A Recovery plan for Europe:
The Recovery and Resilience Facility

Estonia

Financial Counsellors Working Party,
19 October 2021
Overview of the Estonian RRP

- **6 components**
- **124 milestones and targets**
- **41 measures**, including **16 reforms and 25 investments**
- **€ 969.3 million in grants**
## Assessment summary

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<th>Balanced response</th>
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Effective monitoring and implementation

Reasonable and plausible cost estimates

Robust control systems

Coherence
Green transition

41.5% of plan allocated to climate objectives

Key investments
- Green skills
- Modernisation of the business models and deployment of resource-efficient green technologies
- Green Fund
- Piloting green hydrogen
- Energy-efficient renovations
- Renewable energy uptake
- Sustainable transport

Key reforms
- Facilitating the uptake of renewable energy
- Promoting energy-efficient renovations
- Harmonising the Tallinn capital public transport system

DNSH: No measure in the plan harms environmental objectives

Cross-border projects
- Construction of the Rail Baltic terminal in Tallinn, start of the cross-border railway connecting the Baltic States with the rest of the Union
Digital transition

21.5% of plan allocated to digital objectives

Key reforms
- Skills reform for the digital transformation of businesses
- Centre of excellence for data governance and open data
- Strengthening the capacity of the administration to fight money laundering and terrorist financing

Key investments
- Support to the digital transformation of SMEs and microenterprises
- Upgrade of IT services and infrastructures of the administration
- Deployment of very high-capacity broadband networks in rural areas

Sector-specific actions
- Public sector
- Enterprises
  - Construction
  - Road freight

Cross-border projects
- Cooperation with Finland in the context of the development of a virtual assistant to access online public services
Resilience

**Health**
- New hospital development plan
- Construction of the Northern Estonia Medical Campus
- Strengthening primary care
- E-health governance
- Addressing health workforce shortages
- Multipurpose helicopters

**Competitiveness**
- Business support schemes for green and digital transition
- Export strategies and promotion of Estonian products and services abroad

**Social protection**
- Supporting youth employment
- Extending the duration of unemployment benefits
- Reducing the gender pay gap
- Improving the provision of long-term care

**Public sector efficiency**
- Reconfiguration of digital services and cloud infrastructure
- Strategic analysis of money laundering and terrorist financing
Social impact and equality screening

- Youth
- Long-term care
- Skills and gender
- Reduction of urban-rural gaps
Audit and control – Protection of the EU’s financial interests

Framework to protect against serious irregularities:
- Fraud
- Corruption
- Conflict of interest
- Double funding

Milestone:
- Enactment of the legal mandate of the bodies involved in monitoring and implementation.

Audit and control systems:
- The monitoring, control and audit systems are sufficiently robust and based on the existing structures for structural funds
  - The State Shared Service Center (SSSC) is the managing authority
  - The Ministry of Finance in cooperation with the SSSC will carry out the tasks related to planning, monitoring and evaluation.
  - The Audit Authority is an independent and appropriately segregated department of the Ministry of Finance
  - Sectoral ministries and government agencies: implementation of individual measures/components

Framework to protect against serious irregularities:
- Fraud
- Corruption
- Conflict of interest
- Double funding
Milestones & targets and instalments

![Graph showing milestones and targets over time.]

- **Pre-financing**
- **Pre-financing offset**
- **Net payment**
- **Number of corresponding M&Ts (investments)**
- **Number of corresponding M&Ts (reforms)**
Thank you
Background slides
NGEU impact on Estonia's GDP level (%)

This QUEST stylised scenario does not include the impact of structural reforms.
Costing

- The plan includes **individual cost estimates for all measures**
- Cost breakdown is generally **detailed and well substantiated**
- The costs are to a **medium extent well justified, reasonable and plausible.**
- Costs are for the most part **commensurate, and in line with the principle of cost-efficiency**
- A mechanism is in place to ensure **no double funding** from other EU programmes