

Estonia 2035

Draft (8 October 2020)



“Estonia 2035” is a national long-term development strategy

Strategic goals of “Estonia 2035”

The “Estonia 2035” development strategy sets out strategic goals for the state and people of Estonia for the next fifteen years, and determines the changes necessary for achieving them. The strategy was agreed upon through joint discussions, analyses, workshops and opinion gathering between non-governmental partners, experts, researchers, politicians, entrepreneurs, officials and many other stakeholders. Almost 17,000 people from all over Estonia have contributed to the completion of “Estonia 2035” as a part of co-creation in 2018–2020. Out of these, 13,903 participated via internet or public libraries in the opinion gathering determining the values on the basis of which strategic goals have been formulated. Working documents co-created in the process have been published on the website of the Government Office.

In increasing the vitality of the Estonian nation, language, and culture, and developing a democratic and secure state, we need to take into consideration these five equal goals when making our everyday choices:



People

Estonia’s people are smart, active and care about their health.



Society

Estonia’s society is caring, cooperative and open-minded.



Economy

Estonia’s economy is strong, innovative, and responsible.



Living environment

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.



Governance

Estonia is an innovative, reliable, and people-centered country.



Overview of the strategy “Estonia 2035”



**A democratic and secure state
that preserves and develops the Estonian nation, language, and culture**

“Estonia 2035” is strategic management tool which enables the coordination of long-term strategic planning and financial management of the country, taking into account the possibilities of public finance. It is a strategy that facilitates cooperation between the Riigikogu and the Government of the Republic to ensure uniform management of Estonia’s development, and strengthens the links between different types of strategic policy documents. Estonia’s strategic goals can be achieved when the agreements made in the “Estonia 2035” strategy are taken into consideration in the decision-making processes by the Riigikogu and the Government of the Republic. The general part of the strategy is approved by the Riigikogu at the proposal of the Government of the Republic.

The “Estonia 2035” strategy is carried out mainly via sectoral development plans and programmes in the respective fields. This can also be used as a basis for strategic planning by local governments and public, private, and civic sector organisations.

“Estonia 2035” is integrated with the economic coordination of the European Semester which serves as a basis for the planning of European Union (EU) funds and provides a direction for implementation of sustainable development goals in Estonia.

“Estonia 2035” takes into account the analysis of the most burning issues in Estonia and the world based on statistics, domestic expert assessments and reports by international organisations (Joint Research Centre of the European Commission, European Parliament, OECD, PriceWaterhouse Coopers, Ernst & Young, etc.). Based on the above, the document describes the most important development needs connecting different policy fields in Estonia – that is, the tasks that need to be fulfilled in the upcoming years and that need to be taken into account in policy making. The development needs have an impact on achieving Estonia’s five strategic goals, pointing out both the fields that need improvement and the possibilities of success. The strategic goals have been agreed upon in broad-based discussions and opinion gathering. The necessary changes help Estonia reach its strategic goals and take into account the obstacles and possibilities described in the development needs.

Development needs influencing the most areas of life in Estonia



Estonia's development needs

Based on the analysis of the situation in Estonia and the developments in the world, there is a need for important steps to be taken in almost all areas of life in order to improve the current situation or to take advantage of available opportunities. These have been presented in the strategy as nine equally important development needs that must be taken into account when making decisions. The numerical data refers to 2019, unless stated otherwise.

Population

The world's population is projected to grow to around 8.8 billion by 2035 (from 7.3 billion in 2015) and the global median age will increase to 34 (30 in 2015). The population is growing mainly in Asia and Africa. Population growth will likely to come to a halt in the European Union, with Europe outpacing most regions of the world in terms of aging.

Estonia is facing changes related to the aging of society. According to estimates, the natural increase of the population in Estonia will remain moderately negative until 2035, due to the fact that the smaller generations born in the 1990s and later have reached the age of starting families. Although the natural population growth of Estonians has been positive for the last two years (+348 people), among the total population, it remains negative (-1302 people). The change in the population of Estonia in the near future will largely depend on the relationship between immigration and emigration. According to the main scenario, the population of Estonia will be approximately 1.305 million in 2035; if migration flows are balanced, the number will be somewhat smaller. By that time, one out of every four people living in Estonia will be 65 years old or older, while the number of working-age people (15–64) will decrease by almost 44,000. This also means that the share of population that is at the age for starting a family will be smaller. Among the generations that have reached the end of their family-planning years in recent years, the average number of children per woman has been 1.82–1.86, i.e. lower than the population recovery level (2.1 children per women). The low fertility rate and a decrease in the number of children young people wish to have is worrying. Although the total fertility rate is on the rise (1.66), the average age of women giving birth is also increasing. In addition, it is estimated that up to 200,000 people of Estonian descent are living abroad, who need to be taken into consideration more in regards to carrying on and introducing the Estonian language and culture, as well as in their involvement in Estonian society, including addressing labour market needs.

These demographic changes require a sustainable population policy, a supportive environment for children, youth, education, family and health policies, development of indicators to promote a high level of employment, longer working lives for the elderly and support for dignified aging, targeted adaptation and integration of immigrants into the Estonian language and cultural space, participation of the people living in Estonia and our compatriots in social and cultural activities, and provision of appropriate health and social services. The changes caused by the decrease and aging of the population are having the greatest impact on Ida-Viru County, South-Eastern and Central Estonia and regions further away from the centres. According to the forecast, the population of Tallinn and Tartu (and the respective counties) will continue to grow. A balanced knowledge-based approach that takes into account regional specificities and needs and reduces socio-economic inequalities in different regions will help to cope with the urbanisation and demographic changes.

Health and life expectancy of people

Extreme weather events and the resulting crises are on the rise in the world, which makes it necessary to improve our preparedness to cope with the effects of climate change on human health, well-being, safety, and the living environment. There is an increasing risk of infectious diseases (including new and unknown ones) appearing, spreading and growing into epidemics and pandemics. In order to prevent the spread of communicable diseases and epidemics and pandemics, institutions in all fields, and society as a whole, need to be better prepared to prevent the spread of infectious diseases.

Among other things, in situations in which society is unable to function normally in order to save human lives, and there is a growing pressure on the social and healthcare systems. Human activity will reduce natural diversity, increase extreme weather conditions, oceans will acidify and the food on our tables will also change. Water and air quality and unprecedented climate conditions continue to cause health issues for humans. The main health risks in Europe also include rising levels of obesity and excessive use of tobacco and alcohol.

The increase of average life expectancy (78.82) in Estonia is the fastest in the European Union, but remains below the average indicator. The healthy life years, however, has not increased within the last ten years (55.9 years). There is both a large gender gap (men live 8.4 years less than women, and have 3.5 years less of healthy life) and regional differences (in South-East Estonia, the healthy life years is more than ten years lower than in North and West Estonia). Health related behaviour also differs vastly among levels of education: men with basic and lower education live, on average, 10 and women 8.7 years less than representatives of their gender who have a higher education.

Almost 53% of health loss was due to risk factors or risk behaviour (in 2017). The leading risk factors and behaviours that cause health loss in Estonia are high blood pressure, unbalanced eating habits, nicotine and tobacco consumption, excess weight and low physical activity, use of alcohol and drugs. Although tobacco and alcohol consumption has decreased in recent decades, there are still many people each year who die of diseases caused by alcohol and as a result of narcotics overdoses. Obesity is on the rise in Estonia: more than half of the population is overweight, including one in four first graders. The mental health situation is also an important factor in health loss. Mood and anxiety disorders are on the rise and suicides make up almost 27% of injury deaths. Thanks to detecting and preventing dangers and changing attitudes, skills, and behaviour, the number of injury deaths has decreased by more than 40% compared to 2007. This means that in order to improve the health of people and lengthen the healthy life years, we need to continue to shape the attitudes and behaviours of people to become more health and environmentally conscious. Estonia contributes 6.7% of its GDP to healthcare, but this is almost three percentage points lower than the EU average. If the current level of services continues, by 2035 the expenses of the Estonian Health Insurance Fund will grow almost 24% faster than its income. In addition, the health care system is constantly under pressure from the increase of expenses on health interventions due to changes in the salaries of health care workers, and the development and rise in price of health technology. The share of elderly people and patients with multiple illnesses will start to have a more noticeable impact on health care system expenditures after 2035, leading the government sector into an up to 1% deficit (by 2070, the deficit will fall to 0.6% of GDP). This, in turn, will worsen the availability of health care services.

The share of the elderly in the population is increasing and the number of people with disabilities has risen. There is a need to improve the accessibility of the living environment, find new solutions, and update the long-term care system in Estonia which currently fails to sufficiently take account of the demographic changes and provide sufficient support for those in need. The burden of care of the family members of people reliant on care affects approximately 47,000 people in Estonia and a gender gap can be observed: of all the caretakers of family members, women make up 60%; as many as 80% of the people who are unable to be active in the labour market due to taking care of someone are women. Another issue regarding long-term care is the remarkably high share of own contribution, which has increased in recent years. A person under care or their family member pays 79% of the total cost of general care services provided in a care home. The average net old-age pension is 41% of the average net salary. The theoretical net replacement rate of old-age pensions was 40% in 2017, which makes it the lowest in the EU. The relative poverty rate of people above 65 years is also the highest in the EU in Estonia (43.1% in 2018).

Society and opportunities

New patterns and directions of migration are emerging in the world (instead of the previous south-north movement, south-south migration is on the rise). In the next decades, Europe will face large-scale migration flows from its unstable neighbouring regions, and this will require a smart migration policy. Forced migration due to climate change (including natural disasters) is increasing, which requires resolving both legal and other societal issues related to the provision of humanitarian aid and resettlement aid. At the same time, Europe is facing an increasing threat of falling behind in the global race for talent.

The basis for the cohesion of our society is a common Estonian identity, which is based on the sharing of our constitutional values, a sense of togetherness, and a shared cultural space, a conscious definition of oneself as a member of Estonian society, and respect for the regulations and laws of this society. In order to ensure this cohesion, it is important to make sure that all permanent residents and Estonians living elsewhere feel a sense of togetherness with Estonia and carry the Estonian identity, along with acknowledging and respecting the opportunity of different population groups to preserve and develop their mother tongue and culture. It is also important to ensure that each member of society feels supported and valued. In the Estonian cities (especially in Tallinn), socio-economic, spatial and ethnic segregation has increasingly begun to overlap.

Estonia contributes 13% of its GDP to social protection, but this is almost six percentage points lower than the EU average and does not sufficiently cover actual needs. A total of 21.7% of the population of Estonia lives in relative poverty (in 2018; the EU average was about 17%), while in Ida-Viru County and Valga County, the relative poverty rate is over 35%. The need to maintain and improve the employment situation remains a burning issue because the number of employed will decrease by 4% by 2035 due to the decreasing and aging population. Women of other nationalities have the weakest position in the labour market. While the employment of men differs only by 4.3 percentage points by nationality, the employment gap for women in terms of nationality is almost twice as large (among 15-74 year olds). Lower employment is significantly affected by poor Estonian language skills, which is why we must continue to improve the teaching of Estonian to people with a different mother tongue. There is also a significant regional difference: unemployment is lowest in Harju County (3.4%) and Tartu County (4.1%), and highest in Ida-Viru County (8.7%). In the spring of 2020, unemployment started to rise significantly. When on 1 June 2019, the registered unemployment rate was 4.5%, then at the same time in 2020, it was 7.8%. This has also been accompanied by regional changes: the highest level of unemployment is still found in Ida-Viru County and the counties of Southern Estonia, but unemployment in Harju and Tartu counties has risen close to the Estonian average. Although the gender pay gap has narrowed in recent years (17.1%), it remains high. In addition to the pay gap, inequality also manifests itself in domestic violence which accounts for 47% of all violent crimes (85% of the perpetrators are men, 81% of the victims are women). There is also age inequality in the labour market: people aged 50 and over earn, on average, one fifth less than younger people. The proportion of people with a current disability is 11.7% of the population (as of 1 January 2020) and has increased over the last ten years. The employment rate for people with disabilities (31.5%) has more than doubled over the same period.

Learning opportunities

The global labour market is heavily influenced by the continued growth of automation and new industries, which requires the reshaping of existing skills and knowledge profiles, as well as a response in educational policy. The labour market is becoming significantly more flexible and, at the same time, more unstable for people. The match between education and the needs of society and the labour market must be improved on all levels of education. Also, higher education and research and development activities must become more closely linked. The working-age population increasingly values entrepreneurship, being self-employed, working in more flexible project and platform-based solutions. Education creates preconditions for entrepreneurship and innovation, economic growth that takes into account the specifics of Estonia and the development of a balanced and cohesive society.

Estonia is at the absolute top of Europe and among the best countries in the world in terms of ensuring the effectiveness and equality of basic education: according to the results of the international PISA test, Estonian 15-year-olds are ranked first in European countries in functional reading skills, mathematics, and science (biology, physics, and chemistry). However, there is a large share of people without professional education in Estonia: 27% of adults (25–64 years old) have no professional or vocational education. The share of young people (18–24 years old) who do not continue their primary or lower education is 9.8%, and the share of men among them (12.7%) is almost twice of that of women. By ethnic groups, 10.2% of Estonians and 9% of people of other nationalities decide not to continue their studies. A learner-centred and inclusive education system based on shared values would help to provide learning methods that support the needs of the labour market. People need to adapt to the need to learn throughout their lives and be prepared for a change in profession. At the same time, those who need it the most (people with lower levels of education and the elderly) are less likely to take advantage of the available lifelong learning opportunities. There is a significant gap in participation in lifelong learning by ethnicity (22.1% of Estonian adults, but only 16.1% of residents of other nationalities are studying) and by regions (23.4% of the working age population study in Northern Estonia, while in Central Estonia, this number is 15.3%, in North-Eastern Estonia, 16.1%, in Western Estonia, 16.3%, and in Southern Estonia, 18.9%).

Due to the constantly evolving and more widespread use of technology, it is important to prepare people for the use of technologies and to improve their digital competency. In Estonia, nearly 100,000 people aged 17–74 do not use the Internet; most of them are elderly, with lower income and/or lower levels of education.

Business environment

The interval of technological change is accelerating in the world, as a result of which new business and life-style models are emerging and new ways of working and living are being shaped. If international institutions also weaken and positions of countries in international relations change, there is a potential for an increase in protectionism which will significantly change the way undertakings can sell their products and the conditions in which they compete.

As a member of the European Union, the Estonian economy is strongly integrated into the EU single market in both the product and service sectors, which is why we must actively work to ensure its even better functioning. When developing the business environment, it is necessary to find a balance between stability and changes that prepare us for the future. Estonia's rise in the World Economic Forum's competitiveness ranking confirms that our business environment is generally competitive, but the low 18th place in the World Bank's Doing Business list highlights several fields in which we have room for improvement. Estonia has weaker positions in the area of protection of the interests of minority shareholders. For example, insolvency solutions need improvement. At the same time, the precondition for Estonia's success is the effectiveness of its basic education. We have seen an increase in the number of top performers in the international PISA test (for example, over 12% of the top performers were in natural sciences, which is almost twice as many as the OECD average). The number of start-ups and the ability to attract investments has increased. Thanks to the e-residency programme, Estonia also has a unique global competitive advantage which should be further developed to become an international hub for talent and business.

The labour productivity of Estonia has increased (78.6% of the EU average), but slower than expected (incl. the manufacturing industry in Estonia where, unlike the rest of Europe, productivity is lower than other sectors) and regionally unevenly. The introduction of new technologies has increased productivity; however, integration of digital technologies in the business sector in Estonia is poor (15th place in the EU). In general, the share of research and development expenditures of Estonian companies in GDP (0.59% in 2018) is well below the EU average (1.45%). In the development of high-quality new products and services, as well as in modernising existing solutions, research and development activities and co-operation between researchers, enterprises, and other institutions must increase significantly in Estonia. Despite the high quality of Estonian science, we do not have many new knowledge-based solutions that help to improve the society and the economy. Also, the capacity to implement research and development activities varies from region to region. Estonia's regional development is also hampered by large regional differences in job supply, entrepreneurial activity, knowledge intensity and added value of enterprises, and the location of productive jobs.

In Estonia, the resource productivity of local resources is very low (EUR 0.56 per kg in 2017). Greater emphasis must be placed on environment-friendly technologies and business models and on greater and greener valorisation of local resources and secondary raw materials. Special attention is paid to areas of activity and technologies that have growth potential. These development needs require long-term investments, for which enterprises are often not ready due to the high risks involved. Investments are also heavily dependent on economic developments and global impacts. The state can help by sharing the risks of companies' long-term investments and planning state investments, especially when the investment activity of enterprises has suffered setbacks. Development activities are supported by the availability of a workforce with the relevant knowledge and skills. Estonia is a small country with an open economy, which makes it vulnerable to developments in the economies of its neighbouring countries and the world in general. In order to ensure economic security, we must not let the country become technologically, economically or financially dependent on some other, unfriendly, country.

Biodiversity and the environment

The world is facing climate change and environmental degradation, and this also has an effect on the quality of life of Estonians, our nature, and the economy. Biodiversity is under threat in the world, with almost a million species, or one in eight, at risk of extinction. As a result of human activity, more and more plant and animal species are lost each year, and the rate of extinction is thousands of times higher than the average of the last ten million years.

With the loss of biodiversity, nature's ability to provide us with the natural benefits of ecosystems (including clean water, air, food, and natural resources) will disappear. The better functioning and richer ecosystems are, the better equipped we are for human existence and the better we are able to withstand environmental pollution and adapt to climate change. Of the 13,500 species found in Estonia and assessed during the preparation of the Redbook, only half of the species were considered to be in a favourable state. Only half of the species and habitats of European importance are in a favourable state in Estonia, i.e., the survival of these populations is not guaranteed. Species are most at risk from declining habitats, deteriorating living conditions, and fragmentation. In addition, sea levels are rising and precipitation is increasing, with new alien species and pests settling in. The loss of natural habitats leads to high costs of finding alternative solutions to benefits that the damaged ecosystems can no longer provide. At the same time, investment in biodiversity supports growth and regional development, increases employment in rural areas and helps to mitigate and adapt to climate change. The protection and restoration of habitats, the enhancement of biodiversity and the protection of soils over a sufficiently large area are important both for the protection of biodiversity and for buffering and adapting to climate change. Protected areas are the core of biodiversity conservation, but they alone are not enough. Connecting corridors are needed between them to create a functioning green infrastructure.

The poor environmental state of the Baltic Sea requires close attention and measures from all of the Baltic Sea countries to achieve good environmental status. The use of the Estonian maritime area for new purposes (renewable energy, aquaculture, infrastructure networks) is also gradually intensifying, and the traditional use of the sea is diversifying, increasing the pressure of human activities on the marine environment. Marine resources must be used sustainably and in consideration of the sustainability of the marine ecosystem to achieve good environmental status of marine waters. Therefore, more attention needs to be paid to environmental protection measures that also improve the state of the sea and promote economic activity in the use of the sea (e.g., algae and shellfish farming, reed processing). There are approximately one million hectares of agricultural land in Estonia, a large part of which is managed in an environment-friendly manner and has good preconditions for food production. However, the area and reserves of Estonian forests have increased significantly over the last half century. Forest grows on about 2.3 million hectares, of which about 74% is commercial forest. The abundance of Estonian forests (Estonia ranks 6th in Europe in terms of forest abundance) contributes to our clean air. There are no problems with air pollution in Estonia, in general, with it only occurring in a few cities. The situation of drinking water that meets the requirements in larger settlements is also very good: more than 99% of population are connected to the public water supply (69.3% in 2008), but this has been largely achieved with EU funding and therefore, water infrastructure also needs sufficient cash flow in the future to maintain this status. At the same time, 12% of the population uses their own well water as drinking water, which in 60-70% of the cases does not meet the quality requirements of the public water supply system.

Although according to preliminary estimates, total greenhouse gas emissions in Estonia have decreased by 54% compared to 1990, the Estonian economy is still one of the most emission-intensive in Europe – greenhouse gas emissions per each euro of the GDP is double the EU average (in 2017). At the same time, the European Union has set a goal to achieve climate neutrality by 2050, which will also have a very direct impact on the choices facing Estonia. The transition to climate neutrality will particularly affect Ida-Viru County due to the oil shale industry there. The environmental awareness of the Estonian population has increased, but it has not sufficiently influenced people's behaviour. Ensuring a good environmental status is important for ensuring the health and working ability of the population. Compared to year 2000, the generation of waste has almost doubled. Although the overall waste recovery rate has tripled (to 41%), the share of municipal waste recycling in total municipal waste is still one of the lowest in the EU (28%). The share of renewable energy in final energy consumption is 30%, which is significantly above the European average (18%).

Cultural space and the living environment

By 2050, 70% of the world's population will live in cities. The rate of urbanisation in Estonia is one of the fastest among OECD countries (69.4% of the population lives in cities). At the same time, access to the cultural space must be ensured regardless of where people live, because the opportunity to participate in cultural life increases the quality of life, makes the living environment more valuable, and supports community activities.

In the interests of human well-being and the survival of Estonian culture, it is important to pay attention to the availability of different cultural fields among Estonian and non-Estonian communities. At the same time, cultivation of one's own culture – which lays the foundation for people's identity and love for their homeland, and the availability of world culture in different languages – must be supported.

Both personal and public space form an integral part of a valuable living environment. The number of dwellings that are unoccupied or in poor condition outside the centres is increasing in Estonia (one third of Estonia's construction heritage is in emergency or poor condition). Nevertheless, almost 91% of households are satisfied with the condition of their dwellings (in 2008, the corresponding indicator was less than 80%). Where possible, historic city centres should be tightened, enabling to preserve Estonia's heritage, facilitate walking, and be environment-friendly. Greater state competence is needed for integrated spatial planning in order to ensure, among other things, coherence between state and local government investments, and to adapt to demographic changes and other development needs. To make better spatial decisions, we need to increase everyone's spatial planning competence, supported by high-quality spatial data and smarter services.

Although public transport is available to 76% of the population, the share of public transport users, pedestrians and cyclists has decreased in recent years (in 2018, respectively 20.7; 15.1 and 2.7%) due to the excessive amount of time that is needed to cover the distances and the complexity of combining and connecting different means of transportation and the lines. We need to make living, studying, leisure and working environments and the movement between them more healthy and supportive of environment-friendly and safe choices, as well as more accessible to all members of the society. A good example is domestic rail traffic: the number of rail passengers has doubled in six years (8.37 million journeys per year). In addition to reducing the time spent on covering distances within the country, in order to improve the competitiveness of regions, it is important to develop Estonia's connections with other European regions, both in terms of transport and energy infrastructure. The development of external land transport connections must continue in line with the EU's plan to build a core transport network (including Via Baltica and Rail Baltic). In the case of energy infrastructure, energy security and security of supply issues need to be addressed. Development of high-speed Internet access must continue.

Security and safety

According to international studies, the downward trend in the number and extent of international conflicts in the world in recent decades has taken an upwards turn. In the coming decades, the risk of inter-state conflicts and Proxy wars increases mainly due to conflicts of interest between the major powers, the continuing threat of terrorism, and political and economic instability. In addition to the conventional threats, hybrid threats have increased (e.g., subversion, interference in democratic processes, cyber-attacks). The fragmentation of common value systems weakens the role of International institutions.

Estonia is considered a safe country by 92% of the population (in 2020). Confidence in the Rescue Board is the highest (97% trust it completely or rather trusts it), followed by the Emergency Response Centre and the Police and Border Guard Board (94% and 88% respectively). The level of trust is similar among Estonians and residents of other nationalities. Among people of other nationalities, NATO, the Defence Forces, the Defence League and the European Union earn less trust than on average, but the level of trust is growing for most institutions. Membership in NATO is still considered to be the main security guarantee for Estonia (53% cite it as one of the three most important factors). The residents' will to defend (41%) and the development of Estonia's independent defence capability (31%) are named second and third. There is a need to increase people's awareness of their role and responsibility so that they can act wisely in the event of various accidents (including crisis situations) and thus reduce the risk to their lives and health. It is also important to raise the awareness of state authorities, local authorities and vital service providers about potential threats and to improve their preparedness for crises. The Estonian population is unevenly distributed and there are areas where ensuring the availability of public safety services is effective only in closer cooperation with the community and by using smart solutions. Among other things, ensuring a strong cultural space that promotes cohesion and knowledge-based public space that supports communication decreases the probability of value conflicts in society. In order to ensure security and safety, the broad security concept needs to be implemented further and strong relations with the allies and partner countries need to be maintained, including for the functioning of international organisations and efficacy of International law. Further cross-sectoral cooperation supports enhancing security.

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Governance

In the world, governance is becoming more flexible and diverse, and public service companies and NGOs are playing a growing role.

Governance must be guided by the rule of law and people-centred approach, and the protection of fundamental human rights and freedoms must be guaranteed. One of the important mechanisms for strengthening civil society and building a cohesive society is the wider spread of participatory democracy. Since the working age population is expected to decrease, the public sector will also need to target its labour resources wisely and work with the private and civil sectors because the need for public services will not diminish. The tax burden in Estonia is 34% of GDP (in 2020) and will decrease, reaching 32.7% by 2035 (the assumption is that the current situation will continue). The decline in the tax burden is due to the slower-growing consumption tax burden on GDP. This requires, among other things, the reduction of bureaucracy, co-creative policy-making with people and civil society, and an agreement on the role of the state, local governments and the community in the provision of public services (including ensuring a safe living environment). In addition to the participation of the elderly and young people in social life, there are also bottlenecks regarding the social activity of non-Estonian-speaking residents. Russian-speaking young people are even more involved in civil society than Estonian-speaking people, but the rate of participation in voluntary activities among Estonian-speaking people is still much higher (52% vs. 44%) than among Russian-speaking people. Also, 45% of new immigrants have not volunteered, but would like to do so.

According to the OECD, Estonia does not use enough research and field experts in making decisions and, compared to other Member States, the efficiency of government agencies is only average. The country's capacity to use research to bring about the necessary change and to involve researchers in policy-making needs to be improved. There should be a clear preference for innovative solutions and technologies and for more efficient communication between authorities (and enterprises), based more on real-time data exchange and greater use of open and large data. The basic infrastructure for e-services and the tools for using e-services are well developed, and e-services are well advanced in a number of areas (e.g., tax collection and administration), but the quality of services is uneven and the sustainability of digital solutions needs to be strengthened. In order to ensure the preservation of the infrastructure of e-services and the security and development of electronic means, we must constantly contribute to the development of the basic infrastructure and create new alternatives to the existing solutions in case of technological possibilities. At the same time, the constant development of technology (including the use of artificial intelligence) opens up new opportunities for the state to provide existing services more efficiently and to make decisions in a smarter way.

Achieving major strategic goals requires consensus between different groups in society. When planning state activities, it must be taken into account that currently most of the state budget (about 80%) is already related to statutory expenditures. Cooperation between the central government, local governments, and communities and wider public consultation in finding solutions based on people's needs, a clear division of roles in their implementation and ensuring the financial capacity of local governments will help to bring governance and the quality of public service provision in line with people's expectations. One of the mechanisms for empowering Estonian people, communities, and civil associations, and building a cohesive society, is organizing more extensive public initiatives and surveys at the initiative of both the state and citizens.

Estonia's strategic goals



Five strategic goals



People

Smart, active, and caring for one's health



Society

Open, caring and cooperative



Economy

Strong, innovative, and responsible



Living environment

Considerate towards everyone's needs, safe, and high quality



Governance

Innovative, reliable, and people-centered

Objectives of global sustainable development



A democratic and secure state that preserves and develops the Estonian nation, language, and culture

The "Estonia 2035" strategy sets out five long-term strategic goals that are based on the base principles. The goals were agreed upon at discussions that took place across Estonia over a period of two years, and on the basis of opinion gathering (almost 17,000 people have contributed).

Strategic goals are value-based goals that are the basis for making the country's strategic choices and to the implementation of which all Estonian strategic development documents contribute. They are also taken into account in the state budget strategy and in the preparation of the government's action programme.

In order to reach the goals, it is necessary to take into account Estonia's development needs, global trends, the policy framework of the European Union, and the global objectives of sustainable development.

Base principles

The basis for achieving the goals is a democratic and secure state founded on freedom, justice and the rule of law, which respects the principles of the rule of law and the social state, and preserves and develops the Estonian nation, language, and culture. This is ensured by a creative, responsible society that values openness and communities, preserves and promotes Estonia's identity and ensures a diverse, accessible and up-to-date vibrant cultural space. For the survival of the Estonian population, children must be valued and having children must not worsen the social status of families or cause economic difficulties. Estonian must remain viable, including as the main language of information, education, and work. Everyone must have equal opportunities for self-fulfilment and participation in society, regardless of their individual characteristics and needs, belonging to different social groups, their socio-economic capacity, or place of residence.

Estonia's security is guaranteed by membership and contribution to the North Atlantic Treaty Organization (NATO) and the European Union, as well as close cooperation with allies and other international partners. It is in the interests of Estonia that the European Union would be influential in the world and united, value-based, solidary and effectively functioning as an association of nation states based on the Treaty of the European Union. Estonian national defence ensures collective defence and independent defence capability, which is supported by a strong will to defend. Defence expenditure is at least 2% of GDP. The basis for the organisation of Estonian national defence is a broad concept – everyone must contribute to national defence.

By 2050, Estonia will be a competitive, climate-neutral country with a knowledge-based society and economy and a high-quality and species-rich living environment, willing and able to reduce the adverse effects of climate change and make the best use of its positive aspects. Coordinated development of the cultural, social, environmental and economic fields is a prerequisite for achieving the goals of sustainable development. In Estonia, knowledge-based decisions are made, with effective and innovative approaches being preferred when choosing solutions.

Maintaining of base principles is monitored by indicators:

- cohort fertility rate
- change in the number of population per thousand inhabitants
- share of people who speak and use Estonian as their mother tongue
- participation in cultural life
- share of people who consider Estonia safe
- risks that matter
- total emissions of greenhouse gases in CO₂ equivalent tons (incl the LULUCF sector)
- Estonia's place in the Global Sustainable Development Goals Index

Strategic goals

Estonia's people are smart, active and care about their health



Achievement of the goals is monitored by indicators:

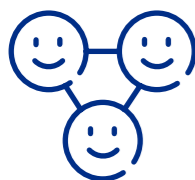
- healthy life years
- participation in the labour market, culture, sports, and volunteer work
- participation rate in lifelong learning activities among adults (incl. informal learning)

Smart people value knowledge, protect themselves, others and the (living) environment, and has a supportive attitude towards all groups in society. They are curious, creative and entrepreneurial, eager to learn and are ready for the nature of their work to change.

Active people can handle their life well and are socially active and responsible, contributing to the development of themselves, their family and the community, as well as the state, throughout their life.

People who care about their health are health-conscious, behaving in a way that protects the lives of themselves and others, and the environment. They take care of both their mental and physical health.

Society



Achievement of the goals are monitored by indicators:

- measuring caring and cooperation in society
- contacts between different groups in society
- the level of relative poverty

Estonia's society is caring, cooperative, and open

A caring society is attentive and helpful. Here, everyone has the opportunity for self-realisation throughout their life cycle, and the necessary support network is provided. Combining work, family and private life is supported, everyone contributes to social and cultural activities regardless of their age, and people's well-being has improved.

A cooperative society is based on a sense of belonging and a willingness of the people to actively contribute to the achievement of common goals and the creation of benefits. Each and every person, family, community and non-governmental organisation can and wants to get involved in the organisation of society and work together.

An open society supports change that creates common value and meets the challenges that the state and its people are facing. At the same time, Estonian culture and communities are strong, caring and cooperative, and people are culturally aware.

Economy



Achievement of the goals are monitored by indicators:

- labour productivity as a share of the EU average
- GDP per capita created outside Harju County compared to the EU-27 average
- research and development expenditure in the private sector
- resource productivity

Estonia's economy is strong, innovative, and responsible

The Estonian economy is strong and finds new business opportunities and is internationally competitive. The Estonian economy is flexible and ready for structural changes, offering development opportunities in all its regions.

The Estonian economy is innovative and knowledge-based, using new technologies and business models and flexible forms of employment. Favourable conditions have been created for R&D and innovation in private sector, and researchers and companies are co-operating. The Estonian business environment attracts people to work here, start companies or engage in virtual business, invest, and create and test new solutions that benefit society at large.

The Estonian economy is responsible towards people and nature. It's secure economic environment favours flexible, innovative and responsible entrepreneurship and fair competition. Valorisation of local resources has increased and the use of natural resources takes into account both biodiversity conservation and the socio-economic impacts.

Living environment



Achievement of the goals are monitored by indicators:

- satisfaction with the living environment
- environmental trend index
- number of people who have died from poisoning, injuries, and certain other external causes per 100,000 inhabitants

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants

The living environment is designed with the needs of all people in mind, and decisions are based on the basic principles of high-quality space planning and the principles of inclusive design to ensure that everyone has access to, and finds comfort in, the mental, physical and digital space. Innovative technologies and nature-based solutions are used, reducing the time spent covering distances and ensuring a good living environment in every part of Estonia.

The living environment is safe, and when planning public space, preference is given to solutions that promote safe and secure and health-promoting behaviours that ensure accessibility. A safe living environment is created in cooperation with everyone.

The living environment is of high quality and it is planned in a way that preserves the heritage and biodiversity of nature. People are space-conscious and spatial planning decisions improve their opportunities for joint action and participation.

Governance



Achievement of the goals are monitored by indicators:

- position in the global presence index table (Elcano)
- good governance index
- trust towards state institutions
- share of investments of local government units in administrative sector expenditures

Estonia is an innovative, reliable, and people-centered country

Estonia is an innovative country that values the creation and use of knowledge, where social life is organised with the help of new, people-centred and efficient technologies. The legal and tax environment and the organisation of governance foster social cohesion, the adoption of new solutions, innovation, and flexible public administration. Public services function in the background and are predictable, and the data space is protected. Organisation of the state and people's participation therein is both trend-setting and exemplary for other countries.

Estonia is a reliable country for its citizens and a valued partner in international relations. The governance of the state is open, i.e., power is exercised in the public interest in an honest and transparent manner, observing the principles of the rule of law and guaranteeing the fundamental rights and freedoms of the people. Estonia is guarded and defended, we are well-known in the world and the country's international position is strong.

As a country, Estonia is people-centred, where policy-making is co-creative and people can participate in making important decisions. Public services are of high quality and accessible to people, regardless of where they live, and increase people's well-being and security.

Necessary changes in Estonia

Necessary changes in Estonia



Changes in various areas are needed to maintain Estonia's basic principles, achieve the strategic goals and meet the development needs. Targeted and coordinated cross-sectoral cooperation is important. The changes that need more attention than the proposals presented and negotiated during the preparation of the strategy are tied into five thematic bundles. Their implementation is monitored on the basis of a more detailed action plan each year and, if necessary, adjustments are made based on domestic events affecting the development of Estonia and changes in the foreign environment.

Skills and the labour market

Making the education system learner-based and flexible

We will ensure the abundance and availability of learning opportunities, smooth and flexible movement between levels and types of education, and, as far as possible, a learner-centred approach that supports the development of a self-directed learner. To this end, we will integrate formal and non-formal education and general and vocational secondary education and develop a common secondary education standard. We will continue to optimise the school network, and create regional education centres with the aim of creating new forms of learning and opportunities for connecting general, vocational and higher education and non-formal learning, including youth work, and facilitating such transitions. We will link regional education centres with regional and local stakeholders to support the development of a regional business environment and the preparation of the workforce. We will increase the teaching of general and future competencies in the curricula of different levels and types of education, and integrate more practical experience and skills into them in cooperation with employers. We will support teaching in Estonian, while developing digital teaching materials in Estonian at all levels of education and in lifelong learning. We will support evidence-based development and implementation of diverse learning methods and techniques (including digital pedagogy) in order to personalise and individualise learning and enrich it with technology (learning analytics, kratts, etc.). We will ensure that the learning movement in the European education area is free of obstacles. International mobility and cooperation are enhanced by the population's knowledge of foreign languages, which is why the learning of languages is supported. At the same time, we will provide opportunities to learn the Estonian language and (digital) solutions for compatriots living elsewhere and other interested people.



We will bring people's knowledge, skills and attitudes in line with the needs of the labour market and structural changes in the economy

We will modernise the adult education system (incl. development of a combined funding model and quality assurance principles, changes in tax and support systems, involvement of a network of cultural institutions) to prepare people for future work and adaptation to structural changes in the economy. We will develop a skills and needs forecasting system (OSKA) and will be able to use big data to better match education and labour market needs. In higher and vocational education, we are developing a system of certification of partial qualifications and expanding the target group and specialties of the workplace-based study form. The focus is on more effective support for the return to the labour market of unskilled and inactive people (including the elderly, young people not in education, training or employment, people with a care burden) and the prevention of older people leaving the labour market. This is especially true in the regions of North-Eastern and South-Eastern Estonia, to ensure regional balance of the labour supply and demand throughout Estonia. We will also expand learning opportunities for people with higher skill levels and education, paying attention to areas of smart specialisation and general and future competencies.

We are preparing for future work

Changing business models and forms of work require society's willingness for the necessary changes in regulatory framework for future work. To this end, we will, if necessary, redesign the tax system, labour law and social protection rules to comply with the new forms of work, so that they will also ensure equal treatment for, for example, creative freelancers, workbits and via platforms (including cross-border employees) employees. The spread of non-traditional forms of work is accompanied by the need to support teleworking opportunities, modernise the working environment (including digital infrastructure) and ensure safety regardless of the form of work. We will develop curricula to shape the knowledge and skills needed for future work, increase the readiness of teachers, lecturers and trainers, and modernise learning environments for the implementation of updated curricula.

We will improve the quality of higher education and increase the efficiency of its funding

In order to improve the quality and international competitiveness of higher education, we will expand work-based learning, industrial PhD and master's degree studies in business, and improve the internship system. We will support the preservation and development of Estonian-language curricula in higher education and the development of professional and research languages. We are reviewing the funding model for higher education, including updating the system of student loans, study grants and scholarships. At the same time, access to higher education must not be impaired. We will ensure that education will respond to the needs of the society and the labour better, and higher education and research and development will be better integrated.

We will create a talent-friendly environment

To encourage the development of talents, we create a whole system for noticing and supporting a talented learner. It is important to expand and promote integrated learning opportunities in science, technology and creativity, and to ensure the proliferation of teachers needed to teach them at all levels of education, as well as in hobby education. We will develop a legal space that advances the skills necessary for smart entrepreneurship and, if necessary, helps to attract talent to Estonia from elsewhere. Attention needs to be paid to the development of talent policy programmes, including measures for international students.

We will increase social cohesion and equal opportunities in education and the labour market

The shrinking working-age population will lead to changes in the balance between the local and foreign workforce. By creating equal opportunities in education and the labour market, we will modernise adaptation and integration services, organisation of education and language learning for learners with a mother tongue other than Estonian, and develop solutions that would keep the local population active in the Estonian labour market. We will also pay greater attention to facilitating the return to Estonia. To promote equal opportunities, we will develop inclusive education, integrate educational, social and health care, cultural and labour market support services, develop measures to support the minimisation of the pay gap, and reduce gender segregation in education and the labour market.

Sustainability of the nation, health and social protection

We will develop a comprehensive population and family policy to ensure the sustainability and well-being of the Estonian people

In order to ensure a sustainable population, we are developing a comprehensive population and family policy that supports births and parenthood, which aims to increase the well-being of families and thereby reduce the difference between the desired and the actual number of children being born. When designing policy measures, we will take into account the diversity of families' needs and preferences throughout the period of raising children. We encourage the change of societal attitudes to value intergenerational cohesion and support the social activism and dignified aging of older people (for example, their greater contribution to volunteer work). To ensure the well-being of children, we are working with state and local governments to create solutions that support positive parenting and prevent child abuse, update child protection arrangements and support systems for children with special needs, develop services for children with complex problems and continue the transition to family-based care.

We will shape the living environment and people's attitudes and behaviour to be more protective of health and the environment, and reduce risk behaviour

In order to prolong people's life expectancy and healthy life years, people's attitudes and behaviour need to be made more health-conscious and considerate towards oneself, and risk behaviour needs to be reduced, accidents prevented, and the environment protected. To this end, we plan both integrated prevention measures and counselling services for people in a cross-sectoral and inclusive manner. We will use permanent forms of cooperation based on a community-based approach and networking. Improving the health education of the population and reducing risk behaviour is also supported by the development of digital solutions. In addition to promoting healthy lifestyle choices (including a balanced diet, adequate physical and mental activity and social interaction), we will increase people's awareness of the living environment starting from primary education because it directly affects people's health in society at large. We will ensure the safety of products and chemicals, drinking water, medicines and improve the availability of high-quality food.

We will support mental health and reduce mental and physical violence

In order to develop a comprehensive mental health support system, we will agree on common principles and measures and ensure the availability and quality of necessary services throughout the person’s life cycle. We will develop an early detection system and enhance the role of the family and community as a preventive and supportive response to both mental health problems and violence, so that people have the knowledge and skills to reduce mental health risks and recognise risks (e.g., risk of a burnout) and mental health problems as they arise and know when and where to seek help. We are expanding our various evidence-based prevention and social programmes to help prevent and reduce bullying at school or work, harassment in the workplace and other communities, domestic and sexual violence, as well as reducing risk behaviours, raising awareness, and preventing extremist behaviour and radicalisation. We will develop network-based assistance for victims of violence and measures to help prevent the recurrence of violence. We will also pay attention to solving the mental problems that cause illegal behaviour, including in prisons.

We will modernise the occupational health system to support health and reduce people’s incapacity for work

In order to prolong people’s healthy years of life and reduce their incapacity for work, we will develop innovative and effective occupational health and safety services, including targeted information and counselling services and information technology solutions that promote occupational health and safety. We will also improve the quality and availability of occupational health services. We will develop a system to help people with temporary incapacity for work to remain in the labour market, to prevent their permanent incapacity for work. We will increase the awareness of labour market participants about various risk factors (incl. mental health risk factors, work bullying, and harassment).

We will integrate health and social services in a people-centered way

A key factor in the provision of people-centred welfare services is the integration of health and social services, supported by good leisure time possibilities. For that, we will create a functioning coordination system based on a partnership between the state and local governments, which will ensure that people’s needs are approached in a uniform manner. In the provision of integrated services, we will design services based on new foundations, modernise and integrate the existing ones, and invest in infrastructure that supports the provision of services (we will modernise both the network of community services and the network of hospitals and health care institutions). In the social, health and work fields, the aim is to move to services that take into account a person’s life path and needs and operate in the background, supported by the introduction of evidence-based digital solutions and the integrated use of data.

We will integrate personal medicine solutions into the daily activities of the healthcare system

In order to prolong healthy life years, we will integrate personal medicine solutions into the daily activities of the healthcare system, including the inclusion of human genetic and health data in evidence-based decision-making processes in both treatment and prevention.

We will develop services that take into account human health behaviour, environmental and genetic data, and therefore enable both the individual and the doctor to better prevent disease, monitor health and treatment. In order to make personal health services more efficient, we will support the development of appropriate digital solutions, enhancing data exchange (including between countries), research in the respective field, updating the legal environment, regulating data use, training health professionals and raising awareness among people and within society.

We will modernise the organisation of social protection, taking into account the changes in the society

We will ensure that people have adequate health insurance coverage and the sustainability of health care financing, which supports the availability of health care services and medicines and medical equipment, as well as the reduction of waiting lists. We will guarantee the sustainability of the pension system and the well-being of pensioners. For that, we will change the system of old-age pensions on favourable terms and the system of earned pension years, promote the use of occupational pensions, and increase people’s financial awareness. The wider spread of changed forms of work requires more flexible unemployment and redundancy benefit schemes and the adjustment of social protection schemes. We will agree on the division of responsibilities between the individual, the state and local governments, which will support needs-based social protection, and we will update the financing model for long-term care.

We will improve the well-being and social activity of people with special needs and improve the efficiency of the long-term care system

Health, employment and social protection and services in the cultural sector (e.g., provision of technical aids, rehabilitation and support services, information services, access to cultural and sporting events) must be coordinated and connected in order to improve, *inter alia*, the well-being of people with special needs. To prevent the need for long-term care, we are developing a system of appropriate services, including the introduction of the principle of early detection and the creation of assessment systems and tools. We will develop care services that enable to care and support services to be received mainly at home and in the community, invest in the modernisation of infrastructure, and support the use of technology and innovative solutions in the social sector. To this end, we will increase the number of employees in the field of long-term care and improve their qualifications through training and work-based learning.

Economy and climate

We will introduce new solutions to encourage research and development and innovation in business sector

The goal is to improve the innovation and research and development capabilities in Estonian enterprises, which contributes to the growth of productivity and international competitiveness. To achieve that, we will develop new support services to encourage innovation in all stages of the business and technology development, such as market monitoring of new technologies and advice on the engagement of intellectual property, new business models and creative competencies. We will also reorganise support for applied research and increase investment in research and development by state-owned companies. We will facilitate the scientific knowledge created in Estonian research institutions to advance to business use faster and we will encourage collaboration between research institutions and entrepreneurs.

We will shape the Estonian research and development and innovation system into a well-functioning integrated whole, where the research and development activities of private and the public sector are closely intertwined and support each other. Considering that the integration of digital technologies in the business sector is poor in Estonia compared to other European countries, we will support the digitisation and automation of enterprises and ensure data quality that enables real-time data exchange between enterprises and in communication with the state. Also, in business diplomacy we will focus on knowledge-intensive enterprises. In order to reduce regional differences in the business sector, we will facilitate the acceleration of structural changes in the economy outside Harju County.

We will increase the capacity of fields of activity

important to the Estonian economy

To ensure R&D collaboration between research institutions and enterprises in areas that are important for the Estonian economy and its regions (e.g., technologies supporting environmental protection, more efficient use of local resources, ICT), we will develop sectoral research programmes, rethink smart specialisation priorities, provide support for participation in the EU's strategic value chains, and promote a sustainable bio-economy. The aim is to become a successful promoter, implementer and tester of R&D in selected areas worldwide, and hence become an attractive destination for foreign investment and an exporter of technology-intensive goods and services.

We will create a secure economic environment conducive to flexible, innovative and responsible entrepreneurship and fair competition.

Although the business environment in Estonia is currently generally competitive and stable, we need to improve our ability to adapt to changes ahead. Estonia's international strength is the wide use of digital technologies in the public sector and the resulting simple administration. We will turn Estonia into a digital hub to which people from all over the world will come both virtually as e-residents and physically to offer their services to the world and establish enterprises. At the same time, we will create legislation and a tax environment that enables the implementation of new business models (e.g., platform economy, social entrepreneurship) and new forms of work, both in Estonia and in the EU, support R&D and innovation at all stages of business and technology development, and take into account the regional differences. We will promote environment-friendly and sustainable entrepreneurship through new legislation and other activities needed, ensuring a balance between the expectations of entrepreneurs and consumers. We will reduce bureaucratic obstacles to businesses. We are further developing the banking and capital markets in order to improve the ability to cope with crises and provide better financing opportunities for companies in all regions. We are raising public and private awareness of the threats to economic security.

We will introduce the principles of the circular economy

In order to increase the recycling of materials and the use of secondary raw materials, we will encourage the introduction of sustainable production and consumption patterns. Enterprises need to improve resource efficiency, including energy efficiency, for example, through industrial symbiosis, digitisation and support for more resource-efficient technologies. We are reorganising waste management based on the waste hierarchy and introducing innovative solutions to reduce waste generation and increase material recycling and separate waste collection.

We will move to climate-neutral energy production, ensuring energy security

The transition to climate-neutral energy production, which ensures good air quality, requires considering the possible alternatives and making choices. We must ensure the continuity of energy security and security of supply, both during and before the transition to climate-neutral energy production. In order to increase the share of renewable energy, we will find a solution that takes into account security, environmental protection and the interests of the population. We are open and support new solutions, such as offshore wind energy. In order to abandon electricity production from oil shale, we will support the mitigation of the socio-economic impacts of reduced electricity production from oil shale during the transition period, and develop and implement a package of services for Ida-Viru County that will help its people, enterprises and local governments benefit from the changes and ensure a fair transition to the new economy.

Space and mobility

We will ensure a viable cultural space

We will ensure participation opportunities, joint activities and the availability of various cultural events both for Estonians and people with other mother tongues, promoting cooperation, flexibility and creative solutions of various institutions and organisations, such as job offers, flexible transport, teleworking, cooperation with the private sector, etc. We will create opportunities for maintaining and developing our own culture and acknowledge the leaders in the field of culture. We see culture as a platform for collaboration that connects people. We will adopt new technologies to improve the quality of the creation, preservation and accessibility of digital culture, diversify business services and facilitate the new and cross-use of digital content.

We plan and renovate the space comprehensively and with high-quality, while also taking into account the needs of society, demographic changes, health and care for the environment

In spatial planning decisions, we will follow the principles of high-quality space creation: high-quality space combines artistic, technological and economic solutions and the natural environment into a balanced whole. We will guarantee accessibility to all people throughout their life cycle. This covers rural and urban spatial planning, architecture, outdoor and indoor space, and is the basis for creating a sustainable and integrated living environment that prevents segregation. We will ensure comprehensive and regionally balanced spatial planning development of the state, where the investments of the state and local governments are in harmony. We will introduce well-thought-out spatial solutions to adapt to population changes, and in the conditions of a shrinking population, we will adjust the settlements to be more compact. We respect cultural heritage and create new cultural values with good spatial solutions. When planning public space, we are broadly introducing the principles of creating a safe space to promote safe and secure behaviour, and we will support solutions that increase physical activity, promote health and ensure accessibility. Among other things, we will increase the competence of space creation, improve the quality and availability of the building stock through a long-term national renovation plan, introduce solutions that increase the resilience of urban settlements to the effects of climate change, and develop sustainable waste management, public water supply and sewerage infrastructure. We will also map and sustainably use mineral resources.

We will provide a needs-based interoperable transport service that includes all means of transportation

When designing a needs-based, flexible and user-oriented transport service, we proceed from the wise use of mobility data. To ensure the integration and mobility of transportation across Estonia, we will develop and implement a model that takes into account the socio-economic and environmental factors. At the same time, we will promote the use of public and shared transport and a healthy and sustainable means of mobility.

We will implement a safe, environmental-friendly, competitive, needs-based and sustainable transport and energy infrastructure

In the transport sector, actions to reduce greenhouse gas emissions play an important role. We are creating the infrastructure to switch to clean vehicles, increasing the use of clean vehicles in the public sector, developing international and national connections to reduce the time required to cover distances, and increasing road safety and accessibility. We are open and support new technologies, such as the use of hydrogen. The transition to climate-neutral energy production also requires the construction of supporting infrastructure. To this end, we will synchronise the electricity grid with the continental European frequency band, create the necessary grid connections for renewable energy production, and deploy smart grids, short-term and long-term storage options.

We will increase the unity of governance and ensure the smooth functioning of the state

The efficiency of governance must rise due to the aging and decreasing population, because with an ever-shrinking administration there is a need to provide increasingly high-quality public services that are available regardless of where the person lives. For this, we will make governance more needs-based and flexible. We will ensure staff and officials (e.g., teachers, health workers, rescuers, police, prison officers, legal professionals) possessing the necessary skills for the state, taking into account regional needs (including remote and declining areas). We develop organisations and people to adapt to changes in global trends, but also strategic planning at both the state and local government level. We will also promote Estonia as a digital country, and develop data economy. Considering the growth of cyber threats and geopolitical changes, we will develop cyber security in various areas both in Estonia and in the EU as a whole, introduce sustainable solutions to increase the detection of cybercrime and process it more efficiently, and improve the viability of critical services and infrastructure.

We will improve the quality and availability of state and local government services and review the division of responsibilities

All public services must be available, accessible and of high quality in the physical and/or digital space, regardless of the place of residence, age, special needs or other characteristics. To this end, we will review the division of responsibilities between the state and local levels in the provision of services. At the same time, we will strengthen the partnership between the state and local governments and increase the role of local governments by promoting decentralization and regional cooperation. We will also develop public sector cooperation with the private sector, NGOs and communities.

Governance

When designing public services, we will aim to make the user experience as simple and supportive as possible (incl. by offering user support in Estonian and, if necessary, in other common languages). We will make the services as functional and predictable as possible in the background, using all the data available in the state securely and taking into account the human will and fundamental rights. We will apply the principle of a single place of business in both physical and digital space. We will develop the justice system and improve the enforcement of rights based on the rule of law.

We will increase the impact and diversity of science while maintaining its high level

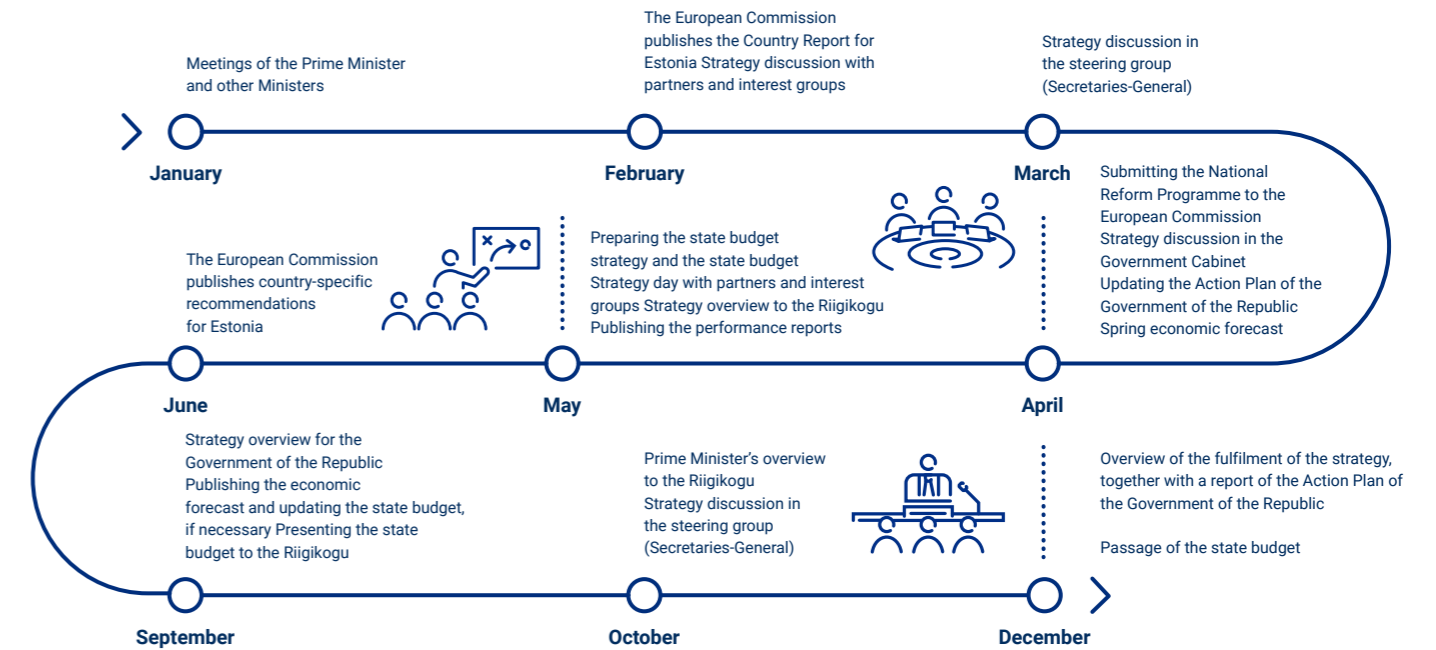
Science is at a high level in Estonia, but the use of research results in society has so far been modest. We need to better coordinate both formal and informal communication between researchers, the public sector, business and the civil society, so that science better meets the needs of society. We will provide competitive working conditions and career opportunities for researchers, so that Estonian research institutions are attractive employers and researchers are valued partners in society for both private and public sector. We elaborate an academic career model that supports researchers' diversified development and offers greater stability (incl. completing the reform of doctoral studies). We will facilitate the labour mobility between universities, business and the public sector, open up research infrastructure for both enterprises and the public sector, and improve the quality of university knowledge transfer services. We will improve the wider availability and use of research results (incl. development of open science) and support the spread of knowledge-based thinking in society, including civil science.

We will improve the country's international position and ensure security and safety

An important direction is the integrity of Estonia's foreign policy in order to ensure Estonia's prominent position in the world and to maintain strong relations with its allies. We will focus on sharing Estonia's strengths with the world, building on Estonia's achievements in digital, cultural, sports and other fields, while ensuring the positive experience of Estonian guests and the balanced impact of tourism on the local culture and environment. In order to ensure Estonia's economic security and stability, we conduct more in-depth screening of significant foreign investments quickly and transparently. Improving Estonia's international position is supported by the foreign language skills of the Estonian population, which facilitates international communication and gives a competitive advantage to both entrepreneurs and employees. We will increase the effectiveness of development cooperation in order to build peaceful societies in the world. We will develop the broad security concept and improve society's crisis preparedness and resilience to hybrid threats. We will provide the necessary infrastructure for the presence of our allies and make the organisation of military service more responsive to people's abilities. In cooperation with the private and civil sectors, we will improve the prevention, detection and processing of illegal migration. We will increase our resilience to threats to the constitutional order, including hybrid threats and subversion. We will ensure the functioning of vital services and increase the responsibility of communities in ensuring security and preventing crime (incl. increasing people's awareness of their role in national defence and ensuring community security). In order to keep the response capacity of law enforcement agencies and the rescue network at a level commensurate with the threats, we will make security-enhancing services more effective through technical and innovative solutions. We will ensure that the cyber risks of the digital society are well managed and that Estonian cyberspace is highly reliable.

The future of Estonia relies on everyone's contribution

Implementation of the strategy



The Government Office is responsible for coordinating the preparation, implementation and amendment of the strategy "Estonia 2035" in cooperation with the Ministry of Finance. "Estonia 2035" is carried out mainly via development plans and programmes in the respective fields. Achieving Estonia's strategic goals also requires the contribution of local governments and public, non-governmental and private sector organizations, as well as the knowledge of the Estonian people in making everyday choices.

In the framework of the country's strategic planning and financial management, "Estonia 2035" plays a central role as a tool for the country's long-term development strategy and cross-sectoral coordination. All development plans in the field approved by the Government of the Republic and programmes approved by the Minister follow the goals and necessary changes agreed upon in the strategy "Estonia 2035". When reporting on the implementation of the strategy, we consider it important that the load is as light as possible for the parties involved and in accordance with the state budget strategy and activity-based budget.

In the future, the development plans and programmes prepared on the basis of "Estonia 2035" will also reflect Estonia's sectoral policy goals of the European Union and issues related to the implementation of global sustainable development goals. In terms of the European Semester's economic coordination process, the "Estonia 2035" strategy is our National Reform Programme. The annual Estonian state report, to be completed within the framework of the European Semester and the published country-specific recommendations, will be an input to the reviews of the implementation of "Estonia 2035".

Achieving the strategic goals of "Estonia 2035" must be supported by the country's fiscal policy decisions. The Estonian state budget is sustainable and aimed at macroeconomic balancing. The outlook for economic growth is modest in the coming years, falling below 2% over the next ten years due to, among other things, a decline in the working-age population (estimates assume that the current situation will continue). On the one hand, the budgetary position has been close to and stable in nominal terms in recent years, on the other hand, rapid revenue growth in the state budget is not expected and, as a result, new investment opportunities may decrease and existing budgetary agreements may be more difficult to maintain.



Estonia is a thin small country with general government expenditure (39.3% of GDP in 2018) lower than the EU average (45.7%). In terms of the cost of general government services, Estonia ranks 4th from last in the EU. Since Estonian general government expenditures are already lower than in the EU and public administration is quite frugal, in order to achieve the long-term goals of "Estonia 2035", Estonia's financial situation must be taken into account and national strategic expenditures or tax policy decisions must be made.

"Estonia 2035" is a strategy supporting the co-operation of the Riigikogu and the Government of the Republic to achieve Estonia's long-term goals. At least once a year, each member of the government shall give a presentation in the Riigikogu, providing an overview of the activities in his or her area of responsibility. This enables the member of the government to discuss important trends and strategic choices in the field and gives the members of the Riigikogu the opportunity to obtain an overview of the trends in all policy areas during the year.

The Prime Minister will give a presentation in the Riigikogu after submitting the state budget strategy and the state budget to the parliament, giving an overview of the connections between the changes necessary to achieve the strategic goals of "Estonia 2035" and the planning of state funds. The review of the state budget is preceded by the introduction of its main theses in the committees of the Riigikogu.

Thus, "Estonia 2035" at the level of the Government of the Republic is closely related to the process of the state budget strategy. Meetings of the Prime Minister and ministers take place every year, where the achievement of the strategic goals of "Estonia 2035" is discussed and the solutions for the necessary changes are discussed. Prior to the state budget strategy meetings, the Strategy Director of the Government Office will give an overview of the state of implementation of "Estonia 2035" at a meeting of the Cabinet of Ministers, highlighting possible bottlenecks in the implementation of the strategy. Prior to the discussions on the state budget in the autumn, the Government Office will provide feedback to the members of the government on how the bottlenecks or changes in the strategy discussed in the spring have been resolved and which of them need to be addressed in the state budget.

Once a year, a strategy day is held with key partners and stakeholders, where an overview of the achievement of the strategy's goals is provided, the best experiences in addressing development needs are shared and proposals for the implementation of the strategy are made.



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Estonia 2035

Action Plan of the Government of the Republic
Draft (8 October 2020)



Necessary changes in Estonia



Skills and labour market



Sustainability of the nation, health and social protection



Economy and climate



Space and mobility



State administration

Changes in various areas are needed to maintain Estonia's basic principles, achieve strategic goals and meet the development needs described in the long-term development strategy "Estonia 2035". Targeted and coordinated cross-sectoral cooperation is important.

These changes were negotiated during the preparation of the strategy and are tied into five thematic bundles. Their implementation is monitored on the basis of a more detailed action plan each year and, if necessary, adjustments are made based on domestic events affecting the development of Estonia and changes in the foreign environment.

The action plan sets out the objectives and indicators for the necessary change for each thematic bundle. The activities are related to the development needs described in the strategy "Estonia 2035".

For each activity, the leading and other responsible ministries that contribute the most to the implementation of said activity, are stated. If necessary, all ministries in their area of government contribute to the implementation of activities.

Abbreviations used in the action plan	
AV	Development needs in Estonia
HTM	Ministry of Education and Research
JUM	Ministry of Justice
KAM	Ministry of Defence
KEM	Ministry of the Environment
KUM	Ministry of Culture
MKM	Ministry of Economic Affairs and Communications
MEM	Ministry of Rural Affairs
RM	Ministry of Finance
RK	Government Office
SIM	Ministry of the Interior
SOM	Ministry of Social Affairs
VM	Ministry of Foreign Affairs

Skills and the labour market

What is the change that we seek?



Estonian people have knowledge, skills, and attitudes that enable self-fulfilment and personal development

Indicator: Share of adults (25-64) with professional and vocational education



Estonian educational and labour market policy is flexible, future-oriented, and internationally competitive

Indicator: Labour force participation rate (15-74); demographic labour market pressure index; gender pay gap



Estonia has a sufficiently qualified workforce to support the development of the country and its economy

Indicator: Share of people with tertiary education aged 30-34

Content of the change and participants

A. Making the education system learner-based and flexible

AV1, AV3, AV4, AV9

HTM KAM KUM

- Integrating formal education with non-formal and informal learning:
 - taking into account knowledge and skills acquired outside formal education (e.g., in youth work, hobby education and in the Defence Forces) in formal education
 - diversification of learning environments in cooperation with local governments (e.g., programmes of cultural institutions)
 - development of opportunities for youth work (incl. hobby education) in cooperation with local governments, both regionally and sectorally

HTM RM

- Integration of vocational and secondary education in cooperation with local governments:
 - analysis of organisation, financing and ownership issues
 - development of a common secondary education standard

HTM RM

- Organising the network of upper secondary schools and basic schools in co-operation with local governments and empowering them in reviewing and organising the basic education network:
 - encouraging infrastructure sharing, including concentrating public functions into shared buildings
 - creation of integrated regional education centres (combining opportunities for general, vocational and higher education and non-formal learning, including youth work)
 - enhancing cooperation between the state and local governments

HTM SOM

MKM KEM

KAM KUM

MEM RM

- Transforming curricula to be more student-based:
 - integration of practical professional skills into curricula at different levels and types of education
 - development of learners' general and future competencies alongside cognitive skills and subject knowledge and skills (incl. identification of necessary skills in cooperation with different fields)
 - supporting professional development of teachers and heads of schools

HTM MKM

- Development of high-quality and smart digital study materials and methodologies and application of learning analytics in the learning process at all levels of education

HTM

- Ensuring the availability of a learning counselling service based on common service standards in all regions

B. We will bring people's knowledge, skills and attitudes in line with the needs of the labour market and structural changes in the economy

AV1, AV3, AV4, AV5

HTM MKM

KUM RM

SOM

- Upgrading the adult education system:
 - development of a combined funding model and quality assurance principles
 - analysis of changes in tax and benefit systems
 - involvement of cultural institutions

HTM SOM

KUM MEM

SIM JUM

- Supporting the education system and the return to the labour market of different target groups and improving people's competitiveness:
 - encouraging the return to formal education of adults who have dropped out of school
 - support measures for young people who are not working, not participating in training or studying, the elderly, people with care burdens and various youth work measures

HTM MKM

MEM SOM

KEM

- In cooperation with employers, expanding the target group of the workplace-based study form and the choice of specialty fields (especially to the target group of young people) and ensuring the quality of internships and workplace-based study forms

HTM MKM

SOM

- Development of a certification system for partial qualifications in higher and vocational education:
 - offering micro-degrees, short training sessions, etc.
 - Development of OSKA's labour demand forecast from job based to skill based and region based
 - transforming professional standards into skill profiles

SOM **RM** Supporting the labour markets of North-East and South-East Estonia to ensure regional balance
KEM **HTM**

C. We are preparing for future work
AV4, AV5

SOM **RM** Adapting social protection schemes to new forms of work
KUM

SOM Need-based updating of labour law and working environment rules in response to changing forms of work

HTM Providing the knowledge and skills needed for future work, increasing the readiness of teachers, lecturers and trainers, and modernising learning environments for the implementation of updated curricula

HTM Developing entrepreneurial mindset and business competences at all levels and types of education, including increasing students' willingness to start a business

D. We will improve the quality of higher education and increase the efficiency of its funding
AV4, AV5

HTM Renewal of the higher education system:
 • review of funding (free learning opportunities, including students' personal responsibility) to ensure both fair access to higher education and the compliance of its organisation with the needs of society and the labour market
 • modernisation of the system of student loans, study grants and scholarships to ensure access to education

HTM Improving the quality and international competitiveness of higher education:
 • expanding work-based learning
 • development of industrial PhD and master's degree
 • development of the internship system

Development needs of Estonia

- AV1** Population
- AV2** Health and life expectancy of people
- AV3** Society and opportunities
- AV4** Learning opportunities
- AV5** Business environment
- AV6** Diversity and the environment
- AV7** Cultural space and the living environment
- AV8** Security and safety
- AV9** State administration

HTM Leader **RM** Other responsible person(s)

HTM **RM** Providing higher education in regional colleges and expanding their functions, taking into account regional policy objectives

E. We will create a talent-friendly environment
AV1, AV4

HTM **KUM** Development of a comprehensive system supporting talented students in the formal education system and non-formal learning in cooperation with local governments
SOM **MKM**

HTM **KUM** Encouraging the learning of science, technology and creative subjects and ensuring the training of new teachers in all age groups and types of education (incl. in non-formal learning)
SOM **MKM**

HTM **MKM** Development of talent policy programmes (including measures for international students)
SIM

F. We will increase social cohesion and equal opportunities in education and the labour market
AV1, AV3, AV4, AV5

KUM **SIM** Developing smart and balanced migration and integration policies, taking into account the needs of the labour market and society:
HTM **SOM**
 • modernisation of integration and adjustment services for people of other nationalities and provision of innovative labour market services
 • shaping societal attitudes and preventing and alleviating cultural and social tensions
RM **MKM**
VM

HTM Development of a plan for the development of Estonian-language education starting from preschool education

HTM **KUM** Modernisation of the study organisation of people with a mother tongue other than Estonian in primary education, general education schools, vocational education institutions and non-formal learning
SIM **SOM**

HTM **SOM** Creating opportunities for people with special needs:
 • development of educational organisation (incl. integration of educational, social and labour market support services and provision of services to the necessary extent)
 • supporting participation in the labour market

SOM **HTM** Minimisation of the gender pay gap:
MKM **SIM**
 • reducing gender stereotypes and gender segregation in education and the labour market
 • development of measures to improve the implementation of the Gender Equality Act
RM
 • supporting the introduction of transparent remuneration systems based on objective criteria and better access to salary information
 • improving opportunities for women and men to combine work, family and private life
 • reducing the burden of care and supporting its more equal division between genders

Sustainability of the nation, health and social protection

What is the change that we seek?



In Estonia, the well-being of all people is valued during the entire life cycle and the growth of the population is encouraged

Indicator: Total fertility rate; income quintile share ratio

The Estonian people are physically and mentally healthy for longer and make healthy choices that reduce risks and preserve the living and natural environment

Indicator: Percentage of overweight people

The Estonian health, occupational health and social protection system is integrated, people-centred and sustainable

Indicator: Share of people aged 16 and over with a high care burden (20 and more hours per week)

Content of the change and participants

A. DWe will develop a comprehensive population and family policy to ensure the sustainability and well-being of the Estonian people
AV1, AV3

SIM **SOM** Development of a diverse family policy supporting births and parenting, which takes into account the different wishes and needs of families:
MKM **KUM**
 • developing a support system that promotes safe, happy and lasting relationships between couples and families in order to prevent family breakdown and increase the well-being of parents and children
 • developing a system of benefits and services that value child wealth in order to increase the quality of life of families with many children and support the birth rate
SIM Increasing cross-sectoral co-operation for the implementation of population policy supporting the sustainability of Estonia as a nation state
SOM Development of a child protection organisation based on a partnership between the local government and the state and based on the comprehensive needs of the child, development of basic and in-service training of specialists required for this purpose, and valuing child protection work

SOM **SIM** Development of integrated services and interventions that increase the well-being of children (including children with special needs, behavioural problems and trauma experiences) and the replacement of institutional care with family-based care
HTM **JUM**

SOM **KUM** Encouraging a change in societal attitudes to value intergenerational cohesion and support the social activism and dignified aging of older people (for example, their greater contribution to volunteer work)
SIM

B. We will shape the living environment and people's attitudes and behaviour to be more protective of health and the environment, and reduce risk behaviour
AV2, AV6

SOM **HTM** Developing cross-sectoral and community-based integrated prevention and counselling services to change people's attitudes and behaviour:
KUM **MEM**
 • development of a cross-sectoral cooperation format
KEM **SIM**
 • empowering communities and local governments with healthy, life-saving and risk-averse behaviours and creating the right environment for this
JUM **RM**
MKM

SOM **KUM** Development of innovative digital solutions for improving the health education of the population and reducing risk behaviour
MKM

SOM **KUM** Increasing people's physical activity, sports and joint activities and developing health-conscious eating habits:
MEM **HTM**
 • development of policies to increase physical activity (including movement in nature)
MKM
 • improving the composition and labelling of food to promote healthy choices
 • improving access to and raising awareness of healthier and more varied food choices
 • making legislation more supportive of good health

SOM Development of an early intervention system in primary health care (family care, school health care, occupational health care, dental care, home nursing, etc.) in order to reduce health risks

KEM **MEM** Shaping a living environment that supports health:
SOM **HTM**
 • improving human environmental and consumer awareness and mitigating risks to health (including the safety of products and services, the safe and targeted use of chemicals and medicines, biological risk management, including reduction of antimicrobial resistance (AMR), reduction of water, air and noise pollution, drinking water and food safety, safety of medicines, and waste management)
 • making the legal space supportive of health and the environment

C. We will support mental health and reduce mental and physical violence

AV2, AV8

- SOM** **JUM** • developing common policies and measures in the field of mental health
- KUM** **HTM** **SIM** • ensuring the availability and quality of mental health services throughout the life cycle
- raising people's awareness and developing self-support skills
- promoting the protection of the rights of people with mental disorders
- solving the mental problems that cause illegal behaviour, (also in prisons)

- SIM** **SOM** **JUM** • development of an early detection system throughout the life cycle in cooperation with local governments (incl. increasing the role of the community)
- network-type assistance to victims of violence
- developing measures to prevent the recurrence of violence
- prevention of radicalisation

- HTM** **SIM** **SOM** **JUM** Expanding the target groups of evidence-based prevention and socio-emotional skills programmes and developing measures (incl. programmes to reduce bullying in school and at workplace and other risk behaviours) in cooperation with local governments, private sector, health and education institutions

D. We will modernise the occupational health system to support health and reduce people's incapacity for work

AV2

- SOM** • development of effective occupational health and safety services (incl. development of information technology solutions) for prevention of employee's physical and mental health problems
- development of a targeted occupational health system for the prevention of work-related health problems (incl. improvement of the quality of occupational health services and access to the service)
- developing a system to support people with temporary incapacity for work to remain in the labour market, in order to prevent permanent incapacity for work
- increasing the awareness of labour market participants about risk factors (incl. mental health risk factors, work bullying, harassment)

E. We will integrate health and social services in a people-centered way

AV1, AV2, AV3

- SOM** **MKM** • people-centred provision of health and social services in cooperation with local governments (incl. implementation of the principle of a common place of business)
- development of event-based and people-centred integrated services in the social, health and employment fields
- modernisation of the network of hospitals and health care institutions

F. We will integrate personal medicine solutions into the daily activities of the healthcare system

AV2

- SOM** **JUM** **HTM** **MKM** **VM** **SOM** Integrating genetic and health data into evidence-based decision-making processes, and their implementation
- SOM** Training of health professionals and raising awareness of people and society

G. We will modernise the organisation of social protection, taking into account the changes in the society

AV1, AV2, AV3

- SOM** **RM** **KUM** • development of a system for the prevention of permanent health loss and ensuring sustainable financing of health care (incl. reduction of waiting lists for treatment, changes in the system of reimbursement and availability of medicines)
- implementation of pension reform to ensure a sustainable pension system and the well-being of pensioners (including preferential pension reform, employer pension incentives, improving people's financial knowledge)
- developing needs-based social protection (incl. agreeing on the division of responsibilities between the individual, the state and the local government)
- making unemployment and redundancy benefit schemes more flexible
- organisation of the system of accidents at work and occupational diseases
- renewal of the long-term care financing model

H. We will improve the well-being and social activity of people with special needs and improve the efficiency of the long-term care system

AV1, AV2, AV3

- SOM** **KUM** • development of a system of services to prevent long-term care needs (incl. community empowerment, promotion of the principle of early detection, creation of assessment systems and tools)
- development of care services (with emphasis on home / community care) (incl. infrastructure investments, increasing the use of technology and innovative solutions)
- coordination and integration of health, employment and social protection and services in the cultural sector (e.g., aids, rehabilitation, support services, information services, access to cultural and sporting events) in order to achieve greater effectiveness in their interaction
- increasing the workforce and raising qualifications in the field of long-term care (incl. training of new specialists, conducting in-service training and offering work-based learning)
- supporting the social activism of people with special needs

Development needs of Estonia

- AV1** Population
- AV2** Health and life expectancy of people
- AV3** Society and opportunities
- AV4** Learning opportunities
- AV5** Business environment
- AV6** Diversity and the environment
- AV7** Cultural space and the living environment
- AV8** Security and safety
- AV9** State administration

- Leader**
- Other responsible person(s)**

Economy and climate

What is the change that we seek?



Entrepreneurship is smart and responsible

Indicators: Number of researchers and engineers in the private sector per 1000 inhabitants; the amount of material recycled



Economic environment is reliable, attractive, and flexible

Indicator: Estonia's position in the *Doing Business* index ranking



Economy is climate neutral

Indicator: Share of renewable energy in final energy consumption

Content of the change and participants

A. We will introduce new solutions to encourage research and development and innovation in business sector

AV1, AV5, AV8, AV9

- Participants:** MKM, JUM, HTM, KUM
- Consolidation of existing innovation services and grants, and development of missing ones:
 - market monitoring of new technologies
 - advising on issues such as intellectual property, new business models, etc.
 - involvement of creative competence
 - supporting participation in EU partnerships and strategic value chains
- Participants:** MKM, HTM, RM
- Development of knowledge-intensive start-ups:
 - ecosystem services with an emphasis on knowledge-intensive business
 - providing access to risk capital
- Participants:** MKM, MEM, KAM, HTM, KEM
- Restructuring of support for applied research in business sector (incl. in cooperation with other countries)
- Participants:** VM, MKM, MEM, KEM, KUM
- Bringing foreign policy and business diplomacy capabilities to a new level (including a focus on knowledge-intensive enterprises):
 - development of destination country strategy/strategies
 - ensuring foreign representations in line with Estonia's image (incl. being represented in new growing markets)
 - systematic co-operation between the foreign representatives of Enterprise Estonia and the Estonian representations
 - creation of an e-foreign representation
- Participants:** RM, MKM, HTM
- Increasing investment in research and development (R&D) by state-owned companies (as part of the state's participation policy)
- Participants:** MKM, MEM, KAM, HTM, KEM, RM
- More extensive introduction of digitalisation and automation (including robots) in enterprises

B. We will increase the capacity of fields of activity important to the Estonian economy

AV1, AV5, AV6, AV7, AV9

- Participants:** HTM, MKM, KEM, MEM, RM
- Ensuring R&D cooperation between R&D institutions and enterprises in focus areas important to the economy of Estonia and its regions (e.g., oil shale and wood chemistry, food technology, technologies supporting environmental protection, and ICT):
 - developing the respective R&D programmes
 - updating the concept, implementation and monitoring of smart specialisation
 - supporting participation in EU partnerships and strategic value chains
- Participants:** MEM, HTM, KEM, MKM, RM
- Development of a sustainable bio-economy (incl. blue economy):
 - creation of a support system to enhance the development of new value chains and business models (e.g., innovation cooperation between enterprises and R&D institutions)
 - support for pilot projects
 - Making Estonia a recognised centre for bio-economy in Europe
 - developing different technologies and fostering innovation for the better and more sustainable use of bio-resources (including water and marine resources)
- Participants:** MKM, HTM, JUM, RM, KEM, SOM, KUM, MEM, MKM, MEM, KEM, RM
- Legislation and tax system (including intellectual property regulation) that facilitates the introduction of new technologies (e.g., kratts, self-driving cars, drones) and business models (platform, digital, real-time economy)
- Participants:** MKM, MEM, KEM, RM
- Improving access to capital and diversifying funding options for businesses (including for companies operating in areas removed from centres of attraction and for investments that reduce the environmental footprint of enterprises)

C. We will create a secure economic environment conducive to flexible, innovative and responsible entrepreneurship and fair competition.

AV5, AV6

- Participants:** MKM, VM, JUM, RM, HTM
- Making Estonia one of the centres of attraction of the digital economy, i.e., a digital hub in which it is good to create and offer digital services to the world:
 - expansion of the e-residency programme
 - reducing red tape to promote entrepreneurship through technology
 - development of cross-border digital solutions to facilitate the operation of internationally operating enterprises
 - developing digital competences throughout society (both increasing the number of ICT professionals and improving people's general digital skills)
 - increasing cooperation between enterprises and the state through the development of joint innovation platforms and the data economy
 - improving the availability of high-speed internet throughout Estonia
- Participants:** MKM, KEM, HTM, RM, MEM
- Legislation supporting environmental protection:
 - promoting business models and corresponding consumer behaviour that support biodiversity, climate neutrality, the circular and blue economy and less environmental disruption
 - other incentive economic measures (e.g., environmental charges)
 - development and launch of a system for accounting for natural benefits
- Participants:** MKM, KEM, SIM, KUM, SOM
- Promoting responsible entrepreneurship:
 - spreading and recognition of best management practices
 - promoting social entrepreneurship
 - encouraging volunteer work
 - developing a tax system that supports participation in cultural life and physical activity
- Participants:** RM, JUM, MKM
- Development and strengthening of the banking and capital market:
 - ensuring the functioning of the common market in banking, reducing banks' risks (including enhancing anti-money laundering) and increasing crisis resolution capabilities (creating resolution buffers, strengthening protection mechanisms), while maintaining openness to foreign enterprises and investors
 - development of the deposit insurance system in line with the development of deposit insurance in the EU Banking Union
- Participants:** MKM, RM, MEM
- Development of the regional business environment in cooperation with local governments (incl. provision of business support services based on the development preconditions of the region and supporting the growth of the added value of enterprises)
- Participants:** RM, KEM, MKM
- Creating incentive mechanisms to increase tolerance, which supports development at the local level
- Participants:** KEM, SOM, MKM, KUM, HTM, MEM
- Participants:** KEM, SOM, MKM, KUM, HTM, MEM
- Participants:** KEM, SOM, MKM, KUM, HTM, MEM
- introduction of production and consumption patterns that reduce primary raw materials and increase the use of secondary raw materials in order to create added value from raw materials already extracted and already in the economy
- developing the safe circulation of materials in construction (including increasing resource efficiency), production and supply chains, inter alia, by reducing the use of chemicals by replacing them with less harmful ones
- training of circular economy experts who would advise both enterprises and local governments

- Participants:** KEM, MKM, MEM, RM, HTM
- Significant increase in resource efficiency (including energy) in enterprises (including industry and services) to improve the resource productivity of the economy (e.g., through industrial symbiosis, digitisation, more resource efficient technologies)

- Participants:** KEM, MKM, HTM, RM, SOM
- Effective and innovative restructuring of waste management:
 - Development of a separate waste collection infrastructure within local governments and the acquisition of necessary equipment (incl. waste stations, houses, home composters, containers, means of transport, etc.)
 - prevention and reduction of waste (including food waste) and packaging
 - promoting the donation of surplus food, to reduce poverty and waste
 - increasing product reuse via eco-design, consumer awareness raising and the development of repair workshops

E. We will move to climate-neutral energy production, ensuring energy security

AV3, AV6, AV7, AV8

- Participants:** MKM, KAM, KEM, RM, MEM, SOM, HTM
- Transition to climate-neutral energy production:
 - gradual reduction of the share of oil shale energy
 - development and deployment of new climate-neutral energy production and storage solutions
- Participants:** RM, MKM, KEM, KUM, HTM, SOM
- Launching of a package of services in Ida-Viru County to support the exit from oil shale energy
- Participants:** MKM, KEM, RM, SOM, HTM
- Considering energy supply alternatives and making choices
- Participants:** MKM, KAM, KEM, RM, MEM, SOM
- Achieving a balance between security, environmental protection and the interests of the population on land and at sea, supporting the growth of the share of renewable energy (e.g., a favourable regulatory environment)

Development needs of Estonia

- AV1** Population
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- AV9** State administration

Leader
 Other responsible person(s)

Space and mobility

What is the change that we seek?



The high-quality, accessible, and safe living environment takes into account the needs of all the people

Indicators: Accessibility indicator; percentage of people who consider their neighbourhood to be safe

The living environment promotes healthy and sustainable lifestyles

Indicators: Greenhouse gas emissions in the transport sector; Share of people commuting via public transport, cycling or walking

The living environment is well kept and diverse

Indicators: Energy consumption of residential and non-residential buildings

Content of the change and participants

A. We will ensure a viable cultural space AV1, AV3



- developing a system for creating and experiencing a culture that supports and enhances the co-operation of people from different linguistic and cultural backgrounds
- increasing the regional accessibility of cultural fields in order to ensure a more attractive living environment also outside the centres of attraction and to support the cohesion of society and the well-being of people all over Estonia
- creation of a network of cultural infrastructure (incl. heritage) and institutions of the state and local governments taking into account the principles of re-use and cross-use, and integration of cultural services with services of other fields
- setting the cultural sector as an example in applying the principles of inclusive design and high-quality space
- increasing the availability of Estonian culture in physical and e-environments for different target groups (incl. compatriots, people with a mother tongue other than Estonian, and people with special needs)
- development of independent (innovative) media that supports coping with societal changes and uses innovative solutions
- supporting the cultivation and development of one's own culture through the development and popularisation of joint activities and meeting places
- adopting new technologies to improve the quality of the creation, preservation and accessibility of digital culture, diversify business services and facilitate the new and cross-use of digital content



B. We plan and renovate the space comprehensively and with high-quality, while also taking into account the needs of society, demographic changes, health and care for the environment

AV1, AV2, AV3, AV6, AV7

- Creating state-of-the-art solutions to ensure the availability and timeliness of spatial data
- Continuous adherence to the basic principles of quality space in spatial planning decisions at the local and national level:
 - ensuring inclusive design and accessibility
 - increasing people's spatial planning competence
 - priority development of urban centres in the case of cultural heritage and declining settlements
 - reduction of forced mobility
 - uniform management of the coast
 - analysis and development of green infrastructure coherence
 - valuing the benefits of ecosystems and taking them into account when planning and using space
 - introduction of "every man's" nature conservation principles
 - increasing the resource efficiency of the living environment
 - improving the quality of the natural environment and conserving and enhancing biodiversity, including habitat restoration and species conservation improvement, and the necessary investments
 - protection of heritage landscapes and natural sanctuaries
 - implementation of measures to promote safe and secure behaviour, prevent risk behaviour and ensure accessibility in public space planning, and the introduction of the principles for creating a safe space



Sustainable and comprehensive renewal of a high-quality living environment and building building stock in cooperation with local governments (incl. improving the availability of high-quality and accessible housing and ensuring the safety of residential buildings, and diversifying financial instruments promoting out-of-centre settlements)



Extensive implementation and planning of solutions in cooperation with local governments to reduce and adapt to the effects of climate change, increase and preserve biodiversity, diversify the living environment



Creating preconditions for improving the efficiency and quality of spatial planning (incl. creation of a vision of a high-quality living environment), design and construction processes (incl. standardisation, digitisation, automation, factory production, application of artificial intelligence)



Finding and implementing solutions to adapt to a declining population to ensure the availability of quality services and a high-quality and sustainable built environment (including infrastructure)



Shaping the role of the public sector as a smart construction procurer



Ensuring the coherence of the built environment (incl. infrastructure) with the counter-cyclicality of the state's strategic plans and construction investments



Development of sustainable waste management and public water supply, and sewerage infrastructure and services, in cooperation with local governments



- Mapping and sustainable use of mineral resources:
- science-based management and use of earth's resources that contribute to the country's economic growth and resource efficiency and maintain human health
 - studies related to the exploitation of new mineral resources, analysis of use possibilities and analysis of related environmental risks
 - spatial determination of the state's interest in mining (incl. thematic plans of each county on mining)
 - bringing abandoned quarries and mines into order



Ensuring high-quality and accessible security services (incl. police, rescue, and emergency assistance) and making solutions sustainable in cooperation with local governments (incl. encouraging and diversifying voluntary activities in creating a safer living environment)



Reducing repeat offences, ensuring the law obedience of young people, spreading alternative punishments and expanding activities that help re-entry into society



Strengthening border surveillance and protection capabilities and implementing integrated border management in the name of ensuring the security of the Schengen area

C. We will provide a needs-based interoperable transport service that includes all means of transportation

AV1, AV3, AV7, AV9



Ensuring the availability and user-oriented design of mobility services and information in cooperation with local governments for both local residents and foreign visitors (incl. smart use of mobility data and awareness raising, implementation of mobility as a service in several ways (MaaS) across the country)



Increasing the competitiveness of efficient, accessible and sustainably managed public transport and shared modes of transport in cooperation with local governments (incl. development of flexible and user-friendly demand transport and social transport)



Development and implementation of a model taking into account socio-economic and environmental factors in order to ensure integrated mobility across Estonia (incl. light traffic, aided mobility, self-driving vehicles, land, water, air, rail transport)



Supporting research and development and education for the development of transport and the emergence of new business models, and creating a regulatory area

Development needs of Estonia

- AV1** Population
- AV2** Health and life expectancy of people
- AV3** Society and opportunities
- AV4** Learning opportunities
- AV5** Business environment
- AV6** Diversity and the environment
- AV7** Cultural space and the living environment
- AV8** Security and safety
- AV9** State administration

Leader Other responsible person(s)

D. We will implement a safe, environment-friendly, competitive, needs-based and sustainable transport and energy infrastructure AV6, AV7

- MKM KEM** Developing transport connections that reduce time spent on travelling. Including:
 - investment in infrastructure based on a socio-economic impact analysis
 - preference of investments that reduce overall energy use and promote active mobility
 - reducing greenhouse gas and ambient air pollutant emissions in the transport sector (incl. switching to environment-friendly vehicles and ensuring the corresponding infrastructure, and increasing the environmental friendliness of the public road vehicle fleet)
 - ensuring synergy between mobility and energy (including the integration of electric vehicles into charging infrastructure for the purpose of reciprocal energy mobility and use to buffer energy demand)
 - development of alternative fuel infrastructure for heavy vehicles and buses

MKM RM Establishing a fast and convenient rail connection with Europe

MKM KEM Development of external transport connections (incl. finding a niche in the north-south-east-west corridors)
HTM SOM
VM

MKM KEM Implementation of the polluter/user liability concept (for both transport infrastructure and rolling stock)
RM

MKM KEM Establishment of a traffic-safe, accessible and sustainable urban space in cooperation with local governments (incl. pedestrian and bicycle paths and parking lots, stopping places with several types of transportation to switch to)
SOM RM

MKM KEM Synchronization of the electricity network with the continental European frequency band
RM

MKM RM Establishing a climate-proof infrastructure to support the transition to climate-neutral energy production/consumption and creating the necessary conditions for the transition to climate-neutral energy production/consumption, both onshore and offshore (e.g. radar, network connections, refuelling infrastructure, a smart heating and electricity network, short and long term storage)
SIM KEM
KAM

State administration

What is the change that we seek?



Estonia is an ambitious and democratic digital state

Indicator: Satisfaction with public services



Public services are high-quality, predictable and accessible in every region, guaranteeing people's fundamental rights

Indicator: Satisfaction with local government services



Society is research-intensive

Indicator: Share of people with a Doctoral level degree among 25-64 year-olds

Content of the change and participants

A. We will increase the unity of governance and ensure the smooth functioning of the state AV3, AV9

RK RM Transition to needs-based governance and flexible governance and ensuring the capacity to develop public services at both organisational and official levels (including promoting recruitment regardless of the location and supporting international career for officials)
VM MKM
JUM

RK RM Ensuring strategic planning (at the national, local and regional level) and the state budget, including ensuring a comprehensive approach to key issues (e.g., sustainable development, culture and language, regional development, climate objectives, gender equality, and equal opportunities) and coordinated spatial development planning

RK RM Knowledge-based and high-quality policy-making of the country as a whole:
SIM MKM
HTM JUM
MEM KEM
VM KUM
SOM KAM

- implementing co-legislative policy-making (including the development and implementation of a legislative and inclusion toolbox)
- implementation of evidence-based policy-making (incl. development and implementation of the organisation and coordination of national R&D and budgeting and monitoring system)
- wider and more effective implementation of the principles of good regulation and increased transparency
- development of a policy analysis and impact assessment system, including data mining and data use (open data and data protection, data monitoring and forecasting), assessment of the administrative burden on enterprises, ensuring regional specificities and addressing needs
- Empowering the Estonian people, communities and civil associations and supporting participation in governance in policy-making and the provision of services, and developing opportunities for greater use of referendums and initiatives
- Supporting innovative solutions, experiments and pilot projects

RM MKM Development of data economy, secure cyberspace, a unified and high-quality data space, and digital state infrastructure:
KAM KUM

- introduction of data management-friendly and people-centred data management (incl. in the legal space and with technical solutions) and the promotion of secure access to data from various sources for the development of services
- promoting a distributed data management infrastructure and data exchange architecture at the national and local government level, creating a single European data area, and promoting cross-border data exchange
- development and implementation of a future-proof digital identity
- ensuring the security and security of supply of communication networks
- development of security capabilities, work organization, including common EU procedures for high-impact IT products and services
- Development of common EU procedures
- ensuring cyber security in the digital society including the systematic and continuous assessment of cyber risks, the updating of their management measures to ensure the security and reliability of cyberspace, and the development of capabilities for the management of cyber incidents and crises (including the development of common EU procedures)

RM KEM Improving the public procurement system (incl. support for innovation, preference for responsible and environmentally friendly services and products, rethinking the IT procurement system)
RK MKM

RM MKM Consolidation of support activities of state agencies, introduction of central information systems (e.g., document management systems), creation of IT houses for joint agencies and government agencies

KUM RM
HTM Organising the network of research institutions and state-owned foundations, taking into account balanced regional development

RM HTM
JUM SIM
SOM Ensuring the presence of employees with skills that are vital for the state (e.g., teachers, health care workers, rescuers, police, prison officers, legal professionals) and officials in different regions of Estonia

B. We will improve the quality and availability of state and local government services and review the division of responsibilities

AV1, AV3, AV4, AV7, AV9

RM MKM
MEM SOM
KUM Improving the availability of services regardless of location:

- transition to background, predictive and event-based services
- implementing the principle of a common point of contact for the user
- providing integrated, user-friendly and accessible services
- ensuring equal opportunities through e-services and other digital solutions (e.g., in e-offices)

RM MKM
HTM SOM
KEM
MEM Reducing regional inequalities and strengthening the administrative and development capacity of local governments

RM MKM
HTM SOM
KUM KEM Reviewing the tasks and funding of the state, local governments, increasing the role of local governments through decentralisation and promoting regional cooperation:

- agreeing on the person responsible for the social welfare services, the scope and deductible rates
- shaping the business environment and increasing the capacity and motivation at the local level to engage in business development
- provision of services regarding waste, environmental permits, registrations, etc.
- expanding library services, including teleworking, health and social services, developing digital competences and language learning
- establishment of joint museum repositories for the preservation, conservation and digitisation of Estonian state collections in order to save costs, preserve heritage, and improve accessibility

RM KEM
MEM Development of a monitoring system for local government services to improve the quality of services in cooperation with local governments

MKM Developing a platform-based approach to data and digital solutions

MKM JUM Extensive use of artificial wisdom or crates in the public sector (incl. creation of a legal space and dissemination of the # bureaucrat concept, preserving the person's right to decide and their freedom of choice)

KUM

MKM JUM
RM Developing a culture and organisation of continuous testing in the development of the digital state:

- development of innovative solutions, inter alia, in cooperation with the private sector and the non-governmental sector
- Development of the Govtech sector to promote technologically innovative solutions and the use of innovation opportunities in the development of state and information security
- streamlining the legal and tax environment to enable and support new solutions and cooperation

JUM Developing the justice system and improving the enforcement of rights based on the rule of law:

- making the administration of justice more flexible and efficient (incl. increasing the legal certainty and user-friendliness of court registers)
- creating a digital "legal cycle" throughout the justice system
- increasing the sustainability and transparency of the legal aid system
- development of legal services
- increasing the availability and user-friendliness of legal information

C. We will increase the impact and diversity of science while maintaining its high level

AV4, AV5

HTM MKM
VM RM
MEM

- developing an academic career model that supports diverse development and offers greater stability
- completion of the doctoral reform, in order to increase the number of researchers and engineers in Estonian society
- creating incentives for research institutions and researchers to take the lead in international cooperation networks
- ensuring the quality of research infrastructure and opening it up for joint use, taking into account the needs of both entrepreneurs and the public sector
- improving the wider availability and use of research results (including the development of open science)
- increasing the knowledge transfer capacity of research institutions and universities (incl. training of employees, development and provision of new services)
- facilitating the mobility of employees between universities, enterprises, and the public sector
- refocusing of research and development capacity to solve Estonia's important development needs

D. We will improve the country's international position and ensure security and safety

AV5, AV6, AV8

KAM RK
SIM VM
MKM JUM
MEM Ensuring safety and security in all situations:

- preventing hybrid threats and subversion (including preventing the spread of false information and radicalisation)
- strengthening the country's capacity to identify terrorist risks in order to prevent threats and to prevent and minimise the consequences
- Ensuring security by strengthening diplomatic relations (e.g., bilateral and multilateral relations and formats)
- Identifying, preventing and mitigating cyber threats and cybercrime by ensuring adequate and up-to-date capacity
- Improving crisis preparedness by increasing the capacity for rapid response and special operations, mass management, protection of persons and objects, and ensuring compliance with changing security threats (including in cooperation with other countries)
- ensuring secure national digital identification and digital signature identification documents

KAM RK
SIM JUM
MKM MEM Ensuring a safe space in cooperation with local governments:

- providing state support to communities to increase responsibility for security and the prevention of risk behaviour and crime
- development of the capacity of local governments to solve minor offences
- in agreement with local governments, their development into a basic designer of a living environment supporting security (incl. in cooperation with institutions and communities)
- establishing civic service for all young people in Estonia according to their abilities
- ensuring high-quality and accessible security services and making solutions sustainable in cooperation with local governments

Development needs of Estonia

- AV1** Population
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- AV7** Cultural space and the living environment
- AV8** Security and safety
- AV9** State administration

Leader **Other responsible person(s)**

KAM RK
SIM JUM Crisis preparedness:

- improving crisis preparedness by raising awareness of potential threats among public authorities, local authorities and vital service providers
- improving the continuity of vital services and security of supply of goods to meet the basic needs of the population in times of crisis
- increasing the preparedness of state institutions, local governments and communities for crises and mitigation of post-crisis damage

VM Amplifying the potential of all policy areas abroad (including through state strategies) and creating open innovation nests in Estonian representations in cooperation with the private sector

VM MKM
HTM SOM
MEM KUM
KAM Sharing Estonia's strengths (incl. cyber and digital, education, health services, safe food, culture and sports) with the world and using development cooperation opportunities

MKM Increasing economic security through conducting background research on foreign investments.

MKM KUM
VM Preservation of Estonian heritage and identity, organisation of cultural and sports events and the introduction of Estonia as an attractive tourist destination, while emphasising the positive experience of Estonian visitors and its balanced impact on the local culture and environment

VM Increasing the effectiveness of diplomatic activities through investments (incl. support for internationally important events and conferences)

VM KUM
SIM Promoting global Estonianness and supporting the visibility and accessibility of Estonian culture abroad (incl. developing civic diplomacy and improving the availability of consular services)

KAM VM Participation in civilian and military operations and hosting of partners in Estonia both within the framework of the military presence and as participants in our centres

JUM VM Development of cross-border litigation and judicial cooperation

SIM JUM
SOM Development of a reception system for beneficiaries of international protection and implementation of an effective migration monitoring and return policy in compliance with fundamental rights

Estonia 2035

Indicators
Draft (8 October 2020)



“Estonia 2035” indicators

The maintenance of the basic principles of “Estonia 2035”, the achievement of strategic goals and the implementation of necessary changes are monitored with interconnected indicators. The strategy is implemented through development plans and programmes in the field, and these indicators are also reflected in them. Wherever possible, data shall also be provided by age, sex, nationality, level of education and region. Indicators showing significant age, gender, national, educational or regional differences shall, where possible, aim to reduce these differences in the development plans and programmes of the sector. A description of the methodology of the indicators is published on the website of the Government Office.

A prerequisite for reaching the goals is a democratic and secure state that preserves and develops the Estonian nation, language, and culture

Indicator:	Baseline	Target level
Cohort fertility rate	due to the new methodology, baseline and target levels will be added in 2021	
Change in the number of population per thousand inhabitants	+3.13 people (2019)	Population decline is slowing down, regional disparities are diminishing
Participation in cultural life	78.7% (2017)	≥80%
Share of people who speak and use Estonian as a mother tongue	due to the new methodology, baseline and target levels will be added in 2021	
Share of people who consider Estonia safe	94% (2018)	≥94%
Risks that matter (OECD)	Becoming ill or disabled– 60.7% Struggling to meet all expenses– 48.4 % Losing a job – 47.6 % (2018)	Becoming ill or disabled– ≤60.7% Struggling to meet all expenses – ≤48.4 % Losing a job – ≤47.6 %
Total emissions of greenhouse gases in CO2 equivalent tons (incl. the LULUCF sector)	18 mln t CO2 eqv (2018)	8 mln t CO2 eqv
Estonia’s place in the Global Sustainable Development Goals Index	10 (2020)	≤10

People
Smart, active, and
caring for one's health

Indicator:	Baseline	Target
Healthy life years	men 54.1; women 57.6 (2019) county difference compared to the Estonian average: men -12.13, women -10.31 (2019)	men 63.0; women 64.5 county difference compared to the Estonian average: men <5, women <5
Participation in labour market, culture, sports, and volunteer work	due to the new methodology, baseline and target levels will be added in 2021	
Adult (25–64) participation in lifelong learning	In formal and non-formal education – 20.1% In informal education – the methodology is being developed, the initial and target levels will be added as soon as possible	In formal and informal education – 25% In informal education – the methodology is being developed, the initial and target levels will be added as soon as possible

Society
Open, caring
and cooperative

Indicator	Baseline	Target
Measuring caring and cooperation in society	due to the new methodology, baseline and target levels will be added in 2021	
Contacts between different groups in society	due to the new methodology, baseline and target levels will be added in 2021	
Persistent at-risk-of-poverty rate	16.7% (2018)	≤15.6%

Economy
Strong,
innovative, and
responsible

Indicator	Baseline	Target
R&D expenditure in the private sector	0.61% of the GDP (2018)	2%
Productivity of the workforce as a share of the EU average	78.6% (2019)	110%
GDP per capita created outside Harju County compared to the EU-27 average	38% (2018)	59%
Resource productivity	0.56 euros / kg (2017)	0.90 euros / kg

Living environment

Considerate towards
everyone's needs,
safe, and high quality

Indicator	Baseline	Target
Satisfaction with the living environment (satisfied or rather satisfied)	84.54% (2020) regional differences (difference between the local governments with the highest and lowest decile) – 29 percentage points	> 85% regional differences (difference between the local governments with the highest and lowest decile) – ≤29 percentage points
Environmental trend index	68.75 (2020)	87
Number of people who have died from poisoning, injuries, and certain other external causes, per 100,000 people	57.96 (2019)	≤31.7%

Governance

Innovative,
reliable, and people-
centered

Indicator	Baseline	Target
Worldwide Governance Index	Government Effectiveness – 1.2 Regulatory Quality – 1.6 Voice and Accountability – 1.2 (2018)	Government Effectiveness – ≥1.2 Regulatory Quality – ≥1.6 Voice and Accountability – ≥1.2
Trust towards state institutions (Eurobarometer)	Local governments – 56% Government of the Republic – 43%, The Riigikogu – 40% (2019)	Local governments – 60% Government of the Republic – 50%, The Riigikogu – 50%
Position in the global presence index (Elcano)	89 (2019)	≤89
Share of local government expenditure in the administrative sector expenditure	25.24% (2019)	> 25.24%

**Skills and
labour market**

Indicator:	Baseline	Target
Share of adults (25–64) with professional and vocational education	73% (2019)	80%
Labour market participation rate (15–74)	71.6% (2019) Difference between the Estonian average and the county with the lowest indicator – 11.9 percentage points	≥72% Difference between the Estonian average and the county with the lowest indicator – ≤10 percentage points
Demographic labour pressure index	Due to the new methodology in demographic labour market pressure index, baseline and target levels will be added in 2021	
Gender pay gap	17.1% (2019)	5%
Share of people with tertiary education aged 30–34	46.2% (2019)	50%

**Sustainability
of the nation,
health and social
protection**

Indicator	Baseline	Target
Total fertility rate	1.66 (2019)	2.1
Income quintile share ratio	5.1 (2018)	≤6
Percentage of overweight people	50.7% (2018)	≤50%
Share of people aged 16 and over with a high care burden (20 and more hours per week)	1.8% (2016) (almost 20,000 people)	1.3%

**Economy
and climate**

Indicator	Baseline	Target
Number of researchers and engineers in the private sector per 1000 people	1.33 (2018)	4.53
Estonia's position in the <i>Doing Business</i> index ranking	18 (2019)	5
The amount of material recycled	8.7% (2017)	30%
Share of renewable energy in final energy consumption	>30% (2018)	>42%

**Space
and mobility**

Indicator	Baseline	Target
Accessibility indicator	due to the new methodology, baseline and target levels will be added in 2021	
Percentage of people who consider their neighbourhood safe	94% (2017)	≥94%
Greenhouse gas emissions in the transport sector	2427.67 kt CO2 eqv (2018)	to be reduced by 23–38% (to be specified as soon as possible)
Share of people commuting via public transport, cycling or walking	38.5% (2018)	45–55% (to be specified as soon as possible)
Energy consumption of residential and non-residential buildings	16.1 TWh	14.0 TWh

Governance

Indicator	Baseline	Target
Satisfaction with public services	due to the new methodology, baseline and target levels will be added in 2021	
Satisfaction with local government services	72.1% difference between the local governments with the highest and lowest decile – 21.7 percentage points	≥ 72.1% difference between the local governments with the highest and lowest decile – <21.7 percentage points
Share of people with a Doctoral level degree among 25-64 year-olds	0.85% (2017)	1.5%

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