiness to transfer future skills**. **Entrepreneurship and career education** will be developed at **all levels of education** until mid-2023 with the aim of supporting schools in implementing a learning approach that develops entrepreneurship. In the coming years, it is planned to focus on supporting the development of general competencies, including entrepreneurial and career development competencies.

D. Improving the quality of higher education and increasing the efficiency of its funding

The bottlenecks in the financing of higher education were analysed and **an amendment to the Higher Education Act** was initiated, as a result of which learning for free at the same academic level several times and learning several curricula or in several universities at the same time will be restricted. In addition, the period for deciding to drop out after entering a higher education institution will be shortened.

The adopted **amendments to the Study Allowances and Study Loans Act** were used to update the bases for student loans and basic allowances for vocational education and restructure the working conditions of doctoral students. In order to link doctoral studies more to the needs of employers, an opportunity was created to complete doctoral studies in knowledge transfer.

The provision of higher education was supported in the **regional student places** of the Tallinn University of Applied Sciences, Tallinn University of Technology, the Tallinn Health Care College, Tallinn University, and the University of Tartu, based on OSKA reports on labour demand forecasts and recommendations, local labour market needs, and the areas of responsibility of the universities.

E. Creating a talent-friendly environment

The **concept of talent development** was developed, which formulates the goals and general principles of the state talent policy. The aim is to take a more holistic approach to noticing and developing talent at all levels of education, both in formal and non-formal learning. Based on the concept, an **action plan for the development of talents** was prepared with a more detailed schedule. In 2022, the main focus will be on agreeing on the content of the concept of talent.

In order to facilitate the hiring of foreign talent, **changes in the regulation of foreign labour** were prepared in 2021 in cooperation with the start-up community, industry associations, and other business organisations. The changes lower the rate of remuneration for top foreign specialists, among others, and ensure the possibility for technology-based growth enterprises to attract foreign labour beyond the limit. The amendments should enter into force in 2022.

F. Increasing social cohesion and equal opportunities in education and the labour market

The '**Cohesive Estonia Development Plan 2021–2030**' was approved, one of the goals of which is to encourage people with different language and cultural backgrounds to carry the Estonian identity, actively participate in society, and feel united. The '**Estonian Language Strategy 2021–2035**' was also approved, the general objective of which is to ensure the vitality and function of the Estonian language as the primary language in every sphere of life in the Republic of Estonia, to guarantee everyone the right and opportunity to use the Estonian language in Estonia, to preserve and strengthen the status and reputation of the Estonian language and the cultural and information space in Estonian, and to value knowledge of other languages. In addition, the Ministry of Education and Research has completed the **action plan for Estonian-language education**, the aim of which is to ensure high-quality Estonian-language education for all students from pre-school education to entering higher education.

The '**Estonian diaspora action plan for 2022–2025**' was adopted, which sets out, among other things, activities to promote citizen diplomacy, to involve the Estonian community abroad – especially young people –, and to promote foreign economic cooperation with the support of friends of Estonia and the diaspora. Achieving these goals will create the conditions for facilitating return, thus reducing the shortage of skilled labour force.

Within the framework of development cooperation, the Ministry of Foreign Affairs, in cooperation with non-profit sector partners, continued to **promote global education-oriented activities** that help to understand the peculiarities of the culture and social life of other countries further away from Estonia.

The Ministry of Social Affairs is implementing a pilot project to **increase institutional capacity to promote gender equality and equal opportunities** in five ministries. Based on the results of the project, an organisational model will be developed in 2023 to create a sustainable structure that takes into account the aspect of sustainable gender equality and equal treatment and to ensure its implementation.

In order to minimise the gender pay gap, the Ministry of Finance presents the **pay gap in state authorities** in its annual civil service annual report. In addition, the Ministry of Finance calculates the pay gap on an authority-by-authority basis in the report on personnel and salary indicators for each authority.



2.2. Sustainability of the population, health, and social protection

A. Developing a comprehensive population and family policy to ensure the sustainability and well-being of the population

To ensure the well-being of families, the **terms of the parental benefit were changed**. The changes ensured that people who receive parental benefits but lost their jobs due to the coronavirus crisis were better able to cope. Childbirth allowance is now also paid to parents of stillborn children and the conditions for the payment of the parental benefit to parents of stillborn children were extended. In addition, the procedure for the payment of family benefits if a 16–19-year-old child decides to continue their studies changed.

The **regulation of the state family reconciliation service** was created, on the basis of which it is possible for divorced families to agree on issues related to the child out of court or at an early stage during the court proceedings with the help of a professional family mediator. The **child support system has been made more flexible**, allowing the amount of support to be calculated in accordance with the real needs of the child and creating a fairer solution for parents. An additional amendment to the law was passed, which allows a child to receive **maintenance allowance from the state in the amount of up to 100 euros** per month even during the bankruptcy proceedings of their parent. It is planned to review and update the package of **support measures for single parents** to alleviate the poverty of low-income families with children.

Preparations are underway to **improve the organisation of the child protection system**, which will focus on improving the quality of child protection work, organising the distribution and supervision of child protection tasks in local governments and the state, and promoting family-based alternative care. A **reform of the support system for children with special needs** was launched to provide children with faster, more effective, and more comprehensive care. Amendments are also being prepared on the consolidation of national responsibilities for the **assessment and assistance of children with special needs** and on the principles for determining disability and rehabilitation services. Specific proposals will be completed during 2022.

B. Shaping the living environment and the attitudes and behaviour of people to protect health and the environment and reduce risk behaviour

In order to **better coordinate cross-sectoral prevention**, the Ministers of Education and Research, Justice, Culture, Finance, Social Protection, the Interior, and Health and Labour agreed on common principles for cross-sectoral prevention, national coordination, budgeting, and cooperation. The main

target group for the joint action is children and young people, with the aim of focusing on their risk behaviours and prevention of people becoming victims. In 2021, the new **Fire Safety Act** came into force, which aims to reduce the number of people killed in fires by raising the awareness of people of their own responsibilities and creating more flexible opportunities for public-private partnerships.

The **concept of physical activity** was approved with the aim of increasing the physical activity of people and making the promotion of physical activity more comprehensive, coordinated, and effective. The concept covers different target groups from schoolchildren to the elderly. The **Green Book of Nutrition and Physical Activity** is being prepared with the aim of improving the physical activity habits of people, reducing the prevalence of obesity, and enhancing cross-sectoral cooperation. The Public Health Act was also approved, which, among other things, **modernises the tasks of local governments in the field of public health** (e.g. compiling the health and well-being profile of the county and creating the necessary cooperation networks; supporting the implementation of health promotion and environmental health measures, etc.) while giving them more discretion in the implementation of public health activities.

In order to support physical activity habits, there are plans for 2022 to analyse the use of the tax incentive of employers for health and sports expenses that has been in effect since 2018.

In the field of health-conscious nutrition, several important steps were taken to **ensure food safety**: due to possible health risks, the use of titanium dioxide as a food additive was banned and a methodological guide for biomonitoring pesticide residues in Estonia was compiled.

An **action plan to reduce antimicrobial resistance for 2021–2026** was established. Preparations are underway for the creation of an e-database on the use of antibiotics by animal species by 2023. In 2022, awareness-raising activities will continue to promote the responsible use of antibiotics in animal husbandry.

C. Supporting mental health and reducing mental and physical violence

The Green Paper on Mental Health was adopted, providing **guidance for the design and implementation of the mental health policy**. In addition, a strategic action plan on mental health will be developed in 2022, covering prevention, promotion, as well as community-based activities and treatment services. It is also planned to develop mobile psychiatric care and to prepare legal changes to improve the availability and organisation of psychological treatment.

To support the mental health of children, seminars have been held in the field of education and youth for both educators and parents. In addition, mental health first aid training has been provided for youth workers. A free helpline for school psychologists was also opened, where students, education and youth workers, as well as parents can get help in both Estonian and Russian.

To ensure success in the prevention of violence, the '**Violence Prevention Agreement 2021–2025**' was approved, which is the basis for developing a cross-sectoral policy against violence. Preparations are underway for the development of a recidivism measurement system to reduce recidivism. Innovative solutions are being tested to reduce violence. In 2021, for example, a method of proactive dialogue was implemented to prevent the recurrence of violence.

D. Modernising occupational health to support health and reducing the loss of capacity for work of people

The implementation of the **project on the prevention of incapacity for work** has started, the aim of which is to slow down the loss of labour force due to a long-term illness and the increase in the number of people with permanent incapacity for work among people of working age. In 2021, an analysis was prepared to develop and test an intervention model and support system. In addition, it is planned to complete an action plan for the analysis and development of IT solutions, to prepare a package of services supporting employment, and to develop changes in legislation.

E. Integrating health and social services in a people-oriented way

A large-scale **analysis of the organisation of Estonian medical specialist care and the hospital network** is underway in cooperation with the Ministry of Social Affairs and the European Commission, with the aim of preparing a plan for a people-centred and integrated hospital network until 2040. Further **investment in the infrastructure of hospitals** in the hospital network development plan was approved with the aim of strengthening the resilience of hospitals in the hospital network development plan, improving access to health services, and ensuring the preparedness of the health care system for crises by the beginning of 2024.

The establishment of the North-Estonian medical campus will be continued, within the framework of which a modern **Tallinn Hospital** will be established and a **national multi-purpose medical helicopter capacity** will be developed at the Police and Border Guard Board to improve the availability of health services. In 2021, an agreement in principle was reached with the European Commission to finance these objectives under the Recovery and Resilience Facility (RRF) of the European Union. In 2022, the focus will be on the preparation of procurements related to the construction and design of the hospital.

The preparation of the Welfare Development Plan 2023–2030 was started, which sets a long-term development vision for the field of social protection. The development of a model for the coordination and financing of cross-sectoral **provision of services across the health and welfare sectors** and the necessary legislation and implementation instruments, which started in previous years, will be continued.

Preliminary preparations have been made for the creation of a **next-generation health information system**, the aim of which is to transform the health information system into an operational tool of comprehensive human health history (instead of an archive of medical records) that supports the integration of the health and social system.

F. Integrating personal medicine solutions into the daily activities of the healthcare system

The project 'Implementation of Personal Medicine in Estonia (2019–2022)' is underway, which will create **readiness for the wider use of genetic data** in the work of doctors and nurses. An IT solution is

being developed that allows data related to human health to be analysed in a secure environment and personal recommendations to be made based on it.

The provision of **basic training in medical genomics and personal medicine for health care professionals** was started. The free trainings will run until the end of 2022.

In 2022, it is planned to develop a **long-term programme for personal medicine**, to develop an IT solution (infrastructure) for personal medicine (consent information system, genetic data information system, genetic risk model management and monitoring environment, personal medicine computing environment, personal treatment recommendation environment) and to create capacity to provide personalised health services to people using digitised genetic data. It is also planned to develop service processes for the primary services implemented in the IT solution (personal drug recommendation; breast cancer prevention and early detection).

G. Modernising the organisation of social protection, taking into account the social changes

The proposal of the Minister of Social Protection to **reform old-age pensions under favourable conditions and superannuated pensions with a transitional period** was approved. The current system is outdated and inequitable, as these pensions are awarded on the basis of a list of occupations without taking into account the actual loss of capacity for work. The details of the reform were discussed with the social partners and other actors, and the draft amendments will be completed in the spring of 2022. An **amendment to the Income Tax Act** was also approved, pursuant to which pensions will be exempt from income tax to the extent of the average pension. In the autumn of 2022, a comprehensive **analysis of the sustainability of the pension system** will be completed, within which the functioning of the three pillars of the Estonian pension system will be analysed on the basis of the current rules and possible changes in the system will be proposed.

A working group has been set up to propose possible solutions for **adapting the tax system** to demographic change. Amendments to the Unemployment Insurance Act are being prepared, pursuant to which **the period for payment of unemployment insurance benefits will depend on the economic situation**.

An analysis and proposals have been completed **to ensure the sustainability of the health care financing system, to expand insurance coverage, and to reduce waiting lists for treatment**. As the financing of the Estonian health care system is strongly linked to the receipt of social tax, which makes it dependent on economic cycles, a health insurance system based solely on the taxation of the salary fund of the labour force is no longer sustainable. At the beginning of 2022, the **liability insurance for health care providers**, i.e. the draft of the so-called patient insurance, was approved. This will help make health care safer for patients and make it easier to obtain compensation in the event of possible harm.

H. Improving the well-being and social activity of people with special needs and improving the efficiency of the long-term care system

Amendments to the Social Welfare Act were approved, which create a more uniform basis for identifying the need for support for people with a care burden. Thanks to the changes, the state and local governments will be able to provide the necessary assistance to people with disabilities faster and more comprehensively. The **implementation of the cooperation model for the involvement of volunteers** in the welfare system was continued, the aim of which is to support elderly people and adults with special needs who need additional help, support, or company in addition to the services provided so far to cope with their daily lives.

A legislative intent for the **organisation and modernisation of funding for special care services** is being prepared and will be completed in the summer of 2022. The proposed changes focus on the organisation and funding of special care services that support living at home; in the case of round-the-clock special care services, the focus is on changes in their content.

The **policy recommendations of the accessibility task force**, which worked together for two years, were approved. The recommendations help to increase the accessibility of the living environment and society in both the physical environment (public transport, buildings, road infrastructure) and the information environment (e.g. e-environments, media). An action plan was drawn up to implement the policy recommendations. The **draft legislation on the accessibility of electronic products and services** was also approved, which will facilitate the independent coping of people with special needs. When developing and offering electronic products and services, businesses will also have to take into account special needs, such as visual or hearing impairments or problems with motor skills.



2.3. Economy and climate

A. Introducing new solutions to encourage research and development and innovation in enterprises

New support measures have been launched to encourage **research and development in enterprises** and advise them, such as the programme of applied research and experimental development. It was decided to set up a new fund (100 million euros) to support the green transition through the development of technology-intensive start-ups. The participation of Estonian enterprises in the partnerships of the 'Horizon Europe' programme, the selection programmes of the European Space Agency (ESA), and the European Organisation for Nuclear Research (CERN) is supported. The participation of enterprises in hydrogen projects of common European interest (IPCEI) aimed at developing storage solutions is also funded.

In 2022, the availability of risk capital for technology-intensive start-ups will be increased by launching new investment funds and accelerators. Measures are being prepared to implement structural funds to support the creative industries and research, development, and innovation in enterprises.

In order to **increase the capacity of foreign economic policy and business diplomacy**, the Ministry of Economic Affairs and Communications and the Ministry of Foreign Affairs cooperate more closely in supporting Estonian enterprises in foreign markets. Together, they plan to open new foreign missions and set common goals for attracting foreign investments. The concept of an e-foreign mission was developed in cooperation with domestic partners. In 2022, the strategy for attracting foreign investments will be renewed, focusing on more knowledge-intensive foreign investments. Work is continuing on opening new foreign missions in new, growing markets, and strategies for the target countries are being prepared. Environmental issues and climate diplomacy, as well as international cooperation to improve the availability of high-quality environmental data, are becoming increasingly important for business diplomacy.

To support the **digital revolution**, a new programme was launched to encourage the wider use of artificial intelligence in the private sector. In addition, a consortium was established for cooperation between Estonian enterprises and research institutions in the field of artificial intelligence and robotics.

Activities to support the **green transition** in the business sector are being actively prepared. The possibilities of creating a green technology centre are being analysed to develop, test, and introduce breakthrough green technologies in Estonia in cooperation with universities. A sustainability report tool is being prepared to facilitate the collection and transmission of data necessary for undertakings. In addition, guidelines and a calculation model for calculating the greenhouse gas footprints of enterprises are being developed to support and simplify the sustainability reporting of enterprises. The Recovery and Resilience Facility is used to improve the availability of environmental data in the private sector and support innovation clusters aimed at developing and strengthening start-ups in the field of the environment and climate. In addition, support (of 50 million euros) is provided for building green hydrogen value chains.

B. Increasing the capacity of areas important to the Estonian economy

The 'Estonian Research and Development, Innovation, and Entrepreneurship Strategy 2021–2035' was approved, which focuses more than before on increasing the influence of research and researchers and using research results to meet the development needs of Estonia. The strategy set out **five focus areas** that will be prioritised in cooperation between the state, enterprises, and research institutions.

These are

- 1) digital solutions in every area of life,
- 2) health technologies and services,
- 3) valorisation of local resources,
- 4) smart and sustainable energy solutions,
- 5) a vibrant Estonian society, language, and cultural space.

In 2022, **roadmaps for the focus areas** will be completed in cooperation with partners, which will help to shape funding and support measures for the focus areas. The principles for the approach, implementation, and monitoring of **smart specialisation** have been updated in parallel with the process of drawing up roadmaps for the focus areas and will be completed in 2022.

Proposals for the development of the **circular bioeconomy** have been completed. During 2022, an action plan for the development of the circular bioeconomy will be prepared together with regional action plans. The focus will be on development and innovation in the bioeconomy sectors to replace current high-climate production inputs with a big climate footprint and to create new industries and opportunities to add value. The Recovery and Resilience Plan will be used to support (in the amount of 23.8 million euros) investments in innovation in production technology, product development, and valorisation of bio-resources (including by-products and residues), the development of innovative resource-efficient and high value-added products, and the development of research, development, and innovation capacity. The Common Agricultural Policy funds of the European Union for the new period will also be used to support investments in the valorisation of bio-resources, focusing on small-scale projects for primary producers.

C. Creating a flexible and secure economic environment that promotes innovative and responsible entrepreneurship and fair competition

Steps have been taken to create a **regulatory environment conducive to the adoption of new technologies and business models** and to **develop the digital economy**. Preparations are being made for the transition to a real-time economy, e.g. support measures for e-invoices and e-waybills will be provided for enterprises in 2022. A new e-business register portal was launched, which conveniently consolidates all business register services into one environment. The implementation of the e-residents programme will continue. Estonia has 89,000 e-residents, who have established 20,000 enterprises here. In 2021, they earned almost 29 million euros in additional net income for the state budget. In 2021, the readiness to carry out ex-ante and ex-post controls on e-residents was increased to mitigate potential risks. Since the middle of 2020, Estonia has been one of the first countries in the world to offer a digital nomad visa, which allows a person to continue working for a foreign employer or as a freelancer regardless of their location while staying in Estonia.

A new **open data information gateway** has been completed, which consolidates open data and makes it easier to find. Amendments to the law also entered into force, introducing additional conditions for the disclosure of open data. Additional activities in the field of data management were launched to improve data quality and usability, and various open-source solutions were created, which have been used by both the private and public sectors. In 2022, the focus will be on the disclosure of data that is important to the public, for example, the digitisation of detailed plans and their disclosure as open data are planned. The provision of opportunities for refresher training and retraining in ICT will continue to be offered (including the launch of the digiriigiakadeemia.ee training environment for the public sector). During 2021, an additional 11,549 addresses were provided an opportunity to connect to the high-speed broadband access network through support measures initiated by the state. It is planned to continue developing this project.

In order to **diversify the sources of financing and facilitate the availability of enterprises** outside the main centres, a regional loan service was prepared, which helps enterprises located outside Tallinn and Tartu to cover part or all of the self-financing of leasing or loans if the market value of their collateral is insufficient. As part of the preparation of the CAP Strategic Plan, measures will be developed to diversify

the sources of financing for enterprises (investments to develop the business environment in rural areas, investments to increase the competitiveness of enterprises, and support for rural entrepreneurship).

There is still a lot to do to create a **regulatory environment conducive to environmental protection**. The development of principles for calculating the monetary value of ecosystem services has begun. In 2022, strategic goals for biodiversity protection are planned to be developed within the framework of the preparation of the environmental development plan KEVAD (including on the implementation of the accounting system for ecosystem services). A new regulation of private forest support will also be implemented in limited management zones outside Natura sites.

Responsible entrepreneurship is supported by the implementation of sustainable financing measures. The international cooperation project for the creation of a social innovation centre of competence is of great importance. Preliminary work was carried out to ensure that organisations operating in the form of non-governmental organisations could apply for enterprise support alongside enterprises in the future.

To promote **volunteering**, the best volunteers were recognised, development opportunities were offered to managers, and communities were empowered. Attention was also paid to the social activity of the non-Estonian-speaking population.

The need to reform the Guarantee Fund (deposit guarantee scheme) is being analysed to **develop and strengthen the banking and capital markets**.

The focus on the **development of the regional business environment** has been on Ida-Viru County and South-East Estonia. In Ida-Viru County, support was offered for industrial investments and in South-East Estonia, housing allowance was offered to specialists. A plan for the fair transition of Ida-Viru County is being planned, which will create the foundations for the development of the region without oil shale-based energy.

D. Introducing the principles of the circular economy

To **increase resource efficiency**, investments in the introduction of innovative technologies and solutions in 60 mining industry and processing industry enterprises were completed. Measures to improve resource efficiency are being prepared for the new EU budget period, and significant resources are planned to be channelled into the circular economy in the coming years.

The World Bank compiled a comprehensive analysis of the Estonian waste sector, which offered solutions on **how to achieve the targets for municipal waste recycling**. Based on the conclusions and recommendations of the study, the legislative intent for a new Waste Act is being prepared. In addition, a **White Paper on the circular economy and a national waste management plan for 2022–2028** are being prepared and are due to be approved in 2022.

In the **development of infrastructure for the separate collection of local government waste and the acquisition of inventory**, 31 local governments were supported for the purchase of biowaste bins and containers with a total of 1.475 million euros.

In order to **facilitate food donation and prevent food waste**, requirements for food redistribution were added to the food hygiene regulation and the food donation guide of the Agriculture and Food Board

was updated. A food business operator wishing to donate food must ensure that the food donated is fit for human consumption and does not cause harm to health. In 2022, it is planned to review the food information requirements for non-prepacked foods to assess their relevance for food donation and redistribution.

E. Transitioning to climate-neutral energy production, ensuring energy security

To move towards climate-neutral energy production, an reverse auction for renewable energy was organised; support was provided for the production and consumption of biomethane; support was provided for the renovation and/or construction of district heating boilers and the replacement of fuels and the renovation of depreciated and inefficient heat pipelines; a manual for wind and solar energy was prepared for local governments, and several studies were carried out. The largest reverse auction for renewable energy in the history of Estonia (in the amount of 450 GWh), announced in 2021, will end in 2022. Measures for the new EU budget period are being prepared, including a power network strengthening programme to increase the production capacity of renewable energy and adapt to climate change; a programme to boost the uptake of renewable electricity in industrial areas, and an energy storage flagship programme. Measures financed from the revenues of the EU Emissions Trading System for the period 2013–2020 are being implemented, including testing electric buses in public transport, testing the hydrogen value chain, a measure to identify and test the potential of geothermal energy; and preparatory work for the preliminary development of the Estonian–Latvian joint offshore wind farm (ELWIND).

A working group was set up to study the **possibility of introducing nuclear energy** in Estonia to ensure energy security and achieve the 2050 climate goals. The working group will submit an interim report on its activities to the government in 2022.

In 2022, the **Estonian maritime spatial plan** will be approved, which will determine the areas suitable for the development of wind energy and the framework for granting permits. In addition, an analysis of **areas suitable for wind energy planning in the Estonian mainland** has been initiated, including comprehensive and local government special plans.

An **amendment to the Electricity Market Act** is being prepared to create opportunities for distributed generators and energy communities, as well as for storage and consumption management.



2.4. Space and mobility

A. Ensuring a viable cultural space

The 'Culture Development Plan 2021–2030' was approved, the general goal of which is that the Estonian culture is viable, developing, and open to the world, and participation in culture is a natural part of life of every person.

Amendments to the current regulation of performing arts institutions were submitted to the Riigikogu, the aim of which is to better support the diversity of the field and the availability of performing arts across Estonia. The aim is also to promote accessibility, as all organisers of public performances and concerts will be required to disclose information on the accessibility of the performance or concert and its venue concerning the participation of people with special needs in culture.

Increasing accessibility is also one of the goals of the amendment to the **Media Services Act** passed by the Riigikogu in February 2022, pursuant to which service providers are required to prepare accessibility action plans to improve access to audiovisual media services for people with disabilities.

From 2021, the Estonian Folk Culture Centre provides **support to cover the labour costs of the instructors of the Song and Dance Celebration groups**. The purpose of the support is to value the instructors of folk culture collectives participating in the Song and Dance Celebration, giving them the opportunity to increase their salaries, to create social guarantees for the instructors participating in the Song and Dance Celebration, and to ensure the sustainability of the Song and Dance Celebration.

Preparations for the construction of **(joint) repositories of museum heritage** continue. Joint repositories are planned to be built in North Estonia, South Estonia, and Hiiumaa. **Amendments to the current regulation of public libraries** are being prepared to ensure the uniform quality of public library services across the country in a sustainable and integrated manner with other public services.

In 2022, an **implementation model for the cultural accelerator** will be created, the aim of which is to stimulate the development and innovation in the field of culture of cultural organisers and organisations and creative entrepreneurs, by attracting private capital in addition to public money.

A **digital strategy of the areas of the Ministry of Culture** will be developed (including the digital cultural heritage action plan 2.0) with the aim of further supporting the creation, transmission, mediation, and consumption of culture and participation therein through digital opportunities and fostering the emergence of new cultural forms through digitalisation and online services. The implementation of the action plan for the 'Digitisation of Cultural Heritage 2018–2023' will continue, within the framework of which the availability and usability of cultural heritage will be developed and the long-term preservation of digital cultural heritage will be ensured.

In the field of culture and sports, an analysis of the measurement and reduction of the environmental footprint will be carried out in 2022, which will address the support mechanisms in the field and find ways to **encourage cultural and sports organisers to be greener in their activities**. The aim is to develop cultural and sport-specific circular economy mechanisms.

B. Planning and renovating the space and services comprehensively and at a high quality, while also taking into account the needs of the society, demographic changes, health, security, biodiversity, and environmental protection

In order to ensure the coherence of the needs of the construction sector with the state's strategic plans, the strategy '**Long-Term View on Construction 2035**' was prepared in cooperation with the private and public sectors, for the implementation and monitoring of which the construction sector development committee and thematic working groups meet regularly. A **methodology for calculating the carbon footprint of Estonian buildings** was developed. The register of buildings was also developed and a **3D twin of the built environment was launched**. The Land Board completed the Geo3D prototype of spatial data, which is necessary for the further development of the 3D twin. In order to ensure the availability and up-to-dateness of spatial data, the central planning database PLANK is being compiled, which will become public together with the amendments to the Planning Act in the autumn of 2022. In order to improve the work practice in the field of construction, a **draft comprehensive amendment to the Building Code** will be completed and an e-construction platform with the thoroughly updated register of buildings will be introduced.

To ensure **compliance with the basic principles of quality space in local and national spatial decisions**, a central spatial training programme has been launched for public sector staff, a good practice guide for inclusion has been prepared for use in the detailed planning process, and support for conducting courses in the field of spatial education and design for students and teachers is provided.

The Ministry of Finance is responsible for **measures** to address the **problem of depopulated areas** (measures for local governments to acquire empty apartments and demolish apartment buildings) to contribute to the sustainable and comprehensive renewal of a high-quality living environment and building stock. A pilot project has been launched in three local governments, on the basis of which guidelines for local governments will be developed, amendments to the law will be initiated, and support measures will be provided from 2023. The implementation of the programmes 'Heritage conservation areas in historic city centres' and 'Great Public Space' continues.

The **identification of suitable concession models for the possible use of mineral resources as our national treasures** will be continued. Surveys will be conducted to map the presence and distribution of critical raw materials for the green transition. Deep mapping studies have shown that in addition to iron ore, precious metals might be found in Estonia. Due to the interest in occupying marine areas, a report on marine geological data was prepared to support the planning of offshore wind farms. Complex geological mapping and exploration of constructional natural resources will be continued.

The **thematic plan of the county plan of mineral resources of Harju County** was initiated, the aim of which is to spatially plan the exploration and extraction of mineral resources. The application for initiating **thematic plan in Rapla and Pärnu counties** will be submitted this year. In addition, a total of six abandoned quarries of constructional natural resources were reconditioned. An **Estonian maritime spatial plan** is being established, which will provide an opportunity to develop offshore wind farms in potentially suitable areas of approximately 1,700 square kilometres.

The [nature website](#), which centrally reflects information about nature, was launched. Accurate and up-to-date information about nature is one of the prerequisites for planning and renovating the space and services comprehensively and at a high quality, while taking into account the needs of the society, demographic changes, health, security, biodiversity, and environmental protection.

In order to **improve the quality of the natural environment and to preserve and increase biodiversity**, 39,450 ha of heritage meadows were maintained all over Estonia with the help of subsidies, and about 3,000 ha of meadows were restored. Six infrastructure objects were completed for the maintenance of heritage meadows, which allows to maintain 246 ha of heritage meadows. In order to improve the condition of bog habitats and the habitats of the western capercaillie, the near-natural water regime was restored in seven bog areas and in one cut-over peatland on a total of about 2,500 hectares. In addition, wetland restoration projects were completed on a total of 5,800 ha in six bog areas and a mire restoration project was completed in Suursoo-Leidissoo in 3,340 ha. Natura 2000 private forest support was paid to 4,918 applicants for an area of 68,200 ha. The implementation of new *ex situ* measures to improve the condition of the freshwater pearl mussel has started. A joint action plan for the protection of the Baltic Sea was adopted for all the Baltic Sea states.

In the interests of environmental safety, it was decided to tighten the **requirements for ships to handle hazardous and noxious substances in anchorages** and to redirect these activities to a safer place at sea. Estonia acceded to the **Hazardous and Noxious Substances by Sea Convention**. The Convention guarantees Estonia access to an international system of compensation for environmental damage caused by pollution accidents in the Estonian maritime area.

In order to respond to accidents and threats, preparedness was guaranteed for **ensuring public order, resolving chemical, biological, radiological, and nuclear (CBRN) events, demining, rescuing on land**, and providing assistance in Estonian sea areas and transboundary water bodies. It was decided to transfer **the fleet of the Police and Border Guard Board to the area of government of the Ministry of Defence**, which will ensure better performance of national defence and civilian tasks in both peacetime and crisis situations. The **concept and study programme for safe space creation** were completed under the leadership of the Police and Border Guard Board. **Construction work on the land border infrastructure on the eastern border** continues.

C. Providing a needs-based interoperable transport service that includes all means of transportation

A **joint planning, management, and financing analysis of mobility in the Tallinn region** has been completed. In April 2022, new 30-day joint tickets for North Estonia were introduced, which enable the use of different modes of transport both in Tallinn and Harju County (including train, county lines). This is a ground-breaking step taken by agreement between many parties that makes the use of public transport in the region more convenient.

The '**Transport and Mobility Development Plan for 2021–2035**' was approved, which set goals at the strategic level for the development of sustainable mobility, the reduction of CO₂ emissions, and the development of energy-efficient transport. The aim is to increase the use of various sustainable mobility services, including the use of bicycles and public transport.

Measures for the development of cycling paths in city centres in Tallinn, Tartu, and Pärnu are being prepared for the new budget period of the European Union. In addition, a measure is being planned for the development of tramways in Tallinn to promote the development of sustainable transport at the local government level as well.

Planning systems have been developed for the use of the **on-demand social transport** service, which can be introduced at the end of the project to provide more extensive on-demand public transport in various public transport centres.

In order to integrate public transport more widely, the **MaaS project** (mobility as a service platform) will be implemented in Tallinn, as a result of which, the planning and booking of and payment for the entire trip must be available in one environment. If possible, the city of Tartu will also be involved.

D. Implementing a safe, environmentally friendly, competitive, needs-based, and sustainable transport and energy infrastructure

In order to **develop transport connections**, the electrification of the railway and the straightening of curves to speed up the railway connection in the direction of Tallinn–Tapa–Tartu and Narva are being prepared. Preparations for the construction project of the Rail Baltica Ülemiste joint terminal and the construction of various intersections (viaducts, bridges, wildlife crossings) continue. A tram connection with the Old City Harbour in Tallinn and the Turba–Risti railway are being prepared. **International flights** from Pärnu Airport will be launched.

A support measure for the **development of charging infrastructures for electric cars at apartment buildings** is being prepared.

The **Green Vehicles Directive will be transposed**, making the application of green criteria mandatory for major public procurements, which, in turn, will make the main public transport services of the country green.

The European Union has approved funding for the final phase of the **connection of the Baltic electricity systems to the continental European frequency band** to carry out the activities in 2021–2027. The necessary work covers the strengthening of power networks and the modernisation of frequency regulation equipment and IT management systems, which will allow the Baltic States and Poland to disconnect from the Russian frequency band and join the continental European synchronous area.



2.5. Governance

A. Increasing the unity of governance and ensuring the smooth functioning of the state

In order to develop the provision of public services, the **necessary capacity-building trainings** were conducted **for officials** and the **establishment of new joint institutions** and the **development of public services** in them was supported at the level of organisations. The establishment of the Agriculture and Food Board, the Environmental Board, the Education and Youth Board, the Transport Administration, the Business and Innovation Agency, and the Information and Communication Technology Centre RIT has been completed. In addition, a decision has been made to merge the Health Board and the State Agency of Medicines. An initial **plan to switch to central services** was also approved. On the basis of the laboratories of the Agriculture and Food Board and the Health Board (except for the laboratory of infectious diseases), a **joint laboratory** will be established in the administrative area of the Ministry of Rural Affairs by 1 January 2023. This will lead to a more efficient use of resources and the comprehensive development of services.

Most of the **development plans in the area** have been approved in the new strategic planning framework. In addition, **amendments to the State Budget Act** were adopted, streamlining the state strategic planning framework, increasing the detail of the annual activity-based state budget, and improving its readability. The **Green Policy Steering Committee of the Government of Republic of Estonia** was established to better coordinate climate issues.

Amendments to the Civil Service Act have been initiated, making recruitment within and between authorities simpler and less bureaucratic. In addition, **teleworking and nationwide recruitment** were supported to facilitate the location of employees outside Harju County. In order to improve and ensure the quality of legislation, a **co-creation environment** is being developed. The first stage of development has reached the testing phase and the development of the second and third stages has started. The **impact assessment methodology** and the checklist to facilitate its implementation were updated and guidelines were developed for planning and conducting ex-post assessments. To increase transparency, an **anti-corruption action plan**, **guidelines for ministers and their advisers to avoid conflicts of interest**, and **good practice in communicating with lobbyists** were adopted.

A **consent service** has been set up to enable the private sector to access public data held by the public sector without harming anyone. In order to ensure the security of communications networks, the **Electronic Communications Act** and the Regulation of the Government of the Republic of Estonia (5G and the regulation of communications network security) were amended. In 2022, the development of both the data tracker and the consent service will be continued in accordance with the needs of the users and the necessary legal basis will be created. In order to increase cybersecurity, a methodology for monitoring cybersecurity will be developed, the management of state cybersecurity will be developed, and the Cybersecurity Act will be amended.

In order to **improve the public procurement system**, a draft amendment to the Public Procurement Act has been submitted to the Riigikogu for processing, which aims to increase legal clarity and make procurement more flexible. Criteria for green public procurement also became mandatory for public procurement from the beginning of 2022 in four areas (furniture, cleaning products and services, office IT equipment, copy and drafting paper).

B. Improving the quality and availability of state and local government services and reviewing the division of responsibilities

In order to reduce regional inequalities and strengthen the administrative and development capacity of local governments, the **'Action Plan for the Development of Local Government Employees 2022–2025'** was approved.

As part of the state house project, **new state houses** were completed in **Jõgeva and Rapla**. Thus, there are now state houses in five county centres (including Jõhvi, Rakvere, and Viljandi) that consolidate public services.

50.7 million euros from the European Recovery and Resilience Facility will be used to make **digital public services** for businesses and citizens **event-based, proactive, and accessible through a virtual assistant (*kõnekratt*)**. By the end of 2022, an event services and digital gateway development project will be available to businesses in the eesti.ee environment. The first event services (marriage and having a child) will be available to people by the end of 2022 and the possibilities of developing new event services will be analysed.

The **Bürokratt team** was set up and the development of the **base platform** was launched. In addition, the Bürokratt network will be introduced in the first three agencies. A new plan for the introduction of virtual assistants (*kratts*) was drawn up. With the **amendments to the Public Information Act**, the task of supervising the accessibility of websites and mobile applications was transferred from the Data Protection Inspectorate to the Consumer Protection and Technical Regulatory Authority.

In order to develop the monitoring system of local government services and to improve the quality of services, the **indicators** of the local government services monitoring platform **minuomavalitsus.ee** have been updated.

The **digitalisation of offence proceedings** was started, so that by 2025, it would be possible to use modern solutions in the investigation of offences throughout the proceedings. The main aim of the digitalisation is to ensure that offence proceedings take better account of the needs of victims and protect fundamental human rights.

C. Increasing the effectiveness and diversity of research while maintaining its high quality

A comprehensive reorganisation of the **Research and Development Organisation Act** was launched to bring the legislation into line with changed expectations for research and development, to specify the principles of funding, and to clarify the participants in the research and development system, as well as their roles and responsibilities.

With the aim of ensuring the next generation of young researchers and supporting the academic career model, the **reform of doctoral studies** will be implemented by amending the Study Allowances and Study Loans Act. As a result of the amendment, doctoral studies will become more efficient, the number of doctoral candidates will increase, and the coherence of doctoral studies with the needs of the private sector and society at large will increase.

Measures are planned to increase the **knowledge transfer capacity** of research institutions and universities, to **facilitate the movement of employees** between universities, enterprises, and the public sector, to develop and share **research infrastructure**, and to meet development needs in the focus areas of research and development, innovation, and entrepreneurship.

20% of the additional resources of the state budget for research and development will be directed to ordering research and development activities necessary to **satisfy sectoral development needs** through ministries.

D. Improving the international position of the country and ensuring security and safety

As an **elected member of the UN Security Council**, Estonia successfully stood up for the interests of Estonia and its allies in 2020–2021. As a result of continuous active work in **NATO, the European Union, regional formats, and bilaterally**, the threat assessment and security policy of the partners are closer to the long-term strategic interests of Estonian foreign policy than ever before. The 'National Defence Development Plan 2022–2031' was approved, which defines the security policy priorities for the coming years. The military capability chapter of the development plan envisages capability developments in the navy (anti-ship missiles, mines), mechanisation of the infantry brigade, and the acquisition of multi-missile launchers as major projects. In addition, land protection will be redesigned.

At the EU level, a **regulation** has been adopted **to remove terrorist content online more effectively**, which will make it possible to detect and remove terrorist propaganda, recruitment attempts, and other terrorist content more effectively in cooperation with online platforms. In the **fight against cybercrime**, the [website](#) has been created, which makes it easier to report computer crimes and share information with law enforcement agencies. Estonia ranked third in the UN ITU Global Cybersecurity Index – our best result so far.

In order to introduce Estonia as an attractive tourist destination, the '**Tourism Strategy 2022–2025**' was prepared, which also focuses on accelerating the recovery of the tourism sector.

The **Emergency Act was amended**, transferring the task of **developing the crisis management policy from the Ministry of the Interior to the Government of the Republic of Estonia and the Government Office**, and the **task of organising an extensive evacuation to the Rescue Board**. The **public limited company Estonian Stockpiling Agency** was also established, which manages the operational reserves of the state and organises their commissioning.

The **'Internal Security Strategy 2020–2030'** was approved, which sets goals and the most important directions for creating a safer Estonia. The **concept of local safety councils** continued to be developed with the aim of supporting and guiding the development of a safe living environment at the local level. A **collection of best practices** of county **safety councils** was compiled. The implementation of the community **safety support programme**, which funded the increase of security and safety knowledge and skills of community members and the reduction of their risk behaviour through public calls for proposals, continued. At the beginning of 2022, amendments to the Traffic Act came into force, giving local governments the right to install speed cameras on local roads. An additional 100 assistant police officers were recruited and trained, the necessary equipment was purchased for them, and their readiness was guaranteed.

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