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# LAYING THE FOUNDATIONS FOR RECOVERY: ESTONIA

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## Estonia's recovery and resilience plan

The European Commission has given a positive assessment to **Estonia's recovery and resilience plan, which will be financed by €969.3 million in grants.**

The financing provided by the Recovery and Resilience Facility – at the heart of NextGenerationEU – will support the implementation by 2026 of crucial investment and reform measures put forward by Estonia to emerge stronger from the COVID-19 pandemic.

The Estonian plan forms part of an **unprecedented coordinated EU response to the COVID-19 crisis**, to address common European challenges by embracing the green and digital transitions, to strengthen economic and social resilience and the cohesion of the Single Market. In particular, reforms and investments included in the Estonian plan are expected to contribute to the green and digital transitions, the resilience and accessibility of the health care system, social inclusion, and anti-money laundering.

### KEY MEASURES TO SECURE ESTONIA'S GREEN TRANSITION

**42%** of the plan's total allocation for reforms and investments supports climate objectives



▶ **Green transition in business:** supporting companies in making the green transition through modernising their business models, fostering the development and uptake of innovative green technologies, and developing green skills. **€220 million**



▶ **Sustainable energy and energy efficiency:** facilitating the uptake of renewable energy and reducing dependency on oil shale in electricity production; investments into grid and storage capacity for renewable energy; measures to facilitate and support energy-efficient renovations of 2,680 dwellings. **€92 million**



▶ **Sustainable mobility:** harmonising the Tallinn capital region public transport system and investments into rail and multimodal connections, including the construction of the Rail Baltic terminal in Tallinn. **€96 million**

## KEY MEASURES TO SUPPORT ESTONIA'S DIGITAL TRANSITION

**22%** of the plan's total allocation for reforms and investments supports the digital objectives



▶ **Digitalising companies:** supporting companies to make the digital transition, including small, medium and micro businesses. **€83 million**



▶ **Digitalising public administration:** upgrading digital government services drawing on the latest technologies, in order to improve resilience, security, and efficiency and reduce the administrative burden for both citizens and businesses. **€97 million**



▶ **Increasing connectivity:** deploying very-high capacity networks in rural areas, thus reducing the digital divide. **€24 million**

## KEY MEASURES TO REINFORCE ESTONIA'S ECONOMIC AND SOCIAL RESILIENCE



▶ **Improving access to health care:** construction of the Northern Estonia Medical Campus; modernising e-health governance; strengthening of primary care; addressing health workforce shortages; purchasing multipurpose helicopters for emergencies and constructing landing sites at medical centres. **€326 million**







▶ **Strengthening social resilience:** incentivising youth employment through a combination of wage and training support; extending the duration of unemployment benefits in periods of high unemployment; introducing measures to reduce the gender pay gap; improving the provision of long-term care, in particular for children with higher care needs. **€10 million**



▶ **Reinforcing the competitiveness of Estonian companies:** developing regional and country-specific export strategies; promoting Estonian companies at global events; developing innovative business centres in key foreign markets. **€33 million**

## IMPLEMENTATION

-  None of the plan's measures will do significant harm to the environment.
-  Stakeholders should continue to be involved in the implementation of the recovery and resilience plan to ensure ownership of reforms.
-  Disbursement of funds is performance-based and will reflect progress on reforms and investments set out in the plan.
-  Control systems will protect against serious irregularities such as fraud, corruption and double funding.