

## **Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the third payment request submitted by Estonia on 9 December 2024, transmitted to the Economic and Financial Committee by the European Commission**

### **Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 9 December 2024, Estonia submitted a request for payment for the fourth instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits.

To support its payment request, Estonia provided due justification of the satisfactory fulfilment of the 18 milestones and targets of the fourth instalment of the non-repayable support, as set out in Section 2 of the Annex to the Council Implementing Decision of 16 June 2023 on the approval of the assessment of the recovery and resilience plan for Estonia<sup>1</sup>.

For one target covering a large number of recipients, in addition to the summary documents and official listings provided by Estonia, Commission services have assessed a statistically significant sample of individual files. The sample size has been uniformly set at 60 which corresponds to a confidence level of 95% or above.

In its payment request, Estonia has confirmed that measures related to previously satisfactorily fulfilled milestones and targets have not been reversed. The Commission does not have evidence of the contrary. Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Estonia, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of 18 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Estonia's Recovery and Resilience Plan. They notably highlight the continuation of the reform momentum in key policy areas. This includes, among others, incentivising the uptake of sustainable modes of transport and renewable energy, improving digital public services, reducing the gender pay gap and strengthening the resilience of the Estonian health system. The milestones and targets also confirm progress towards the completion of investment projects related to renewable energy production, sustainable mobility through the construction of Rail Baltic viaducts, and digital services with transition to cloud infrastructure.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

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<sup>1</sup> ST 9367/23 INIT and ST 9367/23 ADD 1 REV 1

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**Preliminary Assessment – M/T specific section:**

## Non-repayable support

**Number and name of the Target:** EE-C[A]-I[1-1-.1-1-]-T[2], Award of grants

**Related Measure:** 1.1 Digital transformation in enterprises

**Quantitative Indicator:** Number of enterprises being awarded a grant

**Baseline:** 0

**Target:** 110

**Time:** Q4 2023

### 1. Context:

The objective of investment 1.1 is to foster the digital transformation of businesses with a particular focus on SMEs and micro-enterprises. Specifically, financial support shall be provided for businesses covering one or several of the following aspects: the adoption of digital technologies, the development of industrial data clouds, industrial research, development, testing and piloting activities, feasibility studies, advisory and support services and training of staff. The funding shall be allocated through open calls for proposals setting out the relevant eligibility and award criteria, in compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01).

Target 2 concerns the number of enterprises to which grants shall be awarded by the Ministry of Economic Affairs and Communications to support their digital transformation in accordance with the call for proposals, which should be 110.

Target 2 is the second target or milestone of the investment, and it follows the completion of milestone 1, related to the publication of the notice of the call for proposals. It will be followed by target 3, related to the number of enterprises being awarded a grant reaching 230 by Q4 2025. The investment has a final expected date for implementation of 31 December 2025.

Milestone 1 of the investment consisted in the publication of the notice of the call for proposals in Q2 2022 and was assessed as satisfactorily fulfilled under the 1<sup>st</sup> payment request<sup>2</sup>. The assessment included an analysis of the measure description requirements related to the evaluation criteria and the conditions for granting support, as well as of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

### 2. Evidence provided

	Name of the evidence.	Short description
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<sup>2</sup> Commission Implementing decision (C(2023) 7129 final, thereafter the 'Commission decision') on the authorisation of the disbursement of the first and second instalments of the non-repayable support for Estonia, [fb66b79b-9667-4f62-b281-8122c7f86b39 en \(europa.eu\)](https://eur-lex.europa.eu/eli/dec_impl/2023/7129/final/en)

	For legal acts please provide the full legal reference and date of entry into force	
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled
2	Annex 2 _“Payment 4_T2_grant decision_Aclima OÜ”	Funding decision of the project
3	Annex 3 _“Payment 4_T2_grant decision_Aikkon Est OÜ”	Funding decision of the project
4	Annex 4 _“Payment 4_T2_grant decision_ASTRAS OÜ”	Funding decision of the project
5	Annex 5 _“Payment 4_T2_grant decision_AS Baltico”	Funding decision of the project
6	Annex 6 _“Payment 4_T2_grant decision_AS BALTOIL”	Funding decision of the project
7	Annex 7 _“Payment 4_T2_grant decision AS CHEMPHARM”	Funding decision of the project
8	Annex 8 _“Payment 4_T2_grant decision_AS DALE LD”	Funding decision of the project
9	Annex 9 _“Payment 4_T2_grant decision_AS Glassense”	Funding decision of the project
10	Annex 10 _“Payment 4_T2_grant decision_AS Hansa Candle OÜ”	Funding decision of the project
11	Annex 11 _“Payment 4_T2_grant decision_AS Kane Metall”	Funding decision of the project
12	Annex 12 _“Payment 4_T2_grant decision_AS Mistra-Autex”	Funding decision of the project
13	Annex 13 _“Payment 4_T2_grant decision_AS Mivar-Viva”	Funding decision of the project
14	Annex 14 _“Payment 4_T2_grant decision_AS Nuia PMT”	Funding decision of the project
15	Annex 15 _“Payment 4_T2_grant decision_AS Printall”	Funding decision of the project
16	Annex 16 _“Payment 4_T2_grant decision_AS TFTA”	Funding decision of the project
17	Annex 17 _“Payment 4_T2_grant decision_AS VALDEK”	Funding decision of the project
18	Annex 18 _“Payment 4_T2_grant decision_AS VARRAK”	Funding decision of the project
19	Annex 19 _“Payment 4_T2_grant decision_AS WERMO”	Funding decision of the project
20	Annex 20 _“Payment 4_T2_grant decision_AS Vigolin”	Funding decision of the project
21	Annex 21 _“Payment 4_T2_grant decision_AQ Lasertool OÜ”	Funding decision of the project
22	Annex 22 _“Payment 4_T2_grant decision_B-plast AS”	Funding decision of the project
23	Annex 23 _“Payment 4_T2_grant decision_AS Floorin”	Funding decision of the project
24	Annex 24 _“Payment 4_T2_grant decision_AS Framm”	Funding decision of the project

25	Annex 25 _“Payment 4_T2_grant decision_AS Jalax”	Funding decision of the project
26	Annex 26 _“Payment 4_T2_grant decision_AS Scanola Baltic”	Funding decision of the project
27	Annex 27 _“Payment 4_T2_grant decision_AS Saku Metall Allhanke Tehas”	Funding decision of the project
28	Annex 28 _“Payment 4_T2_grant decision_Baltest Mööbel OÜ”	Funding decision of the project
29	Annex 29 _“Payment 4_T2_grant decision_Casemet OÜ”	Funding decision of the project
30	Annex 30 _“Payment 4_T2_grant decision_DAV Welding OÜ”	Funding decision of the project
31	Annex 31 _“Payment 4_T2_grant decision_Defendec OÜ”	Funding decision of the project
32	Annex 32 _“Payment 4_T2_grant decision_Energiapartner OÜ”	Funding decision of the project
33	Annex 33 _“Payment 4_T2_grant decision_E-Service AS”	Funding decision of the project
34	Annex 34 _“Payment 4_T2_grant decision_ETS NORD AS”	Funding decision of the project
35	Annex 35 _“Payment 4_T2_grant decision_Ettevõtluskeskus OÜ”	Funding decision of the project
36	Annex 36 _“Payment 4_T2_grant decision_FACTORY SEVEN OÜ”	Funding decision of the project
37	Annex 37 _“Payment 4_T2_grant decision_FLEXA EESTI AS”	Funding decision of the project
38	Annex 38 _“Payment 4_T2_grant decision_Grader Service OÜ”	Funding decision of the project
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40	Annex 40 _“Payment 4_T2_grant decision_Haine OÜ”	Funding decision of the project
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42	Annex 42 _“Payment 4_T2_grant decision_Hevi Engineering OÜ”	Funding decision of the project
43	Annex 43 _“Payment 4_T2_grant decision_Hissmekano Estonia OÜ”	Funding decision of the project
44	Annex 44 _“Payment 4_T2_grant decision_Hõbenool OÜ”	Funding decision of the project
45	Annex 45 _“Payment 4_T2_grant decision_Icosagen Cell Factory OÜ”	Funding decision of the project
46	Annex 46 _“Payment 4_T2_grant decision_Ideaalköögid OÜ”	Funding decision of the project
47	Annex 47 _“Payment 4_T2_grant decision_ISTREK OÜ”	Funding decision of the project
48	Annex 48 _“Payment 4_T2_grant decision_JTK Power Finmec Estonia AS”	Funding decision of the project
49	Annex 49 _“Payment 4_T2_grant decision_K-Projekt AS”	Funding decision of the project

50	Annex 50 _“Payment 4_T2_grant decision_Kruul Trükikoja OÜ”	Funding decision of the project
51	Annex 51 _“Payment 4_T2_grant decision_Legrand Estonia OÜ”	Funding decision of the project
52	Annex 52 _“Payment 4_T2_grant decision_Lotus Timber OÜ”	Funding decision of the project
53	Annex 53 _“Payment 4_T2_grant decision_LÜMICO OÜ”	Funding decision of the project
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56	Annex 56 _“Payment 4_T2_grant decision_Multipakend Tootmine OÜ”	Funding decision of the project
57	Annex 57 _“Payment 4_T2_grant decision_Nuti Grupp OÜ”	Funding decision of the project
58	Annex 58 _“Payment 4_T2_grant decision_Alise Tehnic OÜ”	Funding decision of the project
59	Annex 59 _“Payment 4_T2_grant decision_Avolux OÜ”	Funding decision of the project
60	Annex 60 _“Payment 4_T2_grant decision_Bellus Furnitur OÜ”	Funding decision of the project
61	Annex 61 _“Payment 4_T2_grant decision_Birger OÜ”	Funding decision of the project
62	Annex 62 _“Payment 4_T2_grant decision_Eumar Santehnika OÜ”	Funding decision of the project
63	Annex 63 _“Payment 4_T2_grant decision_FENNOBED OÜ”	Funding decision of the project
64	Annex 64 _“Payment 4_T2_grant decision_I&T Metall OÜ”	Funding decision of the project
65	Annex 65 _“Payment 4_T2_grant decision_Joon OÜ”	Funding decision of the project
66	Annex 66 _“Payment 4_T2_grant decision_Kadarbiku OÜ”	Funding decision of the project
67	Annex 67 _“Payment 4_T2_grant decision_Kalla Mööbel OÜ”	Funding decision of the project
68	Annex 68 _“Payment 4_T2_grant decision_KIILLI BETOON OÜ”	Funding decision of the project
69	Annex 69 _“Payment 4_T2_grant decision_Merianto OÜ”	Funding decision of the project
70	Annex 70 _“Payment 4_T2_grant decision_Miridon OÜ”	Funding decision of the project
71	Annex 71 _“Payment 4_T2_grant decision_PLAAT DETAIL OÜ”	Funding decision of the project
72	Annex 72 _“Payment 4_T2_grant decision_Puidukoda OÜ”	Funding decision of the project
73	Annex 73 _“Payment 4_T2_grant decision_Raintar TP OÜ”	Funding decision of the project
74	Annex 74 _“Payment 4_T2_grant decision_Rantelon OÜ”	Funding decision of the project

75	Annex 75 _“Payment 4_T2_grant decision_Same OÜ”	Funding decision of the project
76	Annex 76 _“Payment 4_T2_grant decision_Timbermeister OÜ”	Funding decision of the project
77	Annex 77 _“Payment 4_T2_grant decision_Travel Balt OÜ”	Funding decision of the project
78	Annex 78 _“Payment 4_T2_grant decision_Usin-TR OÜ”	Funding decision of the project
79	Annex 79 _“Payment 4_T2_grant decision_Welmet OÜ”	Funding decision of the project
80	Annex 80 _“Payment 4_T2_grant decision_AFTERONE OÜ”	Funding decision of the project
81	Annex 81 _“Payment 4_T2_grant decision_Aigren OÜ”	Funding decision of the project
82	Annex 82 _“Payment 4_T2_grant decision_BEPCO OÜ”	Funding decision of the project
83	Annex 83 _“Payment 4_T2_grant decision_Densel Baltic OÜ”	Funding decision of the project
84	Annex 84 _“Payment 4_T2_grant decision_Eccua Pro OÜ”	Funding decision of the project
85	Annex 85 _“Payment 4_T2_grant decision_Epokate OÜ”	Funding decision of the project
86	Annex 86 _“Payment 4_T2_grant decision_RESTMEC OÜ”	Funding decision of the project
87	Annex 87 _“Payment 4_T2_grant decision_Tenniseakadeemia OÜ”	Funding decision of the project
88	Annex 88 _“Payment 4_T2_grant decision_PlasmaPro OÜ”	Funding decision of the project
89	Annex 89 _“Payment 4_T2_grant decision_Plastone OÜ”	Funding decision of the project
90	Annex 90 _“Payment 4_T2_grant decision_Pomarfin OÜ”	Funding decision of the project
91	Annex 91 _“Payment 4_T2_grant decision_Põhjala Brewing AS”	Funding decision of the project
92	Annex 92 _“Payment 4_T2_grant decision_Reimax Electronics OÜ”	Funding decision of the project
93	Annex 93 _“Payment 4_T2_grant decision_Reneko OÜ”	Funding decision of the project
94	Annex 94 _“Payment 4_T2_grant decision_Reval Kondiiter OÜ”	Funding decision of the project
95	Annex 95 _“Payment 4_T2_grant decision_Shore Link OÜ”	Funding decision of the project
96	Annex 96 _“Payment 4_T2_grant decision_SKAN HOLZ HELME AS”	Funding decision of the project
97	Annex 97 _“Payment 4_T2_grant decision_Solarstone OÜ”	Funding decision of the project
98	Annex 98 _“Payment 4_T2_grant decision_SV TRADING OÜ”	Funding decision of the project
99	Annex 99 _“Payment 4_T2_grant decision_Tallinna Raamatutrükikoda OÜ”	Funding decision of the project

100	Annex 100 _“Payment 4_T2_grant decision_Tapvei Estonia OÜ”	Funding decision of the project
101	Annex 101 _“Payment 4_T2_grant decision_TARDEK OÜ”	Funding decision of the project
102	Annex 102 _“Payment 4_T2_grant decision_Tarmeko Spoon OÜ”	Funding decision of the project
103	Annex 103 _“Payment 4_T2_grant decision_Thermory AS”	Funding decision of the project
104	Annex 104 _“Payment 4_T2_grant decision_TT Print OÜ”	Funding decision of the project
105	Annex 105 _“Payment 4_T2_grant decision_Universal Industries OÜ”	Funding decision of the project
106	Annex 106 _“Payment 4_T2_grant decision_Warren Teed OÜ”	Funding decision of the project
107	Annex 107 _“Payment 4_T2_grant decision_WeldMet Solution OÜ”	Funding decision of the project
108	Annex 108 _“Payment 4_T2_grant decision_Wisefab OÜ”	Funding decision of the project
109	Annex 109 _“Payment 4_T2_grant decision_Volume Design OÜ”	Funding decision of the project
110	Annex 110 _“Payment 4_T2_grant decision_YOOK Production AS”	Funding decision of the project
111	Annex 1 _“Payment 4_T2_grant decision_Acino Estonia OÜ”	Funding decision of the project
112	Annex 112 “Payment 2_M1_Regulation of Minister of Entrepreneurship and Information Technology”	Regulation of the Minister of Entrepreneurship and Information Technology on the terms and conditions of support for the digital transformation of enterprises ( <i>Ettevõtete digipöörde toetuse tingimused ja kord</i> ) published in State Gazette No. 65 of 17 August 2022
113	Annex 111_Payment 4_T2 “Payment 4_T2_SAP”	The excel sheet with the list of 110 companies that received funding for the project under measure 1.1, including companies’ registration numbers and references to companies’ size.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the target.

- **Number of enterprises to which grants shall be awarded by the Ministry of Economic Affairs and Communications to support their digital transformation in accordance with the call for proposals.**
  - As evidenced in the first paragraph on page one of each of the 110 grant decisions (listed in the evidence provided section as 2 to 111), there are 110 grants that were awarded to support digital transformation, in accordance with the Regulation of the Minister of

Entrepreneurship and Information Technology on the terms and conditions of support for the digital transformation of enterprises (*Ettevõtete digipöörde toetuse tingimused ja kord*) published in State Gazette No. 65 of 17 August 2022 (hereinafter referred to as the “Ministerial regulation”, listed as evidence 112).

- As evidenced on pages one and four of each of the grant decisions (evidence 2 to 111), the awards were granted by the Estonian Business and Innovation Agency. The Council Implementing Decision requires that grants shall be awarded by the Ministry of Economic Affairs and Communications. The abovementioned Ministerial Regulation (evidence 112), under paragraph 5, specifies that the Estonian Business and Innovation Agency is intermediary institution for the support. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, it concerns internal procedures of Estonia, where the relevant Ministries has formally delegated the relevant implementing body to carry out one of the activities in its competences. As of this, this minimal deviation does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.
- For each decision (evidence 2 to 111), page 1 specifies that the grant was awarded in accordance with the Ministerial regulation that stipulated the scope and way of awarding grants under investment 1.1<sup>3</sup>. Therefore, each decision is in accordance with the call for proposals.
- For each decision (evidence 2 to 111), page 1 provides the name of the grant recipient and its company identifier (Registrikood) from Estonia’s e-Business Register, which is the official national portal containing the details of all legal persons registered in Estonia in a single environment ([E-BUSINESS REGISTER PORTAL | Registrate ja Infosüsteemide Keskus](#)). This allows verification that each grant is linked to a unique company, making the number of companies to which grants were awarded 110.
- Furthermore, paragraph 2 of each decision (evidence 2 to 111) outlines the scope of the funded projects. The decisions state that grants were awarded in accordance with paragraphs 11, 12, and 18 of the Ministerial regulation (evidence 112), which mandates that the project's scope aligns with the measure's objective as defined in the Regulation.<sup>4</sup> The alignment of the awarded projects with the objective was verified for all grant decisions listed as evidence 2 to 111. While project objectives were defined rather broadly (e.g., to support automation, deployment of digital technologies and robots), they were without exception consistent with the scope of the measure and with the CID requirement of support being granted for the digital transformation of enterprises.

#### **4. Commission Preliminary Assessment: Satisfactory fulfilled**

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<sup>3</sup> The Regulation was assessed in the first payment request under Milestone 1 and quoted in the Commission decision.

<sup>4</sup> According to the assessment quoted in the Commission decision, the objectives and supported activities specified respectively in the paragraphs 3 and 7 of the Regulation were in line with the requirement outlined in the CID annex.

**Number and name of the Target:** EE-C[A]-R[1-4-.1-4-]-T[12], Enrolment in training activities

**Related Measure:** A.1-4- 1-4- Skills reform for the digital transformation of businesses

**Quantitative Indicator:** Number of participants

**Baseline:** 0

**Target:** 500

**Time:** Q4 2023

### 1. Context:

The objective of the reform is to contribute to strengthening the capacity of businesses at management level to steer and foster the digital transition, as well as to ensuring the availability of sufficient ICT professionals possessing up-to-date skills and knowledge, so that Estonian companies can fully seize the opportunities offered by the digital transition. It also aims at offering new career opportunities to both employed and unemployed people through upskilling and retraining in ICT, as well as through a better recognition of skills acquired outside formal learning. The measure also aims to contribute to increasing the participation of women in ICT training and ICT professions. The measure consists of several elements, including two training programmes that are subject of the current assessment: (i) training of managers in companies (SMEs in particular), in order to increase their ICT skills and knowledge, and raise their awareness about the potential gains from the use of ICT; (ii) the upskilling and retraining of ICT specialists, including in cybersecurity.

Target 12 is about the number of people enrolled in the two abovementioned training activities. A minimum of 35% of participants enrolled in these training activities shall be women.

Target 12 is the second milestone or target of the reform, and it follows the completion of milestone 11 on the entry into force of secondary legislation setting out the terms of support for the development of digital skills. It will be followed by targets 13, 14 and 15 related to the completion of the trainings, to the new upskilling and retraining modules and to the review of qualification standards for ICT specialists. The reform has a final expected date for implementation of 30 June 2024.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) have been satisfactorily fulfilled
2	List of participants enrolled in "Information security manager training program"	The list contains the name of the training as well as participants' ID numbers (which indicate gender) and JUHAN (Educational IT System) ID codes.
3	List of participants enrolled in "Information security training for business managers"	The list contains the name of the training as well as participants' ID numbers (which indicate gender) and JUHAN ID codes.

4	19 digital documents containing the proof of enrolment for a sample of 60 individuals selected by the Commission.	For each individual, the following documentary evidence was provided: an extract from JUHAN system indicating the status of enrolment
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### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the target.

- **The number of people enrolled in training activities supported under this measure, consisting of awareness-raising for SME managers, and upskilling and retraining for ICT specialists.**

- Estonia provided two excel sheets with a codified list of persons enrolled in the training programmes "Information security manager training program" and "Information security training for business managers" (listed in the evidence provided section as 2 and 3). It is shown that altogether, there are, respectively, 217 and 283 people enrolled in those trainings, or a total of 500 people enrolled in both trainings.
- The data for the excel sheets was extracted from JUHAN, which is the national information system for managing of and registering to continuing education courses (hereinafter referred to as "JUHAN"), accessible only from Estonian servers. Existence and functionality of JUHAN system was verified by the Commission officials during the on-the-spot check on 5 November 2024 (see below). The individuals listed in the excel sheet have their unique personal ID numbers as well as training participant ID codes (JUHAN ID), which are personal identifiers for people enrolled in the trainings.
- On the basis of the list of 500 enrolled people, the Commission drew a sample of 60 randomly selected individuals. Estonia provided 19 digital documents extracted from JUHAN indicating the name of the training and the status of each sampled individual (evidence 4). Each individual can be found back through the unique ID numbers, and only enrolled persons can have JUHAN ID numbers. Each of the 60 sampled individuals were checked in the following way by linking the document to the information provided in the excel sampling list of 500 individuals (annexes 1 and 2). The checks done in detail are:
  - the ID number in the list of individuals that were enrolled in the training matches with the number listed in the digital extract from JUHAN indicating their enrolment status.
  - the status of the individual was either registered or completed or cancelled, the two latter statuses being consequential to the enrolment, i.e. a person could not have completed the course without being enrolled, nor could have cancelled participation without being enrolled in the first place. Status "Registered" means enrolled, as only enrolled persons are registered in JUHAN.
  - the title of the course as indicated on the extract is either "Information security manager training program" or "Information security training for business managers".
- The evidence provided for the sample of 60 individuals confirms that the requirement of the target has been met.
- In addition, the Commission services conducted an on-the-spot check on 5 November 2024 to verify the functionality of JUHAN system as referenced in the Summary document, and the alignment of the digital documents submitted as proof of completion for target 12 with the data extracted from JUHAN regarding people enrolled in the two trainings. The former check consisted in the real time presentation of the JUHAN system carried out by an Estonian official. It showed how to log in to the system and how the system was

used for registering to and managing of continuing education courses. The latter check consisted of looking specifically at three randomly selected individuals from the sample of 60, and checking if the information from the digital document is identical to what is in the JUHAN system. The check was done for the following JUHAN ID numbers: 232909, 233124 and 233101. This check was completed successfully, confirming the authenticity of the data presented by the authorities as evidence of enrolment.

- It is verified (through the link to the “Information security manager training programme” <https://taltech.ee/infoturbejuhtide-koolitus> provided in the summary document) that applicants to the training had to have higher education or vocational education in ICT sector, or prior working experience with comparable complexity, and they had to submit a motivational letter and take a test, thereby limiting the training to ICT specialists.
- It is verified (through the link to the “Information security training for business managers” <https://harno.ee/ettevotete-juhtidele-suunatud-infoturbe-koolitus> provided in the summary document) that applicants to the training were required to specify their occupational category during registration and/or specify the content of their work detailing how it relates to the field of the training, thereby focusing the training on SME managers.
- **A minimum of 35% of participants enrolled in these training activities shall be women.**
  - As evidenced in annexes 1 and 2, in total, the enrolled persons included 198 women (62 for the ICT specialist training and 136 for the managers training). This can be seen by the first digits of personal ID codes: in case of women, it is even, in case of men, it's odd. The number of women enrolled represents 40% of all people enrolled, above the requirement specified in the annex to the Council Implementing Decision.
  - The authenticity of the personal ID numbers related to the JUHAN IDs, which allowed to determine participants' gender, was checked in the sample of 60 randomly selected individuals. As mentioned above, from that sample of 60 randomly selected individuals, three randomly sampled individuals' participation and gender were further verified during the on-the-spot check on 5 November 2024. The checks done in detail with the sampling included whether the ID number in the list of individuals that were enrolled in the training matches with the number listed in the digital extract from JUHAN indicating their enrolment status. During the on-the-spot check the authenticity of the personal ID numbers was again confirmed.

#### **4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[A]-R[1-5-.1-5-]-M[17], Procurement of studies

**Related Measure:** A.1-5- 1-5- Supporting the competitiveness of enterprises in foreign markets

**Qualitative Indicator:** Signature of contracts

**Time:** Q2 2024

### 1. Context:

The objective of the measure is to increase the export capacity and competitiveness of Estonian companies, including notably those of the ICT sector. The measure is expected to be particularly relevant for SMEs. It shall also take advantage of the possibilities offered by digital tools. There are three sub-reforms: (i) the development of export strategies aimed at specific countries or regions; (ii) the establishment of business centres located in key export markets; and (iii) the promotion of Estonian products and services (from the ICT sector in particular) through physical, virtual or hybrid missions and events.

Milestone 17 is part of the first sub-reform and it requires that tenders for drawing up strategies and product packages with a view to obtaining detailed market information on foreign markets shall be carried out by the Ministry of Foreign Affairs and the corresponding contracts shall be signed.

Milestone 17 is the second milestone or target of the sub-reform, and it follows the completion of milestone 16 related to the preparation of the development of strategies. It will be followed by target 18 related to the 13 country and regional export strategies published. The reform has a final expected date for implementation in Q2 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) has been satisfactorily fulfilled
2	Annex 2_Payment 4_M17_Procurement_Contract _for_UK  Annex 2.1_Payment 4_M17_ Signatures_Printout_UK	Signed contract for UK Market Entry Strategy and screenshot of the publication of the call for tenders in the Public Procurement Register, as example for locating these documents. Procurement Register: <a href="https://riigihangete.register.riik.ee/5.6.3">Riigihangete register 5.6.3 (riigihanked.riik.ee)</a>
3	Annex 2.2_Payment 4_M17_Request for proposal_UK	Request for proposal Public Procurement Register: <a href="https://riigihangete.register.riik.ee/5.6.3">Riigihangete register 5.6.3 (riigihanked.riik.ee)</a>
4	Annex 3_Payment 4_M17_ Procurement_Contract_for_Ja pan.pdf	Signed contract for Japan Market Entry Strategy

		Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
5	Annex 3.1_Payment 4_M17_Request for proposals_Japan	Request for proposals Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
6	Annex 4_Payment 4_M17_Procurement_Contract_for_GCC	Signed contract for GCC Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
7	Annex 4.1_Payment 4_M17_Request for proposals_GCC	Request for proposals Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
8	Annex 5_Payment 4_M17_Procurement_Contract_for_Africa  Annex 5.1_Payment 4_M17_Signatures_Printout_Africa	Signed contract for Africa Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
9	Annex 6_Payment 4_M17_Procurement_Contract_for_Singapore	Signed contract for Singapore Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
10	Annex 7_Payment 4_M17_Procurement_Contract_for_South_East_Asia_Region	Signed contract for South East Asia Region Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
11	Annex 8_Payment 4_M17_Procurement_Contract_for_USA  Annex 8.1_Payment 4_M17_Signatures_Printout_USA	Signed contract for USA Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
12	Annex 9_Payment 4_M17_Procurement_Contract_for_Germany  Annex 9.7_Payment 4_M17_Signatures_Printout_Germany	Signed contract for Germany Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
13	Annex 10_Payment 4_M17_Procurement_Contract_for_France  Annex 10.1_Payment 4_M17_Signatures_Printout_France	Signed contract for France Market Entry Strategy Public Procurement Register: <a href="https://riigihangete.register.5.6.5(riigihanked.riik.ee)">Riigihangete register 5.6.5 (riigihanked.riik.ee)</a>
14	Annex 11_Payment 4_M17_Procurement_Contract_for_Poland  Annex 11.1_Payment 4_M17_Signatures_Printout_Poland	Signed contract for Poland Market Entry Strategy Public Procurement Register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6976192/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/6976192/general-info</a>

15	Annex 12_Payment 4_M17_Procurement_Contract_for_India	Signed contract for the India Market Entry Strategy Public Procurement Register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6979672/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/6979672/general-info</a>
16	Annex 13.1_Payment 4_M17_Procurement_Contract_for_Israel  Annex 13.1_Payment 4_M17_Procurement_Contract_authorisation_letter_for_Israel	Signed contract for Israel Market Entry Strategy, including contracting party credentials. Public Procurement Register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/7499404/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/7499404/general-info</a>
17	Annex 14_Payment 4_M17_Contract_for_Services	Signed contract with Enterprise Estonia to produce the product packages
18	Annex 15_Payment 4_M17_Methodology	Methodology and process for creating national and regional trade strategies
19	Annex 16_Payment 4_M17_Evaluation_Criteria	Evaluation criteria for trade strategies market analysis tender
20	Annex 17_Payment 4_M17_Cooperation_Agreement	Cooperation principles between the Ministry of Foreign Affairs, the Ministry of Economic Affairs and Communications and Estonian Business and Innovation Agency
21	Annex 18_Payment 4_M17_Välissuhtlemisseadus	Foreign Relations Act ( <i>Välissuhtlemisseadus</i> ) published in the State Gazette RT I 2006, 32, 248 <a href="https://www.riigiteataja.ee/akt/131012023006">https://www.riigiteataja.ee/akt/131012023006</a> ENG: <a href="https://www.riigiteataja.ee/en/eli/514022023001/consolide">https://www.riigiteataja.ee/en/eli/514022023001/consolide</a>
22	Annex 19_Payment 4_M17_Market access analysis for Korea.docx	Market access analysis for South Korea, submitted as evidence for Milestone 16 Published version is available on EIS webpage: <a href="https://eis.ee/riik/louna-korea/">https://eis.ee/riik/louna-korea/</a>
23	Annex 20_Payment 4_M17_Procurement_Contract for product packages.pdf	A contract signed by Enterprise Estonia for product packages <b>Public Procurement Register: Riigihangete register 5.7.10</b>
24	Annex 21_Payment 4_M17	Digital document from the Ministry of Foreign Affairs' document management system showing that Estonia's Embassy in Seoul contacted five different companies to request price offers for drawing up the South Korean Market access and FDI strategy.

25	Annex 22_Payment 4_M17_public procurement law.pdf	Public Procurement Act published in the State Gazette (RT I, 01.07.2017)
26	Annex 23	Provisions for procurement established by the Ministry of Foreign Affairs, in force at the time of procurement for South Korea strategy
27	Annex 24	Provisions for procurement established by the Ministry of Foreign Affairs, in force at the moment
28	Copy of letters from official in Ministry of Foreign Affairs to Deloitte, KPMG, EY, PWC	Copies of emails to five different companies requesting the price offer for delivering South Korea strategy
29	Annex 1_Payment 4_M17_Procurement Contract for South Korea	Signed contract for the South Korea Market Entry Strategy

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Tenders for drawing up strategies and product packages with a view to obtaining detailed market information on foreign markets shall be carried out by the Ministry of Foreign Affairs. The corresponding contracts shall be signed.**
  - It is demonstrated by the Estonian authorities through the weblinks to the Public Procurement Registry and through specific extracts from that Registry (listed in the evidence provided section as 2 to 16), that 12 public tenders for **drawing up strategies** were carried out by the Ministry of Foreign Affairs. The weblinks were accessed and checked by Commission services during November 2024. For each of them, the Commission services were able to confirm that the tenders were carried out in UK (2023), Japan (2023), GCC region (2023), Africa region (2024), Singapore (2024), Southeast Asia region (2024), USA (2023), Germany (2024), France (2024), Poland (2024), India (2024) and Israel (2024). The Commission services were able to confirm that the procurement was done by the Ministry of Foreign Affairs of Estonia, as can be seen in Section 1.1. of the standardised requests for proposals found in the Public Procurement Registry in the abovementioned cases, with the purpose of developing strategies to increase export capacity of Estonian enterprises in specific markets, and to better attract FDI for those markets to Estonia. With respect to the requirement for strategies to allow obtaining **detailed market information on foreign markets**, the Requests for Proposals available in the Public Procurement Register links provided for each tender (evidence 2 to 16) specify that the project deliverables should include a market overview with references to data sources, and that the strategies should consist in three parts: (i) the target country overview, including explanation of target sectors; (ii) an analysis of export target sectors, along with recommendations for a five-year tactical roadmap; and (iii) an foreign direct investment strategy for a 5-year period. Furthermore, the deliverable should provide a detailed description of the market analysis methodology that covers all the above parts. The market access strategy for South Korea (listed in the evidence provided section 22)

outlines, inter alia, various market entry strategies (chapters 3 and 5), FDI strategy (chapter 6), and providing throughout the report (including in chapters 4 and 7) detailed information about the South Korean market.

- It is demonstrated by the Estonian authorities that the 13th procurement was done for the strategy for South Korea (through the procurement contract listed in the evidence provided section 29). It is explained in the summary document that the procurement for the South Korea tender was carried out in line with provisions of Public Procurement Law, paragraphs 9.1 and 9.4 (evidence 25). As the contract value of the tender to procure the South Korea strategy was below the procurement threshold, the procurement had to be carried out according to the provisions for procurement established by the Ministry of Foreign Affairs (evidence 26), allowing the Estonian Embassy in Seoul to solicit direct offers from recommended agencies. It is demonstrated by the Estonian authorities (evidence 24 and 28) that tender offers were asked from five companies.
- As demonstrated by evidence 2, 4, 6, 8 to 16, and 29, there are 13 contracts that were signed to procure country and regional strategies. Digital signatures were attached in case of the UK, Africa region, USA, Germany, France, and Poland (as demonstrated in evidence 2, 8, and 11 to 14), while copies of signed contracts were provided for Japan, GCC, Singapore, South East Asia, India, Israel, and South Korea (as demonstrated in evidence 4, 6, 9, 10, 15, 16 and 29). All contracts, except the one for South Korea market strategy signed by the Embassy of Estonia in Seoul, were signed by the Ministry of Foreign Affairs. It is stated in paragraph 5 of the Foreign Relations Act (*Välissuhtlemisseadus*) published in the State Gazette RT I 2006, 32, 248 and in force since 1 January 2007, which is listed in the evidence provided section 21, that the Embassy of Estonia (Foreign mission) is a structural unit of the Ministry of Foreign Affairs.
- As regards the requirement to **Tenders for drawing up ... product packages**, as stated in paragraph 2 point 2.1 of the Contract for Services, listed in the evidence provided section 17, the Ministry of Foreign Affairs in cooperation with the Estonian Business and Innovation Agency is drawing up product packages under the measure 1.5.1.
  - In line with the abovementioned Contract for Services, the Council Implementing Decision required tenders to be carried out for drawing up product packages by the Ministry of Foreign Affairs. However, as evidenced in the weblink to call for tender in the Public Procurement Registry (listed as evidence 23), on 21 August 2023 the Estonian Business and Innovation Agency tendered out the drawing up of the product packages. Furthermore, on 21 January 2024, the Estonian Business and Innovation Agency signed a contract for developing the product packages (found under the abovementioned weblink listed as evidence 23).
  - As explained in the original Estonian RRP, the specialised nature of the product packages requires competences and level of collaboration that are found in the state agency. Notably, in accordance with Article 8(4<sup>1</sup>) of the Foreign Relations Act (*Välissuhtlemisseadus*) published in the State Gazette RT I 2006, 32, 248 and in force since 1 January 2007, which is listed in the evidence provided section 21, the Government of the Republic of Estonia, or a minister authorised by the Government, may authorise a state foundation or a foundation with state participation to perform administrative duties related to the implementation of support programmes financed by EU funds or foreign aid through an administrative contract. In this context, the development of product packages has been effectively delegated to Estonian Business and Innovation agency, on

the basis of a Contract for Services (evidence 17). According to paragraph 2, point 2.1 of the Contract for services, the subject of the contract is the development of marketing activities and product packages focused on the export sector, together with creative and media services, both in Estonia and in the selected foreign countries, using integrated marketing communication. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, it concerns internal procedures of Estonia, where the relevant Ministries has formally delegated the relevant implementing body to carry out one of the activities in its competences. As of this, this minimal deviation does not affect the progress towards achieving the investment that the target represents. On this basis, it is considered that this constitutive element of the target is satisfactorily fulfilled.

- Furthermore, in line with the description of the measure, **the implementation of this measure shall be carried out in synergy with the activities of Enterprise Estonia, among other partners.**
  - As explained above, the drawing up of product packages has been contracted to the Estonian Business and Innovation Agency. This Agency is a merger of KredEX and Enterprise Estonia (as of January 2022), as explained on the website of the Agency ([Estonian Business and Innovation Agency | EIS](#)). Therefore, the abovementioned contract for services and cooperation agreement (presented as evidence 17 and 20) demonstrate that this condition was satisfactorily fulfilled.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled.

**Number and name of the Milestone:** EE-C[B]-I[2-3-.2-3-]-M[29], Set up of the Green Technologies Development Programme

**Related Measure:** B.2-3- 2-3- Green technology development programmes

**Qualitative Indicator:** Contracts signed for all development clusters and support measures designed and opened

**Time:** Q2 2024

### 1. Context:

The investment aims to contribute to the green transition of companies by fostering the development and spreading of innovative green technologies. The investment consists of support to start-ups and development clusters with a focus on integrated green technology solutions through various development services (including accelerators, incubation, business development, prototype development, piloting) and improvement of the cooperation between different types of organisations and actors that are already active on the market (academia, businesses, other stakeholders). The focus of the investment is on energy and resource efficiency, promoting the circular economy, new business models, digitalisation and automation. The projects supported under the investment contribute to reducing greenhouse gas emissions and increasing resource productivity in Estonia.

Milestone 29 relates to setting up the Green Technologies Development Programme.

Milestone 29 is the second milestone or target of the investment, and it follows the completion of milestone 28 related to establishing a working group to plan and set up the green technology development programme. It will be followed by targets 30 and 31, related to number of clusters and number of start-ups supported through the Green Technology Development Programme. The investment has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document on implementation of M29	Summary document duly justifying how the target (including all the constitutive elements) has been satisfactorily fulfilled
2	Annex 1_Payment 4_M29_Hankeleping_6_13_1036  Annex 1.1_Payment 4_M29_signatures printout	Contracts signed by the Environmental Investment Center (EIC) and the contract winner, who is leading the development cluster (accelerator) "Accelerator for the development of products and services for start-ups in the fields of materials science, resource valorization, and reducing chemical usage". Link to the public procurement register: <a href="https://riigihanked.riik.ee/rhr-">https://riigihanked.riik.ee/rhr-</a>

		<a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6037500/general-info">web/#/procurement/6037500/general-info</a>
3	Annex 2_Payment 4_M29_6_13_1055  Annex 2.1_Payment 4_M29_signatures printout	Contracts signed by the EIC and the contract winner, who is leading the development cluster (accelerator) "Sustainable Environmental Solutions for Local Living Environments". Link to the public procurement register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6135140/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/6135140/general-info</a>
4	Annex 3_Payment 4_M29_271600_Hankeleping  Annex 3.1_Payment 4_M29_signatures printout	Contracts signed by the EIC and the contract winner, who is leading the development cluster (accelerator) "Mobility and Logistics". Link to the public procurement register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6553948/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/6553948/general-info</a>
5	Annex 4_Payment_4_M29_273163_Hankeleping  Annex 4.1_Payment 4_M29_signatures printout	Contracts signed by the EIC and the contract winner, who is leading the development cluster (accelerator) "Energy, Construction, and Climate Resilience" Link to the public procurement register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/6706568/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/6706568/general-info</a>
6	Annex 5_Payment 4_M29_277944_Hankeleping  Annex 5.1_Payment 4_M29_signatures printout	Contracts signed by the EIC and the contract winner, who is leading the development cluster (accelerator) "Forestry, Soil, Biodiversity, and Land Use". Link to the public procurement register: <a href="https://riigihanked.riik.ee/rhr-web/#/procurement/7187064/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/7187064/general-info</a>
7	Annex 6 Payment 4_M29_ Regulation No.14 of the Minister of Climate setting out the terms and conditions for granting support for the development of green technologies, in force since 15.03.2024 (hereinafter referred to as 'the Regulation'.	Regulation No.14 of the Minister of Climate setting out the terms and conditions for Granting Support for the Development of Green Technologies

	Link to the Regulation: <a href="https://www.riigiteataja.ee/akt/112032024002">https://www.riigiteataja.ee/akt/112032024002</a>	
8	Link to the support measure for the Development of Green Technologies: <a href="https://kik.ee/et/toetatavad-tegevused/roheteehnoloogiate-arendamise-toetus">https://kik.ee/et/toetatavad-tegevused/roheteehnoloogiate-arendamise-toetus</a>	Web page for the open call for proposals including the terms and conditions for granting support.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **The public procurement processes for at least 5 development clusters shall be completed and the contracts shall be awarded to the winning parties.**

The Estonian authorities have provided evidence (Annexes 2-6) that the public procurement processes for 5 development clusters (accelerators) were completed and contracts were awarded to the winners for the five development clusters (accelerators) between Q4 2023 and Q2 2024. The awarded contracts include the implementation of accelerators in 5 focus areas:

- Accelerator for the development of products and services for start-ups in the fields of materials science, resource valorization, and reducing chemical usage: Public procurement completed on 31.07.2023 (evidenced in the link to the public procurement database provided in Annex 2); contract awarded to Beamline OÜ on 10.10.2023 (Annex 2).
- "Sustainable Environmental Solutions for Local Living Environments" Accelerator: Public procurement completed on 29.08.2023 (evidenced in the link to the public procurement database provided in Annex 3); Contract awarded to Tartu Science Park Foundation, Baltic Innovation Agency OÜ, Tallinn Science Park Foundation TEHNOPOL, and Energex OÜ on 26.10.2023 (Annex 3).
- "Mobility and Logistics" Accelerator: Public procurement completed on 18.12.2023 (evidenced in the link to the public procurement database provided in Annex 4); Contract awarded to Tartu Science Park Foundation and Baltic Innovation Agency OÜ on 19.02.2024 (Annex 4).
- "Energy, Construction, and Climate Resilience" Accelerator: Public procurement completed on 19.02.2024 (evidenced in the link to the public procurement database provided in Annex 5); Contract awarded to Beamline OÜ, Baltic Innovation Agency OÜ, and Tartu Science Park Foundation on 13.05.2024 (Annex 5).

- "Forestry, Soil, Biodiversity, and Land Use" Accelerator: Procurement completed on 13.05.2024 (evidenced in the link to the public procurement database provided in Annex 6); Contract awarded to Tartu Science Park Foundation, Estonian University of Life Sciences, and Baltic Innovation Agency OÜ (Annex 6).
- **Support measures shall be designed [...]**

The Regulation No.14 of the Minister of Climate setting out the terms and conditions for Granting Support for the Development of Green Technologies, entered into force on 15 March 2023 as set out in the preamble of the Regulation (Annex 7).

Article 2(2) of the Regulation specifies that the objective of the support is to contribute to the green transition of the economy, including the achievement of environmental and climate goals. To achieve this goal, support is given to startups that develop and disseminate innovative green technologies that contribute to reducing greenhouse gas emissions or adapting to climate change, including through increasing and enhancing the productivity and efficiency of resource use (including natural resources and secondary raw materials), promoting energy efficiency, circular economy, and supporting business models, implementing green development solutions at the local level, promoting environmentally sustainable mobility and logistics, applying nature-based solutions, fostering safe material circulation, digitalization, and automation.

Article 2(3) of the Regulation states that activities that contribute to the reduction of greenhouse gas emissions or climate change adaptation in the following sectors are supported:

- materials science, resource valorization, including increasing the productivity and efficiency of sustainable resource use (also includes energy efficiency), reducing the use of hazardous chemicals, and promoting the adoption of safe alternatives;
- implementation of green technological solutions for the local living environment, including nature-based solutions;
- environmentally sustainable promotion of mobility and logistics;
- other green technologies with significant environmental and climate contributions, where the contribution is clearly outlined and justified.

In article 6(2) of the Regulation, supported activities are listed as follows:

- Development of Innovative Green Technologies and Solutions: This includes funding for the development of new green technologies and solutions that address climate and environmental challenges.
- Piloting of Innovative Green Technologies and Solutions: Support is provided for piloting and testing innovative green technologies to validate their effectiveness in real-world scenarios.
- Applying for Initial Intellectual Property Protection for Innovative Green Technologies and Solutions: Financial assistance is available for securing intellectual property rights, ensuring the uniqueness and protection of new innovations.

- **[...] and their first rounds shall be opened to at least 10 start-ups.**

The support measure for green technology development was open from 3 April to 31 May 2024 as set out on the web site for the measure (Annex 8).

The support is available to small and medium-sized enterprises (SMEs) registered in Estonia, excluding sole proprietors (article 10(1) of the Regulation). Eligible applicants are those developing new, innovative green technologies that contribute to climate change mitigation or adaptation, significantly

further environmental objectives, and have scalable potential in the market. The minimum grant amount per project is €30,000, and the maximum is €300,000. The maximum grant rate is 80% of the eligible project costs (article 9(1)-(2) of the Regulation)., The support measure had a total budget of €3,047,150, thus proving that the first round was opened to at least 10 start-ups as 10 times the maximum grant (of €300,000) is below the allocated budget (Annex 8). The web link to the details of the support measure is provided by the EE authorities as Annex 8.

- **The selection processes shall ensure that each supported action directly contributes either to lowering greenhouse gas emissions or supporting adaptation to climate change.**

The conditions and procedures of the support measure explicitly incorporate environmental requirements, aligning with European Union environmental and climate legislation and priorities, and adhering to the "do no significant harm" principle, which are set out in the Regulation, article 13(4)-(5) (Annex 7).

Each application must include a description of the green technology, clearly outlining its relevance to climate change mitigation and/or adaptation (Article 13(6)5 of the Regulation). A filled-out form proving compliance with the "do no significant harm" principle must be submitted with the application (Article 13(6)19 of the Regulation). All submitted applications were reviewed by environmental experts.

A key focus of the selection criteria is on environmental impact, which is given the highest weight at 50%. Projects are assessed based on how effectively they contribute to environmental and climate goals, such as reducing greenhouse gas emissions, promoting renewable energy use, conserving biodiversity, and enhancing resource efficiency. This ensures that the funded projects have a substantial positive effect on climate change mitigation or adaptation.

The selection criteria are stated in article 18 of the Regulation (Annex 7) and are as follows:

- Environmental and Climate Impact (50%): Evaluates the project's effectiveness in achieving environmental and climate objectives, including emission reductions and adaptation measures.
- Project Feasibility and Sustainability (30%): Assesses the project's action plan, budget, and the qualifications of the project team.
- Innovation and Competitiveness (20%): Considers the innovativeness of the technology and its market potential.

Applications must comply with EU environmental regulations and adhere to the "do no significant harm" principle. Projects must clearly demonstrate their positive impact on the environment and climate, and how they contribute to either lowering greenhouse gas emissions or supporting adaptation efforts.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Target:** EE-C[B]-I[2-5-.2-5-]-T[35], Number of projects awarded grants following the call for proposals

**Related Measure:** B.2-5- 2-5- Deployment of resource-efficient green technologies

**Quantitative Indicator:** Number of projects

**Baseline:** 0

**Target:** 36

**Time:** Q4 2023

### **1. Context:**

The objective of investment 2.5. is to improve the resource efficiency of companies, including energy efficiency, with a particular focus on the valorisation of underutilised bio-resources such as residues and by-products. The investment aims to support innovation in production technology and product development in enterprises and contributes to circular economy solutions.

The measure shall support two kinds of investments: promoting resource-efficient green technologies for industrial plants and valorisation of bio-resources.

Target 35 provides for the award of grants to 36 projects selected under the competitive call for proposals, for green technologies for industrial plants and for valorisation of bioresources, in compliance with the terms of reference.

Target 35 is the second milestone or target of the investment, and it follows the completion of milestone 34 related to the publication of the notice for calls for proposals. It will be followed by target 36, related to the number of completed projects to improve resource efficiency through the enhancement of green technologies and bio-resources. The investment has a final expected date for implementation on 30 June 2026.

Milestone 34 of the investment consisted in the publication of the notice of the call for proposals in Q2 2022 and was assessed as satisfactorily fulfilled under the 1<sup>st</sup> payment request<sup>1</sup>. The assessment included an analysis of the measure description requirements related to the evaluation criteria and the conditions for granting support, as well as of compliance with the 'Do no significant harm' Technical Guidance (2021/C58/01) through the use of an exclusion list and the requirement of compliance with the relevant EU and national environmental legislation.

### **2. Evidence provided:**

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) have been satisfactorily fulfilled.
<b>Valorisation of bio-resources:</b>		
2	Annex 1_Payment 4_T35_ Otsus Vinkymon  Annex 1.1_ Payment 4_M35_ Otsus Vinkymon_signatures printout	Funding decision of the project
3	Annex 2_Payment 4_T35 Otsus ARU Põllumajandus  Annex 2.1_Payment 4_T35 Otsus ARU Põllumajandus_signatures printout	Funding decision of the project
4	Annex 3_ Payment 4_T35 Otsus Bioforce 0073  Annex 3.1_ Payment 4_T35 Otsus Bioforce 0073_signatures printout	Funding decision of the Project. Bioforce OÜ has submitted 2 applications; both were approved. This project is aimed at supplementing the equipment park of the Bioforce group's Ebavere biomethane plant with equipment for CO2 purification and liquefaction.
5	Annex 4_ Payment 4_T35 Otsus Bioforce 0117  Annex 4.1_ Payment 4_T35 Otsus Bioforce 0117_signatures printout	Funding decision of the Project. Bioforce OÜ has submitted 2 applications. This project is aimed at supplementing the equipment park of the Bioforce group's Aravete biomethane plant with equipment for CO2 purification and liquefaction
6	Annex 5_ Payment 4_T35 Otsus Biometaan  Annex 5.1_ Payment 4_T35 Otsus	Funding decision of the project

	Biometaan_signatures printout	
7	Annex 6_ Payment 4_T35 Otsus Est-Agar  Annex 6.1_ Payment 4_T35 Otsus Est- Agar_signatures printout	Funding decision of the project
8	Annex 7_ Payment 4_T35 Otsus Estover  Annex 7.1_ Payment 4_T35 Otsus Estover_signatures printout	Funding decision of the project
9	Annex 8_ Payment 4_T35 Otsus Maaülikool 0087  Annex 8.1_ Payment 4_T35 Otsus Maaülikool 0087_ signatures printout	Funding decision of the project. Eesti Maaülikool has submitted two applications; both were approved.
10	Annex 9_ Payment 4_T35 Otsus Maaülikool 0100  Annex 9.1_ Payment 4_T35 Otsus Maaülikool 0100_ signatures printout	Funding decision of the project. Eesti Maaülikool has submitted two applications; both were approved.
11	Annex 10_ Payment 4_T35 Otsus Reed Straw  Annex 10.1_ Payment 4_T35 Otsus Reed Straw_ signatures printout	Funding decision of the project
12	Annex 11_ Payment 4_T35 Otsus Roheveski  Annex 11.1_ Payment 4_T35 Otsus Roheveski_ signatures printout	Funding decision of the project
13	Annex 12_ Payment 4_T35 Otsus bVegy	Funding decision of the project



	Annex 17.1_signatures printout	
19	Annex 18_ Payment 4_T35 PlasmaPro_OU_4- 8_367.otsus  Annex 18.1_signatures printout	Funding decision of the project
20	Annex 19_ Payment 4_T35 Laserline_OU_1- 25_1057_otsus  Annex 19.1_signatures printout	Funding decision of the project
21	Annex 20_ Payment 4_T35 Limestone factories of Estonia_OU_1- 25_1049_otsus  Annex 20.1_signatures printout	Funding decision of the project
22	Annex 21_ Payment 4_T35 Osauhing_Baltic_Steel_Ce nter_1-25_1065_otsus  Annex 21.1_signatures printout	Funding decision of the project
23	Annex 22_ Payment 4_T35 Emerson_Ten_OU_1- 25_36_otsus  Annex 22.1_signatures printout	Funding decision of the project
24	Annex 23_ Payment 4_T35 Peetri_Puit_Osauhing_1- 25_300_otsus  Annex 23.1_signatures printout	Funding decision of the project

	<p>Annex 23.2_Peetri_Puit_Osauhin g_1-25_1759_otsus</p> <p>Annex 22.2_signatures printout</p>	Amendment of the decision
25	<p>Annex 24_ Payment 4_T35 OU Aigren_1- 25_958_otsus</p> <p>Annex 24.1_signatures printout</p>	Funding decision of the project
26	<p>Annex 25_ Payment 4_T35 OU Cristella VT_1- 25_1050_otsus</p> <p>Annex 25.1_signatures printout</p>	Funding decision of the project
27	<p>Annex 26_ Payment 4_T35 OU_Print_Best_1- 25_325_otsus</p> <p>Annex 26.1_signatures printout</p>	Funding decision of the project
28	<p>Annex 27_Radius_Machining_O U_1-25_1088_otsus</p> <p>Annex 27.1_signatures printout</p>	Funding decision of the project
29	<p>Annex 28_Riverbank_OU_1- 25_1063_otsus</p> <p>Annex 28.1_signatures printout</p>	Funding decision of the project
30	<p>Annex 29_Solarstone OU_1-25_40_otsus</p> <p>Annex 29.1_signatures printout</p>	Funding decision of the project



35	Annex 34_Lotus_Timber_OU_1- 25_1215_otsus  Annex 34.1_signatures printout	Funding decision of the project
36	Annex 35_SAMI_TOOTMISE_AS_ 1-25_1216_otsus  Annex 35.1_signatures printout  Annex 35.2_SAMI_TOOTMISE_AS_ _1-25_1316_otsus  Annex 35.2_signatures printout	Funding decision of the project       Amendment
37	Annex 36_ Osauhing_Alise Technic_otsus_1-25_1592  Annex 36.1_signatures printout	Funding decision of the project
<b>Other documentary evidence:</b>		
38	Annex 37_Payment 4_T35_Paremusjärjestuse moodustamise ettepanek_ARIB  Annex 37.1_Payment 4_T35_Paremusjärjestuse moodustamise ettepanek_ARIB_signatur es printout	Ranked applications by the evaluation commission
39	Annex 38_Payment 4_T35_Hindamiskomisjoni _protokoll_01_12_2022	Approved applications by the evaluation commission, Funding decision of the project Annex 19 and 25.

	Annex 38.1_signatures printout	
40	Annex 39_Payment 4_T35_Hindamiskomisjoni _protokoll_9_12_2022  Annex 39.1_signatures printout	Approved applications by the evaluation commission, Funding decision of the project 21, 28 and 30.
41	Annex 40_Payment 4_T35_Hindamiskomisjoni _protokoll_12_06_2023  Annex 40.1_signatures printout	Approved applications by the evaluation commission, Funding decision of the project Annex 15 and 24.
42	Annex 41_Payment 4_T35_Hindamiskomisjoni _protokoll_16_01_2023  Annex 41.1_signatures printout	Approved applications by the evaluation commission, Funding decision of the project Annex 16, 22 and 29.
43	Annex 42_Payment 4_T35_Hindamiskomisjoni _protokoll_16_12_2022  Annex 42.1_signatures printout	Approved applications by the evaluation commission, Funding decision of the project Annex 17 and 27.
44	Annex 43_Payment 4_T35_Hindamiskomisjoni _protokoll_17_02_2023  Annex 43.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 23.
45	Annex 45_Payment 4_T35_Hindamiskomisjoni _protokoll_12_07_2023  Annex 45.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 34.
46	Annex 46_Payment 4_T35_Hindamiskomisjoni _protokoll_18_11_2022	Approved application by the evaluation commission, Funding decision of the project Annex 20.

	Annex 46.1_signatures printout	
47	Annex 47_Payment 4_T35_Hindamiskomisjoni_protokoll_19_05_2023  Annex 47.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 14.
48	Annex 48_Payment 4_T35_Hindamiskomisjoni_protokoll_27_12_2022  Annex 48.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 26.
49	Annex 49_Payment 4_T35_Hindamiskomisjoni_protokoll_28_06_2023  Annex 49.1_signatures printout	Approved applications by the evaluation commission, Funding decision of the project Annex 31, 33 and 35.
50	Annex 50_Payment 4_T35_Hindamiskomisjoni_protokoll_e_menetlus_28_07_2023  Annex 50.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 32.
51	Annex 51_Payment 4_T35_Hindamiskomisjoni_protokoll_07_03_2024  Annex 51.1_signatures printout	Approved application by the evaluation commission, Funding decision of the project Annex 18.
52	Regulation No 33 of the Minister of Climate, setting out the terms and conditions granting support for the deployment of resource-efficient green technologies, adopted on 19 July 2022 (hereinafter	<u>Ministerial Regulation No. 33 setting out the terms and conditions of grant eligibility for the deployment of resource-efficient green technologies adopted on 19 July 2022</u>

	referred as Ministerial Regulation No 33).	
53	Regulation No 48 of the Minister of Agriculture, setting out the terms and conditions of granting support for valorisation of bio-resources, adopted on 19 August 2022 (hereinafter referred as Ministerial Regulation No 48).  Link to the Regulation: <a href="https://www.riigiteataja.ee/akt/123082022003">https://www.riigiteataja.ee/akt/123082022003</a>	<u>Ministerial Regulation No. 48 setting out the terms and conditions of the grant for valorisation of bio-resources, adopted on 19 August 2022</u>

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the target.

- **Award of grants to 36 projects selected under the competitive call for proposals,**

The Estonian authorities have demonstrated in Annexes 1-51 that 36 grants have been awarded to projects selected under the competitive call for proposals in accordance with the Ministerial Regulation No. 33 , and the Ministerial Regulation No. 48 .

For each grant awarded, the full award decision is presented as evidence in Annexes 2-51. These decisions are identical in their structure.

For each decision, page 1 specifies that the grant was awarded in accordance with the Ministerial regulations No 33 or No 48 (Annex 52 and 53) that stipulated the scope and way of awarding grants under investment 2.5.

- **[...] for green technologies for industrial plants [...]**

The call for proposals to support the resource-efficient green technologies was open on 7 September 2023 and the allocated budget was fulfilled with one day. From the first call for proposals a total of 28 projects (27 unique companies) were awarded grants. A supplementary call for proposals using the funds freed up from cancelled projects was opened from 4 March to 29 April 2024. A total of 14 additional positive funding decisions have been made (bringing the total to 42 funded projects). The funding agreements have been submitted as evidence 14 until 37.

The evaluation criteria of projects are set out in Paragraph 15 of the Regulation No.33 (Annex 52): (1) increased resource productivity, (2) the innovative nature of the investment, (3) compliance with the

principle of 'do no significant harm', (4) reduction of greenhouse gas emissions per unit of production, (5) improvement in the use of resources, (6) the cost effectiveness of the project. Evidence 38 to 50 present the results of the evaluation.

- **[...] and for valorisation of bioresources, in compliance with the terms of reference.**

The call for proposals to support the valorisation of bioresources was open from 24 October to 29 December 2022. As a result of the call for proposals, 12 projects (10 unique companies) were awarded grants. The funding agreements have been submitted as evidence in Annex 2 until 13.

The 18 applications submitted were evaluated based on the criteria specified in Paragraph 16 of Regulation No. 48 o, which sets the conditions for granting support for the valorisation of bioresources. Evidence 38 presents the results of the evaluation.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[B]-I[2-8-.2-8-]-M[43a], Publication of the call for proposals for grants

**Related Measure:** 2.8 Supply security investment support

**Qualitative Indicator:** Publication of the notice for call for proposals for grants

**Time:** Q4 2023

### 1. Context:

The objective of the investment is to support the purchase, installation and related construction works of equipment necessary for the switch to the following alternative energy supply sources: renewable energy sources within the meaning of the Renewable Energy Directive 2018/2011/EU (RED II), behind-the-meter storage applications, electrification; connection to efficient district heating systems in line with Directive 2012/27/EU (Energy Efficiency Directive).

Milestone 43a requires that a call for proposals to support investment projects for the transition of companies from fossil energy sources to alternative energy supply sources shall be published and open for applications, including eligibility criteria to ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) by means of requirements related to supported eligible alternative energy sources and supported activities as set out in the measure description and compliance with relevant EU and national environmental legislation.

Milestone 43a is the first step of the implementation of the investment. It will be followed by target 43b and target 43c, related to the projects supported by the investment. The investment has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Annex 1 – Call for proposals information on EAS webpage	A copy of the website that includes the call for proposals to support local authorities on the webpage of the Estonian Business and Innovation Agency including the opening dates, and specific activities supported by the investment. <a href="#">Link to information webpage of the call for proposals</a>

3	Annex 2 - Copy of Ministerial Regulation no. 30 from 30 May 2023, into force from 4 June 2023 to 7 January 2024	Regulation of Minister of Economic Affairs and Information Technology setting out the terms and conditions of the support measures for the transition from fossil fuels to renewable energy.
4	Annex 2.1 Copy of the amended version of Ministerial Regulation no. 30 Entry into force on 8 January 2024	Amended regulation setting out the terms and conditions of the support measures for the transition from fossil fuels to renewable energy.
5	Annex 4 - Explanatory note of Ministerial Regulation no. 30 from 30 May 2023	Note explaining the provision of Ministerial Regulation No. 30
6	Annex 5 - Press release on opening the first call for proposals from 1 June 2023 published on the website of the Ministry of Economic Affairs and Communications	Press release announcing the call for proposals, including the opening dates and objectives.
7	Annex 6 - Copy of the Energy Sector Organisation Act, entry into force on 1 July 2023	Energy Sector Organisation Act setting out the measures for achieving the national target of energy efficiency; the principles for promoting renewable energy; the requirements for improving energy efficiency and the parties on whom obligations are imposed in the public as well as in the private sector.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **A call for proposals to support investment projects for the transition of companies from fossil energy sources to alternative energy supply sources shall be published and open for applications [...]**

The call for proposal was published in June 2023, which is reflected in the press release dated 1 June 2023 and indicated in the copy of the webpage of Estonian Business and Innovation Agency, as evidenced in Annex 1. It specifies that the support is mainly targeted at companies in the manufacturing industry and transitioning to renewable energy sources, as well as the acquisition of storage equipment and connection to the district heating network. The call was open from 1 June 2023 for applications.

The conditions for granting support are set by the Regulation No. 30 of the Minister of Economic Affairs and Information Technology on the terms and conditions and procedure for the support of the company's security of supply which entered into force on 4 June, 2023, and was amended on 29

December, 2023, with the amendment entering into force on 8 January, 2024. The Regulation and its amended version can be found in Annex 2 and Annex 2.1. In Chapter 1, paragraph 3 of the amended Regulation, it is explained that the purpose of the grant is to support the transition from fossil fuels to renewable energy sources, thereby enhancing the security of supply of companies.

- **[...] Including eligibility criteria to ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance (2021/C58/01) by means of requirements related to supported eligible alternative energy sources and supported activities as set out in the measure description and compliance with relevant EU and national environmental legislation.**

Regulation No. 30 of the Minister of Economic Affairs and Information Technology, Chapter 1, paragraph 4, point 1 defines the "do no significant harm" principle according to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

In Chapter 3, paragraph 12, point 2 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology, it is stated that applications shall contain the confirmation that the project complies with the "do no significant harm" principle.

The sectors for which companies can apply for support are also specified on page 3 of the copy of the webpage of Estonian Business and Innovation Agency.

To ensure compliance with the "do not significant harm" principle, Chapter 2, paragraph 7 point 5 of Regulation No. 30 of the Minister of Economic Affairs and Information Technology states that the supported activity shall fulfil the following relevant conditions:

- support the transition only to renewable energy sources specified in Section 4(5) of the Regulation;
- for renewable energy sources, including those of biological origin, the sustainability and greenhouse gas saving criteria and the specific rules laid down in the Energy Sector Organisation Act (Annex 6) must be respected.
- geothermal activities shall not include exploration or extraction of oil or gas or the acquisition of equipment used for such purposes;
- methane emissions shall be minimal and well below the threshold of 20 000 tonnes of CO<sub>2</sub> equivalent /year.

To ensure compliance with the "do not significant harm" principle, the requirements related to supported eligible alternative energy sources are specified in the explanatory note of the Regulation, as described below.

Furthermore, in line with the description of the measure, **the eligible alternative energy supply sources are: renewable energy sources within the meaning of the Renewable Energy Directive 2018/2001/EU (REDII), behind-the-meter storage applications, electrification and connection to efficient district heating systems in line with Directive 2012/27/EU (Energy Efficiency Directive).**

Chapter 2, paragraph 7 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology specifies the activities eligible to the project selection: transition to a renewable energy source, purchase of a behind-the-meter storage device, electrification and connection to an efficient

district heating network, which meets the conditions of an efficient district heating network area as defined in paragraph 4 point 4 of the District Heating Act (in the Energy Sector Organisation Act, annex 6).

Chapter 1, paragraph 4, point 5 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology defines renewable energy sources according to Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources. This includes energy from renewable non-fossil sources, namely wind, solar (solar thermal and photovoltaic), geothermal, ambient, tidal, wave and other ocean energy, hydropower and energy from biomass, landfill gas, sewage treatment plant gas and biogas.

Furthermore, in line with the description of the measure, **the supported activities include the purchase, installation and related construction works of equipment necessary for the switch to alternative energy supply sources.**

Chapter 2, paragraph 7, point 3 of Regulation No.30 specifies that the supported activities shall include the purchase, installation and related construction works of equipment necessary for the switch to alternative energy supply sources.

Furthermore, in line with the description of the measure, **renewable energy sources supported shall be in line with Directive 2018/2001/EU<sup>5</sup> and, notably, for bioenergy, sustainability and greenhouse gas emission savings criteria set out in Articles 29-31 and the rules on food and feed-based bioenergy set out in Article 26 of the latter Directive shall be respected.**

Page 5 of the explanatory note of the Regulation specifies that the renewable energy sources supported, and their requirements shall be in line with the RED II Directive. Bioenergy, or sources of biological origin, must comply with the sustainability and greenhouse gas emissions saving criteria set out in Articles 29 to 31 of the RED II Directive and with the food and feed-based bioenergy rules laid down in Article 26. The relevant provisions of the RED II Directive have been transposed into Estonian law by the Energy Sector Organisation Act.

Furthermore, in line with the description of the measure, **geothermal activities shall not include exploration or extraction of either oil or gas nor the equipment used for such purposes.**

Chapter 2, paragraph 7, point 5 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology states that the supported activity shall fulfil the following relevant conditions: geothermal activities shall not include exploration or extraction of oil or gas or the acquisition of equipment used for such purposes.

Furthermore, in line with the description of the measure, **it shall be ensured that methane releases are minimised and remain well below the threshold of 20 000 tonnes CO<sub>2</sub>eq/year.**

Chapter 2, paragraph 7, point 5 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology states that the supported activity shall fulfil the following relevant conditions:

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<sup>5</sup> Note that the measure description refers to Directive 2018/2011/EU whereas it should be Directive 2018/2001/EU (REDII Directive). It is a clerical error in the CID annex.

methane emissions shall be minimal and remain considerably below the threshold of 20 000 tonnes of CO<sub>2</sub> equivalent /year.

Furthermore, in line with the description of the measure, **the eligibility criteria in the call for proposals excludes activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Where the activity achieves projected greenhouse gas emissions that are not significantly lower, but still lower than the relevant benchmarks, an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.**

Chapter 2, paragraph 7 point 6 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology states that no support shall be granted to activities under the European Union Emissions Trading System whose projected greenhouse gas emissions are not below the relevant benchmarks. The benchmarks established for allocating free allowances for activities within the scope of the emissions trading system are set out in the European Commission's Implementing Regulation (EU) 2021/447 (OJ L 87/29, 15.03.2021).

Chapter 2, paragraph 7 point 7 of the Regulation No. 30 of the Minister of Economic Affairs and Information Technology indicates that if the activity referred to in paragraph 6 achieves projected greenhouse gas emissions below the relevant benchmarks, but not significantly lower than the relevant benchmarks, the request shall be accompanied by an explanation as to why no additional greenhouse gas reductions are possible.

To ensure compliance with national environmental legislation, Chapter 2, paragraph 7 point 10 states that support is provided for a project that complies with environmental legislation. On page 6 of the explanatory note, it is indicated that relevant legislation such as the Energy Management Organisation Act, the District Heating Act and the Electricity Market Act should be considered when applying for and granting support. Chapter 3, paragraph 12, point 2 specifies that the application shall contain a statement confirming that the project complies with the European Union and Estonian environmental legislation.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Target:** EE-C[C]-I[3-5-.3-5-]-T[55], Deployment of national private cloud infrastructure by public authorities

**Related Measure:** C.3-5- 3-5- Reconfiguration of basic digital services and safe transition to cloud infrastructure

**Quantitative Indicator:** Number of information systems migrated to the national private cloud

**Baseline:** 0

**Target:** 10

**Time:** Q4 2023

### 1. Context:

The objective of the measure is to increase the resilience, the security and the reliability of the IT systems and services of the Estonian public authorities through their migration to a private cloud and through comprehensive security testing.

Target 55 relates to the migration to the private cloud infrastructure of 10 information systems.

Target 55 is the second target of the investment, and it follows the completion of milestone 54, related to development of centrally delivered/shared IT base services. It is accompanied by milestone 56, related to extension of the cloud infrastructure to the data embassy in the same payment request. Target 55 will be followed by targets 57 and 58, which are related to the migration of critical systems to the national cloud infrastructure of the data embassy and the central security testing of public authorities' information systems, respectively. The investment has a final expected date for implementation on 31 December 2023.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Cooperation agreement between the Estonian IT Centre (RIT) and the Office of the President	Digitally signed agreement and its annexes.
3	Cooperation agreement between the Estonian IT	Digitally signed agreement and its annexes.

	Centre (RIT) and the Government Office	
4	Cooperation agreement between the Estonian IT Centre (RIT) and the Ministry of Economic Affairs and Communications	Digitally signed agreement and its annexes.
5	Cooperation agreement between the Estonian IT Centre (RIT) and the Estonian Transport Administration	Digitally signed agreement and its annexes.
6	Cooperation agreement between the Estonian IT Centre (RIT) and the Information System Authority (RIA)	Digitally signed agreement and its annexes.
7	Cooperation agreement between the Estonian IT Centre (RIT) and the State Infocommunication Foundation	Digitally signed agreement and its annexes.
8	Cooperation agreement between the Estonian IT Centre (RIT) and the Estonian Business and Innovation Agency	Digitally signed agreement and its annexes.
9	Cooperation agreement between the Estonian IT Centre (RIT) and the The State Shared Service Centre	Digitally signed agreement and its annexes.
10	Cooperation agreement between the Estonian IT Centre (RIT) and the Political Parties Financing Surveillance Committee	Digitally signed agreement and its annexes.
11	Cooperation agreement between the Estonian IT Centre (RIT) and the Estonian Defence League	Digitally signed agreement and its annexes.
12	The list of the Government Cloud services from RIT website	Electronic documents displaying the list the services as shown on the RIT website
13	Decree No 225 of the Minister for Enterprise and Information Technology of 12 November 2021 'Establishment of the	The Statute of the Estonian Information and Communication Technology Centre

	State Information and Communications Technology Centre'	
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### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities covers all constitutive elements of the target.

- **Number of information systems for which the migration to the private cloud infrastructure shall be completed.**

Access to the services of the national private cloud infrastructure has been granted (upon signing a contract with Estonian IT Centre (RIT)) to ten public institutions. By 4 December 2024, the following ten public institutions had completed the migration of their information systems to the private cloud infrastructure:

- I. Office of the President (Vabariigi Presidendi Kantselei) (evidence 2)
- II. Government Office (Riigikantselei) (evidence 3)
- III. Ministry of Economic Affairs and Communications (Majandus- ja Kommunikatsiooniministeerium) (evidence 4)
- IV. Estonian Transport Administration (Transpordiamet) (evidence 5)
- V. Information System Authority (Riigi Infosüsteemi Amet) (evidence 6)
- VI. State Infocommunication Foundation (Riigi Infokommunikatsiooni SA) (evidence 7)
- VII. Estonian Business and Innovation Agency (Ettevõtluse ja Innovatsiooni SA) (evidence 8)
- VIII. The State Shared Service Centre (Riigi Tugiteenuste Keskus) (evidence 9)
- IX. Political Parties Financing Surveillance Committee (Erakondade Rahastamise Järelevalve Komisjon) (evidence 10)
- X. Estonian Defence League (Kaitseliit) (evidence 11)

The ten contracts (or annexes to those contract) signed by the Estonian IT Centre (RIT) and by these ten public institutions contain descriptions of the services offered by the RIT to the respective public institutions. In all the cases, contract or annexes to the contracts demonstrate that the respective public institution and the RIT have an agreement that the RIT will provide national private cloud infrastructure service to the respective public institution.

The Commission's services, by conducting "on-the-spot" checks, were able to verify that ten public institutions had migrated their information systems to the national private cloud infrastructure provided by the RIT. At a meeting that took place on 22 November 2024, the Estonian authorities showed (through the shared screen), in the administrative console view of the national private cloud, that the ten above-listed public authorities were indeed users of the cloud and had thereby completed the migration.

Furthermore, in line with the description of the measure, the elements that the measure consists of are:

- **the creation of a new public body in charge of the central management of the IT basic services and infrastructures of public institutions.**

Decree No 225 of the Minister for Enterprise and Information Technology of 12 November 2021 'Establishment of the State Information and Communications Technology Centre' (evidence 13), together with ten contracts signed by the Estonian IT Centre (RIT) (evidence 2 to 11), demonstrate that a new body, State Information and Communications Technology Centre (commonly known as the Estonian IT Centre (RIT)), has been created. Paragraph 8, subparagraph 1, of the RIT's statute (evidence 13) states that the task of the new public body is the 'provision of basic information and communication technology (ICT) basic services, i.e. the basic computer workstation service, the server building infrastructure service and related support services.' This is reflected on the webpage of the RIT, where the list of the Government Cloud services is shown (evidence 12). Paragraph 8, subparagraph 2, of the RIT's statute (evidence 13) states that 'ICT ground services shall be provided to public authorities and, by agreement, to local government bodies, foundations established by the State, legal persons governed by public law and legal persons governed by private law performing a public function, to the extent that they are related to the performance of the corresponding public tasks.' Evidence 13, therefore, demonstrates that a new public body in charge of the central management of the IT basic services and infrastructures of public institutions has been created.

- **the migration of existing information systems to the private cloud.**

Evidence 2 to 11, verified by the on-the-spot-check, demonstrate the migration of existing information systems to the private cloud.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[C]-I[3-5-.3-5-]-M[56], Extension of the cloud infrastructure to the data embassy

**Related Measure:** C.3-5- 3-5- Reconfiguration of basic digital services and safe transition to cloud infrastructure

**Qualitative Indicator:** Completion of the extension of the national private cloud to the infrastructure of Estonia's data embassy

**Time:** Q4 2023

### 1. Context:

The objective of the measure is to increase the resilience, the security and the reliability of the IT systems and services of the Estonian public authorities through their migration to a private cloud and through comprehensive security testing.

Milestone 56 relates to the extension of the cloud infrastructure to the data embassy. New hardware and licenses shall be acquired and set up for this purpose.

Milestone 56 is the third milestone of the investment, and it follows the completion of milestone 54, related to development of centrally delivered/shared IT base services. It is accompanied by target 55, related to the deployment of national private cloud infrastructure by public authorities in this payment request. Milestone 56 will be followed by targets 57 and 58, which are related to the migration of critical systems to the national cloud infrastructure of the data embassy and the central security testing of public authorities' information systems, respectively. The investment has a final expected date for implementation on 31 December 2023.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Contract on server extension equipment	Digitally signed contract to purchase the equipment and a digitally signed certificate of acceptance of delivery by the Estonian IT Centre (RIT).
3	Hardware Security Module (HSM) equipment, licenses and services	Digitally signed contract to purchase the equipment, licenses and services, and a digitally signed certificate of acceptance of delivery by the Estonian IT Centre (RIT).
4	Support services for the equipment for the period	Digitally signed contract to purchase the support services and three digitally signed certificates of

	from 31 August 2023 to 16 November 2024	acceptance of delivery by the Estonian IT Centre (RIT).
5	Server operating software	Digitally signed contract to purchase the server operating software and a digitally signed certificate of acceptance of delivery by the Estonian IT Centre (RIT).
6	Data management software for cloud servers	Digitally signed contract to purchase data management software for cloud servers and a digitally signed certificate of acceptance of delivery by the Estonian IT Centre (RIT).
7	Electronic documents	Electronic documents showing the administrators view of <i>State Gazette</i> server

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities covers all constitutive elements of the target.

- **It shall become possible to host and operate information systems migrated to the private cloud from the data embassy.**

Investments in hardware and licenses make it possible to operate information systems migrated to the private cloud from the data embassy. More specifically, evidence 2 to 6 demonstrate that, in order to provide data embassy services, Estonian authorities purchased hardware and software to cater for the needs of various customers. These customers (public entities in Estonia) can transfer or copy their information systems, databases, and related components to the data embassy. Hardware Security Module equipment stores the cryptographic keys and passwords of the customers (public entities in Estonia). This HSM equipment is necessary to maintain system operations in the event of a failure. Investments were also made in the data embassy to ensure the ability to provide uninterrupted service from the data embassy in case of emergencies. Estonian authorities also identified the necessary steps to swiftly transition the systems from Estonia to Luxembourg in case of emergency.

The Commission’s services, by conducting “on-the-spot” check, were able to verify that is possible to host and operate information systems migrated to the private cloud from the data embassy. At a meeting that took place on 22 November 2024, the Estonian authorities showed (through the shared screen), the administrative console view of the private cloud. The administrative console showed that at least one the information system—that of the *State Gazette* (*Riigiteataja* in Estonian)—had migrated to the private cloud (and therefore, it was possible to host them at the private cloud) and that this private cloud was based in the data embassy located in Luxembourg. What was shown through the shared screen matched the information in the electronic documents (evidence 7).

- **New hardware and licenses shall be acquired and set up for this purpose.**

Equipment, licenses, and support services (evidence 2 to 6) were procured by the end of 2023. More specifically:

- Evidence 2 consists of digitally signed documents that demonstrate that the Estonian authorities have purchased and received certain server extension equipment.

- Evidence 3 consists of digitally signed documents that demonstrate that the Estonian authorities have purchased (including backup and relevant licences) and received (including installation) a Hardware Security Module (HSM).
- Evidence 4 consists of digitally signed documents that demonstrate that the Estonian authorities have purchased and received certain support services for the equipment for the period from 31 August 2023 to 16 November 2024. Support services purchased received concern mainly (but not only) maintenance and management of equipment mentioned in evidence i.
- Evidence 5 consists of digitally signed documents that demonstrate that the Estonian authorities have purchased and received certain server operating software..
- Evidence 6 consists of digitally signed documents that demonstrate that the Estonian authorities have purchased and received certain data management software for cloud servers.

Furthermore, in line with the description of the measure, **the measure consists of**

**- the procurement of private cloud infrastructure resources**

- Evidence 2 to 6 demonstrate that private cloud infrastructure resources (equipment, licenses and support services) have been procured.

**- the extension of the private cloud to the data embassy, so that systems migrated to the cloud may also be hosted in and operated from the data embassy.**

- Evidence 2 to 6, verified by the on-the-spot-check, demonstrate that is possible to host and operate information systems (that have been migrated to the private cloud) from the data embassy.

**4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:** EE-C[E]-I[5-2-a.5-2-a-]-M[84a], Contract signed for building of the vessel

**Related Measure:** 5.2. Multifunctional work vessel

**Qualitative Indicator:** Contract signed

**Time:** Q1 2024

**1. Context:**

The investment aims at building a low-emission vessel, to ensure the safety and condition of the waterways necessary for the operation of maritime transport, enable anti-pollution operations to be carried out and increase research capacity for environmental studies.

Milestone 84a concerns the signing of a contract to build a low-emission vessel with research, buoy installation and pollution control capabilities.

Milestone 84a is the first step of the implementation of the investment and it will be followed by milestone 85a, related to the delivery and the acceptance of a low-emission multifunctional vessel by the National Fleet. The investment has a final expected date for implementation in June 2026.

**2. Evidence provided:**

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Contract	Public contract (number 6-3/24/11) for the building of the multifunctional work vessel, signed by the contractor (Baltic Workboats AS) and the National Fleet (Riigilaevastik) signed on 19 of January 2024
3	Annex to the contract	Annex 1 of the public contract number 6-3/24/11 is the technical description of the vessel to be built

4	Printout of the digital signatures	The document confirming the authenticity of the signature of public contract and its Annexes
5	Grant conditions	Grant conditions that apply to National Fleet while using the RRF grant
6	Digital signature of grant conditions	The document confirming the authenticity of signatures of grants conditions and its Annexes

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **The contract for the building of the multifunctional work vessel shall be signed by the contractor and the National Fleet (Riigilaevastik).**

As stated on page 4 of the Contract, it was signed by the contractor Baltic Workboats AS and the National Fleet (Riigilaevastik) on the 19.01.2024 in order to construct a multifunctional work vessel as stated in Point 1.1. of the Contract (page 4).

- **The contract shall include a specification of the fuel to be used by the vessel in line with ‘Do No Significant Harm’ requirements set out in the description of the investment.**

Furthermore, in line with the description of the measure the vessel shall **either be electric or run on fuels (hydrogen or hydrogen-based synthetic fuels or sustainable biomethane) that meet the following ‘Do No Significant Harm’ requirements in accordance with the DNSH Technical Guidance (2021/C58/01).**

- a. For hydrogen and hydrogen-based synthetic fuels, they are produced using renewable energy sources compliant with the Renewable Energy Directive (EU) 2018/2001 (RED II) and related implementing and delegated acts, and they achieve a life-cycle GHG emissions savings requirement of 73,4% for hydrogen [resulting in life-cycle GHG emissions lower than 3t CO<sub>2</sub>e/tH<sub>2</sub>] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO<sub>2</sub>e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001;
- b. For biomethane, they are in line with the sustainability and greenhouse gas emissions savings criteria from Art. 29-31 and the rules on food and feed-based biofuels set out in Article 26 of the Renewable Energy Directive 2018/2001/EU (REDII), and related implementing and delegated acts.

The specification of the energy used by the vessel is stipulated in Points 1.3 and 1.4 (page 4) of the Annex to the Contract. Point 1.4 states that it has to be a dual-powered biomethane/electric vessel. Point 1.3 states that the main engine of the vessel must run on sustainable biomethane and that the used biomethane must be in line with the sustainability and greenhouse gas emissions savings criteria from Art. 29-31 and the rules on food and feed-based biofuels set out in Article 26 of the Renewable

Energy Directive 2018/2001/EU (REDII), and related implementing and delegated acts. Point 1.5. (page 1) of the Grant conditions states that the vessel shall either be electric or run on fuels (hydrogen or hydrogen-based synthetic fuels or sustainable biomethane).

According to the Point 1.8 on page 2 of the Grant Conditions the implementation of the project has the following intermediate steps:

- 1.8.1. The public procurement for ship design and construction has to be published in the public procurement register on 31.10.2023;
- 1.8.2. the procurement contract for the design and construction of the ship has to be concluded no later than 31.03.2024;
- 1.8.3 the results of the 1st stage of acceptance of the ship's construction works have to be accepted on 31.12.2024;
- 1.8.4 the results of the 2 stages of acceptance of the construction works of the ship have to be accepted on 31.05.2024

Additionally, point 26.1.1. of the Grant conditions states that the ship's main fuel shall be biomethane.

As a result of the procurement, Baltic Workboats OÜ was selected as a contractor for the construction of the multifunctional work vessel. The contractor is bound by the grant conditions stated below concerning the fuel used by the vessel as stated in Point 8.5.3 page 13 of the Annex to the Contract.

Furthermore, in line with the description of the measure, **the objective of the investment is to ensure the safety and condition of the waterways necessary for the operation of maritime transport, enable anti-pollution operations to be carried out and increase research capacity for environmental studies. For these purposes, a low-emission vessel with research capability, buoy installation capability and pollution control capability shall be built.**

As described in Point 4 (Main Functions, page 5) of the Annex to the contract, the vessel should have as a main function:

- to ensure the safety of the waterways (point 4.2, page 6) and to be able to perform rescue operations (point 4.3, page 6)
- pollution control capability (point 4.4, page 7)
- to carry out research (point 4.5, page 7) and more precisely carry out environmental, oceanographic, hydrographic and geological studies in the Baltic Sea.
- buoy installation capability (point 4.1, page 5)

In addition, the Grant Conditions specify, in point 1.4 (page 1), that the vessel shall ensure the safety and condition of the waterways necessary for the operation of maritime transport, enable anti-pollution operations to be carried out and increase research capacity for environmental studies.

**4. Commission Preliminary Assessment:** Satisfactory fulfilled

**Number and name of the Milestone:** EE-C[E]-I[5-3-a.5-3-a-]-M[86a], Works contracts for the construction of Rail Baltic viaducts

**Related Measure:** Investment 5.3.a Construction of the Rail Baltic viaducts

**Qualitative Indicator:** Works contracts signed

**Time:** Q3 2023

### 1. Context:

The measure foresees the construction of five viaducts as part of the Rail Baltica project, which will contribute to increasing the share of sustainable mobility and connectivity of the three Baltic States.

The milestone consists of the requirement to sign work contracts for the following Rail Baltic viaducts: Kangru viaduct, Raudalu viaduct, Raku viaduct, Männiku light traffic viaduct and Männiku light traffic tunnel.

Milestone 86a is the first step of the implementation of the investment and it will be followed by target 87a, related to completion of the five viaducts. The investment has a final expected date for implementation by 31 March 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Works contract	Contract no. 3.2-3/23/1995-1 signed between Estonian Transport Administration, OÜ Rail Baltic Estonia and GRK Eesti AS on 29 September 2023
3	Technical specification	Technical specification to the works contract no. 3.2-3/23/1995-1 signed on 29 September 2023
4	Electronic signature printout	A proof of Estonian electronic signature of the works contract

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Works contracts signed for the following Rail Baltic viaducts: Kangru viaduct, Raudalu viaduct, Raku viaduct, Männiku light traffic viaduct and Männiku light traffic tunnel.**

The Estonian authorities provided the works contract no. 3.2-3/23/1995-1, which was signed on 29 September 2023 following the results of the Estonian Transport Administration procurement process (page 3). The contract was signed by the Estonian Transport Administration, OÜ Rail Baltic Estonia and contractor GRK Eesti AS for the construction works of the Kangru junction near Tallinn as stated on page 1 of the contract and as proven by the electronic signature printout.

The technical specification (points 2.2-2.6, pages 25-33) to the works contract specify the works to be undertaken, namely the construction of the following objects:

- Kangru viaduct (point 2.2, page 25)
- Raudalu viaduct (point 2.3, page 27)
- Raku viaduct (point 2.4, page 29)
- Männiku light traffic viaduct (page 2.5, page 31)
- Männiku light traffic tunnel (page 2.6, page 33)

The Council Implementing Decision states that works contracts shall be signed for the following Rail Baltic viaducts: Kangru viaduct, Raudalu viaduct, Raku viaduct, Männiku light traffic viaduct and Männiku light traffic tunnel. Estonia has presented one work contract for the construction of the five viaducts: Kangru, Raudalu, Raku, Männiku light traffic tunnel and Männiku light traffic viaduct. Estonia has demonstrated the legal commitment in this single work contract for the construction of five viaducts as required by the CID in the technical specification (points 2.2-2.6, pages 25-33) to the works contract. This commitment was made in one single document (instead of different work contracts) for the reason that as a result of the procurement process the same company was selected to be the contractor for all five viaducts. Also, concluding one works contract constitutes less administrative burden.

**4. Commission Preliminary Assessment:** Satisfactory fulfilled

**Number and name of the Milestone:** EE-C[F]-R[6-1-.6-1-]-M[96a], Entry into force of the Decree of the Minister of Health and Labour and the amendment to the Health Services Organisations Act establishing the reimbursement system for nurses

**Related Measure:** F.6-1- 6-1- A comprehensive change in the organisation of health care in Estonia

**Qualitative Indicator:** Entry into force of the Decree of the Minister of Health and Labour and of the amendment to the Health Services Organisations Act

**Time:** Q2 2024

### **1. Context:**

The objective of measure 6.1. is to improve the resilience of the Estonian health system, including for coping with crises, thus ensuring that people have access to high-quality, integrated healthcare throughout Estonia. The measure consists of adopting a Hospital Network Development Roadmap and measures to address health workforce shortages, including the adoption of a Strategic Framework, the amendment of the reimbursement scheme for doctors, pharmacists and nurses and an agreement to increase the admission of students in certain health care professions.

Milestone 96a is related to establishing the reimbursement system for nurses to incentivise them to work in remote areas by the entry into force of the Decree of the Minister of Health and Labour and the amendment to the Health Services Organisations Act. This reimbursement system shall cover general and advanced practice nurses, in primary health care and hospitals.

Milestone 96a is the fourth milestone of the reform, and it follows the completion of milestone 95 on addressing health workforce shortages by approving a Strategic Framework, milestone 96 on amending the reimbursement system for doctors and pharmacists to incentives the health workforce to work in remote areas and target 97 related to increasing the admission of persons to nursing training by 5% . It will be followed by milestone 94 and milestone 98, related to entry into force of a government regulation on the Hospital Network Development Roadmap, and amending the agreement between the Ministry of Social Affairs and the University of Tartu on the shortage of doctors in certain specialisations. The reform has a final expected date for implementation in June 2026.

### **2. Evidence provided:**

	<p>Name of the evidence. For legal acts please provide the full legal reference and date of entry into force</p>	<p>Short description</p>
1	<p>Summary document</p>	<p>Summary document duly justifying how the milestone requirements (including all its constitutive elements) have been satisfactorily fulfilled</p>
2	<p>The Health Services Organisation Act for the period 21.03.2024-29.06.2024 (RT I, 20.03.2024, 4) Published in the Official Journal (hereinafter referred to as "Act No. 4") <a href="https://www.riigiteataja.ee/akt/120032024004">https://www.riigiteataja.ee/akt/120032024004</a> The Act in English: <a href="https://www.riigiteataja.ee/en/eli/501042024001/consolide">https://www.riigiteataja.ee/en/eli/501042024001/consolide</a></p>	<p>This basic Act before its amendment provides for the organisation of and the requirements for the provision of health services, and the procedure for the management, financing and supervision of health care.</p>
3	<p>The Health Services Organisation Act for the period 30.06.2024-30.06.2024 (RT I, 20.03.2024, 5) (hereinafter referred to as "Act No. 5") Published in the Official Journal <a href="https://www.riigiteataja.ee/akt/120032024005">https://www.riigiteataja.ee/akt/120032024005</a></p>	<p>This amended and consolidated Act introduces the possibility for nurses to apply for the beginner's allowance</p>
4	<p>The Act amending the Medicinal Products Act and the Health Services Organisation Act, adopted on 22 November 2023 (RT I, 15.12.2023, 1) (hereinafter referred to as "Amending Act") Published in the in the Official Journal <a href="https://www.riigiteataja.ee/akt/115122023001">https://www.riigiteataja.ee/akt/115122023001</a>  The procedural information is available on the homepage of the Parliament: <a href="https://www.riigikogu.ee/tegevus/eelnoud/eelnou/e3f2f31b-ee76-4802-8251-87b0cd0dd75d">https://www.riigikogu.ee/tegevus/eelnoud/eelnou/e3f2f31b-ee76-4802-8251-87b0cd0dd75d</a></p>	<p>This amending Act introduces changes to the Health Services Act, among others, with a view to introduce the possibility for nurses to apply for beginner's allowance.</p>
5	<p>The Regulation of the Minister of Health and Labour "The Beginner's allowance for medical specialists" (16.08.2022 No. 65; RT I, 20.12.2023, 32) for the period 01.01.2024-29.06.2024 Published in the Official Journal <a href="https://www.riigiteataja.ee/akt/120122023032">https://www.riigiteataja.ee/akt/120122023032</a></p>	<p>This is the initial Regulation originally laying down the conditions for granting the beginner's allowance for medical specialists and the procedures for applying for, paying and recovering the beginner's allowance.</p>
6	<p>The Regulation of the Minister of Health and Labour "The Beginner's allowance for doctors and nurses" (16.08.2022 No. 65; RT I, 20.12.2023, 33 hereinafter referred to as "Regulation No. 65") since 30 June 2024 Published in the Official Journal <a href="https://www.riigiteataja.ee/akt/120122023033">https://www.riigiteataja.ee/akt/120122023033</a></p>	<p>This is the consolidated Regulation No. 65 which has nurses in its title and thus in its scope.</p>

7	<p>The Regulation of the Minister of Health “The Amendments to the Regulation of the Minister of Health and Labour of 13 August 2014 No. 51 “The procedure for application for, payment and recovery of the beginner’s allowance for a pharmacist” and to the Regulation of the Minister of Health and Labour of 16 August 2022 No. 65 “The Beginner’s allowance for medical specialists”” (15.12.2023 (No. 72; 20.12.2023, 21, hereinafter referred to as “Regulation No. 72”), entered into force on 1 January 2024</p> <p>Published in the Official Journal <a href="https://www.riigiteataja.ee/akt/120122023021">https://www.riigiteataja.ee/akt/120122023021</a> and the explanatory memorandum to the amendment</p> <p>The explanatory letter is available in Estonian in the Online Information System: <a href="https://eelnoud.valitsus.ee/main/mount/docList/39aad4e4-ddbc-41e1-b51e-cddebbff72c5">https://eelnoud.valitsus.ee/main/mount/docList/39aad4e4-ddbc-41e1-b51e-cddebbff72c5</a></p>	<p>Regulation No. 72 amends Regulation No. 65 with a view - among others - to bring nurses in the scope of Regulation No. 65, thus extending the possibility for nurses to apply for beginner’s allowance and the conditions to apply for, paying and recovering the beginner’s allowance. The explanatory memorandum and the explanatory letter provide information on the amendment</p>
8	<p>Act on the Government of the Republic of Estonia adopted on 13 December 1995 and the revision entered into force on 1 January 2023 (publication in OJ RT I 1995, 94, 1628) in English and Estonian <a href="https://www.riigiteataja.ee/en/eli/502012023006/consolide">https://www.riigiteataja.ee/en/eli/502012023006/consolide</a></p>	<p>The Act lays down the responsibilities of the government, including the powers of ministers.</p>

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Entry into force of the Decree of the Minister of Health and Labour and the amendment to the Health Services Organisations Act which shall establish the reimbursement system for nurses to incentivise them to work in remote areas.**

The Council Implementing Decision required the entry into force of the Decree of the Minister of Health and Labour, which establishes the reimbursement scheme for nurses. The reimbursement scheme for nurses was established by Regulation No. 72 by the Minister of Health (Evidence 7). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, according to Estonian legislation, notably Article 50 (1) of the Act on the Government of the Republic of Estonia of 13 December 1995 (evidence 8), the Estonian ministers can only issue regulations and directives. The regulations have the same legal effect as a decree in the Estonian legal system. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Regulation No. 72 amending Regulation No. 51 of the Minister of Health and Labour on “The procedure for application for, payment and recovery of the beginner’s allowance for a pharmacist” and amending Regulation No. 65 on the “Beginners’ allowance for medical specialists” was adopted by the Minister of Health on 15 December 2023 and entered into force on 1 January 2024 in accordance with Article 3 (1) of the Regulation and published in the Official Journal (publication note) RT I, 20.12.2023, 21.

Regulation No. 72 implements the Amending Act, amending the Medicinal Products Act and the Health Services Organisation Act (Evidence 4) which was adopted by the Estonian Parliament on 22 November and entered into force on 30 June 2024 in accordance with Article 3 (1) of the Amending Act.

The establishment of the reimbursement system for nurses to incentivise them to work in remote areas, notably outside of Tallinn, Tartu or the local governments immediately adjacent thereto was implemented by changing the rules on granting a beginner’s allowance. The changes are implemented through the Amending Act and its implementing Regulation No. 72.

The possibility that nurses can apply for the beginner’s allowance was introduced by the Amending Act, which amends the Health Services Organisation Act (evidence 2 and 3) as follows:

- Article 2(2) amended Article 54<sup>1</sup> (5) of the Health Services Organisation Act and expands the list of healthcare professionals eligible for beginners’ allowance to nurses and lays down the eligibility criteria for nurses to apply for this allowance.
- Article 2(3) replaced “doctors” with “persons” in Article 54<sup>2</sup> (5) and (6) and thus the conditions for application for payment and recovery of beginner’s allowance also apply to nurses who commenced work outside Tallinn and Tartu.
- Article 2(8) specifies that areas of employment of the person entitled to receive beginner’s allowance to ensure healthcare services in remote areas may be established by the minister in charge of the policy sector.

The original Health Services Organisation Act (evidence 2 and 3) was implemented through Regulation No. 65 (evidence 5). The amendment to that Act requires changes to the implementing regulation.

Regulation No. 65 was therefore amended by Regulation No. 72 with the aim to implement the amendments to the Health Organisation Act regarding the reimbursement scheme for nurses in order to incentivise them to work in remote areas. Regulation No. 72 provides for the following changes:

- Article 2(1) modifies the title of Regulation No. 65 and adds nurses to it, those it brings nurses in the scope of the Regulation.
- Article 2(3) adds a new paragraph (paragraph 3) to Article 2 of Regulation No. 65, which specifies that those nurses can apply for the beginners allowance who (a) meet the conditions set out in Article 54<sup>1</sup> (5) of the Health Services Organisation Act, which includes the requirement to commence working outside Tallinn and Tartu and (b) starts working in Ida-Viru County, Pärnu County or Lääne-Viru County. It is specified in the explanatory letter to Regulation No. 72 (evidence 7), based on the data provided by the National Institute for Health Development, the shortages of nurses are the greatest in these three counties thus the Minister’s regulation prioritises these regions.
- Article 2 (15) adds paragraph 3 to Article 5 of Regulation No. 65 which specifies that the beginner’s allowance is paid at a double rate to a nurse who meets the conditions set out in

Article 54<sup>1</sup> (5) of the Health Services Organisation Act, thus nurses working in remote areas can receive 30 000 euros.

- **This reimbursement system shall cover general and advanced practice nurses, in primary health care and hospitals.**

Article 2(2) of the Amending Act modified Article 54<sup>1</sup> (5) of the Health Services Organisation Act to expand the list of healthcare professionals eligible for beginner's allowance to nurses. The same Article specifies that the eligible nurses are those who start working as a nurse with a workload of at least 30 hours a week in one or more hospitals specified in the hospital network plan established on the basis of Article 55 (1) of Health Services Organisation Act, or with one or more health care providers providing general medical care outside the city of Tallinn, the city of Tartu or the local government units immediately adjacent to them. Article 2 of Regulation No. 72 modified Regulation No. 65 and provided that those nurses are eligible who meet the conditions laid down by Article 54<sup>1</sup> (5) of the Health Services Organisation Act. Thus, the amendments to the Act and the Regulation of the Minister cover nurses who work together with family physicians, thus general nurses and advanced practice nurses in primary health care and hospitals.

Furthermore, in line with the description of the measure, **the reimbursement scheme for nurses was established in order to incentivise them to work in remote areas.** Article 2(2) of the Amending Act modified Article 54<sup>1</sup> (5) of the Health Services Organisation Act to expand the list of healthcare professionals eligible for beginner's allowance to nurses. Article 2 of Regulation No. 72 modified Regulation No. 65 and brought nurses in the scope of the Regulation and provided that those nurses are eligible to apply for beginner allowance who meet the conditions laid down Article 54<sup>1</sup> (5) of the Health Services Organisation Act.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Target:** EE-C[F]-R[6-1-.6-1-]-T[97], Admission to nursing training

**Related Measure:** F.6-1- 6-1- A comprehensive change in the organisation of health care in Estonia

**Quantitative Indicator:** Percentage increase in the number of persons admitted to nursing training

**Baseline:** 0

**Target:** 5

**Time:** Q4 2023

### 1. Context:

The objective of measure 6.1. is to improve the resilience of the Estonian health system, including for coping with crises, thus ensuring that people have access to high-quality, integrated healthcare throughout Estonia. The measure consists of adopting a Hospital Network Development Roadmap and measures to address health workforce shortages, including the adoption of a Strategic Framework, the amendment of the reimbursement scheme for doctors, pharmacists and nurses and an agreement to increase the admission of students in certain health care professions.

Target 97 provides that the admission of persons to nursing training has been increased by 5% compared to 2020.

Target 97 is the only target of the reform, and it follows the completion of milestone 95 and 96, related to addressing health workforce shortages by approving a Strategic Framework and amending the reimbursement system for doctors and pharmacists to incentivise the health workforce to work in remote areas. It will be followed by milestone 96a, 94 and 98 related to amending the reimbursement system for nurses, the entry into force of a government regulation on the Hospital Network Development Roadmap, and amending the agreement between the Ministry of Social Affairs and the University of Tartu on the shortage of doctors in certain specialisations. The reform has a final expected date for implementation on 30 June 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the target (including all the constitutive elements) have been satisfactorily fulfilled.

2	Two Excel sheets with the list of people admitted in nursing training programs	The excel sheets contains the list of people who have been admitted in nursing training in 2020 and 2023 at Tartu and Tallinn health colleges
3	Letter by the Tallinn Health Care College and digital documents showing that the letters have been registered in the in the document management system of the Ministry of Social Affairs	The letter of Tallinn Health Care College providing figures of the annual admission of persons to the nursing training program for the years 2020, 2021, 2022 and 2023
4	Letter by the Tartu Health Care College and digital documents showing that the letters have been registered in the in the document management system of the Ministry of Social Affairs	The letter of Tartu Health Care College providing the figures of the annual admission of persons to the nursing training program for the years 2020, 2021, 2022 and 2023
5	Digital documents showing the functions of the Estonian Education Info System (EHIS)	Seven digital documents demonstrate how data on admission in nursing training can be extracted from EHIS

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the target.

- **The admission of persons to nursing training has been increased by 5% compared to 2020.**

Furthermore, in line with the description of the measure, **by 2023, the admission to nursing training shall be increased by 5% compared to 2020.**

Estonia provided two excel sheets with a list of persons admitted to nursing training programs in 2020 and 2023 (evidence 2). The data for the excel sheets was extracted from the Estonian Educational Info System (in Estonian “Eesti Hariduse Infosüsteem” and hereinafter referred to as “EHIS”) which is a national register gathering data on the Estonian education system based on information provided by the education institutions. The information on admission in nursing training is provided by the Tartu and Tallinn Health Colleges which are specialised in nursing training. The people listed in the excel sheet have unique ID identifiers as well as EHIS codes. The data shows that in the two colleges combined, 564 people were admitted in nursing training in 2020 and 704 people in 2023, demonstrating 24.8% increase in admissions, above the requirement of 5%. Since the data in EHIS is not publicly available, Estonia has provided digital documents demonstrating how the data on admission in nursing training is extracted for 2020 and 2023.

The Commission services conducted an on-the-spot check on 18 September 2024 to verify the alignment of the digital documents submitted for target 97 with the data extracted from EHIS on people admitted in nursing training. This check was completed successfully, confirming that the admission of persons to nursing training has been increased by at least 5% compared to 2020.

Furthermore, Estonia provided letters signed by the rectors of the Tallinn as well as the Tartu health Colleges. The letter by the Tallinn Health College shows that 323 people were admitted in nurse

training in 2020 and 457 in 2023. The letter from the Tartu Health College shows that 241 people were admitted in nursing training in 2020 and 247 in 2023.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[F]-R[6-9-.6-9-]-M[121], Adoption of the Welfare Development Plan 2023-2030 by the government

**Related Measure:** F.6-9- 6-9- Reducing gender pay gap

**Qualitative Indicator:** Adoption of the Welfare Development Plan

**Time:** Q1 2024

### 1. Context:

The objective of the reform is to reduce the gender pay gap. The reform consists of the adoption of the Welfare Development Plan for 2023-2030 and its implementation, and the roll out of a digital gender pay gap tool.

Milestone 121 is related to the adoption of the Welfare Development Plan laying down – among others – the measures to reduce the gender pay gap.

Milestone 121 is the second step in the implementation of the measure and follows milestone 122 related to the development of the prototype of a gender pay gap tool which provides employers with data and information concerning the gender pay gap and its possible reasons in their organisations. It will be followed by milestone 123, related to the roll out of the digital gender pay gap tool helping companies to take actions to implement the principle of equal pay and to reduce the gender pay gap. The implementation of the reform shall be completed by 31 March 2024.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Welfare Development Plan for 2023-2030. Welfare Development Plan was adopted by the Government on 21 February 2023 (hereinafter referred to as “Plan”). Published on the website of the Social Ministry: <a href="https://www.sm.ee/heaolu-arengukava-2023-2030#welfare-development-">https://www.sm.ee/heaolu-arengukava-2023-2030#welfare-development-</a>	The Welfare Development Plan outlines the main social challenges, sets strategic objectives and identifies the changes needed to achieve them between 2023 and 2030. One of the main objectives is to ensure gender equality and equal treatment.

3	Annex to the Welfare Development Plan 2023-2030 Published on the website of the Social Ministry: <a href="https://www.sm.ee/heaolu-arengukava-2023-2030#welfare-development-">https://www.sm.ee/heaolu-arengukava-2023-2030#welfare-development-</a>	The Annex to the Welfare Development Plan explains – among others - the values and principles underpinning the Development Plan, as well as provides information on the impact analysis and stakeholder consultation.
4	The Gender Equality and Equal Treatment program. Published on the website of the Social Ministry: <a href="https://www.sm.ee/sites/default/files/documents/2024-01/Soolise%20v%C3%B5rdsuse%20ja%20v%C3%B5rdse%20kohtlemise%20programm%202024-2027.pdf">https://www.sm.ee/sites/default/files/documents/2024-01/Soolise%20v%C3%B5rdsuse%20ja%20v%C3%B5rdse%20kohtlemise%20programm%202024-2027.pdf</a>	Welfare Development Plan Gender Equality and Equal Treatment Program contributes to the implementation of the gender equality and equal treatment sub-goal of the Welfare Development Plan 2023-2030 Plan 2023-2030.
5	Explanatory memorandum to the draft Welfare Development Plan	Explanatory memorandum which was attached to the draft decision to be entered in the minutes of the Government 'Approval of the Development Plan 2023-2030' explaining the content of the Welfare Development Plan.
6	Press release on the discussion in the Estonian Parliament (Riigikogu) on the Welfare Development Plan	The press release summarises the discussion on the Welfare Development Plan in the Estonian Parliament
7	Copies of the digital documents of the internal information system which contains the agenda of the meeting of the government of 23 February 2023 and the decision on the adoption of the Welfare Development Plan 2023-2030.	The document shows that the Welfare Development Plan was on the agenda of the government on 23 February 2023 as well as that the government adopted the Plan with unanimity
9	Note on the adoption and brief content of the Welfare Development Plan 2023-2030	The document briefly explains the adoption and gives a short summary of the content of the Welfare Development Plan
10	Written feedback on the draft Welfare Development Plan	The document shows how the views of the different Ministries and stakeholders were taken into account in the Welfare Development Plan
11	Submission of the Welfare Development Plan to the government on 21 February 2023 by the responsible ministers	The letter and a copy of the digital document proving that the letter was signed digitally by the responsible ministers shows that the Welfare Development Plan was submitted on 21 February 2023 to the government for adoption
12	Government Regulation No 10 on the Rules of procedure of the government of the Republic	The Regulation lays down the rules of procedure of the government,

		including those on closed government meetings (Article 13)
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### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Adoption of the Welfare Development Plan 2023-2030 by the government.**

The Welfare Development Plan for 2023-2030 was adopted by the Government on 23 February 2023 (see evidence 5 and 7). The Estonian authorities explained that the decision of the government is only available in the internal information system. The authorities provided a digital document of the internal information system where the agenda of the meeting of the government of 23 February 2023 and the decision on the adoption of the Welfare Development Plan appear. The Welfare Development Plan has been published on the website of the Social Ministry (evidence 2). The Commission has checked the website on 18 April 2024.

- **The Plan shall outline the measures to reduce the gender pay gap.**

Sub-goal 5 of the Plan outlines the objectives, challenges and actions to be taken to address gender equality and equal treatment. Out of the nine sub-sections under section “Course of action”, the sub-section on “Increasing economic equality between women” presents five actions aiming directly to reduce the gender pay gap. These actions concern a. supporting employers with knowledge and user-friendly tools to identify and reduce the pay gap in their organisation; b. reinforcing measures to improve the reconciliation of work, family and private life for women and men, and to reduce the burden of care for children and adult dependants and support a more equal sharing of care burden between women and men; d. continue to identify the causes of the pay gap and design measures to improve wage transparency; e. implementing measures to reduce gender segregation in education and the labour market, f. improve the gender balance in science, technology (including ICT), engineering and mathematics and education, health and care disciplines. Other sub-sections, notably on “Changing societal attitudes to value” and “Support gender equality and balanced participation of women and men at all levels of decision-making and leadership”, and on “Institutional capacity building to promote gender equality and gender mainstreaming in all operational and policy areas” also contribute to reducing the gender pay gap. The Plan outlines the costs and governance for the implementation of the measures in the Plan.

Furthermore, in line with the description of the measure, **the Welfare Development Plan shall be adopted by 31 March 2024.**

The government adopted the Plan on 23 February 2023 (evidence 5 and 7). The Estonian authorities explained that the decision of the government is only available in the internal information system. The authorities provided a digital document of the internal information system where the agenda of the meeting of the government of 23 February 2023 and the decision on the adoption of the Plan appears. The authorities also provided a copy of the adopted Plan. According to Article 13 (4) of the Rules of Procedure of the Government of the Republic, the government meetings are closed and the summaries of meetings are classified as internal on the grounds of and pursuant to the procedure

provided by the Public Information Act (Chapter 5), unless otherwise decided at the meeting (evidence 12). That is why only a digital document of the agenda and the decision of the government of 23 February 2023 was provided.

Furthermore, in line with the description of the measure **it shall lay down the strategic objectives of reducing social inequalities and poverty, ensuring gender equality and greater social inclusion, and promoting equal treatment of persons belonging to minority groups.**

The Chapter on the goals and sub-goals of the Plan describes the strategic objectives of the Plan, which are to make Estonia a country where people are cared for, where inequality and poverty is reducing, and where a long and high-quality working life is supported for all. In order to achieve this objective, five sub-goals are set.

The objectives of the Plan to reduce poverty and social inequalities, are laid down in sub-goal 4 on “Social welfare”. Gender equality, as well as promoting equal treatment of persons belonging to minority groups is described in sub-goal 5 on “Gender equality and equal treatment”.

Greater social inclusion is described under sub-goal 1 on “an inclusive and safe environment for children and families”, sub-goal 2 on “a high level of employment and high-quality working conditions and support long-term labour market participation” and sub-goal 3 on “social inclusion and equal opportunities for older people”.

Furthermore, in line with the description of the measure, **the Development Plan shall outline measures to reduce the gender pay gap, in particular by increasing wage transparency, reducing the prevalence and negative impact of gender stereotypes on the lives and decisions of women and men, including concerning educational and career choices and carrying the care burden, and supporting a more effective implementation of the Gender Equality Act.**

Sub-goal 5 of the Plan outlines the objectives, challenges and actions to be taken to address equality and equal treatment, and, more specifically, the sub-section on “Increasing economic equality between women” presents five actions aiming directly to reduce the gender pay gap.

Amongst those actions, there is an action on supporting employers with the knowledge and user-friendly tools to identify and reduce the pay gap in their organisation increases wage transparency.

The Plan includes actions to reduce the prevalence and negative impact of gender stereotypes on the lives and decisions of women and men, including concerning educational and career choices and carrying the care burden. These include integrating the principle of equality into the curricula and materials of formal education and raising awareness among key stakeholders of the manifestations of gender inequalities, their causes and related problems, gender stereotypes and their impact, and the need and opportunities to promote gender equality (sub-section on “Changing societal attitudes to value and support gender equality”), as well as to reduce the care burden on men and women (sub-section on “Increasing economic equality between women and men”)

The measures to support more effective implementation of the Gender Equality Act are set out in sub-section “Enhancing sectoral law enforcement”. It includes actions to analyse the fulfilment of the requirements laid down in the Gender Equality Act and to make proposals for better implementation of the Act and for improving monitoring possibilities.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[F]-R[6-9-.6-9-]-M[123], Digital gender pay gap tool

**Related Measure:** F.6-9- 6-9- Reducing gender pay gap

**Qualitative Indicator:** Roll-out of a digital gender pay gap tool

**Time:** Q1 2024

### 1. Context:

The objective of the reform is to reduce the gender pay gap. The reform consists of the adoption of the Welfare Development Plan for 2023-2030 and its implementation and the roll-out of a digital gender pay gap tool. The implementation of the reform shall be completed by 31 March 2024.

Milestone 123 concerns the roll-out of the digital gender pay gap tool providing companies with data and information concerning the gender pay gap and its possible reasons in their organisations and thereby supporting making informed decisions and taking effective action in order to implement the principle of equal pay and to reduce the gender pay gap.

Milestone 123 is the third and last milestone of the reform, and it follows the completion of milestone 122, related to the development of the prototype of a gender pay gap tool which provides employers with data and information concerning the gender pay gap and its possible reasons in their organisations, and milestone 121, related to the adoption of the Welfare Development Plan laying down – among others – the measures to reduce the gender pay gap.

### 2. Evidence provided:

	Name of the evidence	Short description
1	Summary document	The summary document provides justification how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2	Video on the functions of the gender pay tool, so called Pay Mirror <a href="https://www.youtube.com/watch?v=wK9po2DDO3k">https://www.youtube.com/watch?v=wK9po2DDO3k</a>	Eva Liina Kliiman, Adviser of Gender Equality in Ministry of Economic Affairs and Communication, explains in the video the functions of the gender pay gap tool.
3	Link to the website of the Ministry of Economic Affairs and Communication on the gender pay gap tool <a href="https://www.mkm.ee/too-ja-vordsed-voimalused/vordsed-voimalused-ja-sooline-vordoiguslikkus/palgapeegel">https://www.mkm.ee/too-ja-vordsed-voimalused/vordsed-voimalused-ja-sooline-vordoiguslikkus/palgapeegel</a> where the link to the tool can also be found <a href="https://www.mkm.ee/too-ja-vordsed-voimalused/vordsed-voimalused-ja-sooline-vordoiguslikkus/palgapeegel">iseteenindus.ti.ee</a>	The webpage contains detailed information on the functions of the gender pay gap tool, including how to use it and what data it contains,
4	Methodology report for the Pay Mirror and a link to the report issued by the Estonian Statistical Office in 2024: <a href="https://www.mkm.ee/sites/default/files/documents/2024-">https://www.mkm.ee/sites/default/files/do</a> <a href="https://www.mkm.ee/sites/default/files/documents/2024-">cuments/2024-</a>	The methodology report provides an overview of the data sources of the gender pay gap tool, definitions of the indicators used, and the methodology for calculating the indicators.

	<a href="#">04/Palgapeegli%20metoodikaraport%20-%20Statistikaamet.pdf</a>	
5	Digital documents on the functions of the gender pay gap tool	The nine digital documents show the functions of the gender pay gap tool
6	Press release by Ministry of Economic Affairs and Communication about the roll out of the gender pay tool so called Pay Mirror. Link to the press release: <a href="https://mkm.ee/uudised/tooandjad-naevad-uee-rakendusega-meeste-ja-naiste-palgalohet">https://mkm.ee/uudised/tooandjad-naevad-uee-rakendusega-meeste-ja-naiste-palgalohet</a>	The press release of April 2024 announces the launch of the gender pay gap tool.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **The digital gender pay gap tool shall be available to employers (...)**
  - The gender pay gap tool, the so-called Pay Mirror, is available to employers who can use it by logging-into the self-service of the Estonian Labour Inspectorate (evidence 3), as described in Chapter 1 of the Methodology Report. The Commission services conducted an on-the-spot check on 18 July 2024 to verify that the tool exists and is available to employers. This check was completed successfully, confirming that the tool exists and that employers can access it.
- **(...) with the aim of providing them with data and information concerning the gender pay gap and its possible reasons in their organisations and thereby supporting making informed decisions and taking effective action in order to implement the principle of equal pay and to reduce the gender pay gap.**
  - The Estonian authorities provided evidence in the form of digital documents of the software application of the gender pay gap tool (evidence 5). These documents explain the functions of the tool. In addition, the functions of the tool were demonstrated during the on-the-spot control on 18 July 2024 to obtain reasonable assurance that the received digital documents on the tool's functions are correct.
    - The presented functions show that the tool provides different data, such as the average and median salary for women and men and the pay gap, with the option for the users to choose the period which they would like to examine and compare (a year or a quarter). The tool also presents the gender pay gap by occupation (profession), education level and the number of employees by gender, average salary by gender and the gender pay gap by age. The user can also see information on the bonuses in addition to the salaries by gender (evidence 5).
    - The methodology report by Statistics Estonia (evidence 4) provides in Chapter 3 information on, among others, the sources of data and indicators used to provide employers with all the necessary information on the gender pay gap in their organisation.
  - Apart from providing data, the tool also has textual features, notably explanations for the pay gap and recommendations how to address the pay gap. The data and textual features help employers to understand the possible reasons for the gender pay gap within their

- organisation, thus enabling them to make informed decisions and take effective actions implementing the principle of equal pay and to reduce the gender pay gap (evidence 5).
- The on-the-spot check was finalised successfully without any issue found.
- Furthermore, in line with the description of the measure, **a digital gender pay gap tool shall be rolled out by 31 March 2024 which shall offer employers a simple and easy tool to receive and analyse data and information concerning the gender pay gap and its possible reasons in their organisations and thereby supporting them in making informed decisions and taking effective action to implement the principle of equal pay and to reduce the gender pay gap.**
    - The Commission services conducted an on-the-spot check on 18 July 2024 to verify that the tool exists and is available to employers. This check was completed successfully, confirming that the tool exists and that employers can access it. During the on-spot-check the Commission also verified that the digital document provided by Estonia correspond to the functions of the tool (evidence 5).
    - The Council Implementing Decision required a digital gender pay gap tool is rolled out by 31 March 2024. The gender pay gap tool was made available on the website of the Ministry of Economic Affairs and Communication on 1 April 2024 as shown by the date on the website of the Ministry (evidence 3). Estonia could only make the digital gender pay gap tool available on 1 April because the tool was tested until the very last moment to ensure that it is fully operational. Furthermore, since 31 March fell on a Sunday, the tool was made available the next working day. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, the digital gender pay gap tool was made available only one day later than required by the milestone. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
    - The gender pay gap tool offers a simple and easy tool to employers as the data for their organisations is pre-filled in the tool based on sources listed throughout the Methodology Report (evidence 4, Chapters 1-4) and the data is ready to be analysed by the employers as soon as they log into the system. The tool is simple and easy to use as the menu in the tool clearly shows where the data and textual features are available. The functions of the tool are also presented within the tool, on the website of the Ministry and in a YouTube video (evidence 2).
    - As shown by the digital documents (evidence 5), the tool presents data on the gender pay gap in general, gender pay gap based on occupation and age within the given organisation. Moreover, the usage of the data and methodology are explained in the Methodology Report (evidence 4).
    - The tool has textual functions presenting the possible reasons for the gender pay gap and offers solutions to the employers how to address the gender pay gap. Such a solution, for instance, is that employers should raise the salary of those who return from parental leave in the same way as the salaries of comparable colleagues are raised or adhere to established principles of wage determination. These functions help to implement the principle of equal pay and thus to reduce the gender pay gap.

#### **4. Commission Preliminary Assessment: Satisfactorily fulfilled**

**Number and name of the Milestone:** EE-C[H]-R[8-1-.8-1-]-M[125], Publication of the call for proposals to support local authorities

**Related Measure:** 8-1-.8-1- Facilitating the deployment of renewable energy sources

**Qualitative Indicator:** Publication of the call for proposals

**Time:** Q3 2023

**1. Context:**

The purpose of this reform is to facilitate the deployment of renewable energy sources, notably wind energy. The reform consists of the entry into force of legislative amendments to streamline planning and permitting procedures as well as environmental impact assessments for wind energy projects, the development of wind priority development areas with the potential to produce 1000 MW of wind energy, and the implementation of support measures to help local authorities to improve administrative procedures, including permitting, for wind energy development.

Milestone 125 requires the publication of a call for proposals to support local authorities to hire experts or procure services aimed at improving administrative procedures, including permitting, for wind energy development.

Milestone 125 is the first milestone of the reform and is followed by milestone 126, related to legislative amendments to streamline permitting, planning and environmental impact assessment processes, milestone 127, related to the establishment of wind energy priority areas, and target 128, which concretely follows up on milestone 125 and specifies that 20 local authorities shall have received support on the basis of a call for proposals included in milestone 125. The reform has a final expected date for implementation on 31 March 2025.

**2. Evidence provided:**

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled
2	Copy of the website for the first round of the call for proposals	A printout of the website that includes the first round of the call for proposals to support local authorities on the webpage of the State Shared Service Centre (hereinafter SSSC) including the opening dates, and specific activities supported by the investment. Link to the website:

		<a href="#">Meede: Kohalike omavalitsuste võimestamine roheliste investeeringute tegemisel (11.09.2023-17.11.2023)   Riigi Tugiteenuste keskus (rtk.ee)</a>
3	Copy of the website for the second round of the call for proposals.	A copy of the website that includes the second round of the call for proposals to support local authorities on the webpage of the State Shared Service Centre (SSSC) including the opening dates, and specific activities supported by the investment. Link to the website: <a href="#">Meede: Kohalike omavalitsuste võimestamine roheliste investeeringute tegemisel   Riigi Tugiteenuste keskus (rtk.ee)</a>
4	Copy of Ministerial regulation no. 43 from 12 July 2023 published in the official journal on 13 July 2023, entry into force 16 July 2023.	Regulation setting out the terms and conditions of the support measure for local authorities to hire experts or procure services aimed at improving administrative procedures, including permitting, for wind energy development
5	Copy of the amendment of Ministerial regulation no. 43 from 9 January 2024 published in the official journal on 12 January 2024, entry into force 15 January 2024.	Amendment adding the possibility to give 50 000 euros additional support to municipalities who during the project's eligibility period establish the wind energy planning
6	Explanatory note of regulation no. 43	Explanatory note of the regulation by the Minister of Regional Affairs
7	Press release on opening the first call for proposals from 8 September 2023 published on the website of the SSSC	Press release announcing the first round of the call for proposals, including the opening dates, objectives and conditions of the support.
8	Press release on opening the second call for proposals from 18 January 2024 published on the website of the SSSC	Press release announcing the second round of the call for proposals, including the opening dates and objectives.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities covers all constitutive elements of the milestone.

- **A call for proposals shall be published to support local authorities to hire experts or procure services aimed at improving administrative procedures, including permitting, for wind energy development.**

The call for proposals was published in two rounds which is reflected in the copies of the two websites containing the two rounds. On page 1, the copy of the website corresponding to the first round of the call for proposals specifies the call to be open from 11 September 2023 until 17 November 2023. On page 1, the copy of the website corresponding to the second round of the call for proposals specifies

the call to be open from 22 January 2024 until 31 December 2024. On page 2, the copy of the website corresponding to the second round of the call moreover specifies a revised budget and adds the possibility for municipalities to receive an additional EUR 50,000 if they have applied for support prior to the establishment of a plan to deploy wind energy and established this plan within the eligibility period of the support scheme. Further details pertaining to the supported activities and required documentation correspond to those specified in the first round. The information related to the opening dates of the two calls for proposal as well as the amounts to be granted is also reflected in the two press releases announcing the opening of the two rounds of the call for proposals, respectively published on 8 September 2023 and 18 January 2024.

On page 3, the copy of the website corresponding to the first round of the call specifies the application procedure. In their application, municipalities are to provide evidence of their plans to deploy wind energy, details regarding the tasks that the specialist or external service to be procured should carry out, and a declaration of the specialist's or external service provider's participation in the project. Moreover, the calls detail that the State Shared Service Centre (SSSC) verifies the applications and their compliance with the regulation. If meeting those criteria, applications are approved on a first-come-first-served basis.

The conditions of the support scheme, including specifications regarding the application procedure, supported activities, potentially granted amounts, and obligations of beneficiaries and intermediate bodies are specified in Ministerial Regulation no. 43 from 12 July 2023 as well as the corresponding explanatory note by the Minister of Regional Affairs. As per chapter 2, article 4, Regulation no. 43 specifies that support shall be granted for the hiring of a specialist or the outsourcing of services in the areas of planning and assessing wind energy projects, resolving legal issues including those related to permitting, organisation of public participation and communication, the involvement of further experts on an ad hoc basis, and other activities necessary for the execution of wind energy projects. Regulation no. 43 has been amended on 9 January 2024. The amended version of Ministerial Regulation no. 43 from 12 July 2023 reflects the changes made to the call for proposals in the second round. In chapter 2, article 7, paragraph 3, the amended regulation specifies the possibility for municipalities to receive an additional EUR 50,000 if they have applied for support prior to the establishment of a plan to deploy wind energy and established this plan within the eligibility period of the support scheme.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[H]-R[8-1-.8-1-]-M[126] - Entry into force of the amendments to the relevant laws streamlining permitting, planning and environmental impact assessment processes

**Related Measure:** Facilitating the deployment of renewable energy sources

**Qualitative Indicator:** Entry into force of the amendments

**Time:** Q2 2024

**1. Context:**

The objective of the reform is to facilitate the deployment of renewable energy sources, notably wind energy. The reform shall consist of the entry into force of the legislative amendments to streamline planning, permitting and environmental impact assessment processes for wind energy projects. The government shall establish priority development for wind areas based on a technical report identifying priority development areas with a total estimated potential to produce 1000 MW. Local authorities shall receive support to improve administrative procedures, including permitting, for wind energy development.

Milestone 126 relates to amending the following laws to the extent necessary: the Building Code, the Water Act, the Planning Act, the Environmental Impact Assessment and Environmental Management System Act, the Environmental Charges Act and the Forest Act.

Milestone 126 is the second milestone of the measure, and it follows milestone 125 related to the publication of a call for proposals to support local authorities and will be followed by milestone 127 related to a governmental decision establishing priority development areas for wind energy and target 128 on support to local authorities to improve administrative procedures, including permitting, for wind energy development.

The expected date of implementation of the reform is 31 March 2026.

**2. Evidence provided:**

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled
2	Annex 1 Entry into force from 17 March 2023	The Act Amending the Electricity Market Act and Other Acts.

	<p>Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigiteataja.ee/akt/107032023021">https://www.riigiteataja.ee/akt/107032023021</a></p>	
3	<p>Annex 1.1  Submitted on 30 December 2022  Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigikogu.ee/download/93369040-3b0d-4bec-96d0-9e65a177382a">https://www.riigikogu.ee/download/93369040-3b0d-4bec-96d0-9e65a177382a</a></p>	<p>Additional amendments to the Act amending the Electricity Market Act and Other Acts.</p>
4	<p>Annex 1.2  Submitted on 3 February 2023  Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigikogu.ee/download/7e1fb211-f6228-4d42-bc1d-4332a30ee495">https://www.riigikogu.ee/download/7e1fb211-f6228-4d42-bc1d-4332a30ee495</a></p>	<p>Additional amendments to the Act amending the Electricity Market Act and Other Acts.</p>
5	<p>Annex 1.4.1  Adopted on 15 February 2023. Entry into force on 17 March 2023.  Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigiteataja.ee/akt/107032023082?leiaKehtiv">https://www.riigiteataja.ee/akt/107032023082?leiaKehtiv</a></p>	<p>Relevant Provisions of the Planning Act (extract from Annex 1).</p>
6	<p>Annex 1.4.2  Adopted on 28 January 2015. Entry into force on 17 March 2023.  Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigiteataja.ee/akt/107032023082?leiaKehtiv">https://www.riigiteataja.ee/akt/107032023082?leiaKehtiv</a></p>	<p>Consolidated version of the amended Planning Act.</p>
7	<p>Annex 1.5.1  Adopted on 15 February 2023. Entry into force on 17 March 2023.</p>	<p>Relevant Provisions of the Environmental Impact Assessment and Environmental Management System Act (extract from annex 1).</p>
8	<p>Annex 1.5.2  Adopted on 22 February 2005. Entry into force on 21 June 2024.</p>	<p>Consolidated version of the Environmental Impact Assessment and Environmental Management System Act.</p>
9	<p>Annex 2  Entry into force on 1 July 2024 Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigiteataja.ee/akt/105012024001">https://www.riigiteataja.ee/akt/105012024001</a></p>	<p>The Act Amending the Environmental Charges Act, Forest Act, and Industrial Emissions Act</p>
10	<p>Annex 2.3.1  Adopted on 6 December 2023. Entry into force on 1 July 2024.  Link to the webpage of the official journal where legal act is published:  <a href="https://www.riigiteataja.ee/akt/KeTS">https://www.riigiteataja.ee/akt/KeTS</a></p>	<p>Main relevant Provisions of the Environmental Charges Act (extract from annex 2).</p>
11	<p>Annex 2.3.2  Adopted on 7 December 2005. Entry into force on 1 July 2024.</p>	<p>Consolidated version of the Environmental Charges Act.</p>
12	<p>Annex 2.4.1  Adopted on 6 December 2023. Entry into force on 1 July 2024.</p>	<p>Main relevant Provisions of the Forest (extract from annex 2).</p>

	Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/MS">https://www.riigiteataja.ee/akt/MS</a>	
13	Annex 2.4.2 Adopted on 7 June 2006. Entry into force on 1 July 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/MS">https://www.riigiteataja.ee/akt/MS</a>	Consolidated version of the Forest Act.
14	Annex 3 Entry into force on 21 June 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/111062024001">https://www.riigiteataja.ee/akt/111062024001</a>	The Act Amending the Building Code and Other Acts (Accelerating the deployment of Renewable Energy).
15	Annex 3.4.1 Adopted on 28 May 2024. Entry into force on 21 June 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/105032015001?leiaKehtiv">https://www.riigiteataja.ee/akt/105032015001?leiaKehtiv</a>	Relevant Provisions of the Building Code (extract from annex 3).
16	Annex 3.4.2 Adopted on 11 February 2015. Entry into force on 1 August 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/105032015001?leiaKehtiv">https://www.riigiteataja.ee/akt/105032015001?leiaKehtiv</a>	Consolidated version of the Building Code and current act.
17	Annex 3.5.1 Adopted on 28 May 2024. Entry into force on 21 June 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/122022019001?leiaKehtiv">https://www.riigiteataja.ee/akt/122022019001?leiaKehtiv</a>	Relevant Provisions of the Water Act (extract from annex 3).
18	Annex 3.5.2 Entry into force on 1 July 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/122022019001?leiaKehtiv">https://www.riigiteataja.ee/akt/122022019001?leiaKehtiv</a>	Consolidated version of the Water Act. Adopted on 30 January 2019.
19	Annex 3.6.1 Adopted on 28 May 2024. Entry into force on 21 June 2024. Link to the webpage of the official journal where legal act is published: <a href="https://www.riigiteataja.ee/akt/KeHJS">https://www.riigiteataja.ee/akt/KeHJS</a>	Relevant Provisions of the Environmental Impact Assessment and Environmental Management System Act (extract from annex 3).
20	Annex 3.6.2	Consolidated version of the Environmental Impact Assessment and Environmental Management System Act. Adopted on 22 February 2005. Entry into force on 21 June 2024.

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Legislative amendments to streamline permitting, planning and environmental impact assessment processes for wind energy projects shall enter into force.**

The legislative amendments accelerating deployment of renewable energy were adopted by the Parliament in three separate acts:

- On 15 February 2023, the Act amending the Electricity Market Act and Other Acts was adopted (hereinafter referred to as “Act 1”). It was promulgated by the President of the Republic on 1 March 2023 by Decision No. 281. It amended the Electricity Market Act (paragraph 1, annex 1), the Building Code (paragraph 4, annex 1), the Planning Act (paragraph 4 annex 1), the Environmental Management System Act (paragraph 5, annex 1) and the Environmental Impact Assessment Act (paragraph 6, annex 1).
- On 6 December 2023, the Act amending the Environmental Charges Act, Forest Act, and Industrial Emissions Act was adopted (hereinafter referred to as “Act 2”). It was promulgated by the President of the Republic on 22 December 2023 by Decision No. 351. It amended the Environmental Charges Act (paragraph 1, annex 2) and the Forest Act (paragraph 2, annex 2)
- On 28 May 2024, the Act amending the Building Code and other acts (accelerating the deployment of renewable energy) was adopted (hereinafter referred to as “Act 3”). It was promulgated by the President of the Republic on 4 June 2024 by Decision No. 414. It amended the Building Code (paragraph 3, annex 3), the Water Act (paragraph 9, annex 3) and the Environmental Impact Assessment and Environmental Management System Act (paragraph 4, annex 3)

Different amendments entered into force at a later stage and are described below in relation to the milestone requirements.

- **These shall include amending the following laws to the extent necessary:**

### **1. The Building Code**

- The amendments to the Building Code are part of Act 1 and 3 and entered into force on 17 March 2023 and 21 June 2024 as written on page 1 of the amended legal acts in annex 1 and 3.
- The Building code is amended so that the three different permits that were previously required (building permit, water special use environmental permit or water permit, and construction permit) are consolidated into one application for a single offshore wind farm building permit thus streamlining the process. According to subsection 1 of paragraph 113 of the amended Building Code (see page 39 of annex 3.4.2), when issuing the offshore wind farm building permit, no construction permit or water use permit needs to be granted for the construction of the offshore wind farm when granting a building permit for offshore wind parks.
- According to subsection 7 of paragraph 13 (page 40, annex 3.4.2), a deadline is now set for the permit process. The competent authority needs to issue a decision to initiate the building permit procedure within 90 days of receiving the required information. Setting a deadline thus streamlines the decision process to issue offshore wind farm building permit.
- Added subsection 21 to paragraph 13 (page 40, annex 3.4.2) ensures that the whole building permit procedure is initiated in the building register. It consolidates information regarding environmental aspects, construction aspects and land use or building rights, which were previously recorded in various databases (environmental decision register and building register). Therefore, the building register now serves as a platform that streamlines the permit process.

### **2. The Water Act**

- The amendments of the Water Act are part of Act 3 and entered into force on 1 July 2024 as written on page 1 of annex 3.5.2.
- Conditions for the water permit have been added to the single permit (cf above). Clause 9 has been added to subsection 1 of paragraph 188 of the Water Act, worded as follows: *“For activities connected with the construction of an offshore wind park, for which the building permit for the offshore wind park referred to in Section 113<sup>(1)</sup>(1)<sup>(2)</sup> of the Building Code is granted.”* (page 52, annex 3.5.2). It eliminates the need to separately apply for a water permit in case of offshore wind farm thus streamlining the permitting process.

### **3. The Planning Act**

- The amendments to the Planning Act are part of Act 1 and entered into force on 17 March 2023 as written on page 1 of annex 1.4.2.
- It allows for a single stage spatial planning process thus shortening the duration of planning for wind farms. Prior to the amendments, the law stipulated that the procedure for a local government special planning consisted of two parts: selecting the most suitable location for the construction of a wind farm and preparing a detailed solution for that location. As a result of the amendments and according to added subsections 1 of paragraph 27 (page 8, annex 1.4.2), the authority responsible for drawing up a specific national plan will now carry out in a single procedure the site pre-selection phase and the detailed solution which will speed up the planning process.

### **4. The Environmental Impact Assessment and Environmental Management System Act**

- The amendments to the Environmental Impact Assessment and Environmental Management System Act were adopted in Act 1 and Act 3. The amendments included in Act 1 entered into force on 17 March 2023, as written on page 1 of annex 1.5.2 and the amendments included in Act 3 entered into force on 21 June 2024, as written on page 1 of annex 3.4.1.
- According to the amendments of the Environmental Impact Assessment and Environmental Management System Act (annex 1.5.2), special provisions were established to allow for exceptions to the Environmental Impact Assessment (EIA) requirements in the onshore wind farm permitting process to streamline it. The time allotted for the developer and relevant authorities to submit their positions on the EIA initial draft and programme to the decision-maker has been cut from 30 days to 14 days of receipt of the draft decision, with no separate public consultation for the programme. After this 14-day period, the decision-maker may proceed with the EIA process, even if the positions have not been received (subsection 5, paragraph 28, annex 1.5.2).
- Furthermore, the amendments allow for a more expedited EIA process for onshore wind farms by shortening the preparation phase of the programme. Under the new provisions, the lead expert and the expert group shall draw up an EIA report on the basis of the EIA programme contained in the decision to initiate the EIA (subsection 7, paragraph 28<sup>1</sup>, annex 1.5.2). The issuer of the requested activity permit will compile the programme after the EIA has been initiated, potentially with the assistance of relevant field experts and the environmental impact assessment model programme developed by the Ministry of the Environment.

### **5. The Environmental Charges Act**

- The amendments to the Environmental Charges Act are part of Act 2 and entered into force on 1 July 2024 as written on paragraph 1, Chapter 1 of annex 2.3.2. They establish an “environmental fee” meaning the price of the right to use cleared forest land for electricity production from wind energy (paragraph 3, annex 2.3.2). By providing the right to deforest to use the land for environmental purpose, it makes it possible to consider additional locations

for wind parks in exchange of paying the fee. Thus, it streamlines the permitting process by allowing for the consideration of additional areas for wind farms.

**6. The Forest Act.**

- The amendments of the Forest Act are part of Act 2 and entered into force on 1 July 2024 as stated on page 1 of annex 2.4.2.
- They increase the number of potential additional locations for wind farms by establishing a “deforestation right” fee while mitigating negative environmental impacts. For the purposes of this Act, afforestation is the creation of a new forest on non-forest land taking into account biodiversity and climate objectives, in order to partially compensate for the loss of carbon stocks and removals due to deforestation of forest land (subsection 2, paragraph 10, annex 2.4.2). The creation of the “deforestation right” provides the right to deforest to use the land for another purpose, in exchange of paying the fee (according to subsection 4, paragraph 32). Since over half of Estonia's territory is covered by forest, the "deforestation right" fee makes it possible to consider additional locations for wind parks thus streamlining the planning process.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[H]-I[8-2-.8-2-]-M[129], Signature of the co-financing agreement for electricity distribution network works

**Related Measure:** 8-2-.8-2- Programme to increase the access of renewable energy production to the electricity distribution system

**Qualitative Indicator:** Signed agreement

**Time:** Q1 2024

### 1. Context:

The purpose of investment 8.2 is to increase the capacity of the electricity distribution network by 160 MW.

Milestone 129 requires the signature of a co-financing agreement between the Ministry of Economic Affairs and the distribution network operator Elering AS to increase the capacity of the electricity distribution network by 160 MW.

Milestone 129 is the first milestone of this reform and is followed by target 130 related to the completion of the work on the electricity distribution networks by 160 MW. The investment has a final expected date for implementation on 31 March 2026.

### 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled
2	Co-financing agreement no. 4-6/43/115-2	Co-financing between Ministry of Climate and Elektrilevi OÜ for the purpose of increasing the capacity of the electricity distribution network by 160 MW
3	Signature printout for co-financing agreement no. 4-6/43/115-2 (hereinafter referred to as 'signature printout')	Signature printout for co-financing agreement between Ministry of Climate and Elektrilevi OÜ

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities covers all constitutive elements of the milestone.

- **Signature of the co-financing agreement for electricity distribution network works between the Ministry of Economic Affairs and Communications and Elering AS for the purpose of increasing the capacity of the electricity distribution network by 160 MW.**

The co-financing agreement no. 4-6/43/115-2 between the Ministry of Climate and the operator of the electricity transmission network Elektrilevi OÜ was signed on 17, 23, and 24 January 2024 (as evidenced on page 1 of the signature printout). Article 1 of the co-financing agreement specifies that it aims at increasing the capacity of the electricity distribution network and Article 2 of the co-financing agreement includes concrete milestones towards the achievement of the reinforcement works for the electricity distribution network.

In Article 1.2, the co-financing agreement details that the electricity distribution network works shall result in an increased capacity of 160 MW in total. The investment plan under the same article lists reinforcement works at 14 different connection points amounting to an increased capacity of 180 MW, thereby overachieving the increase in 160 MW of additional capacity specified by the Council Implementing Decision. As per Article 1.1. of the co-financing agreement, the grid reinforcement works particularly target the capacity of micro-producers with a nominal electricity generation capacity of up to 15 KW to integrate electricity produced from renewable sources into the grid.

The Council Implementing Decision required the co-financing agreement to be signed by the Ministry of Economic Affairs. On page 1, the co-financing agreement no. 4-6/43/115-2 indicates the Ministry of Climate as a signatory of the agreement. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Estonian authorities explained in the summary document that energy policy is under the remit of the Ministry of Climate as of 1 July 2023. As a result, the substantive implementation of the milestone requires the co-financing agreement to be signed by the Ministry of Climate. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Moreover, the Council Implementing Decision required the co-financing agreement to be signed by Elering AS. On page 1, the co-financing agreement no. 4-6/43/115-2 indicates Elektrilevi OÜ as a signatory of the agreement. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Estonian authorities explained in the summary document that Elektrilevi OÜ is the electricity distribution network operator. Therefore, Elektrilevi OÜ is responsible for the works to increase the capacity of the electricity distribution network as required by the Council Implementing Decision, rather than Elering AS which is the transmission system operator. As a result, the substantive implementation of the milestone requires the co-financing agreement to be signed by the Ministry of Climate and Elektrilevi OÜ. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number and name of the Milestone:** EE-C[H]-I[8-3-.8-3-]-M[131], Call for applications for grants to support the uptake of biomethane

**Related Measure:** 8-3-.8-3- Increasing production and uptake of sustainable biogas and biomethane

**Qualitative Indicator:** Call for applications published

**Time:** Q2 2024

The measure aims to boost the uptake of sustainable biogas and sustainable biomethane in line with the Renewable Energy Directive (RED II) and to accelerate the integration of renewable energy sources. The measure consists of creating the necessary regulatory, organisational and financial conditions to increase the production and use of sustainable biogas and sustainable biomethane and an investment into building production facilities.

Milestone 131 concerns the publication of a call for applications to support to increase the production capacity of sustainable biomethane.

Milestone 131 is the first step of the implementation of the investment. It will be followed by milestone 132, milestone 133 and target 134. Milestone 132, due by 31 December 2024, is related to the publication of the final report on the independent survey identifying the necessary regulatory, organizational and financial interventions. Milestone 133, due by 30 June 2025, is related to the development of an action plan for the production and deployment of biogas and biomethane. Finally, target 134, due by 30 June 2026, is related to the installation of new biomethane production capacity.

The investment has a final expected date for implementation on 30 June 2026.

## 2. Evidence provided:

	Name of the evidence. For legal acts please provide the full legal reference and date of entry into force	Short description
1	Summary document	Summary document duly justifying how the milestone (including all the constitutive elements) have been satisfactorily fulfilled.
2	Regulation of the Regional Minister "Investment Support for Increasing the Production and Use of Biomethane" (RT I, 28.05.2024, 6), entered into force 31 May 2024 <a href="https://www.riigiteataja.ee/akt/128052024006">https://www.riigiteataja.ee/akt/128052024006</a>	Regulation of the Regional Minister setting conditions and procedures to grant investment support for increasing the production and use of biomethane

3	Explanatory note accompanying the regulation of the Regional Minister "Investment Support for Increasing the Production and Use of Biomethane"	Explanatory note clarifying the intent of every single paragraph (or, where needed, subparagraph) of the regulation.
4	Evaluation Criteria for Biomethane Production	A note detailing the criteria that are used to evaluate applications received following the call of proposals.
5	Calculation model	Excel file that contains a template that applicants need to fill out about the outputs, inputs and costs of their project. The calculation model in the file is used to help to determine whether greenhouse gas emissions of the project are at least 80 per cent lower for the production of electricity, heat and cooling energy in use and whether the greenhouse gas emissions are at least 65 per cent lower than mentioned for use in the transport sector and in a specific field of use, as required by the European Parliament and Council Directive 2023 /2413. The file contains an example to guide the applicants.
6	Ministry of Regional Affairs press release "Around EUR 20 million is channelled by the country to scale up biomethane production" <a href="https://www.agri.ee/uudised/riik-suunab-biometaani-tootmise-suurendamise-ligi-20-miljonit-eurot">https://www.agri.ee/uudised/riik-suunab-biometaani-tootmise-suurendamise-ligi-20-miljonit-eurot</a>	Publication of the call for proposals and conditions at the webpage of Ministry of Regional Affairs
7	Environmental Investment Centre (KIK) press release "Around EUR 20 million is channelled by the country to scale up biomethane production" <a href="https://kik.ee/et/uudised/riik-suunab-biometaani-tootmise-suurendamise-ligi-20-miljonit-eurot">https://kik.ee/et/uudised/riik-suunab-biometaani-tootmise-suurendamise-ligi-20-miljonit-eurot</a>	Publication of the call for proposals and conditions at the webpage of the Environmental Investment Centre (KIK).
8	News article "KIK opened almost 20 million EUR biomethane production aid measure for applications"	Postimees news article from 13 June 2024 informing the public about the call for proposals
9	Call for proposals on KIK webpage <a href="https://kik.ee/et/toetavad-tegevused/biometaani-tootmise-ja-kasutamise-suurendamise-investeeringutoetus">https://kik.ee/et/toetavad-tegevused/biometaani-tootmise-ja-kasutamise-suurendamise-investeeringutoetus</a>	Call for proposals on the Environmental Investment Centre (KIK) webpage, ) with links to the online application form and to the conditions for granting support

### 3. Analysis:

The justification and substantiating evidence provided by the Estonian authorities cover all constitutive elements of the milestone.

- **Publication of a call for applications for grants to support the uptake of sustainable biomethane [...]**

The regulation of the Minister of Regions “Investment Support for Increasing the Production and Use of Biomethane” (evidence 2), which entered into force on 31 May 2024 in accordance with the Section 8(4) of the Foreign Communications Act and Section 8(1) of Government of the Republic Regulation No 108 of 29 November 2021 on the organisation of the implementation of the recovery and resilience plan and the general conditions for granting support, specified the conditions and procedures for the call for applications for grants. Paragraph 2, subparagraph 1, of the Regulation (evidence 2) specifies that the purpose of the support is to promote the deployment of sustainable biogas and sustainable biomethane in line with Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources, and to accelerate the integration of renewable energy sources.

The call for proposals and conditions for applying was published on the webpage of the Environmental Investment Centre (KIK) (evidence 9), the implementing authority, on 3 June 2024 (evidence 7) and on the webpage of the Ministry of Regional Affairs on 30 May 2023 (evidence 6). The application period lasted from 13 June 2024 until 17:00 (EET) on 23 August 2024. The call for proposals was also featured in an online news article in *Postimees*, a newspaper, on 13 June 2024 (evidence 8). The call for proposals is not an independent document (evidence 9). Instead, the call for proposals consists of a site on the webpage of the Environmental Investment Centre (KIK) with links to the online application form and to the conditions for granting support. The link to ‘conditions for granting support’ (‘Toetus andmise tingimused’ in Estonian) directs to the text of the regulation of the Minister of Regions “Investment Support for Increasing the Production and Use of Biomethane”, as available at the website of the *State Gazette* (evidence 2). That is, the conditions of the regulation are repeated in the call because the call for proposal (evidence 9) refers to the text of the regulation itself when it comes to the conditions.

- **[...] in line with the Renewable Energy Directive (RED II).**

Paragraph 5, subparagraph 6 of the Regulation (evidence 2) specifies that the support will be granted to only those projects that comply with the relevant European Union and national environmental legislation and the Renewable Energy Directive. Subparagraph 7 further specifies that raw materials used for the production of biomethane must comply with the sustainability criteria set out in Article 29 of the Renewable Energy Directive (RED II) and listed in the list of feedstocks in Annex IX to that Directive. The call for applications for grants to support the uptake of sustainable biomethane is, therefore, in line with the Renewable Energy Directive (RED II).

- **The call shall contain, among the selection criteria, the requirement set out in the description of the investment.**

The description of investment specifies that **the call for applications for grants to support the uptake of biomethane shall include the selection criterion that the traffic of trucks transporting biowaste shall be minimised.**

Paragraph 15, subparagraph 4, of the Minister of Regions “Investment Support for Increasing the Production and Use of Biomethane” (evidence 2) states that the Environmental Investment Centre (KIK) shall evaluate the applications against the evaluation criteria set out in Annex “Evaluation Criteria for Biomethane Production” and shall rank the proposals on the basis of the results of the evaluation. Annex “Evaluation Criteria for Biomethane Production” (evidence 4) specifies that five percent of the total score of an application is determined by the degree to which the project minimises the environmental impact of transporting raw materials used in biomethane production. The logic behind the evaluation criteria chosen by the Estonian authorities is that the closer is the source of biowaste to the biomethane plant, the less time it will take for the trucks to carry that waste from the source to the plant and less time spent carrying the waste—in turn—will mean that there will be less traffic and therefore also less pollution from trucks on the roads. Row four in the table on the page two of the annex “Evaluation Criteria for Biomethane Production” (evidence 4) clarifies that projects using non-renewable fuel transport solutions but where the distance travelled by trucks from the source of waste to the biomethane plant is up to five km (inclusive) shall receive the maximum five points (corresponding to five percent of the total score). Half of the points (corresponding to two point five percent of the total score) will be given to projects with transport solutions using non-renewable fuels over a distance between five km and 50 km (inclusive). Zero points will be awarded to projects using non-renewable fuel transport solutions with a supply distance of more than 50 km. However, projects using renewable energy (biomethane, renewable electricity, renewable hydrogen), transport solutions for at least 90% of their transport shall receive a maximum mark-up, which is five points (corresponding to five percent of the total score), regardless of distance that the trucks must travel.

**4. Commission Preliminary Assessment:** Satisfactorily fulfilled