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1 Strategy for the Operational Programme's contribution to the Union strategy for smart, sustainable and inclusive growth and the achievement of economic, social and territorial cohesion

1.1 Description of the Operational Programme's strategy to contribute to the delivery of the Europe 2020 strategy and to the achievement of economic, social and territorial cohesion

The Operational Programme has been drawn up in accordance with the principle that the European Structural and Investment Funds (ESI) are one-off leverage to achieve significant changes in Estonia. Their use should bring about a shift in development, increasing the efficiency, effectiveness or quality of target achievement in an area, sector or industry, and leading to positive long-term impact (e.g. initiation and implementation of structural reforms and key initiatives/projects).

The Operational Programme is based on the following principles:

1. Funds should be focused on a limited number of important strategic objectives, in order to achieve significant changes, capacity of use and better coordination.
2. Planning should take into account the long-term impact of activities and implementation capacity.

The funding priorities were chosen and the alternatives were compared using the following selection criteria that clarified the above principles:

1. compliance with the objectives and main courses of action of the 'Estonia 2020' National Reform Programme;
2. opportunities for international cooperation and value-added at the EU level;
3. (co)effect across policy areas;
4. increase in the leverage effect and preparedness for the future;
5. sufficient concentration of funds; and
6. availability of suitable alternative funding options.

Based on the above, the focus of the Operational Programme is on investments that contribute to the central objectives of the 'Estonia 2020' National Reform Programme.

The objectives of the National Reform Programme 'Estonia 2020' are as follows:

1. **Increase of productivity per employee to 73% of the EU average by 2015 and to 80% by 2020** (from 68.7% in 2012).
2. **Increase of the employment rate of the 20–64 age group to 72% by 2015 and to 76% by 2020** (from 71.7% in 2012).

In order to achieve these objectives, it is planned to pursue and develop the current policy of improving the skills of the workforce, increasing labour supply, increasing R&D volumes in the private sector, developing infrastructure that supports business, and stimulating investment (especially in sectors with potential for exports and higher value-added).

To achieve the competitiveness objectives and address the development needs described in section 1.1 of the Partnership Agreement, structural funds will be applied in the four areas of Estonia 2020 discussed below.

1.1.1 *Educated people and integrated society*

A third of working-age people in Estonia have no professional training,¹ and this considerably affects their competitiveness on the labour market. The unemployment rate among people with at most lower secondary education was twice the overall unemployment rate in 2011. Estonia 2020 sets the target of **reducing the proportion of adults (25–64) without any professional education or vocational training to 30%** (30.31% in 2012). In order to increase the proportion of adults with professional and occupational qualifications, the system of recognising prior learning and work experience will be implemented. It is planned to support the integration of adults with lower educational levels in studies, offering continued professional training and retraining courses to them, developing their key competencies that improve employability, and providing support services that support participation in training. Integrating adults in studies will also contribute to the target of Estonia 2020 to **increase the participation rate of adults (25–64) in lifelong learning to 20%** (12.9% in 2012).

Among young people, the high proportion of those without professional training results from discontinuation of studies after acquiring lower secondary or general upper secondary education, the preference for general secondary education over vocational training, and the large number of early school leavers. In order to **reduce the proportion of young adults in the 18–24 age group with lower secondary education or less and not continuing their education to 9.5%** by 2020 (10.5% in 2012), it is planned to improve the availability of career and support services, to introduce a more individual-centred approach to teaching and to invest in the separation of lower secondary level schools from upper secondary level schools and teaching curricula requiring specific resources in one building. A teaching approach which is more focused on individual learners, combined with supporting academic and career guidance services, will assist pupils in making the choice to continue studies at an educational level suited to their abilities and prevent early school-leaving resulting from wrong choices. Pupils graduating from lower secondary schools, which have been separated from the upper secondary level, are more likely to pursue vocational training. Thus, the separation of lower secondary level schools from upper secondary level schools will contribute to making better choices for further education. Also, investments made in lower and upper secondary schools will contribute to adjusting to demographic changes in the schools network, and to the opportunities of SEN pupils to obtain education in mainstream schools.

The primary longer-term goals of the education policy of Estonia are to improve the quality and international competitiveness of higher education and to increase the number of state-funded study places in higher education,² as evidenced by the target set in Estonia 2020 to **increase the proportion of people with tertiary education in the 30–34 age group to 40%**. The higher education system is being reformed with the result of free access to Estonian-language higher education being provided to those who pursue full-time studies. The reform also involves the replacement of the funding model of state-commissioned education with a system of operational support which is provided on the basis of performance agreements signed with universities, thus increasing the responsibility of universities for the results of their activities. In the period 2014–2020 the focus will be on supporting the development of teaching staff and on the modernisation of curricula in order to improve the quality of studies and ensure that education serves the interests of society and meets the needs of the labour market (e.g. transfer of skills related to entrepreneurship education, and creation of practical training modules). Support will be provided

¹ Statistics Estonia

² Estonia 2020

for higher education institutions' comprehensive development plans that provide for structural changes.

Considering the problem of structural unemployment, it is essential to pay more attention to the labour market relevance of studies. The provision of appropriate adult education, vocational education and higher education requires the introduction of a system of regular monitoring and forecasting of labour demand. Such a system should comprehensively analyse the development options and needs of various economic sectors in Estonia and ensure the planning and direction of training in each profession. In addition, a functioning practical training system will be set up in vocational and higher education and the provision of entrepreneurship education will be promoted. Matching studies with the needs of the labour market will also contribute to the implementation of country-specific recommendation No 3 for 2013³.

The youth (15–24) unemployment rate was 20.9% in 2012 (the average unemployment rate being 10.2%)⁴. This is due to low levels of education and dropping out of school. **Estonia 2020 sets the target of reducing the youth unemployment rate to 10%.** Achieving this target requires, in addition to the foregoing changes to be introduced in the education system, activation of young people who are neither studying nor in employment, prevention of the youth exclusion risk, increasing the contact of youth with the working life, and more efficient labour market measures supporting young people. Interventions aiming to improve the employability of young people and reduce youth unemployment are set out in an inter-ministerial plan, which forms part of the European Youth Guarantee.

One of the targets of Estonia 2020 is to increase the activity rate (15–64 age group) to 75% by 2020 (74.5% in 2012). Today, inactive job-seekers include pensioners, students, people who do not participate in the labour market because of health problems, and people who have to take care of their children or other family members. In order to use this potential labour, promote social inclusion and fight poverty, it is essential to address the issues that cause exclusion or keep people away from the labour market.

The poor health of the working-age population is currently one of the factors affecting employment. It is therefore planned to invest in the availability and quality of healthcare services and reduce alcohol consumption as the greatest behavioural health risk causing the burden of disease. On the other hand, people with a loss of health will be helped in finding a suitable job by supporting them with rehabilitation and labour market services. Implementation of the reform of the working ability assessment and benefit scheme should increase the employment stimuli and ability to work of today's incapacity pensioners and make it easier for them to return to the labour market, thereby contributing to the implementation of country-specific recommendation No 2⁵.

³ 2013. recommendation: Continue efforts to improve the labour-market relevance of education and training systems, including by further involving social partners and implementing targeted measures to address youth unemployment. Significantly increase the participation of the low skilled in lifelong learning. Intensify efforts to prioritise and internationalise the research and innovation systems and enhance cooperation between businesses, higher education and research institutions. 2014 recommendation: To ensure the labour-market relevance of education and training systems, improve skills' and qualification levels by expanding life-long learning measures and systematically increasing participation in vocational education and training, including in apprenticeships. Further intensify prioritisation and specialisation in the research and innovation systems and enhance cooperation between businesses, higher education and research institutions to contribute to international competitiveness.

⁴ Statistics Estonia

⁵ 2013. recommendation: Improve incentives to work by making the various existing social-benefit systems more consistent and by increasing the flexibility and targeting of benefit allocation. Improve the delivery of social services, including childcare, while increasing the efficiency and cost-effectiveness of family policy. Strengthen activation measures to facilitate the return to the labour market of the long-term unemployed and people receiving disability benefits and incapacity for work benefits. Establish coordinated measures for

Another important factor that affects ability to work and cope financially is a significant burden of care (caring for children and the elderly and disabled family members). It is planned to improve the availability of welfare services, incl. childcare services, to alleviate relatives' burden in caring for children and the elderly and disabled family members. In order to improve the availability and sustainability of high-quality welfare services, cooperation across the borders of municipalities in the provision of these services needs to be cultivated. Improving the quality and efficient provision of local public services will also contribute to the implementation of country-specific recommendation No 5⁶.

The number of long-term unemployed people, which increased during the recession, has decreased over the last couple of years, but remains high. Despite this decrease, more than a half (54%) of all unemployed people are long-term unemployed, with the very long-term unemployed (who have been unemployed for more than two years) accounting for 33.5% of all unemployed people. **A target of Estonia 2020 is to reduce the long-term unemployment rate to 2.5%** (5.5% in 2012). The long-term unemployed and risk groups on the labour market often face a number of obstacles to entry into the labour market, which can be solved by combining social and employment measures. Therefore, interventions contribute to the provision of combined measures. Problems related to the employment of labour-market risk groups (the long-term unemployed, youth, older people and people with health problems) will be alleviated by offering them additional employment services and completing the reform of the system that supports their ability to work. To alleviate significant regional challenges, such as the low employment rate of the working-age population living outside the urban areas of Tartu and Tallinn and the poor contribution of regions to economic growth, support will be given to tap into region-specific resources and knowhow, which should create the preconditions needed to generate jobs. Given that low levels of education constitute one of the major reasons for long-term unemployment, the lifelong learning measures described above will also help to solve unemployment problems. These interventions will contribute to the implementation of country-specific recommendation No 2⁷.

More than half of the long-term unemployed are non-Estonians⁸. Their long-term unemployment rate (9.4%) exceeds that of Estonians (3.7%) more than 2.5 times. Greater

fostering economic development in regions affected by high unemployment. 2014. Recommendation: Improve incentives to work through measures targeted at low income earners. Target activation efforts at those most distant from the labour market, in particular by ensuring the timely adoption and implementation of the work capacity reform. Increase the efficiency and cost-effectiveness of family policy while improving the availability and accessibility of childcare. Deploy coordinated measures for fostering economic development and entrepreneurship in regions faced with high unemployment.

⁶ 2013. recommendation: Better balance local government revenue against their responsibilities. Improve the efficiency of local governments and ensure quality provision of local public services. 2014. recommendation: Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure the provision of quality public services at local level, especially social services complementing activation measures.

⁷ 2013. recommendation: Improve incentives to work by making the various existing social-benefit systems more consistent and by increasing the flexibility and targeting of benefit allocation. Improve the delivery of social services, including childcare, while increasing the efficiency and cost-effectiveness of family policy. Strengthen activation measures to facilitate the return to the labour market of the long-term unemployed and people receiving disability benefits and inability to work benefits. Establish coordinated measures for fostering economic development in regions affected by high unemployment. 2014.a recommendation: Improve incentives to work through measures targeted at low income earners. Target activation efforts at those most distant from the labour market, in particular by ensuring the timely adoption and implementation of the work capacity reform. Increase the efficiency and cost-effectiveness of family policy while improving the availability and accessibility of childcare. Deploy coordinated measures for fostering economic development and entrepreneurship in regions faced with high unemployment.

⁷ 2013. recommendation: Better balance local government revenue against their responsibilities. Improve the efficiency of local governments and ensure quality provision of local public services. 2014. recommendation: Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure the provision of quality public services at local level, especially social services complementing activation measures.

⁸ Non-Estonians are the residents of Estonia of immigrant backgrounds; they are divided into two categories: permanent residents of immigrant backgrounds who have resided in Estonia for more than five years and are not Estonian nationals and whose native

integration of non-Estonians in society is essential to achieve both employment objectives and the objective of building a competitive economy. Therefore, it is planned to improve the knowledge of non-Estonians needed for them to be active in society, incl. for more active participation in the labour market.

Solving the inactivity and employment problems described above will also help **reduce the rate of relative poverty after social transfers** to 15% by 2020 (17.5% in 2012).

1.1.2 Environmentally friendly economy and energy

The resource efficiency of the Estonian economy is low and economic development clearly results in increasing use of natural resources (including oil shale and mineral resources for the construction industry), waste generation, and negative environmental impact. Increasing resource efficiency is one of the priorities of Estonia 2020: the targets set for 2020 are to ensure that **greenhouse gas (GHG) emissions increase by less than 10% compared to the 2005 level** (i.e. up to 6269 t; 6021 t from 2008–2010) **and to maintain final energy consumption at the 2010 level** (i.e. 2818 ktoe; 2761 ktoe in 2011). To achieve the targets, it is necessary to contribute to increased productivity and competitiveness by improving resource efficiency and reducing energy consumption. Also, **the energy intensity of Estonia's economy is one of the highest in the EU**. In 2010 Estonia ranked second in the EU in terms of this indicator⁹. It is planned to contribute to the promotion of energy and resource efficiency in enterprises, supporting the broader introduction of resource management systems, and enabling the use of financial instruments for investing in resource efficiency. Support will also be provided for increased recycling of waste and preparing waste for recovery. New business and employment opportunities will be created, a clean environment will be preserved and climate change will be fought through the development and introduction of green and low-carbon technologies. It is also planned to contribute to the promotion of energy efficiency in the district heating sector (incl. increased use of renewable energy sources), apartment buildings and street lighting in towns.

The promotion of renewable energy is also emphasised in Estonia 2020 and the Country-Specific Recommendations of the European Commission for 2012 and 2013. A target for 2020 is to **increase the share of renewable energy in final energy consumption to 25%** (25.7% in 2011). The focus on increasing the energy efficiency of the transport sector and promoting renewable energy is in line with Country-Specific Recommendation No 4 of the European Commission for 2012 and 2013 which calls for an increase in energy savings in transportation. In 2010, the energy consumption of the transport sector accounted for 24% of final energy consumption and the consumption of energy has grown steadily in the transport sector in Estonia¹⁰. However, transport is one of the four areas with the biggest energy saving potential. In order to promote the use of sustainable transport fuels (the target for 2020 being to increase the share of sustainable fuels to 10%), support will be provided for a pilot project involving the use of biofuel whose results will provide the basis for designing of interventions that will be carried out with support of other funds. In order to significantly reduce the environmental impact and energy intensity of various modes of transport and reverse the declining trend of public transport use, investments in the development of railway infrastructure and in improved integration of railway stops with other mobility options are being planned. It is also planned to develop inter-island transport services and to support investments that aim to ensure compliance with the

language is other than Estonian and who use Russian as the main language of communication, and legal immigrants to Estonia who have lived in the country for less than five years.

⁹ Eurostat

¹⁰ Commission for Sustainable Development, Sustainable Transport Report 2010

airport's environmental and safety requirements and to develop road traffic, including safety. In accordance with the strategies of sustainable development of urban areas and regional competitiveness plans, support will be provided for investments in the development of sustainable urban mobility in order to improve access to jobs and public services.

As resource-efficient and environmentally friendly business is one of the core factors of competitiveness, **the preservation of a clean and natural and living environment** is a need, but increasingly also an advantage for Estonia. It is in the interest of Estonia to **reduce the pollution load of the Baltic Sea and to contribute to regional cooperation to protect the marine environment**. In order to reduce pollution load in the Baltic Sea catchment area and provide residents and enterprises with a compliant and sustainable water supply, it is planned to continue to invest in the development of water infrastructure and decontamination of past pollution sites. A contribution will also be made to improving preparedness for the early detection of and responding to environmental emergencies, thereby **reducing GHG emissions and human health risks resulting from such emergencies**. With a view to **preserving and restoring ecosystem services**, support will be provided for investments in the preservation and recovery of protected species and habitats, incl. in conjunction with the support to be granted under the Rural Development Plan for the preservation of the Natura 2000 network and for maintaining semi-natural communities.

1.1.3 Competitive business environment

It is necessary to address the **unfavourable structure and low capitalisation of the Estonian economy**. According to Eurostat, productivity per employee accounted for 68.7% of the EU average in Estonia in 2012. The value-added created in the manufacturing industry accounted for 51% of the EU average in 2010. Today's economic structure still largely focuses on labour-intensive production, which is located downstream in the production chain (sub-contracting) and creates less value-added as compared to the final product. Estonia's competitiveness is also characterised by **low innovation capacity and the low local impact of research and development**. Estonia 2020 sets the target of **raising the level of investment in R&D to 3% of GDP** (2.19% in 2012) and ensuring that the **increase in labour costs does not significantly exceed the growth rate of productivity** (2.8% in 2011). The aim is to support the development of growth-capable areas selected using the smart specialisation methodology. The smart specialisation areas selected are information and communication technology in all sectors, healthcare technologies and services, and more efficient use of resources,¹¹ (considering the smart specialisation methodology, the selection of areas may change during the programming period based on the entrepreneurial discovery process). In addition, R&D-related activities will support the institutional reforms of universities and R&D institutions, high level research, international cooperation (incl. synergy with the EU 'Horizon 2020' Research and Innovation Framework Programme), the mobility of students, university teachers and researchers, and the emergence of their next generation. The activities will also ensure modern infrastructure (of both organisational and national importance) and continue to popularise research. Furthermore, an intervention will be devised to provide influential enterprises with comprehensive development support to plan and realise their growth ambitions.

More effective application of information and communication technologies represents a major set of growth opportunities in terms of creating new products and services and upgrading business models. A high-speed broadband infrastructure covering all of Estonia and

¹¹ Smart specialisation – Qualitative analysis. Estonian Development Fund (http://www.arengufond.ee/wp-content/uploads/2013/04/Estonia_Smart_Specialisation_Qualitative_Analysis.pdf)

continuous development of the basic infrastructure of e-services are prerequisites to the growth of the knowledge-based economy, enabling to make better use of the potential of other economic sectors and spheres of life: productivity growth in the public and private sectors; using ICT solutions in e-learning, healthcare, business and agriculture; and more flexible working arrangements (including teleworking and part-time work).

The proportion of exporting enterprises is small in Estonia. Estonia's economic recovery from the crisis has been supported by exports (whose share reached 93% of GDP at current prices in 2011), with the largest share coming from the business sector, which accounted for nearly 90% of the growth of value-added¹². Nevertheless, the number of exporting enterprises remains low, representing just 16% of the total number of enterprises¹³. Furthermore, **the export base is narrow and relies on cost advantages.** Due to the small domestic market, exports will be the key to Estonia's economic development in the future, and successful operations in foreign countries will be a critical success factor for many enterprises. To face the challenges ahead, **access to capital needs to be improved and foreign investment should be increased.** To ensure the continuation of growth, creation of new jobs and development of business, Estonia needs substantial investments, including foreign investments, as domestic sources are not sufficient to cover the needs related to using the growth opportunities of Estonia. Estonia 2020 sets the target of **increasing the proportion of Estonian exports in world trade to 0.11%** (0.099% in 2011). It is planned to contribute to increase in the export capacity and value-added of enterprises; to increase in the entrepreneurial activity of Estonia's population; to the realisation of the growth potential of enterprises (incl. development of regional entrepreneurship, creative industries and export of tourism services); and to improved access of SMEs to capital.

The targets set in Estonia 2020 and the interventions designed in accordance with the development needs of Estonia also support the implementation of Country-Specific Recommendation No 3 for 2013, increasing efforts to prioritise and internationalise the research and innovation systems and enhancing cooperation between businesses, higher education and research institutions.

1.1.4 Sustainable and adaptive state

Medium-term objectives of the 'Estonia 2020' National Reform Programme are to ensure a **structural surplus of the general government** and to pursue **fiscal policy that supports the competitiveness of the country**. To this end, it is necessary to increase flexibility and manage public spending. Achieving effectiveness and efficiency requires a strong civil service and the provision of cost-effective public services at optimum level, while ensuring their quality, availability and regional balance.

Developing people and organisations, increasing policy-making capacity and improving the provision of public services (incl. local public services) will help to meet the development needs of Estonia that relate to the insufficient quality of policy-making at both the central government and local government levels, the fragmentation of governance, insufficient coherence between strategic planning and the state budget, inefficient provision of public services, insufficient competencies of civil servants and disparities in the development capacity of regions. These

¹² Statistics Estonia.

¹³ Statistics Estonia, Tax and Customs Board

interventions will also contribute to the implementation of Country-Specific Recommendation No 5¹⁴.

1.2 Justification for the selection of Thematic Objectives and corresponding investment priorities having regard to the Partnership Agreement, based on an identification of regional and, where appropriate, national needs, including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation

An overview of the justifications for the selection of Thematic Objectives and investment priorities is given in section 1.3 of the Partnership Agreement.

¹⁴ Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure quality provision of local public services.

1.3 Justification for the financial allocation

Provided in sections 1.1 and 1.3 of the Partnership Agreement.

Table 1. Overview of the investment strategy of the Operational Programme

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
1. Qualifications and skills meeting the needs of society and the labour market	ERDF	282 650 362	8,08%	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure	A general education school network that takes into account demographic changes, is based on the principles of inclusive education and ensures equal access to high-quality education in all regions of Estonia	1) Upper secondary students in general and vocational upper secondary education 2) Number of schools with the upper secondary level 3) Square metres per pupil in schools that received support in the process or rearrangement of the education system 4) Proportion of SEN pupils (with disabilities) integrated in mainstream schools

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
	ESF	192 940 211	5,51%	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	Reducing school and education drop-out rates and supporting career choices through high-quality educational support services	1) Share of students who have newly benefitted from career information and/or individual counselling in the third level of basic education and who are pursuing studies at the next educational level on 10 November of the calendar year following the completion of lower secondary education 2) Share of small (less than 150 students) general educational schools which use ESF supported counselling services provided by regional guidance centres
						Improving the teaching competence of teaching staff, principals and youth workers in order to implement a teaching approach that supports the personal and social development and develops the learning skills, creativity and entrepreneurial ability of each learner at all levels	Share of those teachers, heads of school and youth workers that have participated in training (at least 30 academic hours) who received a qualification upon completion of training

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
						and in all forms of education	
						Modern and innovative study materials have been introduced	1) Share of pupils in Grade 8 who are taught in schools where teachers use ESF supported ICT solutions in at least 25% of lessons
					Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways	Studies in vocational and higher education institutions are more in line with labour market needs and support entrepreneurial ability	1) Share of those that have participated in apprenticeship training who have successfully completed 2) Share of educational institutions that participated in the programme and introduced an entrepreneurship module

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
					including through career guidance and validation of acquired competences	Increased share of adults with professional and occupational qualifications, improved key competences for lifelong learning, and improved employability	1) Drop-out rate of ESF supported adult learners studying in non-stationary education 2) Participants in adult continuing education who obtain a qualification or competence certificate upon completion
2. Increasing social inclusion	ERDF	204 654 743	5,85%	9. Promoting social inclusion and combating poverty and any type of discrimination	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Regionally accessible, high-quality and sustainable healthcare services	1) Number of consultations in primary healthcare centres per 1000 people 2) The proportion of general and local hospitals in which a regional hospital/competence centre has acquired participation/decision-making rights 3) The proportion of outpatient admissions in Ida-Viru Central Hospital in the total number of outpatient admissions of county inhabitants
						Welfare services which are more integrated and of higher-quality support the community living for people with special psychiatric needs and people with disabilities have better opportunities	1) Ratio of service places for services supporting independent life to round-the-clock institutional service places in special welfare

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
						to cope in their home environment	
	ESF	141 465 851	4,04%	9. Promoting social inclusion and combating poverty and any type of discrimination	Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	Increased labour market participation of custodians who have received childcare services and support services for children with disabilities Increased labour market participation or improved coping of people with special needs, care burden or coping difficulties who have received welfare services Reduced alcohol consumption by people who have received services	Participants who are participating in the labour market 6 months after the start of the child-care service and/or support service for children with disabilities 1) Participants who are participating in the labour market 6 months after the start of the welfare service 2) Share of participants who have received within a year ESF funded welfare services and whose capability to manage has improved or whose entrance to the round-the clock institutional welfare service has been prevented 3) Participants in labour market 1 month after receiving support services addressed to persons released from prison Participants who's alcohol abuse risk level has decreased 6 months after the start of services aimed at reducing alcohol consumption

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
							1)
					Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	Improved competitiveness for participation in Estonian society, incl. labour market, lifelong learning and civil society, among people who have received adaptation and integration services	1) Number of persons completing the adaptation and integration programme, whose Estonian language skills, practical information and knowledge about the state, society and culture of Estonia have improved
						Inclusion and improvement of the employability of young people, incl. those at risk of exclusion	1) Proportion of those young participants benefitting from the measure who have completed the planned activities for the target group 2) Proportion of NEETs (aged 15–26) participating in support measures who are no longer classified as NEET 6 months after the measures
3. Improvement of access to, and	ESF	203 605 301	5,82%	8. Promoting sustainable and high-quality employment	Access to employment for job-seekers and inactive people, including the long-term unemployed and	Increased labour market participation and employment of people with reduced ability to	1) Share of employed people whose ability to work has been assessed partial who have retained their job 12 months after assessment

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
prevention of dropping out of, the labour market				and supporting labour mobility	people far from the labour market, also through local employment initiatives and support for labour mobility	work; slowing the decline in the working-age population's ability to work	2) Share of non-employed people whose ability to work has been assessed partial who are in employment 12 months after assessment
						Increased employment of the target groups of lower employability who have participated in active labour market measures	Share of the people who are participating in employment 6 months after receiving labour market services
4. Growth-capable entrepreneurship and RD&I supporting it	ERDF	584 127 467	16,69%	1. Strengthening research, technological development and innovation	Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest	R&D is of a high level, and Estonia is active and visible in international cooperation in the field of RD&I	1) Proportion of public-sector R&D expenditure financed by the private sector 2) Estonia's success in Horizon 2020 – the EU Framework Programme for Research and Innovation: volume of contracts received per capita
					Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in	- The RD&I makes the structure of the economy more knowledge-intensive and addresses societal challenges	1) Proportion of private sector R&D expenditure (% of GDP) 2) Share of surveyed enterprises having co-operation on innovation with universities or other higher education institutions

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
					product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation,	Innovative solutions increase resource productivity of enterprises	1) Resource productivity

					networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies	Estonian enterprises offer innovative products and services with high value-added	Sales revenue from new or significantly changed products or services
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Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
	ESF	10 200 000	0,29%	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	Making the structure of economy in Estonia more knowledge-intensive by means of smart specialisation	The number of student's thesis supervised by the members of research groups in priority research directions
5. Development of SMEs and regional entrepreneurship	ERDF	438 538 775	12,53%	3. Enhancing the competitiveness of SMEs and the agricultural sector (for the EAFRD), and the fisheries and aquaculture sector (for the EMFF)	Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes	SMEs are growth and export oriented	1) Value-added in production costs, created by SMEs, per employee 2) Number of exporting enterprises

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
				8. Promoting sustainable and high-quality employment and supporting labour mobility	Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources	Business activity has grown outside the urban areas of Tartu and Tallinn	Proportion of GDP created outside Harju and Tartu counties in total GDP of Estonia
6. Energy efficiency	CF	260 590 149	7,45%	4. Supporting the shift towards a low-carbon economy in all sectors	Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector	Energy-efficient housing sector and street lighting	1) Estimated average energy savings in reconstructed apartment buildings 2) Estimated average lighting point installed electrical power 3) Estimated annual decrease of GHG
7. Water protection	CF	180 019 854	5,14%	6. Preserving and protecting the environment and promoting resource efficiency	Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the	Compliant water management infrastructure in agglomerations	1) Share of people receiving compliant drinking water from a public water supply serving more than 2000 people 2) Share of agglomerations with p.e. more than 2000 that meet sewage

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
					Member States, for investment that goes beyond those requirements		collection and treatment requirements
						Rehabilitated contaminated areas, bodies of water and wetlands	1) Share of nationally important past pollution sites that have been rehabilitated 2) Bodies of water with a need to eliminate threat of worsening chemical or ecological condition 3) Share of areas with a water regime appropriate to the ecosystem in the total area of abandoned land
8. Green infrastructure and improved preparedness for emergencies	CF	110 937 794	3,17%	5. Promoting climate change adaptation, risk prevention and management	Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems	Increased capability to react to emergencies caused by climate change and extensive pollution	1) Number of regions in which simultaneous localisation and extinguishing of fires on up to 600 ha (4 regions) is guaranteed 2) Marine pollution response capacity (Police and Border Guard Board) 3) Share of upgraded hydro-meteorological monitoring network
				6. Preserving and protecting the environment and promoting resource efficiency	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	Improved status of protected species and habitats	1) Number of species whose status has improved or remained unchanged 2) Number of habitat types whose status has improved or remained unchanged

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
9. Sustainable urban development	ERDF	93 819 149	2,68%	4. Supporting the shift towards a low-carbon economy in all sectors	Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures	The share of users of sustainable means of mobility has grown.	Share of people who go to work on public transport, by bicycle or on foot in larger urban areas
				9. Promoting social inclusion and combating poverty and any type of discrimination	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	Major underused districts in larger urban areas of Ida-Viru County have been revived	Number of enterprises and service providers benefitting from investments
					Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	Residents of larger urban areas are provided with nursery school and childcare options near home	Length of childcare and nursery school waiting lists in larger urban areas

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
10. Sustainable transport	CF	470 677 882	13,45%	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	Supporting a multimodal Single European Transport Area by investing in the TEN-T	Better international connections of TEN-T road network	1) Number of international travellers per year (air-, maritime- and bus transport) 2) Share of low quality roads on TEN-T
					Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	Improved sustainable transport, including rail transport on TEN-T network	1) Number of train passengers per year 2) Share of public transport users, cyclists and pedestrians in mobility
11. Infrastructure for ICT services	ERDF	79 175 270	2,26%	2. Enhancing access to, and use and quality of, ICT	Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy	Whole population of Estonia has access to high-speed Internet	Share of connections at speeds of 100 Mbp/s or more from all permanent Internet connections
					Strengthening ICT applications for e-government, e-learning, e-	The basic service infrastructure supports the take up of e-services	1) Number of secure electronic identity (ID card, mobile ID etc.) users

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
					inclusion, e-culture and e-health	in Estonia and cross-border	2) E-services Estonian administration have released using X-Road infrastructure
12. Administrative capacity	ERDF	109 460 907	3,13%	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration	Public services are provided accessibly, uniformly and in a user-centred and smart manner	2) Satisfaction with the quality of public services (in the 16–74 age group) 3) Satisfaction with the quality of public services (among entrepreneurs)
	ESF	28 372 604	0,81%	11. Enhancing institutional capacity of public authorities and stakeholders	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local	Professional competence and management of general government has increased	1) Number of central government employees and NGO staff completing the training to improve their professional competence 2) Number of local government employees and NGO staff completing

Priority axis	Fund	Union support (EUR)	Proportion of total Union support for the Operational Programme	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priority	Common and programme-specific result indicators for which a target has been set
				and efficient public administration	levels with a view to reforms, better regulation and good governance		the training to improve their professional competence 3) Number of new processes implemented 4) Number of supported general government organisations, where management systems have been fully implemented
						Improve policy development process through introducing mechanisms and tools for more holistic, inclusive and knowledge-based policies	Number of policy initiatives launched as a result of ESF supported activities for cooperation, involvement, and better use of information
13. Technical assistance	ERDF	68 657 347	1,96%	NA	NA	The Cohesion Policy 2014–2020 Operational Programme has been efficiently implemented	1) Public awareness of structural funds 2) Turnover of staff in charge of OP/PA implementation 3) Level of error rates
14. Technical assistance	CF	39 308 998	1,12%	NA	NA	The Cohesion Policy 2014–2020 Operational Programme has been efficiently implemented	1) Public awareness of structural funds 2) Turnover of staff in charge of OP/PA implementation 3) Level of error rates

2 Description of priority axes

2.1 Qualifications and skills meeting the needs of society and the labour market

2.1.1 *Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund*

The ‘Qualifications and skills meeting the needs of society and the labour market’ priority axis comprises the objectives set under three investment priorities of Thematic Objective No. 10 ‘Investing in education, skills and lifelong learning’ and the activities to be carried out in order to achieve these objectives, two of which will be financed by the European Social Fund and one by the European Regional Development Fund. Considering the analysis of development needs (section 1.1 of the Partnership Agreement) and the country-specific recommendations made to Estonia,¹⁵ the following ESF investment priorities have been chosen: ‘reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training’; and ‘enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways, including through career guidance and validation of acquired competences’. In addition to the ESF-funded activities that are intended to support the quality assurance of learning content and support services, it is also essential to invest in education infrastructure to ensure high-quality and accessible education and the sustainability of the system. In particular, the network of general education schools needs to be rearranged. Therefore, alongside the ESF investment priorities the ERDF investment priority ‘Investing in education, skills and lifelong learning by developing education and training infrastructure’ has been chosen. Combining the operations of several funds under the priority axis will help improve the coherence of investments to be made in infrastructure and human resources, to increase the synergies between different levels of education and school types and reduce fragmentation. In order to introduce the principles of inclusive education, investments need to be made in infrastructure solutions that enable people with special needs to be integrated in mainstream schools. Investments in infrastructure must be combined with an approach to teaching that supports the development of children with special needs, and with educational guidance. At the same time, and considering demographic and inclusive education trends, investments must also be made in the infrastructure of SEN schools in order to ensure a modern learning environment for children with special needs whose integration into mainstream schools would be difficult. Pupils graduating from lower secondary schools, which have been separated from the upper secondary level, are more likely to pursue vocational training than pupils in so-called long-cycle schools. In order to increase the proportion of learners in vocational education, investments will be made in the separation of lower secondary schools from upper secondary schools, backed up by improved availability of career and educational guidance services and the introduction of a more person-centred approach to teaching. In order to increase more efficient

¹⁵ 3. Continue efforts to improve the labour-market relevance of education and training systems, including by further involving social partners and implementing targeted measures to address youth unemployment. Significantly increase the participation of the low skilled in lifelong learning. Intensify efforts to prioritise and internationalise the research and innovation systems and enhance cooperation between businesses, higher education and research institutions.

5. Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure quality provision of local public services.

usage of resources, investments are made into integrating different levels of education into one school building with very specific resources, unique knowhow and better usage of specialists.

Investment priority 1 of the priority axis: Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training

2.1.2 *Specific objectives corresponding to the investment priority and expected results*

2.1.2.1 *Specific objective 1. Reducing school and education drop-out rates and supporting career choices through high-quality educational support services*

The number of students who have a low level of education and who are not in education or training remains high in Estonia. This lessens the ability of the young to cope with life and results in additional state spending in social, health, internal security and other areas. One important cause of dropping out is inadequate support from schools and the resulting poorly informed choices of young people.¹⁶ The problem is especially acute in smaller schools where the limited number of students does not enable educational guidance specialists, including psychologists, social pedagogues and speech therapists with sufficient workload to be hired. There is a lack of career service providers, which leads to problems in the availability of the services. Career services (career information, guidance and education) are guaranteed for just one year of students in lower secondary, higher secondary and vocational schools.

Moreover, inadequate access to the services of support specialists both in schools and beyond does not contribute to the implementation of the principles of educational and social inclusion in educational institutions, and fails to ensure the participation of all students in studies that suits their abilities. If the problems of a student are detected too late and they accumulate, the likelihood of dropping out of school will increase, which may result in coping difficulties later. In November 2012, there were 237,624 children aged 1.5–18 in Estonia, 4.5% of whom were estimated to have a disability or other special need that required them to receive special education or educational guidance.

Interventions are expected to result in an increased number of people who have received educational support services (career and educational guidance services) and in the improved availability of special educational and psychological services in smaller general education schools. Learning outcomes will improve and young people will make more informed choices, which will reduce the number of students dropping out of vocational training and upper secondary schools and the share of early school leavers in general.

¹⁶ Espenberg, Beilmann et al., 'Õpingute katkestamise põhjused kutseõppes' /Reasons for discontinuation of studies in vocational training/ (2012-2013)

Table 2. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Cate gory of regio n	Measur ement unit for indicato r	Com mon outpu t indic ator used as basis	Bas elin e val ue	Measu remen t unit for baseli ne and target	Base line year	Target value (2023)			Sour ce of data	Fre que ncy of rep orti ng
								M	W	T		
	Share of students who have newly benefitted from individual career information and/or individual counselling in the third level of basic education and who are pursuing studies at the next educational level on 10 November of the calendar year following the completion of lower secondary education ¹⁷	Less devel oped	Number of students	Not applic able	93	%	2012	-	-	96	Estonian Education Information System (EETIS)	Once a year
	Share of small (less than 150 students) general educational schools which use ESF supported counselling	Less devel oped	Number of schools	Not applic able	78 ¹⁹	%	2013			85 %	Beneficiaries' reports	Once a year

¹⁷ Involves students who studied under a national curriculum or a simplified programme. The baseline level includes students who graduated in 2011 and pursued studies at the next educational level (i.e. in general secondary education or vocational education) on 10 November 2012 and who had not benefitted from individual career information and/or individual counselling. By the end of the third level of basic education (years 7 to 9) each student must have received individual career counselling at least once; therefore, the indicator covers all basic school students who have received support. Support services and effective career counselling provided in basic school decreases the number of drop-outs in the first year of the following education level (students make better decisions about their future and choose their further educational paths according to their abilities).

¹⁹ Source of baseline: Piret Kamber's bachelor's thesis 'Availability of counselling services provided by support specialists in small schools in Estonia' (2013)

	services ¹⁸ provided regional guidance centres	by										
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2.1.2.2 Specific objective 2. Improving the teaching competence of teaching staff, principals and youth workers in order to implement a teaching approach that supports the personal and social development and develops the learning skills, creativity and entrepreneurial ability of each learner at all levels and in all forms of education

Although the quality indicators of the Estonian education system are generally high, as evidenced e.g. by the very good results of Estonian pupils in the PISA survey conducted by the OECD,²⁰ the education system still faces challenges that need to be addressed. Today's society and economy expect more entrepreneurial ability and innovation-awareness in people. Thus, it is important to develop learners' creativity and social skills. The education policy of Estonia is based on the principles of inclusive education, according to which all learners have the right to receive education according to their abilities and needs. All the national formal education curricula established in the past decade have emphasised a learner-centred approach, the importance of key competencies, the need to link new knowledge to existing knowledge in the learning process, the importance of integrating knowledge with various disciplines and areas of life and the need to learn how to learn and to solve problems – and do so in a team – rather than to learn/teach factual knowledge. In the 21st century, a teacher is not a source of information, but rather a person who creates links and shapes values and whose task it is to develop learners' critical and creative thinking, analytical skills, entrepreneurial spirit, teamwork and skills in written and oral expression. The teacher's role is to support the development of pupils into self-directed learners, who can independently handle changes in the environment and take responsibility for their own development and study choices. The individualised approach of the team of teachers and support professionals to each learner will enable weaker learners to cope at school and offer challenges to those with better abilities. It is important for working teachers to bring their professional skills and knowledge (including IT and language skills) to the level of those who have recently completed formal education.

Interventions are expected to lead to improved qualification of teaching staff, principals and youth workers and to in-service teacher training contributing to the improvement of teachers' professional skills. As a result, learners' learning outcomes will improve, and the teaching methods used by teachers will support young people's individual development, creativity, entrepreneurial ability and innovation, foster the implementation of inclusive education principles and help children with special educational needs to cope better at school.

Table 3. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Catego ry of region	Measur ement unit for	Comm on output	Baselin e value	Meas urem ent	Baseli ne year	Target value (2023)	So urc e of	Fre que ncy
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¹⁸ Meaning services for people with special educational needs including psychological and socio-pedagogical counselling, special pedagogy and speech therapy.

²⁰ Results of PISA survey for 2012: <http://www.innove.ee/pisa2012>

			indicat or	indicat or used as basis		unit for baseli ne and target		M	W	T	dat a	of rep orti ng
	Share of those teachers, heads of school and youth workers that have participated in training (at least 30 academic hours) who received a qualification upon completion of training"	Less developed	Participant	Not applicable	95 ²¹	%		-	-	97	Beneficiaries' reports	Once a year

2.1.2.3 Specific objective 3. Modern and innovative study materials have been introduced

An important problem affecting the quality and availability of education is that study materials and teaching methods do not meet modern standards, are too fact-centred, fail to contribute to the accomplishment of the overall objectives of the curriculum (including the development of learners' creativity and entrepreneurial ability) and ignore learners' special educational needs. Modern, high-quality digital study materials that contribute to achieving the objectives of the national curriculum are scarce, and many schools are inadequately equipped with ICT facilities, thus having no access to materials that have already been compiled. The abilities and needs of schools to acquire study materials are different; thus, ensuring equal opportunities to access study materials would be a good precondition for harmonisation of the education offered.

As a result of interventions, modern and innovative study materials²² will be introduced and teaching methods will support young people's individual development, creativity and innovation. The opportunities to use the necessary study materials will create good preconditions for making studies more interesting and optimising the workload of teachers. Making digital study materials accessible to various stakeholders (life-long learners, hobby schools, home-schooled children, Estonian schools abroad etc.) will contribute to the better accessibility of education. Joint use of

²¹ The baseline is obtained from the results of comparable operations in period 2007-2013.

²² Modern and innovative study materials are planned to be developed in at least 12 of the following 15 areas: general education subject areas *Estonian language and literature; mathematics; foreign languages; natural sciences; social sciences; arts; technology; physical education* and vocational education study areas *humanities and arts; social sciences, business and law; natural sciences and exact sciences; technology, manufacturing and engineering; agriculture; health and welfare; services*.

innovative study-material solutions will harmonise the opportunities of schools to make use of various study materials whose acquisition would not always be reasonable or affordable to all schools.

Table 4. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Share of pupils in Grade 8 who are taught in schools where teachers use ESF supported ICT solutions in at least 25% of lessons	Less developed	Participant	Not applicable	57 ²³	%	2011 - 2012	-	-	95	Survey	Two times during the period

2.1.3 Action to be supported under the investment priority

2.1.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

To reduce school dropout rates, raise young people's education levels and ensure appropriate career choices, the accessibility of high-quality educational and career guidance services for children, youth and adults participating in general education will be ensured. To this end, county educational support service centres will be set up on the basis of the centres that currently provide career and educational guidance services. The new centres will provide both educational and career guidance services in an integrated manner. Compared to the current period, the provision of educational guidance will be extended to level I services to ensure the availability of support specialists' services for pupils in the schools of smaller municipalities where the limited number of pupils does not enable full-time specialists to be hired. The development of high-quality

²³ Source of baseline – European Schoolnet. Survey of Schools: ICT in Education (2012)

educational services and the extension of the services will reduce school and education drop-out rates, improve learning outcomes and support learners' further study and career choices.

With a view to supporting the professional development of teachers and principals, development measures will be taken to implement the teaching approaches of national curricula and the principles of inclusive education, as well as to develop the key competencies arising from the professional standards for teachers and principals. The goal is to significantly strengthen central coordination in terms of deciding on the content of the training to be commissioned. Support will be provided for the shaping of universities' competence centres into centres responsible for the development of teacher training and educational sciences. The reorganisation of the school network and the continuing decline in the number of students in peripheral regions increase the need for retraining of teachers so that they are able to teach several subjects. The programme for the development and training of youth workers will support the quality and versatility of youth work, create prerequisites to boost the qualifications and competence of professionals in the area of youth work and support the introduction of modern methods. Development programmes for school teams will support an increase in the effectiveness and efficiency of schools and the satisfaction of the parties involved. The measures to be supported will also involve programmes for the training of the next generation of school principals, and development measures targeted at school teams with a view to wider implementation of inclusive education principles.

Study materials and textbooks will be aligned with current needs, e.g. by producing digital study materials and developing innovative study material solutions, including, for example, materials to support the development of digital culture and enhance language skills. Improved availability to various stakeholders (life-long learners, hobby schools, home-schooled children, Estonian schools abroad etc.) of digital study materials will contribute to the better accessibility of education. Joint use of innovative study-material solutions will harmonise the opportunities of schools to make use of various study materials whose acquisition would not always be reasonable or affordable to all schools. In addition to the development of study materials, it is intended to enhance schools' preparedness for the uptake of ICT-based solutions, e.g. the provision of schools with a high-speed Internet connection, the procurement (and upgrading) of presentation equipment and the provision of teachers with computers with a view to supporting the wider uptake of digital study materials.

The main target group will include teachers (incl. teachers in vocational and general education schools and teachers of pupils with special educational needs), support specialists (educational and career guidance professionals), youth workers, principals and learners.

2.1.3.2 Guiding principles for the selection of operations

Horizontal guiding principles

The procedure for project selection will be determined by the objectives of granting support and by thematic and applicant-specific aspects. The selection of implementation schemes and the detailed requirements applicable to them (incl. the purpose of funding, the operations to be supported and the expenditure to be reimbursed, the requirements of applicants and applications, the procedure for submitting applications and declaring them eligible, the criteria and procedure for evaluation of projects, the procedure for granting and rejecting applications, the rights and obligations of beneficiaries, the conditions and procedure for making payments and the procedure for reviewing challenges) will be developed by the ministries in the relevant fields and laid down in the conditions for granting support. These conditions will specify the specific objectives of using EU funds to which the measure will contribute. When approving the conditions for granting support, the managing authority and Ministry of Finance will verify whether the requirements

applicable to the implementation scheme (including the criteria for evaluation of projects) conform to the requirements imposed.

The selection of projects to be funded will follow, inter alia, the following general principles:

- projects must match the activities of the measure and contribute to its objectives;
- purposeful use of project results must also be ensured after the implementation of the project;
- the project must have a favourable (or at least a neutral) impact on regional development, nature conservation, development of civil society, equal opportunities, uniform state governance or development of the information society, where applicable;
- the support should be necessary for carrying out the project; and
- applicants must be able to implement the project during the eligibility period.

The monitoring committee for the Operational Programme will approve the general project evaluation criteria, which will be specific to the investment priority but observe the above principles.

Project-level evaluation criteria will be defined in the conditions for granting support. For the purpose of specific implementation of the operations to be supported, the evaluation criteria to be established in the conditions for granting support will detail and supplement the general evaluation criteria approved by the monitoring committee for the Operational Programme. The project evaluation criteria will be public.

In addition, the selection of projects must observe the principle that projects are evaluated by those who are proficient, impartial towards the applicant and compliant with the requirements set out in the conditions for granting support. Given the specificity of projects, it is advisable to include experts from the field in the evaluation process.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of education, that pursue in the best possible way the government's policy priority of improving the quality of the education system and adapting it to demographic changes, and that are aimed at reduced school drop-out rates, improved quality of studies, increased study rates and better preparedness of youth for employment.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

2.1.3.3 For implementation of country-specific recommendation nr 5, before the support is provided to county educational support service centres, the minimum criteria of quality, optimal service area or the criteria for identification of service area, the cooperation models and ways of achieving financial sustainability have to be agreed. Planned use of financial instruments

None

2.1.3.4 Planned use of major projects

None

2.1.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 5. Common and programme-specific output indicators

I D	Indicator	Measurem ent unit	Fund	Category of region	Target value (2023)			Source of data	Freq uenc y of repo rting
					M	W	T		
	Number of children, learners and young people who have received individual educational guidance and career services ²⁴	Number of counselling cases ²⁵	ESF	Less developed	-	-	197 430	Beneficiaries' reports	Once a year
	Number of students who have received individual career information and/or counselling in the third level of basic education	Number of counselling cases		Less developed	-	-	75 680	Beneficiaries' reports	Once a year
	Number of teachers, heads of school and youth workers who have participated in training ²⁶	Person	ESF	Less developed	-	-	28 000	Beneficiaries' reports	Once a year
	Number of areas in which innovative study materials have been developed	Area	ESF	Less developed	-	-	12	Beneficiaries' reports	Once a year
	Share of schools with modernised digital infrastructure	%	ESF	Less developed	-	-	100 %	Implementing body	Once a year

Investment priority 2 of the priority axis: Investing in education, training and vocational training for skills and lifelong learning by developing education and training infrastructure

²⁴ The target groups are pupils of pre-schools, basic schools, upper secondary schools and vocational schools as well as young people aged up to 24 years who have discontinued their education.

²⁵ Counselling case – counselling service provided to a certain individual tha can include on or several instances of counselling.

²⁶ Including participants in in-service training of teaching staff providing teacher training.

2.1.4 Specific objectives corresponding to the investment priority and expected results

2.1.4.1 Specific objective 4. A general education school network²⁷ that takes into account demographic changes, is based on the principles of inclusive education and ensures equal access to high-quality education in all regions of Estonia

Due to the ca 40% decrease in the number of school-age children and urbanisation in recent decades, the number of pupils in the schools in many smaller regions has decreased several times. This has resulted in lower financing, which makes it impossible for school operators to maintain the quality of teaching²⁸. Schools with low numbers of pupils find it difficult to implement their curricula, provide teachers with a full work-load and offer options to pupils, especially in small upper secondary schools. In 2013, 77% of pupils completing the lower secondary level in 12-grade schools opted to continue their studies at the upper secondary level and 20% chose vocational education. In 9-grade schools these figures were 60% and 37%, respectively. One of the reasons for this is the fact that 12-grade schools are mostly located in cities and 9-grade schools operate in rural areas, as well as the fact that when graduating from 9-grade schools young people have a real need to think about and decide which school they will continue their studies at, but in a 12-grade school there is often no need to make a choice. The establishment of classical upper secondary schools will enable high-quality education with plenty of options to be provided and create a situation where both upper secondary schools and vocational schools are equally good options for further studies after completing lower secondary education.

It has been decided in Estonia to enable as many children with special educational needs (SEN) as possible to attend local mainstream schools. Opportunities to attend special schools will only be given to those pupils who need special conditions and special support. The number of students with special educational needs in mainstream schools has increased steadily; the aim is to ensure that each child can attend the school closest to his/her home. The objective is to reduce the number of students studying in SEN schools. Currently ca 15 per cent of SEN students are in SEN schools and our target is to reduce the share by 2020 to only 8,5 per cent. Opportunities to attend special schools will be created only in case of very severe special needs or disabilities. The needs of those students will be clarified based on specific cases and the choice between SEN school and normal school is done by a parent. The current network of SEN schools is inefficient: it uses too much space per pupil and does not match the distribution of the population. As a result of investments, a more favourable environment for teaching SEN pupils will be created in mainstream schools, and additional investments in the rearrangement of the school network will enable a SEN school network to be developed which is modern, sustainable and functioning as a whole. Besides adapting the learning environment, mainstream schools and their teachers are provided counselling on the organisation of studies for children with special educational needs (by using teacher training and support services measures).

The reforms should result in more efficient area use in schools and reduced building maintenance costs. This will free up more resources to improve the quality of the content of study.

²⁷ In Estonia, general education schools are basic schools and upper secondary schools (or gymnasiums) in their various forms of operation. See the Basic Schools and Upper Secondary Schools Act, § 2nd <https://www.riigiteataja.ee/en/eli/ee/Riigikogu/act/525062014005/consolide>

²⁸ Eesti inimvara raport 2010 /Estonian Human Resource Report 2010/

Table 6. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measur ement unit	Category of region	Baselin e value	Baselin e year	Target value (2023)	Source data	of Frequ ency of repo rting
	Upper secondary students in general and vocational upper secondary education ²⁹	%	Less developed	67; 33	2012	60; 40	EEIS	Once a year
	Number of schools with the upper secondary level	School	Less developed	214	2012	<100	EEIS	Once a year
	Square metres per pupil in schools that received support in the process or rearrangement of the education system	m ² per pupil	Less developed	14,8	2012	11,5	MER, Building Register	Once a year
	Proportion of SEN pupils (with disabilities) integrated in mainstream schools	%	Less developed	28	2012	35	EEIS	Once a year

2.1.5 Actions to be supported under the investment priority

2.1.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under the investment priority, the reform of the general education school network will be implemented, which is necessary to ensure the sustainability of the education system and the availability of high-quality education in all Estonian counties. The underlying principle is that lower secondary education should be available to every pupil as close to home as possible and high-quality upper secondary education should be available in all counties. With the help of support, classical upper secondary schools will be established in county centres and, where appropriate, in larger 'centres of gravity'. To ensure consistency with the substantial investments made during the current period of structural funds in the infrastructure of vocational schools, the planning of the network of upper secondary schools will take into account the network of vocational schools. Analyses of education statistics show that, after the completion of lower secondary education, vocational education is more often pursued by graduates of schools that

²⁹ EEIS, students studying general and vocational upper secondary curricula. This indicator is used in the Estonian Lifelong Learning Strategy 2020.

provide only lower secondary education compared to pupils in 12-grade schools. The establishment of classical upper secondary schools and the creation of schools that provide only lower secondary education will create a situation where vocational education is viewed as an equivalent alternative to upper secondary education.

Support will be provided for the introduction of changes in the network of schools providing lower secondary education, incl. schools for children with special needs. In particular, support will be provided for the reconstruction and optimisation of the room programme in cases where upper secondary education is no longer provided by a school and for the merger of schools and the rearrangement of the school network. Support is intended in particular for the adaptation of existing buildings and to make the necessary changes on premises in order to align the sizes of school buildings with actual needs. The construction of new school buildings is not excluded, since it is often financially more viable to construct a new building than reconstruct an old one. In some cases, support will be provided for the construction of boarding school facilities and, to a lesser extent, for investments in the learning environment to facilitate the implementation of inclusive education principles in mainstream schools. Pilot projects are carried out on integrating different levels of education into one specific school building with specific resources, unique knowhow and better usage of specialists; and pilots are carried out to propagate carbon neutrality in school facilities. As a result of interventions, there will be less than 100 upper secondary schools in Estonia instead of the current ca. 200, the sustainability of the remaining schools providing lower secondary education will be increased, the school network will be reorganised and the number of SEN schools will be reduced by around a third. Area use in general education schools will improve and building maintenance costs will decrease. The physical preparedness of schools to implement inclusive education principles will improve.

Investments in infrastructure will be supported by ESF-funded actions under specific objectives 1 and 2, through which e.g. the modernisation of in-service teacher training and the improvement of teachers' skills will be supported with a view to implementing the principles of new curricula and modernising the organisation and content of learning. In-service teacher training will also contribute to the implementation of inclusive education principles which, in turn, will be supported by the reform of the educational guidance system. In addition to educational guidance services the provision of career guidance services will be supported to ensure that the services reach every pupil who needs them, even in smaller schools where it would not be reasonable to separately hire a relevant professional. The availability of career services to all young people will help them make better career choices upon completion of lower or upper secondary education and, in the longer term, reduce early school-leaving resulting from wrong choices.

The target group comprises students of general education schools, incl. those with special educational needs, local governments and the state.

2.1.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The investments to be supported are expected to contribute to achieving the objectives of the Estonian Lifelong Learning Strategy 2020 (approved by the Government on 13. February 2014.. The investments will be selected on the basis of the plan for rearranging the network of general education schools, which includes³⁰ the criteria for separating primary and lower secondary

³⁰ Based on country specific recommendation no 5.

school levels from upper secondary schools and for choosing the location of state-funded upper secondary schools that aim to improve the quality of education and access, a spatial plan of the planned network of educational institutions (service areas) and a plan of priority investments, incl pilot projects. An investment will receive support if there is an agreement with the local authority on the further functioning of the educational institutions: what level of education the schools in the region will provide, who will maintain these and how the existing upper secondary schools will be reorganised into schools that offer only primary and lower secondary education. The cooperation models and ways of achieving financial sustainability have to be described.

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of education, and pursue in the best possible way the government's policy priority of improving the quality of the education system and adapting it to demographic changes. Investments in the development of the network of educational institutions should ensure the energy efficiency (saving on maintenance costs) and multi-functionality of buildings, as well as consistency with the principles of inclusive education. In the rearrangement of the school network, account should be taken of the region's priorities as well as of the principle of also using, wherever possible, public buildings existing in the region (e.g. sports facilities) for teaching (incl. providing hobby education). Along with the rearrangement of the network of upper secondary schools, the need to organise the transport and/or accommodation of pupils from further afield should be addressed, where necessary. Support will be provided to schools that will no longer provide upper secondary education or merge with another school in order to prevent a rise in the management costs of the school.

2.1.5.3 Planned use of financial instruments

Not applicable

2.1.5.4 Planned use of major projects

Not applicable

2.1.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 7. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Area of modernised facilities	m ²	ERDF	Less developed	-	-	160 000	Implementing body	Once a year
	Number of schools receiving support to integrate SEN pupils	School	ERDF	Less developed	-	-	60	Implementing body	Once a year

Investment priority 3 of the priority axis: Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

2.1.6 Specific objectives corresponding to the investment priority and expected results

2.1.6.1 Specific objective 5. Studies in vocational and higher education institutions are more in line with labour market needs and support entrepreneurial ability

Estonia has both a structural labour shortage and high unemployment. An important cause of structural labour shortage is the lack of competent human capital. For example, Estonia needs more IT and energy engineers and other highly qualified specialists,³¹ but nearly one-third of our working-age population (30.3% in 2012) lacks professional education, i.e. vocational or higher education. Employers' dissatisfaction with graduates – i.e. the limited general skills and practical experience and the inadequate labour market relevance of education – is a problem. The volume of practical training is insufficient in curricula, and both the share and level of practical training are uneven in vocational and higher education. Therefore, it is important to align the learning content of vocational and higher education with the needs of the modern labour market. In addition, there is no systemic information on the developments on the labour market and labour demand; the study places offered depend primarily on the poorly informed choices of learners and teaching capacity of educational institutions, but the latter tend to offer more existing and/or cheaper programmes. To cater to labour market needs, much more attention needs to be paid to the development of key competences (entrepreneurship education and digital and language skills) in vocational and higher education. Today, young people's entrepreneurial abilities are minimal and the share of entrepreneurship education in learning content is small. As the transition to partially Estonian-language instruction in vocational education will be completed later than in general education, some vocational education students will need additional professional Estonian language training. Students in higher education institutions whose native language is not Estonian will also continue to need support in language training. In addition to Estonian, the teaching of foreign languages needs more attention. The provision of appropriate training requires the introduction of a system of regular monitoring and forecasting of labour demand. Such a system should holistically analyse the development options and needs of various economic sectors in Estonia and ensure the planning and direction of training in each profession.

As a result of interventions, a functioning practical training system will be set up and learners' practical skills will increase. The systematic provision of entrepreneurship education across educational levels will improve graduates' entrepreneurial ability and general skills (incl. Estonian and foreign language skills), as well as their employability. As a result of setting up a monitoring system, learning content and curricula will be adjusted to the needs of the labour market. The quality of vocational education will improve, as will its reputation among young people and in society. Better quality of vocational and higher education will enable the number of people without professional qualifications to be reduced.

Table 8. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		

³¹ IMD competitiveness ranking

				as basis								
	Share of those that have participated in apprenticeship training who have successfully completed	Less developed	Participant	Not applicable	50 ³²	%	2013			75 %	EEIS	Once a year
	Share of educational institutions that participated in the programme and introduced an entrepreneurship module	Less developed	Educational institution	Not applicable	85 % ³³		2013	-	-	90 %	Implementation body	Once a year

2.1.6.2 Specific objective 6. Increased share of adults with professional and occupational qualifications, improved key competences for lifelong learning, and improved employability

Around a third of working-age people in Estonia have no comprehensive professional or occupational qualification, i.e. after acquiring lower secondary education or general higher secondary education they did not continue their studies to acquire vocational or higher education or they dropped out of these schools. Adults who have a low level of education (ISCED 1 or 2) are in a very disadvantaged position on the labour market, as well as in terms of participation in lifelong learning.

Although the rate of participation in lifelong learning increased steadily in Estonia until 2012 (12.9% in 2012, 12% in 2011), it was just 4.2% among people with lower secondary education or less in 2012. While the biggest share of lifelong learners are adults with higher education, only one in five of them (20.6%) participated in lifelong learning in 2012. In 2013 the rate of participation in lifelong learning decreased compared to 2012. Efforts will have to be made to achieve the objective of 20% participation in lifelong learning in Estonia by 2020.

The importance of the role of lifelong learning is further emphasised by the shortening life-cycle of skills and the age-related decline in the level of skills obtained in formal education³⁴. Of the skills addressed by the PIAAC survey³⁵, the level of problem-solving skills in a technology-rich

³² The baseline is obtained from the results of comparable operations in period 2007-2013

³³ The baseline is obtained from the results of comparable operations in period 2007-2013

³⁴ PIAAC survey

³⁵ Programme for the International Assessment of Adult Competencies

situation is the most problematic, being highest among people aged 20-24, and then declining sharply. Computer use skills in a broader sense are problematic, too, as according to the PIAAC survey more than half of people over 50 are afraid or unable to use a computer for more complicated operations. The overall share of such people among all age groups was 30%.

Interventions are expected to result in higher qualifications of the adult population due to formal education or continuing education, and support flexible movement of people on the labour market as a result of their participation in lifelong learning. The adult population's key competences for lifelong learning will improve. Activities aiming to support participation in training will help increase people's awareness of the labour market and learning opportunities and their ability to cope on the labour market. Taking part in the PIAAC repetitive survey in 2018-2023 enables the effectiveness of the decisions and investments made during the last ten years to be assessed and plans for future courses of action to be made.

Table 9. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Category of region	Measurement unit for indicator	Common output indicator or used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Drop-out rate of ESF supported adult learners studying in non-stationary education	Less developed	Participant	Not applicable	35 ³⁶	%				28	Beneficiary	Once a year
	Participants in adult continuing education who obtain a qualification or competence certificate upon completion	Less developed	Participant	Not applicable	75% ³⁷	%	2011 - 2012	-	-	80 %	Beneficiary	Once a year

³⁶ Baseline refers to the average discontinuation rate of non-stationary learning (adult upper secondary schools) in the academic year 2012/13.

³⁷ The baseline is obtained from the results of comparable operations in period 2007-2013 and international experience.

2.1.7 Actions to be supported under the investment priority

2.1.7.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

To better link studies with the needs of the labour market, a system of regular monitoring and forecasting of labour demand will be introduced which will involve the development of platforms between employers and education and training institutions providing educational services, holistic analyses of the development options and needs of various economic sectors in Estonia (this could also be useful for enterprises in terms of the development of their employees' skills), and ensure the planning and direction of lifelong learning in each profession. As an innovative form of study, the supply of workplace learning opportunities will be extended and the improvement of practical training will be supported in the higher education and vocational education systems, resulting in graduates receiving the necessary qualifications and skills to enter and successfully cope on the labour market. The practical training information systems to be developed should improve the provision of feedback and ensure that curricula are better matched with what is required at workplaces.

Our aim is to contribute to the quality of vocational education, the development of entrepreneurial spirit and introduction of entrepreneurship studies at different levels of education as well as to support transition to Estonian-medium vocational education. The actions include continuous teacher education, the development of new methods, inclusion of entrepreneurs in entrepreneurship studies, etc.

To alleviate the situation where the life-cycle of skills is shortening, skills quickly become outdated and people without professional training are in a difficult position, it is intended to bring adults with a lower level of education and skills back to formal education (lower and upper secondary education levels) and extend the availability of adult non-formal learning opportunities. Support will be provided for networking and outreach activities aimed at the target groups in order to identify the adults who have discontinued studies, reintegrate them in formal education and support their remaining in education. It is important to increase participation in education among the target groups who have so far stayed away from lifelong learning and whose skill levels are low. The provision of high-quality and relevant refresher training and retraining is expected to increase the level of professional skills and develop key competences for lifelong learning (particularly ICT, language skills, social skills, sense of initiative and entrepreneurship and learning to learn). Support will be provided for the development of adult study and career paths (incl. recognition of prior learning guidance to acquire a qualification) and digital literacy and language skills will be improved.

In addition to the improvement of the skills of adults the aim is also to measure skills in the framework of PIAAC, the international survey of adult skills, to be carried out in 2018–2023 (data collection 2020–2022). The skills to be measured are – functional reading skill, mathematical literacy and adaptive problem-solving skill, and as an innovative addition, social and emotional skills. PIAAC is the only survey in Estonia that actually measures the skills of adults. In addition to the measurement of the level of skills, PIAAC also measures the use and usefulness of the skills, which is particularly necessary information taking into account the fast technological changes and the labour market changes as a whole. In the first cycle of PIAAC data was collected in Estonia from approximately 1500 people during the test questionnaire and 7600 people in the main survey; data will be collected in a similar amount this time. The number of countries to participate in PIAAC is more than 30, including most EU Member States, which makes the collected data especially valuable; many of the international comparative indicators are also based on PIAAC.

The results of the first cycle of PIAAC gave important input for policy design, having an effect, for example, both on the information society development plan as well as on setting the goals of the lifelong learning strategy.

To prevent unemployment and support the longer working life of people, the provision of career guidance by the Unemployment Insurance Fund will be extended to working people and inactive people. The service is particularly necessary for low-skilled people. It will enable people to assess their experience and knowledge and find new outlets in education (e.g. higher qualifications) and on the labour market. The design of the service will be based on the objective of increasing non-stereotypical career choices and retraining opportunities of both men and women, which will enhance their chances of finding new outlets meeting the needs of the labour market and encourage movement between jobs. People will be better skilled in planning their career and working life, movement between jobs will increase and intermittent periods of unemployment will decrease.

The main target groups include, in particular, adults without professional education, the working-age population with low or outdated skills, adults who need additional specific skills to increase the value-added of their work, students in vocational schools and higher education institutions, practical training instructors and training institutions.

2.1.7.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of education, and pursue in the best possible way the government's policy priorities of bringing labour qualifications into conformity with the needs of the contemporary labour market (among other things, making better use of the opportunities of EU internal market policy and other policies) and increasing the share of people with professional education at the vocational and higher educational levels. Projects that are aimed at improving the quality of studies and improving the qualifications and employability of the target group will be preferred.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

2.1.7.3 Planned use of financial instruments

None

2.1.7.4 Planned use of major projects

None

2.1.7.5 Output indicators by investment priority and, if appropriate, by category of region

Table 10. Common and programme-specific output indicators

ID	Indicator		Fund	Category of region	Target (2023)	value	Source of data	Frequency of
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		Measure ment unit			M	W	T		report ing
	Number of bodies (domain councils and coordinating body) ³⁸ that have been set up and are operating	Domain council	ESF	Less developed	-	-	A coordinating body and at least 20 active domain councils	Implementing body	Once a year
	Number of participants in apprenticeship	Participant	ESF	Less developed	-	-	7200	Implementing body	Once a year
	Number of educational institutions that participated in the programme to introduce an entrepreneurship module	Number of modules	ESF	Less developed	-	-	-	Implementing body	Once a year
	Number of instructors participating in training for practical training instructors	Participant	ESF	Less developed	-	-	5350	Implementing body	Once a year
	Number of accreditations of study programme groups in vocational schools and institutions providing professional higher education and vocational training (assessment units)	Accreditation	ESF	Less developed	-	-	270	Implementing body	Once a year

³⁸ The coordinating body is established by the Minister of Education and Research and consists of the representatives of the institutions responsible for the development of the skills of the labour force, promotion of competitiveness and organisation of lifelong learning. The task of the coordinating body is to gather and analyse information about the situation and needs of the labour market from the perspectives of skills development. The coordinating body will make proposals on the content of training and need for skills and informs and advises all interested parties. The body will submit its proposals to the Government of the Republic once a year. The work of the coordinating body is based on the results of the work of sectoral expert committees. While sectoral expert committees are established by the qualification vocational authority, the coordinating body will determine the areas of their activities and principles of their establishment. Therefore, it is for the coordinating body to decide in which area and for which issues an expert committee is required.

	Number of adults participating in continuing education, incl. digital literacy training	Participant	ESF	Less developed	-	-	78 000	Implementing body	Once a year
	The national report of the PIAAC survey ³⁹	The number of reports	ESF	Less developed	-	-	1	Implementing body	Once a year
	Number of counsellors places established in the Unemployment Insurance Fund	Number of counsellors	ESF	Less developed	-	-	20	Implementing body	Once a year
	Employed and inactive people have received career guidance	Number of counselling cases	ESF	Less developed	-	-	108 000	Implementing body	Once a year

2.1.8 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

No action is being planned to support social innovation or cooperation.

Actions aimed at the development and introduction of modern study materials and ICT facilities in teaching will contribute to the second Thematic Objective (Enhancing access to, and use and quality of, information and communication technology) by improving general access to digital study materials, thus supporting more effective development of essential skills.

Links with other Thematic Objectives that focus on the promotion of research, technological development and innovation, increasing the competitiveness of small and medium-sized enterprises, climate change, environmental protection and transport are more indirect and mainly take the form of developing human capital and increasing awareness. The focus will be on the training of unskilled and low-skilled adults and on matching training with labour market needs, which will help them cope better and stay on the labour market. To ensure the sustainable functioning of society and increase the competitiveness of the economy, it is important to make sure that each person can find their place on the labour market according to their abilities and be able to quickly and flexibly respond to changes taking place on the labour market.

³⁹ Along with the report a PIAAC database will be prepared for international use.

2.1.9 Performance framework

Table 11. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ESF	Less developed	90 023 859	-	-	226 988 484	Certifying authority	The final target represents the total support and includes uncertified expenditure
Financial indicator			Euro	ERDF	Less developed	40 416 51	-	-	332 529 838	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Number of children, learners and young people who have received individual educational guidance and career services	Number of counselling cases	ESF	Less developed	118 550	-	-	197 430	Implementing body	
Output indicator		Number of teachers, heads of school and youth workers who have participated in training	People	ESF	Less developed	19 800	-	-	28 000	Implementing body	

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Miles tone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Output indicator		Area of modernised facilities	square metres	ERDF	Less developed	25 200	-	-	160 000	Implementing body	
Output indicator		Number of participants in apprenticeship	Participant	ESF	Less developed	4200	-	-	7200	Implementing body	
Output indicator		Number of adults participating in continuing education, incl. digital literacy training	Participant	ESF	Less developed	50 000	-	-	78 000	Implementing body	
Output indicator		Number of councillors places established in the Unemployment Insurance Fund	Number of councillors	ESF	Less developed	20	-	-	20	Implementing body	

2.1.10 Categories of intervention under the priority axis

Table 12. Categories of intervention

Fund and category of region		ERDF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
51	282 650 362	01	282 650 362	07	282 650 362	07	282 650 362		
Fund and category of region		ESF: Less developed regions							

Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
115	104 239 872	01	192 940 211	01	48 410 821	07	192 940 211	02	7 740 135
117	88 700 339			02	34 684 392			03	8 459 317
				03	39 576 334			05	55 540 603
				07	70 268 664			06	35 807 164
								07	35 807 164
								08	49 585 828

2.1.11 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.2 Increasing social inclusion

2.2.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

The 'social inclusion' priority axis comprises the objectives set under three investment priorities of Thematic Objective No. 9 'Promoting social inclusion, combating poverty and any discrimination' and the activities to be carried out in order to achieve these objectives. Considering the analysis of development needs and the country-specific recommendations made to Estonia,⁴⁰ the following ESF investment priorities have been chosen: 'active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability' and 'enhancing access to affordable, sustainable and high-quality services, including healthcare and social services of general interest'. However, the provision of affordable, sustainable and high-quality healthcare and social services requires investment in infrastructure. Therefore, the following ERDF investment priority has been chosen: 'investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services'.

⁴⁰ 2. Improve incentives to work by making the various existing social-benefit systems more consistent and by increasing the flexibility and targeting of benefit allocation. Improve the delivery of social services, including childcare, while increasing the efficiency and cost-effectiveness of family policy. Strengthen activation measures to facilitate the return to the labour market of the long-term unemployed and people receiving disability benefits and incapacity for work benefits. Establish coordinated measures for fostering economic development in regions affected by high unemployment.

5. Better balance local government revenue against devolved responsibilities. Improve the efficiency of local governments and ensure quality provision of local public services.

Combining funds for the priority axis will help better coordinate the investments to be made in infrastructure and services, and more effectively implement the nationally set targets and reforms. In the provision of special welfare and care to the elderly, the new course involves support services that are more closely linked to the local community (deinstitutionalisation). The ultimate goal is a situation where the share of round-the-clock services is reduced and people with special needs can handle everyday activities and work with the help of support services. Today, the vast majority of people to whom round-the-clock special welfare services are provided are living in large institutions and they often lack the habit and experience of coping by themselves. Therefore, it would be difficult to immediately integrate them into the community, and there must be an intermediate stage in the form of smaller residential units, which are located within communities and where the inhabitants have opportunities to engage in work and other activities. As regards people with disabilities, the services that help them manage their everyday lives must be accompanied by the adaptation of their homes so that they are able to cope independently or with a little help. To improve the availability of sustainable and high-quality healthcare services, strengthen primary healthcare and ensure the quality and sustainability of specialist care, investments in infrastructure and in the strengthening of the services are needed. Therefore, and in order to achieve sustainable solutions and a more pronounced impact, the balance and coordination of investments in services and infrastructure must be ensured (including prevention and treatment of alcohol consumption) for the complementarity.

Investment priority 1 of the priority axis: Enhancing access to affordable, sustainable and high-quality services, including healthcare and social services of general interest

2.2.2 *Specific objectives corresponding to the investment priority and expected results*

2.2.2.1 *Specific objective 1. Increased labour market participation of custodians who have received childcare services and support services for children with disabilities*

The employment gap between mothers with young children (aged 0-6) and women without children (24.9 percentage points in 2012) indicates that in the case of women the main reason for not participating in employment is the need to care for young children. There is also a significant employment gap between men and women with young children, which reached 37.7 percentage points in 2012 among men and women aged 20–49⁴¹. For custodians of small children, one of the most important factors in entering or returning to the labour market is the availability of high-quality and affordable childcare options and support services for children with disabilities. In 2012, 5900 children were waiting for a place in a nursery school (most of them younger than 3 years of age) and there were waiting lists in 33% of municipalities.⁴² Problems associated with childcare options vary by region in Estonia – in some regions there is a need for new nursery schools, others need more flexible childcare services. Children with disabilities often need more, more long-term and more comprehensive care services than other children. They also need additional support services (e.g. support person and transportation) to be able to attend a school or nursery school or use other public services.

Improving the availability of childcare services and support services for children with disabilities will increase custodians' participation in the labour market and help improve the development opportunities of children (especially those with disabilities and from families in poorer socio-economic situations).

⁴¹ Statistics Estonia, data from the Estonian Labour Force Survey

⁴² Ainsaar, M., Soo, K. (2012). Kohalikud omavalitsused ja lastega pered 2011/Local governments and families with children 2011/. University of Tartu, Institute of Sociology and Social Policy. Ministry of Social Affairs

Table 13. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Participants who are participating in the labour market 6 months after the start of the child-care service and/or support service for children with disabilities	Less developed	Participant	Not applicable	27	%	2013	-	-	44	Ministry of Social Affairs	Once a year

2.2.2.2 *Specific objective 2. Increased labour market participation or improved coping of people with special needs, care burden or coping difficulties who have received welfare services*

Participation in employment can be prevented by a disability, burden of care or coping difficulties arising from the concurrent presence of a number of problems (such as addiction, health problems and debt).

People who have been inactive for a long time, people who settle in a community after having lived in a substitute home or special care home and people released from prison are more frequently affected by coping difficulties. 1878 convicted offenders were released from prison in 2013 as they had served their sentences, 5% of them being women⁴³. In 2011, 59 boys and 41 girls left substitute homes to start leading an independent life (36 and 29, respectively, in 2012). People with coping difficulties often need support to organise their everyday lives and find a job. For people with coping difficulties to be able to return to employment, they need concurrent services in various areas, but the provision of welfare services is not always linked to employment measures and these services do not motivate inactive people to take up work.

In the 15–64 age group there are 29,400 women and 16,900 men who are caregivers for family members in Estonia. According to the Labour Force Survey 2012, the burden of care prevents 12,400 women and 2500 men (aged 15-74 years) from taking up a job. One of the most important factors in caregivers' entering or returning to the labour market is the availability of high-quality

⁴³ Hallika, A., & Hanni, E. (2008). 'Vanglast vabanenute sotsiaalteenuste korraldusest' /Organisation of social services for people released from prison/. Tallinn: Ministry of Justice. Criminal Policy Department

care services for disabled adults and the elderly. The quality of welfare services varies in municipalities, and the services are not always accessible to those who need them. The development and provision of services is inadequate in smaller municipalities due to a lack of funds or expertise. Cooperation between municipalities in the provision of services is limited.

Interventions are expected to result in improved access to high-quality and affordable welfare services and in a common practice of cooperation of municipalities in the provision of welfare services. The services will help people with special needs, care burden or coping difficulties to enter the labour market.

Attainment of this objective will increase the number of people receiving services that are supporting independent living. The development, increased availability and greater flexibility of support services (e.g. social transport, day care, personal assistant, support person and homecare services) will allow for clients to cope better and avoid placement in 24-hour care. This will also promote deinstitutionalisation (including clients leaving 24-hour care).

Table 14. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Participants ⁴⁴ who are participating in the labour market 6 months after the start of the welfare service	Less developed	Participant	Not applicable	29	%	2013	-	-	30	Ministry of Social Affairs	Once a year
	Share of participants who have received within a year ESF funded welfare services and whose capability	Less developed	Participant	Not applicable	5	%	2013			15	Ministry of Social Affairs	Once a year

⁴⁴ Baseline level is based on the data obtained from implementation of ESF priority axes „Good-quality and long working life“ measure „Welfare measures supporting employment“ projects funded through open calls for proposals and national programme „Welfare measures supporting employment“. The activities chosen as baseline and target group are not exactly matching with the activities of 2014-2020 period, but are the closest to them. When setting the target levels of ESF 2014-2020 period the activities and size (including complexity) has been taken into account. See the assessment of fulfilment of ex-ante conditionalities in the chapter 9 of the Operational Programme.

	to manage has improved or whose entrance to the round-the clock institutional welfare service has been prevented											
	Participants in labour market 1 month after receiving support services addressed to persons released from prison	Less developed	Participant	Not applicable	47	%	2008			75	Ministry of Justice	Once a year

2.2.2.3 Specific objective 3. Reduced alcohol consumption by people who have received services

Alcohol abuse is the greatest health risk causing an economic burden and the burden of disease in Estonia. The economic burden of alcohol abuse on society was 128 million EUR in 2006.⁴⁵ 27% of working-age people consume alcohol in quantities that cause health risks. Alcohol abuse accounts for the premature death (before the age of 64) of 27% of men and 12% of women, being among the highest in Europe and the most important risk factor in the low average life expectancy of men in Estonia (Estonia: 71.09 years (2012), EU: 77.16 years (2011)). The incidence of alcoholism in Estonia is higher (11% and 2.1% among working-age men and women, respectively) than the EU average (5.4% and 1.5%).⁴⁶ Healthcare professionals' skills need to be improved as regards alcohol abuse treatment and advising patients. 42% of family physicians and occupational health physicians considered their advisory skills regarding alcohol use as poor or very poor. 62% of respondents considered training in alcohol-related advisory skills as the most important among health behaviour advice subjects.⁴⁷ The availability of alcohol addiction treatment is insufficient in Estonia, and the content and volume of the service do not conform to the practice of addiction

⁴⁵ Reinap, M 2010. 'Olulisemate käitumuslike terviseriskide majanduslik koormus' /Economic burden of key behavioural health risks/

⁴⁶ Rehm et al. (2012). Alcohol consumption, alcohol dependence and attributable burden of disease in Europe: Potential gains from effective interventions for alcohol dependence

⁴⁷ Pertel et al. (2010). Mapping the status of disease prevention and health promotion at the primary health care level in Estonia

treatment in economically advanced countries. The psychiatric treatment of mental disorders resulting from the consumption of alcohol is largely paid by the patients themselves.⁴⁸

Interventions will result in improved availability of services involving early detection and brief counselling of alcohol abuse and alcohol addiction treatment, and in reduced consumption of alcohol. The improvement in the availability of services and the reduction in alcohol consumption will lead to a reduction in alcohol-related harm⁴⁹.

Table 15. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Participants who's alcohol abuse risk level ⁵⁰ has decreased 6 months after the start of services aimed at reducing alcohol consumption	Less developed	Participant	Not applicable	10		2016	-	-	20	National Institute for Health Development	Once a year

⁴⁸ Alkoholipoliitika roheline raamat 2012 /Green Paper on Alcohol Policy 2012/

⁴⁹ Rehm et al. (2012). Alcohol consumption, alcohol dependence and attributable burden of disease in Europe: Potential gains from effective interventions for alcohol dependence

⁵⁰ For all people receiving the service the alcohol abuse risk level is determined by the AUDIT screening test. AUDIT score ≥8 show increased risk of alcohol consumption (i.e. alcohol abuse). Persons whose AUDIT score is ≥8 are provided, with their consent, the service aimed at reducing alcohol consumption; 6 months after the start of the service aimed at reducing the consumption of alcohol, the AUDIT score, which shows the alcohol abuse risk level, has decreased.

2.2.3 Actions to be supported under the investment priority

2.2.3.1 *Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries*

To reduce the burden of care on parents and inequalities between men and women on the labour market, the availability and diversity of childcare services will be increased. It is also intended to improve the accessibility of existing educational services (nursery and other schools) and rehabilitation services through support services for children with disabilities. The provision of childcare services is being planned in conjunction with the ERDF measure 'Sustainable urban development' of the Ministry of the Interior, under which support will be provided for the development of childcare and pre-school education infrastructure.

In order to align the availability and quality of welfare services supporting access to employment (incl. care services) in the different regions of Estonia, support will be provided for cooperation between municipalities in the provision of the services, and the competency of social work professionals will be improved through training and supervision. In addition, the development of services across municipal boundaries and the collaborative provision of such services to functional regions will be supported. People's access to existing but as yet not uniformly available welfare services such as day care, social transportation and support persons will be improved. In addition, it is necessary to develop and test new welfare services, incl. those based on IT communications, such as a sign language interpreter's video service, an alarm button service and telecare. The target group of the services comprises people with special needs (including the elderly) and their family members with a high burden of care. Municipalities and service providers will additionally be offered training and consultations to enhance their capacity to both delegate the provision of services and develop cooperation between municipalities. This will contribute to the development of an effective partnership between municipalities and service providers in the provision of welfare services. The activities to be supported will raise people's awareness of the services offered, as well as preparedness to use them as intended. To ensure the quality of services and the cooperation of municipalities, minimum requirements will be developed and criteria for service regions will be established.

The activities planned will support the process of deinstitutionalisation. Improving the availability of welfare services will prevent people from being institutionalised and contribute to the transfer of institutionalised people to community-based care. Improved availability of services (such as social transportation, day care, personal assistance, support person and home care services) will help implement the principle of providing deinstitutionalised care, as the lack of adequate assistance to people in their home setting can lead to the need to use round-the-clock institutional services. The abovementioned services will benefit people who are able to transfer from institutional services to services that involve less personal support, as they will be provided with an adequate level of assistance in the form of community-based services. However, not all institutionalised people can be immediately transferred to services that involve less support. Today, the vast majority of people to whom round-the-clock special welfare services are provided are living in large Soviet-era institutions and they often lack the habit and experience of coping by themselves. Therefore, it would be difficult to immediately integrate them into the community, and there must be an intermediate stage in the form of smaller residential units (to be built with the support of the ERDF). Those units would be located within communities and provide opportunities to engage in work and other activities, and are thus a necessary step in the process of deinstitutionalisation.

It is intended to continue the development (started during the period 2007–2013) of integrated services for people with coping difficulties, incl. supporting the social workers of municipalities and support persons in finding solutions for people who face a number of barriers to participation in the labour market (such as the long-term unemployed, the discouraged and people released from prison). Integrated provision of activating services will contribute to the target group's employment and thus reduce the number of people permanently living on social benefits.

To enhance the quality of substitute care, various forms of substitute care, support services and follow-up care will be developed. The goal is to increase the proportion of family-based substitute care forms and prevent children aged 0–3 years from being institutionalised, which has a negative impact on a child's development. The development of professional care in families and other family-based substitute care forms will include the creation and provision of support services to various target groups of children without parental care (e.g. children with special needs) and their caregivers. In addition to family caregivers, it is intended to offer support services to guardianship families and adoptive parents. To improve the quality of substitute care services, training will be provided and support systems will be set up for service providers, and supervision over the services will be enhanced through guidance and instruction. Young people to whom substitute care services are no longer provided will be offered follow-up care services to support their self-sufficiency and smooth entry into the labour market and to reduce their social isolation. The services to be developed will support a transfer from institutionalised welfare to community-based welfare, and early intervention will prevent any subsequent coping difficulties of young people who have grown up without parental care, incl. any need for institutional services. The development of family-based forms of care of children will help improve the quality of substitute care and ensure that young people are better prepared to cope independently and actively participate in the labour market.

Reducing alcohol abuse has significant potential to extend the average life expectancy and healthy life years of Estonian people, as well as to improve their ability to work and their quality of life. With a view to reducing alcohol abuse and related harm and to narrowing the gender gap in life expectancy between men and women, it is intended to continue the introduction of early detection of alcohol abuse and brief counselling services in first contact healthcare (incl. IT solutions) and extend specialist care to areas that involve the target group of alcohol abusers, as well as to youth counselling centres that come into contact with this target group. Strengthening first contact healthcare (ERDF actions) will contribute to the early detection of alcohol abuse. In addition, alcohol addiction treatment services will be upgraded. The implementation of measures will take into account the gender, age, socio-economic factors, specific needs, attitudes and habits of target groups, as well as links with societal norms and gender stereotypes. In order to prevent the health-damaging behaviour and change the attitudes of specific target groups, it is intended to carry out gender-specific training and information activities and studies that support the provision of services and help raise awareness. Guidelines and informative materials will be compiled, service providers will be trained and services (early detection of alcohol abuse and brief counselling, alcohol addiction treatment and Internet-based counselling) will be provided to alcohol abusers and their relatives. The interventions should result in a decrease in alcohol-related morbidity, health losses and social losses. The resulting improved state of health will contribute to an improved employment rate and reduce social exclusion and poverty risk.

2.2.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The development of interventions involving welfare services and childcare services will build on ex-ante analyses which specify the minimum requirements for services and the service coverage regions or provide the criteria for the determination of regions, describe the most appropriate models of cooperation and identify ways of achieving financial sustainability (to implement the country-specific recommendation No 5). Projects that promote inter-agency cooperation in the provision of welfare or healthcare services will be preferred.

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of labour supply, and pursue in the best possible way the government's policy priorities of increasing the impact and sustainability of the financing of the active labour market policy; increasing healthy life years by improving health-related behaviour; continuing to work towards reducing accidents and developing healthcare infrastructure; bringing labour qualifications into conformity with the needs of the contemporary labour market (incl. by making better use of the opportunities of EU internal market and other policies); and increasing the share of people with professional education at the vocational and higher educational levels.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

2.2.3.3 Planned use of financial instruments

The use of a financial instrument will be considered during the period.

2.2.3.4 Planned use of major projects

None

2.2.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 16. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Number of people who have received welfare services	Receiver of service	ESF	Less developed	-	-	10 100	Implementing body	Once a year
	Number of persons released from prison who received support services	Receiver of service	ESF	Less developed	-	-	1 500	Implementing body	Once a year
	Number of custodians who have received at	Receiver of service	ESF	Less developed	-	-	3 200	Implementing body	Once a year

	least one support service for children with disabilities per one handicapped child								
	Number of new childcare places	Place	ESF	Less developed	-	-	1200	Implementing body	Once a year
	Number of providers of family-based substitute care	Provider	ESF	Less developed	-	-	1200	Implementing body	Once a year
	Number of people who have received services aimed at reducing alcohol consumption	Person	ESF	Less developed	-	-	20453	Implementing body	Once a year

Investment priority 2 of the priority axis: Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services.

2.2.4 Specific objectives corresponding to the investment priority and expected results

2.2.4.1 Specific objective 4. Regionally accessible, high-quality and sustainable healthcare services

In an ageing society where the share of patients with chronic diseases is growing, there is an increasing need for outpatient and day care, including in particular first contact healthcare services related to disease prevention and monitoring and treatment of chronic diseases. Given this trend, first contact healthcare services are currently neither sufficient nor uniformly accessible. If the first contact healthcare system does not function as required, hospitals must help those in need of medical care, but this increases the costs of the healthcare system and reduces the accessibility of specialised medical care.

At the same time, the rapid decrease in population reduces the capacity of general and local hospitals located in county centres and central hospitals located outside of county centres to invest in their infrastructure, ensure the full-time workload of doctors and provide healthcare services to the population in all medical specialties.⁵¹ These problems have increased the share of those who regard the availability and quality of medical care and the organisation of healthcare services as poor⁵² and resulted in people increasingly visiting larger competence centres to seek

⁵¹ National Audit Office's audit of the sustainability of the hospital network, 2010.

⁵² A survey conducted by the Estonian Health Insurance Fund and the Ministry of Social Affairs

treatment (more than 80% of specialised medical care is provided by central and regional hospitals).

A network of competence centres covering all medical specialties is being developed at the level of central and regional hospitals. This network will actively cooperate with first contact healthcare providers to ensure sustainable and high-quality specialised medical care for the entire population.

Continued reorganisation of the healthcare system is inevitable if the sustainability of resources (people, equipment and financial resources) and improvement in cooperation between healthcare establishments are to be ensured.

Investments will enhance the role of regional hospitals as competence centres, incl. in ensuring the availability of high-quality specialised medical care in county hospitals. In cooperation with competence centres, county hospitals and central hospitals will provide outpatient specialised care and day care in counties and offer a limited amount of inpatient services. County hospitals and central hospitals will cooperate more closely with first contact healthcare service providers, and the range of first contact healthcare services will increase within the network of health centres.

Table 17. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Number of consultations in primary healthcare centres per 1000 people	Consultations per 1000 inhabitants	Less developed	3296	2012	3700	National Institute for Health Development	Once a year
	The proportion of general and local hospitals in which a regional hospital/competence centre has acquired participation/decision-making rights	%	Less developed	8,3	2014	80	Ministry of Social Affairs	Once a year
	The proportion of outpatient admissions in Ida-Viru Central Hospital in the total number	%	Less developed	45%	2017	48%	The Estonian Health Insurance Fund	Once a year

	of outpatient admissions of county inhabitants							
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2.2.4.2 Specific objective 5. Welfare services which are more integrated and of higher-quality support the community living for people with special psychiatric needs and people with disabilities have better opportunities to cope in their home environment

In the provision of welfare services, the new course involves support services that are more closely linked to the local community. On 1 June 2014 there were 2747 people to whom round-the-clock special welfare services were provided. Nearly 1800 of them were living in buildings housing more than 30 people. These are often large, obsolete Soviet-era buildings with low energy performance, located far away from regional centres, non-compliant with health protection requirements and lacking access to public services, including learning, employment, cultural and activity opportunities. Customers living in such institutions have received institutional services for decades (e.g. those with an orphanage background) and only a few of them have a home and family or an experience of living in a family-like setting. The financial situation of customers is very difficult, with state benefits or pensions predominantly being their only income. Therefore, they often lack the habit and experience of coping on their own and it would be difficult to immediately integrate them into the community. As a result of investments, customers will be provided with appropriate services in smaller buildings, flats or other units, which will be located within communities and provide opportunities to engage in work and other activities and use various services. The ultimate goal is to achieve, by the end of the period, a situation where the share of services provided in large institutions is significantly reduced and people with special needs can handle everyday activities and work with the help of support services.

According to a survey of disabled people and the care burden of their families (2009), around 8000 working-age disabled people, 6000 disabled people aged up to 74 and 8000 people aged 75 and over feel that their dwelling needs adaptation. In adapted dwellings the ability of disabled people to cope independently will improve and the care burden on their caregivers will decrease, which will result in better opportunities for both caregivers and disabled people to participate in the labour market. The adaptation of dwellings will also help prevent the institutionalisation of people.

Table 18. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measurem ent unit	Category of region	Baselin e value	Baseline year	Targ et value (202 3)	Sourc e of data	Frequen cy of reporti ng
	Ratio of service places supporting independent life to round-the-clock institutional service places in special welfare	-	Less developed	1,1	2013	13,6	Minist ry of Social Affair s	Once a year

2.2.5 Actions to be supported under the investment priority

2.2.5.1 *Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries*

An integrated healthcare system that functions more effectively on all levels can help achieve an improvement in health indicators and the increased activity of the population. With a view to ensuring the availability of higher-quality healthcare services to the entire population and bearing in mind demographic trends and sustainable use of resources, it is intended to concentrate high-tech specialised medical care in competence centres and increase the share of essential first-contact healthcare services that are provided close to a person's place of residence. Investments will be made on the basis of the agreed courses of healthcare development up to 2020, to be specified in an annex to the Public Health Development Plan which addresses the principles of developing both the content of services and infrastructure.

In order to ensure the availability of high-quality, sustainable and balanced healthcare services to the population of Estonia, successful investments were made during previous EU programming periods in the development of a nursing care network and in the phased establishment of central and regional hospitals. Investments have been made in 21 nursing care projects, and 980 additional beds have been created. At the level of central and regional hospitals, investments have been made in the modernisation of the North Estonia Medical Centre, the University of Tartu Hospital, Ida-Viru Central Hospital and Pärnu Hospital. The infrastructure of operating theatres and emergency medical care, intensive care, diagnostic, obstetric, radiotherapy and other departments of these hospitals have been upgraded. The investments have improved the treatment and diagnostic quality in various medical specialties, including cancer treatment, orthopaedic and other health services. The experience and results from previous programming periods (increase in day care, increase in bed occupancy, shortening of bed-day etc.) indicate that the investment being planned will produce results.

During the budget period 2014–2020, investments will be made in the infrastructure of primary healthcare centres in 'centres of gravity', which will employ three or more family physicians along with supporting healthcare professionals. This will enable the operating hours of health centres to be lengthened, substitutions to be arranged more flexibly and diagnostic and treatment facilities to be more optimally used. Additional specialists on the teams of healthcare professionals (e.g. physiotherapists, midwives, mental health nurses, home nurses and social workers) will diversify the range of primary healthcare services, which will reduce the burden on specialised medical care. Investments will ensure the availability of better and more comprehensive primary healthcare services to the entire population, improve the quality of care and contribute to an increase in the efficiency of service delivery. Primary healthcare centres will be set up in 'centres of gravity', considering the existing infrastructure, the location of the population and the planned growth in the volume of health services, as well as trends of regional development. The extension and increase of the share of primary healthcare services is conditional on more efficient delivery of specialised medical care. The development of a service package aimed at strengthening the role of first contact care and the development of various management systems, which would improve the internal work processes, cooperation capacity and the provision of public services, will be supported to ensure the efficient functioning of health centres and to promote the cooperation of the specialists working there.

Investments in regional hospitals will help strengthen competence centres within the hospital network, contribute to a more rational reorganisation of work and foster the introduction of new technology (including new IT solutions). Investments will also be made in infrastructure and technology development in departments whose workload will grow due to the increased role of competence centres in the provision of specialised medical care and consultative support (e.g. pathology, psychiatry, children's clinic and ear clinic). The investments will support networking between competence centres, smaller hospitals (including county and central hospitals) and primary health care centres, allowing the latter to more effectively cooperate with specialist doctors. The role of the competence centres is to provide clinical and consultative support to primary healthcare providers, and serve as a base for the initial and continuing training of healthcare personnel. The provision of diagnostic and consultative support to primary and county health centres requires the development of capable competence centres. To this end, support will be provided for the creation of a modern base for day care, psychiatric, diagnostic and other services in regional hospitals. The construction of the infrastructure of competence centres will ensure the development and availability of all the necessary specialised medical care services, which is a prerequisite for the continued networking of regional hospitals and small hospitals and for the establishment of clear areas of responsibility. Competence centres and primary healthcare centres working as a network will be better able to divide their duties.

Alongside competence centres and healthcare centres it is also necessary to target additional investments to risk areas. As a living environment Ida-Viru County is in a poorer position compared to other counties (for example the effect of oil shale industry on health and quality of life). As a result, the availability of health care services and modern working conditions are very important in the region. SA Ida-Viru Central Hospital has as a central hospital outside the county centre formed a network with the regional competence centre as well as on the level of cooperation agreements with the general hospital of the hospital network located in the same county. The objective for the targeting of investments is to complete the modernisation of the central hospital that started in the previous EU financial period in order to ensure the provision of high-quality and easily available health care services, as a result of which diagnostics and treatment units (e.g. outpatient specialised medical care, laboratory, pathology, rehabilitation) and ward units (infectious diseases, cardiology, neurology, pulmonology and internal diseases) will be formed. In addition to networking with the regional competence centre, SA Ida-Viru Central Hospital will establish two first contact health centres that will ensure the availability of outpatient specialised medical care and will cooperate in order to coordinate treatment and use resources in a rational manner.

The concentration of treatment in competence centres and the development of new high-level, high-quality and efficient specialised medical care services which are easier on patients will increase the role of competence centres in preserving the working ability of the population. Investments will help improve the efficiency of service delivery.

Improving the availability of the necessary healthcare services will help prevent people from dropping out of employment due to health problems, accelerate reintegration into employment, help activate people and contribute to a reduction in the risk of poverty and social exclusion.

Investments will be supported by actions financed from national resources which, in the context of a shrinking labour force (e.g. emigration of health professionals), will ensure the availability of doctors and other staff in the centres to be developed. The actions include:

1. increase in the volume of training, while considering the migration trends;
2. continuation of the 'Back to healthcare' project, through which doctors and nurses who have a relevant diploma but who are not registered will be brought back to the healthcare sector with the help of theoretical and practical training;

3. start-up allowance for doctors who are employed outside the major centres of Estonia;
4. state support for temporary replacement of family physicians and nurses through a relevant system, where necessary.

The development of the healthcare system will also be supported by other activities carried out under the Public Health Development Plan 2009–2020, which include the development of services and improvement of quality and patient safety. In addition, smart specialisation will contribute to innovative solutions in the field of medicine under other priority axes implemented with the help of funding from the ERDF. Reducing alcohol abuse as a major cause of loss of health, and improving the working ability of people with a loss of health (measures implemented with ESF funding) will contribute to an improvement in the health indicators of the population.

To reduce the burden of care and improve the ability of those being cared for to cope independently, support will be provided for the creation of high-quality service places, and the dwellings of disabled people will be adapted to their needs. Investments will provide both disabled people and their family members with better opportunities for more active participation in society and the labour market, thereby supporting their inclusion and reducing poverty.

In the provision of special welfare, the new course involves support services that are more closely linked to the local community (deinstitutionalisation). It would be difficult to integrate the people who are currently living in large institutions into the community. Gradual deinstitutionalisation was set as a goal in the Reorganisation of State-Owned Special Care Institutions and Services Plan in 2006. A development plan providing for the course of development of the field of special welfare services for 2014–2020 is adopted. The development plan supports the principles of deinstitutionalisation and the principles laid down in the Convention on the Rights of Persons with Disabilities, and will help ensure better living, learning and working conditions for people. It specifies the criteria for accommodation facilities (incl. the maximum number of people living in a facility) and defines the term of 'institution'. The proposed investments support the objectives of the development plan and follow the Guidelines of the European Expert Group on Transfer towards community-based care.

People with mental special needs need a private and home-like surrounding. However, they first have to adjust to activities within and in the vicinity of their facilities, as well as to the surrounding environment, to be later able to more actively use the activity opportunities provided to them. The service places planned in accordance with the Special Welfare Development Plan for 2014-2020 will enable people with special psychiatric needs to live in appropriate decent living conditions and to be more independent in deciding on matters concerning their lives. They will be able to use the existing activity opportunities in the community, or those to be created under the measure (e.g. day care and work centres), as well as the available public and essential services (such as specialised medical care, stores and pharmacies). The new care facilities will provide living conditions that are as normal as possible, ensuring privacy, as well as more personalised attention and an individualised approach. The service places will be located within communities, which will enable close links to be created between the activities of the people in care and the local community. An increase in activity and coping abilities will create considerably better opportunities for these people to start using community-based services and open care services.

In addition to round-the-clock services, it is also planned to invest in the infrastructure of community-based services (e.g. day care centres / flats where the service of living in a community is provided) on a needs basis. Such places are necessary to prevent people from ending up in round-the-clock care and to support transfer towards more independent life in smaller residential units. Resources are also allocated under the measure to the development and provision of services that help people to live independently. For example, to pilot a DI team service where an

external expert helps a service provider to better implement the principles of DI (incl. needs assessment of services); to pilot an extended everyday living support service, which would be intended for persons moving from institutional to community-based services or for persons at risk of a need for placement in institutional care. People moving their institution or the potential path of service.

The course of development described above was launched with the help of ERDF funding for 2007–2013. Institutions located in four old manor houses were closed and reorganised; the use of two manor houses was discontinued as the buildings were unsuitable for the provision of round-the-clock care. 550 high-quality service places were created in family houses. Those built facilities are located in the immediate vicinity of settlements in Tapa, Karula, Sinimäe, Viljandi, Kehra, Türi, Tõrva, Vändra, Vääna-Viti, Uuemõisa and Kodijärve. The activities there have begun well, and the family house services are closely linked to the local community.

With the support of the investments to be made in the new period, the provision of round-the-clock services is stopped in several large and obsolete institutions (e.g. Võisiku and Erastvere care homes). 1400 high-quality service places will be created within communities in accordance with the objectives of the Special Welfare Development Plan for 2014-2020. To find the appropriate services for people with special psychiatric needs, investments will be preceded by needs assessment. Also, the infrastructure necessary for the provision of those round-the-clock services which cannot be removed for safety reasons or because of the concentration of competence will be updated and reorganised.

Additionally, through the investments into the adaptation of dwellings 2000 people with disabilities will be provided with home which meet their individual needs. This will enable the disabled people to cope independently and thus help provide both disabled people and their family members with better opportunities for more active participation in society and the labour market, reducing the high number of caregivers for family members in Estonia and supporting an increase in employment.

The development of welfare infrastructure and the adaptation of dwellings are related to other activities of the same priority axis under special objective 2 “Increased employment of people with special needs, care burden or coping difficulties who have received welfare services” supported from ESF.. To improve the quality of services, social personnel will be trained and service providers will be assisted in introducing a quality management system. The services to be provided (i.e. social transportation, day care, personal assistant, support person and home care) and the reorganisation of the care of relatives will help implement the general principle for providing deinstitutionalised care, because if there is insufficient support for people in their home setting, the next step can be institutionalisation. The abovementioned services will support people who will later be able to transfer from institutional care to services that require less support, as they will be provided with assistance in the form of services offered by local authorities. The development of substitute care will indirectly contribute to the objective of reducing the proportion of special welfare customers receiving round-the-clock services. Early intervention will contribute to reducing helplessness and ensure that people can learn, at an earlier stage of life, the skills that are necessary for coping independently. The combined effect of these actions will enable people to be more active in society.

2.2.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of labour supply, and pursue in the best possible way the government's policy priority of increasing healthy life years by improving health-related behaviour, continuing to work towards reducing accidents and developing healthcare infrastructure. The projects that promote cooperation in the provision of welfare and healthcare services will be preferred.

The healthcare infrastructure investments to be supported should contribute to achieving the objectives of the Public Health Development Plan 2020 and be based on a complete vision of the rearrangement of the hospital network (to be developed as an annex to the Public Health Development Plan). The vision will include criteria for the choice of investment targets in primary healthcare centres and spatial distribution of functions within the network (service areas), with the aim of improving the quality and accessibility of primary healthcare services. For implementation of country-specific recommendation nr 5, the cooperation models and ways of achieving financial sustainability will be described. As regards investments in the development of competence centres, preference will be given to projects that support networking and close cooperation between first care healthcare centres and competence centres.

Welfare investments are chosen on the basis of the comprehensive vision for the development of the area. Location within communities and the existence of public and community services linked to that continue to be important criteria and so will be the condition of and the need to modernise or reorganise the existing infrastructure.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

2.2.5.3 *Planned use of financial instruments*

The use of a financial instrument will be considered during the period.

2.2.5.4 *Planned use of major projects*

Not applicable.

2.2.5.5 *Output indicators by investment priority and, if appropriate, by category of region*

Table 19. Common and programme-specific output indicators

ID	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Number of modernised treatment facilities in regional hospitals functioning as competence centres	Treatment facility	ERDF	Less developed	-	-	12	Implementing body	Once a year
	Number of modernised primary health care centres	Primary health care centre	ERDF	Less developed	-	-	50	Implementing body	Once a year

	Population covered by improved health services	%	ERDF	Less developed	-	-	100	Ministry of Social Affairs	Once a year
	Number of high-quality service places created	Service place	ERDF	Less developed	-	-	1700	Implementing body	Once a year
	Number of disabled people provided with suitable housing	Person	ERDF	Less developed	-	-	2000	Implementing body	Once a year
	Number of modernised general hospitals networked with first contact health care	General hospital	ERDF	Less developed	-	-	1	Implementing body	Once a year
	Number of modernised treatment units of the central hospital networked with the competence centre	Treatment unit	ERDF	Less developed	-	-	11	Implementing body	Once a year

Investment priority 3 of the priority axis: Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

2.2.6 Specific objectives corresponding to the investment priority and expected results

2.2.6.1 Specific objective 6. Improved competitiveness for participation in Estonian society, incl. labour market, lifelong learning and civil society, among people who have received adaptation and integration services

According to the forecast of the Ministry of Economic Affairs and Communications, in the period from 2011–2019 Estonia will need a total of 27,400 working specialists or an average of 3400 specialists per year. Finding these specialists on the Estonian labour market is becoming increasingly difficult due to the ageing of the population, the low birth rate and emigration processes. The data of Statistics Estonia indicate, however, that the unemployment rate and the share of long-term unemployed is about 1.5–2 times higher among permanent residents of foreign origin than among representatives of the native population. Around 32% of permanent residents of foreign origin (128,960 people) consider themselves to be integrated into society. The majority (69%) of poorly integrated permanent residents are of working age and use Russian for communication.

As regards new immigrants, an important factor in their future participation in society is initial adaptation after immigration. The lack of information, contacts, knowledge and services, and the weakness of societal attitudes fostering adaptation have been mentioned among the factors that hinder adaptation. The biggest obstacles preventing the integration of poorly integrated permanent residents include poor language skills, societal attitudes that do not support integration, limited social contacts, a lack of awareness of different services and the poor flexibility of the services.

As a result of interventions, the newly arrived immigrants to whom services have been provided will have the practical knowledge and contacts needed to cope in society, incl. information on the services offered. Poorly integrated permanent residents will acquire better knowledge so that they can be active in society, incl. language, civic and cultural competences, as well as information that allows them to be more active on the labour market. Organisations dealing with new immigrants and poorly integrated permanent residents will be empowered to be able to support

adaptation and integration and offer services and information in an effective manner; if necessary, new services will be developed.

Table 20. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Cate gory of regi on	Mea sure men t unit for indi cator	Com mon outp ut indi cator use d as basi s	Baseli ne value	Measu remen t unit for baseli ne and target	Base line year	Target value (2023)			Sou rce of dat a	Frequ ency of repor ting
								M	W	T		
	Number of persons completing the adaptation and integration programme, whose Estonian language skills, practical information and knowledge about the state, society and culture of Estonia have improved	Less deve lope d	Pers on com pleti ng prog ram me	Not appli cabl e	6172	No	2013	-	-	128 40	Mon itori ng	Once a year

2.2.6.2 Specific objective 7. Inclusion and improvement of the employability of young people, incl. those at risk of exclusion

The share of NEETs in the 15–29 age group was 15.3% in 2012. 42% of young men and 25% of young women are unemployed for longer than a year. 25% of young men and 42% of young women lack work experience. Burden of care is the reason for inactivity for 9.9% of young women. The number of young people who have a low level of education and who have discontinued their studies remains high. 13.4% of young men and 7.5% of young women with lower secondary education or less were not in education or training in 2012. Young people who have neither work experience nor a qualification are more vulnerable when entering the labour market and may remain inactive for many years.

In 2011, one in six children lived in relative poverty and one in eleven children lived in absolute poverty or experienced deep material deprivation in Estonia.⁵³ Although the situation has improved, economic status and social exclusion have a negative effect on children's and young people's development opportunities (incl. health). Limited or absent social awareness, activity

⁵³ Statistics Estonia 2013. 'Laste heaolu' /Child wellbeing/

and peers in the region, and limited development opportunities increase the risk of exclusion, which can be manifested in risk behaviour and low competitiveness.

The impact of poverty and other inequalities can be reduced and the risk of exclusion can be prevented with the help of youth work. Reaching the relevant risk and target groups through consistent youth work and early detection of problems will directly affect young people's attitudes and behaviour, improve their social skills and reduce the likelihood of misbehaviour and victimisation.

These issues often concern youth and families with multiple problems who need comprehensive help. However, the contacts of different authorities with, and the services offered to, such people are not being coordinated. Cooperation and data and information exchange between authorities are needed for a better understanding of the problems of young people and to ensure a systemic approach to interventions.

As a result of interventions, young people will acquire the knowledge and skills necessary for employment through non-formal education and information activities. The social inclusion of young people at risk of exclusion will increase and NEETs will be reintegrated in education or enter the labour market.

Table 21. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Cate gory of regi on	Measu remen t unit for indicat or	Comm on output indica tor used as basis	Bas elin e val ue	Measu remen t unit for baseli ne and target	Basel ine year	Target value (2023)			Sourc e of data	Freq uenc y of repo rting
								M	W	T		
	Proportion of those young participants benefitting from the measure who have completed the planned activities for the target group	Less devel oped	Partici pant	Not applica ble	86	%	2013	-	-	89	Monit oring	Once a year
	Proportion of NEETs (aged 15–26) participating in support measures who are no longer classified as NEET 6 months after the measures	Less devel oped	Partici pant	Not applica ble	36	%	2013	-	-	50	Monit oring	Once a year

2.2.7 Actions to be supported under the investment priority

2.2.7.1 *Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries*

To set up a system supporting the adaptation of newly arrived immigrants and increase their satisfaction with support services fostering adaptation, information facilitating adaptation will be made available to new immigrants, adaptation and language training will be offered, groups (networks) involved with the target group will be empowered and the creation of various cooperation platforms will be supported.

The provision of information will help empower newly arrived immigrants and poorly integrated permanent residents (the target group) for participation in society, giving them access to practical information (incl. before entering the country in the case of new immigrants, which will enable them to adapt more quickly to everyday life in Estonia). The provision of labour market information will also help the target group to more easily find a suitable job and be better informed about what is happening on the labour market, which will increase chances of achieving employment.

The lack of language skills is a major obstacle to the target group's adaptation and integration. The adaptation programme (for new immigrants) and the integration programme will include language studies. Language proficiency will also be improved through activities involving non-formal training. The provision of language learning opportunities will help both newly arrived immigrants and poorly integrated permanent residents to better cope with everyday life, and will place them in a better position for entry or participation in the labour market. The proposed activities will include both formal education and language immersion-type activities.

Newly arrived immigrants will be offered adaptation training. The purpose of the training is to provide newly arrived immigrants with essential knowledge about the country and the competence necessary to be able to handle practical matters of everyday life in Estonia. To implement the adaptation programme, baseline surveys will be carried out, and the adaptation training courses to be conducted under the programme, including the essential language studies, as well as instructional and informational materials, knowledge tests etc. will be developed. The adaptation training is primarily designed to provide newly arrived immigrants who have arrived in Estonia for the first time or are about to migrate to Estonia with information that supports the adaptation process.

Integration training will be offered to poorly integrated permanent residents to facilitate their integration. To conduct the integration training, baseline surveys will be carried out, courses and instructional materials will be devised, and the conducting of training courses flexibly, based on the needs of the target group, will be ensured. In the course of the integration programme, the linguistic competence, social skills and practical contacts of newly arrived immigrants and poorly integrated permanent residents will be increased, the knowledge necessary to obtain citizenship and the cultural and social competences necessary to play an active part in society will be developed. The integration programme will indirectly contribute to the achievement of the objectives of the measure also through the strengthening of a common communication field, which includes values shared by all groups in society and aimed at a positive reciprocal dialogue, thereby increasing the openness of society, ensuring access to the labour market and advancing there.

In order to launch a support system for integration and adaptation and facilitate the creation of support networks, baseline surveys will be commissioned; the stakeholders, services in need of development and capacity of existing service providers will be mapped; and support will be provided for the development of specific services based on the needs of new immigrants. The development and creation of the support structures and services for the integration and adaptation programmes will enhance the capacity of the state, local authorities and non-profit and private sector organisations to offer or intermediate services and information necessary for the target groups of the measures, while strengthening cooperation between the public, third and private sectors and higher education and research institutions that deal with new immigrants. Increasing the capacity of service providers will ensure the availability and quality of the (support) services offered. To ensure more equal labour market mobility opportunities for people from different cultures, attention will be paid to the shaping of attitudes. With a view to increasing cohesion and tolerance in society in general, support will be provided for media and information activities among new immigrants, poorly integrated permanent residents and the main population, as well as for activities that aim to improve cooperation between people and organisations, including public, private and third sector organisations. The publicity and collaborative activities will support the education of values in the formal education system by engendering equal treatment, European democratic values and a common national identity.

Activities targeting poorly integrated permanent residents will help them become more active and start benefitting from active labour market measures, lifelong learning or other support services. The activities are therefore an important prerequisite for the target group starting to use the labour market services provided under Thematic Objective No. 8 and nationally funded by the Unemployment Insurance Fund, and participating in continuing education offered under Thematic Objective No. 10. The adaptation of newly arrived immigrants to society is one of the preconditions for increasing the supply of skilled labour, and thereby supports the specific objectives of using EU funds under Thematic Objectives No. 1 and 3.

Activities will be developed and implemented in conjunction with those of the Asylum, Migration and Integration Fund to avoid any overlapping activities and achieve better consistency in the implementation of activities.

To improve the employability of young people and increase their inclusion, it is intended to carry out activities that prevent exclusion among young people aged 7–26 years, as well as reactive activities targeting the young people who are already having difficulties.

By way of preventive activities, youth work and other services provided through networking will be used to increase the contact of youth in studies with the world of work. Young people will be given opportunities to acquire, in a non-formal environment, the skills that are necessary for achieving employment, and to obtain a work experience and more knowledge for smooth transition to the labour market. Target group-based projects introducing the world of work will be launched, incl. projects involving information about working life, the acquisition through non-formal learning of social competences required for working, support for the creation of work clubs etc. With a view to coaching young people for working life, supervised volunteering opportunities will be introduced in youth work establishments and associations. Support will also be provided for cooperation with employers to ensure that the skills and experience of young people are better taken into account. Mobile consulting will be offered, as well. Young people's entrepreneurial spirit will be enhanced by supporting the sense of initiative of young people (especially those who are less active) through various innovative solutions.

To reduce the impact of unequal conditions on young people's development opportunities and prevent the risk of youth exclusion, youth work services will be made available to young people at risk of poverty and exclusion, and support will be provided for their participation in evidence-

based programmes that help them acquire the knowledge and skills needed for life and personal development.

Support measures for reintegration of NEETs in education and/or their successful entry to the labour market will be launched. The measures will focus on finding and motivating NEETs and young people at risk of exclusion through outreach youth work and other interventions of local networks so as to encourage such young people to acquire knowledge and skills or enter the labour market.

Youth workers will contact NEETs, encourage them to participate, inform NEETs about their opportunities, map the obstacles to participation in employment or education, support them in the elimination of those obstacles, and recommend the necessary services. Individualised programmes will be offered to the young people who are in the most complicated situation. With a view to designing services that are based on the needs of NEETs, support will be provided for consistent evaluation of methodologies and monitoring of the situation of young people.

In order to prevent risk behaviour by young people and provide systematic interventions, it is intended to test and adapt prevention programmes and to identify and resolve, through networking, the problems of the target group, including minors and families, and to promote healthy lifestyles and a secure living environment at the local level via the implementation of networking principles.

To support the activities described above, the competence of youth workers, youth leaders and hobby school workers for working with young people will be improved (methodology-based training courses).

The interventions have been designed taking into account the combined effect of the activities to be carried out in the spheres of education, youth and employment. For the purpose of inclusion of young people and improving their employability, two of the three measures being planned in Estonia with a view to implementing the EU Youth Guarantee will be taken under this priority axis. The third Youth Guarantee measure, 'My first job', will be implemented under the third priority axis along with other new labour market measures targeted at risk groups. In addition, the state will ensure the provision of all of the current youth work services and labour market services to young people. It is also important to ensure the combined effect of the interventions with the provision of career services and with the activities that aim to match training with the needs of the labour market to be implemented under the first priority axis.

2.2.7.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of labour supply, and pursue in the best possible way the government's policy priorities of increasing the impact and sustainability of financing of the active labour market policy; and bringing labour qualifications into conformity with the needs of the contemporary labour market (incl. by making better use of the opportunities of EU internal market and other policies) and increasing the share of people with professional education at the vocational and higher educational levels.

The projects that promote cooperation in the provision of services will be preferred.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

For implementation of country-specific recommendation nr 5, before the support is provided to youthwork services, the minimum criteria of quality, optimal service area or the criteria for identification of service area, the cooperation models and ways of achieving financial sustainability have to be described.

2.2.7.3 Planned use of financial instruments

None

2.2.7.4 Planned use of major projects

None

2.2.7.5 Output indicators by investment priority and, if appropriate, by category of region

Table 22. Common and programme-specific output indicators

I D	Indicator	Measurem ent unit	Fund	Category of region	Target value (2023)			Source of data	Frequen cy of reportin g
					M	W	T		
	Number of people participating in integration and adaptation training	Person	ESF	Less developed	-	-	18 343	Implementing body	Once a year
	Number of services developed to support the adaptation of new immigrants	Service developed	ESF	Less developed			25 ⁵⁴	Implementing body	Once a year
	Number of people using the support system	Person	ESF	Less developed	-	-	10 500	Implementing body	Once a year
	Number of participants by cooperation and communication activities	Person	ESF	Less developed	-	-	155 000	Implementing body	Once a year
	Total number or participants	Person	ESF	Less developed	-	-	199 000	Implementing body	Once a year

⁵⁴ The target level "100" (set with the approval of the programme in 2014) will be changed to „25“ to reflect the methodological change, since services and their activities foreseen in the planning phase are now redesigned into more holistic and complex services that follow the national strategic planning principles.

	in youth work services								
	Number of NEETs (aged 15–26) who have received services	Person	ESF	Less developed	-	-	15 000	Implementing body	Once a year
	Number of young people at risk who have received services	Person	ESF	Less developed	-	-	360	Implementing body	Once a year
	Number of people benefiting from prevention services	Person	ESF	Less developed	-	-	4 300	Implementing body	Once a year

2.2.8 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

No direct intervention to promote social innovation is envisaged under the priority axis. However, applications can be submitted for social enterprises and joint projects that contribute to social innovation. Support will be provided for cooperation between local authorities and between partners (e.g. third sector, social enterprises and employment services) and local authorities which is aimed at improving the availability and quality of social services. The action and operations to be carried out under the priority axis are targeted primarily at the development of services that increase the opportunities of currently inactive people to enter the labour market, thereby contributing to the employment and growth objectives of the EU. The actions of the axis have a stronger relationship with Thematic Objectives No. 1–3 of the EU.

Integrated and more accessible welfare and childcare services will significantly improve the integration of caregivers on the labour market. Also, the services to be piloted under the priority axis and targeted at the risk groups of the labour market (such as people with multiple problems, people to be released from prison and alcohol abusers) will enhance employability. Enhancement of employability and inclusion of people in the labour market will reduce the impact associated with the realisation of demographic trends – the decline and ageing of the working-age population – and contribute to Thematic Objective No. 3 by supplying the necessary workforce, in particular to small and medium-sized enterprises, which in 2011 represented 99.7% of all enterprises in Estonia (people employed in this sector accounting for 77.6% of total employment)⁵⁵.

The low competitiveness of enterprises in Estonia is often explained by the shortage of skilled employees, notably the lack of highly qualified engineers and proficient managers. In order to improve the international competitiveness of enterprises, attract foreign direct investments with better export potential and higher value-added and increase and improve the quality of private investment in RD&I, Thematic Objectives No. 1 and No. 3 will be pursued by promoting the immigration of skilled labour and implementing adaptation programmes for new immigrants and their family members, thus supporting the free movement of labour and better utilisation of people's skills in Member States of the European Union and European Economic Area. This will

⁵⁵ *Enterprise and Industry SBA Fact Sheet 2012 Estonia*

contribute to achieving results under Thematic Objectives No. 1 and No. 3 in terms of increasing the competitiveness of Estonian enterprises.

No activities to support international cooperation are being specifically planned under this priority axis, but opportunities for such cooperation will be considered in the further development of activities. International experience will also be taken into account when developing services.

An important role in all of the activities and services to be delivered and developed under the priority axis will be played by the implementation of ICT and the facilitation of public access through the use of modern technology. To improve the availability of services, information portals will be developed and ICT solutions will be used to activate people with special needs and improve their ability to cope independently, which creates a link with Thematic Objective No. 2 and contributes to the complementarity of the objectives. Links with Thematic Objectives No. 4-7 are more indirect, and action to be carried out under the priority axis cannot be directly associated with them.

2.2.9 Performance framework

Table 23. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF	Less developed	71 242 592	-	-	296 540 863	Certifying authority	The final target represents the total support and includes uncertified expenditure
Financial indicator			Euro	ESF	Less developed	54 830 752	-	-	168 814 271	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Number of people who have received welfare services	Receiver of service	ESF	Less developed	4620	-	-	10 100	Implementing body	

Output indicator		Number of custodians who have received at least one support service for children with disabilities per one handicapped child	Receiver of service	ESF	Less developed	2 400	-	-	3 200	Implementing body	
Output indicator		Number of modernised primary health care centres	Primary health care centre	ERDF	Less developed	11	-	-	50	Implementing body	
Output indicator		Number of high-quality service places created	Service place	ERDF	Less developed	640	-	-	1 700	Implementing body	
Output indicator		Number of disabled people provided with suitable housing	Person	ERDF	Less developed	45	-	-	2 000	Implementing body	
Output indicator		Number of people participating in integration and adaptation training	Person	ESF	Less developed	5 853	-	-	18 343	Implementing body	
Output indicator		Total number of participants in youth work services	Person	ESF	Less developed	130 600	-	-	199 000 199 500	Implementing body	

2.2.10 Categories of intervention under the priority axis

Table 24. Categories of intervention

Fund and category of region	ERDF: Less developed regions				
Table 7: Dimension 1 Intervention field	Table 8: Dimension 2 Form of finance	Table 9: Dimension 3 Territory	Table 10: Dimension 4 Territorial	Table 11: Dimension 6 ESF secondary theme (ESF only)	

						delivery mechanisms			
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
053	147 573 197	01	204 654 743	01	95 878 159	07	204 654 743		
055	57 081 546			02	49 313 991				
				03	49 313 991				
				07	10 148 602				
Fund and category of region		ESF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
109	105 769 209	01	141 465 851	07	141 465 851	07	141 465 851	06	127 572 733
112	35 696 642							08	13 893 118

2.2.11 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.3 Improvement of access to, and prevention of dropping out of, the labour market

2.3.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

Not applicable

Investment priority 1 of the priority axis: Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

2.3.2 Specific objectives corresponding to the investment priority and expected results

2.3.2.1 Specific objective 1. Increased labour market participation and employment of people with reduced ability to work; slowing the decline in the working-age population's ability to work

Over the past 10 years, the number of people with a permanent loss of working ability has doubled, reaching more than 98,000 (over 11% of the working-age population) by 2013. Men accounted for 49.7% and women accounted for 50.3% of such people. 47.3% of women and 34.7% of men with a loss of working ability participate in the labour market. 14.1% of such men and 8.5% of such women have lower secondary education; 58.3% of men and 70.4% of women have upper secondary education; 18.9% of men and 7.3% of women have vocational education; and 6.4% of men and 13.4% of women have higher education. The Ministry of Social Affairs estimates that if the current scheme continues, the number of people receiving a pension for incapacity for

work will reach around 116,000 by 2020, and the expenditure on pensions for incapacity for work will grow 1.65 times compared to today's level.

The significant percentage of people receiving a pension for incapacity for work is linked to the bases used to assess permanent loss of working ability: under the current scheme, these focus on the medical condition, not the person's actual ability to work. The number of people receiving a pension for incapacity for work is growing rapidly, while the levels of exiting the scheme are low. Measures supporting participation in employment (such as medical rehabilitation and assistive devices) are not accessible, and incapacity to work pensioners rarely participate in active measures. To increase the employment opportunities of people with reduced working ability, a new comprehensive working ability assessment and benefit scheme needs to be established and support services must be provided. As a result of the reform, people's ability to work, not their incapacity for work, will be assessed, and services will be offered to people with health problems which will assist them in finding work and remaining in employment, thereby ensuring the sustainability of the new scheme.

Up to a third of the loss of health in the population is related to factors arising from the living, working and study environment. The work-related accident rate is showing an upward trend: the number of occupational accidents per 100,000 employees was 673 in 2013 (495 in 2009). The number of registered work-related illnesses and occupational diseases has been more or less unchanged in recent years, but many work-related illnesses and occupational diseases remain unregistered. Awareness of working age population about the requirements for working conditions is poor. Interventions will contribute to the improvement of awareness and working conditions, including working in a healthy environment, with the ultimate aim of preventing a decline in working ability and dropping out of employment.

Table 25. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Share of employed people with reduced capacity for work who have retained their job 12 months after receiving services via the work capacity reform	Less developed	Participant	Not applicable	90		2015			90	Ministry of Social Affairs	Once a year
	Share of non-working people with reduced	Less developed	Participant	Not applicable	8		2015			26	Ministry of Social	Once a year

capacity for work who participate in employment 12 months after the start of receiving services via the work capacity reform											Affairs	
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2.3.2.2 Specific objective 2. Increased employment of the target groups of lower employability who have participated in active labour market measures

The economic crisis affected the least competitive target groups on the labour market the most. Unemployment among young people (aged 15–24) continues to be high (20.9%)⁵⁶ compared to the pre-crisis levels⁵⁷. In 2012, 8900 men and 5700 women were unemployed, 49% of whom (4400 men and 3200 women) had been unemployed for longer than six months. Limited experience and lack of professional skills make it difficult for young people to access employment. In 2012, 61% of the young unemployed lacked any vocational, occupational or professional education; 51% of unemployed men and 46% of unemployed women in the age group 15–24 lacked any prior work experience. The share of long-term unemployed among the unemployed is also high (55% of unemployed men and 53% of unemployed women). The low level of skills can be regarded as the main reason for long-term unemployment. In 2012, 41% of long-term unemployed women and 54% of long-term unemployed men lacked any vocational, occupational or professional education. Inadequate official language skills may also hinder access to employment for them. In 2012, 40% of the long-term unemployed stated that they did not speak Estonian. Both employment and unemployment figures differ by region. The employment rate (among those aged 20–64) is highest in Tallinn (78%; women 73%, men 81%) and lowest in Valga (55%; women 57%, men 53%), Ida-Viru (62%; women 57%, men 53%), Põlva (64%; women 61%, men 67%) and Võru (65%; women 67%, men 62%) counties. The low supply of labour, due to people exiting employment because of age, will become a problem in the coming years. The proportion of older people (aged 50 and older) in the population is currently 36% and will continue to increase according to the population forecast, reaching 43% in 2045. In the context of an ageing and decreasing population, it is crucial to make use of the labour market potential of all people, including those who have reached retirement age.

Interventions will support the achieving and retaining of employment and access to jobs among target groups of lower employability. Interventions will result in a higher rate of participation of young people, older people and the long-term unemployed in employment, and slow the widening of the employment and unemployment gap between regions.

Table 26. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of	Measurement	Common output	Baseline value	Measurement	Baseline year	Target value (2023)	Source	Frequency
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⁵⁶ Remark: all unemployment rate figures are average figures for 2012.

⁵⁷ Statistics Estonia, Estonian Labour Force Survey

		region	unit for indicator	indicator used as basis		unit for baseline and target		M	W	T	of data	of reporting
	Participants who are participating in employment 6 months after receiving labour market services	Less developed	Participant	Not applicable	36	%	2014	-	-	40	Monitoring data	Once a year

2.3.3 Actions to be supported under the investment priority

2.3.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

To reduce people's health problems and increase the participation of those with a partial loss of health in employment, a reform of the working ability assessment and benefit scheme will be carried out. As a result of the reform a comprehensive system will be created within which people will be offered assistance and support at the earliest opportunity, so as for them to be able to remain in or return to employment. The aim of the reform is to transfer from an assessment of incapacity for work to an assessment of remaining ability to work. The assessment should determine a person's working ability in terms of whether they could do suitable work under suitable working conditions and in a suitable working environment, and they would be offered the necessary rehabilitation measures supporting their ability to work. The assessment of working ability will include recommendations on what kind of job-related functions a person can perform and to what extent, what the suitable working conditions are and whether there is a need for assistive devices, rehabilitation or adaptation of premises and tools. To this end, a methodology for assessment of working ability will be developed with the help of the ESF, pilot projects involving smaller target groups will be carried out, if necessary, and impact analyses will be commissioned. Also, the users of the assessment methodology will be trained. The assessment of working ability will be financed from the operating expenses of the Estonian Unemployment Insurance Fund. Based on the results of the assessment of working ability and the severity of disabilities ascertained, as well as for the cases of permanent incapacity for work, services will be developed and offered with the support of the ESF (e.g. active labour market measures [incl. measures offered to employers], rehabilitation services that support the achieving and retaining of employment, personal assistive devices, social services and individual solutions) in order to support the employment and working of people with reduced working ability. In addition, specialists working with people with a loss of ability to work will be trained and advised, and activities (e.g. advisory services) will be targeted at employers who need support to keep those with a loss of ability to work in employment or to recruit such people. The assessment of working ability, finding suitable jobs and payment of benefits will be concentrated into a single institution (the Estonian Unemployment Insurance Fund); services will be organised and provided by different institutions – the Unemployment Insurance Fund, the Social Insurance Board and local

authorities – in accordance with their roles and areas of competence and responsibility. To ensure the smooth implementation of the reform and the exchange of data, an analysis of data exchange needs across the working ability assessment and benefit scheme will be carried out, the necessary data exchange system will be developed and inter-agency cooperation will be tested. The parties involved and the public will be informed of the changes resulting from the reform. In addition to the implementation of the reform, preventive interventions are being planned. Support will be provided for activities that aim to shape the conscious behaviour of employers and employees in the working environment and labour relations. The action to be supported will contribute to the improvement of working conditions and promote working in a healthy environment, with the ultimate aim of preventing a decline in working ability and dropping out of employment. The action will take into account the risks to employees' health resulting from working conditions prevailing in different areas of activity. The action will improve work culture at the workplace; help companies to assess the risks arising from the working environment and to prevent health risks to employees; helps to shape informed behaviour in working relations, including the use of flexible forms of work and the implementation of working environment practices in the company; promotes the inclusion of the participants in the labour market in order to improve the working environment and relations. It is also planned to support knowledge-based policy-making to ensure that the justified, effective and targeted goals of the activities are achieved.

The Unemployment Insurance Fund⁵⁸ provided 20 different social services to job-seekers and employers in 2013. To ensure that the assistance of the Unemployment Insurance Fund actually supports the elimination of the obstacles faced by job-seekers in accessing employment, the labour market situation and the individual circumstances of people looking for work have been taken into account in the development of labour market services. Several new and improved labour market services have been developed which consider the changes on the labour market, the range of beneficiaries of the services has been expanded and the volumes of services have been increased. The existing package of services should be complemented with additional services to assist target groups of lower employability in accessing employment, and services should be provided to previously uncovered groups (such as people who have reached retirement age) in order to prevent unemployment and to support the retention of employment.

Long-term and low-skilled unemployed and other risk groups on the labour market often need longer-term training, more support and an individual approach to increase their employability and enter the labour market. Local community-level activities providing specific solutions based on local circumstances and opportunities are essential for these target groups. In addition to the service providers operating within the national labour market system it is therefore necessary to involve other stakeholders and to encourage their cooperation at the local level. To support the employment of less competitive target groups, local cooperation will be promoted which contributes to the entry to the labour market of low-skilled people and/or those with multiple problems and the long-term unemployed. Support will be provided for activities that help prepare the target groups for the improvement of their skills and/or offer support during the period of acquiring the necessary skills.

In order to reduce unemployment in areas where jobs are scarce, people should be encouraged to take up jobs further away from where they live. Around 20% of employed people currently work

⁵⁸ Under the Labour Market Services and Benefits Act and the Employment Programme 2012-2013 established by a Government of the Republic Regulation

in a county which is not their county of residence. To promote greater mobility, a support scheme will be offered to unemployed people who are willing to take a job further away from home.⁵⁹

The activities to be carried out under Thematic Objective No. 10, which aim to increase the share of adults with occupational and professional qualifications and to enhance their key competences, will also help low-skilled unemployed people and labour-market risk groups to access employment. Local labour-market initiatives will also be supported through local labour market programmes to be developed and implemented under priority axis 5, and through support for the creation of jobs. Therefore, there is a need for cooperation in the development and implementation of activities.

The weaker position of young people on the labour market and the persistently high youth employment rate suggest that additional labour market services need to be provided to them and that coherence between the measures targeted at this target group must be improved. To increase the participation of young people in employment, the new labour market service 'My first job' will be created for young people who have neither professional education nor work experience. The service is designed to motivate employers, through a wage subsidy, to hire young men and women to provide them with the necessary skills and work experience. 'My first job' will be one of the three measures being planned in Estonia with a view to implementing the EU Youth Guarantee, which is planned to reduce youth unemployment. Interventions targeted at young people and planned to prevent unemployment and activate NEETs will be implemented under the 'Social cohesion' priority axis with a view to improving the employability of young people, especially those at risk of exclusion. In addition, the state will ensure the provision of all of the current labour market services to young people. Career guidance, employment training and practical training were the most popular services of the Unemployment Insurance Fund among young people in 2013.

The number of employees who have reached retirement age has increased over the years. In 2012, more than 41,000 old-age pensioners were still in employment; 64% of them were women. The number of such employees indicates the willingness of the workforce to work beyond retirement age. In the context of an aging and decreasing population, it is crucial to make use of the labour market potential of all people, including those who have reached retirement age. However, as not all older people are able to remain on the labour market without supporting services, it is necessary to provide men and women who have reached retirement age with labour services that support their employment and job retention. Therefore, the availability of the labour market services provided by the Unemployment Insurance Fund will be extended to people who have reached retirement age.

2.3.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of labour supply, and pursue in the best possible way the government's policy priorities of increasing the impact and sustainability of financing of the active labour market policy; bringing labour qualifications into conformity with the needs of the

⁵⁹ A national labour mobility survey (2011) revealed that distance is an important factor that affects the selection of jobs by people in Estonia (46% consider it very important and 36% somewhat important) and that the considerable expenses associated with taking up a job further away is regarded as the main problem.

contemporary labour market (incl. by making better use of the opportunities of EU internal market and other policies) and increasing the share of people with professional education at the vocational and higher educational levels.

The implementation of activities will be based on the principle of contribution to more equal opportunities of men and women on the labour market. In open calls for proposals, preference will be given to projects that foster social innovation and cooperation between different actors and sectors.

In the case of activities that create or launch new services, it must be clear how the provision of these services can continue after EU funding comes to an end: there must be a plan for transferring from EU funding to another source of funding, either immediately or gradually, and the plan must have the approval of the Ministry of Finance.

2.3.3.3 Planned use of financial instruments

None

2.3.3.4 Planned use of major projects

None

2.3.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 27. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	The reform of the working ability assessment and benefit scheme has been implemented, the public have been informed of the changes resulting from the reform, ability to work is being assessed under new principles and data are being exchanged between the parties involved	Yes/no	ESF	Less developed	-	-	Yes	Implementing body	Once a year
	Number of people with reduced working ability who have received services in the context of the reform	Person	ESF	Less developed	-	-	57 300	Implementing body	Once a year
	Number of people who have received active labour market services	Person	ESF	Less developed	-	-	176 40	Implementing body	Once a year
	Number of activities supporting employers and employees	Number of activities	ESF	Less developed	-	-	1 200	Implementing body	Once a year

2.3.4 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

The aim of the interventions to be carried out under the priority axis is to develop and provide services that enable the employment of currently unemployed or inactive people to be increased and the employment and growth objectives of the EU to thereby be achieved. The long-term and large-scale reform of the working ability assessment and benefit scheme and the diversification of the supply of labour market services will result in people with partial working ability and people in a weaker position on the labour market being integrated in employment significantly more effectively. Greater inclusion of people in the labour market will reduce the risks associated with the realisation of demographic trends (decline and ageing of the working-age population) and contribute to Thematic Objective No. 3 by supplying the necessary workforce in particular to small and medium-sized enterprises, which in 2011 represented 99.7 % of all enterprises in Estonia (people employed in this sector accounting for 77.6% of total employment)⁶⁰. Links with Thematic Objectives No. 1, 2, 4, 5, 6 and 7 are more indirect.

The reform of the working ability assessment and benefit scheme will also contribute to social innovation. The aim of the reform is to increase the opportunities of people with health problems and reduced working ability to access and remain in employment through labour market measures, supporting services and assistive devices. Social innovation will also be supported by open calls for proposals being planned under the priority axis with the aim of enabling various organisations (local authorities, the third sector, social enterprises etc.) to carry out projects that help target groups with more specific needs to access employment. Projects that involve cooperation will be preferred in open calls for proposals.

No activities to support international cooperation are being specifically planned under this priority axis, but opportunities for such cooperation will be considered in the further development of activities. Projects that contribute to social innovation and cooperation will be preferred in open calls for proposals.

2.3.5 Performance framework

Table 28. Performance framework of the priority axis

Indicator or type	ID	Indicator or implementation step	Measure unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ESF	Less developed	73 148 145	-	-	241 052 481	Certifying authority	The final target represents the

⁶⁰ *Enterprise and Industry SBA Fact Sheet 2012 Estonia*

											total support and includes uncertified expenditure
Output indicator		Number of people with reduced working ability who have received services in the context of the reform	Person	ESF	Less developed	31 420	-	-	57 300	Implementing body	
Output indicator		Number of people who have received active labour market services	Person	ESF	Less developed	5 380	-	-	17 640	Implementing body	

2.3.6 Categories of intervention under the priority axis

Table 29. Categories of intervention

Fund and category of region		ESF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
102	203 605 301	01	203 605 301	07	203 605 301	07	203 605 301	02	203 605 301

2.3.7 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.4 Growth-capable entrepreneurship and internationally competitive RD&I

2.4.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

Priority axis “Growth-capable entrepreneurship and internationally competitive research and development activities” consists of the objectives set in the framework of two ERDF investment priorities of Thematic Objective No. 1 “Strengthening research, technological development and innovation”. In addition to the activities financed from the ERDF that ensure that the R&D is of

high-level and that Estonia is active and visible in the cooperation related to international R&D and innovation, and that the R&D and innovation system supports both the structure of economy becoming more knowledge-intensive and solving social challenges, it is also necessary that, for ensuring R&D that supports internationally competitive and knowledge-intensive economy, investments are also needed from ESF under thematic objective 10 “investing in education, training and vocational training for skills and life-long learning” to develop the research capacity of universities and entrepreneurs and rise the quality and effectiveness of higher education. ESF investments will contribute to scientific research, development of technology and innovation by developing post-graduate studies and entrepreneurship skills, training scientists and establishment of networks and partnerships between institutions of higher education, research and technology centres and companies. Therefore, it is feasible to carry out ESF and ERDF activities in the priority axis in an integrated manner and equip infrastructure objects established with ERDF investments with smart content and sufficient human resources. Combining ESF and ERDF type activities ensures the complete development of the field, which in turn means the greatest possible development. In addition to infrastructure acquisition the sustainable development of this area is ensured by training future scientists, service development and improving the cooperation between companies and R&D institutions.

Investment priority 1 of the priority axis: Enhancing research and innovation (R&I) infrastructure and capacities to develop R&I excellence, and promoting centres of competence, in particular those of European interest

2.4.2 *Specific objectives corresponding to the investment priority and expected results*

2.4.2.1 *Specific objective 1. R&D is of a high level, and Estonia is active and visible in international RDI cooperation*

Although Estonia has been relatively successful in improving the quality and increasing the volume of R&D since regaining its independence, we have not been able to attain the EU average of several indicators: for example, the EU composite indicator of research excellence⁶¹ (54% of the EU average in 2010); Estonia’s success in the Seventh Framework Programme of the EU (the volume of contracts received per capita was 87% of the EU average in 2012); the share of Estonian high-level articles among the top 10% most cited science articles in the world (Estonia: 7.5%; EU: 10.9% in 2008); the number of patents and the share of foreign doctoral students, etc. (see the Innovation Union Scoreboard). Investments made so far have helped create more modern conditions and a more attractive environment for research, increase the number of current and future researchers and widen international cooperation possibilities. Further challenges are to improve the cooperation (incl. international research cooperation) of the state, R&D institutions and enterprises so that Estonia is able to share the results of joint initiatives and has better prospects to apply them for the benefit of the country’s economy and society.

The activities to be carried out are expected to ensure that a network of research institutions and higher education institutions will operate efficiently and that their responsibility areas and the smart specialisation growth areas will be backed with modern and innovative infrastructure. Research careers will be popular, the effectiveness of doctoral studies will improve and the number of specialists with a doctoral degree will increase (in particular in the business sector in order to increase the level of research activities in the business sector). Estonia will be an

⁶¹ Compound Indicator of Research Excellence 2010. European Commission, JRC

attractive place for R&D work and studies; the mobility of researchers and students will increase and be balanced.

Through strengthening the “knowledge triangle”⁶² the volume of cooperation between R&D institutions, higher education institutions and the business sector has increased and so has the motivation of the public sector R&D institutions to engage in applied research for the benefit of enterprises. The world’s latest research results, cooperation opportunities and infrastructure will be available to enterprises and R&D institutions. Estonian enterprises, R&D institutions and higher education institutions will be integrated into international cooperation networks (incl. Horizon 2020 and regional initiatives). These objectives contribute to the increased productivity and R&D investment objectives of ‘Estonia 2020’ and ‘Europe 2020’.

Table 30. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measure ment unit	Catego ry of region	Base line valu e	Base line year	Target value (2023)	Source of data	Frequenc y of reporting
	Proportion of public-sector R&D expenditure financed by the private sector	%	Less developed	3.1	2012	7	Eurostat	Once a year
	Estonia’s success in Horizon 2020 – the EU Framework Programme for Research and Innovation: volume of contracts received per capita	% of EU average; EU = 100	Less developed	87 ⁶³	2012	100	Eurostat, Horizon 2020 database	Once a year

2.4.3 Actions to be supported under the investment priority

2.4.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

The activities to be supported under this investment priority will be fully in line with the smart specialisation framework which consists of the R&D and innovation strategy and the business growth strategy⁶⁴. In order to achieve the objectives of the investment priority, it is planned to support the institutional reforms (to bring them in line with the needs of the economy and society), cutting-edge research and international research cooperation of universities and R&D institutions, provide modern infrastructure (of significance both to the given institution and at the national level), ensure the mobility and future generations of students, teachers and researchers, and continue to popularise research. Specifically, the following interventions are being planned under the investment priority:

⁶² The knowledge triangle covers three aspects - higher education science and innovation and relations between them.

⁶³ Based on the data of the Seventh Framework Programme of the EU (as at 26 February 2013) and the population data for 2012

⁶⁴ A more detailed description of the strategic framework for smart specialisation is presented under specific objective 2.

1. An institutional package measure for R&D institutions and higher education institutions.

Under the package, support will be provided for institutions' comprehensive development plans that provide for structural changes and mergers in higher education and R&D institutions, the strengthening of responsibility areas and areas stipulated in their statutes as well as the development of the quality of the relevant academic and research activities (*stairway to excellence*), increasing the capacity of applied research, the development of services with a view to extending cooperation with the business sector, knowledge and technology transfer, the modernisation and making available of teaching and research equipment for the purpose of cooperation with the business sector, the supporting of the activities of doctoral schools (on the condition that cooperation between institutions is ensured), the development of international and joint curricula, and other activities needed for the strategic development of the institutions. The construction of buildings will be supported in a very few justified cases (considering development needs in smart specialisation growth areas and the responsibility areas of higher education). All infrastructure investments will be handled in conjunction with the development of the quality of research and teaching activities and human resource development activities. Activities that support doctoral studies will take into account the principles of European innovative doctoral studies. The package measure will support the implementation of the higher education reform and the reform programmes of research arrangements and other related activities.

2. Support for internationalisation, mobility and future generations in research and higher education. This includes mobility support for students, teachers and researchers⁶⁵ (to foster both cross-border and cross-sectoral cooperation and to support studies). In addition, doctoral studies and post-doctoral fellows will be supported in cooperation with business and public sector institutions. Furthermore, support will be given to bringing leading researchers and their research teams to Estonia, conditions will be created for fast mobility and recruitment procedures will be open, transparent and skill-based. Where possible and necessary, support will be provided for conducting research in Estonia proposed by those who have achieved high places in international high-level competitions (incl. e.g. ERC) but whose research grant applications have not received funding.

Support will also be provided for the participation of Estonia in the programme-based initiatives of the European Research Area, the Innovation Union and Horizon 2020 as well as in other partnerships; the creation of prerequisites for the implementation and adoption of these initiatives and partnerships in Estonia (incl. ERA Chair, teaming-twinning, ERA-NET, JPI, JTI, Art. 185 and 187 partnerships and the Knowledge and Innovation Communities of the EIT); and international marketing of research and higher education.

Internationalisation will be supported with a view to achieving synergy between the EU Funds and Horizon 2020 measures, incl. using the COFUND scheme options (e.g. for mobility schemes). It is important to take all cooperation opportunities offered by international research organisations and networks to Estonian R&D institutions and enterprises. Also, it is planned to support regional research cooperation in the Baltic and Nordic region (incl. for the purpose of achieving the objectives of the EU Strategy for the Baltic Sea Region and the agreement on research and higher education signed between the Ministers of Education and Research of the Baltic States in 2012). The development of international research cooperation with third

⁶⁵ With reference to the ERA key priority of an Open Labour Market for researchers: "The European Structural and Investment (ESI) Funds and other Union and national funding instruments will support programmes for human resources development for doctoral candidates and post docs, to foster their contribution to better linkages between higher education and business and the employability of post docs in local and regional enterprises. In line with the key priority for the European Research Area (ERA) of an open labour market for researchers, such training programmes will be aligned with the European Principles for Innovative Doctoral Training; recruitment procedures for research positions will be open, fair and merit-based and these positions will be published internationally (e.g. on EURAXESS)."

countries (incl. Asian and Eastern Partnership countries) will follow the EU's priorities and the development needs of Estonia.

3. Support for centres of excellence with a view to strengthening the international competitiveness and highest possible quality of research (stairway to excellence), improving performance, ensuring future generations of researchers, intensifying national and international research cooperation between institutions and increasing the international impact of Estonian research. A centre of excellence consists of one or more internationally high-level research teams that have a clear set of common research objectives and work under the same management. A centre of excellence may be formed from the research teams of one or several R&D institutions (incl. researchers working in the private sector). The aim of centres of excellence is to support high-level research, thus creating preconditions for the improved cooperation and competitiveness of Estonian research in the European Research Area and to increase the participation and success of Estonia in the EU research framework programme Horizon 2020.

4. Support for research infrastructure of national importance on the basis of a roadmap in order to, inter alia, provide Estonian R&D institutions and enterprises with access to and opportunities for participation in the research infrastructure of the ESFRI Roadmap and other international research infrastructure, considering the needs of smart specialisation. It is also important to develop national research infrastructure and to open it up to other research institutions, foreign partners and enterprises. Research infrastructure includes conditions, resources and related services required by researchers in order to develop efficient frontier research on the EU level and to transfer, exchange and collect knowledge. Research infrastructure also includes basic equipment, apparatuses, collections, archives and structured information, the availability of ICT infrastructure and other unique or specific research infrastructure (incl. distributed and electronic infrastructure). Investments are planned on the basis of the national research infrastructure roadmap, which is a long-term planning tool that includes a list of nationally important components of research infrastructure that need to be constructed or modernised and Estonia's participation in international research infrastructure.

5. Popularisation of research among young people and in society as a whole. To make research careers more popular in particular in the areas of smart specialisation relevant for companies and to increase the share of people who receive a degree in natural, technological and exact sciences (NTES), the work and occupation of researcher need to be promoted through the media and events, to engage more companies in the promotion of research and NTES specialties and to develop attractive and modern NTES content in general and hobby education. Inter alia, support will be given to the development of research communication, cooperation with research institutions and media organisations and production of attractive research broadcasts for young people and society (using the opportunities offered by cross media). Furthermore, support will be given for the development of attractive and modern NTES content for general and hobby education, as well as for improvement of the quality and availability of career information in the area of NTES in cooperation with enterprises. Support will be provided for systematic events, series of events and other initiatives that promote research (focusing, in particular, on smart specialisation areas relevant for companies).

The main target groups of interventions are school pupils and students, as well as public sector R&D institutions, universities, other higher education institutions, researchers, teaching staff, enterprises, research centres, media partners, general education schools and hobby schools and groups.

Links to other interventions

The activities to be carried out under this specific objective and investment priority will directly support the other objectives of this priority axis (in particular specific objective 2 and the RD&I

system supports the development of a more knowledge-intensive structure of the economy and functions for the benefit of society'). Specific objective 1 supports above all the development of the capacity of public R&D institutions and the improving of the quality of research and higher education (stairway to excellence), while specific objective 2 supports the use of the capacity of R&D institutions to expand cooperation between companies for the benefit of society.

There are also direct links to the ESF measure 'Matching training with labour market needs'.

The planning of interventions for the period 2014–2020 builds on the best practice and experiences from the period 2007–2013, and a smooth transition from one period to another will be ensured where possible and appropriate.

2.4.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The supported activities will be fully in line with the smart specialisation framework. Preference will be given to activities that contribute to the needs of smart specialisation growth areas. The activities must contribute more to human resource development in terms of both ensuring future generations and the development of relevant skills, as well as activities that support an increase in R&D investments, especially in the private sector, and that facilitate cooperation between R&D institutions, higher education institutions and enterprises. Attention will be paid, among other things, to meeting the needs of the responsibility areas of higher education.

The selection of investments will be based on the need for integrated development of the responsibility areas of educational institutions. Only a few investments in buildings will be supported in responsibility areas where modern infrastructure is lacking (e.g. the field of creative services). Investment decisions will not be made as separate *ad hoc* decisions, but rather as 'tailored solutions' forming a part of institutional development support for higher education and R&D institutions to be approved as an investment plan at the level of the Government of the Republic. In the case of infrastructure investments, energy efficiency objectives will be considered among others.

As regards international research cooperation, priority will be given to investments that will enhance Estonia's participation and visibility in international research cooperation and leverage synergy between the objectives of the Structural Funds and Horizon 2020, while avoiding potential overlaps.

2.4.3.3 Planned use of financial instruments

The use of a financial instrument will be considered during the period.

2.4.3.4 Planned use of major projects

None

2.4.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 31. Common and programme-specific output indicators

I D	Indicator		Fund	Category of region		Source	
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		Measure ment unit			Target value (2023)				Frequency of reporting
					M	W	T		
	Number of researchers working in improved research infrastructure facilities	Full-time equivalent	ERDF	Less developed	-	-	750	Implementing body	Once a year
	Number of enterprises cooperating with research institutions	Enterprise	ERDF	Less developed	-	-	750	Implementing body	Once a year
	Proportion of higher education graduates in NTES (science and technology, engineering, production and construction)	%	ERDF	Less developed	-	-	25	Estonian Education Information System (EEIS)	Once a year
	Proportion of foreign researchers in the total number of researchers and engineers in Estonia	%	ERDF	Less developed	-	-	7,4	Statistics Estonia	Once a year
	Proportion of foreign students in Master's and doctoral studies	%	ERDF	Less developed	-	-	7,0	Estonian Education Information System (EEIS)	Once a year
	Number of publications published by researchers of centres of excellence in a year (WoS+ERIH A)	Publication	ERDF	Less developed	-	-	900	Implementing body	Once a year

Investment priority 2 of the priority axis: Promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies

2.4.4 Specific objectives corresponding to the investment priority and expected results

2.4.4.1 Specific objective 2. - The RD&I makes the structure of the economy more knowledge-intensive and addresses societal challenges

Estonia's economy has grown steadily – from 36% of the average EU GDP per capita in 1995 to 72% in 2013. The rapid growth enjoyed in the past is not likely to return in the same form. The economy grew before the crisis, as employment increased and enterprises were bolder in engaging capital (such as loans and investments). Technological development accounted for around a third of the economic growth. According to current estimates, the employment rate is

reaching a normal maximum level in Estonia and thus the further development of the economy must be based on technological development and capital-raising⁶⁶. Compared to the rest of Europe, Estonian enterprises are characterised by average innovation capacity, lower growth in additional revenue from sales of new products and services, and insufficient cooperation with R&D institutions⁶⁷.

The objective will be achieved through focused support for RD&I and entrepreneurship policy activities chosen under the smart specialisation methodology⁶⁸ and for sectoral applied research. Smart specialisation involves the identification, in cooperation between enterprises and research institutions, of sectors that are characterised by higher-than-average potential for growth as well as the opportunity to achieve an international competitive advantage through R&D and other investments. Based on the current specialisation of the Estonian economy and research, existing capabilities and the development trends in the world economy, the following growth areas have been suggested⁶⁹:

1. Information and Communication Technology (ICT) horizontally through other sectors⁷⁰
2. Health technologies and services⁷¹
3. More efficient use of resources⁷²

The analysis of the above smart specialisation areas continues in order to find, in cooperation with enterprises, the narrower niches which show the greatest potential. First, experts from the Estonian development Fund will map and analyse the sub-areas within these larger fields. They will analyse both the current situation and the potential within Estonia and globally. The next stage is development and validation in focus groups which are formed based on the initial input from sectoral experts. The focus groups include various parties – entrepreneurs, experts, researchers, etc. The focus groups are used as a platform for individual meetings with the main stakeholders, wider discussions and inclusion events (publishing and dissemination of documents, organisation of events, etc.). Suggestions for selecting sub-areas and the relevant actions developed and assessed by focus groups will be submitted to the steering committee of smart specialisation. The steering committee includes the representatives of the Estonian Chamber of Commerce and Industry, Estonian Service Industry Association, association Universities Estonia, Ministry of Economic Affairs and Communications, Ministry of Education and Research, Ministry of Finance and the Government Office. The steering committee will make advice the relevant ministries on sub-sectors and actions. The ministries will develop policy measures in line with the input received by way of entrepreneurial discovery. The process is repeated with required regularity.

The activities to be supported are expected to result in the rapid development of the growth areas and in R&D functioning in line with the interests and needs of the Estonian economy and society. R&D institutions will attach importance to applications developed as a result of R&D activities and

⁶⁶ Estonian Development Fund, 'Nutikas spetsialiseerumine – Kvalitatiivne analüüs' /Qualitative analysis of smart specialisation/, 20.02.2013,

http://www.arengufond.ee/upload/Editor/Publikatsioonid/Nutikas%20spetsialiseerumine%2020_02_2013.pdf

⁶⁷ Only 20% of innovative enterprises cooperate with universities.

⁶⁸ http://s3platform.jrc.ec.europa.eu/c/document_library/get_file?uuid=a39fd20b-9fbc-402b-be8c-b51d03450946&groupId=10157

⁶⁹ Estonian Development Fund, 'Nutikas spetsialiseerumine – Kvalitatiivne analüüs' /Qualitative analysis of smart specialisation/, 20.02.2013,

http://www.arengufond.ee/upload/Editor/Publikatsioonid/Nutikas%20spetsialiseerumine%2020_02_2013.pdf

⁷⁰ E.g. using ICT in industry (automation and robotics), cyber security and software development.

⁷¹ E.g. biotechnology and e-medicine.

⁷² E.g. materials science and industry, 'smart house', healthy food and chemical industry.

will be motivated to engage in applied research and cooperation with enterprises and state agencies. The state will be a smart contracting authority for applied research and development and socio-economic research will be organised efficiently. The share of knowledge-intensive entrepreneurship in the economy, and the value-added of exports, will grow significantly.

Table 32. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measur ement unit	Category of region	Baseli ne value	Baseli ne year	Target value (2023)	Source of data	Frequ ency of reporti ng
	Proportion of private sector R&D expenditure (% of GDP)	%	Less developed	1.26	2012	2	Eurostat	Once a year
	Share of surveyed enterprises having co-operation on innovation with universities or other higher education institutions	%	Less developed	4.2	2012	6.8	Statistics Estonia	Every two years

2.4.4.2 Specific objective 3. Innovative solutions increase resource productivity of enterprises

State's competitiveness depends ever more on the resource and energy efficiency of economy and the ability of various sectors to increase this efficiency by introducing new technologies and solutions. The products and services of the Estonian economy remain resource-intensive, and their energy and carbon intensity is one of the highest in the EU. The measures taken by enterprises to improve their production efficiency (incl. increasing the recycling of materials and waste, reducing waste generation and optimising energy consumption) have been insufficient. Economic growth is still accordingly accompanied by increasing use of energy and natural resources, waste generation, and negative environmental impact.

Both 'Europe 2020' and 'Estonia 2020' have the objective of ensuring sustainable and low-carbon economic growth and the R&D and innovation strategy identifies resource efficiency as one of the main growth areas. To ensure this, it is necessary to continue to decouple growth from increasing resource use. To maintain and further develop a competitive and varied industrial base, the industrial sector should be made more energy- and resource-efficient, technology and production methods that reduce the use of natural resources should be promoted, and investments in technology should be increased. It is necessary to increase the share of waste recycling, not the volume of natural resources used, in production.

The technological innovation to be introduced under this investment priority will increase the competitiveness of enterprises both applying and offering resource efficient technologies, stimulating eco-innovation and contribute to economic growth in the longer term and reduce the pollution load from production on the environment and human health. Introducing new resource efficient technologies and improvements will also create new market opportunities for enterprises, which supply such solutions to the industry. The objective of enhancing

competitiveness will also be pursued through the reduction in demand for primary raw materials by reducing waste generation, increasing the recycling of waste and preparing waste for reuse.

The proposed activities will contribute to the objectives of the European Commission's flagship initiative 'Resource-efficient Europe' and the EU Directives on industrial emissions, energy efficiency and waste through the introduction of best available technologies and the promotion of preparation of waste for reuse, and recycling of waste.

Table 33. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measure unit	Category of region	Base line value	Base line year	Target value (2023)	Source of data	Frequency of reporting
	Resource productivity	€/kg	Less developed	0,44	2013	0,49	Statistics Estonia	Once a year

2.4.4.3 Specific objective 4. Estonian enterprises offer innovative products and services with high value-added

Estonia's economic structure continues to be unfavourable compared to that of 'old Europe'. Entrepreneurship has been oriented towards a competitive edge based on cheaper input and towards the domestic market, and this does not enable an increase in productivity, employment and the overall welfare of society to be achieved. The low productivity (68.7% of the EU average in 2012) and value-added (35.8% of the EU average in manufacturing in 2010) per employee do not enable Estonian people to be provided with a living standard at the average EU level; this in turn amplifies problems related to the emigration of the working-age population and the ageing of the population.

Enterprises are managed similarly and little attention is paid to sectoral specificities or the sizes of enterprises. In many enterprises the CEO also performs the duties of export, marketing and design managers. Specialists with high-level, internationally competitive qualifications are needed to move enterprises to a higher position in the value chain. A particular problem is the inability of Estonian enterprises to develop globally successful brands. Although enterprises are aware of the need for planning, they still develop mostly short-term plans. The capacity of enterprises to implement sector-specific business management practices is also low.

Investments to be made should result in better management of processes within and outside enterprises and in active development of innovative products and services with high value-added and export potential by enterprises. To this end, the concept of a comprehensive approach to enterprises will be applied. This will increase enterprises' export revenue, value-added per employee and investments in research and development.

This objective is closely linked to the objectives of the 'Estonia 2020' National Reform Programme to increase productivity and Estonian exports in world trade. The investments will also contribute to the headline targets of 'Europe 2020' to increase the employment rate and investment in R&D.

Table 34. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measure	Category of region	Base line value	Base line year	Target value (2023)	Source of data	Frequency of reporting
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		ent unit						
	Sales revenue from new or significantly changed products or services	%	Less developed	9.7	2010	20	Statistics Estonia	Every two years

2.4.5 Actions to be supported under the investment priority

2.4.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

In order to achieve the objectives of the investment priority, the following interventions are being planned.

1. Support for smart specialisation growth areas

With a view to better targeting of resources and ensuring flexibility, a comprehensive **programme for applied research in growth areas** will be created in support of smart specialisation, which will provide for the necessary measures to support the research. Based on the analysis of the Development Fund, the RD&I Strategy 2014–2020 and the Entrepreneurial Growth Strategy 2014–2020 specify the growth areas where enterprises have higher-than-average potential for growth and opportunities to achieve a competitive advantage through investment in R&D. Support will be provided for the cooperation of universities and R&D institutions with enterprises which aims at the development of high value-added products and services and for the conduct of applied research in the growth areas. Financing will be provided to research institutions, universities and institutions of professional higher education for conducting research and product development needed by economic operators. The programme's main target groups include R&D institutions, enterprises, higher education institutions and other partners. In addition, specific measures may be taken to support growth areas which will be designed as special solutions to the needs of the growth areas (e.g. the ICT Academy and similar initiatives).

The intensive development of R&D in the areas related to the more efficient use of resources is planned as one of the specific support measures of growth areas. The objective of the activity is to guarantee a high level of research and development, the close cooperation of research and development institutions with companies and the existence of the next generation of researchers and specialists in the fields of resource valorisation in order to realise the potential for economic growth related to the more efficient use of resources. Research competence is small or completely lost in various important areas of resource use, which is why the relevant research capability must be restored or raised to the required level. Research and development as well as the development of the next generations of researchers and specialists is supported in the areas related to resource valorisation⁷³, which includes the establishment of the necessary chairs and research groups at universities, supporting the cooperation projects of research and development institutions and companies and guaranteeing the material basis necessary for competitive research and development activities.

⁷³ For example, timber production, machine and metal production, mining industry, research and use of mineral resources, chemical industry. The exact fields to be supported will be selected in the course of preparation of the activity.

The increase in number and the emergence of future generations of researchers and engineers in the smart specialisation areas will be supported through special higher education scholarships. The aim of the scholarships is to motivate young people to choose to study disciplines that are important for entrepreneurship, to pursue full-time studies in the chosen fields and to complete their studies successfully and in a timely manner. The scholarships will support resolving innovation development needs of companies, which in turn supports the development of entrepreneurship and the economy. The sectoral priorities will be selected on the basis of the needs of the smart specialisation growth areas. Companies are directly involved in the process for choosing the study groups and curricula where scholarships will be provided for students. It is organised through the Smart Specialisation Steering Committee where industry and business representatives are participating. The goal is to increase the number of students and graduates in the priority areas of entrepreneurship so as to provide impetus for the development of the growth areas through highly trained specialists. The target group is students. Support will be provided for the cooperation structures of enterprises, research institutions and other partners (such as **clusters and technology development centres**) in smart specialisation areas. The state-initiated cooperation structures will be based on a shared vision of enterprises about the planning and implementation of development and marketing activities, and the topics will therefore be formulated in conjunction with partners from business and academic sectors. The target group will include enterprises, clusters, technology development centres, business umbrella organisations, R&D institutions, higher education institutions and other partners.

The role of the state as the contracting authority for innovative solutions will be increased to create a market for innovative products and services. The state will be an active innovation partner for enterprises, contracting for innovative solutions, incl. encouraging the procurement of innovative solutions and the implementation of demonstration projects. Investments made with a view to addressing socio-economic challenges will be used for the purpose of facilitating enterprises' innovation activities (incl. partnerships with foreign enterprises and local start-ups).

Encouraging start-up entrepreneurship. In order to ensure sustainable economic development, it is important to support innovative and ambitious start-ups in smart specialisation areas. To that end, structural changes in business will be facilitated by supporting the creation and growth of new innovative enterprises in growth areas.

2. Addressing societal socio-economic challenges through R&D

A programme will be developed to incentivise addressing societal challenges through supporting applied research. The aim of the programme is to stimulate usage of research results in solving socio-economic problems and to build up competences and a systematic well-coordinated approach to the commissioning of applied research (incl. areas of social innovation, eco-innovation, public service applications, demand stimulation, etc.) for corresponding policy fields of Estonia. Where necessary, participation of Estonia in EU and ERA research initiatives in addressing *grand challenges* will be supported. The interventions will be fully in line with RIS3 strategic framework. The activities that address socio-economic challenges will be yearly discussed by the Estonian Research and Development Council, securing their full compliance with RIS3 strategic framework. The topics for applied research will be developed by the bodies responsible for the corresponding policy fields. Activities include funding applied research, improving sectoral R&D policy arrangements; supporting the network of research coordinators in responsible bodies; training; improving policy analysis and monitoring, and developing relevant databases. Where necessary, support will be given for pilot and test activities to improve design and implementation of new support measures. The target groups are R&D institutions, higher education institutions, ministries, state agencies, enterprises and other partners.

3. Comprehensive solution for supporting the development of enterprises

To provide the enterprises that are central to the economy of Estonia with comprehensive support for the planning and realisation of their growth ambitions, **the enterprise development programme** will be created (which will be complementary to the activities planned within smart specialisation areas). Aid to large companies will be limited to strengthening research, technological development and innovation in line with IP 1b in accordance with the development needs and endogenous growth potential taking account of the National Reform Programme. The development programme will be based on offering comprehensive relevant diagnostics to enterprises. The results of diagnostics will serve as the basis for the development plan and the state will support the implementation of the development plan with knowledge, contacts and financial assistance. The actions supported under the enterprise development programme are divided into two categories:

- 1) Diagnostics: identification of the company's development needs. Examples of activities to be supported may be for instance recruiting highly qualified personnel, development and implementation of quality management processes, testing, certifying and introducing new products or services, introducing software to automate production and to develop planning processes.
- 2) Support for the development of the company's activities (includes: the development of the knowledge and skills of the staff; the development of products and services offered by the company; distribution and marketing activities).

In addition, enterprises that lack previous experience of development cooperation with research institutions will be assisted in initiating and establishing such cooperation. To this end, a 'share-type' measure will be created, based on which enterprises can outsource the necessary development services from research institutions.

Support is also granted to product development by companies that have the required capability and readiness to develop their own products, which increases the company's added value and helps it climb up the value chain. Financial support is provided for company development activities such as prototyping, testing, creation of pilot solutions, product design, acquisition and implementation of intellectual property.

4. Energy and resource efficiency in enterprises

To increase the energy and resource efficiency of enterprises, support will be provided for the introduction of new innovative and environmentally friendly solutions, incl. the implementation of resource management systems, the best available technology and final treatment technology. Adaption of such technology builds new expertise in Estonia and creates related market opportunities in this field. In addition, the reduction and prevention of waste generation and the creation of additional capacity for preparation of waste for reuse and recycling will be promoted. To facilitate the achieving of objectives and to identify more resource-efficient techniques, awareness of enterprises will be improved and support will be provided for the conducting of energy and resource audits. The actions will be in line with the smart specialisation framework, growth area "more efficient use of resources", and investment priority 1b – including promoting business investment in R&I, demand stimulation, eco-innovation, pilot lines, early product validation actions and improvement of manufacturing capabilities.

Links to other interventions

The activities to be carried out under this investment priority will directly contribute to achieving specific objective 1 of the priority axis ('R&D and higher education are of a high level, and Estonia is active and visible in international cooperation in the field of RD&I'). While objective 1 supports the development of the capacity of public sector R&D institutions, the improvement of the quality of research and higher education (stairway to excellence), objective 2 is designed to support the use of such capacity to extend cooperation between R&D institutions and companies to carry out applied research and address the challenges faced by society.

Through the development of SMEs, the interventions planned under the priority axis will support the emergence of the next generations of the investment priority's target group. There are also direct links with interventions planned under priority axes 1–3 which are aimed at the development of human resources necessary for business, R&D and innovation.

2.4.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The supported activities will be fully in line with the smart specialisation framework. Preference will be given to activities that contribute to the needs of smart specialisation growth areas. Also preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the fields of the economic environment and environmentally sustainable economy and energy, and pursue in the best possible way the government's policy priority of reducing the general resource intensity (including the energy intensity) of the economy.. For the purpose of the cross-sector management of the smart specialisation areas a steering committee will be set up which will consist of representatives of the Ministry of Education and Research, the Ministry of Economic Affairs and Communications, the Government Office, the Ministry of Finance, other ministries, where necessary, and of enterprises. The ongoing monitoring and analysis of the growth areas will be the responsibility of the Estonian Development Fund, which will regularly engage entrepreneurs, researchers and sectoral ministries (including the Ministry of Social Affairs, Ministry of Agriculture, and Ministry of the Environment) and, if necessary, other agencies or partners in the discussions of working groups on specific growth areas.

In improving the sectoral research arrangements, we will abide by the principle that the main responsibility for the R&D financed for socio-economic purposes will lie with the ministry responsible for the sector.

To achieve specific objective 3, support will be provided for projects that contribute to the resource and energy efficiency objectives established in the strategic documents and help comply with the obligations arising from EU law.

To achieve specific objective 4, preference will be given to projects that focus on exports, increased value-added or increased sales revenue.

Actions to support large enterprises are designed based on the principle that structural support should not result in significant loss of the existing jobs in the European Union.

2.4.5.3 Planned use of financial instruments

An ex-ante evaluation will be carried out to select the financial instruments to be used in order to increase the energy and resource efficiency of enterprises. The use of financial instruments

for other interventions will be considered during the period on the basis of the results of the ex-ante evaluation.

2.4.5.4 Planned use of major projects

None

2.4.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 35. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source	Frequency of reporting
					M	W	T		
	Number of research coordinator posts created in state agencies	Post	ERDF	Less developed	-	-	12	Estonian Research Council	Once a year
	Number of cooperation agreements of companies or public sector bodies and R&D institutions in the areas of resource <u>valorisation</u>	Agreement	ERDF	Less developed	-	-	10	Implementing body	Once a year
	Number of grant students studying under selected curricula for smart specialisation, per academic year	Student	ERDF	Less developed	-	-	14 000	Estonian Education Information System	Once a year
	Private investment matching public support for innovation or R&D projects	Euro	ERDF	Less developed	-	-	78 000 000	Implementing body	Once a year
	Number of enterprises that have cooperated with universities and institutions in growth areas	Enterprise	ERDF	Less developed	-	-	500	Implementing body	Once a year
	Number of enterprises supported to introduce new to the market products or services	Enterprise	ERDF	Less developed	-	-	150	Implementing body	Once a year
	Number of enterprises supported to introduce new to the firm products or services	Enterprise	ERDF	Less developed	-	-	113	Implementing body	Once a year

	Number of enterprises receiving support (total)	Enterprise	ER DF	Less developed	-	-	6 000	Implementing body	Once a year
	Number of (unique) enterprises receiving support	Enterprise	ER DF	Less developed	-	-	3 000	Implementing body	Once a year
	Number of supported enterprises in growth areas	Enterprise	ER DF	Less developed	-	-	656	Implementing body	Once a year
	Number of enterprises that have received support for resource and energy efficiency purposes	Enterprise	ER DF	Less developed	-	-	135	Implementing body	Once a year
	Number of persons trained in resource efficiency	Person	ER DF	Less developed	-	-	1 400	Implementing body	Once a year
	Number of resource and energy efficiency audits	Audit	ER DF	Less developed	-	-	300	Implementing body	Once a year
	Number of projects that have received support to prepare waste for reuse	Project	ER DF	Less developed	-	-	4	Implementing body	Once a year
	Number of projects that have received support for recycling of waste	Project	ER DF	Less developed	-	-	12	Implementing body	Once a year

Investment priority 3 of the priority axis: *improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups*

2.4.6 Specific objectives corresponding to the investment priority and expected results

2.4.6.1 Specific objective 5. Making the structure of economy in Estonia more knowledge-intensive by means of smart specialisation.

Estonian R&D and innovation policy concentrates on the preferential development of growth areas selected in the framework of smart specialisation (ICT, health technologies and services, the more effective use of resources) in cooperation with entrepreneurs, scientists and public sector.

The ICT sector is growing rapidly, but the OSKA report points out that in order to meet the goals set out in the ICT sector vision in Estonia by 2020, the number of specialists with IT skills should increase by 1.5 times: from 22 970 to 37 000 specialists. There are about 1 580 new ICT professionals needed each year. Most of the workforce in the sector (ca 1 125 employees per year) requires higher education and about 30% vocational education.

Employment rate in Estonia has reached a very high level and therefore the future sustainable economic growth is possible primarily with the involvement of high value-added fields, i.e. technology development and capital involvement. At the same time, Estonia's working-age

population is declining, which places considerable pressure on industry-led competition for the workforce. Therefore, it is even more important to pay attention to making the various processes more effective, including through information and communication technology, in order to reduce the need for workforce and to encourage people in both their initial educational choices and retraining to select disciplines that will accelerate this process. The adoption of ICT solutions in other sectors requires a significant increase in the number of ICT specialists with a Master's degree, capable of integrating sector-specific technologies with ICT solutions, including ICT executives, managers, ICT solution analysts / architects and developers. The number of admissions to ICT disciplines is growing, but still does not meet the needs of the sector. ICT graduation efficiency is lower than average.

The support of R&D in the field of ICT as part of smart specialisation contributes to the growth of the Estonian economy and the innovation capacity of the whole society, to an increase in the capacity of ICT R&D activities in high-priority areas of research in universities and to connecting R&D in the field of ICT with all of the levels of higher education.

The expected result is the improved cooperation in the fields of smart specialisation both between the research and development institutions, companies as well as state authorities. An increase in the R&D competence in the field of ICT is ensured and greater importance is given to the adoption of science-based and innovative solutions in the different fields of life.

It is therefore important to ensure adequate human resources in the field by:

1. The attractiveness of learning in the field in order to have enough students in the field.
2. Quality of teaching to ensure an adequate number of graduates.
3. Linking the content of learning to latest scientific achievements.

Table 36. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measure ment unit	Category of region	Baselin e value	Baselin e year	Target value (2023)	Source of data	Frequency of reporting
	The number of student's thesis supervised by the members of research groups in priority research directions	Number of thesis	Less developed	2018	0	200	Universities	Once a year

2.4.7 Actions to be supported under the investment priority

2.4.7.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

The activities supported in the framework of investment priority conform to the strategic framework of smart specialisation (ICT, health technologies and services and resource valorisation) involving enterprises, scientists and public sector bodies.

According to "The analysis of capabilities of economy, higher education and research and development" made by Estonian Info Technology Foundation in March 2018, the role of ICT sector in Estonian economy is remarkable, as less than 5% of people occupied in ICT sector creates over

7% of the value added in entrepreneurship, pays over 6% of the taxes detained in the field of entrepreneurship and produces 13% of Estonian export. One of the key problems in ICT sector is insufficient R&D capability that hinders cooperation in the R&D sector between universities and enterprises and lack of educated specialists in both private and public sector. In the course of decreasing workforce, the future economic growth could only be based on innovation, increased productivity or moving to higher positions in the value chain. The main target group of this intervention is Estonian public universities, who share responsibility in the curriculum group development. Different partners from both research- and development institutions, enterprises and state bodies are involved. The purpose of the ICT programme is to support field's development in R&D capabilities in priority research directions (artificial intelligence and machine learning; data science and big data; robot-human cooperation and internet of things in industrial processes; reliability of software; internet of smart things; hardware and system security and reliability etc.).

ICT-based innovative products and services are developed that decrease the resource-intensiveness of economy and increase added value, also contribute to the development and safety of Estonian e-services. To increase innovation-capacity, various cooperation partners are involved from research and development institutions, companies, and state authorities. National and international cooperation is developed.

To ensure the training volume of the ICT field and to support aftergrowth, the capacity to cooperate with companies and the quality of research work, an increase in the capacity of research groups in high-priority research directions is contributed to. To this end, possibilities are created for forming new research groups. Capable top-level scientists are brought to Estonia from abroad, conditions are created for the return of scientists to Estonia and investments are made in training capable young people studying on different levels of higher education by providing support to them.

The combination of R&D activities and results with academic activity will improve the quality of provision of higher education that is of critical importance in the tight competition between curricula. A rise in the quality of study will be ensured among other things by systematic coverage of the latest research results in teaching activity, and by the involvement of teaching staff and practitioners, etc. This also enables young people to evolve by making them more innovative and entrepreneurial and by allowing the more capable ones to take part in the work of research groups. Improving the quality of education is critical for a sufficient number of graduates, while linking learning with research and development in the field gives students the career perspective as a researcher.

At the heart of the ICT program is the development of R&D human resources for the field to ensure the availability of a sufficient number of skilled professionals and a high level of R&D management and compliance with the needs of enterprises and the public sector. Investing in human resources in ICT sector gives people confidence in the future, improves their competitiveness and employment opportunities, and increases the productivity of the economy as a whole. This activity allows universities to offer high-quality education and a research career in areas that enable ICT to make wider use of society. From the point of view of the specialists, it is a greater opportunity to find a well-paid job and application in the future.

Links to other interventions: the activities for the use of given EU resources directly support the achievement of specific objective 2 of priority axis 4 "Research and development activities functions for the benefit of the Estonian society and economy and RD&I system supports the development of a more knowledge-intensive structure of the economy". Moreover, given activities support specific objective 1 of the priority axis "R&D is of a high level, and Estonia is active and visible in international cooperation in the field of RD&I." In addition planned activities contribute

to specific objective 5 of priority axis 1 “Studies in vocational and higher education institutions are more in line with labour market needs and support entrepreneurial ability”.

2.4.7.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The supporting activities must completely conform to the strategic framework of smart specialisation. The selection of activities is based on the strategy of research and development activities “Knowledge-based Estonia 2014-2020”. Preference is also given to activities that contribute to the objectives of the competitiveness programme “Estonia 2020” in the field of economic environment and workforce supply and in the best way possible help implement the main direction of government policy “Creating prerequisites for an increase in the volume of private sector research and development activities and for an increase in the number of outputs and quality of innovation”. Planning activities is based on the development needs of the field as a whole; the planning and implementation of activities takes place in the cooperation of different ministries. The activities must contribute to increasing the capacity of high-priority research areas, also to the development of human resources via training highest-level competence and enforcement of future specialists. Also, support is given to activities that are primarily based on an increase in innovation and productivity.

2.4.7.3 Planned use of financial instruments

None

2.4.7.4 Planned use of major projects

None

2.4.7.5 Output indicators by investment priority and, if appropriate, by category of regions

Table 37. Common and programme-specific output indicators

I D	Indicator	Measure ment unit	Fun d	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	The number of researchers attracted to join the research groups of high-priority research directions in ICT	Number of researchers	ESF	Less developed			45	Universities	Once a year
	The number of publications published by members of research groups in	Number of publications	ESF	Less developed			100	Universities	Once a year

	priority research directions								
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2.4.8 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

Not applicable

2.4.9 Performance framework

Table 36. Performance framework

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF	Less developed	212 567 386	-	-	880 350 234	Certifying authority	The final target represents the total support and includes uncertified expenditure
Financial indicator			Euro	ESF	Less developed	0			12 000 000	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Number of grant students studying under selected curricula for smart specialisation, per academic year	Student	ERDF	Less developed	8 500	-	-	14 000	Implementing body	
Output indicator		Number of enterprises cooperating with research institutions	Enterprise	ERDF	Less developed	75	-	-	750	Implementing body	

Output indicator		Number of enterprises receiving support (total)	Enterprise	ERDF	Less developed	1 940	-	-	6 000	Implementing body	Incl. enterprises that have been supported more than once
Output indicator		Number of enterprises that have received support for resource and energy efficiency purposes	Enterprise	ERDF	Less developed	15	-	-	135	Implementing body	
Output indicator		The number of researchers attracted to join the research groups of high-priority research directions in ICT	Number of researchers	ESF	Less developed	0			45	Universities	

2.4.10 Categories of intervention

Table 39. Categories of intervention

Fund and category of region		ERDF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
023	30 412 752	01	584 127 467	07	584 127 467	07	584 127 467		
056	379 800								
058	146 780 401								
059	12 990 955								
060	200 203 938								
063	17 109 725								
064	90 058 321								
065	35 957 644								
068	2 132 099								
069	48 101 832								
Fund and category of region		ESF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial		Table 11: Dimension 6 ESF	

						delivery mechanisms		secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
060	10 200 000	01	10 200 000	07	10 200 000	07	10 200 000	05	10 200 000

2.4.11 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.5 Development of small and medium-sized enterprises and strengthening the competitiveness of regions

2.5.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

The priority axis addressing the development of small and medium-sized enterprises and strengthening of the competitiveness of regions comprises the investment priorities of Thematic Objective No. 3 'Enhancing the competitiveness of SMEs' and Thematic Objective No. 8 'Promoting sustainable and quality employment and supporting labour mobility'. Combining these two Thematic Objectives arises from the need to comprehensively develop small and medium-sized business as a critical factor in supporting regional balance and the creation of jobs at the regional level. An integrated approach to achieving/implementing the objectives set in the areas of government of several ministries will significantly increase the combined effect across policy areas. To achieve regional development and create jobs (under Thematic Objective No. 8), it is necessary to maximise the use of the existing development potential and resources in the economic development in each region. Job creation requires the development of the business environment, capacity-building of enterprises and an overall increase in entrepreneurial activity across the country, and the presence of a sufficient number of working-age people in the regions (Thematic Objective No. 3).

Investment priority 1 of the priority axis: Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

2.5.2 Specific objectives corresponding to the investment priority and expected results

2.5.2.1 Specific objective 1. SMEs are growth and export oriented

Estonian enterprises' export capacity is strongly polarised – the 100 largest exporting enterprises provide around a third of the total exports of goods and services⁷⁴ (and the tourism sector accounts for nearly a third of all exports of services). At the same time, 93.4% of all enterprises

⁷⁴ Statistics Estonia

are micro-enterprises that lack the resources and skills to develop external marketing⁷⁵. Productivity of Estonian enterprises per employee was 69,9% compared EU average in 2012.

While average entrepreneurial activity is high, the survival rate of early-stage companies is lower than average⁷⁶. Compared to other European countries (ca. 4%), the share of young innovative enterprises among all innovative enterprises is three times lower in Estonia. The sector of creative industries whose share in GDP falls considerably short of the EU average (Estonia: 2.7%, EU: 4.5% in 2011) has significant growth potential.

Starting a business is often a forced decision, being the only way to earn a living, rather than a decision to use an opportunity on the market.⁷⁷ The management capability is low and the planning horizon is short in enterprises.

Realisation of the growth and development potential of SMEs requires access to capital. The local capital market is mainly based on low-risk bank loans, and a venture capital market is basically absent. In Estonia the share of venture capital investments in GDP is more than three times lower than in Eastern European countries (0.040% of GDP) and more than seven times lower than in Western European countries (0.305% of GDP). The fragmentation of enterprises also inhibits cross-sector cooperation.

Investments will create favourable conditions for the establishment and further development of new enterprises, the influx of ambitious business ideas will increase, innovative products and services with high value-added and export potential will be developed, and cooperation between enterprises will improve.

This objective is linked to the objectives of 'Estonia 2020' to improve productivity (80% compared EU average by 2020) and increase Estonian exports in world trade. Investments will contribute to the headline target of 'Europe 2020' to increase employment. As a result of implementation appropriate measures Estonian enterprises are more productive and have stronger growth and export ability. That will be expressed in better performance in survival rate, turnover, value added etc figures depending on each specific company. Entrepreneurs' readiness to make more comprehensive and long-term strategic decisions based on market perspectives and internal possibilities has also increased. More enterprises value and take steps for going international as natural part of business development.

Table 40. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Meas urem ent unit	Category of region	Baselin e value	Base line year	Target value (2023)	Source of data	Frequency of reporting
	Value-added in production costs, created by SMEs, per employee	EUR		18516	2012	31500	SME performance review http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/perfor	Once a year

⁷⁵ Statistics Estonia

⁷⁶ GEM Study by the Estonian Development Fund

⁷⁷ The Small Business Act Factsheet: Estonia, European Commission, 2011

							mance-review/index_en.htm	
	Number of exporting enterprises	Enterprise	Less developed	11281	2012	15700	Statistics Estonia	Once a year

2.5.3 Actions to be supported under the investment priority

2.5.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

The following interventions are being planned under the investment priority:

1. Supporting raising awareness about entrepreneurship through entrepreneurial attitudes and promoting entrepreneurship as an occupation of choice.

2. Supporting the influx of ambitious business ideas (in particular in the growth areas) and the **development of ambitious business models** (including creative industries). This is equally important for start-ups and established enterprises, so that they can remain competitive in changing circumstances.

3. Providing **counselling services** to both new and existing enterprises. Advisory is offered for example for developing business models, detecting barriers to innovation, improving innovation management, and export marketing etc. Wide range of potential and beginner entrepreneurs will get initial counselling on how to set up a business and make first steps moving towards growth phase. There will also be possibilities to use mentoring as already proven mechanism for creating knowledge transfer effect from experienced entrepreneurs to new ones. For those considering or already operating in international markets are different services and advice to overcome market barriers and find most promising business partners.

4. Promising new enterprises will be given the state's financial support to enable them to finance their activities at the initial stage (**starting grant**).

5. In order to **facilitate export activities**, an export advice support system will be developed to create new business opportunities for Estonian exporters (including potential exporters) and to increase the export capacity of Estonian enterprises. Support to export of services and products will be focused on the activities which increase their value added and diversify the offer of services and/or products. In addition activities to increase demand for such services and products will be supported. The Enterprise Europe Network will be engaged as a partner in activities that aim to enhance export-related cooperation, and in finding partners, investors and clients on the international market.

6. The availability of capital is improved to boost the effect of interventions by offering instruments including:

- a. security products that help compensate for enterprises' insufficient collateral in the eyes of banks and improve enterprises' creditworthiness;
- b. insurance of export transactions;

- c. starting loan to starting companies (in combination with start-up support for the development of business models).
- d. risk capital by creating an early phase fund type instrument (which also supports the development of the smart specialisation growth areas)

The target group of interventions under this investment priority are small and medium-sized enterprises.

An operation or a part of an operation, which comprises investment into cultural or tourism infrastructure can be granted support, if its total planned cost does not exceed the uniform maximum threshold established at the level of EU defining „small scale infrastructure“ referred to in Regulation 1301/20113 article 3 paragraph 1(e). The threshold can be applied to a part of an operation if the elements forming this part of an operation are functional independently of the other elements of the operation.

Links to other interventions: The activities to be carried out under this specific objective of using EU funds will directly contribute to the other specific objective of this priority axis, 'Employment and the value-added of jobs have grown outside the urban areas of Tallinn and Tartu', as well as to specific objective 2 'Research and development serve the interests of the Estonian economy and society, and the RD&I system supports the development of a more knowledge-intensive structure of the economy' and specific objective 4 'Estonian enterprises effectively producing products with high added value and offering innovative services' of priority axis 5. The interventions proposed under different specific objectives of using EU funds will not duplicate each other, but the same target group (incl. enterprises operating in smart specialisation areas) may receive support for different development activities under different specific objectives, depending on the needs of the target group (e.g. combination of non-repayable support under priority axis 5 with the provision of financial instruments under priority axis 6).

2.5.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Activities are selected based on the Entrepreneurship Growth Strategy and the National Tourism Development Plan. Preference will be given to projects that focus on exports, growth of enterprises and increased value-added. Entrepreneurship and innovation measures are based on the principles that projects contribute to growth of competitiveness and sustainable development of the business sector, results of projects are oriented to market output and are on a large scale usable in the future. Detailed guiding principles will be established in the terms and conditions for awarding support.

2.5.3.3 *The common indicator in the output indicators table below for employment increase in supported enterprises is used for monitoring purposes and no direct preferences will be given to activities contributing to employment increase, as the focus in supporting SMEs is on increasing the productivity and on export capacity building. Estonia is gradually facing the ongoing long-term process resulting in declining labour force. The number of people in employment is expected to stop growing due to demographic developments and start declining after 2017. Therefore, economic growth can mainly be driven by productivity and investments supporting it (both under T01 and T03) and not by employment increase. Actions directly aimed at reducing unemployment will be carried out through state funded measures and EU co-financed measures under PA1-PA3, since a significant part of unemployment is structural, reducing of which ALMP and educational measures are designed for. Planned use of financial instruments*

Under this investment priority, various financial instruments will be used. Instruments aiming to develop a venture capital market, guarantees for export transactions, providing banks with security for the implementation of enterprises' business projects, and various loan products not offered by the private market (incl. export, technology and start-up loans) are being planned.

2.5.3.4 *Planned use of major projects*

None

2.5.3.5 *Output indicators by investment priority and, if appropriate, by category of region*

Table 41. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source	Frequency of reporting
					M	W	T		
	Number of (unique) enterprises receiving support	Enterprise	ERDF	Less developed	-	-	11 200	Implementing body	Once a year
	Number of (total) enterprises receiving support	Enterprise	ERDF	Less developed	-	-	16 800	Implementing body	Once a year
	Number of enterprises receiving grants	Enterprise	ERDF	Less developed	-	-	550	Implementing body, indicative target value	Once a year
	Number of enterprises receiving financial support other than grants	Enterprise	ERDF	Less developed	-	-	862	Implementing body, indicative target value	Once a year
	Number of enterprises receiving non-financial support	Enterprise	ERDF	Less developed	-	-	9 800	Implementing body, indicative target value	Once a year

	Number of new enterprises supported	Enterprise	ERDF	Less developed	-	-	4 700	Implementing body	Once a year
	Number of marketing events organised on priority target markets	Event	ERDF	Less developed	-	-	974	Implementing body	Once a year
	Number of enterprises participating in cooperation networks	Enterprise	ERDF	Less developed	-	-	500	Implementing body	Once a year
	Employment increase in supported enterprises	full time equivalents	ERDF	Less developed			120 0	Implementing body	Once a year

Investment priority 2 of the priority axis: Supporting employment-friendly growth through the development of endogenous potential as part of a territorial strategy for specific areas, including the conversion of declining industrial regions and enhancement of accessibility to, and development of, specific natural and cultural resources

2.5.4 Specific objectives corresponding to the investment priority and expected results

2.5.4.1 Specific objective 2. Business activity has grown outside the urban areas of Tartu and Tallinn

The ability of regions located outside the urban areas of Tallinn and Tartu to contribute to the country's economic growth is low, and this makes it difficult to achieve more even levels of competitiveness and living standards in the regional development of Estonia. GDP per capita exceeded the national average only in Harju County (151%) and Tartu City (102%) in 2010. In Põlva, Valga and Jõgeva counties the same figure is less than half the national average. This suggests that all of the region-specific resources and advantages for development have not been sufficiently used in developing other regions. Also, the unfavourable business environment in other regions plays a major role in the concentration of entrepreneurship in larger urban areas. Important factors include the outdated support infrastructure for entrepreneurship (access roads and utilities), the insufficient supply of business sites and the shortage of labour with the required skills. The more even development of entrepreneurship has also been hindered by inadequate use of labour in regions, which has led to a lower quality of life and a higher level of relative poverty of the people living in these regions. The share of inactive people tends to be higher in regions located outside the urban areas of Tallinn and Tartu, being highest in south-eastern Estonia and Ida-Viru County where only around 50% of the working-age population was employed in 2011 (60% or more in Harju County and neighbouring counties and in Tartu County).

Outside Harju and Tartu counties, the role of most county centres as 'centres of gravity' has weakened over time, and there has even been clear regression in many regions. County centres are not able to compete with Tallinn and Tartu in terms of offering jobs providing an adequate income, high-quality provision of services or ensuring an attractive living environment. Also, poor connections between centres and their hinterland have made it impossible to use the inherent potential of the comprehensive development of functional regions.

The expected results of interventions include an improved business environment and new jobs, incl. jobs with higher value-added, in regions. The availability of public services will also improve in regions.

Table 42. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measu remen t unit	Catego ry of region	Basel ine valu e	Baseli ne year	Target value (2023)	Source of data	Frequenc y of reporting
	Proportion of GDP created outside Harju and Tartu counties in total GDP of Estonia	%	Less develo ped	29.7 %	2012	30.0	Statistics Estonia	Every two years

2.5.5 Actions to be supported under the investment priority

2.5.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

In order to ensure the sustainability of the existing enterprises and to attract new investments and create preconditions for new jobs we need both to contribute to the infrastructure and to increase the use of the opportunities offered by the infrastructure. From the perspective of the development of entrepreneurship it is important to use the potential of the natural and cultural heritage of regions to revitalise the local economy, including the tourism sector. Strengthening the centres of functional regions as ‘centres of gravity’ plays an important role in the development and facilitating of the economy of regions outside the urban areas of Tallinn and Tartu. Apart from the development of the living environment in general, it is important to create an attractive environment to stimulate private investment and to maintain and increase the population with higher qualifications. Equally important is to improve connections between the centre and the hinterland in order to ensure access to jobs and high-quality services across regions.

The following interventions are being planned under the investment priority:

1. Support will be provided for the use of region-specific resources and knowhow through the establishment and further development of regional competence centres. The programme of regional competence centres was launched during the 2007–2013 period, and preconditions for the establishment of six competence centres were created under the programme. The operation of the competence centres is based on the principle of cooperation of regional educational and research institutions, entrepreneurs and the public sector in developing the competences of the region in question. The capacity for carrying out research and development activities in a narrowly defined field (regional niche) and for faster dissemination of innovative solutions in regions will be developed in the competence centres, which will create the preconditions for growth in the value-added of the enterprises operating in the region. During the period 2014–2020, the existing competence centres will be further developed and new centres will be established (2-3 new centres, taking into account the conditions arising from regional development plans and the actual readiness of regions). It is also planned to support the development of regional business networks in general. Regional competence centres complement activities foreseen in the smart specialization framework (incl. by creating a tighter connection between R&D and the needs and growth prerequisites of businesses in different regions) and will

be planned in coordination with R&I measures/RIS3 strategy implementation. This enables smaller regional centres realize their R&D potential by based on their resources and strengths in specific niche areas.

2. In functional regions,⁷⁸ support will be given to activities that have the greatest potential to revive the economy of the functional region as a whole, to foster business and employment and to improve the accessibility of jobs and services. To this end, an action plan to improve the competitiveness of the region will be drawn up based on the development plan of the county in question; the proposed actions must also be foreseen in the development plans of the county's cities and municipalities. The proposed actions are based on the development needs specified in section 1.1.3 of the Partnership Agreement. The choice of actions must be justified in county development plans and arise from the related development plans.

2.1 The modernisation and construction of important public support infrastructure (access roads, communication networks) near the existing and new industrial and business areas (in areas where the obsolescence of infrastructure undermines the sustainability and expansion opportunities of enterprises or in regions where the establishment of new enterprises is hindered by a shortage of sites meeting the needs of entrepreneurs. It is planned to support entrepreneurial investments, which create jobs in less-developed regions (including jobs with higher value-added) the objective of which is, in addition to the mitigation of unemployment in the region, to stimulate regional economy. **We will also support the preparation of industrial areas (brownfield) for new enterprises and the development of incubation opportunities** along with the necessary support services in regions where these opportunities and services are needed to ensure the sustainability and competitiveness of enterprises. During the period 2014–2020, more attention will be paid to supporting activities that help make maximum use of the infrastructure created in the 2007–2013 period.

2.2 It is planned to support actions to increase the use of and to diversify objects of visits, including the development of products and services, as well as the activities that involve the development of integrated regional networks, which will enable to maximise the benefits from investments, incl. the number of jobs created. Investments aimed at improving opportunities for visiting are supported on the condition that the tourism sector has a great potential for creating jobs in the region and the actions arise directly from regional development plans. In the period 2014–2020, the focus should be on promoting the use of the facilities created during the 2007–2013 period, incl. by linking these with the regional networks.

2.3 Support will be provided for the modernisation of public urban space, if this creates the preconditions for investment in enterprises in a particular place and for new jobs.

2.4 Support will be given to investments in public transport and roads for NMV traffic, which will ensure better access to public services and jobs. Target groups and beneficiaries will include inhabitants, entrepreneurs and visitors in all functional regions outside the urban areas of Tallinn and Tartu. The modernisation of public urban space and the development of public transport and roads for NMV traffic in centres of functional regions will be supported outside the five largest urban areas (Tallinn, Tartu, Pärnu, Kohtla-Järve and Narva).

3. In addition to the development of infrastructure, attention will be paid to the development of human resources meeting the needs of the region concerned. Supported activities include regional initiatives **to promote regional employment and entrepreneurial activity.** For the

⁷⁸ A functional region generally coincides with a county, but its borders are not as clearly defined as those of the county.

purpose of preparing and implementing such initiative it is planned to bring together all relevant local and regional organisations (county development centre, association of local authorities, county government, Unemployment Insurance Fund, educational institutions, entrepreneurs, LEADER action groups etc.) and to develop a coordinated plan for the enhancement of employment and entrepreneurial activity in the region, based on the region's potential and needs. Starting with 2019 the activities to increase the employment and entrepreneurship in the region are planned in the framework of county development strategies. Thereby, account will be taken of the existing mechanisms of intervention using various sources of funding (incl. the ESI Funds) and, if necessary, new region-specific mechanisms will be proposed. The target groups and beneficiaries will include local and regional organisations in all regions.

These interventions will be reciprocally supportive with the interventions planned within the scope of the first specific objective of this priority axis, which aim to support and advise on starting enterprises, as well as by investments in the development of education and first contact healthcare infrastructure and in transport and ICT services planned under other priority axes. Regional initiatives to increase employment and entrepreneurial activity, which are supported under the measure, support directly the ESF measures in the fields of labour market, education and entrepreneurship. The activities of the measure will also be supported by ESF-funded interventions to strengthen local and regional development capacity. The activities that are planned to improve mobility will support the interventions planned under other priority axes which aim to improve the infrastructure of services; for example, improvement of connections will improve access to education infrastructure. The activities to be carried out under this priority axis are also linked to the activities of LEADER action groups supported under the Rural Development Programme and the Development Plan for Fisheries Areas.

Actions aimed at the development of regional competence centres support and supplement specific objective 2 of priority axis 5 "Research and development serve the interests of the Estonian economy and society, and the RD&I system supports the development of a more knowledge-intensive structure of the economy". County development plans define region-specific growth resources which complement national specialisation.

An operation or a part of an operation, which comprises investment into cultural or tourism infrastructure can be granted support, if its total planned cost does not exceed the uniform maximum threshold established at the level of EU defining „small scale infrastructure“ referred to in Regulation 1301/20113 article 3 paragraph 1(e)). The threshold can be applied to a part of an operation if the elements forming this part of an operation are functional independently of the other elements of the operation.

2.5.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

The selection of operations to be supported will be based on the regional development priorities specified in the development plans of counties and in the action plans to be drawn up on the basis thereof. Support can be applied for relevant operations based on the priorities of the action plan. Besides general selection criteria, an important selection criterion is also regional priority. Only those projects which take into account the development needs specified in county development plans and contribute to the creation of jobs, added value and entrepreneurial activity are supported. Preference will be given to projects whose impact is wider than one local authority unit.

For implementation of country-specific recommendation nr 5, in regions, where support is given to better arrangement of public transport (for example establishing public transport centers) before the support is provided the optimal service area or the criteria for identification of service area, the cooperation models and ways of achieving financial sustainability have to be described.

2.5.5.3 Planned use of financial instruments

The use of a financial instrument to promote regional entrepreneurship will be considered during the period.

2.5.5.4 Planned use of major projects

Not applicable

2.5.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 43. Common and programme-specific output indicators

ID	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source	Frequency of reporting
					M	W	T		
	Number of enterprises receiving non-financial support	Enterprise	ERDF	Less developed	-	-	2 200	Implementing body	Once a year
	Number of enterprises receiving support	Enterprise	ERDF	Less developed	-	-	2 200	Implementing body	Once a year
	Employment increase in supported enterprises	full time equivalents	ERDF	Less developed			1 890	Implementing body	Once a year
	Number of institutions involved in the development of the programme for promoting entrepreneurial activity and employment	Enterprise	ERDF	Less developed	-	-	145	Implementing body	Once a year
	Number of resolved bottlenecks affecting connections in functional regions	Pcs	ERDF	Less developed	-	-	45	Implementing body	Once a year

2.5.6 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

Not applicable

2.5.7 Performance framework

Table 44. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF	Less developed	190 777 805	-	-	519 333 507	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Number of enterprises receiving support (total)	Enterprise	ERDF	Less developed	5 593	-	-	16 800	Implementing body	Incl. enterprises that have been supported more than once
Output indicator		Number of enterprises receiving non-financial support	Enterprise	ERDF	Less developed	180	-	-	2 200	Implementing body	

Output indicator		Number of marketing events organised on priority target markets	Marketing event	ERDF	Less developed	300	-	-	420	Implementing body	
Output indicator		Number of enterprises participating in cooperation networks	Enterprise	ERDF	Less developed	250	-	-	500	Implementing body	

2.5.8 Categories of intervention

Table 37. Categories of intervention

Fund and category of region		ERDF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
055	78 738 136	01	315 038 775	07	432 356 414	07	438 538 775		
058	11 626 908	03	48 000 000	01	2 060 787				
066	43 505 497	04	75 500 000	02	2 060 787				
067	189 168 573			03	2 060 787				
036	1 196 066								
072	58 161 126								
074	26 902 595								
075	3 038 176								
090	14 048 994								
091	3 038 176								
092	3 038 176								
093	3 038 176								
094	3 038 176								

- 2.5.9 *Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries*

Not applicable

2.6 Energy efficiency

- 2.6.1 *Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund*

Not applicable

Investment priority 1 of the priority axis: Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector

- 2.6.2 *Specific objectives corresponding to the investment priority and expected results*

2.6.2.1 *Specific objective 1. Energy-efficient housing sector and street lighting*

Estonia is a country with high energy consumption: in 2011, the share of households, industry and transport in final energy consumption was 42.7%, 20% and 19.4%, respectively. Also, the 'Estonia 2020' National Reform Programme and the Energy Sector Development Plan emphasise the role of these sectors in improving energy efficiency and promoting the use of renewable energy. Around 70% of apartment buildings in the housing stock were built in the period from 1960 to 1990, without granting any consideration to energy efficiency. Around 98% of the housing stock is in private ownership and the incomes of the majority of the population do not allow for significant new developments. Thus, the main focus will be on modernising the existing obsolete and energy-inefficient housing.

The majority of residential districts have district heating. In some heating districts, however, the production and transmission of heat is not competitive compared to local heating. Heating enterprises in smaller settlements have no capacity to make the required investments, so their networks continue to deteriorate. According to the analysis of the district heating sector carried out for the purpose of updating the Energy Sector Development Plan, district heating networks need to be modernised, and in some places these should be replaced with local renewable energy solutions, in order to reduce heat losses and use cheaper fuels.

Also, street lighting systems have at least 60% energy-saving potential; around 40% of the infrastructure of these systems has deteriorated beyond the possibility of taking new LED-technologies into use. Over 50% of the systems have been constructed more than 25 years ago and the extent of the need for renovation in the old segments of the street lighting system is more than 80 000 lighting points in the country. Due to vast deterioration only "luminaire replacement" projects are technically unfeasible and comprehensive reconstruction is needed.

Transport uses *ca* 20% of the energy consumed, but biofuels have not reached the expected market share because no obligations have been placed on market participants and no economic incentives have been created. To promote the use of renewable energy, a stimulus is thus needed that would increase the share of alternative fuels. A pilot action will support the construction of biomethane production and fuelling infrastructure.

Modernisation of the housing sector, improvement of public spaces and support for the introduction of renewable energy will contribute to energy efficiency and security of supply and have a positive impact on the environment and the economy.

Table 46. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Estimated average energy savings in reconstructed apartment buildings	%	-	40	2013	55	Implementing body	Once a year
	Estimated average lighting point installed electrical power	W	-	150	2013	140	Implementing body	Once a year

2.6.3 Actions to be supported under the investment priority

2.6.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Structural funds will be used to support the reconstruction of multiapartment buildings. The target group will comprise apartment associations and communities of apartment owners that are active in multiapartment buildings constructed before 1993. The total net area of such multiapartment buildings is 20.8 million square metres, and they accommodate more than 400,000 apartments. When designing the intervention, establishing climate change resilience as a criterion for design and implementation of reconstruction work will be considered.

In the district heating sector, support will be given to local authorities and private enterprises for the construction of new, more efficient heat generation facilities and pipelines, renovation of existing ones or replacement of district heating with local renewable energy heating solutions, in compliance with the results of the energy efficiency analysis of heating districts conducted when updating the Energy Sector Development Plan.

As regards street lighting systems, comprehensive reconstruction of the systems where the infrastructure has deteriorated beyond the possibility of taking new LED-technologies into use will be supported. The experience and results from the pilot project carried out from 2012–2014 will serve as the basis for this.

In the transport sector, the aim is to encourage shift towards increasing the share of alternative fuels by providing support for construction of biomethane production and filling infrastructure and for activities that ensure the use of biomethane in transport. The target group is entrepreneurs that are interested in biomethane production, supplying it to the filling stations and public transport companies that are interested in consuming biomethane. The support is foreseen for pilot facilities. The resources and technology are there, but there are market barriers

to be overcome. The support is directed towards facilities using residues (a 2nd generation feedstock) as the main feedstock of the biogas production (from slurry, wastewater sludge, industrial residues and waste). When designing the intervention, the establishment of requirements relating to the cultivation of raw material for the production of biomethane will be considered.

2.6.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the fields of the environmentally sustainable economy and energy, and pursue in the best possible way the government's policy priority „Reduction of economy's general resource and energy intensity“.

Reconstruction of multiapartment buildings will improve the energy efficiency of the housing sector and reduce home ownership costs. The prerequisite for energy efficiency investments is the estimated energy savings to be achieved, as determined by an energy audit. Reconstruction of multiapartment buildings will also help to ensure the longer useful life and safety of the buildings.

In the district heating sector, attention will be paid to the contribution that the activities to be supported make to reducing final energy consumption through more efficient production and transmission and reduced air emissions. These activities should contribute to the introduction of more cost-effective heat sources.

The intervention targeted at street lighting systems will mostly concern those parts of the existing system that have deteriorated (and have old mercury vapour lamps that are banned from the market from 2015 on by the Ecodesign Directive) beyond the possibility to use new LED-based lighting technology (which will result in over 70-80% energy reduction for single luminaire). The priority areas will be medium and small size cities and urban areas, as the situation is poorer there with the lighting system and thus cost efficiency for comprehensive renovation better. This scheme has already been taken into account in the latest National Energy Efficiency Action Plan, helping to achieve the taken goals in EE and it will be reflected also in the National Energy Sector Development Plan until 2030 (under preparation). Activities to be carried out should contribute to saving energy in street lighting; in addition, contribute towards improving the quality of public urban spaces, including increasing security there.

The investments to be supported in the transport sector should promote a more extensive transfer to renewable energy through the use of biomethane. All suitable types of raw materials may be used as raw material for the production of biomethane, provided that it is ensured that their use does not harm biodiversity. It is also important to ensure that the use, disposal or storage of residue from biomethane production does not lead to new environmental problems concerning water or soil. The planned intervention is in line with the Estonian Renewable Energy Action Plan and National Transport Development Plan 2014-2020.

2.6.3.3 Planned use of financial instruments

The use of a financial instrument is being considered with a view to supporting the reconstruction of multiapartment buildings, renovation of street lighting systems, upgrading of the district heating sector, and introduction of biomethane.

2.6.3.4 Planned use of major projects

Not applicable

2.6.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 47. Common and programme-specific output indicators

I D	Indicator	Measur ement unit	Fun d	Category of region	Target value (2023)			Source of data	Frequen cy of reportin g
					M	W	T		
	Number of households (apartments) with improved energy efficiency class	Number	CF	-	-	-	20 500	Implementing body	Once a year
	Length of renovated and new pipelines	km	CF	-	-	-	137 .5	Implementing body	Once a year
	Renovated or new heat generation capacity in district heating	MW	CF	-	-	-	150	Implementing body	Once a year
	Annual amount of biomethane produced and used in transport as a result of intervention	Ktoe	CF	-	-	-	5,8	Implementing body	Once a year
	Area of reconstructed buildings	m ²	CF	-	-	-	1 334 000	Implementing body	Once a year
	Construction of local renewable energy-based heating solutions to replace district heating	MW	CF	-	-	-	1,4	Implementing body	Once a year
	Number of street lighting points renovated	Street lighting point	CF	-	-	-	22 000	Implementing body	Once a year
	Number of heat supply development plans	Heat supply development plan	CF	-	-	-	200	Implementing body	Once a year
	Number of construction designs for nearly zero energy buildings	Construction design	CF	-	-	-	5	Implementing body	Once a year
	Estimated annual decrease of GHG	t CO ₂ eqv/yr	CF	-	-	-	100 000	Implementing body	Once a year

2.6.4 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

Not applicable

2.6.5 Performance framework

Table 48. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	CF	-	222 641 494	-	-	562 302 658		The final target represents the total support and includes uncertified expenditure
Output indicator		Number of households (apartments) with improved energy efficiency class	Number	CF	-	10 800	-	-	20 500	Implementing body	-
Output indicator		Renovated or new heat generation capacity in district heating	MW	CF	-	43	-	-	150	Implementing body	-

2.6.6 Categories of intervention under the priority axis

Table 38. Categories of intervention

Fund and category of region		CF							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
011	10 155 884	01	260 590 149	07	260 590 149	07	260 590 149		

013	1 863 044								
014	188 155 352								
016	60 415 869								

2.6.7 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.7 Water protection

2.7.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

Not applicable

Investment priority 1 of the priority axis: Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs, identified by the Member States, for investment that goes beyond those requirements

2.7.2 Specific objectives corresponding to the investment priority and expected results

2.7.2.1 Specific objective 1. Compliant water management infrastructure in agglomerations

Wastewater treatment and the provision of the population with drinking water that meets requirements are the main challenges in water management. A substantial proportion of drinking water and wastewater systems were built 30–40 years ago and some systems have not been fully developed. In certain regions, water management is inefficient, resource-intensive and non-compliant. Parts of agglomerations with over and under 2000 p.e. have inadequate sewer systems for collecting and treating their wastewater. Obsolete sewer systems leak wastewater into surface water and groundwater, thus causing eutrophication in the Baltic Sea and inland bodies of water. In addition, the whole territory of Estonia has been designated as a receiving body of water sensitive to pollution, and groundwater is unprotected or weakly protected in more than half of the territory.

The state, water enterprises and local authorities do not have enough resources for investments, and water service charges are close to the tolerability threshold of many residents (up to 3% of net income per household member) because the standard of living is lower in Estonia than the average in the EU. Our geographical location causes other home ownership costs to be high as well. A major need for investment is largely also attributable to the low and uneven population density in Estonia, making the average per capita investment amount required for compliance with water quality requirements higher than in other EU Member States.

The aim is to ensure drinking water that meets quality requirements in water supply systems that service more and less than 2000 people, compliant wastewater collection and treatment in agglomerations with a p.e. of more and less than 2000 and the sustainability of the water sector so that there is no need to make extensive investments using public funds in the future.

Development of the water sector will help achieve the objectives of the Estonian Environmental Strategy 2030 and 'Estonia 2020' by contributing to sustainable economic growth with a more

resource-efficient and environmentally friendly water sector, incl. better availability of water services. Protection of surface water and groundwater will contribute to the objective of achieving a good status of water bodies as laid down in the Water Framework Directive and to the objective of protecting the Baltic Sea as specified in the EU Strategy for the Baltic Sea Region.

Table 50. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measure ment unit	Categ ory of region	Baseli ne value	Baseli ne year	Target value (2023)	Source of data	Frequen cy of reporti ng
	Proportion of people receiving compliant drinking water from a public water supply serving more than 2000 people	%	-	91	2013	100	Annual report of the Health Board on the quality of drinking water	Once a year
	Proportion of agglomerations with p.e. more than 2000 that meet sewage collection and treatment requirements	%	-	66	2012	95	Report to be submitted to the European Commission under Article 16 of the Urban Wastewater Directive	Once in 2 years

2.7.2.2 Specific objective 2. Rehabilitated contaminated areas, bodies of water and wetlands

In addition to inadequately treated wastewater, a negative impact on surface and ground water also results from disused anthropogenic hazardous sites in the land and water environment, as well as the modification of water bodies, barriers in watercourses and leaks into the water environment from livestock buildings. In some areas with contaminated soil, pollution has reached aquifers near the surface, causing health risks and undermining economic activities. Spreading in groundwater, pollution may reach the water well systems of settlements and threaten the status of groundwater bodies. In 2013, 66% of surface water was regarded as not having a good status. Of groundwater bodies, the Ordovician body of groundwater in the Ida-Viru oil shale basin did not have a good status. Measures need to be taken to reduce the impact of pollution sources and restore or maintain the natural status of water bodies.

Approximately 300 disused hazardous sites have been identified in Estonia. By the end of 2013, around 45 of the 75 most important disused hazardous sites had been eliminated (rehabilitated). From 2010–2015 large-scale rehabilitation work has and will be carried out on around 17 sites (incl. a category A waste facility) with support from the state. Rehabilitation of disused hazardous sites needs to be continued in order to protect water (including coastal waters) and ensure a safe living environment for people. Estonia has more than 6000 hectares of wetlands with a damaged water ecosystem; these are the result of peat harvesting. To achieve a good status of bodies of water, the natural hydro-morphological water regime should be restored in these areas, thus also creating habitat conditions necessary for the recovery of species.

Expected results include rehabilitation of polluted areas and water bodies, restoration of the water regime of wetlands, good status of water, reduction in health risks, viability of ecosystems, and reduction in GHG emissions.

Interventions are expected to contribute to achieving the objectives of 'Estonia 2020', to advance the business environment in rural areas, to help achieve the objectives of the Water Framework Directive and to ensure the sustainability of ecosystem services.

Table 51. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measure ment unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Proportion of nationally important past pollution sites that have been rehabilitated	%	-	68	2014	77	Project reports	Once a year
	Bodies of water with a need to eliminate threat of worsening chemical or ecological condition	Body of water	-	21	2014	16	Project reports	Once a year
	Proportion/share of areas with a water regime appropriate to the ecosystem within the total area of abandoned land	%	-	2,3	2013	32	Implementing body	Once a year

2.7.3 Actions to be supported under the investment priority

2.7.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

From 2000 to 2013, Estonia made substantial investments in water infrastructure, using resources from the EU Funds, as well as funds of local authorities and funds from environmental charges and water service charges. Investments made during the EU 2007–2013 financing period exceeded the amounts initially planned. This was due to price increases on the construction market, specification of the initial volumes of work and the limited self-financing capacity of beneficiaries. Within 2007–2013, investments were made in 49 of the 59 agglomerations with p.e. more than 2000, and at the end of the period it was estimated that 75% of such agglomerations met requirements, while high-quality drinking water was supplied to around 95% of people connected to a public water supply. The share of Estonian population connected to public water supply system was 88% (2012) of which 88% received drinking water that meets quality requirements.

Despite the extensive investments made to date, Estonia remains unable to fully comply with the requirements that arise from the Water Framework Directive, the Drinking Water and the Urban Wastewater Treatment Directive and the HELCOM Baltic Sea Action Plan and to provide residents with compliant drinking water and ensure the collection and treatment of wastewater.

To meet the requirements, additional investments are needed in agglomerations with a p.e. of more and less than 2000 and water supply systems serving more and less than 2000 people. Under this investment priority, public water supply and sewerage systems will be constructed and reconstructed (drinking water and wastewater treatment plants (including sludge management), drinking water and wastewater pipelines, pumping stations), in compliance with river basin management plans. As a result of investments, the quality of drinking water, as well as wastewater collection and treatment in all water supply systems serving more and less than 2000 people and agglomerations with a p.e. of more and less than 2000, will comply with requirements. These investments will directly contribute to the objectives of the EU Strategy for the Baltic Sea Region Action Plan, in particular to the reduction of nutrient input to the Baltic Sea, (e.g. water protection measures: reconstruction of sewerage systems including pipelines, pumping stations, wastewater treatment plants). The target group for public water supply and sewerage investments will be water enterprises of municipalities and the inhabitants joining the systems. Later, the water enterprises will have to ensure the provision of services, including renovation of obsolete equipment and pipelines, for water service charges collected.

Also, past pollution sites, wetlands with a damaged water ecosystem and bodies of water will be rehabilitated. Among other activities, around 18 hectares of polluted land and water bodies with a threat to their chemical or ecological status will be cleaned up. The main principle for cleaning up contaminated areas is to support such sites which are most risky to human health and environment (groundwater, watercourses, coastal waters). Therefore, first we need to resolve contaminated watercourses (bottom sludge containing dangerous substances) and national priority contaminated sites (mostly areas where soil is contaminated with hazardous substances, for example former boiler houses, old asphalt concrete plants, etc.). This will create the pre-requisites for sustainable management of land and for improving or maintaining the good status of water bodies. Elimination of soil pollution will prevent the excess use of water resources by reducing the spread of pollution in groundwater. Interventions will be carried out under this priority axis in conjunction with the interventions planned in the Rural Development Plan, which aim to reduce the pollution load and improve the status of surface water and groundwater.

The target group of these investments will include the owners of polluted areas. The plan is to support sites where it is not possible to apply the polluter pays principle. In a wider sense, the final beneficiaries include the population and enterprises in polluted areas, as their living and operating environment (including their drinking water and ambient air) will become cleaner and safer.

2.7.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the fields of environmentally sustainable economy and energy, and pursue in the best possible way the government's policy priority „Reduction of economy's general resource and energy intensity“.

With respect to public water supply and sewerage systems, attention will be paid to resource efficiency and the effectiveness and self-sustainability of water infrastructure once the projects have been implemented. Sustainability of water infrastructure will be ensured with the help of water service charges collected after the investments, so no further support from public funds will be necessary. In 2021 adequate contribution of water users to cover the costs of water services and long term changes in water pricing policies will be in place.

Preference will be given to projects for which the number of final beneficiaries is higher and the total investment cost per person is lower. Funding will only be granted for the rehabilitation of disused hazardous sites and abandoned peat land whose polluters cannot be identified or held liable. In cleaning up of land owned by legal persons, the Commission's guidelines on state aid will be followed, including the requirement that the resulting increase in the value of the land be deducted from eligible expenditure. In the case of water bodies, preference will be given to projects that have the aim of improving the status or preventing the deterioration of the status of water bodies.

When planning activities, account will be taken of the need to achieve the target levels of environmental status indicators specified in the EU Strategy for the Baltic Sea Region Action Plan.

2.7.3.3 *Planned use of financial instruments*

The use of a financial instrument is being considered to support the reconstruction and construction of public water supply and sewerage systems.

2.7.3.4 *Planned use of major projects*

Not applicable

2.7.3.5 *Output indicators by investment priority and, if appropriate, by category of region*

Table 52. Common and programme-specific output indicators

ID	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Frequen- cy of reportin- g
					M	W	T		
	Additional population served by improved water supply	Person	CF	-	-	-	17 000	Implementing body	Once a year
	Additional population served by improved wastewater treatment	Population equivalent	CF	-	-	-	23 000	Implementing body	Once a year
	Abandoned peat land with a restored water regime	ha	CF	-	-	-	2000	Implementing body	Once a year
	Total surface area of rehabilitated landscape	ha	CF	-	-	-	17	Implementing body	Once a year

2.7.4 *Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7*

Not applicable

2.7.5 Performance framework

Table 53. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	CF	-	17 807 719	-	-	211 788 065	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Additional population served by improved wastewater treatment	Person	CF	-	2300	-	-	23 000	Implementing body	
Output indicator		Total surface area of rehabilitated landscape	Ha	CF	-	2	-	-	17	Implementing body	

2.7.6 Categories of intervention under the priority axis

Table 54. Categories of intervention

Fund and category of region		CF					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
020	28 825 897	01	180 019 854	07	180 019 854	07	180 019 854
021	72 133 060						
022	28 825 897						
089	50 235 000						

2.7.7 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.8 Green infrastructure and improved preparedness for emergencies

2.8.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

The priority axis addressing green infrastructure and improving preparedness for emergencies comprises the investment priorities of Thematic Objective No. 5 'Promoting climate change adaptation, risk prevention and management' and Thematic Objective No. 6 'Protecting the environment and promoting resource efficiency'. Combining several Thematic Objectives arises from the need to improve the protection of species and habitats, while enhancing the prevention of emergencies, given the reciprocal effect. An integrated approach to achieving the objectives set in the areas of government of several ministries will significantly increase the combined impact across policy areas. For example, climate change is causing, among other things, loss and fragmentation of the area/spread of certain habitats and is conducive to the invasion of alien species, which in turn leads to the deterioration of the living conditions of indigenous species in Estonia. Emergencies caused by climate change represent a direct threat to people, as well as to species and habitats.

Investment priority 1 of the priority axis: Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

2.8.2 Specific objectives corresponding to the investment priority and expected results

2.8.2.1 Specific objective 1. Improved status of protected species and habitats

One objective of the 'Europe 2020' strategy is the conservation and sustainable use of biodiversity as a resource. The EU Biodiversity Strategy sets the objective of ensuring that 100% of habitat types and 50% of species have a favourable or improved conservation status by 2020. The precondition for improvement in their status is efficient functioning of the Natura 2000 network. For that purpose, green infrastructure needs to be developed and at least 15% of degraded ecosystems need to be rehabilitated. There are 60 endangered habitat types and 99 endangered species of EU in Estonia, of which only 52% of habitat types and 54% of species have a favourable conservation status, 45% of habitats types and 27% of species have an unfavourable inadequate status, 3% of the habitats types and 8% of the species have the unfavourable bad status and 11% of the species' status is unknown.⁷⁹

The declining living conditions in, and the decreasing area and fragmentation of, habitats suitable for species are the main threats to species. This reduces overall biodiversity, economic and environmental sustainability as well as the quality and quantity of ecosystem services. The loss of ecosystem services in turn leads to high costs on alternative activities that those damaged

⁷⁹ Based on the report submitted to the Commission in 2013. The conservation status of the EU threatened habitat types and species are assessed according to the Habitats Directive (92/43/EEC).

ecosystems can no longer provide⁸⁰. Investments in biodiversity foster economic growth, regional development and employment in rural areas. The value of services provided by the Natura 2000 network is estimated to reach 3–4.6 billion euros a year⁸¹. In addition, each Natura 2000 area results in around 3–6 new jobs in the region.

Structural funds will be used to contribute to an improved or continuously favourable status of endangered and protected species and habitats in the EU and to achieving landscape diversity by ensuring the functioning of habitats as an integrated ecological network.

The need to restore habitat types in salmon rivers arises from the Baltic Sea Action Plan, which states that the natural reproductive capacity of salmon rivers flowing into the Baltic Sea should be restored to 50–80% of their natural potential.

Activities will contribute to achieving the objectives of the Birds and Habitats Directives, Biodiversity Strategy, and Green Infrastructure Strategy of the EU. In conjunction with interventions proposed in the Rural Development Plan, a contribution will be made to achieving the objectives of 'Estonia 2020', helping to ensure the long-term supply of ecosystem services and facilitating the creation of new business opportunities in rural areas.

Table 55. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data⁸²	Frequency of reporting
	Number of species whose status has improved or remained unchanged	Species	-	53 species with a favourable status, 27 with an inadequate status, 8 with a bad status and 11 with unknown status	2013	The status of 12 species has improved, that of others has remained the same	Data to be submitted to the European Commission	Every two years
	Number of habitat types whose status has improved or remained unchanged	Habitat type	-	31 habitat types with a favourable status, 27 with an inadequate status, 3 with a bad status	2013	The status of 7 habitat types has improved, that of others has remained the same	Data to be submitted to the European Commission	Every two years

⁸⁰ E.g. carbon sequestration, flood control, pollination, pure water and air.

⁸¹ The estimated value of the ecosystem services provided by the Natura 2000 network in the EU is 200–300 billion euros a year (The EU biodiversity objectives and the labour market, ICF-GHK 2012).

⁸² Report on the implementation of the Habitats Directive (2013):

<http://cdr.eionet.europa.eu/ee/eu/art17/envuc0mhq>.

2.8.3 Actions to be supported under the investment priority

2.8.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under the investment priority, support will be provided for the protection and inventory of protected habitats; restoration of landscape resources; investments in infrastructure necessary for maintaining valuable semi-natural communities and related to the management of protected areas; investments in visitor management infrastructure; investments in *ex situ* protection of species; and ensuring fish migration conditions in dams constructed on salmon rivers. Funding will be granted to one-off activities that are not eligible to receive EAFRD or EMFF funding. Interventions will be based on the results achieved during the 2007–2013 financing period and the Prioritised Action Framework for Natura 2000 (PAF) that was drawn up on the basis of Nature Conservation Development Plan 2020 and submitted to the European Commission.

Interventions will be planned and implemented in a manner that enables synergies to be achieved with the measures planned under the Rural Development Plan 2014–2020 which have the same objectives (including the use of Natura 2000 payments and support for maintaining semi-natural communities). Maintenance of semi-natural communities (grazing and mowing) will be supported by EAFRD funding, while ensuring access to semi-natural communities for restoration and maintenance purposes will be supported by CF funding. CF support for upgrading infrastructure (bridges, roads and culverts) is very important because otherwise it would not be possible for mowers to have access to the semi-natural communities to maintain them. These investments will also contribute to the prevention of unwanted floods. This way, the use of funds will be integrated with a view to improving the conservation status of semi-natural communities and fostering regional development. Also, hay mown in the areas of semi-natural communities will be used as a renewable resource in boiler houses. Reconstruction of the infrastructure necessary for the management of protection will ensure access to the protected areas and to the natural resources there, enable habitats to be restored and maintained, increase nature tourism opportunities, and improve the local mobility options.

Restoration of protected habitats (semi-natural habitats, river habitats, wet forests and heaths) will directly contribute to improving the conservation status of species. CO₂ sequestration associated with the restoration of mires (bogs and fens) will mitigate climate change; restoration of mires (bogs and fens) will reduce fire risks; and restoration of river habitats and wet forests will reduce the impact of unwanted floods.

By reconstructing visitor management infrastructure, visitors will be directed away from sensitive species and habitats, thus contributing to the preservation and improvement of their conservation status. This is also important from the point of view of nature tourism, as well as for the development of nature education in a wider sense. Restoration of protected landscape resources will directly contribute to the development of green infrastructure, while also supporting links between habitats. Inventories will enable information on the conservation status of species and habitats to be updated and serve as a basis for investment. Investments in the *ex situ* protection of species are needed to create and maintain captive populations of species in order to preserve the gene pool of endangered species or populations and the possibility of reintroduction or reinforcement of natural populations.

One reason for the poor conservation status of rivers in Estonia is the migration obstacles in the rivers. To achieve a favourable status of rivers, migration conditions will be created for migratory fish in important fish rivers so that the fish can reach their spawning grounds and habitats.

Besides the species and habitats whose status is planned to be improved, the interventions will be directly targeted at local residents and local enterprises, including nature tourism businesses, tourists and other visitors to protected areas. Due to the interventions the regional accessibility will be improved and regional employment will increase. Restoration of habitats will improve the potential of nature tourism. Construction of fish ladders will provide direct benefits, especially to the owners of dams on salmon rivers and natural persons or enterprises engaging in recreational fishing. In a wider sense, the beneficiaries of the interventions will include the entire population of Estonia in terms of the better quality of natural ecosystem services and enhanced connectedness of the green network.

2.8.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the fields of the environmentally sustainable economy and energy, and pursue in the best possible way the government's policy priority „Reduction of economy's general resource and energy intensity“.

The first priority is to improve the living conditions of species whose conservation status is unfavourable (bad or inadequate) through the restoration and conservation of habitats. Interventions will be based on the priorities specified in the Prioritised Action Framework for Natura 2000 (PAF) and Nature Conservation Action Plan 2020.

One-off investments will be made in the restoration of habitats (rivers) or in the initiation of the recovery process of habitats (mires). Among other things, the sustainability and environmental impacts of investments will be taken into account. Structural funds will only be used to finance one-off investments needed to maintain semi-natural communities (incl. roads, culverts, bridges and procurement of cattle).

When planning activities, account will be taken of the need to achieve the target levels of the biodiversity indicators specified in the EU Strategy for the Baltic Sea Region Action Plan.

2.8.3.3 Planned use of financial instruments

Not applicable

2.8.3.4 Planned use of major projects

Not applicable

2.8.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 56. Common and programme-specific output indicators

I D	Indicator	Measur ement unit	Fun d	Category region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Surface area of habitats supported to	Ha	CF	-	-	-	15 000	Project reports	Once a year

	improve conservation status								
	Number of objects acquired, constructed and reconstructed in connection with protected species or habitats	Object	CF	-	-	-	2 750	Project reports and Estonian river monitoring reports	Once a year
	Inventoried areas	Ha	CF	-	-	-	94 000	Project reports	Once a year
	Number of ecosystems for which a biodiversity status assessment system has been created, with socio-economic factors taken into account	Ecosyst em	CF	-	-	-	4	Project reports	Once a year

Investment priority 2 of the priority axis: Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems

2.8.4 Specific objective corresponding to the investment priority and expected results

2.8.4.1 Specific objective 1. Increased capability to react to emergencies caused by climate change and extensive pollution

Frequent climate change-induced extreme weather events (storms, floods and droughts) as well as forest and landscape fires are causing increasingly more damage to the environment and to people's assets. In order to prevent emergencies brought about by climate change, early warning systems need to be developed and the sustainability of meteorological and hydrological monitoring needs to be ensured. A significant part of the state's infrastructure for meteorological and hydrological monitoring is technically obsolete. At the same time, there is a growing need to collect source data for more sophisticated forecasting models. At present the data are collected manually, which is a very time- and labour-intensive process. Therefore, it is important to upgrade the monitoring network and enhance its fully automated nature in order to ensure consistent and high-quality data transmission at lower costs. Amongst other things, this would make it possible to monitor and assess the likelihood and severity of emergencies and their expected impact on increasing emissions that contribute to climate change. Based on the fact that forest fires have the greatest impact of all emergency situations on greenhouse gas emissions, it is planned to enhance landscape and forest fire response capacities, primarily through rescue equipment, to protect the environment and people's assets and reduce emissions.

Besides emergencies brought about by climate change, and partially also due to the storms caused by it, it is imperative to pay attention to the increasing threat of marine pollution in the context of increasing maritime transport (including the transport of oil products and chemicals). Marine pollution incidents in Estonian waters indicate that there is an urgent need to enhance national pollution response and marine monitoring capacity in accordance with the HELCOM Baltic Sea Action Plan, given the ever-growing traffic, slow water exchange rate and high pollution sensitivity of the Baltic Sea. To reduce the negative environmental impact of accidents and malicious pollution, it is planned to proactively enhance marine monitoring activities and improve pollution localisation and sweeping capacities, thereby contributing to the objectives of 'Estonia 2020' and the Basis for National Security Policy of Estonia.

Table 57. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Number of regions in which simultaneous localisation and extinguishing of fires on up to 600 ha (4 regions) is guaranteed	Region	-	3	2015	4	Implementing body	Once a year
	Marine pollution response capacity (Police and Border Guard Board) ⁸³	km ² /24 h	-	1,2	2013	1.8	MoI	Once a year
	Share of upgraded hydro-meteorological monitoring network	%	-	40	2013	60	Implementing body	Once a year

2.8.5 Actions to be supported under the investment priority

2.8.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

With a view to preventing emergencies caused by climate change, meteorological and hydrological monitoring will be enhanced primarily through the modernisation of the network of monitoring stations. The target group of the action will be the Environment Agency, who will ensure the sustainable use of the results.

In terms of increasing the capacity to respond to climate change-induced emergencies, the focus will be on preventing the spread of and eliminating forest fires, thereby reducing CO₂ emissions. This will be achieved through the acquisition of rescue equipment (rescue vehicles and vehicles

⁸³ The indicator only covers the capacity of the Police and Border Guard Board.

with high cross-country mobility) needed to reduce the consequences of emergencies that have a significant impact on CO₂ emissions. The target group of the action will be the Rescue Board.

The capacity to respond to climate change-induced emergencies in eliminating marine and coastal pollution, including improved preparedness for emergencies affecting the state of the Baltic Sea, will be enhanced through the acquisition of marine monitoring and pollution elimination equipment (a plane and a ship that replaces the old vessel 'Kati' of the Police and Border Guard Board) in addition to the new multifunctional pollution response ship, which was commissioned by the Estonian Police and Border Guard Board in August 2012. The target group of the action will be the Police and Border Guard Board.

In a broader view, the whole population and the whole environment will benefit from the interventions. For example, the safety of the rural population will increase as a result of increased preparedness to eliminate fires. Various parties (e.g. farmers and inhabitants of flood risk areas) will benefit from the improved weather prognoses.

2.8.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the fields of environmentally sustainable economy and energy, and pursue in the best possible way the government's policy priority „Reduction of economy's general resource and energy intensity“.

The modernisation of the network of monitoring stations will have to improve the quality of data transmission and reduce costs through the automation of processes.

In enhancing the capacity to extinguish forest and landscape fires, focus will be on improving the response time and increasing the capacity of rescue vehicles. Possible savings on (fixed) costs if more efficient vehicles were to be taken into use will be considered as well. As regards marine pollution, detection and response speeds and control capacity are expected to improve. In improving marine pollution response capacity, account will be taken of the need to achieve the target levels of the indicators specified in the EU Strategy for the Baltic Sea Region Action Plan.

In increasing the capacity to extinguish forest and landscape fires and eliminate marine pollution, the aim will be to ensure the greatest possible multifunctional nature of vehicles to also be able to use the equipment in response to other emergencies, if necessary. Among others, the measures proposed in the summaries of annual risk analyses will be taken into account.

2.8.5.3 Planned use of financial instruments

Not applicable

2.8.5.4 Planned use of major projects

Not applicable

2.8.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 58. Common and programme-specific output indicators

I D	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Frequenc y of reportin g
					M	W	T		
	Multifunctional rescue vehicles acquired	Rescue vehicle	CF	-	-	-	83	Implementin g body	Once a year
	Monitoring stations upgraded	Monitorin g station	CF	-	-	-	50	Implementin g body	Once a year
	Calibration laboratories upgraded	Calibratio n laboratory	CF	-	-	-	1	Implementin g body	Once a year
	Automatic probe station	Automatic probe station	CF	-	-	-	1	Implementin g body	Once a year
	Marine pollution control vehicles acquired (2 vessels and 1 plane)	Marine pollution control vehicle	CF	-	-	-	2	Implementin g body	Once a year

2.8.6 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

None

2.8.7 Performance framework

Table 59. Performance framework of the priority axis

Indicat or type	I D	Indicator or implementatio n step	Measu remen t unit, where appro priate	Fund	Catego ry of region	Miles tone for 2018	Final target (2023)			Sour ce of data	Explan ation of the releva nce of the indicat or, where appro priate
							M	W	T		
Financia l indicato r			Euro	CF	-	59 179 971	-	-	130 515 053	Certif ying autho rity	The final target repres ents the total suppor t and include s uncerti

											fixed expenditure
Output indicator		Multifunctional rescue vehicles acquired	Rescue vehicle	CF	-	83	-	-	83	Implementing body	
Output indicator		Surface area of habitats supported to improve conservation status	ha	CF	-	1000	-	-	15 000	Project reports	
Output indicator		Number of objects acquired, constructed and reconstructed in connection with protected species or habitats	Object	CF	-	238	-	-	2 750	Project reports	
Output indicator		Marine pollution control vehicles acquired (2 vessels and 1 plane)	Marine pollution control vehicle	CF	-	2	-	-	2	Implementing body	

2.8.8 Categories of intervention under the priority axis

Table 60. Categories of intervention

Fund and category of region		CF					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
085	53 245 074	01	110 937 794	01	1 209 670	07	110 937 794
				02	1 209 670		
087	57 692 720			03	2 820 642		
				07	105 697 812		

2.8.9 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.9 Sustainable urban development

2.9.1 *Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund*

The priority axis of sustainable urban development is based on the sustainable development strategies of five larger urban areas⁸⁴ in Estonia⁸⁵. These strategies cover all sustainability aspects of urban areas, including their economic, environmental, climatic, demographic and social challenges. The EU contribution is planned to be used for the implementation of those strategies, in particular for the following activities, which will be devised on the basis of the specific challenges of cities and the objectives of the 'Estonia 2020' strategy: development of sustainable and low-carbon mobility and urban space; creation of childcare and nursery school places to reduce the need for transport and support employment; and physical, economic and social rehabilitation of underused areas in the larger urban areas of Ida-Viru County. The interventions to be carried out under this priority axis will contribute to achieving Thematic Objective No. 4 'Supporting a shift towards a low-carbon economy in all sectors' and Thematic Objective No. 9 'Promoting social inclusion and combating poverty'.

The implementation of sustainable urban development strategies should contribute to the achievement of several objectives in an integrated manner, and have a combined effect with the activities to be carried out under other priority axes, and activities of the municipalities of these urban areas. A combined priority axis covering several Thematic Objectives needs to be created in order to achieve a higher and more diverse impact of the prioritised activities to be defined in the strategies.

The interventions to be carried out under the priority axis are expected to result in the more sustainable development of larger urban areas. To this end, it is important that a sustainable development strategy is in place and implemented in each larger urban area. A more detailed description of the preparation of sustainable urban development strategies is given in section 4.2.

The action proposed under this priority axis will be complemented by other activities to be financed from EU Funds which are expected to contribute to the increased international competitiveness of larger urban areas, incl. interventions focussing on R&D and entrepreneurship with significant growth potential. Intervention to be carried out under priority axis 5 to promote small and medium-sized business and strengthen the competitiveness of regions (the latter applies to regions outside the urban areas of Tallinn and Tartu) are also of importance. A contribution to a reduction in CO₂ emissions in urban areas will be made by the interventions that are planned under the 'Energy efficiency' priority axis with a view to improving the energy performance of multiapartment buildings and renovating street lighting systems and by the interventions planned under the 'Sustainable transport' priority axis. When planning and implementing activities directed at improving mobility in urban areas, projects for which application for support from the Connecting Europe Facility is planned are also considered in order to maximise synergy and avoid redundancy. The interventions co-financed by the European Social Fund and aiming to assist people in finding and keeping a job (incl. interventions targeted at newly arrived immigrants and poorly integrated permanent residents and interventions targeted at better organised childcare) will contribute to solve the problems of urban areas suffering from unemployment and poverty. Also relevant are the interventions that aim to

⁸⁴ The five larger urban areas include Tallinn, Tartu, Narva, Pärnu and Kohtla-Järve/Jõhvi together with surrounding local authority units. See explanation in section 3.1.3 of the Partnership Agreement and section 4.2 of the Operational Programme.

⁸⁵ Article 7 of ERDF Regulation (EU) No 1301/2013

enhance development capacity at the local and regional levels by improving the capabilities of regional and local level officials to plan activities with a view to creating preconditions for the development of the region and better provision of services, and increasing the capacity of the third sector to participate in local development issues.

Investment priority 1 of the priority axis: Promoting low-carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures

2.9.2 Specific objectives corresponding to the investment priority and expected results

2.9.2.1 Specific objective 1. The share of users of sustainable means of mobility has grown

Larger urban areas as significant sources of CO₂ emissions are of key importance in overcoming the challenges of achieving sustainable growth. The proportion of journeys made using public transport has declined in larger urban areas, and the use of bicycles is also relatively low. While the share of people who live in larger cities and their hinterland and go to work on public transport, by bicycle or on foot was nearly 61% in 2005, this indicator was just 48.5% in 2012⁸⁶. The increasing use of cars results in worsening environmental conditions and public health. Developing new infrastructure primarily in the interests of car users will worsen the urban environment for those who prefer to walk, cycle or use public transport, and for people living in the city in general. It is important to make the urban environment a pleasant and convenient place for moving around without a car. This requires improvement of opportunities for moving on foot or on a bicycle, development of public urban space that supports sustainable mobility, and good access to comfortable public transport that meets the people's needs.

Local municipalities of the five larger urban areas were able to seek support for developing sustainable mobility environment and public space during the period 2007–2013 as well. Although a number of these projects had not been completed yet by the end of 2013, it can be predicted that around 90 km of non-motorised traffic roads will have been constructed (most of them in the surroundings of Tallinn) and a new level of quality will have been achieved in nearly 60 hectares of green areas and squares by the end of the period. Projects aiming to develop public transport systems are being implemented in two cities. Unlike the interventions planned for the period 2014–2020, the urban development action carried out from 2007–2013 included only Tallinn as the whole integral functional urban region. In the 2014–2020 period, interventions will cover the hinterland of other cities, too, which is especially important in terms of solving mobility issues. It is also intended to pay more attention to the comprehensiveness of projects, i.e. ensure that the projects either solve a particular problem comprehensively in a certain urban area or improve the situation of a certain sphere throughout the urban area.

Table 61. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measur ement unit	Category of region	Baselin e value	Baseli ne year	Target value (2023)	Source of data	Frequen cy of reportin g
	Share of people who go to work on public	%	Less developed	48.5	2012	50.0	Statistics Estonia:	Once a year

⁸⁶ Statistics Estonia

	transport, by bicycle or on foot in larger urban areas ⁸⁷						Labour Force Survey	
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2.9.3 Actions to be supported under the investment priority

2.9.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under this investment priority, support will be provided for activities that decrease dependence on using a personal car. For that, three types of activities will be supported: development of opportunities for moving on foot or on a bicycle (including pedestrian and bicycle routes, bicycle parking places, bicycle share systems, smart solutions); increasing support of sustainable modes of mobility in public urban space by focusing on key mobility areas; and sustainable provision of public transport services that meets the needs of the population (including mobility surveys and plans, information systems, ticket systems, park-and-ride systems, acquisition of environmentally friendly public transport vehicles to the extent of the portion of the cost that exceeds the price of an ordinary vehicle). Activities will be eligible in all five urban areas that have a sustainable development strategy in place, because the share of people who use public transport, go on foot or ride a bicycle has decreased in all urban areas. Focus areas within the range of activity types depend on the sustainable development strategy of the specific urban area analysing the main bottlenecks in the mobility of a specific urban area as well as the best solutions for decreasing dependency on cars and promoting sustainable means of mobility. Combined impact will be considered and redundancy with the sustainable transportation activities of priority axis 10 avoided. Guidelines will be compiled concerning the compilation of sustainable development strategies; as concerns sustainable mobility, these will be in accordance with the guidance document concerning urban mobility http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/guidance_urban_mobility.pdf.

The interventions proposed will be of direct benefit to all parties operating in larger urban areas. The mobility options of those who do not use a personal car will improve. Promoting a pleasant mobility environment and making non-motorised traffic and public transport more convenient will result in reduced use of cars and thus also reduced CO₂ emissions and a healthier urban environment. Improving the quality of connections will also help save time and money in accessing public services and going to work.

2.9.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

⁸⁷ The target level was set on the basis of the fact that the trend has been declining. This decline was particularly sharp in the period 2005–2008 and has stabilised since 2009 (most likely due to the economic crisis). The goal is to halt and reverse the downward trend, and to increase the share of people who use public transport, go on foot or ride a bicycle to get to work to at least 50%. As improvement in the economic situation will create the preconditions for increased car use, it is particularly important to design adequate interventions to promote alternative mobility options.

Investment priority-specific guiding principles

Projects will be selected on the basis of the priorities stipulated in the sustainable urban development strategies, as well as the objectives of the priority axis. Preference will be given to operations developed and carried out as a result of cooperation between several local authorities. A sustainable mobility environment will be developed in accordance with the principles of universal design, which means taking account of the needs of all user groups (incl. people with disabilities, children, and the elderly) when setting up the infrastructure. Green infrastructure solutions will be used where possible.

2.9.3.3 Planned use of financial instruments

The use of a financial instrument will be considered during the period.

2.9.3.4 Planned use of major projects

None

2.9.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 62. Common and programme-specific output indicators

I D	Indicator	Measur ement unit	Fund	Category of region	Target value (2023)			Source of data	Freque ncy of reporti ng
					M	W	T		
	Population living in areas with integrated urban development strategies	Persons	ERDF	Less developed			797 000	Statistics Estonia	Once a year
	Area of developed or revived public urban spaces	m2	ERDF	Less developed	-	-	100 000	Implementing body	Once a year
	Total length of newly built roads for NMV traffic	km	ERDF	Less developed	-	-	225	Implementing body	Once a year
	Number of projects developing the public transport network and mobility of the entire urban area, and promoting innovative NMV traffic	Project	ERDF	Less developed			3	Implementing body	Once a year

Investment priority 2 of the priority axis: Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

2.9.4 Specific objectives corresponding to the investment priority and expected results

2.9.4.1 Specific objective 2. Major underused districts in larger urban areas of Ida-Viru County have been revived

Larger urban areas are not developing evenly, and there are also major differences between city districts. To ensure the competitiveness of an urban area as a whole and to prevent underutilised urban areas and an environment which is unattractive to both entrepreneurs and residents from hindering the development of the urban area, it is essential to support urban development by investing in the revival of the areas that are important in urban space but whose potential is either underused or not used at all. Physical, social and economic revival of underused urban areas is most important in Ida-Viru County – these differing from other regions of Estonia by higher persistent unemployment, lower business activity, backward basic infrastructure, a higher proportion of buildings and land that have fallen out of use etc. – is especially important. The population of larger urban areas in Ida-Viru County has significantly decreased over the past 20 years. According to the census data of 1989, the total population in the cities and rural municipalities of the two urban areas then amounted to 172,000. By 2011 this number had fallen to 117,000 (a decrease of 32%). Industry in the region has contracted, as well. Consequently, the larger cities in Ida-Viru County need adaptation to changed circumstances and modernisation of urban space to ensure a living environment which is comparable to that of other large cities in Estonia in terms of attractiveness. It is important to involve all parties (i.e. the business and non-profit sectors along with the public sector) in the renewal of the urban environment. Making investments in districts that have the potential to become a catalyst for the development of the urban area in question will create preconditions to increase the attractiveness of the urban area for both entrepreneurs and residents.

Table 63. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measu remen t unit	Category of region	Base line valu e	Base line year	Target value (2023)	Source of data	Frequency of reporting
	Number of enterprises and service providers benefitting from investments ⁸⁸	Enterp rise	Less developed	0	2013	30	Project reports	Once a year

2.9.5 Actions to be supported under the investment priority

2.9.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Actions will be targeted at the districts within two larger urban areas of Ida-Viru County that have the potential to become a catalyst for the development of the urban areas. Support will be provided for the development of infrastructure necessary for the enlivening of underused inner urban areas (incl. demolition of unnecessary buildings, creation of street networks and construction and reconstruction of buildings) and supporting activities (e.g. concept creation,

⁸⁸ The baseline value of the indicator was set on the basis of the assessments of local authority units, the information they provided about planned interventions and the amount of funds envisaged for the priority axis.

engagement and marketing) that will create preconditions for business and the provision of high-quality services. It is recommended that NGOs and enterprises should be engaged in the activities. Specific areas and needed activities for reviving them will be determined in the sustainable development strategies of the urban areas.

As a result of these activities, the relative unattractiveness of the larger urban areas of Ida-Viru county as a residential and business environment compared to other urban areas in Estonia will decrease.

2.9.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Projects will be selected on the basis of the priorities stipulated in the sustainable urban development strategies, as well as the objectives of the priority axis.

2.9.5.3 Planned use of financial instruments

The use of a financial instrument will be considered during the period.

2.9.5.4 Planned use of major projects

None

2.9.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 64. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Population living in areas with integrated urban development strategies	Persons	ERDF	Less developed	-	-	107 000	Statistics Estonia	Once a year
	Area of developed or revived public urban spaces	m ²	ERDF	Less developed	-	-	100 000	Implementing body	Once a year
	Area of public or business buildings built or renovated in the urban areas	m ²	ERDF	Less developed	-	-	100	Implementing body	Once a year

Investment priority 3 of the priority axis: Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

2.9.6 Specific objectives corresponding to the investment priority and expected results

2.9.6.1 Specific objective 3. Residents of larger urban areas are provided with nursery school and childcare options near home

As a result of the concentration of the population in a few larger urban areas, existing infrastructure is no longer able to meet the demand for services. This problem is especially pressing with regard to childcare services. While there is a shortage of places in nurseries and childcare establishments in 33% of Estonian municipalities, the problem is most acute in larger urban areas (due to the concentration of the population). In January 2012 there were 5900 children waiting for a place in a nursery school in Estonia, the vast majority of them (4430) in the urban areas of Tallinn, Tartu and Pärnu⁸⁹. The shortage of childcare places has also resulted in higher forced mobility in urban areas, causing traffic jams, increasing CO₂ emissions and damaging the living environment. Another result is less opportunities for parents of small children to return to work. The employment gap between mothers with young children (aged 0-6) and women without children (15.9 in 2011) indicates that in the case of women the main reason for not participating in employment is the need to care for young children. Considering the shortage of childcare facilities, a distinction should be made between persistent and changing needs. The persistent need derives from the fact that the population has grown significantly in some local authority units: the population has multiplied in some places. To meet the increased demand, constructing additional infrastructure is inevitable to some extent. The intervention will be complemented by childcare development activities financed by the European Social Fund (within and outside urban areas). As a result of the intervention, nursery school and childcare options near home will improve in the urban areas of Tallinn, Tartu and Pärnu, there will be less need to move around and parents will be able to return to work more quickly.

Local authority units of the five larger urban areas were able to apply for support to make investments in childcare establishments during the period 2007–2013. As a result, around 250 nursery school places were created, but this is not enough to cover the estimated need over a term of approximately 20 years.

Table 65. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Length of childcare and nursery school waiting lists in larger urban areas	Number of children	Less developed	4430 ⁹⁰	2012	300 ⁹¹	Survey	Once a year

⁸⁹ Ainsaar & Soo, Kohalikud omavalitsused ja lastega pered /Local authorities and families with children/, 2012

⁹⁰ Estimate. Based on the survey 'Kohalikud omavalitsused ja lastega pered' /Local authorities, and families with children/ University of Tartu, Institute of Sociology and Social Policy, commissioned by the Ministry of Social Affairs, 2012). The survey views the country-wide need and need aggregated by type of local authority.

⁹¹ The target level was set in view of the objective of essentially eliminating nursery school waiting lists by 2020. A 'natural waiting list' of some magnitude will probably remain.

2.9.7 Actions to be supported under the investment priority

2.9.7.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under the investment priority, support will be provided for activities that comply with the sustainable urban development strategy and are aimed at creating additional nursery and childcare places in the urban areas of Tallinn, Tartu and Pärnu. This means constructing new buildings or parts of buildings, or reconstructing existing multifunctional buildings or premises so that they can be used to provide childcare services or pre-school education. The infrastructure built or reconstructed for creating nursery and childcare places must meet official standards. The intervention will result in contributing to several specific objectives. Preconditions will be created for the increase of parents of small children in employment, and thus social engagement increased as well as the availability of services improved; preconditions will also be created for finding childcare places near home, thus decreasing mobility within the urban area and correspondingly decreasing the amount of CO2 emissions. The target groups will include local authorities and the non-profit sector.

A combined effect will be taken into account, and overlaps with activities aiming to develop childcare services under priority axis 2 (Improvement of access to, and prevention of dropping out of, the labour market) will be avoided.

2.9.7.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Projects will be selected on the basis of the priorities stipulated in the sustainable urban development strategies, as well as the objectives of the priority axis. Preference will be given to activities the use of the results of which would burden the financial capacity of local authorities as little as possible. Construction of new buildings is expected to be justified by the population trends for the next couple of decades, and the construction of low-energy buildings will be preferred.

2.9.7.3 Planned use of financial instruments

The use of a financial instrument will be considered during the period.

2.9.7.4 Planned use of major projects

None

2.9.7.5 Output indicators by investment priority and, if appropriate, by category of region

Table 66. Common and programme-specific output indicators

I D	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Freque ncy of reporti ng
					M	W	T		
	Population living in areas with integrated	Persons	ERDF	Less developed	-	-	690 000	Statistics Estonia	Once a year

	urban development strategies								
	Number of nursery and childcare places created	Nursery/childcare place	ERDF	Less developed	-	-	2000	Implementing body	Once a year
	Rehabilitated housing in urban areas	m ²	ERDF	Less developed	-	-	26 000	Implementing body	Once a year

2.9.8 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

Not applicable

2.9.9 Performance framework

Table 67. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF	Less developed	18 476 888	-	-	110 375 469		The final target represents the total support and includes uncertified expenditure
Output indicator		Number of projects developing the public transport network and mobility of the entire urban area, and promoting innovative NMV traffic	Project	ERDF	Less developed	1 ⁹²	-	-	3	Implementing body	2018 target level - approved, not finished project.

⁹² Approved project (not finished by the end of 2018).

Output indicator		Area of developed or revived public urban spaces	ha	ERDF	Less developed	3	-	-	10	Implementing body	
Output indicator		Number of nursery and childcare places created	Nursery or childcare place	ERDF	Less developed	400	-	-	2000	Implementing body	

2.9.10 Categories of intervention under the priority axis

Table 68. Categories of intervention

Fund and category of region		ERDF: Less developed regions					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
043	44 819 149	01	93 819 149	01	93 819 149	07	93 819 149
052	34 000 000						
055	15 000 000						

2.9.11 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.10 Sustainable transport

2.10.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

Not applicable

Investment priority 1 of the priority axis: Supporting a multimodal Single European Transport Area by investing in the TEN-T

2.10.2 Specific objectives corresponding to the investment priority and expected results

2.10.2.1 Specific objective 1. Improved connections on TEN-T

Safe international connections and movement options are essential for Estonia's competitiveness and participation in global value chains. Inadequate transport links hinder the development of sectors that involve travelling or the transportation of goods. The impact of flight connections on

GDP growth is estimated to range from 4–7%⁹³. Insufficient quality of transport infrastructure is a problem in Estonia, so investments in improving the main transport connections are a priority. The internationalisation of value chains and increasing competition for human and financial capital require movement within Estonia as well as to and from Estonia to be fast, convenient and safe. Improving road safety is a challenge. While traffic has become safer and the number of road accidents has decreased, there are still roads with dangerous crossings, without shoulders, with limited visibility etc. Since 2006, when there were 204 traffic deaths, this number has been constantly decreasing (with the exception of 2011), reaching 87 in 2012⁹⁴. The number of traffic deaths per million ranks us 17th–18th among the EU 27⁹⁵. To improve access of enterprises to important markets and people's mobility options, it is also important to provide shorter and more reliable connection times (incl. with respect to crossing the border between Estonia and Russia, which is important from the point of view of the EU's foreign trade).

Flight connections are of critical importance in terms of business contacts. Investments in Tallinn Airport will contribute to achieving compliance with environmental and safety requirements. In view of the fact the Estonia is on the periphery, away from a large part of Europe, development of flight connections is crucial to ensure our competitiveness.

To improve connection with the nearest destinations, investments need to be made in the development of passenger train traffic, which is discussed under specific objective 2.

The investments should result in increased flows of goods, foreign tourists and business people, better capacity to serve them and fewer traffic accidents on roads that have received investment. This is measured in the number of international travellers, which is the total of travellers at incoming and outgoing trips (except those made by private cars).

Actions planned with support of the Structural Funds and projects for which support of the Connecting Europe Facility will be applied for, will be prepared and implemented with the aim of achieving complementarity and avoiding overlap.

Table 69. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Number of international travellers per year (air-, maritime-, and bus transport)	Travellers per year	-	12.8 million	2013	14,8 million	Port of Tallinn, Tallinn Airport and Statistics Estonia	Once a year
	Share of low quality roads on TEN-T	(%)	-	12%	2012	11%	Road Administration	Every two years

⁹³ Estonian Air, Annual Report 2011

(http://estonian-air.ee/public/Annual_Reports/Annual_Report_2011.pdf)

⁹⁴ Road Administration: <http://www.mnt.ee/index.php?id=12996>

⁹⁵ Road Administration: <http://www.mnt.ee/index.php?id=23439>

2.10.3 Actions to be supported under the investment priority

2.10.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

The interventions to be carried out during the budget period will focus on the development of the TEN-T network, with railways and roads (incl. border crossing points/ensuring smooth border crossing) being prioritised and a smaller amount of investments envisaged for Tallinn Airport (TEN-T). The underlying aim of the investments under this objective and objective 2.10.4.1 is to provide better access to and link with each other the main international gates of Estonia which are the harbours of Tallinn Old City, Muuga, Paldiski and Sillamäe, the airport of Tallinn and the border crossings of Ikla, Narva and Luhamaa. The focus is on projects that help to achieve several goals at the same time or are linked with each other or projects prepared for CEF funding, or supported by national funds etc. For example, the connections to Tallinn Old City Harbour are planned to be improved with the TEN-T road network under the current objective and with sustainable transport modes under objective 2.10.4.1.

During the periods 2004-2013 all the TEN-T comprehensive network airports were reconstructed, except for the airport of Pärnu. No structural funds are being planned to allocate to TEN-T comprehensive network airports. The total length of TEN-T roads is near 1300 kms, of which 240 kms saw investments during the periods 2004-2013. During 2014-2020 another 110 km of TEN-T roads will be constructed or reconstructed.

As regards the TEN-T road network, priority will be given to four routes: Via Baltica (connection to Latvia and other European countries), Tallinn-Tartu-Luhamaa (connection between the two larger cities and to Russia), Tallinn-Narva (main connection to Russia and land links for the ports of Muuga and Sillamäe) and the Tallinn ring road (connection of the Port of Paldiski to TEN-T). Investments in other TEN-T roads will be smaller in volume. The investments will be based on the results of projects financed in 2007-2013. For example, the planned upgrade of Kose-Ardu section on Tallinn-Tartu road is directly linked to the investments made to Aruvalla-Kose section in the previous period. The remaining national roads (incl. maintenance of these) will be funded from the state budget in accordance with the effective Road Management Plan. For construction activities that involve an upgrade of the road class, various measures to mitigate environmental impact and traffic safety measures will be introduced. As regards border crossings on TEN-T roads, the main bottlenecks are present on the border with Russia, which are planned to be addressed within the scope of cross-border cooperation between Estonia and Russia. The sections that cross the three largest cities (Tallinn, Tartu and Narva) will also be supported, where it is necessary to improve access to the border or ports, or construct missing links.

Investments in Tallinn Airport will achieve compliance with environmental and safety requirements, too. In the development of the airport, the CF contribution will be combined with the resources of the airport. This means that the CF contribution will only be used to support investments that are consistent with state aid rules. The investments planned are not financially profitable for the airport but they have a positive socio-economic value. The reduction of air, soil and noise pollution will be achieved through investments into different activities at the airport. New storm water systems, building dedicated snow collection areas with a system to dispose of melting snow water and construction of a new de-icing pad and engine run-up area will reduce significantly the possibility of hazardous chemicals contaminating soil and reaching Tallinn drinking water supply. Displacement of runway threshold and extension of taxiway system that will enable to guide the conduction of flight operations (take-off and landing) further from the

sensitive area of the Lake Ülemiste and replacement of airfield lighting system with a more energy-efficient LED technology.

The project will improve safety of airport operations through rehabilitation of the runway and apron pavement by installation of higher category navigation systems for allowing aircraft to land and take off in bad weather and emergency situations. Enlarged aircraft parking capacity will also increase safety on runway and taxiway operations.

Existing taxiway and apron systems do not currently fully meet ICAO requirements for operating E-class aircrafts and therefore today Tallinn Airport is serving these aircrafts by applying temporary taxiing and parking measures and procedures. The new apron area and taxiway system will meet the safety requirements for serving also E-type aircraft. Due to the lack of parking stands, aircrafts are occasionally parked on taxiways, this has an impact on safety. Together with enlarging aircraft parking capacity to the southern side of the airport territory, major undertakings will also be done for improving the storm water systems in the south, as currently there is neither cleaning nor monitoring of storm waters in the in south side of the airport territory and polluted water reaches directly into the river Pirita. Reconstruction and expansion of the storm water collecting systems is needed as due to their absence in the southern and eastern parts of the airport territory the areas are flooded, attracting birds, bringing about degradation of runway and taxiway structures and failures in the electrical systems (i.e. runway lights).

In order to ensure safe maritime transport, investments will be made in the Port of Hundipea, which is a central port in terms of water traffic management (serving ice-breaking capacity). The investment will include reconstruction of breakwater, quay and service area which are required to improve the safety of the ice-breaker that is servicing the TEN-T waterways of the Gulf of Finland. The Port of Hundipea does not serve any cargo traffic. In regard to Vessel Traffic Management System (VTS) no additional major investments are required as VTS currently covers all the major shipping routes in Estonian waters.

By developing (international) transport connections and thus also improving mobility options (of labour), the interventions proposed under the investment priority will contribute to achieving the objectives of the priority axes of 'Sustainable urban development', 'Growth-capable entrepreneurship and RD&I supporting it' and 'Development of small and medium-sized enterprises and regional entrepreneurship', and indirectly also to the development of equal opportunities.

2.10.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of the economic environment, and pursue in the best possible way the government's policy priority of bringing transportation, ICT and other public infrastructure and institutions that support business to an international level.

Projects will be selected through the process of evaluation of investment proposals. The evaluation criteria will take account of the existing situation/preparedness of the projects to be implemented; the relevance of the projects and their coherence with the Transport Development Plan 2014–2020 and the objectives of the Operational Programme and the priority axis; and the impact of the projects in terms of achieving the target levels set under the priority axis. The

requirement to conduct an environmental impact assessment of the activities must be adequately complied with and, if required, measures should be taken to prevent or mitigate any negative environmental impact. The socioeconomic impact of projects will also be considered when evaluating project proposals. According to the principles of the Transport Development Plan 2014–2020, climate change-induced impacts will be observed in the preparation and implementation of projects.

2.10.3.3 Planned use of financial instruments

Not applicable

2.10.3.4 Planned use of major projects

Not applicable.

2.10.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 70. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Total length of newly built road sections	Km	CF	-	-	-	46	Implementing body	Once a year
	Total length of reconstructed or upgraded road sections	Km	CF	-	-	-	215	Implementing body	Once a year
	Ports reconstructed needed for providing ice breaking service	Port	CF	-	-	-	1	Ministry of Economic Affairs and Communications	Once a year
	Airports that made investments	Airport	CF	-	-	-	1	Ministry of Economic Affairs and Communications	Once a year

Investment priority 2 of the priority axis: Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

2.10.4 Specific objectives corresponding to the investment priority and expected results

2.10.4.1 Specific objective 2. Improved sustainable transport, including rail transport on TEN-T network

The use of public transport has declined in Estonia: according to the Labour Force Survey, the percentage of employed people who used public transport to commute was 23% in 2012,

compared to 31% in 2001⁹⁶. The reasons for this are the increased affordability of the use of personal cars as a result of an improvement in the standard of living, the completion stage of investments (e.g. acquisition of new trains) and the fact that the public transport network has become more sparse, making it less accessible, as reflected in the rather long journeys (in both time and distance) to the nearest centres⁹⁷. Traditional solutions will not ensure a leap in the quality of the service. The fragmentation and, in places, inadequate connection speeds of public transport pose a problem. Municipal, regional and national public transport is not integrated, making the use of different types of public transport inconvenient. No county has a common ticket system that covers urban lines, county bus lines and train lines. This, however, would be the prerequisite for a common network of lines. Availability of real-time information, user-friendliness of infrastructure and transfer options are inadequate. Intelligent Transport Systems should be developed; for example, better compatibility of different modes of transport (multimodality) through real-time information systems would ensure user comfort, reduce time spent travelling etc. Considering the investments made so far, it would be easier to further develop public transport – thus preventing a possible increase in car use – than to restrict car use later. Links between transport connections and plans should be improved. In order to improve accessibility, different social groups need to be considered.

During the 2007-2013 period, about one third of the railway that serves passenger traffic has been reconstructed. Within 2014-2020 period, works are planned on almost half of the network. As a result of these investments only the sections Lelle-Pärnu and Tartu-Koidula would be without reconstructions. The former of the two depends on the development of Rail Baltic, while the current condition of the latter is sufficient to serve rail traffic.

During 2007-2013 period, the four ports connecting Saaremaa and Hiiumaa with the mainland were reconstructed within the comprehensive network. As an additional vessel will be added to serve passenger connection with Hiiumaa, a second quay will be necessary in the Rohuküla and Heltermaa ports. Concerning planned investments into water transport, please refer to p 2.10.5.1

Interventions are expected to result in fast and convenient movement of passengers between stations and destinations, convenient and less time-consuming transfers, and improved availability of information. In addition to the interventions planned under the Operational Programme, Estonia along with neighbouring countries along the TEN-T North Sea-Baltic Corridor is planning to apply for support from the Connecting Europe Facility for development of the Rail Baltic fast conventional double track 1435 mm gauge electrified railway line with the maximum design speed of 240 km/h from Tallinn via Latvia and Lithuania to the Lithuanian-Polish border. This connection will be planned so as to enable integration with the existing railway networks and other modes of transport. As train transport will be better integrated into the public transport network, the number of train passengers is expected to increase, including the number of people who use trains to travel from one centre to another. By integrating train transport with other modes of mobility (multimodality), prerequisites will be created for, inter alia, improving the accessibility of public services and jobs for people living in rural areas. Cooperation between local authorities in the provision and integration of public services will be facilitated. Furthermore, with a view to improving the access of enterprises to important markets, investments need to be made in regional marine transport connections (links between islands and the mainland) and road connections to ports.

⁹⁶ Statistics Estonia

⁹⁷ The only OECD countries with a bigger percentage of the population living more than 1.5 hours away from the nearest urban centre are Greece and Sweden.

Table 39. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measu remen t unit	Category of region	Baseline value	Baseli ne year	Target value (2023)	Source of data	Frequ ency of reporti ng
	Number of train passengers per year	Train passen ger	-	4.2 million	2013	8.4 million	Elektrirau dtee AS, Statistics Estonia	Once a year
	Share of public transport users, cyclists and pedestrians in mobility	Percen tage	-	43%	2013	50%	Statistics Estonia	Once a year

2.10.5 Actions to be supported under the investment priority

2.10.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

The interventions to be carried out during the budget period will focus on developing and improving the TEN-T network and/or environmentally friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports and multimodal links, giving priority to railways (incl. border crossing points/ensuring smooth border crossing).

Under this investment priority, attention will be paid primarily to the development of high-capacity and environmentally friendly public transport that can offer fast connections, help make better use of previous investments and ensure the smooth operation of the transport corridor. With a view to improving the overall competitiveness of public transport and non-motorised traffic, investments will be made in links to public transport stops and stations in order to integrate different modes of mobility. This is to ensure that train stations are better connected with the other transport modes and to make better use of the existing potential to contribute to an increase in competitiveness. The particular needs will be identified in consultations with local authorities, as the sites in question are predominantly owned by local authorities. Potential applicants for support include public authorities holding state infrastructure, enterprises holding railway infrastructure for public use, and state enterprises and local municipalities whose projects are essential in terms of increasing the competitiveness of the economy of Estonia. The activities will mainly focus on railway investments that enable the servicing of significant passenger flows and promote structural changes in the transport system (e.g. providing better links between train stations and other modes of transport). All of the investments will also increase the share of environmentally friendly transport modes.

On railways, investments will be made in sections that were not reconstructed within the 2007-2013 period, in order to ensure speeds up to 120 km/h on the whole rail network. Amongst lines serving national traffic sections Tapa-Tartu, Tapa-Narva and Tallinn-Rapla need to be reconstructed partially and within Tallinn area western sections of commuter lines need to be partially reconstructed. The latter are particularly important in terms of sustainable urban mobility since they are the main sustainable ways of connecting the capital to its hinterland. The largest planned project for development of Intelligent Transport Systems – upgrading of railway traffic management system west of Tallinn – is also among planned railway investments.

Investment support will not be provided for tracks that were overhauled during the budget period 2007–2013 (Tartu–Valga, Türi–Viljandi and Tallinn–Tapa). Securing or reaching speeds up to 120 km/h on the railway is necessary for providing competitive travel times as compared to road transport. The smooth cargo traffic on existing railways will additionally benefit from the planned installation of x-ray inspection device in the Narva border station. This will reduce the time needed for inspections thus improving safety, reducing time required for checks and improving the competitiveness of rail cargo transport. The Rail Baltic route will be the largest cross-border development project in the field of railways, for the funding of which it is planned to apply for support from the Connecting Europe Facility (CEF). The contribution of the EU to the development of railways will amount to as much as 30% of the total amount of investments in railways during the period 2014–2020, and will be complemented with investments into other sustainable modes of transport under this Operational Programme as well as investments into rail transport from other sources of financing. The contribution of the EU into roads will accordingly be smaller than in the 2007 – 2013 period. The maintenance of railways will be funded from national resources. Railways and sustainable transport are clearly a priority, given the total amount of railway investments planned (incl. Rail Baltic).

The proposed actions are planned, in particular, to manage the increase in GHG emissions associated with widening mobility opportunities. All public transport investments made during the 2007–2013 period, when substantial investments (on the scale of Estonia) were made in sustainable transport, will contribute to this goal. Around 67 million euros in EU funds have been invested in new rail rolling stock. To this amount the state will add approximately 200 million euros (over 20 years). As for railway infrastructure, 22 million euros was invested in upgrading the railway contact network and 20 million euros in new passenger platforms conforming to EU standards. The first positive signs – a growing number of passengers – are already being seen. In addition, the state has invested in new environmentally friendly buses (around 20 million euros) and trams (around 50 million euros), as well as in tram infrastructure, also using EU funds (around 22 million euros). Investments in sustainable transport will continue to be made during the period 2014–2020. Besides these investments, the state contributed in the 2007-2013 period and will contribute in the period 2014–2020 to sustainable transport through subsidies amounting to around 40 million euros each year. Public transportation is undergoing major changes in Estonia, as reflected in the planned result indicators.

Investments will be made in better connections of peripheral regions (islands) with the TEN-T and in multimodal links – connections of ports and airports with one another as well as with other modes of mobility, and linking passenger train traffic with local traffic. When developing multimodal links and passenger train traffic, attention will be paid to ensuring that the solutions to be implemented also contribute to the development of sustainable urban mobility and are consistent with ERDF-funded urban mobility projects. Investments to be made in all modes of transport will be considered in their entirety in order to increase the effectiveness of the existing infrastructure and of past investments.

To provide islands with high-quality connections with TEN-T links, investments will be made in ports and vessels. The amount of investments will be smaller than in the period 2007–2013, as the main investments have already been made and their effectiveness now needs to be increased in order to achieve higher impact. For example, the acquisition of vessels to provide transport services to islands will be completed in a follow-up project. The connections whose upgrading is planned to be supported will be used for the carriage of passengers, not for the transportation of goods. Therefore, making investments on a commercial basis, using carriage charges, is not feasible and the support of the public sector is justified. The use of green technologies will be considered for both vessel and port investments in order to mitigate the environmental effects of shipping. Besides, all the investments will be planned and made in compliance with the Water Framework Directive.

Investments will be done in multimodal links - , emphasis will be placed on the development of connections between ports and the airport, also with other means of transport. Also investments are planned in improving the connections of peripheral areas (incl islands) with TEN-T network, for example connecting passenger train traffic with local mobility. The connections of the airport are planned to be developed in conjunction with the Rail Baltic project, as the proposed location of the railway terminal of Rail Baltic will be close to the airport. Therefore, it is planned to apply for a contribution of the CEF for the development of the connection between Rail Baltic and the city transport network. The contribution of the Cohesion Fund is planned to be used to invest in the connections of the Old City Harbour of Tallinn, incl. links with railway and the airport, with a view to improving urban mobility. As mentioned above, the connection of passenger train traffic with local mobility will be based on the priority of sustainable mobility, especially in cities. With major improvements to rail infrastructure and rolling stock already done using the 2007-2013 funding, the access to rail stations/stops is seen as a vital part in increasing the attractiveness of using rail traffic. This includes, e.g. park-and-ride facilities, bicycle facilities, integration with local public transport lines, and providing or improving access for disabled persons. The interventions planned under the 'Sustainable urban development' priority axis to be co-financed by the ERDF will also contribute to the development of sustainable urban mobility.

Possible additional projects involving public transport and non-motorised traffic will be identified as a result of the preparation of the strategies of urban areas, after the specification of the projects to be supported under the 'Sustainable urban development' priority axis.

In order to reduce the GHG emissions of the transport sector, the use of renewable energy in transport will be increased. Investments necessary to this end (including those promoting the use of biofuels) will be made under the energy-related objective of using EU funds as well as from budget revenues.

The interventions will be complemented by the planned construction of Rail Baltic for which a contribution of the CEF will be applied for. In addition, by developing public transport and non-motorised traffic, the interventions to be carried out under this investment priority will contribute to achieving the objectives of the priority axes of sustainable urban development and energy efficiency, and more indirectly also to the development of equal opportunities and (regional) entrepreneurship, by improving mobility options.

2.10.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Projects will be selected through a process of evaluating investment proposals. The evaluation criteria will take account of the existing situation/preparedness of the projects to be implemented; the relevance of the projects and their coherence with the Transport Development Plan 2014–2020 and the objectives of the Operational Programme and the priority axis; and the impact of the projects in terms of achieving the target levels set under the priority axis. The requirement to conduct an environmental impact assessment of the activities must be adequately complied with and, if required, measures should be taken to prevent or mitigate any negative environmental impact. The socioeconomic impact of projects will also be considered when evaluating project proposals. According to the principles of the Transport Development Plan 2014–2020, climate change-induced effects will be observed in the preparation and implementation of projects.

2.10.5.3 Planned use of financial instruments

Not applicable

2.10.5.4 Planned use of major projects

Not applicable

2.10.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 40. Common and programme-specific output indicators

I D	Indicator	Meas urem ent unit	Fund	Catego ry of region	Target value (2023)			Source of data	Frequen cy of reporti ng
					M	W	T		
	Total length of reconstructed or upgraded railway sections	km	CF	-	-	-	200	AS Eesti Raudtee/implementing body	Once a year
	Number of public transport stops with improved links	Stop	CF	-	-	-	20	Implementing body	Once a year
	Sites reconstructed/constructed with a view to connecting/ improving environmentally friendly and low-carbon transport systems, incl. inland waterways and maritime transport, ports and multimodal links	Site	CF	-	-	-	5	Implementing body	Once a year
	Purchased/installed x-ray inspection devices on railway borders	pcs		-	-	-	1	Implementing body	Once a year

2.10.6 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

None

2.10.7 Performance framework

Table 41. Performance framework of the priority axis

Indicat or type	I D	Indicator or imple mentation step	Measur ement unit, where appropri ate	Fund	Category of region	Miles tone for 2018	Final target (2023)			Source of data	Explan ation of the releva nce of the indicat or, where appropri ate
							M	W	T		

Financial indicator			Euro	CF	-	301 454 486	-	-	577 377 186	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Total length of reconstructed or upgraded road sections	km	CF	-	75	-	-	215	Implementing body	
Output indicator		Total length of reconstructed or upgraded railway sections	km	CF	-	50	-	-	200	AS Eesti Raudteede	

2.10.8 Categories of intervention under the priority axis

Table 42. Categories of intervention

Fund and category of region		CF					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
024	29 810 827	01	470 677 882	07	470 677 882	07	470 677 882
025	29 810 827						
026	32 493 801						
028	24 442 326						
029	24 442 326						
033	218 218 955						
035	30 664 702						
036	17 249 829						
037	36 825 139						
040	9 469 321						
043	17 249 829						

2.10.1 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.11 Infrastructure for ICT services

2.11.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

Not applicable

Investment priority 1 of the priority axis: Extending broadband deployment and the roll-out of high-speed networks and supporting the adoption of emerging technologies and networks for the digital economy

2.11.2 Specific objectives corresponding to the investment priority and expected results

2.11.2.1 Specific objective 1. Whole population of Estonia has access to high-speed Internet.

Although communications infrastructure as a prerequisite for the functioning of the information society is available in most regions of Estonia, there are still a number of places where the next-generation broadband network remains inaccessible. Today, nearly 650,000 residents of Estonia lack access to fast (over 40 Mbit/s) Internet. This is becoming a serious hindrance to implementing services requiring fast connections in various spheres of life. The fast development of services and increase in data volumes place the periphery into an unequal situation where the infrastructure does not support such services.

To ensure balanced regional development, construction of the next-generation broadband network needs to continue. Private sector investments are targeting bigger settlements, and private service providers have no commercial motivation to construct the next-generation network in more sparsely populated areas, which implies market failure.

The Digital Agenda for Europe has set an objective for the EU to ensure access of all European citizens to Internet connections at 30 Mbit/s by 2020 and to achieve a situation where half of European households have an Internet connection at 100 Mbit/s. While at least in some sparsely populated areas of Estonia, there is Internet connection at 5 Mbit/s, the 2020 target for the EU (30 Mbit/s and 100 Mbit/s) is unrealistic without constructing the basic infrastructure.

The direct outcome of the intervention will be the basic network for next-generation broadband in areas of market failure, which will make the construction of connections more economically feasible for communications enterprises. The ultimate result should be the access of all households and institutions in Estonia to the next-generation broadband network forming the prerequisite for realising the potential of other economic sectors and spheres of life – improved productivity in the public and private sectors; use of ICT solutions in e-learning, healthcare, business and agriculture; and more flexible working arrangements (incl. telework and part-time work).

Table 43. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measu rement unit	Category region	of	Baselin e value	Baselin e year	Target value (2023)	Source of data	Frequen cy of reportin g
	Share of connections at speeds of 100 Mbp/s or more from all permanent Internet connections	%	Less developed		3.6	2012	60	Digital Agenda Scoreboard	Every two years

2.11.3 Actions to be supported under the investment priority

2.11.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under this investment priority, support will be provided for the construction and upgrading of the basic network for next-generation broadband in areas of market failure where it is not reasonable for electronic communication enterprises to make investments.

The 'last mile' investments, if purposeful, could be, where eligible supported from the ESI Funds, only under the measures of the Rural Development Plan, including under 'LEADER (Liaison Entre Actions de Développement de l'Economie Rurale/European Union initiative for rural development), if these are a priority in the strategy compiled by the action group. The mid-term evaluation will review, inter alia, the progress made in addressing the 'last mile' market failure.

The main target group will include potential end-users of the broadband service, including residents, enterprises or public authorities who have no access to the next-generation broadband network or who are in areas with inadequate broadband connections and who themselves do not provide public e-communication services.

2.11.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

Preference will be given to projects that contribute to the objectives of the 'Estonia 2020' National Reform Programme in the field of the economic environment, and pursue in the best possible way the government's policy priority of bringing transportation, ICT and other public infrastructure and institutions that support business to an international level.

The projects to be supported will be selected through a process of evaluating investment proposals, with preference given to projects with a larger target group. The evaluation criteria will take account of the existing situation; the relevance of projects; their coherence with the objectives of the Operational Programme and the priority axis; their socio-economic impact; and

their utility. The key criteria will include the condition that investments can only be made in next-generation networks (NGN) and in regions of market failure, and investment principles will be developed in compliance with the broadband-related state aid guidelines of the European Commission.

2.11.3.3 Planned use of financial instruments

None

2.11.3.4 Planned use of major projects

None

2.11.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 44. Common and programme-specific output indicators

I D	Indicator	Measure ment unit	Fund	Category region	Target value (2023)			Source of data	Frequency of reportin g
					M	W	T		
	Total length of next-generation broadband network constructed	km	ERDF	Less developed	-	-	3 900	Implementing body	Once a year

Investment priority 2 of the priority axis: Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health

2.11.4 Specific objectives corresponding to the investment priority and expected results

2.11.4.1 Specific objective 2. The basic service infrastructure supports the take up of e-services in Estonia and cross-border.

The government's ICT policy can foster the competitiveness of enterprises and the development of the state through the general operating environment. The prerequisite for this in a knowledge-based society alongside the next-generation broadband network is fast and secure access to information and data, i.e. the creation of the necessary service infrastructure. A well functioning service infrastructure will enable both enterprises and the public sector to create more personalised services more quickly and improve the quality of management decisions. Although the service infrastructure of the state (X-Road, eID, information portals etc.) has been constantly developed, it still needs to be updated in view of the rapid development of technology. At the same time, we need to assess the impact of what are currently the most important technology trends (cloud technology, social media, mobility and increased amounts of information) and potential future innovations (the Internet of Things, improved analytics, linked data, improved reality etc.) and what options they offer for the development of the state information system (see also section 1.1.2.1 of the Partnership Agreement on development needs).

Being an EU Member State, it is important to ensure that both enterprises and citizens can use electronic services (e.g. digitally sign contracts or share health records) across borders. This

requires the cross-border interoperability of basic infrastructure. For the Internet to continue to be a source of innovation, its openness should be ensured.

The expected results include interoperable information systems (e.g. in the social sphere) and arranged data, which will make it possible to create new, linked services, including preconditions for cross-border data exchange with other (EU) countries. E-ID functionalities and other components of service infrastructure are widely used, preconditions for the introduction of new technology and development of e-services have been created in cooperation with different parties and sectors. The developers, procurers and users of ICT service infrastructure have awareness and knowledge about created solutions and future needs.

Information systems are secure;; a higher level of cyber security; the reliability of e-governance; the capacity to block attacks; and computer-accessible public sector data being available to enterprises, citizens and institutions to the maximum extent possible, which will create preconditions for the development of public services.

Table 45. Programme-specific result indicators corresponding to the specific objective

ID	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
	Number of secure electronic identity (ID card, mobile ID etc.) users	Person	Less developed	428 649	2011	800 000	Certification centre	Once a year over two years
	E-services Estonian administration have released using X-Road infrastructure	Pcs		2000	2013	2800	Estonian Information Systems Authority	Once a year

2.11.5 Actions to be supported under the investment priority

2.11.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under the investment priority, the basic service infrastructure⁹⁸ will be developed (i.e. relevant ICT development projects are carried out).

Service infrastructure will be developed in a manner ensuring that it is consistent with technological developments and functions securely and is interoperable. The introduction of innovative technologies will also be analysed and piloted (where applicable the use of cloud computing solutions will be encouraged). Activities will be carried out to support the interoperability of institutions and sectors.

⁹⁸ Service infrastructure means networked services to be delivered electronically, providing interoperable services of common interest for citizens, businesses and/or governments, and which are composed of core service platforms and generic services. Core service platforms means central hubs of digital service infrastructures aiming to ensure connectivity, access and interoperability, and which are open to administrations and may be open to other entities. Generic services means *gateway* services linking one or more infrastructure(s) to core service platform(s).

In addition, activities to support international interoperability of service infrastructure will be carried out. Thereat, cross-border eGovernment services (like data exchange services and digital signing), which are piloted by the EU and Member States and notably the European Digital Service Infrastructures to be developed under the CEF will be taken into account..

Also, the reusability of data and technology will be promoted.

The usage of service infrastructure and data will be promoted in every way and awareness and knowledge will be raised.

Beneficiaries may be public sector institutions and foundations developing the information systems of the state.

The main target group will comprise end-users of e-services, including residents, enterprises and public authorities, or entities developing and implementing e-services, including enterprises and public authorities.

2.11.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

In project selection preference will be given to actions and investments through a process of evaluation, where the projects will be compared and the need for them will be assessed to determine which is likely to have the highest impact and usability. The evaluation criteria will take account of the existing situation; the relevance of projects; their coherence with the objectives of the Operational Programme and the priority axis; their socio-economic impact; and their utility.

2.11.5.3 Planned use of financial instruments

None

2.11.5.4 Planned use of major projects

None

2.11.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 46. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target (2023) value			Source of data	Frequency of reporting
					M	W	T		
	Innovative development projects	Development project	ERDF	Less developed	-	-	120 successfully completed projects	Implementing body	Once a year
	Number of new cross-border public services based on basic infrastructure for services	Service	ERDF	Less developed	-	-	7	Implementing body	Once a year

2.11.6 Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

None

2.11.7 Performance framework

Table 47. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF	Less developed	57 402 996	-	-	93 147 377	Certifying authority	The final target represents the total support and includes uncertified expenditure
Output indicator		Total length of next-generation broadband network constructed	km	ERDF	Less developed	2000	-	-	3 900	Implementing body	

2.11.8 Categories of intervention under the priority axis

Table 48. Categories of intervention

Fund and category of region		ERDF: Less developed regions					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount

045	40 361 506	01	79 175 270	04	40 270 865	07	79 175 270
079	38 813 764			07	38 904 405		

2.11.9 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.12 Administrative capacity

2.12.1 Explanation for the establishment of a priority axis covering more than one category of region or more than one Thematic Objective or more than one Fund

The priority axis comprises two investment priorities of Thematic Objective No. 11 'Enhancing institutional capacity and efficient public administration' one related to ERDF and one to ESF. The development needs identified in Estonia's national planning process⁹⁹ coincide with the conclusions of the review of public governance compiled by the OECD¹⁰⁰. The main weaknesses relate to the following: 1) fragmentation of governance; 2) insufficient coherence between the state budget and strategies, leading to weakening control over spending and distancing from the effectiveness and efficiency of actions; 3) low policy-making capacity; 4) inadequate coordination of public services and e-government, as Estonia currently lacks uniform bases for public services and a comprehensive policy of developing public services; 5) disparities in the capacity of local authorities to implement policies and provide public services; and 6) the development of the civil service, given that the expertise, incl. management capability, of civil servants is an important supporting element in resolving the above issues.

Meeting the development needs is rendered complicated by challenges similar to those of many other countries. An ageing and decreasing population and its impact on the economy and the job market means a need for structural changes for public governance as well as a growing pressure on resources. The problems facing public governance cross several areas, and they require cooperation by many parties and a flexible distribution of responsibilities. The ability to handle **long-term and cross-area problems** must grow. At the same time, results must be achieved with a more efficient and more focused state apparatus. The **quality of policymaking** must improve, meaning an ability to spot and define problems in time, set clear goals and priorities, an ability to provide working solutions, to distribute tasks and responsibilities, to guarantee priority-based funding. At the same time, an **efficient implementation of policies** is important, i.e. the fulfilment of agreed tasks must be guaranteed as well as the achieving of results with reasonable resources and, if necessary, changing of plans.

⁹⁹ *Eesti järgneva kümne aasta arenguvajadused* /Estonia's development needs over the next ten years/, http://www.struktuurifondid.ee/public/arenguvajadused_final1.pdf

¹⁰⁰ Public Governance Reviews. Estonia. Towards a Single Government Approach. Assessment and Recommendations (OECD, 2011), http://www.valitsus.ee/UserFiles/valitsus/et/riigikantselei/uldinfo/dokumendiregister/Uuringud/OECD_Public%20Governance%20Review_Estonia_full%20report.pdf

Meanwhile, Estonia has to use its limited human and financial resources efficiently, increase the flexibility of public governance and cooperation of different parties, and improve the provision of public services, while also promoting innovation in the interests of general economic growth.

Combining several funds into one priority axis helps coordinate the investments made for increasing the efficiency of public governance better, and to reach set goals more efficiently. For achieving higher efficiency of public services, better focus on the citizen and better availability, investments also have to be made into information technology besides the clarification of principles and standardisation.

Investment priority 1 of the priority axis: Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance

2.12.2 Specific objectives corresponding to the investment priority and expected results

2.12.2.1 Specific objective 1. Professional competence and management of general government¹⁰¹ has increased

Effective management of human resources can help increase capacity to provide public services. The OECD pointed out that addressing personnel policy is crucial, affecting the future competitiveness of a country¹⁰². Personnel policy (incl. development and training activities) is currently fragmented and agency-centred. Systematic development of personnel has not been undertaken in the different areas of government, and training and development of local authorities is random. Therefore, centralised development and training activities will be offered to the public sector and local governments in a more systematic manner targeting necessary skills to help raise the administrative capacity and efficiency of general government,. A centralised system enables common needs to be identified and, based on the overall picture, development programmes to be implemented across areas of government, harmonising the skills of officials, while bearing in mind the different needs of the target groups.

The management capacity of general government is dependent on how the administration is developed in terms of roles, functions and use of management systems. General government's administration and governance will be analysed along with organisations, structures and processes in it. Support is given for implementation of reforms, incl. the merger of agencies or local governments, the reorganisation of work, the optimisation of processes and the development of various management systems that improve internal work processes, cooperation capabilities or delivery of quality services.

The activities will increase the administrative capacity of the central and local government, enhance the competency of middle managers and senior executives, improve the organisations management quality, ensure the next-generation of senior executives along with the sustainability of management. As regards institutions, management capacity, cooperation and service delivery

¹⁰¹ The general government sector consists mainly of central, state and local government units, organisations established by them, social security funds imposed and controlled by those units. In addition, it includes non-profit institutions that carry out the functions that support the fulfilment of central and local government tasks.

¹⁰² OECD 2011. Public Servants as Partners for Growth: Toward a Stronger, Leaner and More Equitable Workforce. OECD Publishing. See http://www.oecd-ilibrary.org/governance/public-servants-as-partners-for-growth_9789264166707-en

systems are expected to grow and administrative organisation is expected to become more functional and consistent.

Table 49. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

I D	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Share of persons from the public sector, excl. local governments, and the non-profit sector who passed the training and whose professional competence increased	Less developed	Instance of participation		88	%	2014	-	-	91	Monitoring	Once a year
	Share of local government employees and NGO staff completing the training to improve their professional competence	Less developed	Instance of participation		88	%	2014			91	Monitoring	Once a year
	New processes implemented	Less developed	Project		70	%	2014	-	-	75	Monitoring	Once a year
	Number of fully implemented management systems or streamlined cross-agency processes of central government organisations	Less developed	Number		23		2014	-	-	74	Monitoring	Once a year

2.12.2.2 Specific objective 2. Improve policy development process through introducing mechanisms and tools for more holistic, inclusive and knowledge-based policies

In Estonia, an administrative system has formed where problems are solved on the basis of responsibility areas. Lack of centralised coordination mechanisms and the inefficiency of the existing ones have a fragmenting effect on public governance, which in turn hinders the designing and implementation of cross-area policies. The Estonian State Budget and state strategy documents are not linked or coordinated. There are too many strategy documents, implementation plans of strategies are often unrealistic (strategies are not directly linked to the State Budget) and documents are not flexible to changes in the environment. As a result, strategies do not have enough impact in coordinating their respective areas. According to OECD, knowledge-based policymaking is not widespread in Estonia and the effect of decisions is not analysed enough when decisions are being prepared. There is also development room in increasing the transparency of policymaking processes as well as engagement of NGO-s and stakeholders. Too many legal acts are constantly being modified, which indicates problems in their quality and causes additional administrative load for all sectors.

As a result of the support, cooperation between areas and levels of government in solving cross-area problems will improve and sustainable solutions will be provided in cooperation for long-term challenges. Strategic and financial management will be interconnected. The ability of ministries and local governments to engage partners in policymaking will improve, and also the ability of partners to participate in the policymaking process. Impact evaluation will become a natural part of policymaking and the results of impact evaluation will be used when making important decisions. The quality of the legislative process will increase, the process will become more reasonable and support a public governance that is efficient, flexible and engages stakeholders.

Table 50. Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective

ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis	Baseline value	Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
								M	W	T		
	Number of policy initiatives launched as a result of ESF supported activities for cooperation, involvement, and better use of information	Less developed		Not applicable	78,6	%	2015			89	Monitoring	Once a year

2.12.3 Actions to be supported under the investment priority

2.12.3.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

Under the investment priority, support is provided for activities that relate to the development of people, organisations and the policy-making process. The entire territory of Estonia is regarded as the eligible target region. Applicants to be financed under the measure will be treated equally, and no one location will be preferred over others.

The development of people will focus on compiling and carrying out development and training programmes (incl. equal opportunities and prevention of discrimination); conducting studies and analyses on personnel (management) (which support development processes and provide input for decision-makers) and devisal of methodologies and tools; improving the development-related skills of local authority leaders and officials; and the training activities of organisations offering services at the local and regional levels, to ensure that the training directly supports the development of public services. The target group includes officials and employees in the civil service (including local authorities), employees of agencies operating in the area of administration of the central government, and – depending on the nature of interventions – foundations, legal persons governed by public law and employees of non-profit associations. To achieve the objective of more comprehensive governance, it is necessary to create a strong foundation for NGOs so that they are able to have a say in policy-making and thus contribute to achieving the objective of boosting policy-making capacity.

In the development of people, particular emphasis will be placed on senior executives in the civil service, i.e. the focus will be on ensuring future generations of senior executives. To achieve this objective, various types of development programmes will be created and carried out, and support will be provided for recruitment, selection and evaluation. The target group comprises current senior executives, people accepted into programmes for the development of future senior executives and people regarded as senior executive candidates.

Intervention will focus on institutional capacity-building, arranging structures at the national level and cooperation projects. To support development activities, the necessary analyses and models will be created and methodological materials will be drawn up. At the level of individual organisations, the quality of management and a variety of management systems will be developed, and organisations' processes and structures will be reviewed. In order to enhance the state's institutional capacity, administrative organisation will be further developed. The target group will comprise state agencies, administered agencies, constitutional institutions, state-owned non-profit associations, legal persons governed by public law, foundations and associations of local authorities.

At the regional level, support will be provided for development-related training and consultation for development specialists from county governments, county development centres and associations of local authorities, and for the training and consultation of associations representing local residents and of NGOs providing services. Support will also be provided for the implementation of development projects and conducting of analyses that aim to increase regional and local development capacity and improve the delivery of public services. The activities proposed are expected to be consistent with the preconditions and weaknesses specified in county development plans. In order to facilitate cooperation of local governments between themselves as well as with other sectors and organisations, the common needs of different target groups will be taken as the basis for selection of the topics of training and if possible, common

trainings will be provided for different target groups. In the case of surveys and development projects, cooperation projects are preferred.

The following interventions are planned to make policy-making more holistic, engaging and knowledge-based:

- Starting task forces and expert groups to solve strategic challenges requiring the cooperation of several ministries, government levels and/or sectors, with the aim of finding more efficient solutions for the state as a whole in cooperation, support of task forces and expert groups with analyses as well as training and development activities;
- Development of strategic management, which will enable the connecting of strategic and financial management, to unify planning and reporting methodologies and to coordinate processes in a more centralised and efficient manner;
- Supporting the engaging ability of policymakers, e.g. by developing methodologies, cooperation models and procedures. In addition to that of the officials and employees at the state and local levels, it is important to develop the capacity of social partners, especially umbrella organisations;
- Commissioning and conducting impact analyses and policy studies, which will contribute to making more knowledge-based decisions and ensuring equal opportunities for various groups to have a say in the preparation of draft decisions;
- Developing better regulation, which includes the codification of laws, conducting legal analyses and training legislative lawyers, which will contribute to the codification of the regulatory environment, thereby reducing administrative burden, streamlining administrative processes and ensuring more uniform and clearer legislation.

The target groups of interventions will include the Government and officials and employees of ministries and agencies, NGOs, professionals in horizontal networks (e.g. legislative lawyers and development and financial managers), people conducting analyses, local authorities, county governments and county development centres.

The interventions proposed will be of direct benefit to all parties in the public sector and people who communicate with civil servants, and indirectly benefit all citizens and other organisations, as more competent public authorities and state-related organisations generate a broad-based impact and the quality of public services and the effectiveness of policies constitute an important factor in the functioning of society.

Activities will be carried out according to the Implementation Plan of the OECD Public Governance Review, which sets the strategic bases of the measures to be implemented under the administrative capacity priority axis. The Implementation Plan provides for a comprehensive national perspective of administrative capacity-related activities and, besides the activities to be financed from EU funds, also addresses state budget-funded activities, such as the centralisation of support services and the transition to uniform financial accounting. The goals and interventions under the administrative capacity priority axis are tightly interconnected, which is why it is important that they should be planned and implemented together. The strategic perspective of the OECD Implementation Plan is an important management instrument that ensures coherence between measures.

2.12.3.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

Investment priority-specific guiding principles

None

2.12.3.3 Planned use of financial instruments

None

2.12.3.4 Planned use of major projects

None

2.12.3.5 Output indicators by investment priority and, if appropriate, by category of region

Table 51. Common and programme-specific output indicators

ID	Indicator	Measurement unit	Fund	Category of region	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Number of public sector, excl. local governments, and NGO participants in ESF supported training for improving their professional competence	Instance of participation	ESF	Less developed	-	-	17 484	Implementing body	Once a year
	Number of local government employees and local NGO-s participating in ESF supported training to improve their professional competence	Instance of participation	ESF	Less developed	-	-	9 752	Implementing body	Once a year
	Number of projects supported to improve management systems or streamlined cross-agency processes of central government organisations	Number	ESF	Less developed	-	-	51	Implementing body	Once a year
	Number of ESF supported projects promoting local and regional development capacity and cooperation between local/regional administrations and the citizens	Project	ESF	Less developed	-	-	68	Implementing body	Once a year
	Number of analyses conducted	Analysis	ESF	Less developed	-	-	45	Implementing body	Once a year
	Number of inclusion projects	Project	ESF	Less developed	-	-	9	Implementing body	Once a year
	Number of ministries who have finished the transition and are fully implementing performance based budgeting	Number of ministries	ESF	Less developed	-	-	11	Implementing body	Once a year
	Number of task forces and expert groups set up	Task force or	ESF	Less developed	-	-	15	Implementing body	Once a year

		expert group							
	Number of codified draft legislative acts submitted to the Government of the Republic for approval	Codified draft legislative act	ESF	Less developed	-	-	5	Implementing body	Once a year

Investment priority 2 of the priority axis: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration through actions to strengthen the institutional capacity and the efficiency of public administrations and public services related to the implementation of the ERDF, and in support of actions under the ESF to strengthen the institutional capacity and the efficiency of public administration

2.12.4 Specific objectives corresponding to the investment priority and expected results

2.12.4.1 Specific objective 1. Public services are provided accessibly, uniformly and in a user-centred and smart manner.

Estonia is unique in terms of the use of electronic ID, including the practice of electronic voting. Electronic authentication and digital signatures have made administrative transactions practically paper-free, thus making many transactions faster. The basic infrastructure of the state information system (X-Road, eID et al.) has served for many years as the basis for developing public services with the help of ICT solutions that are created in a fast and flexible way. Technological development requires that a number of improvements be made to the current systems in order to avoid rising management costs in the future. Despite the good e-services that are available, there are still a number of clunky services and in some places people continue to live in a world of paper. This restricts the increase in the satisfaction of users of the services, accessibility of the services and efficiency and performance of the public sector. Compatibility between the e-services provided by the state and by local authorities should be sought. In order to improve efficiency and availability, it is necessary to continue to move services into an e-environment, as institutions have reduced the number of their physical regional offices. It is therefore important to systematically engage in accessibility and usability of services

As a result of support it is desired to achieve the coherent and well-thought-out management of public services and a situation where the provision of public services and functioning of the state are more efficient, complete, sustainable and open thanks to smart use of ICT. This means thorough analyses of service provision processes, standardisation and agreement on common quality requirements, which covers both central and local level governance. For citizens and enterprises, it results in less cumbersome, convenient services that are created more and more in cooperation. For the public sector, achieving the target would mean, inter alia, better (cost)effectiveness. As the use of ICT expands, potential risks need to be taken into account and cyber-security should be ensured.

The development of public services with the help of ICT will be based on the perspective of developing specific services and the needs of customers. The investment priority addressing the infrastructure of services will mainly focus on the development of interoperable components (building blocks) of the basic information system of the state.

Table 52. Programme-specific result indicators corresponding to the specific objective

I D	Indicator	Measurement unit	Category of region	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
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	Satisfaction with the quality of public services (in the 16-74 age group)	%	Less developed	67	2012	85	Ministry of Economic Affairs and Communications	Every two years
	Satisfaction with the quality of public services (among entrepreneurs)	%	Less developed	76	2012	90	Ministry of Economic Affairs and Communications	Every two years
	Share of people who are aware of public e-services available.	%	Less developed	29%	2012	90%	Ministry of Economic Affairs and Communications	Every two years

2.12.5 Actions to be supported under the investment priority

2.12.5.1 Description of the type and examples of actions to be financed and their expected contribution to the specific objectives, including, where appropriate, the identification of the main target groups, specific territories targeted and the type of beneficiaries

A holistic approach will be taken in developing public services using e-solutions as much as possible. To achieve the objective, national measures will be created under which the activities related to the development of services and the activities supporting the implementation of these services (trainings, guidelines, information materials, etc.) will be funded. It is planned to create solutions for the development of public services, as well as for the development of support systems necessary for intra- and inter-agency work (for example, centralisation of support activities, and the necessary development of information systems). The entire territory of Estonia is regarded as the eligible target region. Local governments are also eligible for the support, as well as the institutions governed by them, and local government associations. As a result, the quality and availability of services provided by local authorities will be improved in all regions.

The aim in rearranging (incl. automating, integrating and enhancing) public services with the help of ICT is to achieve economy in a longer perspective and to increase cooperation between institutions and different governance levels in service provision. The possibility to integrate service processes of different institutions and to use common (incl. ICT and human) resources in service provisions is created.

The decision making processes will be reviewed and common principles for the quality of public services will be enacted. The owners, responsibilities and rights of service providers and the vouchers for service provision channels will be determined.

The following interventions for the development of public services are proposed under the specific objective:

- 1) conducting analyses, evaluations and studies, carrying out the work of cooperation networks, training activities and activities which raise the awareness of created e-services;
- 2) smart development of new and existing information systems from the point of view of customers and services.

The interventions are related to each other, because previous analyses, the creation of a system, the restructuring of processes and the training of users and awareness-raising activities concerning the developed e-services are equally necessary to achieve the objective.

The areas with a large number of users and where service provision today is most fragmented and where procedures are in a significant part doubled, thereby creating unnecessary administrative burden and where new e-service solutions will support the development of innovative solutions, are preferred (like area of social affairs and health care).

The beneficiaries of the intervention shall be all organizations fulfilling public tasks, including government agencies, as well as local governments and their subordinate bodies.

The interventions proposed will be of direct benefit to both service providers and users. One of the principles in rearranging the services is to ensure better accessibility to all user groups, including those who do not wish or do not know how to use e-services. For example a solution to enhance accessibility is to delegate and automate services.

The strategic basis of the activities is the Estonian Information Society Development Plan 2020. The relevant actions are also directly related to the infrastructure for ICT services priority axis, which creates the preconditions for the development of e-services. It is also important to consider concurrence with other priority axes developing public services (i.e. qualifications and skills meeting the needs of society and the labour market when carrying out actions; Increasing social inclusion; improvement of access to, and prevention of dropping out of, the labour market; development of small and medium-sized enterprises and strengthening the competitiveness of regions; sustainable transport).

2.12.5.2 Guiding principles for the selection of operations

The horizontal guiding principles are described in section 2.1.3.2 of the Operational Programme.

2.12.5.3 Planned use of financial instruments

None

2.12.5.4 Planned use of major projects

None

2.12.5.5 Output indicators by investment priority and, if appropriate, by category of region

Table 53. Common and programme-specific output indicators

ID	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Frequ ency of repor ting
					M	W	T		
	Number of projects implemented for the purpose of improving public services	Project	ERDF	Less developed	-	-	321	Impleme nting body	Once a year

2.12.6. Social innovation, transnational cooperation and contribution to Thematic Objectives 1–7

No action is being planned to support social innovation or cooperation.

The objectives and operations of the administrative capacity priority axis indirectly support the achievement of Thematic Objectives No. 1–7 through the capacity-building of the central government and local authorities. Civil servants' improved professional abilities and skills, institutional capacity, policy-making capacity and support for the development of public services will contribute to more effective functioning in other areas. The administrative capacity priority axis contributes to Thematic Objectives No. 1 and 2 the most by supporting, in particular, technological development activities, improvement of access to ICT and quality improvement, through the funding of public e-services. In addition to the re-engineering of the existing public e-services, new public services will be launched, using new technology and systems meeting modern requirements wherever possible. Moving public services into an e-environment will improve their availability, while at the same time expanding the use of technological solutions. Direct sectoral policy links with other Thematic Objectives – which focus on entrepreneurship, emissions, climate change, environmental protection and transport – are weaker, with support manifesting itself mainly in the development of the quality of human resources, the capacity of organisations and the quality of policy-making. Higher-quality civil servants and a knowledge-based sectoral policy based on impact analyses will support substantive progress in a number of spheres.

2.12.7. Performance framework

Table 54. Performance framework of the priority axis

Indicator type	ID	Indicator or implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018	Final target (2023)			Source of data	Explanation of the relevance of the indicator, where appropriate
							M	W	T		
Financial indicator			Euro	ERDF		22 217 560	-	-	128 777 538	Certifying authority	The final target represents the total support and includes uncertified expenditure
Financial indicator			Euro	ESF		10 900 168	-	-	33 379 535	Certifying	The final target

										author ity	repres ents the total suppor t and include s uncerti fied expend iture
Output indicator		Number of public sector, excl. local governme nts, and NGO participan ts in ESF supported training for improving their profession al competen ce	Instance of participati on	ESF	Less develo ped	9 330	-	-	17 484	Imp lem enti ng bod y	
Output indicator		Number of task forces and expert groups set up	Task force or expert group	ESF	Less develo ped	7	-	-	15	Imp lem enti ng bod y	
Output indicator		Number of projects implemen ted for the purpose of improving public services	Project	ERDF	Less develo ped	80	-	-	321	Imp lem enti ng bod y	

2.12.8. Categories of intervention under the priority axis

Table 55. Categories of intervention

Fund and category of region		ERDF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount

078	109 460 907	01	109 460 907	07	109 460 907	07	109 460 907		
Fund and category of region		ESF: Less developed regions							
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory		Table 10: Dimension 4 Territorial delivery mechanisms		Table 11: Dimension 6 ESF secondary theme (ESF only)	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount
119	27 972 604	01	28 372 604	07	28 372 604	07	28 372 604	08	0
120	400 000								

2.12.9. Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries

Not applicable

2.13. Priority axis for technical assistance (ERDF)

2.13.1. Explanation for the establishment of a priority axis covering more than one category of region

Not applicable

2.13.2. Specific objectives and expected results

2.13.2.1. Specific objective. The Cohesion Policy 2014–2020 Operational Programme has been efficiently implemented.

The objective of using technical assistance funds is to effectively implement the Operational Programme for Cohesion Policy Funds 2014–2020 by ensuring the functioning of an efficient implementation system. The objectives of the Operational Programme will be achieved with the help of competent officials, and it is important to increase the awareness of the general public about structural funds. The technical assistance priority axis will contribute to the achievement of the objectives of all other priority axes. The technical assistance will create the necessary prerequisite of sufficient funds and resources to achieve the objectives and result and output indicators set out in the Partnership Agreement and the Operational Programme 2014–2020. Goal-orientation and optimisation of resources are guaranteed by surveys and evaluations based on the Operational Programme that make it possible to make the necessary adjustments in the course of the implementation period.

At the beginning of the programming period, a conformity assessment will be carried out in all institutions managing the use of structural funds to assess the preparedness of the institutions for implementation, the sufficiency of resources and the performance of systems.

It is important to keep turnover of the staff low or promote turnover between administration to share the experience. To reduce the staff turnover, it is important to have effective and result oriented human resource development plan.

Development of human resources is decentralised in Estonia, and every institution managing the use of structural funds has a plan in place to develop its human resources. A separate training plan covering the employees of the entire administration managing the use of structural funds will be drawn up and updated at least once a year.

Continuous assessment of the implementation plan and efficient informing are key factors for a successful implementation so that the applicants and beneficiaries would be able to ensure meaningful and high-level preparation and effective implementation of their projects. The administration will therefore ensure continuous training, advice and instruction for both applicants and beneficiaries. To reduce burden on applicants and beneficiaries, more opportunities will be sought for reimbursement of expenses pursuant to the simplified procedure, and sample-based checks of expense receipts will be allowed. The managing institution will, in cooperation with other implementers, harmonise requirements that apply to the implementation system within the administration where possible, so that applicants and beneficiaries better understand which requirements apply to applying and implementation with respect to which measure.

In addition, better use will be made of the opportunities provided by the information system in order to simplify the reviewing of documents, reduce the proportion of technical work of applicants, beneficiaries and the administration and thereby place more emphasis on substantive activities. Support-related data exchange between applicants, beneficiaries and the administration (e.g. applying, paying and monitoring) will be made fully electronic, and different information systems and registries will be interfaced. This will improve data quality and speed significantly and reduce the administrative burden on both the administration and beneficiaries, thus also speeding up the processing of payment claims. A single-entry principle will be established for electronic applications to the extent possible. In addition to communication with applicants and beneficiaries, the administration can use the information system to monitor progress towards results at the levels of a priority axis, a measure or a project; the progress of assuming commitments and making payments; the scope and results of audits, inspections and on-the-spot checks; and the amounts of irregularities and recoveries. The information system will also enable the administration to prepare reports for monitoring purposes and for certification of expenditure.

As a result of the technical support, the number of people working in the administration will be optimised and support for the professional development of employees will be guaranteed through a training system. Continuous informing activities and communication strategy of structural support funds will contribute to the awareness of the Estonian public about the opportunities related to structural funds.

Table 56. Operational Programme-specific result indicators

ID	Indicator	Measurement unit for indicator	Baseline value	Baseline year	Target (2023)			Source of data	Frequency of reporting
					M	W	T		
	Public awareness of structural funds	%	94	Less developed	-	-	85	Public opinion polls: http://www.struktuurifondid.ee/avaliku-	Once a year

								arvamuse- uuringud/	
	Turnover of staff in charge of OP/PA implement ation	%	18,9	2013	-	-	15	Managing authority	Continuous Once a year
	Level of error rates	%	0,63	2013			Below 2%	Managing authority	Once a year

2.13.3. Actions to be supported and their expected contribution to the specific objectives

2.13.3.1. Description of actions to be supported and their expected contribution to the specific objectives

It is important to separately plan technical assistance funds from EU structural funds, as the implementation of the activities financed with the funds constitutes an additional activity for the state of Estonia. Two separate priority axes, with funds originating from the ERDF and the CF, are being planned in connection with technical assistance. Technical assistance funds are primarily planned to be used to reimburse the costs of the administration of structural funds which relate to preparations for the programming period (incl. the preparation of projects) and to implementation, incl. the wages of the administration managing the use of the structural funds. In view of the applicable principle that the structure of the Cohesion Policy implementation system remains the same as it was in the 2007–2013 programming period and the amount of funds Estonia will receive is also comparable to that of the previous period, it may be said that the implementation personnel of the previous period is adequate for the 2014–2020 programming period as well (see Table 86).

Technical assistance will be used to support the targeted and effective implementation of all other priority axes and to ensure the functioning and effectiveness of the monitoring process, which will be assessed on the basis of surveys and assessments related to the Operational Programme. Support will be provided for the preparation of the systems necessary for the implementation of the Operational Programme and for the adjustment of the systems in accordance with requirements. The necessary systems will be made as efficient as possible, considering the needs of all parties.

Main activities:

- preparation of the framework necessary for using structural funds;
- preparations and arrangements for the submission of project proposals and the evaluation and selection of projects;
- activities related to personnel management and development, including the training and development of employees involved in the management of structural funds (as well as partners and beneficiaries, if necessary);
- activities related to payment procedures and declaration of expenditure;
- development/administration of the register of structural assistance, and introduction of e-solutions;
- activities related to publicity and information provision regarding structural funds, including the development of a website;

- supporting activities planned to help applicants and beneficiaries to prepare and manage projects, including offering consultation and training, and preparation of the necessary guidelines and information materials;
- surveys and evaluations supporting the implementation of the Operational Programme;
- monitoring of the Operational Programme;
- activities related to the monitoring committee and sub-committees of the Operational Programme;
- activities related to audits;
- activities related to management checks (including on-site checks);
- activities related to preparations for the 2020+ period; and
- other activities supporting the successful implementation of the Operational Programme, the implementation and winding-up of the previous programming period and preparations for the next programming period.

For an efficient and efficient implementation of the activities, additional resources should be planned for maintaining and increasing the administrative capabilities of existing staff. In the administration of structural funds, sufficient human resources should be ensured and the capability of institutions to recruit additional qualified staff should be raised. Supporting the professional development of the existing staff through continuous training and development of the skills of employees is also important. Training and development needs should be reviewed constantly and development activities planned accordingly in order to develop human resources.

Each year, the managing authority will draw up a separate training plan for the administration, where attention is paid to instructing newly recruited personnel and competence diversification of experienced specialists. The principles of the administration's training will be brought into compliance with actual long-term needs and general and specific training programmes with the help of technical assistance. The managing authority will coordinate training at the level of the Operational Programme, taking into account the experience of the administration as a whole and with the aim of improving the competence of the institutions that support implementation, through improving the sectoral know-how of employees and keeping experienced personnel within the system. The administration will also continue to provide assistance to applicants and beneficiaries by conducting training events and information days and compiling instruction materials. Regional advisory centres will also be used to provide primary-level advisory services that contribute to the better and more purposeful provision of service to beneficiaries. Quality of the training system will also be improved by opinion and feedback surveys of the trainees.

Technical assistance funds are needed to perform the mandatory tasks related to the use of structural funds, such as monitoring and evaluations, audits and checks. The priority areas of technical assistance will provide additional opportunities for the agencies involved in the use of structural funds to commission studies and evaluations, and to temporarily hire extra experts.

Funds will be used under publicity and information measures in order to increase the awareness of applicants and the general public of the Operational Programme and of the activities supported under the Operational Programme. Therefore, a structural funds communication strategy involving various information channels has been devised for the 2014-2020 period, which will also be the basis for communication activities funded from the technical assistance funds.

In addition to the need to ensure the capacity of agencies involved in the management of structural funds as regards the granting and use of assistance, it also needs to be ensured that applicants and beneficiaries have increasingly better access to information on applying for and using assistance. To this end, the website of structural funds as the essential central and comprehensive information channel needs to be continuously updated and developed. Agencies should have sufficient resources to develop high-quality guidelines and to offer consultations. Continuous

provision of advice and information will simplify project management and increase the quality of applications, payment claims and monitoring reports, thereby reducing the workload of the administration and reducing the risk of not achieving the expected results. In turn, all of these activities will support the effective and proper implementation of programmes financed with structural funds. It is important to support actions to evaluate risks of fraud and to establish appropriate system to prevent corruption.

It is also necessary to continue developing the register of structural assistance in order to adapt the functions of the information system to the needs emerging during the new programming period and to simplify the use of the register for applicants and beneficiaries, as well as for the administration.

The possibility of using the register of structural assistance to submit project proposals and reports and to communicate with implementing bodies will certainly reduce the workload of beneficiaries and this in turn will help raise the quality of data.

All technical assistance expenditure and subsequently monitoring data linked to the expenditure is divided pro-rata between ERDF and CF.

2.13.3.2. Output indicators expected to contribute to results

Table 57. Output indicators

I D	Indicator	Measure ment unit	Fund	Category of region	Target value (2023)			Source of data	Frequenc y of reporting
					M	W	T		
	Number of officials in the structural funds administration co-financed by the technical assistance	FTE	ERDF	2013	-	-	429	Managing authority	Once a year
	Number of training and seminar days for implementing bodies and units	pcs	ERDF	Less developed	-	-	282	Managing authority	Once a year
	Number of training days for the auditing institution	pcs	ERDF	Less developed	-	-	24	Managing authority	Twice a year
	Number of training days for potential applicants, partners and beneficiaries	pcs	ERDF	Less developed	-	-	26	Managing authority	Twice a year
	Number of assessments of the Operational Programme	pcs		Less developed	-	-	18	Ministry of Finance	Continuous

2.13.4. Categories of intervention

Table 58. Categories of intervention

Category of region: Less developed regions

Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory	
Code	€ amount	Code	€ amount	Code	€ amount
121	54 482 465	01	68 657 347	07	68 657 347
122	7 087 441				
123	7 087 441				

2.14. Priority axis for technical assistance (CF)

2.14.1. Explanation for the establishment of a priority axis covering more than one category of region

Not applicable

2.14.2. Specific objectives and expected results

2.14.2.1. Specific objective. The Cohesion Policy 2014–2020 Operational Programme has been efficiently implemented.

The objective of using technical assistance funds is to effectively implement the Operational Programme for Cohesion Policy Funds 2014–2020 by ensuring the functioning of an efficient implementation system. The objectives of the Operational Programme will be achieved with the help of competent officials, and it is important to increase the awareness of the general public about structural funds. The technical assistance priority axis will contribute to the achievement of the objectives of all other priority axes. The technical assistance will create the necessary prerequisite of sufficient funds and resources to achieve the objectives and result and output indicators set out in the Partnership Agreement and the Operational Programme 2014–2020. Goal-orientation and optimisation of resources are guaranteed by surveys and evaluations based on the Operational Programme that make it possible to make the necessary adjustments in the course of the implementation period.

At the beginning of the programming period, a conformity assessment will be carried out in all institutions managing the use of structural funds to assess the preparedness of the institutions for implementation, the sufficiency of resources and the performance of systems.

It is important to keep turnover of the staff low or promote turnover between administration to share the experience. To reduce the staff turnover, it is important to have effective and result oriented human resource development plan.

Development of human resources is decentralised in Estonia, and every institution managing the use of structural funds has a plan in place to develop its human resources. A separate training plan covering the employees of the entire administration managing the use of structural funds will be drawn up and updated at least once a year.

Continuous assessment of the implementation plan and efficient informing are key factors for a successful implementation so that the applicants and beneficiaries would be able to ensure meaningful and high-level preparation and effective implementation of their projects. The administration will therefore ensure continuous training, advice and instruction for both applicants and beneficiaries. To reduce burden on applicants and beneficiaries, more opportunities will be sought for reimbursement of expenses pursuant to the simplified procedure, and sample-based checks of expense receipts will be allowed. The managing institution will, in

cooperation with other implementers, harmonise requirements that apply to the implementation system within the administration where possible, so that applicants and beneficiaries better understand which requirements apply to applying and implementation with respect to which measure.

In addition, better use will be made of the opportunities provided by the information system in order to simplify the reviewing of documents, reduce the proportion of technical work of applicants, beneficiaries and the administration and thereby place more emphasis on substantive activities. Support-related data exchange between applicants, beneficiaries and the administration (e.g. applying, paying and monitoring) will be made fully electronic, and different information systems and registries will be interfaced. This will improve data quality and speed significantly and reduce the administrative burden on both the administration and beneficiaries, thus also speeding up the processing of payment claims. A single-entry principle will be established for electronic applications to the extent possible. In addition to communication with applicants and beneficiaries, the administration can use the information system to monitor progress towards results at the levels of a priority axis, a measure or a project; the progress of assuming commitments and making payments; the scope and results of audits, inspections and on-the-spot checks; and the amounts of irregularities and recoveries. The information system will also enable the administration to prepare reports for monitoring purposes and for certification of expenditure.

As a result of the technical support, the number of people working in the administration will be optimised and support for the professional development of employees will be guaranteed through a training system. Continuous informing activities and communication strategy of structural support funds will contribute to the awareness of the Estonian public about the opportunities related to structural funds.

Table 59. Operational Programme-specific result indicators.

ID	Indicator	Measurement unit	Base value	Base year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
	Public awareness of structural funds	%	94		-	-	85	Public opinion polls: http://www.struktuurifondid.ee/avaliku-arvamuse-uuringud/	Once a year
	Turnover of staff in charge of OP/PA implementation	%	18,9	2013	-	-	15	Managing authority	Continuously
	Level of error rates	%	0,63	2013	-	-	Below 2	Managing authority	Once a year

2.14.3. Actions to be supported and their expected contribution to the specific objectives

2.14.3.1. Description of actions to be supported and their expected contribution to the specific objectives

It is important to separately plan technical assistance funds from EU structural funds, as the implementation of the activities financed with the funds constitutes an additional activity for the

state of Estonia. Two separate priority axes, with funds originating from the ERDF and the CF, are being planned in connection with technical assistance. Technical assistance funds are primarily planned to be used to reimburse the costs of the administration of structural funds which relate to preparations for the programming period (incl. the preparation of projects) and to implementation, incl. the wages of the administration managing the use of the structural funds. In view of the applicable principle that the structure of the Cohesion Policy implementation system remains the same as it was in the 2007–2013 programming period and the amount of funds Estonia will receive is also comparable to that of the previous period, it may be said that the implementation personnel of the previous period is adequate for the 2014–2020 programming period as well (see Table 86).

Technical assistance will be used to support the targeted and effective implementation of all other priority axes and to ensure the functioning and effectiveness of the monitoring process, which will be assessed on the basis of surveys and assessments related to the Operational Programme. Support will be provided for the preparation of the systems necessary for the implementation of the Operational Programme and for the adjustment of the systems in accordance with requirements. The necessary systems will be made as efficient as possible, considering the needs of all parties.

Main activities:

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- activities related to payment procedures and declaration of expenditure;
- development/administration of the register of structural assistance, and introduction of e-solutions;
- activities related to publicity and information provision regarding structural funds, including the development of a website;
- supporting activities planned to help applicants and beneficiaries to prepare and manage projects, including offering consultation and training, and preparation of the necessary guidelines and information materials;
- surveys and evaluations supporting the implementation of the Operational Programme;
- monitoring of the Operational Programme;
- activities related to the monitoring committee and sub-committees of the Operational Programme;
- activities related to audits;
- activities related to management checks (including on-site checks);
- activities related to preparations for the 2020+ period; and
- other activities supporting the successful implementation of the Operational Programme, the implementation and winding-up of the previous programming period and preparations for the next programming period.

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Each year, the managing authority will draw up a separate training plan for the administration, where attention is paid to instructing newly recruited personnel and competence diversification of experienced specialists. The principles of the administration's training will be brought into compliance with actual long-term needs and general and specific training programmes with the help of technical assistance. The managing authority will coordinate training at the level of the Operational Programme, taking into account the experience of the administration as a whole and with the aim of improving the competence of the institutions that support implementation, through improving the sectoral know-how of employees and keeping experienced personnel within the system. The administration will also continue to provide assistance to applicants and beneficiaries by conducting training events and information days and compiling instruction materials. Regional advisory centres will also be used to provide primary-level advisory services that contribute to the better and more purposeful provision of service to beneficiaries. Quality of the training system will also be improved by opinion and feedback surveys of the trainees.

Technical assistance funds are needed to perform the mandatory tasks related to the use of structural funds, such as monitoring and evaluations, audits and checks. The priority areas of technical assistance will provide additional opportunities for the agencies involved in the use of structural funds to commission studies and evaluations, and to temporarily hire extra experts.

Funds will be used under publicity and information measures in order to increase the awareness of applicants and the general public of the Operational Programme and of the activities supported under the Operational Programme. Therefore, a structural funds communication strategy involving various information channels has been devised for the 2014-2020 period, which will also be the basis for communication activities funded from the technical assistance funds.

In addition to the need to ensure the capacity of agencies involved in the management of structural funds as regards the granting and use of assistance, it also needs to be ensured that applicants and beneficiaries have increasingly better access to information on applying for and using assistance. To this end, the website of structural funds as the essential central and comprehensive information channel needs to be continuously updated and developed. Agencies should have sufficient resources to develop high-quality guidelines and to offer consultations. Continuous provision of advice and information will simplify project management and increase the quality of applications, payment claims and monitoring reports, thereby reducing the workload of the administration and reducing the risk of not achieving the expected results. In turn, all of these activities will support the effective and proper implementation of programmes financed with structural funds. It is important to support actions to evaluate risks of fraud and to establish appropriate system to prevent corruption.

It is also necessary to continue developing the register of structural assistance in order to adapt the functions of the information system to the needs emerging during the new programming period and to simplify the use of the register for applicants and beneficiaries, as well as for the administration.

The possibility of using the register of structural assistance to submit project proposals and reports and to communicate with implementing bodies will certainly reduce the workload of beneficiaries and this in turn will help raise the quality of data.

All technical assistance expenditure and subsequently monitoring data linked to the expenditure is divided pro-rata between ERDF and CF.

Table 60. Output indicators.

I D	Indicator	Measu remen t unit	Fund	Catego ry of region	Target value (2023)			Source of data	Frequenc y of reporting
					M	W	T		
	Number of officials in the structural funds administration co-financed by the technical assistance	FTE	CF				429	Managi ng authorit y	Once a year
	Number of training and seminar days for implementing bodies and units	pcs	CF				162	Managi ng authorit y	Once a year
	Number of training days for the auditing institution	pcs	CF				13	Managi ng authorit y	Twice a year
	Number of training days for potential applicants, partners and beneficiaries	pcs	CF		-	-	15	Managi ng authorit y	Twice a year
	Number of assessments of the Operational Programme	pcs	CF		-	-	10	Managi ng authorit y	Continuo us

2.14.4. Categories of intervention

Table 61. Categories of intervention

Category of region: not applicable					
Table 7: Dimension 1 Intervention field		Table 8: Dimension 2 Form of finance		Table 9: Dimension 3 Territory	
Code	€ amount	Code	€ amount	Code	€ amount
121	33 227 076	01	39 308 998	07	39 308 998
122	3 040 961				
123	3 040 961				

3. Financing plan

3.1. Amounts of the total financial appropriation envisaged for the support from each of the Funds and amounts related to the performance reserve

Table 62.

	Fund	Category of region	2014		2015		2016		2017		2018		2019		2020.		Total	
			Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
1	ERDF	In less developed regions	219 978 187	14 041 161	230 786 773	14 731 071	240 989 250	15 382 292	247 364 893	15 789 249	259 260 677	16 548 554	270 041 334	17 236 681	280 997 864	17 936 034	1 749 418 978	111 665 042
2	ERDF	In transition regions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	ERDF	In more developed regions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ERDF	Total	219 978 187	14 041 161	230 786 773	14 731 071	240 989 250	15 382 292	247 364 893	15 789 249	259 260 677	16 548 554	270 041 334	17 236 681	280 997 864	17 936 034	1 749 418 978	111 665 042
5	ESF	In less developed regions	68 892 279	4 397 380	72 277 286	4 613 444	75 472 477	4 817 392	77 396 578	4 940 207	79 333 303	5 063 828	82 632 163	5 274 393	85 984 843	5 488 394	541 988 929	34 595 038
6	ESF	In transition regions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	ESF	In more developed regions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	ESF	Total	68 892 279	4 397 380	72 277 286	4 613 444	75 472 477	4 817 392	77 396 578	4 940 207	79 333 303	5 063 828	82 632 163	5 274 393	85 984 843	5 488 394	541 988 929	34 595 038

	Fund	Category of region	2014		2015		2016		2017		2018		2019		2020.		Total	
			Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
9	YEI specific allocation	Not applicable	0	Not applicable	0	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
10	CF	Not applicable	125 277 066	7 996 409	131 887 033	8 418 321	138 148 448	8 817 986	141 582 666	9 037 191	147 506 206	9 415 290	153 812 714	9 817 833	159 628 463	10 189 051	997 842 596	63 692 081
11	CF	Total	125 277 066	7 996 409	131 887 033	8 418 321	138 148 448	8 817 986	141 582 666	9 037 191	147 506 206	9 415 290	153 812 714	9 817 833	159 628 463	10 189 051	997 842 596	63 692 081
12	ERDF	Special allocation to outermost regions or northern sparsely populated regions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Total		414 147 532	26 434 950	434 951 092	27 762 836	454 610 175	29 017 670	466 344 137	29 766 647	486 100 186	31 027 672	506 486 211	32 328 907	526 611 170	33 613 479	3 289 250 503	209 952 161

3.2. Amount of the total financial appropriation envisaged for the support from each of the Funds and the national co-financing (EUR)

Table 63. Financing plan

Priority	Fund	Category of region	Basis for the calculation of the Union support	Union support	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate	For information	Main allocation		Performance reserve		Share of the performance reserve of the total Union support
			(Total eligible cost or public eligible cost)			National public funding	National private sector funding			EIB contributions	Union support	National counterpart	Union support	National counterpart	
				(a)	(b) = (c) + (d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/(e) (2)	(g)	(h)=(a)-(j)	(i) = (b) - (k)	(j)	(k)= (b) * ((j)/(a))	(l) = (j)/(a) *100
1. Qualifications and skills meeting the	ERDF	Less developed regions	Total eligible cost	282 650 362	49 879 476	49 879 476	0	332 529 838	85,00%		216 807 283	38 260 110	65 843 079	11 619 366	23,29%

needs of society and the labour market	ESF	Less developed regions	Total eligible cost	192 940 211	34 048 273	33 376 866	671 407	226 988 484	85,00%		181 363 798	32 005 377	11 576 413	2 042 896	6,00%
2. Increasing social inclusion	ERDF	Less developed regions	Total eligible cost	204 654 743	91 886 120	84 386 794	7 499 326	296 540 863	69,01%		204 654 743	91 886 120	0	0	0,00%
	ESF	Less developed regions	Total eligible cost	141 465 851	27 348 420	27 161 996	186 424	168 814 271	83,80%		133 103 055	25 731 710	8 362 796	1 616 710	5,91%
3. Improvement of access to, and prevention of dropping out of, the labour market	ESF	Less developed regions	Total eligible cost	203 605 301	37 447 180	37 447 180	0	241 052 481	84,47%		191 388 983	35 200 349	12 216 318	2 246 831	6,00%
4. Growth-capable entrepreneurship and RD&I supporting it	ERDF	Less developed regions	Total eligible cost	584 127 467	296 222 767	56 827 017	239 395 750	880 350 234	66,35%		584 127 467	296 222 767	0	0	0,00%
	ESF	Less developed regions	Total eligible cost	10 200 000	1 800 000	1 800 000	0	12 000 000	85,00%		9 548 936	1 685 106	651 064	114 894	6,38%
5. Development of small and medium-sized enterprises and strengthening the competitiveness of regions	ERDF	Less developed regions	Total eligible cost	438 538 775	80 794 732	43 558 041	37 236 691	519 333 507	84,44%		409 990 657	75 535 134	28 548 118	5 259 598	6,51%
6. Energy efficiency	CF	Not applicable	Total eligible cost	260 590 149	301 712 509	39 547 208	262 165 301	562 302 658	46,34%		245 194 766	283 887 662	15 395 383	17 824 847	5,91%

7. Water protection	CF	Not applicable	Total eligible cost	180 019 854	31 768 211	31 372 001	396 210	211 788 065	85,00%		168 057 129	29 657 142	11 962 724	2 111 069	6,65%
8. Green infrastructure and improved preparedness for emergencies	CF	Not applicable	Total eligible cost	110 937 794	19 577 259	18 778 894	798 365	130 515 053	85,00%		103 928 964	18 340 407	7 008 830	1 236 852	6,32%
9. Sustainable urban development	ERDF	Less developed regions	Total eligible cost	93 819 149	16 556 320	16 556 320	0	110 375 469	85,00%		87 585 450	15 456 255	6 233 699	1 100 065	6,64%
10. Sustainable transport	CF	Not applicable	Total eligible cost	470 677 882	106 699 304	70 006 657	36 692 647	577 377 186	81,52%		441 352 739	100 051 504	29 325 143	6 647 800	6,23%
11. Infrastructure for ICT services	ERDF	Less developed regions	Total eligible cost	79 175 270	13 972 107	4 569 495	9 402 612	93 147 377	85,00%		73 914 564	13 043 747	5 260 706	928 360	6,64%
12. Administrative capacity	ERDF	Less developed regions	Total eligible cost	109 460 907	19 316 631	19 316 631	0	128 777 538	85,00%		103 681 467	18 296 730	5 779 440	1 019 901	5,28%
	ESF	Less developed regions	Total eligible cost	28 372 604	5 006 931	5 006 931	0	33 379 535	85,00%		26 584 157	4 691 323	1 788 447	315 608	6,30%
13. Technical assistance	ERDF	Less developed regions	Total eligible cost	68 657 347	12 116 003	12 116 003	0	80 773 350	85,00%		68 657 347	12 116 003	0	0	0,00%
14. Technical assistance	CF	Not applicable	Total eligible cost	39 308 998	6 936 882	6 936 882	0	46 245 880	85,00%		39 308 998	6 936 882	0	0	0,00%

Total	ERDF	Less developed regions	Total eligible cost	1 861 084 020	580 744 156	287 209 777	293 534 379	2 441 828 176	76,22%		1 749 418 978	560 816 866	111 665 042	19 927 290	6,00%
Total	ERDF	Transition regions	Total eligible cost												
Total	ERDF	More developed regions	Total eligible cost												
Total	ERDF	Special allocation to outermost regions or northern sparsely populated regions	Total eligible cost												
Total	ESF[4]	Less developed regions	Total eligible cost	576 583 967	105 650 804	104 792 973	857 831	682 234 771	84,51%		541 988 929	99 313 865	34 595 038	6 336 939	6,00%
Total	ESF[6]	Transition regions	Total eligible cost												
Total	ESF[7]	More developed regions	Total eligible cost												
Total	CF	Not applicable	Total eligible cost	1 061 534 677	466 694 165	166 641 642	300 052 523	1 528 228 842	69,46%		997 842 596	438 873 597	63 692 080	27 820 568	6,00%
Total			Total eligible cost	3 499 202 664	1 153 089 125	558 644 392	594 444 733	4 652 291 789	75,21%		3 289 250 503	1 099 004 328	209 952 160	54 084 797	6,00%

Table 64. Youth Employment Initiative – ESF support and YEI specific allocation

Not applicable

Table 65. Breakdown of the financing plan by priority axis, Fund, category of region and Thematic Objective

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
1. Qualifications and skills meeting the needs of society and the labour market	ERDF	Less developed regions	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	282 650 362	49 879 476	332 529 839
	ESF	Less developed regions	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	192 940 211	34 048 273	226 988 484
2. Increasing social inclusion	ERDF	Less developed regions	9. Promoting social inclusion and combating poverty and any type of discrimination	204 654 743	91 886 120	296 540 863
	ESF	Less developed regions	9. Promoting social inclusion and combating poverty and any type of discrimination	141 465 851	27 348 420	168 814 271
3. Improvement of access to, and prevention of dropping out of, the labour market	ESF	Less developed regions	8. Promoting sustainable and high-quality employment and supporting labour mobility	203 605 301	37 447 180	241 052 481
4. Growth-capable entrepreneurship and internationally competitive RD&I	ERDF	Less developed regions	1. Strengthening research, technological development and innovation	584 127 467	296 222 767	880 350 233
	ESF	Less developed regions	10. Investing in education and training and, to acquire skills, in vocational training and lifelong learning	10 200 000	1 800 000	12 000 000
5. Development of small and medium-sized enterprises and strengthening the competitiveness of regions	ERDF	Less developed regions	3. Enhancing the competitiveness of SMEs, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	274 729 201	50 615 073	325 344 274
	ERDF	Less developed regions	8. Promoting sustainable and high-quality employment and supporting labour mobility	163 809 574	30 179 659	193 989 233
6. Energy efficiency	CF	Not applicable	4. Supporting the shift towards a low-carbon economy in all sectors	260 590 149	301 712 509	562 302 658
7. Water protection	CF	Not applicable	6. Preserving and protecting the environment and promoting resource efficiency	180 019 854	31 768 211	211 788 065

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
8. Green infrastructure and improved preparedness for emergencies	CF	Not applicable	5. Promoting climate change adaptation, risk prevention and management	57 692 720	10 181 068	67 873 788
	CF	Not applicable	6. Preserving and protecting the environment and promoting resource efficiency	53 245 074	9 396 191	62 641 265
9. Sustainable urban development	ERDF	Less developed regions	4. Supporting the shift towards a low-carbon economy in all sectors	44 819 149	7 909 261	52 728 410
	ERDF	Less developed regions	9. Promoting social inclusion and combating poverty and any type of discrimination	49 000 000	8 647 059	57 647 059
10. Sustainable transport	CF	Not applicable	7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	470 677 882	106 699 304	577 377 186
11. Infrastructure for ICT services	ERDF	Less developed regions	2. Enhancing access to, and use and quality of, ICT	79 175 270	13 972 107	93 147 377
12. Administrative capacity	ERDF	Less developed regions	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	109 460 907	19 316 631	128 777 538
	ESF	Less developed regions	11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	28 372 604	5 006 931	33 379 535
13. Technical assistance	ERDF	Less developed regions		68 657 347	12 116 003	80 773 350
14. Technical assistance	CF	Not applicable		39 308 998	6 936 882	46 245 880
Total				3 499 202 664	1 153 089 125	4 652 291 789

Table 66. Indicative amount of support to be used for climate change objectives

Priority axis	Indicative amount of support to be used for climate change objectives (EUR)	Share of the total allocation to the Operational Programme (%)
1. Qualifications and skills meeting the needs of society and the labour market	0,0	0,00%
2. Increasing social inclusion	0,0	0,00%
3. Improvement of access to, and prevention of dropping out of, the labour market	0,0	0,00%
4. Growth-capable entrepreneurship and RD&I supporting it	87 743 227,8	2,51%
5. Development of small and medium-sized enterprises and strengthening the competitiveness of regions	14 527 420,40	0,42%
6. Energy efficiency	260 590 149,00	7,45%
7. Water protection	28 853 224,00	0,82%
8. Green infrastructure and improved preparedness for emergencies	78 990 749,60	2,26%
9. Sustainable urban development	17 927 659,60	0,51%
10. Sustainable transport	66 699 654,4	1,91%
11. Infrastructure for ICT services	0,0	0,00%
12. Administrative capacity	0,0	0,00%
13. Technical assistance	0,0	0,00%
14. Technical assistance	0,0	0,00%
Total	555 332 084,8	15,87%

4. Integrated approach to territorial development

Considering the special regional characteristics of Estonia the larger urban areas (together with their hinterland), regional centres (mainly county centres) and rural areas forming the hinterland of centres need to be approached differently.

The challenges related to larger urban areas mostly pertain to the development of urban space, reviving underused areas, energy savings in cities and development of sustainable transport systems. Solutions are needed to several problems arising from the urban sprawl of the last decades in the hinterland, such as insufficient service infrastructure.

Outside larger urban areas, regional centres have an important role in ensuring employment and various services in the region. Regional centres have not been able to adequately perform this role, and their population has significantly decreased in the last decade. Conditions should be created for new jobs and support should be given for the development of high-quality public services. To increase the synergy of centres and their hinterland, transport infrastructure and public transport need to be developed as well as cooperation between local authorities in providing services, planning and developing the region.

Regional centres and their hinterland are treated as single functional regions. The population of rural areas continues to decrease, while that of larger urban areas is increasing. The daily lives of the rural population are more and more linked to cities. The decline in the population is raising the cost of providing public services and thus putting pressure on their availability and quality. To adapt to realities, special attention should be paid to rural and sparsely populated areas when developing services, using novel and non-traditional solutions, including e-solutions, where possible.

As for islands, it is important to ensure permanent and sustainable connections. Special attention needs to be paid to Ida-Viru County. This is a problematic region with structural unemployment, low business activity, environmental problems and integration issues. This region needs to be better integrated with the rest of Estonia.

The development potential and resources of regions have not been adequately used. Harmonisation of the state of development requires more skilful use of the endogenous potential. Larger urban areas have strong potential for developing their special features. Tallinn and Tartu especially need to improve their international competitiveness. Ida-Viru County, northern, south-eastern and western Estonia and need to make wise use of their specific resources and advantages, e.g. in the tourism sector, logistics and nature.

The integrated approach to development of urban areas is described in section 4.2. In functional regions that broadly correspond to county level (LAU 1), principles of integrated territorial development will be applied under priority axis 5 specific objective 2. The intervention is based on ERDF article 5 point 8b investment priority.

The integrated territorial approach is based on development plans of counties where regional priorities are determined. Based on those development plans action plans will be drawn up on, which will specify priority activities, including within the areas financed from structural funds. Along with the action plans, plans will also be devised in counties determining the so-called "soft" activities for increasing employment and business activity.. The overall aim is to achieve better coordination and efficiency of various state and regional level measures directed at increasing employment and entrepreneurship. The activities are directly related to interventions supported by ESF, national means and LEADER approach.

4.1. Community-led local development

The main reason for using community-led local development (CLLD) comes from the need to direct local initiative to finding solutions based on local resources and potential when developing local life and business environment.

The CLLD model is taken as the basis when implementing the Rural Development Plan and the Action Plan of European Maritime and Fisheries Fund through the Leader measure and through developing fishing regions respectively. An integrated approach with other ESI funds is ensured first and foremost through unifying various state processes related to planning and budgeting. When budgetary decisions are made, all funds (including various EU support funds) are viewed together and if necessary, their use is harmonised. The mutually complementing effect of different instruments, including CLLD, is monitored and managed within the framework of state budget strategy and the compilation and implementation monitoring of annual State Budget Acts. Also, all administration managing the use of ESI funds must support applicants and beneficiaries, including through constant consulting on a local level, providing guidance materials and trainings about the support opportunities offered by various ESI funds. Principles of CLLD are taken into account partially when using structural funds. As structural funds are used for interventions aimed at goals that must achieve results of comparable level in the whole country, the implementation of these interventions cannot be left to depend on whether a specific Leader action group or a fishing region action group chooses a specific intervention as one of their priorities. The possibility of local action groups participating in the preparation and implementation of such interventions was discussed during the preparatory discussions. The expertise and experience of local action groups can be used when base documents are being developed for interventions by various ESI funds in cooperation with the agencies responsible for the interventions and various partners: this process determines, on the basis of the expected result, the target group(s) of the intervention more specifically, activities and expenses qualifying for support, and selection criteria of projects, among other things. If local action groups or their members are eligible for support within the framework of interventions through structural funds, they can participate in the application process on equal terms with other applicants and should their application be successful, implement their projects using structural funds. A bottom-to-top community-based approach analogous to CLLD is used with regional measures supporting competitive strength and financed through structural funds.

4.2. Sustainable urban development

Sustainable urban development is intended to be supported primarily through priority axis 9 'Sustainable urban development', financed by the ERDF. If necessary, cross-funding will be used for ESF-type activities. Under the priority axis, funding will be provided for activities that aim to solve major bottlenecks in the development of urban areas. Particular attention will be paid to the development of a sustainable mobility environment with a view to reducing the use of cars and thereby reducing CO₂ emissions. It is also intended to contribute to solving the problem of the shortage of childcare facilities in order to improve employment opportunities for parents and reduce forced mobility within urban areas. In the larger cities of Ida-Viru County, a contribution will be made to the enlivening of underused urban areas in order to increase the attractiveness of these urban areas for businesses and improve the quality of life in them. In the construction of infrastructure, green infrastructure solutions will be used where possible. ESF activities supporting the goals of sustainable development of urban areas are described in section 2.9.1.

Integrated actions supported through this priority axis need to be based on a development strategy for the urban area concerned. These will be drawn up on the basis of the development plans of local authority units, as these are essentially integrated action plans that cover all areas of activity of the local authority units. The strategy will handle key economic, environmental,

climate-related, demographic and social problems of the urban area in question, as well as objectives for sustainable development. The strategy will be prepared and approved by all of the local authorities in the respective urban area. Local authority units in larger urban areas are generally more capable than average, and the majority of urban areas have experience of cooperation between the local authorities of the central city and its hinterland.

In the spheres to be supported under priority axis 9, local authorities within urban areas can apply for ERDF funding. Project selection is delegated to an evaluation committee who will select projects from among compliant project proposals. The evaluation committee will consist of representatives of the local authorities within the urban area and representatives of other relevant organisations.

Projects will be selected on the basis of the objectives set out in the sustainable development strategy of the urban area, the objectives of the priority axis, and other criteria to be laid down in the terms and conditions of the intervention in question. Preference will be given to integral projects that solve a problem holistically in a certain area or improve the situation in a field in the whole urban area.

The 'Sustainable urban development' axis will be implemented in urban areas with populations exceeding 50,000. An urban area is considered to comprise a city as the centre and the densely populated hinterland surrounding the city. When defining the exact scope of an urban area, account will be taken of the area of dense population and areas with a growing population, as well as the extent of intensive daily commuting.

Table 67. Integrated action for sustainable urban development – indicative amounts of ERDF and ESF support

Fund	ERDF and ESF support (indicative amounts) (EUR)	Share of the total allocation of the Fund to the Operational Programme
Total ERDF	93 819 149 €	5,04%
Total ESF	€0	€0
Total ERDF+ESF	93 819 149 €	5,04%

4.3. Integrated territorial investments

The integrated territorial investment (ITI) mechanism, as specified in Regulation (EU) No 1303/2013, will not be applied, but an integrated approach to the challenges of regional development will be used at the level of urban areas and counties as described in section 4.

Table 68. Indicative financial allocation to ITI other than those mentioned in section 4.2

Not applicable

4.4. Arrangements for interregional and transnational actions within the Operational Programme, with beneficiaries located in at least one other Member State

In accordance with Article 10, Section 2 of the Regulation 1304/2013, Estonia is not planning a separate priority axis for supporting the implementation of activities carried out in cooperation with other states. At the same time, it is determined in the course of working out the conditions

for interventions planned within the framework of various priority axes, whether it is planned to support the activities of implementing agents outside Estonia in order to achieve the goals of the intervention, and what are the prerequisites and conditions for that. For example, a possibility of supporting activities carried out in international cooperation, also outside the region of the Operational Programme, is being planned in the area of research and development and innovation, including for participation in the design and usage of top level infrastructure being designed in international cooperation. International cooperation was supported similarly in the program period 2007-2013. Usage of international expertise and cooperation for achieving goals are also planned in other areas.

4.5. Contribution of interventions planned in the Operational Programme to macro-regional strategies and sea-basin strategies subject to the needs of the programme area as identified by the Member State

No interregional or transnational cooperation activities are directly being planned within this Operational Programme. When planning and carrying out interventions under priority axes, it will be possible to treat transnational cooperation activities as eligible in appropriate cases, considering the objective of using EU funds and the type and specific nature of the intervention in question.

Mechanisms to ensure coordination in contributing to the objectives of macro-regional strategies (the EU Strategy for the Baltic Sea Region) are discussed in section 3.1.4 of the Partnership Agreement.

5. Specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or social exclusion

5.1. Geographical areas most affected by poverty/target groups at highest risk of discrimination

Discussed in section 3.5 of the Partnership Agreement.

5.2. Strategy of the Operational Programme to address the specific needs of geographical areas/target groups most affected by poverty, and contribution of the integrated approach set out in the Partnership Agreement where relevant

Discussed in section 3.5 of the Partnership Agreement.

6. Specific needs of geographical areas which suffer from severe and permanent natural or demographic handicaps

Discussed in section 3.6 of the Partnership Agreement.

7. Authorities and bodies responsible for management, control and audit and the role of relevant partners

7.1. Relevant authorities and bodies

Table 69. Relevant authorities and bodies

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Member State	Ministry of Finance	Deputy Secretary-General of Fiscal Policy of Ministry of Finance
Managing authority	Until 30.08.2018 Ministry of Finance. From 1.09.2018 State Shared Service Centre	Until 30.08.2018 Deputy Secretary-General of Fiscal Policy of Ministry of Finance. From 1.09.2018 Deputy Director General of State Shared Service Centre.
Certifying authority ¹⁰³	-	-
Audit authority	Ministry of Finance	Head of the Financial Control Department
Body to whom payments will be made by Commission	Until 30.08.2018, Ministry of Finance. From 1.09.2018 State Shared Service Centre.	Until 30.08.2018 Head of the European Union Payments Department of Ministry of Finance. From 1.09.2018 Head of the Support Payments Department of State Shared Service Centre.

7.2. Involvement of relevant partners

7.2.1. Actions taken to involve the relevant partners in the preparation of the Operational Programme, and the role of the partners in the implementation, monitoring and evaluation of the Operational Programme

The drawing up of the Partnership Agreement (PA) was coordinated by the Ministry of Finance and the Ministry of Agriculture in cooperation with all other ministries and the Government Office. The drawing up of the Operational Programme of the Structural Funds was managed by the

¹⁰³ During the period 2014-2020 the managing authority will perform the functions of the certifying authority. Allowing a similar division of labour in the period 2007-2013 is a prerequisite for uniting these authorities.

Ministry of Finance; the preparation of the Rural Development Plan (RDP) and the Maritime and Fisheries Fund Operational Programme was managed by the Ministry of Agriculture.

In November 2011 the Ministry of Finance formed a high-level inter-ministerial working party whose task was to coordinate preparations for use of EU budgetary resources in the period 2014–2020.

Involvement of social partners was based on the involvement plan¹⁰⁴ that was approved by the steering committee and prepared at the beginning of the process in accordance with Articles 5 and 46 of the ESI Common Provision Regulation, the European Code of Conduct on Partnership¹⁰⁵ and the current Good Practice for Stakeholder Involvement¹⁰⁶.

Involvement of non-governmental partners in discussions on the PA and the OPs was coordinated by the Ministry of Finance. The Ministry of Agriculture arranged the involvement of partners in planning for the use of the rural development and fisheries funds. The ministries also involved and will involve partners in the preparation of the development plans for the policy areas covered by the Partnership Agreement.

The main objectives of involvement in the process of drawing up the PA were to provide information to the general public and gather ideas, i.e. to give the general public the opportunity to have a say in the programming of the new 2014–2020 budget period of the EU. To this end, the preparation process was kept as open as possible, and opinions and suggestions were gathered from partners in different sectors at various levels and from umbrella organisations who wanted and were able to contribute to solving the current and future problems of Estonia. The overall aim was to prepare high-quality OPs¹⁰⁷ relying on the valuable knowledge and cooperation of the parties involved and to achieve their purposeful and effective implementation.

The national planning process was divided into stages, and partners from different levels were involved in each stage. The partners were divided into two groups: partners' umbrella organisations and sectoral partners.

At the stage of drawing up the strategy and preparing the implementation system, umbrella organisations that have expertise and advocacy interest as regards the needs and development prospects of many different areas were involved. These organisations included: the Estonian Chamber of Commerce and Industry, the Estonian Employers' Confederation, the Estonian Association of Small and Medium-Sized Enterprises, the Estonian Council of Environmental NGOs, the Estonian Trade Union Confederation, the Network of Estonian Non-Profit Organisations, the Association of Estonian Cities, the Association of Municipalities of Estonia, the Estonian Chamber of Agriculture and Commerce, the Leader Forum, the Estonian Rectors Conference, the Estonian Qualifications Authority and the Estonian Chamber of Disabled People. Involvement of partners' umbrella organisations was the responsibility of the Ministry of Finance.

The Ministry of Social Affairs and the Gender Equality and Equal Treatment Commissioner were involved as the institutions responsible for social inclusion, gender equality and non-discrimination issues. The role of other ministries was to engage partners by sector, organising

¹⁰⁴ http://www.struktuurifondid.ee/public/EL_2014-2020_kaasamise_kava1.pdf

¹⁰⁵ http://ec.europa.eu/regional_policy/what/future/pdf/preparation/da_code%20of%20conduct_en.pdf

¹⁰⁶ <http://www.valitsus.ee/et/riigikantselei/kaasamine-ja-mojude-hindamine/kaasamise-hea-tava>

¹⁰⁷ Operational Programme for Cohesion Policy Funds, Rural Development Plan, and Maritime and Fisheries Fund Operational Programme

sectoral discussions and involving partners in the development of programmes and measures. Each ministry participating in the development of the PA prepared its list of partners and stakeholders with whom they cooperated during the process. These partners were treated as sectoral partners and included advocacy organisations, supporting and funding organisations, professional organisations (occupational, professional or creative associations), expert organisations (e.g. think-tanks and research institutions) and service providers (including consulting firms). The list of sectoral partners who were directly involved in the preparatory work is given in the involvement plan (Annex 1¹⁰⁸). Other interested organisations could request their addition to the list of partners. Ministries arranged for substantive engagement of partners – direct and ongoing communication with the partners determined by them and the review of proposals put forward during consultations.

Also, organisations and individuals who were not included in the list of partners were able to submit their written proposals and views during public consultations.

Updated information about the course of national programming and participation opportunities, together with background information and working papers, was available on the website www.struktuurifondid.ee. Information about sectoral discussions and preparations was provided on the websites of the relevant ministries. For the purpose of involvement, discussions and roundtables on national and sectoral topics were organised with the participation of both partners and non-governmental experts (for the purpose of analysing Estonia's development needs and opportunities and agreeing on funding priorities). In addition, the Ministry of Finance organised informative seminars with other ministries. The seminars gave participants an overview of the current state of planning as well as the following stages, the contents of the documents being prepared and feedback on how the positions submitted during the discussions and consultations are taken into account. The materials of all of these events were made available on the website. The planning process, the draft documents and the decisions were also discussed at seminars organised by partner organisations.

Public written consultations concerning preliminary decisions and drafts were organised in the key stages of the programming process via electronic channels, which enabled all interested parties to submit their views and proposals. Public consultation on the first drafts of the PA and the Cohesion Policy OP was held over four weeks in June 2013 (including, among other things, the selection of Thematic Objectives, the financing plan, expected results, coordination arrangements and mainstreaming of horizontal themes). During the consultation, 15 organisations and individuals submitted their proposals. In summary, the proposals emphasised the need to pay more attention to ethnic minorities, youth unemployment, social partners' capabilities, synergy and coordination between funds, balancing regional differences and the promotion of gender equality, higher education and renewable energy.

As a result of the public consultation, amendments were introduced to the PA and the Cohesion Policy OP, which clarify the proposed interventions on issues raised by the partners. Among other things, more attention is now paid to the regional dimension, enhancing the capabilities of the partners as well as to the horizontal theme of gender equality and equal treatment. Horizontal themes will also be discussed during the development and implementation of the sectoral development plans that underpin the Operational Programmes, as well as in the process of elaborating interventions to implement the Operational Programmes, incl. when drafting the terms and conditions of measures. It is intended to contribute to an increase in the capacity of various partner organisations to participate in policy-making and provide public services with the

¹⁰⁸ http://www.struktuurifondid.ee/public/2014/Kaasatavad_organisatsioonid_koduleht_jaanuar2013.pdf

help of interventions designed under the ‘administrative capacity’ priority axis. Representatives of partners from relevant sectors will be involved in the development of the interventions and formulation of their terms (taking into account, among other things, the need to avoid potential conflicts of interest and, on the other hand, considering the possibility of partial reimbursement of the costs associated with the partners’ participation). Entities responsible for the development and implementation of the interventions are expected to observe, *inter alia*, the Good Practice for Stakeholder Involvement.

The main added value of involving partners in the preparation of the Partnership Agreement consisted in agreeing on the development needs of Estonia and the resulting funding priorities. Throughout the planning process, the proposals and comments of partners were a valuable input, influencing the strategic choices made in the process of planning interventions. For example, when interventions were planned within the framework of the 1st and 3rd thematic objective, the opinions of entrepreneurs had a significant influence on the selection (including in the selection of growth areas of smart specialisation, development of entrepreneurship and entrepreneurial education in schools, planning the measures of capital access). Also the priorities of e.g. the representative organisations of local authorities were taken into account, which means that development of social and educational infrastructure, investments into sustainable public transportation and the rectification of various state information systems as well as development of their interoperability have achieved a significant place in the planned investments. At the seminars organised in June 2013 for the purpose of discussing and validating the initial proposals and comments resulting from the ex-ante evaluation of the drafts of the PA and the Cohesion Policy OP, representatives of partners’ umbrella organisations deliberated the relevance of the initial proposals. During the workshops organised in September and October 2013 for the purpose of updating the July 2013 versions of the planning documents, partners were involved in the discussion of the preliminary recommendations of ex-ante evaluators and SEA experts and the initial informal observations of the Commission with a view to reviewing the intervention logic. In addition, partners were actively involved at the sectoral level where, concurrently with the drafting of the Partnership Agreement and Operational Programmes, several national development plans to be implemented with the support of the ESI Funds were updated. For example, representatives of umbrella organisations from local authority units were consulted when designing interventions to advance the provision of public services.

The national programming process was carried out in the following stages:

- Conducting preliminary analyses (of the socio-economic situation and future external trends)
- Determining the development needs of Estonia
- Analysis and updating of national objectives and ways of achieving these objectives
- Selection of EU-funded objectives and priorities
- Determining the objectives, results and indicators of priority axes
- Drawing up the financing plan and selection of measures
- Drawing up the Partnership Agreement and Operational Programme

Preparations for the use of EU funding in the period 2014–2020 included ex-ante evaluation of the Operational Programme and a strategic environmental assessment to ensure, through objective evaluations and recommendations of the expert group, the best possible quality of development of the Partnership Agreement and Operational Programmes, which is a prerequisite for effective, efficient and integrated use of EU funding, as well as for the achievement of the objectives set. The ex-ante evaluation, the strategic environmental assessment, the programming of EU funding for the period 2014–2020 and the development of the OP and PA took place in parallel and in close and constructive cooperation between the evaluators and the Ministry of Finance. The institution that carried out the ex-ante evaluation and the experts involved in the

strategic environmental assessment participated in the discussions and seminars on objectives, results, indicators, selection of interventions and the financing plan.

The ex-ante evaluation of the PA and Cohesion Policy OP was carried out by the PRAXIS Centre for Policy Studies and CPD OÜ, and the strategic environmental assessment was conducted by Hendrikson and Ko OÜ.

The ministries will involve other authorities and partners with significant interests in the area in the process of developing interventions. In addition to being involved in the process of planning in different areas to be funded, partners will also be involved, in various ways, in the formulation of criteria for the granting of support. For example, they will be involved in the working groups that establish the eligibility criteria and can comment on drafts. More specific forms of involvement depend on the field and area of administration. The criteria for granting support will establish the objectives of the activities to be financed from EU structural funds, their results, eligible expenditure, responsibilities and liability of applicants and beneficiaries and the criteria for applying for and using the support, including the selection criteria.

Representatives of partners may also be involved in project selection if they have the relevant expertise and on condition that their participation does not jeopardize the unbiased nature of project selection.

Partners will be included in the Monitoring Committee of the Operational Programme and take part in discussions and decision-making processes through their membership of the Monitoring Committee, which is the main coordinating body of the Operational Programme. The main tasks of the Monitoring Committee are monitoring of the implementation of the Operational Programme (through monitoring reports), approval of the selection criteria of projects, the evaluation plan, the communication strategy of the Operational Programme and, where necessary, amendments to the Operational Programme, including making recommendations designed to make the implementation of the programme more efficient and supervision over the measures taken on the basis of its recommendations. While the size and composition of the Monitoring Committee of the OP may vary over the course of the programming period, representatives of partners will usually form around one-third of its members. The dates and times of Monitoring Committee meetings will be made known and meeting materials will be sent to the members two weeks in advance. The records of the Monitoring Committee meetings will be made available at www.struktuurifondid.ee.

Main partners will be involved by ministries through working groups that discuss, formulate and supplement national policies financed from structural and national funds. Thus, they will be involved in sectoral planning. This will give partners the opportunity to have a say in policy development and monitoring processes at the most fundamental level.

Partners will also contribute to the evaluation of the Operational Programme to improve the quality of the design and implementation of the programme, as well as to assess their effectiveness, efficiency and impact. Partners will provide information on the needs of the target groups and on possible bottlenecks in the implementation process. They will also participate in discussions on the implementation of evaluation results and recommendations. All evaluation reports will be made available at www.struktuurifondid.ee.

Technical assistance funds will be used to cover the costs of preparations for the period and costs related to implementation, support efficient implementation of priority axes and ensure the functioning and effectiveness of the monitoring process of the Operational Programme. A more detailed discussion of the use of technical assistance funds is in sections 2.13 and 2.14..

7.2.2. For ESF: Global grants

None

7.2.3. Earmarking for capacity building (for ESF)

The capacity of the umbrella organisations of social partners and NGOs will be increased primarily under the priority axis of administrative capacity.

Under this priority axis, the capacity of NGOs and umbrella organisations of social partners will be improved with the help of ESF funds in several ways. Activities will be planned and implemented on a needs basis. The aim is to achieve maximum integration of the activities in the public sector, so that the capacity of NGOs to participate in policy-making and influence processes and decisions from the point of view of civil society increases. Umbrella organisations can attend central training events organised by the state (the amount for central training events in the period 2014–2020, co-financing included, being 12,946,670 euros). In addition, local and regional capacity-building will include activities aiming to improve the development capacity of locally active NGOs through training, studies, analyses and other development projects. The total amount envisaged for such capacity-building, incl. increasing the development capacity of NGOs, is 3,650,000 euros (co-financing included). In addition, the capacity of social partners and locally active NGOs and social enterprises offering services (incl. public services) is intended to be improved. The goal is to improve involvement and encourage and support NGOs across the country. For this purpose, 440,000 euros (total amount with national co-financing) has been earmarked for involvement projects and training and information events in the period 2014–2020. In addition, NGOs can participate as partners in other processes as well. For example, it is intended to introduce a more knowledge-based decision-making process and make impact assessments a general practice. NGOs will be involved in impact analysis processes.

8. Coordination between the ERDF, the ESF, the Cohesion Fund, the Youth Employment Initiative, the EAFRD, the EMFF and other Union and national funding instruments, and with the EIB

Discussed in section 2.1 of the Partnership Agreement.

9. Ex ante conditionalities

Table 70. Applicable ex-ante conditionalities and assessment of their fulfilment

Conditionality	Priority Axes to which conditionality applies	Conditionality fulfilled	Criterion	Criterion fulfilled	Links	Explanations
7. Statistical systems and result indicators: The existence of a statistical basis needed for the evaluation of the efficiency of the programmes. A system of result indicators for choosing the measures most efficient for achieving the desired results, for monitoring further steps taken in the direction of the results and impact evaluation.	All priority axes	No	A method for collecting and aggregating statistical data in due time, comprising the following elements:	Yes		
			- determining of sources and mechanisms for ensuring statistical validation	Yes	Official Statistics Act: https://www.riigiteataja.ee/akt/13338093?leiaKehtiv . Conditions and Manner of Usage of the Public Registry of Structural Assistance https://www.riigiteataja.ee/akt/13001749?leiaKehtiv .	Ministry of Finance collected detailed information about all of the indicators in the Operational Programme, regarding their methodology as well as the analyses used for setting target values
			- a system of publication of aggregate data and making them publicly available	Yes	Official Statistics Act: https://www.riigiteataja.ee/akt/13338093?leiaKehtiv . Structural Assistance Act § 37 and §38 Communication Strategy and the Publication of Data Related to Application and Granting of Assistance.	
			An efficient system of result indicators, including:			

			- selection of result indicators for each program, giving information about the selection reasons of the policy measures financed by the program	Yes	Ministry of Finance collected detailed information about all of the indicators in the Operational Programme, regarding their methodology as well as the analyses used for setting target values	
			- establishment of targets for these indicators	No		The following indicators are missing baseline and targets: • Pa2 Participants whose alcohol abuse risk level has decreased 6 months after the start of services aimed at reducing alcohol consumption • Pa2 Proportion of those young participants benefitting from the measure who have completed the planned activities for the target group Pa2 Proportion of NEETs (aged 15–26) participating in support measures who are no longer classified as NEET 6 months after the measures • PA 3., Share of employed people whose ability to work has been assessed partial who have retained their job 12 months since assessment“ • PA3 “Share of non-employed people whose capacity for work has

						been assessed partial who participate in employment 12 months after assessment ” • PA12 Number of new processes implemented • PA12 Number of supported general government organisations, where management systems have been fully implemented • PA12 Number of policy initiatives launched as a result of ESF supported activities for cooperation, involvement, and better use of information
			- fulfilment of the following criteria for each indicator: constancy and statistical validation, clarity of normative interpretation, ability to react to policy, collection of data in due time	Yes	Ministry of Finance collected detailed information about all of the indicators in the Operational Programme, regarding their methodology as well as the analyses used for setting target values	
			Procedures have been implemented to ensure the deployment of an efficient indicator system for all activities financed within the program	Yes	Conditions and Manner of Usage of the Public Registry of Structural Assistance: https://www.riigiteataja.ee/akt/13001749?leiaKehtiv .	

					Conditions for granting assistance for all financed measures. Order of the Government of the Republic on approving the list of measures (includes information about the base values of output indicators and target values by the year).	
9.1. The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	2; 9.	Partially	1) A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:			
			2) provides a sufficient evidence base to develop policies for poverty reduction and monitor developments;	No	Contains in Partnership Agreement chapter 2.3.	
			3) contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities;	No	Contains in Partnership Agreement chapter 2.3.	
			4) involves relevant stakeholders in combating poverty;	No	Contains in Partnership Agreement chapter 2.3.	

			5) depending on the identified needs, includes measures for the shift from institutional to community based care;	No	Contains in Partnership Agreement chapter 2.3.	
			6) Upon request and where justified, relevant stakeholders will be provided with support for submitting project applications and for implementing and managing the selected projects.	Yes	Contains in Partnership Agreement chapter 2.3.	

9.1. Description of the actions to fulfil the ex-ante conditionalities, the responsible bodies and a timetable

Table 71. Actions to fulfil applicable general ex-ante conditionalities

Area-based ex ante conditionality that has not been fulfilled or is fulfilled partially	Unfulfilled criterion	Planned activities	Deadline	Institution responsible for implementation
7. Statistical systems and result indicators: The existence of a statistical basis needed for the evaluation of the efficiency of the programmes. A system of result indicators for choosing the measures most efficient for achieving the desired results, for monitoring further steps taken in the direction of the results and impact evaluation.	An efficient system of result indicators, including: - establishment of targets for these indicators	Baseline and target value for the Pa2 RI „Participants who’s alcohol abuse risk level has decreased 6 months after the start of services aimed at reducing alcohol consumption“ will be worked out as follows: 1. Counselling starts in 2015 and alcohol addiction treatment during 2015. 2. Healthcare providers: a. assess in the first reception, whether a person has signs of alcohol abuse, and determines the level of risk (AUDIT test). AUDIT score ≥ 8 show increased risk of alcohol consumption (i.e. alcohol abuse). Persons whose AUDIT score is ≥ 8 are accordingly provided counselling or, with their consent, the service aimed at reducing alcohol consumption (participants); b. 6 months after the start of the service aimed at reducing the consumption of alcohol assess during repeated receptions if the AUDIT score has decreased; c. forward the data about primary and repeated receptions to the beneficiary on an ongoing basis; 3. Beneficiary in close cooperation with the intermediate body analyse the results regarding the participants who received services in 01.01.2015-30.06.2016 (i.e participants who started the services aimed at reducing alcohol consumption 31.12.2015 at the latest) to find out changes in their alcohol abuse risk level. The analyse is finalized 01.11.2016 at the latest.	31.11.2016	Ministry of Social Affairs,

		4. Intermediate body makes its proposal to the MA to set baseline and target values for the RI in the OP during November 2016.		
		Pa2 Proportion of those young participants benefitting from the measure who have completed the planned activities for the target group Proportion of those participants benefitting from the measure who have completed the planned activities for the target group The proposal of a baseline and target level for the indicator is not possible at the time of the submission of the OP due to the need for further analyses to measure and predict the impact of the interventions supported by the ESF. The prevention of social exclusion through targeted and re-designed youth work services is not equally and sufficiently covered with available data on youth situations and youth work provision in all regions of Estonia requiring therefore additional thorough analyses to establish relevant levels for the indicator. It is also ineffective to adjust the international experience to Estonian practise considering the specificity of the youth work institutions in Estonia and the lack of the suitable comprehensive programmes implemented in youth field as planned under this measure. In order to set the levels of the indicator by the January 2015 the following steps will be taken: 1) different actions planned under the measure will be analysed and a minimum scope of services that is necessary under each action line defined in order to establish the criteria when the participation will be considered completed; 2) available data and experiences from youth work practice in Estonia will be analysed in order to gather data on completion rate considering different action lines; 3) the influence of relevant factors such as budgetary and other available resources will be analysed to define the realistic levels for the indicator.	31.012015	Ministry of Education and Research,
		Pa2 Proportion of NEETs (aged 15–26) participating in support measures who are no longer classified as NEET 6 months after the measures. The intervention planned under the measure is a first of its kind in Estonia considering its planned services and expected lasting outcomes for young people. There is a severe lack of analyses in terms of mid- and long-term effects of youth programmes targeted on disadvantaged youth in Estonia and in experiences of evaluating the results of the programmes considering the changes on the level of young person. It is therefore not possible to set baseline and target level of the indicator at the time of the submission of the OP. There is a need for further examination of the existing data, results of	31.01.2015	Ministry of Education and Research,

		practises and their relevance to planned activities. The process of setting the necessary levels of the indicator by January 2015 will consist of combining the analyses of the following: 1) experiences and the results of projects and programmes targeted at NEETs or young people in risk of becoming NEET in Estonia; 2) comparable practice and data on results of other relevant countries; 3) trends in youth situation in Estonia and its factors; 4) the influence of relevant factors such as budgetary and other available resources.		
		PA 3., Share of employed people whose ability to work has been assessed partial who have retained their job 12 months since assessment“Working ability assessment and labour market services offering to the working ability assessment and benefit scheme reform target group starts in 01.01.2016. This is actual starting point where the target group starts having services. On the basis of first monitoring data it is possible for us to analyse how many people will return to the employment directly after services or couple of months after getting services and according to this data it is possible to estimate the target for result indicator that we have in the OP. In this way it is possible to analyze the exactly the same target group, which has had the working ability evaluation according to the same methodology. Our estimate is that the movement to the labour market after 12 months is most probably higher than directly after the participation in services. 2. For finding the baseline and target values the beneficiary (Unemployment Insurance Fund): - Arranges the assessment according to the new methodology and if needed directs people whose ability to work has been assessed partial to the labour market services; - Monitors participation in the services and movements to employment of those people. 3. Beneficiary in close cooperation with the intermediate body analyses on the basis of offered services in 01.01.2016-30.09.2016 changes in the employment statuses of the participants. The analyse is finalized in 31.10.2016 at the latest. 4. Intermediate body makes its proposal to the MA to set baseline and target values for the RI-s in the OP during November 2016	31.11.2016	Ministry of Social Affairs

		PA3 "Share of non-employed people whose capacity for work has been assessed partial who participate in employment 12 months after assessment " Working ability assessment and labour market services offering to the working ability assessment and benefit scheme reform target group starts in 01.01.2016. This is actual starting point where the target group starts having services. On the basis of first monitoring data it is possible for us to analyse how many people will return to the employment directly after services or couple of months after getting services and according to this data it is possible to estimate the target for result indicator that we have in the OP. In this way it is possible to analyze the exactly the same target group, which has had the working ability evaluation according to the same methodology. Our estimate is that the movement to the labour market after 12 months is most probably higher than directly after the participation in services. 2. For finding the baseline and target values the beneficiary (Unemployment Insurance Fund): - Arranges the assessment according to the new methodology and if needed directs people whose ability to work has been assessed partial to the labour market services; - Monitors participation in the services and movements to employment of those people. 3. Beneficiary in close cooperation with the intermediate body analyses on the basis of offered services in 01.01.2016-30.09.2016 changes in the employment statuses of the participants. The analyse is finalized in 31.10.2016 at the latest. 4. Intermediate body makes its proposal to the MA to set baseline and target values for the RI-s in the OP during November 2016	31.11.2016	Ministry of Social Affairs
		PA12 Number of new processes implemented. It is not possible to set the baseline and target level for the indicator at the time of the submission of the OP due to the need for further analyses to measure and predict the impact of the interventions supported by the ESF. We will analyse the previous interventions in order to define the baseline. The baseline will take into account inflation and funding amounts available in previous interventions. While setting the target, other factors, such as different intensity of support, change in delivery mechanism, macroeconomic context or different level of ambition are being taken account.	31.03.2015	Ministry of Interior

		PA12 Number of supported general government organisations, where management systems have been fully implemented. It is not possible to set the baseline and target level for the indicator at the time of the submission of the OP due to the need for further analyses to measure and predict the impact of the interventions supported by the ESF. We will analyse the previous interventions in order to define the baseline. The baseline will take into account inflation and funding amounts available in previous interventions. While setting the target, other factors, such as different intensity of support, change in delivery mechanism, macroeconomic context or different level of ambition are being taken account.	31.01.2015	Ministry of Finance.
		PA12 Number of policy initiatives launched as a result of ESF supported activities for cooperation, involvement, and better use of information. It is not possible to set the baseline and target level for the indicator at the time of the submission of the OP due to the need for further analyses to measure and predict the impact of the interventions supported by the ESF. We will analyse the previous interventions in order to define the baseline. The baseline will take into account inflation and funding amounts available in previous interventions. While setting the target, other factors, such as different intensity of support, change in delivery mechanism, macroeconomic context or different level of ambition are being taken account.	31.01.2015	Ministry of Finance.

Table 10472. Actions to fulfil applicable thematic ex-ante conditionalities

9.1. The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines	1) A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:	Contains in Partnership Agreement chapter 2.3.		
	2) provides a sufficient evidence base to develop policies for poverty reduction and monitor developments;	Contains in Partnership Agreement chapter 2.3.		
	3) contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at highest risk of social exclusion, including people from marginalised communities	Contains in Partnership Agreement chapter 2.3.		
	4) involves relevant stakeholders in combating poverty;	Contains in Partnership Agreement chapter 2.3.		

	5) depending on the identified needs includes measures for the shift from institutional to community-based care.	Action 3: mapping of necessary infrastructure investment needs for providing services for people with mental special needs will be approved with Development Plan for Special Care 2014-2020 Implementation Plan.	15.12.2014	Ministry of Social Affairs
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10. Reduction of the administrative burden for beneficiaries

Discussed in section 2.6 of the Partnership Agreement.

11. Horizontal principles

11.1. Sustainable development

Discussed in section 1.5.3 of the Partnership Agreement.

11.2. Equal opportunities and non-discrimination

Discussed in section 1.5.2 of the Partnership Agreement.

11.3. Equality between men and women

Discussed in section 1.5.2 of the Partnership Agreement.

12. Separate elements

12.1. List of major projects for which the implementation is planned during the programming period

Not applicable.

12.2. Performance framework of the Operational Programme

Table 73. Performance programme, broken down by Fund and category of region

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
1. Qualifications and skills meeting the needs of society and the labour market	ESF	Less developed	Financial indicator	Euro	90 023 859	-	-	226 988 484
	ERDF	Less developed	Financial indicator	Euro	40 416 516	-	-	332 529 838
	ESF	Less developed	Number of children, learners and young people who have received individual educational	Number of consultation cases	118 550	-	-	197 430

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
			guidance and career services					
	ESF	Less developed	Number of teachers, heads of school and youth workers who have participated in training	Person	19 800	-	-	28 000
	ERDF	Less developed	Area of modernised facilities	m ²	25 200	-	-	160 000
	ESF	Less developed	Number of participants in apprenticeship	Participant	4200	-	-	7200
	ESF	Less developed	Number of adults participating in continuing education, incl. digital literacy training	Participant	50 000	-	-	78 000
	EFS	Less developed	Number of counsellors places established in the Unemployment Insurance Fund	Counsellors	20	-	-	20
2. Increasing social inclusion	ERDF	Less developed	Financial indicator	Euro	71 242 592	-	-	296 540 863
	ESF	Less developed	Financial indicator	Euro	54 830 752	-	-	168 814 271
	ESF	Less developed	Number of people receiving welfare services	Receiver of service	4620	-	-	10 100
	ESF	Less developed	Number of custodians who have received at least one support service for children with disabilities per one handicapped child	Service receiver	2 400	-	-	3 200

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
	ERDF	Less developed	Number of modernised primary health care centres	Health centre	11	-	-	50
	ERDF	Less developed	Number of high-quality service places created	Service place	640	-	-	1700
	ERDF	Less developed	Number of disabled people provided with suitable housing	Person	45	-	-	2000
	ESF	Less developed	Number of people participating in integration and adaptation training	Person	5853	-	-	18343
	ESF	Less developed	Total number or participants in youth work services	Person	130 600	-	-	199 000
3. Improvement of access to, and prevention of dropping out of, the labour market	ESF	Less developed	Financial indicator	Euro	73 148 145	-	-	241 052 481
	ESF	Less developed	Number of people with reduced working ability who have received services in the context of the reform	Person	31 420	-	-	57 300
	ESF	Less developed	Number of people who have received active labour market services	Person	5 380	-	-	17 640
4. Growth-capable entrepreneurship and RD&I supporting it	ERDF	Less developed	Financial indicator	Euro	212 567 386	-	-	880 350 234

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
	ERDF	Less developed	Number of grant students studying under selected curricula for smart specialisation, per academic year	Student	8 500	-	-	14 000
	ERDF	Less developed	Number of enterprises cooperating with research institutions	Enterprise	75	-	-	750
	ERDF	Less developed	Number of enterprises receiving support (total)	Enterprise	1940	-	-	6 000
	ERDF	Less developed	Number of enterprises that have received support for resource and energy efficiency purposes	Enterprise	15	-	-	135
	ESF	Less developed	Financial indicator	Euro	0	-	-	12 000 000
	ESF	Less developed	The number of researchers attracted to join the research groups of high-priority research directions in ICT	Number of researchers	0	-	-	45
5. Development of small and medium-sized enterprises and strengthening the competitiveness of regions	ERDF	Less developed	Financial indicator	Euro	190 777 805	-	-	519 333 507
	ERDF	Less developed	Number of enterprises receiving support (total)	Enterprise	5 593	-	-	16 800
	ERDF	Less developed	Number of enterprises receiving non-financial support	Enterprise	180	-	-	2 200
	ERDF	Less developed	Number of marketing events organised on priority target markets	Number	300	-	-	420
	ERDF	Less developed	Number of enterprises participating in	Enterprise	250	-	-	500

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
			cooperation networks					
6. Energy efficiency	CF	-	Financial indicator	Euro	222 641 494	-	-	562 302 658
	CF	-	Number of households with improved energy efficiency class	Number	10 800	-	-	20 500
	CF	-	Renovated or new heat generation capacity in district heating	MW	43	-	-	150
7. Water protection	CF	-	Financial indicator	Euro	17 807 719	-	-	211 788 065
	CF	-	Additional population served by improved wastewater treatment	Person	2300	-	-	23 000
	CF	-	Total surface area of rehabilitated landscape	ha	2	-	-	17
8. Green infrastructure and improved preparedness for emergencies	CF	-	Financial indicator	Euro	59 179 971	-	-	130 515 053
	CF	-	Multifunctional rescue vehicles acquired	Number	83	-	-	83
	CF	-	Surface area of habitats supported to improve conservation status	ha	1000	-	-	15 000
	CF	-	Number of objects acquired, constructed and reconstructed in connection with protected species or habitats	Object	238	-	-	2 750
	CF	-	Marine pollution control vehicles acquired	Number	2	-	-	2

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
9. Sustainable urban development	ERDF	Less developed	Financial indicator	Euro	18 476 888	-	-	110 375 469
	ERDF	Less developed	Number of projects developing the public transport network and mobility of the entire urban area, and promoting innovative NMV traffic	Number	1 ¹⁰⁹	-	-	3
	ERDF	Less developed	Area of developed or revived public urban spaces	m ²	30 000	-	-	100 000
	ERDF	Less developed	Number of nursery/childcare places created	Childcare place	400	-	-	2000
10. Sustainable transport	CF	-	Financial indicator	Euro	301 454 486	-	-	577 377 186
	CF	-	Total length of reconstructed or upgraded road sections	km	75	-	-	215
	CF	-	Total length of reconstructed or upgraded railway sections	km	50	-	-	200
11. Infrastructure for ICT services	ERDF	Less developed	Financial indicator	Euro	57 402 996	-	-	93 147 377
	ERDF	Less developed	Total length of next-generation broadband network constructed	km	2 000	-	-	3 900
	ERDF	Less developed	Financial indicator	Euro	22 217 560	-	-	128 777 538

¹⁰⁹ Approved project (not finished by the end of 2018).

Priority axis	Fund	Category of region	Indicator or most important implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)		
						Men	Women	Total
12. Administrative capacity	ESF	Less developed	Financial indicator	Euro	10 900 168	-	-	33 379 535
	ESF	Less developed	Number of public sector, excl. local governments, and NGO participants in ESF supported training for improving their professional competence	Instance	9 330	-	-	17 484
	ESF	Less developed	Number of task forces and expert groups set up	Task force or expert group	7	-	-	15
	ERDF	Less developed	Number of projects implemented for the purpose of improving public services	Project	80	-	-	321

12.4. List of partners involved in the preparation of the Operational Programme

Umbrella organisations	
1	Estonian Trade Union Confederation
2	Estonian Chamber of Commerce and Industry
3	Estonian Council of Environmental NGOs
4	Forum of Estonian Leader Action Groups
5	Association of Estonian Cities
6	Association of Municipalities of Estonia
7	Estonian Chamber of Disabled People
8	Estonian Chamber of Agriculture and Commerce
9	Estonian Employers' Confederation
10	Estonian Association of SMEs
11	Rectors' Conference
12	Estonian Qualifications Authority
13	Network of Estonian Non-Profit Organisations

Sectoral partners	
Ministry of Education and Research	
1	Estonian Trade Union Confederation
2	Estonian Development Fund
3	Estonian Association of Open Youth Centres
4	Estonian Physical Society
5	Estonian Education Personnel Union
6	Estonian Information Technology Foundation
7	Estonian Chamber of Commerce and Industry
8	Estonian Association of Training Firms
9	Association for the Development of Estonian Vocational Education
10	Association of Estonian Cities
11	Association of Municipalities of Estonia
12	Estonian Youth Work Centre
13	Estonian National Youth Council
14	Estonian Academy of Sciences
15	Estonian Research Council
16	ANDRAS Association of Estonian Adult Educators
17	Estonian Employers' Confederation
18	Estonian Non-Formal Adult Education Association
19	Federation of Estonian Student Unions
20	Euroscience Estonia
21	'Our People' Integration and Migration Foundation (MISA)
22	Estonian Rectors' Conference of Universities of Applied Sciences
23	Rectors' Conference
24	Archimedes Foundation

25	Innove Foundation
26	Estonian Qualifications Authority
27	Foundation for Sports Training and Information
28	Tiger Leap Foundation
Ministry of Social Affairs	
1	Tallinn Social Work Centre
2	Estonian Chamber of Pensioners
3	Estonian Trade Union Confederation
4	Estonian Medical Association
5	Estonia Hospitals Association
6	Estonian Chamber of Commerce and Industry
7	Federation of Estonian Chemical Industries
8	Union of Estonian Emergency Medical Services
9	Estonian Surgeons Association
10	Association of Estonian Cities
11	Association of Municipalities of Estonia
12	Network of Estonian Non-Profit Organisations
13	Association of Estonian Businesswomen
14	Co-operation Estonian Women Lobby
15	Estonian Women's Shelters Union
16	Estonian Women's Studies and Resource Centre
17	Estonian Women's Associations Roundtable
18	Estonian Patient Advocacy Association
19	Estonian Patients Advocacy Council
20	Estonian Family Doctors' Association
21	Estonian Chamber of Disabled People
22	Estonian Employees' Unions' Confederation
23	Health Promotion Union of Estonia
24	Estonian College of Health Executives
25	Estonian Employers' Confederation
26	Estonian Nurses Union
27	Estonian Midwives Association
28	Estonian e-Health Foundation
29	Association of Estonian Disinfection and Exterminating Companies
30	Non-Estonian Integration Foundation
31	NPO Life Line
32	Estonian Refugee Council
33	Men's Centre Estonia
34	Gender Equality and Equal Treatment Commissioner
Ministry of Culture	
1	Estonian Anti-Doping Foundation
2	Union of Estonian Architects
3	Estonian Centre of Architecture
4	Estonian Authors' Society

5	Estonian Association of Designers
6	Estonian Design Centre
7	Estonian Association of Performing Arts Institutions
8	Estonian Film Institute
9	Estonian Institute
10	Estonian Publishers' Association
11	Chamber of Estonian Culture
12	Estonian Artists' Association
13	Estonian Heritage Society
14	Estonian Museum Association
15	Estonian Music Council
16	Estonian Olympic Committee
17	Estonian Librarians' Association
18	Estonian Folk Culture Centre
19	National Library of Estonia
20	Estonian Regional Sports Council
21	Estonian Council of Regional Cultural Policy
22	Estonian Broadcasters' Association
23	Association of Estonian Interior Architects
24	Estonian Theatre Agency Foundation
25	Estonian Theatre Union
26	Estonian Unemployment Insurance Fund
27	Estonian Institute of Human Rights
28	Estonian Human Rights Centre
29	Migration and Integration Foundation (MISA)
30	Centre For Contemporary Arts, Estonia
31	Creative Estonia
32	Heritage Conservation Advisory Panel
33	National Heritage Board
34	Estonian Council of Museums
35	Citizenship and Migration Department of the Police and Border Guard Board
36	Council of Ethnic Minorities
37	Innove Foundation
38	Tallinn Creative Hub Foundation
39	Network of Estonian Non-Profit Organisations
Ministry of the Environment	
1	Baltic Environmental Forum
2	Estonian Waste Management Association
3	Estonian Chamber of Commerce and Industry
4	Estonian Association for Environmental Management
5	Federation of Estonian Chemical Industries
6	Estonian Council of Environmental NGOs
7	Association of Estonian Cities

8	Wildlife Estonia
9	Estonian Society for Nature Conservation
10	Estonian Naturalists' Society
11	Estonian Fund for Nature (ELF)
12	Association of Municipalities of Estonia
13	Centre for Limnology, Estonian University of Life Sciences
14	Institute of Agricultural and Environmental Sciences, Estonian University of Life Sciences
15	Estonian Maritime Academy
16	Estonian Forest Society
17	Network of Estonian Non-Profit Organisations
18	Estonian Ornithological Society
19	Estonian Chamber of Agriculture and Commerce
20	Estonian Green Movement
21	Estonian Renewable Energy Association
22	Commission for Nature Conservation, Estonian Academy of Sciences
23	Estonian Water Works Association
24	Estonian Water Association
25	Estonian Students Society for Environment Protection (Sorex)
26	Private Forest Centre Foundation
27	Hiite Maja Foundation
28	Stockholm Environmental Institute Tallinn centre
29	Department of Chemical Engineering, Tallinn University of Technology
30	Institute of Environmental Engineering, Tallinn University of Technology
31	Marine Systems Institute, Tallinn University of Technology
32	Tartu College, Tallinn University of Technology
33	Institute of Ecology, Tallinn University
34	Estonian Marine Institute, University of Tartu
35	Institute of Chemistry, University of Tartu
36	University of Tartu Natural History Museum
37	Institute of Ecology and Earth Sciences, University of Tartu
38	Institute of Technology, University of Tartu
39	Department of Public Health, University of Tartu
40	Ökokratt Environmental Project
Ministry of Economic Affairs and Communications	
1	Development Fund
2	Union of Estonian Automobile Enterprises
3	Estonian Trade Union Confederation
4	Estonian Biotechnology Association
5	Estonian Hotel and Restaurant Association
6	Estonian Association of Information Technology and Communications
7	Estonian Chamber of Commerce and Industry
8	Estonian Council of Environmental NGOs
9	Association of Estonian Facilities Administrators and Maintainers

10	Estonian Institute of Economic Research
11	Estonian Cooperation Assembly
12	Estonian Union of Apartment Associations
13	Association of Estonian Cities
14	Association of Municipalities of Estonia
15	Estonian Taxpayers Association
16	Association of Estonian Businesswomen
17	Junior Chamber International Estonia
18	Estonian Property Owners' Central Union
19	Estonian Spa Association
20	Estonian Renewable Energy Association
21	Estonian Academy of Sciences
22	Estonian Institute for Futures Studies
23	Estonian Travel and Tourism Association
24	Estonian Employers' Confederation
25	Estonian Association of SMEs
26	ICC Estonia
27	Estonian Business School
28	Junior Achievement Estonia
29	NPO Estonian Energy Savings Association
30	Estonian Convention Bureau
31	NPO Estonian Rural Tourism
32	NPO Estonian Co-Operative Association
33	NPO West Estonia Tourism
34	Association of Pharmaceutical Manufacturers in Estonia
35	Rectors' Conference
36	Foundation South Estonian Tourism
37	North Estonian Tourism Foundation
38	Stockholm Environmental Institute Tallinn centre
39	University of Tartu
40	Tallinn University of Technology
41	Estonian Service Industry Association
42	Tallinn Science Park Tehnopol

Ministry of Agriculture

1	NPO Estonian Horticultural Association
2	Estonian Private Forest Union
3	Estonian Union of Credit Cooperatives
4	Estonian Union of Recreational Fishers
5	Union of Estonian Fish Farmers
6	Estonian Association of Fishery
7	Estonian Fishers' Association
8	Estonian Distant-Water Fishing Association
9	NGO Estonian Village Movement 'Kodukant'
10	Forum of Estonian Leader Action Groups

11	Estonian Council of Environmental NGOs
12	Association of Municipalities of Estonia
13	NPO Estonian Rural Tourism
14	Estonian Land Reclamation Society
15	Estonian University of Life Sciences
16	Estonian Maritime Academy
17	Estonian Dairy Association
18	Estonian Chamber of Agriculture and Commerce
19	Central Union of Estonian Farmers
20	Estonian Green Movement
21	Estonian Farmers' Confederation
22	Association of Estonian Food Industry
23	Estonian Association of SMEs
24	Gulf of Riga Fishery Council
25	Estonian Rural Development Foundation
26	Rural Economy Research Centre
27	Organic Farming Platform
28	NPO Estonian Young Farmers
29	Development Association of Peipsi Fishery Area
30	Association of Lake Peipsi Fishers
31	Agricultural Registers and Information Board
32	Agricultural Research Centre
33	NGO West-Estonian Islands Fisheries Partnership
34	Estonian Marine Institute, University of Tartu
35	Centre for Limnology, Estonian University of Life Sciences
Ministry of the Interior	
1	Estonian Evangelical Lutheran Church
2	Estonian Council of Churches
3	Association of Estonian Cities
4	Estonian Leader network
5	Association of Municipalities of Estonia
6	Network of Estonian Non-Profit Organisations
7	Estonian Association of SMEs
8	Association of Estonian Marinas
9	House of Taara and Native Religions
10	Union of Harju County Municipalities
11	Union of Hiiu County Municipalities
12	Union of Ida-Viru County Municipalities
13	Union of Jõgeva County Municipalities
14	Union of Järva County Municipalities
15	Union of Lääne County Municipalities
16	Union of Lääne-Viru County Municipalities
17	Union of Põlva County Municipalities
18	Union of Pärnu County Municipalities

19	Union of Rapla County Municipalities
20	Union of Saare County Municipalities
21	Union of Tartu County Municipalities
22	Union of Valga County Municipalities
23	Union of Viljandi County Municipalities
24	Union of Võru County Municipalities
25	Harju County Entrepreneurship and Development Consultancy
26	Tuuru Foundation
27	Ida-Viru Enterprise Centre
28	Jõgeva County Development and Business Centre
29	Järva County Development Centre
30	Lääne County Development Centre
31	Lääne-Viru County Development Centre
32	Põlva County Development Centre
33	Business and Development Centre of Pärnu County
34	Rapla County Development and Enterprise Centre
35	Saaremaa Development Centre
36	Tartu Business Advisory Services
37	Valga County Development Agency
38	Viljandi County Development Centre
39	Võru County Development Agency
40	Rectors' Conference
41	NGO Estonian Village Movement 'Kodukant'
42	Tallinn City Government
43	Tartu City Government
44	Pärnu City Government
45	Narva City Government
46	Kohtla-Järve City Government
47	Hiiumaa Cooperation Network
48	Harju County Government
49	Hiiu County Government
50	Ida-Viru County Government
51	Jõgeva County Government
52	Järva County Government
53	Lääne County Government
54	Lääne-Viru County Government
55	Põlva County Government
56	Pärnu County Government
57	Rapla County Government
58	Saare County Government
59	Tartu County Government
60	Valga County Government
61	Viljandi County Government
62	Võru County Government

63	House of Taara and Native Religions
Ministry of Justice	
1	Estonian Lawyers Union
2	Estonian Association of Judges
3	Prosecutor's Office
4	Supreme Court