

## **Programming Recovery and Resilience Facility in Estonia**

March 2021

We finalized the process of drafting the long term national strategy „Estonia 2035“ at the end of 2020, which is our new National Reform Program and a good starting point for planning the Recovery and Resilience Plan (RRP). Estonian development needs, long term goals, necessary reforms that were mapped in the frames of the strategy serve as an important input for also preparing the national RRP, which will focus on main challenges we address within upcoming several years with RRF support.

RRF financial contribution to Estonia was estimated in summer 2020 to be 1,1 billion. Recent calculations by the Commission show that the amount might fall down to ca 900 million as our economic results during the 2020 were better than expected compared to the EU average.

We started programming RRF and dialogue with the Commission on October 2020.

At the beginning of December Cabinet decided on the full list of priorities to be supported with RRF and we started drafting the components of RRP.

In the middle of January the process was put on hold due to forming of the new Government, which renewed the list of RRF priorities according to the new coalition agreement on 11<sup>th</sup> of February. At this moment we are drafting the RRP, which balances the aspirations of the RRF and our national challenges.

We seek to find a good balance between reforms and investments, that cover all the pillars of RRF and address in effective complementarity and synergy with other EU funds the main country specific recommendations made in the Semester process.

One of the main focuses of the RRP will be on digital transition in both- in public and private sector.

The leap areas that we have mapped cover proactive and event-based services, AI-powered government, human-centric data governance and next generation digital government. With RRF contribution we'll focus on proactive and seamless digital service delivery and rebirth of core government IT services and infrastructure to take digigov to cloud, which will guarantee better service experience, lower the administrative burden and cost, rise the data quality and create higher resilience against cyberrisks.

In private sector, we plan to support enterprises for rolling-out digital technologies and introduce digital solutions in construction industry to boost productivity and sustainability.

Also our priority is to improve connectivity by investments in deployment of very high capacity network in rural areas to cover additional 8000 households.

Another focus area of RRF will be green transition in business, transport, energy and housing sector, and piloting innovative green technologies, including hydrogen-based solutions. Besides we have priorities of developing and strengthening skills to support the digital and green transition, increase social cohesion by measures for youth unemployment and to rise the resilience of health sector.

We shared the preliminary draft (as a preliminary working document) of RRP with the Commission on 8<sup>th</sup> of March and will continue the discussions from 18<sup>th</sup> of March to 16<sup>th</sup> of

April. After that we'll amend and improve the initial document and start preparing the final version to adopt by the Government and then submit to the Commission officially. The exact date for submitting the Estonian RRP officially to the Commission will depend on the course of the negotiations.

### **Composition of Estonian RRP**

(preliminary, subject to possible change, position for negotiations with EC)

<b>DIGITAL TRANSITION IN BUSINESS SECTOR</b>	<b>116,17</b>
Supporting digital transformation in SME-s	
Reforms to Raise Competitiveness of SMEs in foreign markets	
Improving digital skills	
<b>GREEN TRANSITION IN BUSINESS SECTOR</b>	<b>221</b>
Greentech Fund	
Development and uptake of innovative and resource efficient green technologies	
Redesigning business models	
Valorisation of bioresources in agriculture, forestry, fisheries, aquaculture and the food industry	
Green Hydrogen Pilot Projects in Estonia	
Improving green skills	
<b>E-ESTONIA</b>	<b>135</b>
Rebirth of core government IT services and infrastructure: taking digigov to cloud	
Proactive and seamless (digital) service delivery	
Connectivity	
Improving AML IT-capacities	
<b>ENERGY AND ENERGY EFFICIENCY</b>	<b>92,15</b>
Energy. Fostering the uptake of renewables	
Energy efficiency of buildings	
<b>SUSTAINABLE TRANSPORT</b>	<b>96,05</b>
Municipal investments in safe cycling paths	
Construction of Turba-Rohuküla Railway line	
Construction of Tallinn Old Harbour tram line	
Multimodal terminal in Ülemiste for RB	
<b>HEALTH AND SOCIAL COHESION</b>	<b>445,56</b>
Enhancing resilience of health system in North of Estonia	
Improvement of medical emergency service availability	
Measures for youth unemployment	
	<b>1105,92</b>