

12 March 2024

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the second payment request submitted by Estonia on 18 december 2023, 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 18 December 2023, Estonia submitted a request for payment for the third 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 third instalment of the non-repayable support, Section 2 of the Annex to the Council Implementing Decision of 16 June 2023 [amending the Council Implementing Decision of 29 October 2021](#) on the approval of the assessment of the recovery and resilience plan for Estonia<sup>1</sup>.

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<sup>2</sup>. 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 all 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<sup>3</sup>. This includes, among others, development of proactive digital public services for individuals. The milestones and targets also confirm progress towards the completion of investment projects related to the deployment and piloting of green hydrogen integrated value chains, from renewable energy production, and supply solutions, to final consumption in different application areas, with a focus on transport and chemical industry.

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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<b>Number: T7</b>	<b>Related Measure: 1.3. Development of digital waybills services</b>		
<b>Name of the Target: eFTI (electronic Freight Transport Information) platforms development</b>			
<b>Quantitative Indicator: Number of projects launched</b>	<b>Baseline: 0</b>	<b>Target: 5</b>	<b>Time: Q2 2023</b>
<p><b>Context:</b></p> <p>The measure aims to support the digitalisation of the exchange of information in road freight transport through the introduction of digital waybills, in accordance with the Regulation (EU) 2020/1056 on electronic freight transport information (eFTI), thus contributing to the smooth functioning of the internal market. The measure consists in supporting (i) service providers in the establishment of eFTI platforms to enable the deployment of digital waybills (eCMR – electronic Consignment note), and (ii) transport and logistics enterprises in the interfacing of their systems and processes with the eFTI platforms, enabling them to use digital waybills (eCMR). The projects are to be selected through two distinct calls for proposals.</p> <p>Target 7 requires that at least five projects developing an eFTI platform have received a positive grant decision.</p> <p>Target 7 is the first step of the implementation of the reform, and it will be followed by Targets 8 and 9 related to the number of projects launched to enable operators to be connected to the eFTI platforms and use waybills (Q4 2024) and the number of respective projects completed (Q4 2025). In addition, it will be followed by Milestone 10 related to an ex-post evaluation of the impact of the support measure on the road freight transport sector (Q2 2026). The measure has a final expected date for implementation in Q2 2026.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Grant decision on the project launched by ATV Transpordi Aktsiaselts, signed on 26 September 2022.</li> <li>iii. Grant decision on the project launched by Waybiller OÜ, signed on 26 September 2022.</li> <li>iv. Grant decision on the project launched by Live Technologies OÜ, signed on 26 September 2022.</li> <li>v. Grant decision on the project launched by Planlogi OÜ, signed on 26 September 2022.</li> <li>vi. Grant decision on the project launched by Eveod OÜ, signed on 26 September 2022.</li> <li>vii. Grant decision on the project launched by GoSwift OÜ, signed on 26 September 2022.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>viii. Call for proposals published online (<a href="https://eas.ee/toetused/e-veoselehe-arendamise-toetus/">https://eas.ee/toetused/e-veoselehe-arendamise-toetus/</a>), which was open from 31 May 2022 until 29 July 2022.</li> <li>ix. Regulation No. 36 of the Minister of Entrepreneurship and Information Technology establishing the terms for supporting the development of digital waybills services adopted on 5 May 2022 and entered into force on 9 May 2022 (publication in OJ: <a href="#">RT I, 06.05.2022, 19</a>), hereinafter referred to as “the Regulation”), <a href="https://www.riigiteataja.ee/akt/106052022019?leiaKehtiv">https://www.riigiteataja.ee/akt/106052022019?leiaKehtiv</a>.</li> </ol>			
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Estonian authorities cover all constitutive</p>			

elements of the target. In particular:

**Number of projects developing an eFTI platform which have received a positive grant decision is five.**

- According to the copies of the grant decisions by the Estonian Business and Innovation Agency (EAS), listed in the Evidence provided section ii to vii, six projects developing an eFTI platform have received a positive grant decision.

Furthermore, in line with the description of the measure, the objective of the measure is to support the digitalisation of the exchange of information in road freight transport **through the introduction of digital waybills, in accordance with the Regulation (EU) 2020/1056 on electronic freight transport information (eFTI).**

- A call for proposals was organised and grants were awarded based on the Regulation No. 36. Articles 2 and 6 of that Regulation specify that support is given for creating and developing eFTI platforms and data exchange systems. Notably, Article 2(2) of that Regulation specifies that the provision of support contributes to achieving an electronic freight transport information exchange platform that operates in accordance with the requirements of Regulation (EU) 2020/1056, serving as a proper e-freight consignment data exchange service. Article 6 of Regulation No. 36 specifies that the activity supported through grants is creation and development of eFTI platform and of the electronic information exchange service, such as described in Article 2 of the same Regulation.

Furthermore, in line with the description of the measure, the measure consists in **supporting the service providers in the establishment of eFTI platforms to enable the deployment of digital waybills (eCMR – electronic Consignment Note).**

- Page 1 of each grant decision (listed in the Evidence provided section as ii to vii) specifies that support is granted to service providers.
- Moreover, paragraphs 2 and 4 of the grant decisions specify that the awarded projects concern the development of an eFTI platform and of the basic functionalities to enable the deployment of digital waybills exchange service in line with the abovementioned requirements of the Regulation No. 36.<sup>4</sup>

Furthermore, in line with the description of the measure, the **corresponding projects shall be selected through a distinct call for proposals.**

- Chapter 4 of Regulation No. 36 (evidence ix) outlines the conditions and procedure for supporting development of digital waybills services. Notably, Articles 12 to 15 of that Regulation specify the detail of organising the call for tender. Article 16 of that Regulation specifies the award criteria and procedure for the selection of supported projects. Article 17 specifies the elements of the grant decisions.
- A link to the call for proposals published on the EAS webpage on 31 May 2022 was provided and listed in the Evidence section under point viii.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

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<sup>4</sup> Terms 'digital waybill' and 'eCMR' are used interchangeably in the context of this measure, and are referred to in the Estonian text as 'e-veoseleht'



<b>Number:</b> 24	<b>Related Measure:</b> 2.1. Green transition of enterprises
<b>Name of the Milestone:</b> Adoption of the Circular Economy Action Plan by the Green Transition Task Force	
<b>Qualitative Indicator:</b> Circular Economy Action Plan adopted	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>Milestone 24 is part of reform 2.1, which aims at improving the green transition of the business sector by (a) making existing businesses more efficient and environmentally friendly, and (b) by supporting the emergence of new green technology companies. The reform consists of the set-up of a broad-based Green Transition Taskforce to foster the cooperation between green technology stakeholders, and the adoption of legislation necessary for the implementation of complementary investments into green skills that will be implemented through the subsequent measures of the component of the RRP.</p> <p>Milestone 24 concerns the review of the existing Circular Economy activities and different action plans into a single Circular Economy Action Plan by the Green Transition Task Force that will contribute to the Estonian transition to Circular Economy.</p> <p>Milestone 24 is the second and last step in the implementation of reform 2.1 and it follows Milestone 23 related to the set-up of a task force and working groups.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled,</li> <li>ii. Copy of the Circular Economy Action Plan ("<i>Eesti ringmajanduse tegevuskava 2023</i>") by the Ministry of Environment published on 21 December 2022, accessible online <a href="https://ringmajandus.envir.ee/sites/default/files/2022-12/Eesti%20ringmajanduse%20tegevuskava%202023.pdf">https://ringmajandus.envir.ee/sites/default/files/2022-12/Eesti%20ringmajanduse%20tegevuskava%202023.pdf</a>. (hereinafter referred to as "Circular Economy Action Plan")</li> <li>iii. Copy of the Circular Economy White Paper ("<i>Ringmajanduse valge raamat</i>") by the Ministry of Environment published on 14 December 2022, accessible online <a href="https://ringmajandus.envir.ee/sites/default/files/2022-10/Ringmajandus%20valge%20raamat%20%282%29.pdf">https://ringmajandus.envir.ee/sites/default/files/2022-10/Ringmajandus%20valge%20raamat%20%282%29.pdf</a>. (hereinafter referred to as "Circular Economy White Paper")</li> <li>iv. Copy of the draft of the Environment Action Plan ("<i>Eelnõu draft 2</i>") by the Ministry of Environment published on 10 February 2023, accessible online <a href="https://envir.ee/media/9470/download">https://envir.ee/media/9470/download</a>. (hereinafter referred to as the "draft of the Environment Action Plan")</li> <li>v. Copy of the Green Transition Plan ("<i>Rohepöörde tegevusplaan</i>") by the Prime Minister's office published on 16 December 2022, accessible online <a href="https://valitsus.ee/media/5657/download">https://valitsus.ee/media/5657/download</a>. (hereinafter referred to as the "Green Transition Plan")</li> <li>vi. Minutes of the 8<sup>th</sup> meeting of the Green Transition Task Force ("<i>Ettevõtete rohepöörde rakkerühma VIII kohtumine</i>") held on the 14 December 2022 by the Green Transition Task Force. (hereinafter referred to as "Minutes of the 8<sup>th</sup> meeting of the Green Transition Task Force")</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Estonian authorities covers all constitutive</p>	

elements of the milestone. In particular:

**The Green Transition Task Force shall review the existing Circular Economy activities and different action plans into a single Circular Economy Action Plan that will lead the Estonian transition to Circular Economy.**

The Green Transition Task Force has reviewed the Circular Economy White Paper by the Ministry of Environment, the draft of the Environment Action Plan by the Ministry of Environment and the Green Transition Plan prepared under the coordination of the Prime Minister's office as a basis for the single Circular Economy Action Plan. The Circular Economy White Paper sets the vision (defined on page 4) and goals (six goals are defined on page 13 to 21) for the circular economy of Estonia. The draft of the Environment Development Plan on page 5 highlights that Circular Economy is a horizontal issue. The draft of the Green Transition Plan focuses on the reduction of the impact of climate change, the protection of biodiversity, as well as the sustainable and competitive enterprises as defined on page 1 of the plan.

Based on the three documents mentioned above, the Ministry of Environment submitted a first version of the Circular Economy Action Plan for revision to the Green Transition Task Force. The Circular Economy Action Plan is publicly available on the website of the Ministry of Environment. As stated on page 1 of the minutes of the 8<sup>th</sup> meeting of the Green Transition Task Force from 14 December 2022, the Circular Economy Action Plan was adopted by the Green Task Force.

As outlined on page 3 of the Circular Economy Action Plan, the plan sets out 10 actions which will lead the Estonian transition to a Circular economy. The objectives defined on page 4 of the Action Plan focus on green public procurement, the encouragement of circular economy principles in legislations, the implementation of EU funds in the 2021 to 2027 programming period, the implementation of a project in the area of the packaging of deposits, the support of circular economy capacity building in local governments, the support associated with measure 2.1 of the Estonian RRP, the preparation for the transposition of Union law related to sustainable products, the enforcement and implementation of the National Waste Management Plan, and the implementation of a private sector waste project.

As defined in the verification mechanism, the Estonian authorities have provided a copy of the Circular Economy Action Plan and the public link to the document.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 41	<b>Related Measure:</b> 2.7. Creating opportunities for the uptake of renewables-based green hydrogen technologies
<b>Name of the Milestone:</b> Entry into force of the ministerial decree setting out the terms and conditions for granting support	
<b>Qualitative Indicator:</b> Entry into force of the ministerial decree	<b>Time:</b> Q4 2022
<b>Context:</b> The objective of measure 2.7. is to support the deployment and piloting of hydrogen integrated value chains from energy production and supply solutions to final consumption in different application areas. The projects to be supported shall be selected following a call for proposals open to all economic sectors. The electricity used to produce hydrogen shall be produced from renewable energy and the consumption of green hydrogen shall take place in Estonia.	
Milestone 41 requires the development of project selection criteria, and the entry into force of the	

ministerial decree on the conditions for granting support for projects related to integrated green hydrogen technologies. The terms of reference for this support shall include eligibility criteria that ensure that the objectives of the selected projects comply 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.

Milestone 41 is the first milestone under the investment on the uptake of renewables-based green hydrogen technologies and it is followed by milestone 42 related to the procurement, installation and start of operation of technologies and equipment and by target 43 related to the allocation of grants to renewables-based green hydrogen technologies representing at least EUR 49.49 million. The investment has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.
- ii. Copy of the Ministerial regulation no 109 "Conditions and procedure for granting support for the deployment of green hydrogen in the transport sector and as feedstock for the chemical industry" adopted on 30 December 2022 and entered into force on 7 January 2023 (publication in OJ: RT I, 4.1.2023, 1), hereinafter referred to as "the Regulation")
- iii. Copy of the Amendment of the Ministerial Regulation no 109 to ensure compliance with the DNSH, CID and Commission Regulation amending Regulation (EU) No 651/2014 (GBER) (publication in OJ: RT I, 08.07.2023, 9), hereinafter referred to as "the Amendment"
- iv. Copy of the Annex to the Ministerial Regulation no 109 adopted on 30 December 2022 and entered into force on 7 January 2023 – "Criteria for the evaluation of the integrated green hydrogen chain" (hereinafter referred to as "the Annex")

The member state also provided:

The authorities also provided:

- v. Copy of the DNSH guidance for applicants on how to access compliance with the DNSH Technical Guidance (2021/C58/01) issued by the Environmental Investment Centre
- vi. Copy of the guidance on the Climate proofing of infrastructure issued by the Environmental Investment Centre
- vii. Copy of the press release of the Environmental Investment Centre "The country supports hydrogen projects with EUR 49 million", from 5 January 2023
- viii. Analysis of the hydrogen resources usage in Estonia by the Ministry of Climate and the Ministry of Economic Affairs and Communications, May 2021
- ix. Estonian hydrogen roadmap by the Ministry of Climate and the Ministry of Economic Affairs and Communications, February 2023
- x. The confirmation page from the E-toetus system, where all the applications should be presented (printscreen)

**Analysis:**

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



- **Development of project selection criteria, and entry into force of the ministerial decree on the conditions for granting support for projects related to integrated green hydrogen technologies.**

- The Council Implementing Decision required the development of project selection criteria, and conditions for granting support to be enacted by a decree of the responsible minister. The project selection criteria and conditions for granting support for projects related to integrated green hydrogen technologies have been established through the Regulation issued by the Minister of Economic Affairs and Communications on the conditions and procedure for granting support for the deployment of green hydrogen in the transport sector and as feedstock for the chemical industry (“the Regulation”). Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, according to Estonian internal legislation, a Minister is empowered to only issue regulations and directives. Following, the implementation of this specific milestone a regulation of the minister responsible for the area needs to be issued. The Regulation has 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 this milestone represents. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.
- The Regulation entered into force on 7 January 2023, as established in the preamble, and an amended version, which notably clarified the conditions for granting state aid and the do-no-significant-harm provisions (the Amendment), entered into force on 11 July 2023, as established in the preamble.
- In Chapter 1, paragraph 2, 1) of the Regulation the purpose of the grant is described as: to test different integrated green hydrogen deployment chains, from the production of green hydrogen to final consumption, when implementing pilot projects to reduce greenhouse gas emissions. In Chapter 1, paragraph 3, 11), “green hydrogen” is defined as hydrogen produced from renewable feedstocks and from renewable sources which is fully produced through water electrolysis, biogas reforming or biochemical conversion of biomass, in line with relevant sustainability criteria for renewable fuels and biogas of non-biological origin as set out in Directive 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (‘the Renewable Energy Directive’) and which have not been produced using biomass or fuels derived therefrom as energy sources.
- In Chapter 1, paragraph 2, 1) it is described how the grant supports a comprehensive solution for the production and deployment of green hydrogen in the transport sector and as a feedstock for the chemical industry. The support will result in the deployment of green hydrogen as fuel in the transport sector or the use of green hydrogen for the production of feedstocks in the chemical industry.
- On 29 January 2024 the Minister of Climate signed the amendment of the Regulation on the basis of which the second call will be conducted, with notably these changes: for granting support raw materials of the chemical industry in line with the Renewable Energy Directive can be used not only in the chemical industry, but also for other purposes, including as transport fuel or in agriculture, and the end date of the eligibility period is extended until June 1, 2026.
- The conditions for granting support are described as selection criteria and published in the Annex. Projects will be evaluated according to the following criteria and their proportions:
  - annual average reduction of greenhouse gases and other accompanying

- air emissions (assessment criterion no. 1);
  - subsidy amount per ton of avoided CO<sub>2</sub>e (€/t CO<sub>2</sub>e) assessment criterion no. 2);
  - volume of green hydrogen produced per year (t/) as a result of the project, such as the volume of green hydrogen produced per year and used by the transport sector or of the chemical industry as raw material on average into use per year (assessment criterion no. 3);
  - hydrogen selling price (€/kg) (assessment criterion no. 4).
- For the second call, the evaluation criteria established by the Annex were amended: only the annual average reduction of greenhouse gases (and not of other accompanying air emissions) is evaluated under evaluation criterion 1.

- **The terms of reference for this support shall include eligibility criteria that ensure that the objectives of the selected projects comply 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.**

- The milestone sets requirements regarding the terms of reference of the support. These requirements are fulfilled by the Regulation of the Minister of Economic Affairs and Communications which sets out, among others, eligibility criteria to ensure that the selected projects comply with the ‘Do no significant harm’ Technical Guidance (2021/C58/01). Notably, paragraphs 6, 12 and 15 lay down that support is to be granted to a project that respects the climate and environmental standards and priorities of the European Union and does not cause significant harm within the meaning of Article 17 of Regulation (EU) 2020/852. Paragraph 12 lays down that all applications must provide the confirmation and explanation of the compliance of the project with the DNSH principle. In order to assess compliance with the DNSH principle, each applicant must use the Technical Guidance (2021/C58/01) and the guidance published by the Environmental Investment Centre. The DNSH principle is one of the eligibility criteria for projects.
- Additionally, an exclusion list in line with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), excluding from eligibility activities related to fossil fuels, activities under the European Union Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, activities related to waste landfills incinerators and mechanical biological treatment plants, and activities where the long-term disposal of waste may cause harm to the environment, is provided in paragraph 6 of the regulation. Additionally, for activities under the EU Emission Trading System (ETS) additional information and explanations notably with respect to the predicted level of greenhouse gas emissions and to the technology used have to be provided by the project applicant, as set out in paragraph 12 (2) points 1-4 of the regulation.
- Finally, the applicant has to confirm that the activities planned in the application comply with European Union and national legislations on the confirmation page from the E-toetus system, where all the applications have to be presented (confirmation page from [the E-toetus system](#)).

- Furthermore, in line with the measure description, **the electricity used to produce hydrogen shall be produced from renewable energy and the consumption of green hydrogen shall take place in Estonia.**
  - Paragraph 7 defines the criteria to ensure that the energy used for potential projects is guaranteed to be renewable. Paragraph 7 (1), point 1 to 5 defines the requirements for renewable energy used to produce green hydrogen.
  - As defined in paragraph 2 (1) of chapter 1 defining the objective of granting aid under this measure in the amended regulation, the purpose of the grant is to test different integrated green hydrogen deployment chains, from the production of green hydrogen to final consumption in Estonia. In paragraph 21 (4) within chapter 7 on the rights and obligations of the final recipient in the amended regulations, it is defined that assets acquired or constructed under this measure to support the value chain of hydrogen must be used in Estonia. Paragraph 2 and paragraph 21 in conjunction ensure that the consumption of green hydrogen resulting from facilities supported under this measure will be in Estonia.
  
- Furthermore, in line with the measure description, **the projects to be supported shall be selected following a call for proposals open for projects from all economic sectors.**

The Council Implementing Decision required the call for proposals to be open for projects from all economic sectors. However, the call for proposals was open to projects only from the transport and chemical sectors. In May 2021 the Ministry of Climate and the Ministry of Economic Affairs and Communications issued an analysis on the possible projects related to integrated green hydrogen technologies in Estonia. The analysis describes the state of play in the market (page x) and identifies the sectors with the largest interest and potential for carrying out projects (page x). The analysis was based on interviews carried out with different stakeholders including members of companies covering all economic sectors, such as energy (for example Eesti Energia and Sunly), chemicals (for example VKG AS) and transport industries (for example Tallinna Sadam) as well as representatives of the Ministry of the Economic Affairs and independent experts from the Tallinn University of Technology (a list is given on page 382). Furthermore, the Analysis shows that the transport and chemical sectors are the sectors with most potential to achieve in a sustainable, efficient and effective manner the objective of the measure, including aligning strategic priorities with the identified potential for greenhouse gas emission reduction and existing sector readiness. Moreover, the analysis shows the greater hydrogen needs in the chemicals and transport sector. More precisely, Chapter 3.5 (page 134) gives an overview of the potential needs of the hydrogen for years 2030 and 2050 in four different sectors: transport, chemicals, buildings and energy. The data is presented in two scenarios, which reflect the necessity of hydrogen usage according to low and high ambition scenarios. According to the presented data, the potential consumption of hydrogen by 2050 will be the highest in the chemical and transport industry (annual estimated consumption of up to 87,845 tons in the chemical sector and up to 214,174 tons in the transport sector), compared to a much smaller potential in the buildings and energy sector (up to 13,175

tons for buildings and 2,500 tons for energy) (page 136 to 144). Estonia has a large potential for the usage of hydrogen in the transport sector, as this sector still heavily relies on fossil fuels. The potential of hydrogen in the industrial sector of Estonia is to reduce the dependence on importing of the industry for chemical products based on fossil sources. This can be done by setting up a domestic ammonia and methanol industry based on hydrogen.

Based on this analysis of the potential for hydrogen consumption in all economic sectors, the call for projects was opened for the transport and chemical industry. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, it does not change the nature of the measure and does not affect the progress towards achieving the investment the milestone represents as the two largest sectors in realising the hydrogen potential in Estonia have been prioritised after a thorough analysis based on stakeholders interviews and expert knowledge considering the transport and chemical sectors as those with the biggest potential to achieve in an efficient manner the objective of the measure. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 47	<b>Related Measure:</b> 3.2. Development of event services and proactive digital public services for individuals		
<b>Name of the Target:</b> Launch of personal life event services and/or proactive services			
<b>Quantitative Indicator:</b> Number of services which are operational	<b>Baseline:</b> 0	<b>Target:</b> 2	<b>Time:</b> Q4 2022
<b>Context:</b>			
<p>The measure 3.2. aims to improve the efficiency of the delivery of public services and reduce the administrative burden for citizens. The reform consists of redesigning a series of public services (and the underlying IT systems) in order to enable their automatic and proactive delivery on the basis of life or business events experienced by citizens (such as a marriage, the birth of a child or the creation of an enterprise). It shall notably allow better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle.</p> <p>Target 47 requires the launch of two citizen life event services and/or proactive services online.</p> <p>Target 47 is the first step in the implementation of this reform and will be followed by target 48, which consists of the launch of eight additional personal life event services and/or proactive services. The reform has a final expected date for implementation of 31 December 2025.</p>			
<b>Evidence Provided:</b>			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.</li> <li>ii. Meeting minutes of the “Getting married” Steering Committee (from 28 January 2022, from 24 March 2022, 2 June 2022 and 1 December 2022)</li> </ol>			

- iii. Meeting minutes of the “Having a baby” Steering Committee (from 12 April 2022, 22 September 2022, 20 October 2022 and 15 December 2022)
- iv. Document explaining the developments undertaken and justifications for the life event service “Getting married” by the Estonian Ministry of Economic Affairs and Communications.
- v. Document explaining the developments undertaken and justifications for the life event service “Having a baby” by the Estonian Ministry of Economic Affairs and Communications.

The authorities also provided:

- vi. Population Register website where the marriage application can be submitted (<https://www.rahvastikuregister.ee/family/marriage-registration/form>)
- vii. State portal landing page on the birth of a baby (<https://www.eesti.ee/et/perekond/lapse-saamine>)
- viii. Roadmap explaining development of next planned event services and proactive digital public services for individuals by the Estonian Ministry of Economic Affairs and Communications (<https://mkm.ee/digiriik-ja-uhenduvus/digiteenused/sundmusteenused>)
- ix. Life event services analysis carried out in 2020 by PWC and Trinidad Wiseman
- x. Screenshots of the steps of submitting the online marriage application
- xi. Screenshots of the steps of submitting the online birth application from 14 November 2023.
- xii. Visitor statistics of two life event services from the period Q1-Q2 2023

#### Analysis:

The justification and substantiating evidence provided by the Estonia authorities covers all constitutive elements of the target. In particular:

- **Number of citizen life event services and/or proactive services launched online.**
  - Meeting minutes of the “Getting married” Steering Committee (evidence ii) number 1-19/375-1 from 1 December 2022 contains the Steering Committee’s decision that phase I of the “getting married” event service was ready to be launched on 30 December 2022. On 30 December 2022 a first citizen life event services enabling easy application for getting married, was launched on the Population Register’s website (evidence vi). At a meeting that took place on 27 November 2023, the Commission’s services conducted an on-the-spot check to verify the fulfilment of the target’s description in the case of the “Getting married” service. The on-the-spot check was finalised successfully without any issues found. During the check, it was verified that with this service, people can initiate marriage at the portal. The application will then be sent to the partner, who has up to 30 days to accept or decline the marriage proposal. Per Estonian law, the couple still has to meet an official in person to officiate the marriage. During the online marriage application process, the initiator can choose the preferred date, time and venue. The link to the service is [https://www.eesti.ee/syndmusteenused/et/marriage/marriage\\_application](https://www.eesti.ee/syndmusteenused/et/marriage/marriage_application).
  - Meeting minutes of the “Having a baby” Steering Committee (evidence iii) from 15 December 2022 contains the Steering Committee’s positive opinion of readiness of the service, as well as a discussion of the outcome of the testing of the service. On 22 December 2022 a second citizen life event services “Having a baby” , was launched on the State portal landing page (evidence vii). At a meeting that took place on 20 December 2023, the Commission’s services conducted another on-the-spot check to verify the fulfilment of the target’s description in the case of the “Having a baby” service. The on-the-spot check was finalised successfully without any issues found. During the

check, it was verified that with this service, prospective or recent parents can acquire all the information about public services and benefits they are entitled to from one place. At the website of the information service, users can enter the expected delivery date or the actual birthdate of their newborn and a timeline (a comprehensive information field) with the most important available services and benefits is then drawn for them. Users can click on any of the elements on the timeline drawn to receive further information, which includes a link to the service or application for benefits. The link to the service is: <https://www.eesti.ee/et/perekond/lapse-saamine>.

- **The corresponding IT solutions enabling the provision of the services shall be operational at least in the basic parts of a given service [...]**

As the evidence for having operational IT solutions was provided in the form of links to the services (evidence vi and vii), the Commission services conducted on-the-spot checks to verify that the two life event services are operational at least in the basic parts of the service.

- At a meeting that took place on 27 November 2023, the Commission services conducted an on-the-spot check to verify the fulfilment of the target's description in the case of the "Getting married" service. During the check, the Estonian Ministry of Interior demonstrated that the citizen life event service "Getting married" is online and operational at least in the basic parts of the service. The on-the-spot check was finalised successfully without any issues found.
- At a meeting that took place on 20 December 2023, the Commission services conducted another on-the-spot check to verify the fulfilment of the target's description in the case of the "Having a baby" service. During the check, the Estonian Ministry of Interior demonstrated that the citizen life event service, "Having a baby" is online and operational at least in the basic parts of the service. The on-the-spot check was finalised successfully without any issues found.

- **[...] and are subject to a further development during the implementation of the measure.**

The roadmap explaining development of next planned event services and proactive digital public services for individuals (evidence viii, published at the website of the Estonian Ministry of Economic Affairs and Communications) provides Estonia's plans regarding further developments during the implementation of the measure. More specifically:

- The development of the "Getting married" service is to continue into Q4 2024
- The development (creation of a mobile view) of the "Having a baby" service is to continue into Q4 2024

- **The selection of concerned services shall be based on the development plan for personal life event and proactive services.**

The Estonian authorities had commissioned (outside the RRF) an analysis of the advantages and needs for the development of event services from PWC and Trinidad Wiseman. This analysis was carried out in 2020. In total, 15 event services were selected and analysed for the final report of the analysis (evidence ix). The methodology of the analysis, the metrics of event services and the risks related to their provision and development are described in the final report itself (evidence ix). The analysis of each individual life event service considered for further development is found in the report. Based on the analysis, the Estonian authorities selected 10 life event services to be implemented in the Estonian RRP measure 3.2. These 10 selected life event services, which are listed on the roadmap (evidence viii) explaining the development of the next planned event services and proactive digital public services for individuals.

Combined, the analysis (evidence ix) and the roadmap (evidence viii) demonstrate that the selection of concerned services is based on the development plan for personal life event and proactive services.

Furthermore, in line with the description of the measure, **the measure shall notably allow a better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle.** Both life event services launched online to meet the target 47 requirements allow a better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle. Furthermore, in line with the description of the measure, **the measure shall notably allow a better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle.** Both life event services were launched online to meet the target 47 requirements allow a better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle. More specifically:

- A document explaining the developments undertaken and justifications for the life event service “Getting married” (evidence iv) shows that getting married was one of the last public services in Estonia that involved submitting a paper application and appearing in person in the Vital Statistics Department to register the marriage. Besides the lack of digital solutions, the various services related to getting married were being offered by different authorities, which was confusing for the users of the service. The goal of the development of the service “getting married”, therefore, was to create a digital application process and a single service portal (in the state portal eesti.ee) to increase the user-friendliness of the life event service, implemented using the once-only principle. As the evidence for better integration of IT systems across different public authorities and contribution to the implementation of the once-only principle was provided in the form of a document prepared by the Estonian authorities (evidence iv), the Commission performed an online on-the-spot check on 27 November 2023. This was done in order to obtain reasonable assurance that the explanations provided in the document (evidence iv) were correct. The on-the-spot check was finalised successfully without any issues found.
- A document explaining the developments undertaken and justifications for the life event service “having a baby” (evidence v) shows that while the services regarding having a child (such as planning maternity leave before the birth, planning paternity leave regarding the birth, naming a baby after birth, signing up to the family doctor) were already digitized and accessible through digital channels, a comprehensive ‘information field’ was created to help the families navigate myriad of different services and the steps needed to be taken. This information field gives both a brief overview and an in-depth description of the different services and mandatory steps that need to be taken in order to use public services. As the evidence for better integration of IT systems across different public authorities and contribution to the implementation of the once-only principle was provided in the form of a document prepared by the Estonian authorities (evidence v), the Commission performed an online on-the-spot check on 20 December 2023. This was done in order to obtain reasonable assurance that the explanations provided in the document (evidence v) were correct. The on-the-spot check was finalised successfully without any issues found.

ivviviiviii

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 49	<b>Related Measure:</b> 3.3. Development of event services and digital gateway for entrepreneurs		
<b>Name of the Target:</b> Deployment of IT developments contributing to the implementation of the business event services and gateway			
<b>Quantitative Indicator:</b> Number of projects that have successfully deployed new developments online	<b>Baseline:</b> 0	<b>Target:</b> 1	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of measure 3.3 is to improve the efficiency and quality of the delivery of public services and reduce the administrative burden for entrepreneurs. The reform consists of establishing one digital gateway for the delivery of public services to entrepreneurs and redesigning a series of services (and the underlying IT systems) in order to interface them with the gateway, supporting the user-friendliness of services, the implementation of the once-only principle and, whenever possible, enabling the proactive delivery of information based on events experienced by businesses.</p> <p>Target 49 concerns the online deployment of the first IT development project contributing to the implementation of the business event services and gateway. This development project shall be either directly related to the development of the digital gateway for entrepreneurs or to the development of business-event services, which additionally include the development of various related systems for interfacing with the digital gateway.</p> <p>Target 49 is the first step of the implementation of the reform, and it will be followed by target 50, related to nine additional IT development projects. The measure has a final expected date for implementation of 31 December 2025.</p>			
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the target (including all the constitutive elements) was satisfactory fulfilled.</li> <li>ii. Link to the new portal for Estonian entrepreneurs (<a href="https://www.eesti.ee/ettevotja/en">https://www.eesti.ee/ettevotja/en</a>).</li> <li>iii. Final report of the project ‘analysis of the digital architecture of the one-stop shop for entrepreneurs’ by the Krabu Grupp and Wisercat.</li> <li>iv. Steering Group’s meeting minutes from 9 December 2022.</li> <li>v. Receipts for key works performed. These documents detail the cost, the quantity and the content of work carried out by various contractors to develop the portal. With these documents, the Estonian Information System Authority (RIA) acknowledges that the contractors mentioned in respective acts have completed the development works.</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>vi. Analysis and development of the gateway eesti.ee for entrepreneurs in 2021-2022: technical description by the Estonian Ministry of Economic Affairs and Communications.</li> <li>vii. Final report of the project ‘vision of the one-stop shop for entrepreneurs’ by Nortal.</li> <li>viii. Link to the framework procurement (<a href="https://riigihanked.riik.ee/rhr-web/#/procurement/3687996/general-info">https://riigihanked.riik.ee/rhr-web/#/procurement/3687996/general-info</a>).</li> <li>ix. A link to website of the Estonian Ministry of Economic Affairs and Communications</li> </ol>			



([www.mkm.ee/digivarav](http://www.mkm.ee/digivarav)) where nine business-event services to be launched between 2023 and 2025, and their tentative launch schedules, have been listed.

x.

**Analysis:**

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

- **Number of IT development projects contributing to the implementation of the business event services and gateway that have successfully deployed new developments online.**

One IT development project (a new portal for Estonian entrepreneurs) in line with the description of the target and that of the related measure has been completed as justified by evidence ii. As the evidence for successfully deploying new development online was provided in the form of a link to the service (evidence ii), the Commission performed an online on-the-spot check on 14 December 2023. This was done in order to obtain reasonable assurance that the IT development project contributing to the implementation of the business event services and gateway had successfully deployed new developments online. During the on-the-spot check (where the Estonian authorities demonstrated the functioning of the digital gateway), it was confirmed that the corresponding developments had successfully been deployed online. The on-the-spot check was finalised successfully without any issue found.

In the vision document (evidence vii, pages 11-12), the digital gateway for entrepreneurs is conceptualised as a tool that ‘provides public e-services and information and enables facilitation of contacts between businesses and the state (such as, formation of the company, merger/splitting of businesses, bankruptcy, liquidation of a business, applying for different licenses, management of powers of representation, interaction with the state institutions, services to support companies with specific indicators) as a complete service “from a single window” in the eesti.ee portal.’ Since the completed IT development project consists of a new portal for Estonian entrepreneurs (from where entrepreneurs can get, for example, information as a complete service “from a single window” in the eesti.ee portal), it contributes to the implementation of the business event services and gateway.

- **These development projects shall be either directly related to the development of the digital gateway for entrepreneurs or to the development of business-event services, which additionally include the development of various related systems for interfacing with the digital gateway.**

One IT development project (a new portal for Estonian entrepreneurs) was directly related to the development of the digital gateway for entrepreneurs, as justified by evidence ii. As the evidence for successfully deploying a new development online was provided in the form of a link to the service (evidence ii), the Commission performed an online on-the-spot check on 14 December 2023. This was done in order to obtain reasonable assurance that the IT development project was directly related to the development of the digital gateway for entrepreneurs. During the on-the-spot check (where the Estonian authorities demonstrated the functioning of the digital gateway), it was confirmed that the project is indeed directly related to the development of the digital gateway for entrepreneurs. The on-the-spot check was finalised successfully without any issues found.

The development project is not directly related to the development of business-event services which additionally include the development of various related systems for interfacing with the digital gateway. The development project consists of the portal (digital gateway for entrepreneurs) itself and not of the business-event services.

- **As a result of each development project, at least a minimally functional IT solution shall be**

**completed (i.e., the IT solution shall be operational at least in the basic parts for the end users (entrepreneurs) and shall be able to provide feedback for further development needs during the reform implementation period or afterwards).**

As a result of one development project, at least a minimally functional IT solution (a new portal for Estonian entrepreneurs) was completed as justified by evidence ii. As the evidence for at least a minimally functional IT solution was provided in the form of a link to the service (evidence ii), the Commission performed an online on-the-spot check on 14 December 2023. This was done in order to obtain reasonable assurance that the IT solution was operational at least in the basic parts for the end users (entrepreneurs) and that it was able to provide feedback for further development needs during the reform implementation period or afterwards. During the on-the-spot check (where the Estonian authorities demonstrated the functioning of the digital gateway), it was confirmed that the new portal for Estonian entrepreneurs is operational at least in the basic parts for the end users (entrepreneurs).

Users are able to submit feedback for further development through the feedback form (<https://www.eesti.ee/ettevotja/en/tagasiside>).

During the on-the-spot check, the Commission services also confirmed that the Estonian authorities collect and process feedback from the digital gateway for entrepreneurs using Kibana, a data visualisation dashboard software.

The on-the-spot check was finalised successfully without any issues found.

Plans for further development were shown on the image depicting nine business-event services to be launched between 2023 and 2025, and their tentative launch schedules (evidence ix).

Furthermore, in line with the description of the measure, the target **shall take into account the solutions developed in the context of the implementation of Regulation (EU) 2018/1724 establishing a single digital gateway to provide information, procedures, assistance and problem-solving services.**

- In the framework procurement documents (evidence viii, section dealing with the description of the works, page 6, paragraph 4.2.15), it is stated that ‘the work to be completed must be in line with the existing Single Digital Gateway Regulation (SDG) requirements’ and footnote 2 makes it explicit that this refers to the Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (Text with EEA relevance.)

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 63	<b>Related Measure:</b> 4.1. Energy efficiency promotion	
<b>Name of the Milestone:</b> Conclusion of the cooperation agreement stipulating conditions for cooperation between SA Kredex/Enterprise Estonia and county development centers		
<b>Qualitative Indicator:</b> Conclusion of the cooperation agreement between SA KredEx/ Enterprise Estonia and county development centers		<b>Time:</b> Q4 2022
<b>Context:</b> The reform aims to reduce the administrative barriers to energy efficient renovations by advising apartment associations, private households and local governments on legislation, technical aspects and financing of renovations. The reform also supports the use of innovative solutions, such as renovation using prefabricated elements, to increase renovation capacity and reduce the carbon footprint of the		

building stock.

Milestone 63 concerns the setting up of a regional advisory network and training of technical consultants in order to provide the necessary information and incentivise renovations.

Milestone 63 is the first step of the implementation of measure 4.1 and it will be followed by milestone 64, related to operationalising digital tools to facilitate access to information on renovation, including visualising the results of the renovation and estimating the cost of renovation. The reform has a final expected date for implementation in Q4 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) has been satisfactorily fulfilled.
- ii. Copies of the cooperation agreements between SA KredEx and each of the 14 county development centres (hereinafter referred to as cooperation agreements)
- iii. The job description of the SA KredEx Partner relations manager in the area of housing and energy efficiency providing renovation advice directly in Harjumaa county
- iv. The job description of the SA KredEx Client Manager in the area of housing and energy efficiency providing renovation advice directly in Harjumaa county
- v. Link to the County Development Center webpage where apartment associations can get information and register for counselling through an online form (<https://www.arenduskeskused.ee/korteriuhistute-noustamine-kredexi-teenuste-osas/>)
- vi. Reporting by county development centres on consultations carried out

The authorities also provided:

- vii. Annual report of SA Kredex (2021) describing the more extensive renovation counselling system by SA KredEx starting in 2021 ([KredEx 2021 annual report.pdf](#)). The system includes an advisory centre in every county to introduce the services for apartment buildings
- viii. Newsletter about consultations and advising apartment associations through County Development Centers (<https://kredexuudiskiri1.sendmail.net/templates/50f326ef-de08-5158-aa6d-1b2149d70d22/html/>)
- ix. <https://www.arenduskeskused.ee/korteriuhistute-noustamine-kredexi-teenuste-osas/> Article in a local newspaper “Harju Elu” on the County Development Center to start advising apartment associations (<https://www.harjuelu.ee/maakondlikud-arenduskeskused-asuvad-korteriuhistuid-noustama/>, 24 May 2021)
- x. Estonia’s long-term reconstruction strategy, which underlines raising awareness with apartment associations who have not participated in the previous reconstruction measures ([Hoonete rekonstrueerimise pikaajaline strateegia \(1\).pdf](#), July 2020)
- xi. Decree from Minister of Economic Affairs and Communications setting out the terms and conditions of support for renovation of apartment buildings as well as mandatory requirements for technical consultants adopted on 3 March 2023 on conditions for support of energy-efficiency in apartment buildings (*Korterelamute energiatõhususe toetuse tingimused*, [RT I, 08.03.2023](#), ) (hereinafter referred to as Ministerial decree)
- xii. A sample contract for a technical consultant.

- xiii. Presentation describing the renovation process and different levels of counselling system in Estonia (Added as an attachment to the cover note)
- xiv. The chart of customer's journey to receive counselling in Estonia (Added as an attachment to the cover note).

**Analysis:**

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

- **Conclusion of a cooperation agreement by SA KredEx/Enterprise Estonia with county development centers [...]**

Based on evidence provided by Estonia (evidence ii. listed above), the cooperation agreements between SA KredEx and 14 County Development Centers have been concluded between the period of 4 May 2021 and 19 May 2021.

- **by which in each county of Estonia SA KredEx/Enterprise Estonia shall provide at least one trained specialist in the county development centre who shall provide advice on renovation.**

According to Estonia's long-term reconstruction strategy (evidence x), implementation of the renovation objectives requires broad-based awareness-raising. Based on this and experience acquired in the previous renovation support measures, a comprehensive energy efficiency promotion scheme (point xii) has been developed.

The scheme consists of three levels, where the activities are divided according to whether or not the apartment association has made a renovation decision.

Level 1 – County Development Centres - free counselling services in 14 counties (evidence ii). As SA KredEx is located in Tallinn, the on-site consulting of Harju County apartment associations is provided directly by KredEx (evidence iii and iv). This level is an entry point, where the decision by an apartment association whether to renovate or not, is made.

Level 2 – Regional Technical Experts – free advice in nine regions, on technical solutions and the necessary steps for carrying out the renovation process (including preparation of the renovation project, list of works).

Level 3 – Institution of Technical Consultants – the technical consultant is mandatory by Ministerial decree when submitting application for support (evidence xi - Ministerial decree on conditions for support of energy-efficiency in apartment buildings, § 8). The consultant organizes, in cooperation with the beneficiary, the preparation of the renovation project, procurement of relevant works and services, and the coordination of works.

As regards level 1, which is subject to this milestone, according to paragraph 2.1.1.1. of the cooperation agreements (evidence ii), each development centre designates at least one consultant, with knowledge of the existing measures of KredEx targeted at apartment buildings, who can advise on the nature and use of the measures, to each of the 14 County Development Centers.

Each consultant is required to have vocational or higher education, with professional experience preferably in the following fields - real estate, construction or banking as stipulated in its job description (evidence iii and iv) and can therefore be considered as a trained specialist.

The consultants in the county development centres provide advice on the following (as indicated in evidence v above):

- Renovation loans, loan guarantees for apartment associations and reconstruction grants for apartment buildings.
- The consultant explains:
  - what services are suitable for certain apartment associations;
  - what are the requirements for the applicant and the application;
  - what documents are required to apply;
  - what is the list of works to be financed with the help of the loan, guarantee or grant;
  - what are the obligations of the grant recipient;
  - what is the process and what are its deadlines.
- Paragraph 2.1.1.4. of the cooperation agreements (evidence ii) states that the consultants participate in seminars, events, trainings, etc. organized by KredEx and its partners.
- Paragraph 2.1.1.2 of the cooperation agreements (evidence ii) specifies that the consultation service is provided by telephone, e-mail and on site. In addition, Paragraph 2.1.1.3. of the cooperation agreements (evidence ii) specifies that consultants from County Development Centers can be invited to participate in the general meeting of the apartment association.

As required by paragraph 2.1.2. of point ii (cooperation agreements), the County Development Centers report each month to KredEx on the consultations carried out. As specified in the Annex to cooperation agreements, the reporting includes a list of apartment associations who were advised and the contents of the consultation. Evidence vi shows that in each County Development Center at least one consultation has taken place.

The cooperation agreements provide that since 2021, there has been an advisory centre in every Estonian county to guarantee the up to date and comprehensive local awareness about the renovation process and KredEx services for apartment buildings.

The milestone in the Council Implementation is further specified in the Operational Arrangements, which requires **the renovation advice in Harjumaa county to be provided by the SA KredEx/Enterprise Estonia**. Given that SA KredEx head office is located in Tallinn in Harjumaa County, the daily counselling on renovation in this county is carried out through the head office by the SA KredEx Partner Relations Manager or Client manager (job description is given as evidence iii and iv).

Furthermore, in line with the description of the measure, **the measure consists of setting up a regional advisory network, and training of technical consultants in order to provide the necessary information and incentivise renovations .**

- The cooperation agreements concluded between county development centres and KredEx (evidence ii) and the special arrangements in Harjumaa county (job descriptions of consultants evidence iii and iv) demonstrate that a regional advisory network has been set up.
- Paragraph 2.1.1.4 of the cooperation agreements specifies that training is given to technical consultants (evidence ii).
- The reporting on the consultations carried out shows that the necessary information is provided and renovations are incentivised (evidence vi).
- In addition, according to the KredEx annual report (evidence vii, page 17), by the end of 2021, approximately 500 consultations had taken place all over Estonia.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

**Number:** 76

**Related Measure:** 4.6. Programme to boost energy production in industrial areas

**Name of the Milestone:** Publication of a call for proposals for projects boosting energy production in industrial sites

**Qualitative Indicator:** Call for proposals published

**Time:** Q4 2022

**Context:**

The objective of measure 4.6. is to make the electricity system more effective by incentivising the production of electricity close to consumption. The measure shall incentivise renewable electricity production in or nearby industrial areas through co-financing of the necessary grid connection. Under this measure, investments made by companies to connect renewable electricity production capacities into the grid shall be supported through grants.

Milestone 76 requires the publication of an open call for proposals for projects boosting energy production in industrial sites by the Environmental Investment Centre, in order to support the grid connection costs of companies producing electricity from renewable sources in industrial sites. The call shall be based on project selection criteria and award conditions that ensure that the selected projects comply 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.

Milestone 76 is the first milestone under the investment on boosting energy production in industrial areas and it is followed by target 77 aiming at an additional connection capacity for renewable electricity production in or near industrial sites constructed for at least 28 MW. The investment has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactory fulfilled.
- ii. Copy of the publication of the call for proposals and conditions at the webpage of the Environmental Investment Centre (hereinafter referred to as "the first call").
- iii. Copy of the publication of the second call for proposals based on amended regulation (hereinafter referred to as "the second call").

The authorities also provided:

- iv. Ministerial regulation No. 98 setting out the terms and conditions to support the grid connection costs of companies producing electricity from renewable sources in industrial sites adopted on 28 November 2022 and entered into force on 6 December 2022 (publication in OJ: RT I, 03.12.2022, 12), hereinafter referred to as "the Regulation".
- v. Amendment of the regulation No. 98 mainly to make it easier for the companies to apply for the grant, published on 17 August 2023 and entered into force on 20 August 2023 (publication in OJ: RT I, 17.8.2023, 2 ), hereinafter referred to as "the Amendment of the Regulation".
- vi. Copy of the call for proposals advertisement in newspaper Äripäev.
- vii. Copy of the second call for proposals advertisement in newspaper Eesti Päevaleht.
- viii. Information about the support measure at the transmission system operator's website (<https://elering.ee/investeeringutoetus>).
- ix. Press release on call for proposals, Environmental Investment Centre, 28 December 2022.

- x. Press release on new call for proposals, Environmental Investment Centre, 24 August 2023.
- xi. DNSH guidance for applicants on how to access compliance with the DNSH Technical Guidance, issued by the Environmental Investment Centre.
- xii. Explanatory note to the Regulation of the Minister for Economic Affairs and Infrastructure No. 98, 28 November 2022, written by Tauno Hilimon, Anastasia Petrova, Eva-Ingrid Room and Jaanika Vilde.
- xiii. The confirmation page from the E-toetus system, where all the applications should be presented (printscreen).

**Analysis:**

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

- **An open call shall be published by the Environmental Investment Centre to support the grid connection costs of companies producing electricity from renewable sources in industrial sites.**
  - A call for proposals (the first call) was published on the webpage of the Environmental Investment Centre and was open for applications from 28 December 2022 until 28 February 2023.
  - The conditions for granting support are set by the Regulation of the Minister of Economic Affairs and Communications which entered into force on 6 December 2022.
  - According to the Regulation, the open call selects companies producing electricity from renewable sources in industrial sites (Chapter 1, paragraph 2).
  - According to the Regulation, the selected companies receive support for the grid connection construction of companies producing electricity from renewable sources (Chapter 1, paragraph 2).
  - On 20 August 2023, an Amendment of the Regulation of the Minister of Economic Affairs and Communications entered into force. While the conditions for applying for the grant have been eased and the maximum amount of the grant per megawatt has been increased to cover inflation in the sector, the objective of the Regulation has not been altered by the Amendment.
  - A new call for proposals (the second call) was published on the webpage of the Environmental Investment Centre, open from 24 August 2023 until 31 December 2024, as well as on the transmission system operator's website.
  - According to the Amendment of the Regulation, support shall be given to the connection of renewable electricity generation installations to the distribution or transmission network in industrial sites and adjacent areas (Chapter 1, paragraph 2), and the applicant must be a company registered and operating in the Estonian Commercial Register (Chapter 3, paragraph 10).
- **The call shall be based on project selection criteria and award conditions that ensure that the selected projects comply 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.**
  - The Regulation sets out, among others, eligibility criteria to ensure that the selected projects comply with the 'Do no significant harm' Technical Guidance

(2021/C58/01). Notably, paragraphs 6 (8) and 11 (4) 9 lay down that support is to be granted to a project that does not cause significant harm within the meaning of Article 17 of Regulation (EU) 2020/852. All applications must provide the confirmation, assessment and explanation of the compliance of the project with the DNSH principle according to paragraph 11 (1) 10. In order to assess compliance with the DNSH principle, applicant must use the Technical Guidance and the guidance published by the Environmental Investment Centre. The DNSH principle is one of the eligibility criteria of projects (paragraph 11 (4) 9) and paragraph 11 (5)).

- An exclusion list in line with the ‘Do no significant harm’ Technical Guidance (2021/C58/01), excluding from eligibility activities related to fossil fuels, activities under the European Union Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks, activities related to waste landfills incinerators and mechanical biological treatment plants, and activities where the long-term disposal of waste may cause harm to the environment, is provided in paragraph 6 (7) of the regulation. Additionally, for activities under the EU Emission Trading System (ETS) additional information and explanations notably with respect to the predicted level of greenhouse gas emissions and to the technology used have to be provided by the project applicant, as set out in paragraph 11 (3) points 1-4 of the Regulation.
- Finally, the applicant has to confirm that the activities planned in the application comply with European Union and national legislations on the confirmation page from the E-toetus system (see evidence xxii.), where all the applications have to be presented.

Furthermore, in line with the measure description, the measure aims to make the electricity system more effective **by incentivizing the production of electricity close to consumption**. The objective of the Regulation is to boost the deployment of renewable electricity production in industrial sites and areas adjacent to an industrial site through supporting the grid connection construction of companies producing electricity from renewable sources (Chapter 1, paragraph 2 of the Regulation and of the Amendment to the Regulation).

Furthermore, in line with the measure description, the measure shall incentivize renewable electricity production in or nearby industrial areas **through co-financing the necessary grid connection**.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 78</b>	<b>Related Measure:</b> 4.7. Investment: Pilot Energy Storage Programme	
<b>Name of the Milestone:</b> Publication of a call for proposals for a pilot energy storage programme		
<b>Qualitative Indicator:</b> Call for proposals published		<b>Time:</b> Q4 2022
<b>Context:</b> The measure aims to support projects for renewable energy storage by enhancing existing efforts such as phasing out oil shale and boosting renewable energy production. Grants will be provided to companies investing in renewable energy storage.  Milestone 78 requires that an open call shall be published by the Environmental Investment Centre to support energy storage. The project selection criteria shall include an exclusion list to ensure compliance with the DNSH technical guidance, requirement of compliance with the relevant EU and national environmental legislation, and requirements to ensure the support through the activities of a climate-		



neutral economy, climate resilience and climate change adaptation, including circular economy objectives.

Milestone 78 is the first step of the implementation of investment 4.7 and it will be followed by targets 79 and 80, related to the additional heat storage capacity resulting from the investment support. The investment has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of Regulation of Minister of Economic Affairs and Infrastructure on the conditions and procedures for granting support for the development of pilot energy storage projects (*Toetuse andmise tingimused ja kord energiasalvestuse pilootprojektide arendamiseks*) published in State Gazette No. 99 of 7 December 2022, accessible online <https://www.riigiteataja.ee/akt/109122022021> (hereinafter referred as “the regulation”).
- iii. Publication of the call for proposals and the conditions on the website of the Environmental Investment Centre (*“Energiasalvestuse seadmete pilootprojektide arendamine”*) published on 30 December 2022, accessible online <https://kik.ee/et/toetatavad-tegevused/energiasalvestuse-seadmete-pilootprojektide-arendamine>. (hereinafter referred to “publication of the call on the website”).

The authorities also provided:

- iv. Publication of the call for proposals and the conditions in a newspaper (*“Äripäev”*) published on 22 December 2022. (hereinafter referred to “publication of the call in a newspaper”).
- v. Publication of the call for proposals and the conditions in a press release (*“Äripäev”*) published on 30 December 2022, accessible online <https://kik.ee/et/uudised/kik-toetab-ettevotjaid-soojus-ja-elektrienergia-salvestusseadmete-rajamisel>. (hereinafter referred to “publication of the call in a press release”).

**Analysis:**

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

- **An open call for proposals shall be published by the Environmental Investment Centre to support energy storage projects.**
  - The call was published on 30 December 2022 on the website of the Environmental Investment Centre (see “publication of the call on the website”) as well as in a newspaper on 22 December 2022 (see “publication of the call in a newspaper”) and a press release on 30 December 2022 (see “publication of the call in a press release”).
  - The regulation defines under Article 6(2) that supported energy storage device shall only allow for the storage of renewable energy produced in line with the measure and milestone description.
- **The call shall be based on project selection criteria and award conditions that ensure that the selected projects comply 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.**

- Article 6(8) and Article 11(4) of the regulation describe the supported activities and requirements for applications to, inter alia, ensure that the selected projects comply with the “Do no significant harm” Technical Guidance (2021/C58/01).
- Article 6(8), point 9, defines that support shall be provided to projects that comply with EU and national environmental legislation.
- The exclusion list is defined in the regulation:
  - Article 6(8), points 1 to 6, define the exclusion list.
  - Article 6(8), point 1, defines the exclusion of activities related to fossil fuels, including downstream use, except for projects under this measure concerning power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the “Do no significant harm” Technical Guidance (2021/C58/01).
  - Article 6(8), point 2, defines the exclusion of activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks. Furthermore, Article 11(3), points 1 to 4, define that activities under ETS must provide a unique identifier, name, location, the predicted greenhouse gas emissions per production unit, a brief explanation of the technology used, and if the projected greenhouse gas emissions are lower than the relevant benchmark, an explanation of the reasons why an additional reduction of emissions is not possible.
  - Article 6(8), point 3, defines the exclusion of activities related to waste landfills, incinerators in point 4, mechanical biological treatment plants in point 5, and activities where the long-term disposal of waste may cause harm to the environment in point 6.
- **The selection/eligibility criteria shall specify that the supported activities and/or enterprises contribute to climate-neutral economy, climate resilience and climate change adaptation, including circular economy objectives.**
  - Article 6(8), point ten, defines that only projects that contribute to climate-neutral economy, climate resilience, and climate change adaptation, including circular economy objectives shall be supported.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 82	<b>Related Measure:</b> 5.1. Deployment of safe, green, competitive, needs-based and sustainable transport and energy infrastructure	
<b>Name of the Milestone:</b> Adoption of the Implementation Plan for green sustainable public transport development of the Transport and Mobility Development Plan 2021-2035		
<b>Qualitative Indicator:</b> Adoption of the Implementation Plan		<b>Time:</b> Q4 2022
<b>Context:</b> <p>The objective of the reform is to reduce the CO<sub>2</sub> emissions of the transport sector and incentivise the uptake of sustainable modes of transport. The measure consists of the adoption and implementation of the new Transport and Mobility Development Plan and the related Implementation Plan.</p> <p>Milestone 82 requires the Implementation Plan for green sustainable public transport development of the Transport and Mobility Development Plan 2021-2035 to be adopted. The implementation plan shall be approved by the Steering Committee of the Transport and Mobility Development Plan 2021- 2035.</p> <p>Milestone 82 is the second step of the implementation of measure 5.1. It follows the completion of</p>		

milestone 81, related to the approval of the Transport and Mobility Development Plan 2021-2035. It will be followed by milestone 83, related to the implementation of several key measures of the Transport and Mobility Development Plan 2021-2035. The measure has a final expected date for implementation in Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of the Decree of the Minister of Economy and Communications on the approval and the Implementation plan "Transport competitiveness and mobility program for the years 2023-2026" adopted on 31 January 2023 (hereinafter referred to as "the Plan").
- iii. Copy of the protocol on the sixth meeting of the Steering Committee on Transport and Mobility Development Plan 2021-2035 held on 22 March 2023 (hereinafter referred to as "the Protocol").
- iv. Copy of different stakeholder's feedback on the Implementation Plan (13 documents Annexes 5.1 - 5.13) (hereinafter referred to as the "feedback documents").

The authorities also provided:

- v. Copy of the Waterways Conservation Plan issued by Ministry of Economic Affairs and Communications on 31 January 2023.
- vi. Excel table on the Indicators and target levels in the field of transport issued by Ministry of Economic Affairs and Communications.
- vii. Copy of the proof of the electronic signature for the Implementation Plan signed by Minister of Economy Riina Sikkut on 31 January 2023.
- viii. Copy of the mail on the interservice consultation of the Implementation Plan sent on 16 May 2022 (hereinafter referred to as "the consultation mail").
- ix. The Government Order No. 117 stating the procedure for drawing up, implementing, reporting, evaluating and changing the sectoral development plan and program entered into force on 1 January 2020 and adopted on 19 December 2019 (publication in OJ I, 23.12.2019, 5) (hereinafter referred to as "the Government Order No. 117").
- x. The Government Order No. 112 stating the conditions and procedure for the preparation of the state budget strategy, the state budget draft and the efficiency plan, and the transfer of state budget funds, and the procedure for submitting reports arising from the State Budget Act entered into force on 1 January 2020 and adopted on 19 December 2019 (OJ I, 21.12.2019, 26).

**Analysis:**

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

**The implementation plan shall be approved by the Steering Committee of the Transport and Mobility Development Plan 2021- 2035.**

- The Council Implementing Decision required the implementation plan to be approved by a Steering Committee. As indicated on page 1 of the Plan, the implementation Plan was approved and signed by the Minister of Economic Affairs and Infrastructure on the 31 January 2023. The draft of the implementation plan was submitted to the Steering Committee for opinion in writing until 23 May 2022 as shown in the Consultation mail sent on 16 May 2022. The Plan was amended according to received opinion of the Steering Committee and submitted to the

Ministry of Finance as shown in feedback documents. For instance, it can be seen that the suggestion to add reference to Estonian Framework for Science and Research development, Innovation and Entrepreneurship 2035 (*Teadus- ja arendustegevuse, innovatsiooni ja ettevõtluse arengukava 2021-2035*) and Youth Framework (*Noortevaldkonna arengukava 2035*) as requested in comment of the Ministry of Education and Science in Annex 5.11 page 30 was successfully integrated in the final version of the Plan (page 32). Also, a general comment addressed by the Ministry of Social Affairs in the feedback documents (Annex 5.5) was also integrated into the final version of the Plan, page 20. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Steering Committee has been consulted and their comments have been taken into account. In addition, the implementation plan has been approved by the Minister of Economic Affairs and Infrastructure, which is of higher hierarchical order than the approval by a Steering Committee. As of this, this minimal deviation does not change the nature of the measure and 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.

**It shall include the creation of the Tallinn capital region common transport system, actions to facilitate uptake of local biomethane, actions to develop sustainable and active urban mobility in bigger towns following the logic of integrated transport corridors, planning multimodal infrastructure, increasing the connections, speed and safety of rail, making the maritime transport sector more competitive and greener and connect it multimodally, developing faster and safer road transport.**

- Concerning the **creation of the Tallinn capital region common transport system**, measure 2.1 of the Implementation Plan sets as a goal the development and fostering of the mobility service. Under this goal, the measure foresees actions to develop mobility and transport plans of regional and bigger agglomerations to harmonise and develop a common public transport system in Tallinn capital, Harju and North Rapla Counties and test different pilot projects (page 29 of the Plan).
- In terms of **actions to facilitate uptake of local biomethane**, measure 5.1.1 on the competitiveness of the transport sector foresees activities supporting biomethane production and consumption in the transport sector. According to the Implementation Plan, Estonia must achieve an increase in the share of renewable energy in transport (2020 - 10%, 2030 - 14%, including 2020 12.16% share in transport). As explained in the Plan, support for biomethane production and deployment enables to achieve these set target levels (page 21 of the Plan).
- To **develop sustainable and active urban mobility in bigger towns following the logic of integrated transport corridors**, programme 1.5 of the Plan (page 38) foresees actions to develop urban areas with environmentally friendly transport modes. The purpose of this programme is to encourage sustainable multi-modal urban mobility in larger urban areas (Tallinn, Tartu, Pärnu). Among the planned activities, the programme foresees:
  - building bicycle paths (focus on city centers) and improving bicycle parking facilities;
  - development of multimodal (public) transport hubs, the aim of which is to improve the quality of existing public transport stops and multimodal hubs, ensuring accessible and convenient transfer options for different modes of transport;
  - construction of new tram lines in the Tallinn city area, which will help in promoting the use of active mobility.
- Concerning the integrated corridors, the Plan mentions on page 10 that according to the opinion of the green expert group, the Plan will focus more on the approach of modernizing integrated transport corridors in order to decrease emissions from the transport sector.
- For **planning multimodal infrastructure**, page 38 of the Plan has a section on the need to

develop new multimodal infrastructure, which further develops the use and the combination of different transport modes.

- To **increase the connections, speed and safety of rail**, page 17 of the Plan foresees a list of activities that promote the competitiveness of the rail infrastructure, including proceeding with the construction of Rail Baltica, buying new rail stock for Elron company and proceeding with the reconstruction works on different rail routes with a goal to increase the connections. In order to increase speed and safety of rail, the list of activities includes, among others, the modernisation of railroad conjunctions in Tallinn, Keila Paldiski Turba railroad. Finally, on page 11 the Plan sets a goal of increasing the speed of rail traffic up to 160 km/h.
- The Implementation Plan also contains actions **to make the maritime transport sector more competitive and greener and connect it multimodally**. To make the maritime sector greener, Programme 1.2. (page 37 of the Plan) foresees to decrease the emissions of the maritime sector through activities such as transferring the ferry traffic between islands to zero emission ferry. To make the maritime sector more competitive Programme 1.2. (page 37 of the Plan) and chapter 4 page 17 concentrate on bringing the ships under Estonian flag, and lists measures such as support schemes for tourist ships, the construction of multifunctional works vessel. To connect the maritime sector multimodally, Programme 1.5. (page 38) foresees the establishment of multimodal connections in different urban environments, notably the construction of Tallinn old Port Tram line, which will connect Tallinn city center, Rail Baltica terminal to Tallinn Old Harbour as stated on page 20 of the Plan.
- **To develop faster and safer road transport**, the activities in programme 1.4. (page 37 of the Plan) aim to maintain and improve the condition of the existing road network and to continue developing it to make traffic more comfortable, reduce travel time and increase traffic safety.

**The implementation plan shall include an annual reporting obligation on the responsible minister to the Government.**

- Page 33 of the Plan sets out that a performance report shall be prepared once a year undertaken by the Steering Committee of the Transport Development Plan and validated by the Minister of Finance.
- According to §4 point 3 of the Government Order No. 117 the evaluation of the implementation plan is organised at least once and no later than three years before the end of the duration of the Plan. This evaluation is submitted to the Government. These regulations also apply to the Transport Implementation Plan.

Furthermore, in line with the description of the measure,

- **the objective of the reform is to reduce the CO2 emissions of the transport sector and incentivise the uptake of sustainable modes of transport**. As stated under programme 1 (page 5) the objective of the Implementation Plan is to set out measures that will help to organise transport in a more sustainable and efficient way for the movement of people and goods to make the transport sector more accessible, convenient and safe as well as contribute positively to the Estonian economy and reduce the environmental burden.
- **the focus of the Plan is to reduce the environmental footprint of transport systems and it shall include measures to develop interconnected and shared mobility in urban areas at the expense of private cars and promote a comprehensive framework of light mobility (on foot or bicycle) in areas outside major urban centres**. As stated beforehand, programme 5.1 sets a list of measures in relation to more sustainable urban transport.
- **the Plan shall include railway investments that shall be directed towards increasing the speed**

**and safety of journeys and adding connections for both passenger and freight transport** as was mentioned above in the analysis in reference to pages 11 and 17 of the Plan.

**The key actions under this Plan to be implemented within the timeline of the Recovery and Resilience Facility include building and extending the electrified railway from Tallinn to Tartu and harmonising the public transport system in the Tallinn capital region (ticketing systems and pricing).** Programme 1.1 page 22 of the Plan makes a clear reference to electrification of the railroad in direction of Tartu, which will be implemented until 2026 according to the programme table, which is in line with RRF timeline. In addition to this, according to programme 2.1 page 30 measures will be foreseen towards harmonisation of the public transport network in Tallinn, Harjumaa and North Raplamaa together with the developments in ticketing system.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 92</b>	<b>Related Measure:</b> 5.5. Municipalities' investments in bike- and walkways
<b>Name of the Milestone:</b> Call for proposals for grants	
<b>Qualitative Indicator:</b> Publication of the notice for call for proposals for grants	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The measure aims to reduce car dependency and increase sustainable mobility in areas outside the areas of Tallinn, Tartu and Pärnu, where municipalities do not have enough financial capacity to develop safe and climate-friendly bicycle and pedestrian corridors.</p> <p>Milestone 92 concerns the publication of an open call for investment by municipalities in bike- and walkways. The support shall be given for the construction of 24 km of bike- and walkways infrastructure that ensures safe and sustainable access to public services, public transport, and workplaces. There will be also attention paid to the Rail Baltic local stops and connection with existing cycling and pedestrian network.</p> <p>Milestone 92 is the first step of the implementation of the investment, and it will be followed by target 93, related to completion of bike- and walkways infrastructure. The investment has a final expected date for implementation in Q4 2025.</p> <p>Following the completion of this milestone, in line with the description of the measure in the Council Implementing Decision, Estonia will complement the measure by a similar measure expected to be financed from the ERDF, which helps increase mobility by bike in the three major urban centres of Tallinn, Tartu and Pärnu. This is a further step of this investment that is not linked to the milestones and targets in the Council Implementing Decision.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of the Regulation No. 5 by the Minister of Public Administration on Investments of the local municipalities on the bike- and walkways adopted on 7 February 2022 and entered into force on 19 December 2019 ( OJ I, 08.02.2022, 13) (hereinafter referred to as “the regulation”).</li> <li>iii. Copy of public press release from the State Shared Services Center on the Open call on the</li> </ol>	

procurement for investment by municipalities in bike- and walkways published on 18 February 2022 (hereinafter referred to as “press release”)

- iv. Copy of the first open call on the procurement for investment by municipalities in bike- and walkways published on 18 February 2022 on the State Shared Services website (hereinafter referred to as “open call”).
- v. Copy of the links to the public press releases published by the the Ministry of Finance with the pre-information and the information about call for proposal for grants from 18 February 2022 (hereinafter referred to as “links to public press releases”).

The authorities also provided:

- vi. Copy of the webpage of the Ministry of Finance with the overview of the use of EU structural funds on the regional development investments.
- vii. Copy of the explanatory memorandum to the Regulation on Investments of the local municipalities on the bike- and walkways adopted on 7 February 2022 (hereinafter referred to as “the explanatory memorandum”).
- viii. Copy of Decree No. 22 by the Ministry of Finance on the Indicative division of the budget of the measure between NUTS 3 regions according to the § 10 (2) of the Regulation adopted on 8 February 2022 (hereinafter referred to as “the decree on indicative division”).
- ix. Copy of the evaluation methodology approved by the intermediate body (State Shared Services Center - *Riigi Tugiteenuste Keskus* (RTK) according to the § 11 (2) of the Regulation.
- x. Copy of the printscreens on Index tool of the financial situation of municipalities and a link to the website of Ministry of Regional Affairs and Development <https://minuomavalitsus.ee/omavalitsuste-finantsolukorra-indeks> (hereinafter referred to as “the Index”).

#### **Analysis:**

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

#### **An open call for investment by municipalities in bike- and walkways shall be published.**

- The notice for call for proposals for grants for investment by municipalities in bike-and walkways was published on 18 February 2022 on the website of the State Shared Service Centre (Riigi Tugiteenuste Keskus), as shown in evidence documents open call and press release. The call was open until 18 April 2022.
- The conditions for the call are specified in the Regulation of Minister of Public Administration on terms and conditions for measure “Municipalities’ investments in bike- and/or walkways” as published in the Official Journal ([www.riigiteataja.ee](http://www.riigiteataja.ee)). The regulation of Minister of Public Administration was adopted on 7 February 2022 and came into force on 11 February 2022 as specified in chapeau of the Regulation.
- The Estonian authorities publicised the call through **public press releases on the website** of the State Shared Service Centre (Riigi Tugiteenuste Keskus).

Furthermore, in line with the description of the measure, **the objective of the measure is to reduce car dependency and increase sustainable mobility in areas outside the three major urban centres (Tallinn, Tartu, Pärnu), where the financial capacity of municipalities is an obstacle to development of safe and climate-friendly bicycle and pedestrian corridors.**

- As stated on page 1 of the Explanatory memorandum, adopted on 7 February 2020, the central

goal of the mobility policy is to reduce people's dependence on the use of personal cars.

- The Regulation specifies in §1 points 4, 5 and 6, that the cities of Tallinn, Tartu and Pärnu are excluded as beneficiaries of the support.
- The decree on indicative division of the budget of the measure shows the areas in Estonia that are beneficiaries of the fund and specifies that areas in the three major urban centers (Tallinn, Tartu, Pärnu) are excluded from the beneficiaries.
- As for the increase of sustainable mobility, § 2 point 2 (2) of the Regulation affirms that the support aims at addressing the goal set in Estonia's long-term development strategy "Estonia 2035" on "safe and high-quality living environment that takes into account the needs of all", where support helps to make the movement between the living, learning, leisure and working environments healthy, encourages environmentally friendly and safe transport choices and becomes more accessible to all members of society. According to the Index provided by Estonia, which gives an overview of the real time data on the municipalities' financial capacities, there is a colour scale of municipalities according to their financial capacity. The tool provides information that municipalities' financial capacities to co-finance structural funds projects have changed in the last two years and the financial capacity of municipalities started to worsen in 2021. The reason behind this decline lies in increasing expenditure costs. It can be concluded from this Index that part of the Estonian municipalities are facing financial obstacle to develop safe and climate-friendly bicycle and pedestrian corridors.

Furthermore, in line with the description of the measure, **support shall be given to municipalities for the construction of 24 km of bike- and walkways infrastructure to ensure safe and sustainable access to public services, including public transport, and workplaces. Attention will be also paid to the Rail Baltic local stops and connection with existing cycling and pedestrian networks.**

- §2 point 3 (3) of the Regulation states that as a result of the support measure, 24km of the bike- and walkways shall be constructed by the end of 2025.
- § 2 point 2 (2) of the Regulation affirms that the support aims at addressing the goal set in Estonia's long-term development strategy "Estonia 2035" on "safe and high-quality living environment that takes into account the needs of all", where support helps to make the movement between the living, learning, leisure and working environments healthy, encourages environmentally friendly and safe transport choices and becomes more accessible to all members of society.
- § 11 (5) point 3. of the Regulation sets as a selection criterion the impact of the project on increasing road safety, which refers to the need of ensuring safe access.
- In addition, § 9 point 3 of the Regulation requires an explanation of whether and how the road safety will improve as a result of the project.
- § 11 (5) of the Regulation sets also as a criteria access to workplaces, schools and other public services. The same paragraph of the Regulation also includes a reference to the ratio of the cost of one kilometer of the investment to the number of potential users within 500 meters of each point of the bicycle or footpath (meaning, distance from workplaces, schools, public services).
- § 11 (6) point 1 of the Regulation states that bonus points will be awarded in the selection process to projects that improve access to Rail Baltic local stops.
- § 11 (6) point 2 of the Regulation states that bonus points will be awarded in the selection process to projects that have a positive effect on access to and operability with public transport.
- § 11 (6) point 3 of the Regulation states that bonus points will be awarded in the selection process to projects that connect the municipal and city centers to the new administrative centers after the administrative reform.



- § 9 point 3 of the Regulation states that the application must contain at least the justification for the location selection of the bike- or walkways to be built, regarding the improvement of accessibility to services or workplaces and the connectivity and integrity with the nearest network of bicycle or footpaths.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 95</b>	<b>Related Measure:</b> 6.1. A comprehensive change in the organisation of health care in Estonia	
<b>Name of the Milestone:</b> Approval of the Strategic Framework for addressing health workforce shortages		
<b>Qualitative Indicator:</b> Approval of the Strategic Framework for addressing health workforce shortages by the Minister of Health and Labour		<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>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.</p> <p>Milestone 95 aims at addressing health workforce shortages by approving a Strategic Framework which outlines measures on the organisation of health care services in the different health sectors, the allocation of physical and human resources and on financing, governance and information exchange mechanisms.</p> <p>Milestone 95 is the first step in the implementation of the measure. It will be followed by milestones 96 and 96a, related to amending the reimbursement system for doctors, pharmacists, and nurses, by target 97 related to increasing the admission of persons to nursing training by 5% by Q4 2023, by milestone 94 related to the entry into force of a government regulation on the Hospital Network Development Roadmap, and by milestone 98 related to 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 Q2 2026.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>Copy of Directive No. 51 of the Minister of Health and Labour on the Strategic Framework for addressing healthcare workforce shortage adopted and entered into force on 27 March 2023 (hereinafter referred to as "Framework") and a link to its publication on the webpage of the Ministry of Social Affairs <a href="https://sm.ee/tervise-edendamine-ravi-ja-ravimid/ravi-ja-tervise-taastamine/tervishoius-tootavad-spetsialistid">https://sm.ee/tervise-edendamine-ravi-ja-ravimid/ravi-ja-tervise-taastamine/tervishoius-tootavad-spetsialistid</a></li> <li>Copy of the printout of the validity of the digital signature of the Minister of Health and Labour of Directive No. 51.</li> <li>Copy of the printout of the corresponding page in the document management system of the</li> </ol>		

system of the Ministry of Social Affairs (case file nr 1.1-2/2023).

**Analysis:**

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

**The Strategic Framework for addressing health workforce shortages [...] shall be approved by the Minister of Health and Labour:**

- Directive No. 51 of the Minister of Health and Labour on the Strategic Framework for addressing health workforce shortages was adopted on 27 March 2023. In order to prove the adoption of the Framework by the Minister of Health and Labour, the Estonian authorities provided a link to the document on the webpage of the Ministry of Social Affairs as well as the printout of the digital signature of Directive No. 51 by the Minister of Health and Labour.
- The Framework lays down actions to address health workforce shortages, including by indicating the funding, deadline, indicators and bodies responsible for the implementation specified in the table listing the actions in Chapters 1, 2, 3, 4, 5 and 6.

**(...) shall outline measures on the organisation of health care services in the different health sectors, in particular specialised care:** The relevant actions are listed in Chapters 3 (*Resource allocation: Resource Allocation: Developing a Forecasting Model and Promoting Framework for Healthcare Workers and Specialists*) and 4 (*Development activities: promoting the qualifications of health professionals*) of the Framework. These actions include:

- Action 3.1– Project "HEalth woRkfOrce to meet health challEngeS", so called HEROES – This action envisages to draw up a framework for the planning of the Estonian healthcare personnel, a prognose model and an action plan for its implementation. One of expected outcomes of the project is to prognose better the need for specialist doctors in the different health areas.
- Action 3.2– A new OSKA (OSKA is the skills forecasting system in Estonia) report on the skills and human resource needs for the sustainable development of the Estonian health sector in the next ten years is envisaged by the beginning of 2024. The finding of the report helps to decide on the needs for specialists in the health care sector.
- Action 4.1– Continuous development of residency programmes, which includes an analysis of residency programmes in international comparison and proposals for possible amendments of the programmes by the end of 2024. This action contributes to improving the supply of specialist doctors.
- Action 4.2– Digital skills analysis of the health work force to improve their digital skills. Improving digital skills contributes to organising and providing health care more efficiently, both in primary and specialised care.

**(...) shall outline allocation of physical and human resources to ensure the provision of health care throughout the territory:** The relevant actions are covered by Chapters 4. *Development activities: promoting the qualifications of health professionals*, 5. *Promoting the employment of health workers from third countries (including Ukraine)* and 6. *Motivating health workers' to work in rural areas* of the Framework. These actions include:

- Action 4.7– Incubation program in general medical care, which allows family physicians working outside of Tallinn and Tartu and planning to retire or giving up their practice lists for other reasons, to hire a family medicine resident or a family physician without a practice list to work alongside them for an additional fee. The program helps to ensure provision and continuity of primary care throughout Estonia.
- Action 5.1– to amend the legislation on the "Conditions and procedure for comparing

qualifications acquired abroad with qualifications required in Estonia", with a view to increase the number of the health care professionals thus ensuring the availability and continuity of health care services throughout Estonia.

- Actions 6.1-6.3– These actions aim at incentivising doctors and nurses to work in those regions in Estonia where it has been proven more difficult to find doctors and nurses. These incentives concern, the increase of beginners' allowance or the distance fee.

**(..) shall outline financing, governance and information exchange mechanisms that ensure performance throughout the country:**

- The actions related to governance and exchange of information are covered in Chapter 1 of the Framework *on the Governance mechanism*. These actions include convening meetings of the health training committee which consists of the representatives of the government authorities, educational institutions, employers and health care professionals, to agree on the needs to train health professionals (1.1); signature of a memorandum of understanding on the study places in educational institutions to ensure the sufficient number of health professionals (1.2); or signing collective agreements on wages of healthcare workers (1.4). The Framework also identifies the authorities or bodies responsible for the implementation of each action.
- The actions related to financing are listed in Chapter 2 of the Framework *on Funding: funding for training health professionals*. These actions include funding of basic education of healthcare professionals (2.1), remuneration for internship in initial nurses' studies (2.3) or financing "back to health" (2.5) to reintegrate nurses to health care. Furthermore, in order to ensure the implementation of the different actions, the Framework identifies the source of funding for each action, whenever financing is needed. The funding sources vary between state budget, budget of the Ministry of Social Affairs or EU funds.

In line with the measure description, **a strategic framework shall be adopted by 31 December 2022 which shall outline the provision of health services in the various health sectors, in particular specialised care, the allocation of physical and human resources, and the funding mechanism to ensure the provision of good quality healthcare across the country.** As presented above, the Framework was adopted on 27 March 2023 and it contains actions related to continuous training and retraining (including internships) of the health care workers, including specialists ensuring the provision of good quality health care across the country. In order to cover the health care needs, including in remote areas, actions are envisaged in Chapters 3 and 4 of the Framework to analyse, prognose and map the skills (including digital skills) of health care professionals and skills needs with a view to fill the gaps in human and physical resources. The latter also closely linked to the financial incentives to motivate health care professionals to work in remote areas as outlined in Chapter 6. The funding mechanism is laid down in Chapter 2 of the Framework as well as the Framework identifies the source of funding for each action, if financing is needed.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 96	<b>Related Measure:</b> 6.1. A comprehensive change in the organisation of health care in Estonia	
<b>Name of the Milestone:</b> Entry into force of the Decrees of the Minister of Health and Labour amending the reimbursement system for doctors and pharmacists		
<b>Qualitative Indicator:</b>	Entry into force of the Decrees of the Minister of Health	<b>Time:</b> Q1 2023

and Labour

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 96 aims at amending the reimbursement system for doctors and pharmacists to incentivise the health workforce to work in remote areas.

Milestone 96 is the second step in the implementation of the measure. It is preceded by milestone 95 on addressing health workforce shortages by approving a Strategic Framework. It will be followed by milestone 96a, related to amending the reimbursement system for nurses, by target 97 related to increasing the admission of persons to nursing training by 5% by Q4 2023, by milestone 94 related to the entry into force of a government regulation on the Hospital Network Development Roadmap, and by milestone 98 related to 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 Q2 2026.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of Regulation No. 65 of the Minister of Health and Labour on “The Beginner’s allowance for medical specialists” adopted on 16 August 2022 and entered into force on 22 August 2022 ( published in the OJ RT I, 19.08.2022, 1) (hereinafter referred to as “Regulation No. 65”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/119082022001>
- iii. Copy of 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 to Regulation No. 65 of the Minister of Health and Labour on “The Beginner’s allowance for medical specialists” , accompanied by an explanatory letter adopted on 15 December 2023 and entered into force on 1 January 2024 (published in the OJ RT I, 20.12.2023, 21 )(hereinafter referred to as “ Regulation No. 72”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120122023021>

The authorities also provided:

- iv. Copy of the Regulation No. 28 of the Minister of Social Affairs on “The procedure for application for, payment and recovery of beginner’s allowance for medical specialists” was adopted 26 August 2013 and the revised version entered into force on 1 April 2022 (publication in OJ RT I, 24.03.2022, 4) (hereinafter referred to as “Regulation No. 28”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/124032022004>
- v. Copy of 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”)

- adopted on 13 August 2014 and the revision entered into force on 1 April 2022 (publication in OJ RT I, 24.03.2022, 3) (hereinafter referred to as “Regulation No 51) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/124032022003>
- vi. Copy of the Act amending the Health Services Organisation Act and Other Acts adopted on 1 June 2022 and entered into force on 30 June 2022 (publication in OJ RT I, 20.06.2022, 3) (hereinafter referred to as “Act No. 3”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022003>
- vii. Copy of the amended Health Services Organisation Act adopted on 9 May 2001 and the revision entered into force on 27 June 2022 (publication in OJ RT I, 20.06.2022, 93) (hereinafter refer to as “Act No. 93”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022093>
- viii. Copy of the amended Health Services Organisation Act adopted on 9 May 2001 and the revision entered into force on 30 June 2022 (publication in OJ RT I, 20.06.2022, 94) (hereinafter referred to as “Act No. 94) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022094>
- ix. Copy of the Act amending the Medicinal Products Act and the Health Services Organisation Act adopted on 22 November 2023 and enters into force on 30 June 2024, some Articles on 1 January 2024 (publication in OJ RT I, 15.12.2023, 1) (hereinafter refer to as “Amending Act”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/115122023001>
- x. Copy of the amended Medicinal Products Act adopted on 16 December 2004 and the revision entered into force on 1 April 2023 (publication in OJ RT I, 11.03.2023) (hereinafter refer to as “Act No. 84”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/111032023084>
- xi. A link to the publication in the Official Journal of the 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) <https://www.riigiteataja.ee/en/eli/502012023006/consolide>

**Analysis:**

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

**Entry into force of the Decrees of the Minister of Health and Labour:**

- The Council Implementing Decision required the entry into force of the Decrees of the Minister of Health and Labour, which amend the reimbursement scheme for doctors and pharmacists. The reimbursement scheme for doctors was amended by Regulation No. 65 by the Minister of Health and Labour and for pharmacists by Regulation No. 72 by the Minister of Health . While the adoption of a regulation and not a decree constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, according to Estonian legislation, 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. 65, which repeals Regulation No. 28, of the Minister of Health and Labour on “Beginners’ allowance for medical specialists” was adopted by the Minister of Health and Labour on 16 August 2022 and entered into force on 22 August 2022 as indicated in the Official Journal

publication note RT I, 19.08.2022 and established in the Chapeau of the Regulation. This regulation implements Act 94, the amended Health Services Organisation Act, which was adopted by the Estonian Parliament on 20 June 2022 and entered into force on 30 June 2022 as indicated in the Official Journal publication note RT I, 20.06.2022, 94.

- 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 Regulation 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. This regulation implements the Amending Act, amending the Medicinal Products Act and the Health Services Organisation Act which was adopted by the Estonian Parliament on 22 November 2023 and the Articles relevant for the milestone implementation entered into force on 1 January 2024 in accordance with Article 3 (2) of the Amending Act.

**(...) which shall improve the reimbursement system for doctors and pharmacists to incentivise the health workforce to work in remote areas:**

- **Doctors:** The reimbursement system for doctors has been amended to incentivise health workforce to work in remote areas, by changing the rules on granting a beginner’s allowance. The changes are implemented through the amended Health Services Organisation Act, notably Act No. 94, and its implementing act, Regulation No. 65 on the “Beginners’ allowance for medical specialists” which repeals the previous regulation (Regulation No. 28) on granting the beginner’s allowance. According to Article 54<sup>1</sup> of Act No. 94, the beginner’s allowance is a lump-sum allowance paid to a doctor who commences to work as a medical specialist outside of Tallinn or Tartu city. Regulation No. 65 is the implementing act established in accordance with Article 54<sup>2</sup>(7) of Act No. 94 and lays down the conditions for granting the beginner’s allowance for a medical specialist and the procedures for applying for, paying and recovering the beginner’s allowance. Regulation No. 65 implements all the amendments to Article 54<sup>2</sup> of Act 94 as follows:
  - Article 2 of Regulation No. 65 is an Article that did not exist in Regulation 28 and lays down the conditions to receive the beginner’s allowance. Article 2 (1) subparagraph 1 implements Article 54<sup>1</sup>(3-4) of Act No. 94, notably that medical specialists (specialist doctors and family doctors) who commence to work outside of Tallinn and Tartu city can apply for the beginner’s allowance. It also implements Article 54<sup>1</sup>(2) of Act No. 94, notably that the timeline to apply for the beginner’s allowance by a medical specialist has been extended from three months to one year which is a significantly longer period. Furthermore, Article 2 (2) adds the possibility to apply for the beginner’s allowance even if the speciality is acquired more than five years ago, under certain conditions, thus more doctors can apply for the beginner’s allowance and start to work in remote areas.
  - Article 5 of Regulation No. 65, which did not exist in Regulation No 28, implements the novelty introduced by Act No 94, notably to make it possible to pay the beginner’s allowance of EUR 15 000 in a multiple rate. This change enables to determine a priority area or specialty, for which the amount of the beginner’s allowance may be increased. According to the new rules, the beginner’s allowance is paid twice the rate to a specialist doctors (EUR 30 000) and three times the rate (EUR 45 000) to family doctors who start working and provide health care services outside Tallinn and Tartu city in accordance with Article 54<sup>1</sup> (3-4) of Act No. 94.
  - A new paragraph 1 has been added to Article 6 of Regulation No. 65 providing that in

accordance with Article 54<sup>1</sup> (3-4) of Act No. 94, a doctor who has received a beginner's allowance is obliged to reimburse the beginner's allowance paid in proportion to the time less worked if he or she stopped working in the remote area before five years have elapsed from the date of receiving of the allowance. Before this provision, the whole amount of the beginner's allowance had to be paid back in case the doctor stopped before the five-year ended thus the rules have become more attractive to take up an employment in the countryside.

- **Pharmacists:** The reimbursement system for pharmacists has been amended to incentivise health workforce to work in remote areas, by changing the rules on granting a beginner's allowance for pharmacists and assistant pharmacists as follows: Article 62<sup>1</sup> (1) of Act No. 84 defines the beginner's allowance for pharmacists as a one-off allowance paid to a pharmacist or assistant pharmacist who commences work in a general pharmacy or a structural unit thereof. Article 62<sup>1</sup> (2) further specifies the eligibility criteria which is linked to work in rural areas. More specifically according to Article 62<sup>1</sup> (2) a pharmacist needs to start working
  - in one general pharmacy or in multiple general pharmacies belonging to the same owner or in a branch of a pharmacy that is located
    - in a city that is a settlement unit that is without any other general pharmacy or a branch of a pharmacy, or which is located
    - in type of settlement unit other than a city and that is
      - at least 10 kilometres away from a city that is a settlement unit and
      - at least five kilometres away from an existing general or branch pharmacy

Article 1 of the Amending Act modifies Article 62<sup>1</sup> of Act No. 84 providing for a number of amendments to make the beginner's allowance for pharmacists and assistant pharmacists more attractive and flexible. Regulation 72 is the implementing act established based on Article 62<sup>(1)</sup>(7) of the Medicinal Products Act. The Act and its implementing regulation provide for the following improvements:

- Amending Act:
  - Article 1 (1) of the Amending Act amends Article 62<sup>1</sup> (2) of Act No. 84 and provides for a number of improvements: a) a pharmacist or assistant pharmacist can apply for the allowance within one year of taking up an employment as a pharmacists or assistant pharmacist. This is a significantly longer period as before the amendment there was a three-month limitation, b) it removes the limitation that only those pharmacists or assistant pharmacists could apply for the beginners' allowance who were the first to work in the pharmacy. It is now possible for a pharmacist or assistant pharmacist to apply for the beginner's allowance when starting to work in remote area even if another pharmacist or assistant pharmacist is already working in the same pharmacy, c) the previously existed limitation in Article 62<sup>1</sup> (3) of Act No. 84 is removed and it is now possible that those pharmacists and assistant pharmacists can also apply for the beginner's allowance who have acquired specialty more than five years ago, d) those pharmacists or assistant pharmacists whose workload is at least 24 hours a week can also apply for the beginner's allowance. In the previous legislation the limit was set at 30 hours a week. By reducing the workload, it also becomes possible to start working in a pharmacy where there is already at least one pharmacist or assistant pharmacist at work.
- Regulation No. 72:
  - Article 1 (3) of Regulation No. 72 supplements Article 1(2)(4) of Regulation No.

51 with the requirement that the applicant indicates in the application for the beginner's allowance the expected period of employment. Previously, the beginner's allowance was EUR 15000 independently of the period of employment. This implements Article 1 (5) of the Amending Act according to which the beginner's allowance is EUR 15000 for a period of three years' employment and EUR 25000 in case the person commits to work for five years.

- Article 1(5) of Regulation No. 72 repeals Article 1(4) of the Regulation No. 51 which contained a restriction that only those could apply for the beginner's allowance who took up employment within five years after obtaining the professional qualification. By removing the time restriction, more pharmacists and assistant pharmacists can start working in the countryside. By this, Article 1 of the Amending Act which removed Article 62<sup>1</sup> (3) of Act No. 84 is implemented.
- Article 1(6) of Regulation No. 72 modifies the wording of Article 2(2) of Regulation No. 51 in order to provide for the possibility of reimbursing the beginner's allowance proportionally in the event of an earlier cessation of employment. Previously, in the case of early cessation of employment the full amount had to be reimbursed. This flexibility also makes it more attractive to start working in the countryside. This implements Article 1(5) of the Amending Act.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 99a</b>	<b>Related Measure:</b> 6.2.a Construction of TERVIKUM
<b>Name of the Milestone:</b> Signature of the contract for the construction of TERVIKUM	
<b>Qualitative Indicator:</b> Signature of the contract	<b>Time:</b> Q2 2023
<p><b>Context:</b></p> <p>The investment aims to improve access to health care and the provision of health and social care in an integrated way. The investment consists of building a new health center in the city of Viljandi called TERVIKUM. The investment has two parts, a general hospital and a primary health care center.</p> <p>Milestone 99a concerns the signature of the contract for the construction of TERVIKUM.</p> <p>Milestone 99a is the first step of the implementation of measure 6.2 and will be followed by milestone 100a related to TERVIKUM being constructed and equipped. The measure has a final expected date for implementation in Q4 2025.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of the contract for the construction of TERVIKUM signed digitally by Riigi Kinnisvara AS (the representative of the Viljandi Haigla) and the contractor for the construction of TERVIKUM on 10 January 2023 (hereinafter referred to as "Contract").</li> <li>iii. Copy of the printout of the validity of the digital signature of the contract for the construction of</li> </ol>	



- TERVIKUM (hereinafter referred to as “Proof of signature”).
- iv. Copy of the technical specifications used of the project for the public procurement, including the technical specifications of the projects (hereinafter referred to as “Technical description”).

Additional evidence provided by the authorities:

- v. Copy of the tender application for participation in the procurement procedure.
- vi. Copy of the validity of the digital signature for the tender.
- vii. Copy of the table of costing.
- viii. Copy of the time schedule of the tender.
- ix. Copy of the performance time guarantee provided by the contractor issued by SEB bank (Skandinaviska Enskilda Banken) on 9 January 2023.
- x. Copy of the validity of the digital signature of performance time guarantee provided by the contractor.
- xi. Copy of TERVIKUM’s grant application for the EU funds issued on 28 August 2018 (hereinafter referred to as “Grant application”).
- xii. Copy of the press releases of the Viljandi hospital foundation of 2 June and 17 July 2023.

**Analysis:**

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

- **The Riigi Kinnisvara AS (the representative of the Viljandi Haigla) and the contractor shall sign a contract for the construction of TERVIKUM [...],**
  - The contract for the construction of TERVIKUM was signed on 10 January 2023 as provided in the Proof of signature.
  - Point 1 of the general conditions of the Contract (page 1) mentions Riigi Kinnisvara AS as a representative of Viljandi Haigla and a signatory of the contract.
  - Point 4 of the general conditions of the Contract (page 2) shows the signature of construction companies Ehitusfirma Rand ja Tuulberg AS and Ehitustrust.
  
- **[...] including the installation of the technical building systems, in particular the technical equipment for heating, cooling, ventilation, hot water, lighting and electricity production, measurement, monitoring and control systems and interior works.**

Article 6.2 (page 7-20) of the Technical description sets out:

- Requirements to the heating, ventilation and cooling system, including technical equipment (page 18).
- Requirements for water supply and sewage system, including hot- and cold-water tanks, water meters and other technical equipment (page 16).
- Requirements for low and high flow systems and solar panels to ensure lighting and electricity production (pages 15-16).
- Requirements to measurement, monitoring and control systems (pages 15 and 17) (such as lighting control; separate pressure sensors/data reading from the automation systems; calculation of operating hours and power of electric heaters; integration of air curtains into building automation; integration of heat, cooling, water and electricity meters into building automation). In addition, pages 28-29 of the Technical description cover tests and measurements before termination of the construction works, including measurement of air tightness of external fences; measurement and balancing of the heating and ventilation systems; indoor and outdoor lighting measurements; testing the generator at full capacity;

- implementation and control of complex testing of technical systems.
- Requirements for interior works (page 8, pages 12-14) including to ensure wind resistance and breathability, locks, furnishing and specification for elevators, specific requirements for installation of medical technology and provision of healthcare services (such as radiometry, radiology, emergency medicine, laboratory, medical gas, hemodialysis).
- In addition, Article 6.3 (page 21-22) of the Technical description sets requirements for interior works concerning medical equipment and furniture.

Furthermore, in line with the measure description, **the investment shall consist of building a new health center in the city of Viljandi called TERVIKUM and shall have two parts, a general hospital and a primary health care center.**

- As stated in Point 4 of the general conditions of the Contract (page 2), the investment includes the building of two new buildings - the general hospital and the primary health care center TERVIKUM in Viljandi city.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 108</b>	<b>Related Measure:</b> 6.3. Strengthening primary health care
<b>Name of the Milestone:</b> Entry into force of amendments to the Health Services Organisation Act	
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the law	<b>Time:</b> Q1 2023
<p><b>Context:</b></p> <p>The objective of measure 6.3 is to ensure access to general medical care, improve the continuity of treatment and make provision of primary health care more flexible and human-centred.</p> <p>Milestone 108 consists of three points: i) to amend the management of the list of patients; ii) to ensure the continuity of primary care; and iii) to extend the rights of nurses to prescribe medicines to patients.</p> <p>Milestone 108 is the third and last milestone of measure 6.3, and it follows the completion of milestone 106, related to improving the access to specialised care by extending the use of e-consultation in primary care, and milestone 107, related to the provision of financing of fixed costs and services for general practitioners in order to increase the allocation of resources to primary medical practice outside metropolitan areas, especially in remote areas, and to increase patients' access to diagnostic and screening services.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ul style="list-style-type: none"> <li>i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>ii. Copy of the Act amending the Health Services Organisation Act and Other Acts adopted on 1 June 2022 and entered into force on 30 June 2022( publication in OJ RT I, 20.06.2022, 3) (hereinafter referred to as "Act No. 3") and a link to the publication in the Official Journal <a href="https://www.riigiteataja.ee/akt/120062022003">https://www.riigiteataja.ee/akt/120062022003</a></li> </ul> <p>The authorities also provided:</p> <ul style="list-style-type: none"> <li>iii. Copy of the amended Health Services Organisation adopted on 9 May 2001 and the revision</li> </ul>	

- entered into force on 27 June 2022 ( publication in OJ RT I, 20.06.2022, 93) (hereinafter refer to as “Act No. 93”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022093>
- iv. Copy of the amended Health Services Organisation Act adopted on 9 May 2001 and the revision entered into force on 30 June 2022 ( publication in OJ RT I, 20.06.2022, 94) (hereinafter referred to as “Act No. 94) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022094>
  - v. Copy of the amended Health Services Organisation Act adopted on 9 May 2001 and the revision entered into force on 1 July 2022 (publication in OJ RT I, 20.06.2022, 95) (hereinafter referred to as “Act No. 95”) in Estonian and in English and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022095>
  - vi. Copy of the amended the Health Insurance Act No. 7 adopted on 19 June 2002 and the revision entered into force on 9 May 2022 (publication in OJ RT I, 29.04.2022, 7) (hereinafter referred to as “Act No. 7”) in Estonian and in English and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/129042022007>
  - vii. Copy of the amended the Health Insurance Act adopted on 19 June 2002 and the revision entered into force on 30 June 2022 ( publication in OJ RT I, 20.06.2022, 53) (hereinafter referred to as “Act No. 53”) in Estonian and in English and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022053>
  - viii. Copy of the amended Medicinal Products Act adopted on 16 December 2004 and the revision entered into force on 27 June 2022 (publication in OJ RT I, 20.06.2022, 73) in Estonian and in English (hereinafter referred to as “Act No. 73”) in Estonian and in English and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022073>
  - ix. Copy of the amendment to the Medicinal Products Act adopted on 16 December 2004 and the revision entered into force on 30 June 2022 (publication in OJ RT I, 20.06.2022, 74) (hereinafter referred to as “Act No. 74”) in Estonian and in English and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/120062022074>

**Analysis:**

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

**Entry into force of the amendments to Health Services Organisation Act (...):** In order to implement milestone 108, the Act amending the Health Organisation Services Act and Other Acts, was adopted by the Estonian Parliament on 1 June 2022 and entered into force on 30 June 2022, while the provisions relevant for the milestone entered into force on 1 July 2022, as specified in Article 6 (1) of the Amending Act. The Amending Act was published in the Official Journal (publication note RT I, 20.06.2022, 3) on 20 June 2022. The amendments introduced by the Amending Act are implemented by Acts No. 94 and No. 95.

**(...) which shall amend the management of the list of patients:** In Estonia, family doctors are assigned to lists of patients (herewith referred to “practice list”) based on service areas. The maximum number of persons on a practice list is 1200-2000. In order to improve the management of practice lists and close gaps, the Amending Act introduced the following changes:

- Following Article 1(3) of the Amending Act, Article 8 (3) of Act No. 94 expands the grounds for registration in the practice list of family doctors, so that not only Estonian citizens and a person residing in Estonia on the basis of a residence permit have the right to register in the family doctor's list and change their family doctor on the basis of a

written application, but also those insured persons who legally stay in Estonia on a temporary basis. The same Article of the Amending Act amended Article 8 (3<sup>1</sup>) of Act 94, and it was further complemented by a criterion according to which a new-born's mother's place of residence will determine whether a new-born can be registered in the practice list.

- Following Article 1(8) of the Amending Act, Article 8 (4<sup>5</sup>) of Act No. 95 provides that if the number of persons included in the practice list reaches the upper limit, then the Estonian Health Insurance Fund may appoint the person to the practice list of another family doctor based on the address according to the Estonian population register. In this way, more people have the opportunity to receive medical care close to their place of residence, including those in remote areas.
- Following Article 1(10) of the Amending Act, Article 9 (1) of Act No. 95 amends the definition of the service area of family doctors. Since the practice list is linked to the service area, the definition of the service area has an impact on the persons who can be included in the practice list. The new definition replaces the service areas based on houses and streets by areas defined as one or more local government units, districts or rural municipalities designated by the Estonian Health Insurance Fund. This change removes the limitations to the service areas and ensures that the provision of general medical care is based on the needs of the persons, including by making home visits if necessary.

**(...) ensure continuity of primary care.:** Following the Amending Act, Acts No. 94 and No. 95 introduced amendments with a view to consolidate the financing and organisation of general medical care, so that the resources are used the most efficient way, as well as making the rules to work with a practice list more flexible and incentivising to work in remote areas thus ensuring that there is no interruption in access to primary care:

- Act No. 95:
  - Article 1(34) of the Amending Act adds paragraph 1<sup>1</sup> to Article 57 of Act No. 95 with a view to transfer the responsibility of organising general medical care from the Estonian Health Board to the Estonian Health Insurance Fund (EHIF) which is in charge of financing general medical care. As a result of the amendment, the financing and organization of general medical care have been consolidated into one entity.
  - Article 1(12) of the Amending Act adds paragraph 1<sup>1</sup> to Article 11 of Act No. 95 providing that the EHIF will determine the practice list whenever a practice list comprises less than 1200 persons. By this change, the availability of general medical care can be ensured, for instance, in areas where only a few people live.
  - Article 1(19) of the Amending Act adds paragraph 8 to Article 35 of Act No. 95, regarding the right to practice as a family doctor, providing that EHIF may approve a practice list for a doctor-resident studying to specialise as a family doctor, provided that by the time he or she starts working as a family doctor with a list, his or her speciality as a family doctor is recorded in the register of the Health Board. Such flexibility in the system is expected to trigger more interest to participate in public competitions for family doctors to compile practice lists and thereby ensure the availability of primary care across the country. Furthermore, paragraph 9 was also added to Article 35 which provides that EHIF- under certain conditions - may add a practice list without a family doctor to a practice list of another family doctor. Merging practice lists contributes to ensuring a better organisation and accessibility of general medical care.

- Act No. 94:
  - Following Article 1(25-29) of the Amending Act, Articles 54<sup>1</sup> (1) and (2) and 54<sup>2</sup> (1), (3) and (5) of Act No. 94 make the, so called, “beginner’s allowance” more flexible and attractive thus incentivising to work in remote areas. According to Article 54<sup>1</sup> (1-2) of Act No. 94, the beginner’s allowance is lump-sum paid to a medical specialist (specialist doctor and family doctor) who works outside Tallinn or Tartu City
    - Following Article 1(26) of the Amending Act, Article 54<sup>2</sup> (1) of Act No. 94 removes the previously existed limitations to apply for a beginner’s allowance thus a doctor can receive a beginner’s allowance even if more than five years have passed since the completion of the residency.
    - Following Article 1(27) of the Amending Act, Article of 54<sup>2</sup> (3) of Act 94 provides that the beginner’s allowance (EUR 15000) may be paid in up to triple rate of beginner’s allowance if it is triggered by the need to ensure health services in a priority area, defined by the Minister of Social Affairs.
    - Furthermore, Article 1(29) of the Amending Act added paragraph 5<sup>1</sup> to Article 54<sup>2</sup> of Act No. 94 which provides that a doctor can apply for the beginner’s allowance even if the working period is shorter than five years. This newly introduced flexibility aims at making it more attractive to a wider range of specialists to work in remote areas. Before the amendment it was not possible to get the beginner’s allowance in proportion to time worked. At the same time, the amended Article 54<sup>2</sup> (5) provides that a doctor who has received the beginner’s allowance but worked less than five years from the receipt of the allowance, he or she has to return the allowance paid or part of the allowance in proportion to the time worked.

**(...) and extend the rights of nurses to prescribe medicines to patients.**

Article 3 (3) of the Amending Act amends Article 41 (2) of Act No. 53, and Article 4 (1) of the Amending Act modifies Article 33 (1<sup>4</sup>) of Act No. 74 to extend the rights of a specialist nurse ( a nurse who has acquired a nursing specialty) to issue prescriptions. Before the amendments, only nurses working together with family doctors could issue prescriptions.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 109	<b>Related Measure:</b> 6.4. Renewal of the eHealth Governance	
<b>Name of the Milestone:</b> Approval of the eHealth Governance Framework and its implementation roadmap		
<b>Qualitative Indicator:</b> Approval of the proposal on the eHealth Governance Framework and implementation roadmap by the Steering Committee of the “Eesti tervise IKT juhtimise raamistik”		<b>Time:</b> Q2 2023
<b>Context:</b> The objective of the reform is to improve the governance framework for eHealth to respond better to the needs of the health system and to develop a digital and sustainable health system in Estonia. The reform consists of adopting a revised national governance model for information and communication technology of the current health system to provide new eHealth governance model and the set-up of a clear division of roles and responsibilities in eHealth.		
Milestone 109 consists of approval of the proposal on the Governance Framework and implementation roadmap which shall update the governance framework for eHealth and the coordination of the		

development of eHealth services.

Milestone 109 is the only milestone of measure 6.4 on the Renewal of the eHealth Governance.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- iii. Copy of the adopted eHealth Governance Framework (hereinafter referred to as “eHealth Governance framework”) approved on 16 December 2021 and a link to its publication on the website of the Ministry of Social Affairs <https://www.sm.ee/media/1882/download>.
- iv. Copy of the implementation roadmap for the eHealth Governance Framework (hereinafter referred to as “Roadmap”) approved on 4 April 2022 and a Link to its publication on the website of the Ministry of Social Affairs <https://www.sm.ee/media/1880/download>.

Additional evidence provided by the authorities

- v. Copy of the Protocol of the Steering Committee’s meetings on the framework on 27 May 2021, 9 December 2021 and 24 March 2022 (hereinafter referred to as “Steering Committee meeting minutes”).
- vi. Copy of the Second Protocol of the Steering Committee’s meetings on the roadmap on 24 March 2022 and 4 April 2022 (hereinafter referred to as “Second Steering Committee meeting minutes”).
- vii. Copy of the Signature of the corresponding Steering Committee meetings from 16 December 2021 for the framework and 4 April 2022 for the roadmap (hereinafter referred to as “the Approval of steering committee meetings”).
- viii. The Decree No. 5 of the Secretary General of the Ministry of Social Affairs formatting the Steering Committee of the project from 6 May 2021 and the modified Decree No.5 of the Secretary General of the Ministry of Social Affairs formatting the Steering Committee of the project from 21 May 2021 (hereinafter referred to as “the Decree No. 5 of Secretary General of the Ministry of Social Affairs”).
- ix. Copy of the final project report on the e-Health Governance Framework by Ernst and Young law company issued on 24 March 2022.
- x. Copy of the analysis of the current situation regarding the Estonian e-Health Governance Framework by Ernst and Young law firm published on 20 May 2021 .

**Analysis:**

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

- **Approval of the proposal on the Governance Framework and implementation roadmap [...]**  
Furthermore, in line with the qualitative indicator for the milestone, the proposal shall be approved by the Steering Committee of the Estonian health Information and Communication Technology (ICT) management framework (“Eesti tervise IKT juhtimise raamistik”).
  - The Steering Committee of the Estonian health ICT management framework, which was composed on the legal basis of the Decree of the Secretary General of the Ministry of Social

Affairs and assigned to work on the eHealth Governance Framework and the Implementation Roadmap, discussed the new eHealth Governance Framework (Point 2 of the Protocol of the Steering Committee meeting) on 9 December 2021. On 16 December 2021, the Protocols of the Steering Committee meetings were signed, approving the updated eHealth Governance Framework as can be seen in the Approval of the Steering Committee meetings.

- Similarly, the updated implementation roadmap was discussed by the Steering Committee on 24 March 2022 as stated in Point 2 of the Second Protocol of the Steering Committee meeting. The Second Protocol of the Steering Committee meeting on the updated roadmap was signed on 4 April 2022 approving the roadmap as can be seen from the Approval of the Steering Committee meetings.

- **[...] which shall update the governance framework for eHealth [...]** The eHealth Governance framework was updated as follows:

- The components of the Governance model are further developed, supporting the development of the new generation health information system (upTIS) with clearly defined principles (Chapter 3.1.1. page 11 and Chapter 3.1.2 pages 11-12).
- It proposes a new approach to the information systems and e-services (page 11, Chapter 3.1.1), data standards and interoperability, general architectural principles of eHealth (pages 37 and 39-40, Chapter 4.5), technical infrastructure (Chapter 3.2, pages 12-17), data and information, workforce and resources.
- The implementation of updated eHealth processes is supported by a newly proposed organizational network. The actors of the eHealth governance model and their functions (organizational network) are identified in Chapter 3.3. on High-level governance model (pages 17-19).
- Chapter 4 (pages 20-25) of the updated framework focuses on the definition of eHealth governance processes as one of the main components of the governance model. These processes are divided into governance and management process domains to be capable of dealing with high-level evaluation, directing and monitoring to ensure that eHealth management processes are established, but also implemented and performed in most effective way. The previous governance framework did not have a clearly established architecture for the governance and management was rather hierarchical.

- **[...] and the coordination of the development of eHealth services.** On the coordination of the development of eHealth services, the updated eHealth Governance framework introduces the following changes:

- According to the Introduction (page 3), the Estonian eHealth governance model focuses both on governance, dealing with oversight of processes, and management processes, dealing with everyday coordination and management level activities. The organizational layout has been updated. In several processes, the central eHealth Planning Unit fulfils central functions from strategy development to key national eHealth portfolio management. Central decisions are made by the eHealth Steering Committee consisting of representatives of key national authorities. Prior to discussions in the eHealth Steering Committee, key decisions are addressed in the eHealth Strategy Council composed of major stakeholder representatives (page 3). Chapter 3.3 on High Governance model assigns strategic and tactical eHealth Planning Unit as responsible for coordinating eHealth strategic, portfolio management and other functions, including stakeholder engagement (page 18, Table 2). Moreover Figure 7 page 23 gives an overview of different functions of entities participating in the governance of eHealth framework. Overall functioning of the Estonian eHealth governance framework is the

responsibility of the Ministry of Social Affairs, accountable for the overall health policy and the Estonian Health Insurance Fund (EHIF) through funding health service provision and participating in activities improving the quality of health services. The governance and management of the eHealth ecosystem is realized through processes and activities such as strategic management, service development and provision, project management across organizations and levels of governance.

In line with the measure description, the update shall be done with **a view to better responding to the needs of the health system and ensure the development of digital solutions to support a sustainable health system in Estonia.**

- As defined in the Introduction of the updated eHealth Governance framework, the aim of the update is to analyze the current eHealth governance model and its functioning and design a future governance model that is better suited to today's and future eHealth goals (page 7).
- To ensure the development of digital solutions, the updated eHealth Governance framework sets that applying digital solutions in the health sector enables access to the right information by the right people at the right time and thereby improves the safety, effectiveness and efficiency of care. It also helps to move away from reactive towards proactive approaches to preserving health, to relieve health workers from time-consuming routine tasks and enable them to interact better with patients, to make patients more engaged, improve self-care skills, and more effectively coproduce health (page 7). Chapter 3.1.1. on Goals of the Estonian eHealth governance and governance model underlines as one of the principles that the eHealth technical infrastructure supports the overall health system and ensures it is secure, up-to-date and sustainable (page 11).

Furthermore, in line with the measure description, **the reform consists of adopting a revised national governance model for information and communication technology of the current health system to provide a forward-looking new eHealth governance model and promote a common understanding among partners of the division of roles and responsibilities in eHealth.**

- As stated in the Introduction of the updated eHealth Governance framework (page 7), the Estonian eHealth governance model is the second deliverable of the project "Estonian eHealth ICT governance framework". Furthermore, this governance model is seen to support the development of the new generation health information system (upTIS) in the coming years and includes such upTIS principles as forward-looking digital solutions that are managed in transparent and understandable ways (Chapter 3.1.1, page 11).
- Chapter 3.3. of the updated eHealth Governance framework focuses on the high-level governance model (pages 17-19) and gives a common overview of the roles and responsibilities of different actors.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 116</b>	<b>Related Measure:</b> 6.7. Extending the duration of unemployment insurance benefits	
<b>Name of the Milestone:</b> Entry into force of the amendments to the Unemployment Services and Benefits Act and the Unemployment Insurance Act		
<b>Qualitative Indicator:</b> Entry into force of the legislative amendments		<b>Time:</b> Q2 2023
<b>Context:</b> The objective of measure 6.7 is to address the long-standing challenge of improving the adequacy of the social safety net. The reform consists of the establishment of a mechanism to activate the extension of		



the period of the unemployment insurance benefits, depending on the labour market situation.

Milestone 116 requires laying down a permanent mechanism to activate the extension of the duration of unemployment insurance benefits by 60 days, notably when the registered unemployment rate exceeds the average rate of unemployment by a significant margin.

Milestone 116 is the only milestone of this reform.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of the Act Amending the Unemployment Insurance Act, the Labour Market Services and Benefits Act and the Work Ability Allowance Act adopted on 16 November 2022 and entered into force on 12 December 2022 (publication in OJ RT I, 02.12.2022, 3) (hereinafter referred to as “Amending Act”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/102122022003>

The authorities also provided:

- iii. Copy of the screenshots of the calendars of the Ministry of Finance showing that the meetings of the working group with social partners took place on 8 October, 22 October, 2 November and 5 November 2021.
- iv. Copy of the digital document of the calendars of the Ministry of Social Affairs showing that the Tripartite Meetings of the Minister of Health and Labour and the social partners took place on 24 January 2022 and 25 March 2022.
- v. Copy of the letter of the Estonian Trade Union Confederation approving the Draft Act, submitted on 16 May 2022, the printout of the digital signature, and a link to the public document register of the Ministry of Social Affairs: <https://adr.rik.ee/som/dokument/12668047>
- vi. Copy of the letter of the Estonian Employers’ Confederation submitted on 23 May 2022, the printout of the digital signature and a link to the public document register of the Ministry of Social Affairs: <https://adr.rik.ee/som/dokument/12703240>
- vii. Copy of the Draft Act, and its explanatory memorandum with annex, Amending the Unemployment Insurance Act, the Labour Market Services and Benefits Act and the Work Ability Allowance Act as submitted by the Government Office with a letter to the Estonian Parliament on 25 August 2022, a copy of the digital signature and a link in the Information System of the Government: <https://eelnoud.valitsus.ee/main/mount/docList/30ba8500-3642-439f-b378-4899cd600361>
- viii. Copy of the amended Unemployment Insurance Act adopted on 13 June 2001 and the revision entered into force on 12 December 2022 (publication in OJ RT I, 02.12.2022, 9) (hereinafter referred to as “Act No. 9”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/102122022009>
- ix. Copy of the amended Unemployment Insurance Act adopted on 13 June 2001 and the revision entered into force on 30 June 2023 (publication in OJ RT I, 02.12.2022, 10) (hereinafter referred to as “Act No. 10”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/102122022010>
- x. Copy and a link to the article on “Prepared for the crisis with a new, unique, adaptive unemployment insurance benefit” published on the website of the Ministry of Social Affairs on

17 November 2022 <https://www.sm.ee/kriisiks-valmis-uee-unikaalse-automaatselt-kohaneva-tootuskindlustushuvitise>

- xi. Copy of the Draft Act, and its explanatory memorandum, Amending the Unemployment Insurance Act, the Labour Market Services and Benefits Act and the Work Ability Allowance Act as submitted for approval to other ministries, social partners and other interest groups on 25 April 2022, the digital printout of the signature and a link to the documents in the Information System of the Government:  
<https://eelnoud.valitsus.ee/main/mount/docList/f7a8aadf-b90b-431a-866d-ecc991b97543>
- xii. Copy of the letter, and the printout of the digital signature, of the Unemployment Insurance Fund approving the Draft Act, submitted on 23 May 2022 and a link to the public document register of the Ministry of Social Affairs: <https://adr.rik.ee/som/dokument/12699999>
- xiii. Copy of the letter, and the printout of the digital signature, of the Bank of Estonia approving the Draft Act, submitted on 23 May 2022 and a link to the public document register of the Ministry of Social Affairs: <https://adr.rik.ee/som/dokument/12703245>
- xiv. Copy of the letter and its annex of the Estonian Chamber of Commerce and Industry approving the Draft Act, submitted on 23 May 2022, the printout of the digital signature, and a link to the public document register of the Ministry of Social Affairs:  
<https://adr.rik.ee/som/dokument/12699984>
- xv. Copy of the agenda of the government meeting of 31 March 2022 discussing the of the proposals to make the unemployment insurance benefits system dependent on the economic cycle and link to the webpage of the Government of the Republic of Estonia:  
<https://valitsus.ee/uudised/valitsuse-kabinetinoupidamise-paevakord-31-marts-2022>

#### **Analysis:**

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

#### **Entry into force of the amendments to the Act (...)**

The Estonian Parliament adopted the Amending Act (see evidence in point ii)) on 16 November 2022 which entered into force on 12 December 2022, as indicated in the Official Journal publication note (RT I, 02.12.2022, 3) and established in the Chapeau of the Amending Act. The specific amendments to the Unemployment Insurance Act (Article 1 (1-7) and (9) of the Amending Act) entered into force on 30 June 2023, in accordance with Article 4 (2) of the Amending Act.

**(...) which shall lay down a permanent mechanism to activate the extension of the duration of unemployment insurance benefits by 60 days, notably when the registered unemployment rate exceeds the non-accelerating inflation/wage rate of unemployment by a significant margin.**

The permanent mechanism to activate the extension of the duration of the unemployment insurance benefits by 60 days is introduced by the Amending Act (Article 1).

The Amending Act introduced the following changes to the payment of the unemployment insurance benefit:

- Article 1(1) of the Amending Act modifies Article 8(1) of Act 9 and shortens the base period of the unemployment insurance benefit by 60 calendar days for the insured persons whose insurance period is five or more years (from 270 to 210 and from 360 to 300 days). However, the base period remains unchanged (180 days) for an insured person whose period of insurance is less than five years.
- Article 1 (1<sup>1-16</sup>) of the Amending Act introduced in Article 8 of Act 9 the conditions for the

automatic extension of the benefit payment period by 60 or 120 days depending on the labour market situation. More specifically:

- when applying for an unemployment insurance benefit, the base period for the payment of benefits is determined according to the person's unemployment insurance period as amended by Article 1(1) of the Amending Act. The Estonian Unemployment Insurance Fund calculates the number of registered unemployed at the beginning of each month (Article 1(1<sup>5</sup>) of the Amending Act). Before the end of the benefit payment period, the Estonian Unemployment Insurance Fund compares the result of the number of registered unemployed persons with the average number of unemployed persons of the previous period. Based on the comparison, the unemployment insurance benefit payment period is extended by 60 days, 120 days or not (Article 1 (1<sup>1-14</sup>) of the Amending Act). The benefit payment period is not extended and the base period (180, 210 or 300 days) will remain in effect when the labour market situation is very good, notably the number of unemployed is more than 20% lower than the average of the last ten years and below the average level of the last three years. When the labour market situation is bad, the period of paying the benefit is extended. The extension concerns only for those unemployed persons who continue to be registered as unemployed on the day following the day on which the benefit was granted for the base period.
  - the benefit period extends by 60 days for the persons whose insurance period is five years or more (i.e. if the base period is 210 days or 300 days) if the number of registered unemployed persons is not more than 20% lower than the average of the last ten years or corresponds to at least the average level of the last three years,
  - the benefit period extends by 60 days for the persons whose insurance period is shorter than five years (i.e. if the base period is 180 days) or 120 days for the persons whose insurance period is five years or more (i.e. if the base period is 210 days or 300 days) if the number of unemployed has increased by at least 20% compared to the average of the last three years.

**(...) The mechanism of prolongation and the margin, which shall not be higher than 2%, shall be agreed upon in dialogue with the social partners.**

- The Estonian authorities discussed the mechanism to extend the duration of the unemployment benefit insurance on several occasions with social partners (and other stakeholders) in 2021 and 2022 (see page 6, evidence in point vii)). The consultation also included sharing the draft Amended Act via the electronic system of the Ministry of Social Affairs in April 2022 to which social partners, notably the Estonian Trade Union Confederation and the Estonian Employers' Confederation provided written feedback to the authorities in May 2022 (see evidence in points v) and vi)).
- On the margin which shall not be higher than 2%, Estonia applies a mechanism of prolongation which is based on the number of registered unemployed persons and not based on the unemployment rate (see the next paragraph). The 2% margin was defined in relation to unemployment rates (registered unemployment rate versus the non-accelerating inflation/wage rate of unemployment), which ranged between 5% in 2019 and 8% in 2021 in Estonia (explanatory memorandum to the Amending Act (page 20 of evidence vii)). The methodology used by Estonia is based on the number of registered unemployed persons, which ranged between 32 thousand people in 2019 and 50 thousand people in 2021 (explanatory memorandum to the Amending Act (page 20 of evidence vii)). Therefore, the margin had to be redefined to a 20% margin around the three-year and ten-year moving averages of unemployed

people. Based on average unemployment data for the years 2019-2021, a 20% margin on the average unemployed people is expected to lead to a quicker triggering of the mechanism than the 2% margin on the unemployment rate, concluding that the modified margin is in line with the aim of the reform. The 20% margin is included in the Amending Act, Article 1 (1<sup>1-6</sup>), as described above.

The milestone is further specified in the Operational Arrangements, which requires that **alongside the NAIRU/NAWRU, other reference unemployment rates (such as multi-year moving averages) may also be used as benchmarks for activating the extension, based on the result of the consultation with social partners as reported under interim step 116.1 in Annex II.** The Estonian authorities decided to define the mechanism of prolongation of the duration of the unemployment insurance benefit not based on NAIRU/NAWRU but based on both the person's unemployment insurance period and on the labour market situation. The choice of indicator was discussed with stakeholders, including social partners (and other stakeholders) in 2021 and 2022 (see page 6, evidence in point vii)). The consultation also included sharing the draft Amended Act via the electronic system of the Ministry of Social Affairs in April 2022 to which social partners, notably the Estonian Trade Union Confederation and the Estonian Employers' Confederation provided written feedback to the authorities in May 2022 (see evidence in points v) and vi)). As presented in the explanatory memorandum to the Amending Act (page 20 of evidence vii)) the indicator was selected because it reacts quickly to changes in the labour market, the calculation of the indicator is possible in real time and the publication of results is relatively quick (the unemployment rate statistics recorded in the previous month are generally published on the Unemployment Fund's homepage by the 10th of the following month), and the measurement is easily administered by the Unemployment Fund, which also decides on the granting of benefits. Given that the chosen mechanism is defined in number of employed people, the margin is no longer defined as percentage point of the unemployment rate, but as percent of unemployed people.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 118	<b>Related Measure:</b> 6.8. Long-term care
<b>Name of the Milestone:</b> Action Plan on an integrated care model	
<b>Qualitative Indicator:</b> Adoption of the Action Plan	<b>Time:</b> Q4 2022
<p><b>Context:</b></p> <p>The objective of measure 6.8. is to improve the provision of long-term care. The measure consists of four elements: amendments to the Social Welfare Act, adoption of an Action Plan on providing social and health care in an integrated way, entry into force of a Decree to define the design and characteristics of care services by local authorities to people with lower care needs and legislative amendments aiming at improving the support system for children with higher care needs.</p> <p>Milestone 118 aims at the adoption of an Action Plan on providing social and health care in an integrated way.</p> <p>Milestone 118 is the second step in the implementation of the measure, and it follows milestone 117 related to laying down – among others - the concept of long-term care. It will be followed by milestone 119 related to defining the design and characteristics of care services by local authorities to people with lower care needs, as well as the conditions for their implementation and milestone 120 related to improving the support system for children with higher care needs. The reform has a final expected date</p>	

for implementation in Q1 2025.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of Directive No. 62 of the Minister of Social Affairs and of the Minister of Health and Labour adopted and entered into force on 5 April 2023 on the Action Plan on integrated care for the implementation of the care coordination model and a link to its publication in the public document register of the Ministry of Social Affairs: <https://adr.rik.ee/som/dokument/13977199>.
- iii. Copy of Directive No. 21 of the Minister of the Social Protection and the Minister of Health adopted and entered into force on 21 February 2024 on the Action Plan on integrated care for the implementation of the care coordination model amending Directive No. 62 of the Minister of Social Affairs and of the Minister of Health and Labour and a link to its publication in the public document register of the Ministry of Social Affairs <https://adr.rik.ee/som/dokument/15120358>.

The authorities also provided:

- iv. Copy of the printouts of the validity of the digital signatures of the Ministers.
- v. Copy of the printouts of the corresponding page confirming the adoption of the Action Plan via the document management system of the Ministry of Social Affairs (case file nr 1.1-2/2023 for Directive No. 62 and 1.1-2/2024 for Directive No. 21).

**Analysis:**

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

**The Ministry of Social Affairs shall adopt an Action Plan (...):** The Action plan on integrated care for the implementation of the care coordination model (hereinafter referred to as ‘Action Plan’) was adopted by the Minister of Social Affairs and by the Minister of Health and Labour on 5 April 2023 by Directive No 62. Directive No. 62 was modified by Directive No. 21 of the Minister of Social Protection and the Minister of Health on 21 February 2024. Estonia provided a links to the adopted documents in the document register of the Ministry of Social Affairs, printouts of the validity of the digital signatures of the Ministers as well as a printout confirming the adoption of the Action Plan via the document management system of the Ministry of Social Affairs (case file nr 1.1-2/2023 for Directive No. 62 and 1.1-2/2024 for Directive No. 21).

**(...) that provides for the establishment of an integrated care model throughout Estonia.** The Action Plan lays down the definitions, description and the concept of the integrated care coordination model to be implemented throughout Estonia.

- The chapter on “Definitions”, defines the coordination model as coordination of activities and integration of services between social care, health care and other sectors, with a view to providing assistance and support to people with complex needs that meet their needs.
- The chapter on “Description and concept of the care model”, outlines the description and concept of the integrated care model as follows:
  - the objectives and expected outcomes of the coordination model and the provision of people-centred and integrated services listed in point 1: this section describes the goals

and expected outcomes of the integrated care model from the perspective of patients, staff providing support to people in need and care services more generally.

- the target group for the provision of coordinated person-centred and integrated services defined in point 2: this section defines the target group to ensure that integrated care services are offered to all people, regardless of their age, and the complexity of their needs for assistance.
- the levels and functions of the coordination model specified in point 3: this section identifies three levels for the coordination model and their functions, notably the national level; regional or local organisations and institutions level; and service provision level: specialist working in social welfare and health sectors.
- the prerequisites for the national implementation of the coordination model described in points 4 and 5: This section lays down further actions to be taken which include an analysis of the legal requirements and, if necessary, establishing the legislation to enforce the coordination model; an analysis of the resource needs to perform functions at the different levels of the coordination model and the development of the financing model. The Action Plan also contains a roadmap for the implementation of the care coordination model, outlined in point 6.

**(...) and the roles and responsibilities of the actors involved in the future financing model of the system.**

- The Action Plan describes the roles and responsibilities of the actors involved in the implementation of the integrated care model at the three levels as specified in Point 3 of the chapter on the “Description and concept of the care model”.
- Chapter 5 on the “Preparation of the coordination model for national implementation of the financing of the coordination model” lays down the steps to be taken to establish the future financing model, building on the experience of the ongoing pilot projects on the regional coordination model. The pilot projects include networking activities which contribute to identifying the roles of the institutions involved, map regional groups of people in need and develop people-centred client journeys. One of the output indicators for the pilot projects is a functioning and sustainable regional coordination model with a clear and formally fixed distribution of tasks and responsibilities between the different actors. The focus is on developing sustainable and effective solutions and planning their future funding to ensure that the necessary services are available to beneficiaries in the region also after the projects. The roles and responsibilities of the actors at the three levels in the future financing model of the system depend on which services will be offered. The coordination model operating at the regional level will also provide a basis for deciding which services should be financed by the local government and which by the state in the future and, if necessary, to implement the corresponding changes.

Furthermore, in line with the description of the measure, the Action Plan on providing social and health care in an integrated way shall:

- **provide for the establishment of an integrated care model throughout Estonia;** The Action Plan lays down the definitions, description and the concept of the integrated care coordination model to be implemented throughout Estonia in the Chapters on “Definitions” and “Description and concept of the care model”. The Action Plan defines the coordination model as coordination of activities and integration of services between social care, health care and other sectors, with a view to providing assistance and support to people with complex needs that meet their needs.
- **Lay down the roles and responsibilities of the actors involved;** The Action Plan describes the

roles and responsibilities of the actors involved in the implementation of the integrated care model at the three levels as specified in Point 3 of the chapter on the “Description and concept of the care model” as follows:

- National level: ministries and central institutions are responsible for the development and management of the general framework of the coordination model, which includes – among others - setting nationwide goals, development of the legal framework or elaboration and implementation of the training system necessary to launch and maintain the coordination model.
- Regional level: local authorities and institutions are responsible – among other tasks - for supporting and monitoring the regional level implementation of the coordination model or organising comprehensive and coordinated support for people in need and ensuring continuity of support in the region.
- Coordinated service provision level: specialists working in social and health care sectors are responsible - among other tasks - for providing and ensuring the continuity of services and support to persons with complex assistance needs or ensuring cooperation between specialists from different sectors and institutions. .
- **and define the financing of the system.** The financing of the system is twofold as outlined in Chapter 5 on the “Preparation of the coordination model for national implementation of the financing of the coordination model”. On the one hand, the financing of the functioning of the care model includes the financing of the deployment of an IT solution supporting the coordinated offer of services financed by the European Regional Development Fund, as well as developing and implementing a system of training for social and health care professionals with the support of the national budget, the European Social Fund and the Estonia-Switzerland cooperation programme. On the other hand, the financing of the services of the coordination model is organised at regional level up until 2025, through the implementation of pilot projects, in different regions in Estonia. Each project focuses on integrated care, including a hospital, general practitioners and local authorities. The pilot projects are financed from the European Social Fund Plus and national budget. The pilot projects are expected to provide a clear understanding of the future support for the coordination networking, information exchange and cross-sectoral case management, including national level, with a view to agreeing on the final funding model for the national wide implementation of the coordination model. The Action Plan furthermore describes the actions to be taken with a view to adjust the financing of the system in the future, as the integrated care model is further developed. . To this end, the roadmap in Chapter 6 outlines the steps to be taken in 2024-2026 which includes legislative changes, amongst others on the financing of the future coordination model.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 122	<b>Related Measure:</b> 6.9. Reducing gender pay gap	
<b>Name of the Milestone:</b> Digital gender pay gap tool		
<b>Qualitative Indicator:</b> Developing a prototype of a gender pay gap tool		<b>Time:</b> Q4 2022
<b>Context:</b> The objective of measure 6.9. is to reduce the gender pay gap. The measure consists of the adoption and implementation of the Welfare Development Plan for 2023-2030 and the roll out of a digital gender pay gap tool.		

Milestone 122 concerns 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.

Milestone 122 is the first step in the implementation of the measure, and it will be followed by milestone 121, related to the adoption of the Welfare Development Plan laying down – among others – the measures to reduce the gender pay gap, and 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 measure is expected to be completed by Q1 2024.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

- i. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
- ii. Copy of the letter of the Minister of Social Protection of 12 May 2023 regarding the development of the prototype of the gender pay gap tool.

The authorities also provided:

- iii. Copy of the printout of the validity of the digital signature of the Minister of Social Protection.
- iv. Copy of the digital documents that were printed out of the software application presenting the different functions of the prototype of the gender pay gap tool.
- v. Copy of Order No. 25 of the Prime Minister adopted and entered into force on 19 April 2023 on “The competence of ministers in managing the ministries and the areas of competence of the ministers” ( publication in OJ RT III, 20.04.2023, 1 ) (hereinafter referred to as “Order No. 25”) and a link to the publication in the Official Journal <https://www.riigiteataja.ee/akt/320042023001>.
- vi. Copy and link to the webpage presenting the research project “Reducing the Gender Wage Gap” (REGE) <https://rege.tlu.ee>.
- vii. Copy of the final report of the REGE project “Gender Wage Gap in Estonia: the background of formation and the possibilities of reduction” and a link to the report [https://www.etag.ee/wp-content/uploads/2022/05/RITA-1-lopparuandne\\_REGE\\_projekt\\_31.03.22\\_parandatud.pdf](https://www.etag.ee/wp-content/uploads/2022/05/RITA-1-lopparuandne_REGE_projekt_31.03.22_parandatud.pdf).
- viii. Copy of the Intellectual property assignment agreement, signed by the Ministry of Social Affairs on 11 August 2022 and the Estonian Research Council on 4 July 2022 and a printout of the validity of the digital signature.

**Analysis:**

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

- **A prototype of a gender pay gap tool for employers shall be developed [...].** The prototype of the gender pay gap tool was developed in the framework of the research project "Reducing the Gender Wage Gap" (so-called REGE project). The research project was carried out by the Estonian Research Council in consortium with Tallinn University and Tallinn University of Technology. Since the prototype is not yet publicly available, the Estonian authorities presented secondary evidence of its existence, such as the final report of the project which was published in March 2022.



- Chapter 4.2.2 of the final report of the REGE project, published in March 2022, describes the development of the prototype.
  - The intellectual property assignment agreement, signed by the Ministry of Social Affairs on 11 August 2022 and by the Estonian Research Council on 4 July 2022, confirms the transfer of the intellectual property rights of the REGE project, including the “Pay Mirror” tool (hereinafter referred to as “tool”), from the consortium to the Ministry of Social Affairs.
  - Since the tool is not yet publicly available, the Estonian authorities provided evidence in the form of digital documents that were printed out of the software application of the gender pay gap tool. The Commission performed an online on-the-spot check on 29 November 2023 to obtain reasonable assurance that the received digital documents on the tool's functions are correct. The on-the-spot check confirmed that a gender pay gap tool has been developed in compliance with the requirements of the Council Implementing Decision. The on-the-spot check was finalised successfully without any issue found.
- **[...] 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 that were printed out of the software application of the gender pay gap tool (see evidence in point iv.) The functions of the tool were demonstrated during the on-the-spot check on 29 November 2023 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 number of employees by gender, including the number of full-time and part-time employees by gender. The tool also provides different pay gap indicators such as the overall gender pay gap, gender median pay gap, gender pay gap by occupational groups, level of education level and age. This feature has the potential to identify both the vertical and horizontal segregation within the organization, shedding light on the existence of pay gaps between men and women in the same occupational groups. Apart from providing data, the tool also has textual features, notably it provides explanations for the pay gap and also contains 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. The on-the-spot check was finalised successfully without any issue found.
    - In addition, as outlined in Chapter 4.2.2 of the final report of the REGE project, the gender pay gap tool automatically creates a pay report of the company or organisation, which makes it easy to access data and to identify gender pay gaps within their company or organisation.
    - The prototype is still being tested and further developed with a view to roll it out by Q1 2024.

**Commission Preliminary Assessment:** Satisfactorily fulfilled