

**The Republic of Estonia**

**The Implementation of the EU Sustainable  
Development Strategy in Estonia**

**Estonian input into the European Commissions  
progress report on the implementation of a European  
Union Sustainable Development Strategy**

**Tallinn  
June 2007**

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## INTRODUCTION

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### Objectives and structure of the report

In accordance with the EU Sustainable Development Strategy (EU SDS), amended in spring 2006, the Commission of the European Communities, in collaboration with the Member States, submits a progress report on the implementation of the SDS in the EU and the Member States in every two years. To this end, the Member States shall submit reports on the fulfilment of the EU SDS objectives in June 2007.

On the basis of the reports from the Member States, the Commission draws up a progress report on the implementation of the EU SDS, which will be completed by autumn 2007 and submitted to the European Council Summit of December 2007 for discussion. On the basis of the report, the European Council will review progress and priorities and provide general orientations on policies, strategies and instruments for sustainable development, also taking account of the priorities under the Lisbon strategy for growth and jobs.

The structure of the Estonian report is based on the reporting format proposed by the Commission. The first part of the report gives an overview of Estonia's activities and plans relating to the seven key areas of the EU SDS. The second part of the report presents an overview of development on the horizontal issues of the EU SDS. For each area and horizontal issue, the most important legislative and administrative activities directed at attaining the objectives of the EU SDS are highlighted. In addition, an overview is given of the activities planned by the Estonian Government. The activities planned are presented, in particular, on the basis of the objectives and activities included in the Estonian Government action programme for 2007-2011 and in sector development plans. To evaluate Estonia's contribution to the fulfilment of specific objectives of the EU SDS, Estonia's developments are presented for each key area and objective-indicator. In addition, an overview is given by key area of specific objectives related to the EU SDS, for which Estonia has established reference levels in various national strategic documents.

As the present report is the first report on the implementation of the Sustainable Development Strategy submitted by the Member States, the Commission wishes to receive information about the existence, principles of implementation and objectives of a national sustainable development strategy. This information is presented in the final section of this report. Although an overview of the objectives and the coordination of implementation of the Estonian national strategy on sustainable development, 'Sustainable Estonia 21'<sup>1</sup>, has been added to this report, the purpose of the present report is to give an overview of the implementation of the EU SDS in Estonia. A separate report will be compiled in autumn 2007 to analyse the implementation of the Estonian national strategy on sustainable development.

### The compilation process of the report

The State Chancellery coordinates the compilation of the Estonian report. The Strategy Director of the State Chancellery, has been appointed the EU sustainable development coordinator (focal point) in Estonia, and is responsible for delivering information necessary for compiling the progress report to the Commission.

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<sup>1</sup> [http://www.riigikantselei.ee/failid/Estonia\\_SDS\\_2005.pdf](http://www.riigikantselei.ee/failid/Estonia_SDS_2005.pdf)

The Statistical Office of Estonia and the ministries related to implementation of sustainable development strategy have contributed to the compilation of current report. The draft-report was also submitted to the Estonian Commission on Sustainable Development, and the remarks and proposals of the members of the Estonian Commission on Sustainable Development have been taken into account when compiling the report.

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# 1. AN OVERVIEW OF THE PROGRESS ON EU SUSTAINABLE DEVELOPMENT STRATEGY KEY CHALLENGES

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## 1.1. Climate change and clean energy

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**Overall objective of the EU Sustainable Development Strategy: To limit climate change and its costs and negative effects to society and the environment.**

### 1.1.1. Key activities to implement the EU Strategy on Sustainable Development

**Estonia ratified the Kyoto Protocol on October 14, 2002.** Compared to the level of 1990, Estonia has reduced its greenhouse gas emissions by nearly two thirds. To meet the international responsibilities arising under the United Nations Framework Convention on Climate Change and the Kyoto Protocol and to reduce greenhouse gas emissions, a national programme for reduction of greenhouse gas emissions for 2003-2012 was implemented in 2004. In addition, the Estonian national programme for the reduction of total airborne emissions from stationary and mobile sources of pollution for 2006-2015 has been prepared. The Estonian ambient air quality management system helps to meet the commitments entered into under international conventions. In 2005, the first period of the EU Emission Trading Scheme started (2005-2007); currently, preparations are being made for the second period (2008-2012).

**To reduce the emission of pollutants into ambient air from stationary sources of pollution and to improve the quality of ambient air,** the system of pollution permits and pollution charges has been implemented. The Government's tax policy also aims to reduce the burden to environment by increasing the share of charges on pollution and resource use. According to the Environmental Charges Act, pollution charges and resource use charges will gradually increase in the following years. In addition, the Government has decided to enforce the excise to electricity earlier than it's foreseen by the Estonian EU Accession Treaty. After putting into effect the electricity excise (5 cents kWh) from 01.01.2008 the electricity producers do not have to pay the pollution charge for CO<sub>2</sub> emissions. The resources from the electricity excise will be allocated to the environmental protection measures.

**Great attention has been paid to the promotion of renewable energy** in producing electricity as well as heat. Changes to the Electricity Market Act promote the use of renewable energy in electricity production, establishing, among other things, a new legal basis for supporting the market entry of renewable electricity producers and combined heat and power stations which use renewable energy. The new support scheme enables also other renewable electricity producers besides wind energy producers to use the obligation to purchase renewable electricity or to sell their own production and receive compensation for the energy supplied to the network and sold on. The same support scheme can be used by combined heat and power plants using peat or waste as a fuel.

**To promote the use of biomass and bio-energy,** the Government has approved a Development Plan for promoting the Use of Biomass and Bio-energy for 2007-2013 in the beginning of 2007. The objective of the plan is to create favourable conditions for the development of domestic biomass and bio-energy production to reduce Estonia's dependence on imported resources and fossil fuels and decrease pressure on the natural environment. The measures of the development plan are directed at supporting the research and development of

biomass and bio-energy and at raising the awareness of consumers, operators and market regulators. After carrying out appropriate analyses, the employment of different market organisation instruments will be considered to promote the use of biomass and bio-energy. Investment in bio-energy production will be supported through the measures of the Estonian Rural Development Plan 2007-2013.

**To promote the use of bio-fuels in transport**, the Alcohol, Tobacco and Fuel Excise Duty Act provides for exemption from excise duty for bio-fuels until the expiry on January 1, 2010 of the permit issued by the Commission of the European Communities. The application of exemption from excise duty in 2005 has triggered the establishment of several enterprises producing bio-fuels. Estonian filling stations started selling bio-fuels at the end of 2006.

In the energy sector, the **improvement of energy efficiency** is also an important priority of the Government. For that purpose, a National Energy Conservation Programme has been implemented, and a new Energy Conservation Programme prepared for 2007-2013, through which investments will be made in energy conservation, information will be made more available and consumers will be informed about the opportunities to conserve energy. The programme deals with making energy use more efficient in private households, industries, the services sector, the public sector and the agricultural sector. In addition, the Energy Efficiency Consulting Centre has been operating since the beginning of 2006.

Several legislative amendments have been adopted in order to comply with the requirements of the **Energy Performance of Buildings Directive of the European Union**. Thus, the Apartment Associations Act, the Apartment Ownership Act, the Building Act, the Energy Efficiency of Equipment Act and the Building Association Act have been modified. The objective of these modifications is to help improve the energy efficiency of buildings, and to give the users of the buildings easier access to information about the building's energy consumption and energy saving measures.

### **1.1.2. Planned activities**

A regulation of the Government of the Republic is being prepared, **establishing a greenhouse gases emission limit value for enterprises participating in the greenhouse gas emissions trading scheme** for 2008-2012. In addition, a percentage will be established consistent with the Kyoto target assigned to Estonia, up to which the enterprises can transact with greenhouse gas emission reduction units and certified emission reductions gained from project activities.

**An SO<sub>2</sub> and NO<sub>x</sub> trading scheme** based on the national maximum levels of pollution will be drawn up and implemented, and nationally specified maximum amounts of pollutants will be established for each county and region.

To promote the production of renewable energy (including bio-fuels) and to support the transition towards distributed production, the Government is planning to update **the Fuel and Energy Sector Development Plan** in 2008. At the same time, the Development Plan for the Electricity Sector will be renewed.

To promote a renewable energy business, a study **mapping the resources and an evaluation of the potential of renewable energy and a cost-benefit analysis of technical solutions** will be commissioned. Further, an assessment of countrywide environmental impact and a survey to specify the possible locations for wind parks designed to be built at sea will be ordered. In addition, the conditions of competition for dealing with renewable energy in areas planned and owned by the state will be laid down for enterprises.

**The national energy technologies programme**, established for implementation of the Estonian Research and Development and Innovation Strategy for 2007-2013, is directed at promoting the energy sector and making it more efficient. One of the objectives of the programme is to develop technologies related to local renewable energy sources. The other two fields of the programme are the development of oil shale technologies and of new energy technologies. The programme will support product development, applied studies and fundamental studies.

To initiate the process of using waste as a new source of energy, the development of **incineration technologies** and **combined heat and power production from landfill gas** emanating from closed landfills has begun.

### 1.1.3. The attainment of the objectives of the EU Sustainable Development Strategy in Estonia

<b>Renewable energy</b>			
The objective of EU Strategy on Sustainable Development	By 2010, 12% of energy consumption and 21% of electricity consumption met from renewable sources.		
Objective of the Estonian Fuel and Energy Sector Development Plan Until 2015	By 2010, 5.1% of gross electricity consumption covered by renewable energy sources		
Indicator	EU target	Level reached in Estonia	
	2010	2005	2006 <sup>2</sup>
Share of electricity from renewable sources in total electricity consumption.	21%	1.44%	1.4% (preliminary data)
Share of renewable sources in the total consumption of primary energy	12%	11.3%	11.5% (prediction)

The European Council of March 2007 adopted an Action Plan for Energy Policy in Europe (2007-2009) with the goal of increasing the proportion of renewable energy to 20% of Europe's total energy consumption by 2020. The Estonian Fuel and Energy Sector Development Plan sets an objective for the proportion of renewable electricity consumption, but not for the volume of renewable energy consumption. The share of renewable sources from the energy production in Estonia was 17.5% in 2005. According to the statistics, renewable sources contributed 11.3% to the supply of primary energy (which is equivalent to the total inland consumption of energy) in 2005 in Estonia.

Estonia's energy-related objectives will be reviewed and updated according to the new guidelines adopted by the European Council. This will be done during the renewal of the fuel and energy sector development plan in 2008 and the development plan for the electricity sector.

<b>Bio-fuels in transport</b>			
The objective of EU Strategy on Sustainable Development	By 2010, 5.75% of transport fuel consists of bio-fuels.		
Objective of the Estonian Transport Development Plan for 2006-2013	By 2010, the share of alternative fuels (green fuels) 5.57%		
Indicator	Target	Level reached in Estonia	
	2010	2005	2006
Share of bio-fuels in transport fuel consumed	5.75%	0%	n/a

<sup>2</sup> Official statistics will be published in September 2007

The Action Plan for Energy Policy in Europe (2007-2009) adopted by the European Council in March 2007 sets a goal to reach at least a 10% share of bio-fuels in the EU total consumption of transport fuel (petrol and diesel fuel) by 2020. Although Estonia has set an objective to reach a 5.57% share of alternative fuels (including bio-fuels) in transport fuel by 2010, the share of bio-fuels in fuel sold is minimal at the moment (in 2005, only 170 tons were consumed). The marginal proportion is due to the fact that Estonian filling stations started selling bio-diesel only at the end of 2006.

<b>Greenhouse gas emissions</b>				
The goal of EU Strategy on Sustainable Development		EU-15 target for reduction of greenhouse gases by 8% compared to 1990 levels by 2008-2012.		
<b>Level reached in Estonia</b>		<b>1990</b>	<b>Current state 2005</b>	<b>Reduction compared to 1990 levels</b>
Greenhouse gas emissions (thousand tonnes)	Carbon dioxide CO <sub>2</sub>	38 442	17 998	-53%
	Methane CH <sub>4</sub>	3287	1875	- 43%
	Nitrous oxide N <sub>2</sub> O	1864	770	-59%

In accordance with the Kyoto Protocol, signatories are obliged to reduce greenhouse gas emissions by 8% during the period of 2008-2012 compared to 1990 levels. The Action Plan for Energy Policy in Europe (2007-2009) adopted by the European Council in March 2007 sets a binding goal to reduce greenhouse gas emissions by at least 20% by 2020 compared to 1990.

Mainly due to great changes in its industrial structure, Estonia's greenhouse gas emissions have substantially decreased during the last decade. In 1990, the total amount of emissions reached 43, 594 thousand tonnes of CO<sub>2</sub> equivalent and in 2005 were 20, 658.29 thousand tonnes. This means that the total amount of emissions was reduced by 52.6%, which significantly exceeds the EU target of 20% and the 8% target of the Kyoto Protocol and the EU Sustainable Development Strategy. Therefore, the Estonian environmental action plan for 2007-2013 sets the target of keeping absolute greenhouse gas emissions at the level of 2005.

<b>Energy consumption</b>		
The objective of EU Strategy on Sustainable Development	Reaching a saving of 9% of final energy consumption over 9 years until 2017	
<b>Indicator</b>	<b>Target</b>	<b>Current level in Estonia</b>
	<b>2008-2017</b>	<b>2005<sup>3</sup></b>
Final energy consumption TJ	-1% per annum	114 013

The EU Sustainable Development Strategy sets a goal of a saving of 9% of final energy consumption over the 9 years to 2017. The European Council of March 2007 emphasized the need to fulfil the EU objective of reducing energy consumption by 20% compared to projections for 2020. Catching up economically with more successful EU states is important for Estonia. To keep the balance between economic development and energy consumption, Estonia has bound its electricity and energy consumption saving objectives to the rate of economic growth.

<sup>3</sup> Official statistics will be published in September 2007

<b>Estonia's energy saving objectives</b>			
Estonian Fuel and Energy Sector Development Plan until 2015	Keep the volume of primary energy consumption at the level of 2003 until 2010		
Development Plan for the Estonian Electricity Sector for 2005-2015	Keep the growth of electricity consumption at half of the level of the economic growth rate (that is, ½ of GDP growth).		
Indicator	Target	Level reached in Estonia	
	2003	2005	2006
Primary energy supply TJ (variation compared to 2003)	214 397	216 079 (+0.8%)	Projection 209 500 (-2.3%) <sup>4</sup>
Increase in energy consumption compared to ½ of economic growth rate (objective: to keep it at half of the level of economic growth rate)	-	2.21% < 5.2%	5.7% (projection) =5.7%

## **1.2. Sustainable transport**

**Overall objective of the EU Sustainable Development Strategy: To ensure that the transport systems meet society's economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment.**

### **1.2.1. Key activities to implement the EU Strategy on Sustainable Development**

In January 2007, the Estonian Parliament approved the **Transport Development Plan for 2006-2013**, which implements three measures directed at making transport more environmentally friendly:

- developing the traffic management and coordination system,
- enhancing the competitiveness of public transport, and
- promoting light traffic.

**To increase the proportion of public transport users**, the Government has set a goal to increase the number of public transport lanes in cities by 20% a year over the coming years. An analysis of the infrastructure investment needed to make passenger train traffic more efficient has also been started. The goal for the coming years is to ensure that the passenger train traffic infrastructure can support speeds of at least 120 kilometres per hour. This would help to enhance the competitiveness of passenger train traffic in comparison to road transport.

The Transport Development Plan for 2006-2013 also provides for **the improvement awareness regarding of traffic safety and the development of a safe road traffic infrastructure** intended to reduce the number of traffic accident victims.

Furthermore, the contribution to **improving the quality and increasing the safety of roads managed by local governments** has been bigger than ever. According to the Roads Act, at least 10% of the amount allocated for the financing of road management shall be allocated to local governments each year. In the 2007 state budget, 15% of road management funds were for the first time allocated to local governments for road construction.

<sup>4</sup> Official statistics will be published in September 2007

### 1.2.2. Planned activities

To influence the demand for transport and make it more environmentally sustainable, Estonia is planning to **increase fuel excise duties faster than originally planned**. According to the Council Directive 2003/96, the EU minimum rates of fuel excise duty have to be reached by the beginning of 2010. The new Government Action Programme foresees raising the excise duties of petrol and diesel fuel to the EU minimum level at the beginning of 2008. The next development trend in reducing air pollution caused by transport will be the transition to sulphur free fuels in Estonia.

To make the use of public transport (including rail transport) more convenient, it is planned to create an **information system of timetables and itineraries** covering the whole of Estonia. The system will offer, among other things, an opportunity to buy tickets online. To improve the quality and usability of public transport, **combining different timetables** is envisaged. In compiling the timetables of different modes of transport, the options to switch between different modes of transport en route will be taken into consideration. The objective is to increase the popularity of public transport and to reduce the proportion of private car usage in domestic transport. The development of the railway infrastructure is planned, to ensure a potential speed of 120 kilometres per hour on the most important sections of the passenger train network.

To promote the use of more environmentally-friendly transport, a **cooperation project** is planned **between the state and the city of Tallinn for the further development of tramlines** and the reduction of private car usage in intracity transport.

To evaluate any negative external impacts on the environment caused by the consumption of services in the field of transport, a **transport sector external costs assessment model** will be developed, which would provide decision makers with adequate information about the external costs of different modes of transport (including environmental impacts) and the need to restrict them.

To sustain the environment, it is also important to launch **national programmes to support the development of environmentally sustainable transport technologies**. During 2007, support programmes will be developed through which enterprises and scientific research establishments can apply for state grants to develop environmentally-friendly transport technologies.

**The project to make railway crossings safer (2007-2009)** is aimed at transport safety. In this programme, level crossings that are the most dangerous or have the most intense traffic will be repaired, making road traffic smoother and safer. This is part of the larger objective of reducing the number of traffic accident victims on Estonian roads. The programme of building tracks for light traffic at the side of national roads also pursues this objective, and the drafting of the programme will be completed in 2008.

Extending the four lane highway on one of the most important Estonian road transport links, the Tallinn-Tartu road, will **also enhance traffic safety**. The Government work programme has planned to construct a four lane road to ensure better conditions on nearly half of the length of the Tallinn-Tartu road by 2011.

**Extensive development and promotion of e-services** also helps to direct the demand for transport, and one of its effects is in reducing people's need for mobility. To improve the availability of public services at the local level, it is planned to compile a **local government information society development plan**.

### 1.2.3. The attainment of the objectives of the EU Sustainable Development Strategy in Estonia

<b>Road transport deaths</b>			
The objective of EU Strategy on Sustainable Development	To halve road transport deaths compared to 2000		
Transport Development Plan 2006-2013	In 2013, the average number of road deaths of the past three years must not exceed 118		
Indicator	Target	Level reached in Estonia	
	2013	2005	2006
Road transport deaths per annum	102	169	204
As the annual variation of statistics is rather great in Estonia, it is more rational to evaluate the average developments of several years.			
The average number of road deaths of the past three years	118	167	181

<b>CO<sub>2</sub> emissions from light duty vehicles</b>			
The objective of EU Strategy on Sustainable Development	To reach the CO <sub>2</sub> emissions level from light duty vehicles of 140 g/km by 2008-2009 and 120 g/km by 2012		
Transport Development Plan 2006-2013	To reach the share of 30% for new passenger cars with CO <sub>2</sub> emissions of less than 120 g/km in cars entered in the Estonian register		
Indicator	Target	Level reached in Estonia	
	2013	2005	2006
The share of new passenger cars with CO <sub>2</sub> emissions of less than 120 g/km in cars entered in the Estonian register	30%	0.48% (first half-year data)	n/a

There are some differences between the goals set in the EU sustainable development strategy and in the target in the Estonian transport development plan 2006-2013. While EU sustainable development strategy sets the goal to reach the average CO<sub>2</sub> emission level from light duty vehicles (120 g/km by 1012), the Estonian transport development plan sets goal on the share new cars with emissions of CO<sub>2</sub> less than 120 g/km. As there is no production of cars in Estonia, the Estonian indicator takes into account new cars that are registered in Estonia.

### 1.2.4. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>The Estonian transport development plan 2006-2013</b>			
Objective	Target for 2013	Current level	Year
Proportion of public transport users amongst people commuting to work	30%	29.9%	2005
Proportion of using light traffic in commuting to work	31%	27.3%	2005
Average growth in road traffic	smaller than economic growth	2.1% (economic growth 9.5%)	2005
Reduction of adverse environmental impact	-20% <sup>5</sup>	4 billion kroons	2003

<sup>5</sup> Calculated at 2003 prices

## **1.3. Sustainable consumption and production**

**Overall objective of the EU Sustainable Development Strategy: To promote sustainable consumption and production patterns.**

### **1.3.1. Key activities to implement the EU Strategy on Sustainable Development**

**Economic use of natural resources and a reduction in waste generation** are an important course of action in the Estonian Environmental Action Plan for 2007-2013, which is the application document of the Estonian Environmental Strategy 2030. In addition, the measures of the environmental action plan are aimed at developing environmental management systems and promoting green public procurement.

**To make products and production technologies more environmentally-friendly**, the procedure of awarding the Community eco-label and the evaluation procedure of the Eco-Management and Audit Scheme (EMAS) have been implemented.

**To better employ environmentally sustainable principles and enhance the synergy between environmental sustainability and economic competitiveness**, the priorities of green and sustainable public procurements for 2007-2009 have been determined, enabling systematic development of the methods of environmentally-friendly public procurement and promotion of sustainable procurement. In implementing those priorities, measures will be applied to achieve the following goals: adjusting the administrative and analytical capacities of public institutions in carrying out public procurement to the needs of sustainable development; ensuring society's access to information about sustainable consumption and purchasing; expanding the market of environmentally clean and healthy products; encouraging operators' sustainable product development and innovation in the adoption of environmental technologies; improving the organisation of the public sector's statistics and surveillance, and particularly of its reporting relating to consumption and public procurement.

**To promote environmentally-friendly production patterns in agriculture**, organic farming has been supported and further support has been granted to operators for environmentally-friendly production as part of the Rural Development Plan 2004-2006. For instance, with the support of the rural development plan, more than 1000 manure storage facilities have been repaired during the past three years, making a major contribution to groundwater protection. The use of environmentally-friendly methods within the economy (including organic production) will be encouraged alongside the measures of the new Rural Development Plan 2007-2013. The Estonian Action Plan for Organic Farming 2007-2013 has been drafted to promote organic farming.

**To promote environmentally-friendly tourism that complies with the principles of sustainable development**, the Estonian National Development Plan for Tourism 2007-2013 provides a special measure for the promotion of sustainable tourism. The objective of this measure is to introduce methods of using natural resources rationally, to improve the quality of the environment through certification and labelling and to improve the sustainability of enterprises by more active employment of the principles of sustainable development.

**For reducing the pollution load**, the Government has taken the important step of introducing a revised waste management system. A waste management infrastructure has been established, and the sorting and recycling of waste has been developed according to the national waste

management plan. The main attention in the implementation of waste-related legislation has been paid to waste streams based on the responsibility of producers, like packaging and packaging waste, waste from electrical and electronic equipment, end-of-life vehicles and tyres, which must now be capable of return at least in the owner's county of residence or at a place within a 50 km radius of the owner's home.

Regulations have been adopted regarding packaging deposit markings and the size of packaging deposits, the procedure for determining packaging materials and the procedure for calculating the recycling rate of packages. The concept of collecting municipal waste separately by type has also been partially launched, enabling **materials to be recycled to a greater degree, including recycling them as reusable materials**. Recycling organisations have been appointed to organise the recycling of different types of waste and implement the principle of producer responsibility. A deposit system for beverage packaging has been successfully launched, and modern collection points created to implement the system.

Landfills, waste transfer stations and hazardous waste handling facilities that meet the designated requirements have been established. More than 300 non-conforming landfills have been made environmentally safe and closed (in 2006, already nearly 85% of non-hazardous municipal waste was deposited in landfills meeting the requirements).

**To reduce the amount of landfilled biodegradable waste and to increase the share of biodegradable waste recycling**, an action plan has been compiled for 2007-2013 for the handling of such waste, offering opportunities to attain the objectives of sustainable waste management in handling biodegradable waste, and also providing different possible solutions for each county.

### 1.3.2. Planned activities

**Development of environmental technologies** has been defined as one of the priority areas for the Estonian Research and Development and Innovation Strategy for 2007-2013. In connection with this, the development of a national energy technology research and development programme has begun. The programme deals with the development of technologies relating to renewable energy sources as a concrete activity.

**For the development of innovative environmental technologies**, the funds allocated to Estonia through the European Union structural fund will be used. The living environment development operational programme of the Estonian National Strategy for the Implementation of the EU Structural Funds 2007-2013 provides for approximately 240 million kroons for developing environmental technologies.

**The revision of the national waste management plan has started.** According to the National Waste Management Plan 2008-2013, the closure of non-conforming landfills will be supported. In addition, the establishment of regional landfills and other regional waste handling facilities (including incineration plants; and facilities for treating biological waste, for example for use in composting fields etc) that will comply with the designated requirements will be government supported. Among other things, it is planned to set up a waste handling system for biodegradable waste and to improve the options for sorting waste at its place of generation.

**The adaptation or closure of landfill sites that contain waste from the oil shale industry and oil shale fired power plants and did not comply with environmental requirements will help reduce the load on the environment caused by energy production.** Such landfills include the semi-coke landfills of Kiviõli and Kohtla-Järve, the ash landfills of Narva and others.

Amendments to the Packaging Act and the Packaging Excise Duty Act has been initiated, laying down packaging waste target recycling indicators until 2012.

### 1.3.3. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>Estonian Environmental Action Plan for 2007-2013</b>				
<b>Objective:</b> By 2030, deposit of generated waste will have decreased by 30%, hazardousness of generated waste has been substantially reduced	<b>Target for 2013</b>	<b>Current level</b>	<b>Year</b>	
Amount of deposited municipal waste, kg per capita	283	230	2005	
Percentage of separately collected municipal waste of total municipal waste collected	13%	11%	2005	
Hazardous waste generation (thousand tonnes per year)	6300	7029	2005	
Percentage of waste recycling from total waste generation regarding the following materials	glass	60%	53%	2005
	plastic	40%	36%	2005
	paper	50%	45%	2005
<b>Estonian Action Plan for Growth and Jobs 2007-2013</b>				
<b>Objective</b>	<b>Target for 2008</b>	<b>Current level</b>	<b>Year</b>	
Number of enterprises with environmental management systems (ISO 14000, EMAS) certificates	14000 ISO 14000, 25 EMAS	177 ISO 14001, 2 EMAS	2006	
Handling waste according to internationally accepted environmental and health-protection standards (% of waste)	100%	32%	2005	
<b>Estonian Action Plan for Organic Farming 2007-2013</b>				
<b>Objective</b>	<b>Target for 2013</b>	<b>Current level</b>	<b>Year</b>	
Area of organic land (ha)	120 000	72 800	2006	
Organic products	Number of producing operators	2000	1173	2006
	Number of processing operators	75	14	2006
Share of domestic organic products in Estonian food market	3%	0.15%	2006	

The Estonian Action Plan for Growth and Jobs, 2005-2007 sets a goal of handling 100% of waste according to internationally accepted environmental and health-protection standards by 2008 and of closing or adapting landfills not meeting environmental standards. Although nearly 300 landfills have been adapted to meet environmental requirements or closed, there are still 26 non-conforming landfills at the moment, 16 of which are organic waste landfills and 8 hazardous industrial waste landfills. According to the Estonian Waste Act, landfills that do not meet the established requirements by 16 July 2009 have to stop receiving waste by that date.

## **1.4 Conservation and management of natural resources**

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**Overall objective of the EU Sustainable Development Strategy: To improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services.**

### **1.4.1 Key activities to implement the EU Strategy on Sustainable Development**

By approving the Estonian Environmental Strategy 2030 the Government has determined the **long term development plans in order to maintain the status of the natural environment**. To implement the strategy the government has approved the Estonian Environmental Activity Plan 2007-2013. Sustainable use of natural resources and preservation of the diversity of landscapes and nature are important priorities of the environmental activity plan. The measures of the activity plan are focused on the improvement of the state of surface and ground water, organising more sustainable use of mineral, forest and fish resources, game, soil and land; and to the protection of landscapes and biological diversity.

**The goals and directions of nature conservation** for the coming decades are specified in the Estonian Nature Conservation Development Plan 2035. The main goal of the plan is to organise nature conservation in a manner that ensures the best possible preservation of natural resources, the restoration of destroyed or endangered elements of natural value and the sustainable use of natural resources.

For more **effective implementation of the “polluter pays principle”** and more efficient reaction to environmental damage the The Environmental Liability Act was approved by the Government and passed to the Estonian Parliament in May 2007. This act specifies the regulations for prevention and cure of environmental damage, which ensures the restoration of the environment by those who cause the damage.

**To preserve natural diversity**, the government has been developing the **Natura 2000 network** to help ensure the protection of vulnerable or endangered birds, animals and plants, and their habitats. Many new conservation units and protected areas have been established all over Estonia. The total area of both land and water covered by Natura 2000 conservation units and protected areas was 1.4 million hectares by 2006. Natura areas have been supported by measures in the rural development plan and specific funds have also been made available in the new rural development plan 2007–2013.

Due to long term farming activity, especially mowing and herding, the Estonian landscape comprises several semi-natural communities valuable for their biological diversity and cultural inheritance. Therefore there are measures specified in the Estonian Rural Development Plan 2007-2013, for the **protection and organisation of landscape**. The measures support the organisation of landscapes and the maintenance of semi- natural communities in a traditional manner. For example, extensive cattle-breeding and maintenance of semi natural communities located on Natura 2000 areas are supported.

**For efficient organisation of nature conservation**, the State Nature Conservation Centre has been set up, based on the administrations of former conservation units. Under the coordination of the centre, the marking system of protected areas and the maintenance of the objects within them will be improved along with the awareness of the general public.

**To better organise the protection of the marine environment** an Action Plan for Better Organisation of the Protection of the Marine Environment 2005-2007 has been developed.

Estonia has adopted most of the conventions mentioned in the action plan and developed a pollution control plan to heighten the readiness of the state to act to control pollution at sea and to strengthen internal control. Legislation regulating EU water protection has been harmonized to the Estonian environmental policy and legislation.

**The reproduction of fish resources** (the restocking of water bodies and restoration of spawning areas) has benefited from renewed focus. The administrative capacity of the Environmental Inspectorate has been expanded to control illegal fishing. The Programme for the Protection of Endangered Fish Species and Restoration of Fish Resources for 2002-2010 and the plan to develop the Põlula Fish Farming Centre between 2008 and 2011, will establish a basis for the systematic replenishment of resources based on fish farming. The measures in the Estonian Implementation Plan of the European Fisheries Fund for 2007-2013 are focused on achieving a balance between fishing capacity and fish resources.

With the launch of the **project for the improvement of the ecological quality of water bodies** the problems relating to the blocking of migratory routes of highly migratory species will be solved by opening access passages in barrages constructed on heavily-fished rivers for fish to reach spawning areas and by expanding the fish habitat.

**To promote sustainable forest management** the Forest Act has been passed in Estonia, the objective of which is to ensure the diversity of forest ecosystems and preserve the good condition and productive capacity of forests. It will also encourage the economic management and protection of forests; and achieve the social and regional objectives related to the forestry sector. Over half of the Estonian land area is covered with forest, of which over 30% is protected.

A monitoring and information system for sustainable forestry has been launched for **gathering and analysing forestry information**. This geographical information system enables the cross-usage of data on the existence, status and use of forest resources and the environment.

#### 1.4.2 Planned activities

The Government has proposed to **map and register the stocks of drinking water, sand, clay, gravel, peat** etc. According to the Government Action Programme for 2007-2011 the preparations for composing the action plan for the extraction and use of building mineral resources will begin in 2008. In addition, it is planned to make amendments to the Subsoil Act and to the extraction permits regarding the **obligation to optimally use natural resources** and to store extracted soil in a manner that allows it to be re-used.

**To ensure the long-term balanced use of natural resources**, the government has initiated the preparation of the National Development Plan for the Use of Oil Shale 2007–2015, by which plans for the use of oil shale, a nationally strategic energy resource will be specified. These are to include an assessment of the use of shale fuel oil and oil shale gas and taking into account economic, social, security and environmental issues. In addition, preparatory work is going to be started for developing the action plan for the use of natural building materials. A review of peat areas is to be carried out, and research work for the development plan of protection and sustainable use of Estonian peat areas is being prepared.

To organise better the sustainable forest management the development **the new Forestry Development Plan for 2020** will be started in 2008. To achieve the international goals Estonia plans to ratify the **Bonn Convention**, which focuses on the protection of migratory species of wild animals.

According to the Government Action Programme for 2007-2011 it is planned to **improve the functioning of the network of protected areas and to improve the monitoring of natural values**, especially with the purpose of improving the protection of forests and wetlands, the coast, internal waterways and the sea. Expanding the enforcement rights of environmental inspectors in 2008 will also help to improve the supervision of the environment. There is a plan to **develop the assessment control and supervision system monitoring environmental impact** in order to standardise control over the environmental impact assessment quality.

### 1.4.3. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>Estonian Environmental Action Plan 2007-2013</b>		
<b>Objective</b>	<b>Target for 2013</b>	<b>Current level (2005)</b>
Good status of the surface water (incl. coastal water) and ground water – pollution load of the organic substances of waste-water (BOD <sup>6</sup> tons a year)	1399	1399
Area of forest land (ha)	2300 000	2264 000
The share of wood-cutting from the annual increment of timber	87%	60%
Area of forests protected as key biotope	14 000 ha	11 400 ha
Area of protected and reservation forests (ha)	720 000	694 000
Area of virgin forests (ha)	750	575
The amount of caught fish (tons of fresh fish)	98000	98700
The total area of maintained semi natural habitats (and their share of the whole Estonian territory)	35 000 ha (0,7%)	20 000 ha (0,5%)
The total area of protected areas (ha)	1 500 000	1 389 677
Area of natural swamps ha (to maintain the level)	325 000	325 000

Specific target values for the extraction capacity of oil shale, limestone, dolomite, gravel, sand, clay and peat will be specified during the preparation of the National Development Plan of the Extraction and Use of Oil Shale and in the National Action Plan of the Extraction and Use of Building Mineral Resources.

## 1.5 Public health

**Overall objective of the EU Sustainable Development Strategy: To promote good public health on equal conditions and improve protection against health threats.**

### 1.5.1. Key activities to implement the EU Strategy on Sustainable Development

**To improve health protection, the number of people covered by health insurance has been increased.** Starting in 2007, people registered as unemployed were all included in the list of people covered with health insurance by the Social Tax Act. State allocations for the emergency medical care system and for the salary funds of health care professionals were increased significantly.

<sup>6</sup> BOD – quantity of oxygen consumed in the biological decomposition of organic substances during 7 days.

**Estonia has taken measures to limit the spread of various diseases.** The measures to limit the spread of HIV and AIDS – one of the major problems – are included in the National Strategy against HIV and AIDS 2006-2015, which is carried out according to the implementation plans prepared every year. In addition there are several strategies prepared: National Strategy for the Prevention of Cardiovascular Diseases 2005-2020, National Cancer Strategy 2007-2015, National Programme against Tuberculosis 2004-2007. Allocations from the state budget have been significantly increased for the prevention of both infectious and non-infectious diseases and for the promotion of a healthy lifestyle.

The implementation of the National Drug Prevention Strategy 2010 has helped to **lower the health risks related to lifestyle.** The main purpose of the strategy is to decrease the offering of and demand for illegal drugs and to ensure that an efficient treatment and rehabilitation system exists to mitigate the damage caused by the use of illegal drugs. Amendments to the Tobacco Act which will curtail smoking in entertainment and eating facilities starting from 5<sup>th</sup> June, 2007 will help to reduce the health risks posed by tobacco usage.

The implementation of the Estonian Sports for All Strategic Development Plan 2006-2010 helps to reduce the **problems related to poor physical activity.** The purpose of the plan is to help promoting healthy physical activity and to improve sporting possibilities for the general public. Sports fields and playgrounds are being established in different regions through a support programme.

**The issues relating to the healthy eating of children and teenagers** are being resolved through the programme of healthy school catering. Special requirements have been developed concerning the food ingredients in the school catering, which regulate areas like calorific intake, vitamin content etc. In addition, supervision of the health requirements of the study environment at schools is being heightened.

**An important priority involves developments in the fields of food safety, plant health and animal health.** Putting the emphasis on relationships in the food chain has led to the creation of the legal basis for the better organisation of food safety supervision. Following amendment of the Food Act, the area is now within the remit of the Veterinary and Food Board. In order to decrease the number of rabies cases and to prevent diseases transmitted from animals to people, significantly more emphasis has been placed on preventative work and preparedness for a disease outbreak. In autumn 2005, oral immunization of wild animals against rabies was started. Since 2006 the immunizations have been carried out twice a year over the whole territory of Estonia. The results of the programme are very good so far (the number of rabies cases has dropped from 314 in 2004 to 111 in 2006) and the immunization will be continued in the future.

Both the Estonian Environmental Strategy 2030 and Estonian Environmental Action Plan 2007-2013 contain measures that focus on **lowering the risks caused by the environment.** One of the goals is to provide an environment for people that protects and supports health. Under the Environmental Action Plan a system will be developed to monitor elements of the environment that affect health, this will lead to the development of a health risk assessment system, which in turn will support the plan to increase the awareness of both specialists and the general public of outdoor environmental health risks.

**To implement the European Union New Chemicals Policy** preparations have been made to implement the regulation approved by the Council of the European Union at the end of 2006, which regulates the registration, evaluation and limitations on use of chemicals (REACH<sup>7</sup>).

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<sup>7</sup> Official Journal of the European Union L 396.30.12.2006, pg 1-850

During the hearing on the matter, an analysis of the direct impact on Estonian businesses was carried out in cooperation with several ministries. Seminars have been held for the private sector, as well as for the public and third sector to increase the awareness of the opportunities and obligations arising from the REACH regulation.

**To improve the life quality of people and to protect public health and the environment from the harmful effects of dangerous chemicals** and at the same time to ensure the free movement of goods in the European Economic Area, the Estonian legislation was updated and aligned with the EU directives on cosmetics and chemical safety (amendments to Public Health Act, amendments to Chemical Act, amendments to Water Act and their provisions).

### 1.5.2. Planned activities

According to the Government Action Programme 2007-2011 an integrated and unified **Public Health Development Plan 2008-2015** should be prepared by the end of 2007. The integrated development plan is based on the conception "The Public Health Policy – Investment into the Future", which was composed by the Ministry of Social Affairs and the representatives of the health-care sector in 2006. The purpose of the Public Health Development Plan is to create prerequisites for the preservation of the nation and the growth of population through care and improvement of the people's physical and mental well-being. With the help of the development plan a safe and health-supporting socio-psychological, socio-economic and physical environment will be formed, to foster favourable conditions and stimulate individual responsibility to make the healthiest possible choices to enhance their quality of life. In addition, a "Health Survey 2006" mapping the status of public health is being prepared, which will enable better planning of health policy.

The Government's goal is to **improve access to medical care**. For that purpose a conception will be developed by the end of 2007, where the possibilities for granting the access to family doctor services for all the people not covered with health insurance will be analysed and concrete measures presented.

**Greater financing of prevention programmes** is the new government's priority in the health sector. Resources allocated to combat drug addiction and alcoholism, and to prevent the spread of HIV and AIDS, cardiovascular diseases, cancer and tuberculosis have been increased.

In order to encourage daily participation in recreational sports, and ensure access to sporting facilities for everyone, a **network of sports centres, walking paths and recreational areas is under development**

The Government has stated its intention to **significantly improve the services offered in social welfare institutions**. To that end, social services will be developed, specific standards created and the supervision of social services has been improved in 2008 according to the Government Action Programme for 2007-2011. In addition, access to modern technical aids for disabled children and teenagers will be improved. **The financing of rehabilitation and support services will be increased**, thus the people with health problems and disabilities can return to regular life and the work environment as soon as possible.

To assist the modernisation of health care services it is planned to **apply the principles of E-government across the health care system**. For that purpose the draft amendments to the law will be submitted to the Estonian Parliament which will enable to bring into effect several e-health systems including "digital case reports", "digital x-rays", "digital registers of applicants for treatment on a waiting list" and "digital prescriptions" which help to improve the accessibility and transparency of healthcare services.

To ensure better safety at work the possibilities for creating an **insurance system for job-related accidents and occupational diseases** will be analysed. The proposals for developing the system will be discussed by the Government in the beginning of 2008. In order to decrease the number of deaths related to job-related accidents and severe injuries, the national supervision of compliance with health and safety at work regulations will be hardened.

### 1.5.3. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>The Estonian Action Plan for Growth and Jobs 2005-2007</b>			
<b>Objective</b>	<b>Target for 2008</b>	<b>Current level</b>	<b>Year</b>
Average life expectancy by gender	men 67 years women 78 years	men 67.3 years women 78.1 years	2005
The loss of workdays caused by job-related accidents	137 000	131 508	2006
The number of fatal job-related accidents per 100 000 employees	4.7	4.5	2006

According to the statistics from the last years, the public health goals set in the Estonian Action Plan for Growth and Jobs 2005-2007 for 2008 have already been reached. By putting together the Progress Report on the Action Plan for Growth and Jobs 2005-2007 in the autumn this year establishing more ambitious goals will be considered.

<b>The Government Action Programme for 2007-2011</b>			
<b>Objective</b>	<b>Target for 2011</b>	<b>Current level</b>	<b>Year</b>
To decrease the number of new HIV positive diagnoses per million inhabitants a year to the average level of European region	50-70	498 <sup>8</sup>	2006
<b>National Strategy for the Prevention of Cardiovascular Diseases 2005-2020</b>			
<b>Objective</b>	<b>Target for 2020</b>	<b>Current level</b>	<b>Year</b>
To decrease the mortality rate among men and women younger than 65 years caused by cardiovascular diseases (per 100 000 inhabitants)	Men 148 (decrease by 100 deaths i.e. by 40%)	208	2005
	Women 57 (decrease by 100 deaths i.e. by 40%)	63	2005
<b>Estonian Sport for All Strategic Development Plan 2006-2010</b>			
<b>Objective</b>	<b>Target for 2010</b>	<b>Current level</b>	<b>Year</b>
To increase the percentage of the population participating in recreational sports	45%	12%	2006
<b>National Programme against Tuberculosis 2004-2007</b>			
<b>Objective</b>	<b>Target for 2007</b>	<b>Current level</b>	<b>Year</b>
General goal is to decrease the new cases of tuberculosis in Estonia – number of new tuberculosis cases per 100 000 inhabitants	23	31	2005

<sup>8</sup> In 2006 668 new cases in total and population of 1.34 million as of 01.01.2006

<b>National Cancer Strategy 2007-2015</b>			
<b>Objective</b>	<b>Target for 2015</b>	<b>Current level<sup>9</sup></b>	<b>Year</b>
To decrease the total number of cancer cases by 5% compared to the level of 2000 – cases per 100 000 inhabitants (in 2000 per 100 000 inhabitants: women 227.6 and men 324.5)	Women: 216.2 Men: 308.3	Women: 234.1 Men: 339.7	2004
<b>National Drug Prevention Strategy 2012</b>			
<b>Objective</b>	<b>Target for 2009</b>	<b>Current level</b>	<b>Year</b>
To decrease the percentage of the number of people trying illegal drugs by 5% in the age group of 15-64 years	10.4%	15.4%	2003

**The National Strategy against HIV and AIDS 2006-2015 aims** to decrease the number of new HIV-positive cases per 100 000 inhabitants to 30 per year by 2009 and 20 by 2015. The new Governments Action Programme for 2007-2011 has set an even higher goal – to decrease the number of new HIV-positive cases per one million inhabitants per year to the average level of the European region (i.e. 50-70 cases per year). This is an ambitious goal, given that the current level of new diagnoses of HIV-positive people is almost 10 times higher than the EU average (in 2006 there were 668 new cases).

## **1.6. Social inclusion, demography and migration**

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**Overall objective of the EU Sustainable Development Strategy: To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.**

### **1.6.1 Key activities to implement the EU Strategy on Sustainable Development**

**Development of active labour market measures has helped improve the situation of risk groups in the labour market.** The implementation of the Employment Service and Subsidy Act in the beginning of 2006 brought significant changes to the principles of providing labour market services. The most important change was implementation of the principle of case management networking in providing services. Six new active labour market services were added, opportunities to participate in the measures increased and a requirement of an active search for work was added.

In regard to the development of case management, a combined performance of welfare measures and labour market measures has been started. **Certain labour market and welfare measures supporting entrance to the labour market and work have been developed for several risk groups of the labour market and especially for disabled people** (for example customisation of work rooms and equipment, services of a personal assistant and a support person, transportation for the disabled etc.)

**To increase the birth rate and create better upbringing conditions for children several family policy steps have been taken.** The birth allowance was increased; in families with two children, the primary care giver in the family is exempt from paying tax on income to the value of

<sup>9</sup> The indicator has grown during the last few years due to the strengthened cancer screening, improved diagnosing in the health care system and the growth of the risk group due to longer lifetimes

the tax-free threshold; the period of the payment of parental benefit has been extended to 1.5 years; child allowance paid to families with three or more children has been increased; and the foster care allowance has also been increased; the free school meals programme has been extended to all basic school pupils.

The Population Policy Implementation Strategy 2005-2008 focuses on **questions of demography**, the main purpose is to increase the birth rate and to ensure a demographically balanced population in all the regions.

Projects created within the framework of The European Year of Equal Opportunities – 2007 help to **achieve social cohesion** and are focused on increasing the inclusion of youth, disabled people, women and different minority groups.

**Goals and measures for improving the social inclusion and access to health care and social welfare services** are included in the National Social Protection and Inclusion Strategy 2006-2008, which was completed within the framework of the EU open method of coordination. The strategy also handles issues of poverty and social cohesion.

**Activities focusing on creating a safe and developmental environment for children's upbringing** are included in the Strategy to Ensure the Rights of Children and in its related implementation plans. The strategy consists of activities to ensure the children's basic needs (improving the well-being of children, access to education, ensuring health care, developing of children outside the formal education system); to meet the children's special needs (lowering the poverty risk, inclusion of disabled children in society, inclusion of children with special behavioural needs, inclusion of the children of ethnic minorities) and to create a favourable upbringing environment for children.

The Development Plan of the General Education System 2007-2013 assists with **ensuring equal opportunities for children**. The purpose of the development plan is to create equal opportunities and conditions for obtaining a quality education for all students based on their ability and interests, which allows continuation of study and preparation for coping well in life.

**The plans for the active inclusion of youth in society** are based on the Youth Work Strategy 2006-2013, which supports the participation of the youth in the decision-making processes at both national and local level.

**For greater inclusion of ethnic minorities within Estonian society a National Programme of Integration in Estonian Society 2000-2007 has been carried out.** The integration programme focused primarily on improving knowledge of the Estonian language among non-Estonians, allowing them to apply for Estonian citizenship and to be more successful in the Estonian education system and labour market.

**To simplify the process of obtaining Estonian citizenship**, from 2006 the cost of tuition for Estonian language courses has been fully reimbursed to people who have passed the citizenship examination. Non-citizens are supported in preparation of the citizenship examination and they are informed in detail about the process of applying for citizenship.

**Preparations have been made for secondary schools using Russian as the language of instruction to transfer to partial use of Estonian as the language of instruction.** From autumn 2007, at least one subject will be taught in Estonian. A textbook of Estonian literature for Russian schools and methodological support material for teaching Estonian literature has

been published. In autumn 2006, 231 teachers of different subjects registered for in-service training, where they were trained to teach in Estonian at Russian-speaking schools.

**The government supports active cultural activities of ethnic minorities.** Regional development programmes in the Lake Peipsi region are focused on the protection of the Russian Old Believers culture and the support of the region's social and economic development. A legal basis has been provided for regular finances to be made available to national cultural societies and Sunday schools. The principles of regular financing for ethnic minority Sunday schools are being developed. The allocations for national cultural societies and Sunday schools have been significantly increased, growing by 31% in 2007 compared to 2006.

### 1.6.2. Planned activities

The governments' goal is to **promote the working of disabled persons through active labour market measures.** It is planned to grant a transport allowance from 2008 to people with special needs, who are not able to use public transportation, yet wish to study a profession and work. In addition, particular measures are being developed for better inclusion of people with special needs into the information society, in order to improve their opportunities to participate in the community life. Also the development of the new Social Benefits for Disabled Persons Act in 2008 is related to the greater inclusion of disabled people into the labour market, where the social benefits for disabled people are more connected to the participation in the labour market and society.

To value families with children, and to reduce child poverty, the government plans to **raise the level of support for families with lots of children** and to resolve their housing problems. To help promote an improved work-life balance and to ease parents' return to the labour market **flexible work and child care options** are continually being developed and labour market training is supported for stay-at-home parents. In order to include fathers in family life and to promote gender equality the government plans to support paternity leave by compensating his salary for 14 days.

**The Integration Strategy for Estonian Society 2008-2013** is focused on issues of immigration and social cohesion, which among others includes special language learning programmes for the integration of new immigrants into society. The new strategy focuses more on socio-economic measures.

To promote the increase of social and territorial cohesion of ethnic minorities the government plans to **double the financing of the culture and culture schools of ethnic minorities** during the next 4 years.

To improve the employment of immigrants the government will **remove any excessive bureaucracy surrounding the issue of work permits in 2008.**

To decrease the number of withdrawals from school it is planned to increase the **school catering support** for basic school students and extend it to 10-12<sup>th</sup> form students. In addition the support for the **programme of boarding school facilities**, started in 2002, will be increased, which will also help decrease the number of withdrawals from school and support the studying opportunities of children from the least privileged families.

### 1.6.3. The attainment of the objectives of the EU Strategy on Sustainable Development in Estonia

<b>Withdrawal from school</b>			
The objective of EU Strategy on Sustainable Development	Decreasing the rate of early withdrawals from school by 10% and to ensure that at least 85% of 22 year-olds have at least completed secondary education		
The Estonian Action Plan for Growth and Jobs 2005-2007	The percentage of withdrawals from the education system should not exceed 10% by 2010		
	85% of 22 year-olds will be completing secondary education by 2010		
Development Plan of General Education System 2007-2013 defines more specific goals.	By 2010 the withdrawals from the third level of basic school (forms 7-9) should be no more than 1% and from secondary school (form 10) 3%. By 2013, figures should be 0.8% and 2.5% respectively.		
Indicator	Target	Achieved level in Estonia	
	2010	2005	2006
Withdrawal from education system <sup>10</sup>	10%	14%	13.2
Withdrawal from basic school in forms 7-9	1%	1.6% (2005/2006 school year)	
Withdrawal from secondary school in form 10	3%	1.8% (2005/2006 school year)	
The share of people with at least secondary education <sup>11</sup> among 22 year-olds	85%	81.5% <sup>12</sup>	

### 1.6.4. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>The Estonian Action Plan for Growth and Jobs 2005-2007</b>			
Objective	Target	Year	Current level (2006)
Employment rate of women (among 15-64 year-olds)	66.9%	2008	65.1
	68.3%	2010	
Percentage of unemployed youth from the population of the given age group (15-24 year-olds)	3.8%	2008	4.2%
Employment rate of older people (55-64 year-olds)	63.4%	2008	58.2%
Inclusion of youth (7-26 year-olds) in youth work	60%	2008	42%
Share of the population participating in lifelong learning (25-64 year-olds)	10%	2010	6.5%
Employment rate of disabled people	30%	2008	17.3%
<b>Government Action Programme for 2007-2011</b>			
Objective	Target	Year	Current level (2006)
Employment rate of disabled people	50%	2011	17.3%
Birth rate (goal: positive birth rate)	>0	2011	-2562

<sup>10</sup> 18-24 year-olds with only basic education and who are not involved in the education system

<sup>11</sup> Secondary education (incl. vocational secondary education and secondary specialized education) and higher than secondary education

<sup>12</sup> Considering the data reliability the average of 2004-2006 is presented

## **1.7. Global poverty and sustainable development challenges**

**Overall objective of the EU Sustainable Development Strategy: To actively promote sustainable development worldwide and ensure that the European Union's internal and external policies are consistent with global sustainable development and its international commitments.**

### **1.7.1. Key activities to implement the EU Strategy on Sustainable Development**

To achieve the goals of the Millennium Declaration agreed upon in Johannesburg, The EU sustainable development strategy sets a goal to increase development cooperation funds by up to 0.7% of the gross national product by 2015. Estonia has specified the volume of development cooperation funding and the principles of its use in the Estonian Development Plan on Development Cooperation and Humanitarian Aid 2006-2010. According to the development plan the general goal of Estonian development cooperation is to **help to decrease worldwide poverty and achieve the millennium development goals.**

One of the sub-goals specified in the Development Plan on the Development Cooperation and Humanitarian Aid is **the support of sustainable development and the achievement of internationally set environmental standards in the developing countries.** The sustainable use of the environment and natural resources is an unavoidable prerequisite for achieving sustainable development. Therefore one of the goals of Estonia's development cooperation is to help find sustainable solutions concerning the environment both in the partner countries and worldwide.

Estonia follows the humanitarian and development assistance principles of the UN Millennium Declaration approved in 2000 and the principles formed by international organisations, especially UN, OECD and EU.

Estonia's **bilateral development cooperation** focuses primarily on the countries which Estonia can offer special value based on her own experience, and who are ready to move towards a democratic society based on human rights. Therefore the main partner countries of Estonia's bilateral development cooperation are Georgia, Moldova, Ukraine and Afghanistan. In addition to the aforementioned, Estonia also cooperates with project partners from other developing countries, who are interested in some specific experience of Estonia. The purpose of the humanitarian aid given to other countries by Estonia is to save lives and to help the victims of catastrophes caused by nature or human activity, focusing first of all on the most vulnerable population groups.

In the beginning of 2007 **Estonia joined the World Conservation Union (IUCN)**, which is the biggest nature and environment conservation organisation in the world. IUCN defines the general nature conservation directions in the world, defines the main problems and in cooperation with scientists and experts develops the measures to solve them.

### **1.7.2. Planned activities**

The governments' goal is to **increase the contribution to international development cooperation and humanitarian aid.** In 2005 the Estonian Government decided that Estonia would aim to achieve **the official development assistance standard of at least 0.1% of Gross National Product (GNP) by 2010** and strive to meet the standard 0.17% of GNP. The

timeframe necessary to achieve the development assistance standard is included in the Estonian Development Plan on Development Cooperation and Humanitarian Aid 2006-2010.

Estonia will continue **developing cooperation with partner countries** through the preparation, financing and implementation of **bilateral development cooperation projects** in order to support the development of environment-related institutions, especially in the water economy and forestry sectors.

Estonia will also continue **supporting international environmental organisations** promoting sustainable development in the developing countries through voluntary donations (UN Environment Programme (UNEP) and Global Environment Facility (GEF)).

### 1.7.3. The attainment of the objectives of the EU Strategy on Sustainable Development in Estonia

<b>Official Development Assistance (ODA)</b>			
The objective of EU Strategy on Sustainable Development	To increase official development assistance up to 0.7% of GNP by 2015, with an interim goal of 0.56% of GNP by 2010. Member states who joined after 2002 aim to increase official development assistance to 0.17% of GNP by 2010, and to strive to reach an ODA/ GNP proportion of 0.33% by 2015.		
The Estonian Development Plan on Development Cooperation and Humanitarian Aid 2006-2010	To aim is to increase official development assistance to 0.1% of GNP by 2010 and to strive to meet the standard 0.17% of GNP specified in the regulation of the Council of the European Union.		
Indicator	Target	Current level in Estonia	
	2010	2005	2006
Share of official development assistance of GNP	0.17% (0.1%)	0.08%	0.08% <sup>13</sup>

<sup>13</sup> Planned rate according to the Estonian Development Plan on Development Cooperation and Humanitarian Aid 2006-2010, final rate will be calculated in July 2007.

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## 2. AN OVERVIEW OF THE PROGRESS ON EU SUSTAINABLE DEVELOPMENT STRATEGY CROSS CUTTING ISSUES

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### 2.1. Cross cutting policies contributing to the knowledge society

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#### 2.1.1. Education and training

##### 2.1.1.1 Key activities to implement the EU Strategy on Sustainable Development

**The development of the educational and training system for promoting the knowledge-based society** is one of the most important priorities for the Estonian Government. Different development projects have been carried out to improve the quality and accessibility of education.

The Estonian Higher Education Strategy, 2006-2015, which increases the higher education budget and places more emphasis on **natural sciences and exact sciences**, is designed to **improve the quality of higher education**.

**In 2007 the Development Plan for the System of General Education, 2007-2013 was approved.** The main goals of the development plan are to provide equal access to learning opportunities, to develop internationally competitive education based on science and technology, and to ensure a smooth transition from one educational level to another. In the curriculum, greater emphasis is placed on the natural sciences and at secondary school level, the pupils are left more possibilities for optional subjects.

In addition, the new finance model for general education in schools contributes to the goal of **advancing the level of education and to improve the accessibility of education**. The model helps to put the principle of comprehensive schools into practice, which had been difficult to perform in some local authorities, as they had different financial system constraints. Thus, the changeover to the new financing system contributes directly to the sound preparation of the future workforce.

**In order to improve the opportunities and motivation of the population to take part in both formal and informal education**, the Lifelong Learning Strategy 2005-2008 has been applied. Its goal is to permit people to improve their own knowledge and skills, according to their needs whilst being aware of the needs of other citizens, society and the labour market.

**To improve the quality of learning and to facilitate the work of young teachers at schools**, a programme of one year's vocational teacher training will be instituted, and teacher training in universities will be developed further. The aim of the vocational year is to help novice teachers adapt to work at school and to further develop their vocational skills acquired during undergraduate studies.

**In order to raise environmental awareness** a concept of environmental education in the Estonian Republic has been devised. The measures of the Estonian Environmental Action Plan 2007-2013 and the Estonian Strategy for Nature Protection 2035 are also intended to raise environmental awareness. In addition, a network of environmental education support centres at county level is being developed. In addition the national curriculum of first and upper secondary schools incorporates the principles of sustainable development. The expenditure on

environmental awareness and related activities is funded on a project basis via the Environmental Investment Centre. The organization of training, international and national conferences and GLOBE and other environmental camps is supported.

**Scientific centres** (such as the Estonian Museum of Natural History) and **nature reserves and national parks** play an important role in the promotion of awareness and behavioural conditioning. Their events and exhibitions are expected to inspire interest in nature and various natural phenomena.

#### **2.1.1.2. Planned activities**

To improve the accessibility of general education, the government is developing a **network of schools that is demographically and logically justified**, to ensure the equality of educational opportunities in different parts of Estonia. In addition, it is planned to take measures to enhance the quality of general education outside of the larger urban centres. For example, it is planned to motivate qualified teachers taking up first positions in a small town or in the countryside, with a starting bonus.

**To reduce withdrawal rates from basic schools**, particular attention has been directed towards better preparation of children for school, individual teaching, home-education and combinations of hobby education and general education are being promoted alongside a scheme that has introduced the use of assistant teachers.

**In order to optimise the use of information technology in the education system** a national programme of e-learning, known as Tiger's Leap II, involving all levels and types of education has been implemented. The programme determines the purchase of modern technical equipment for all schools and the development of learning software.

**To improve the accessibility of higher education**, the amount of the state-guaranteed educational loan has been increased and a new system of education allowances will be developed, that would take study results into consideration. **In higher education, the enhancement of the quality level of education is an important priority.** The Government supports the introduction of European principles of quality and organisation of quality assessments as well as internationalisation. This makes the financing of higher education dependent on the quality of study.

**To improve the quality of teaching**, teachers with higher education working at schools will be supported with **increased salaries and non-repayable starting bonuses.** Teachers who master the Estonian language will be encouraged to work at schools that have Russian as the language of instruction.

**A new concept of adult education is being formulated**, which expands the opportunities for continuing education. These will be developed through a public-private partnership involving companies, educational institutions and the Estonian Labour Market Board. Special measures are included for groups of people who are in a less advantageous position in the labour market (young mothers, people with special needs, elderly people).

According to the operational programme for the living environment of the Structural Funds Act 2007-2013, the plan is to **increase investment into the development of support centres for environmental education.** The plan is to establish a database of support centres for environmental education (nature houses, nature schools, nature centres), and to build new and renovate older centres for environmental education.

### 2.1.1.3. Progress towards national objectives related to the EU Sustainable Development Strategy

The programme of the Government Coalition for 2007-2011				
Objective	Target	Year	Current level	Year
Increasing the number of adults participating in lifelong learning	12.5%	2010	6.5%	2006
Estonian Higher Educational Strategy 2006-2015				
Objective	Target	Year	Current level	Year
The number of people completing the third level of education (ISCED 5-6) during an academic year per 1000 inhabitants in the age group 20-29 y.	58	2010	58.1	2006

### 2.1.2. Scientific research and development

#### 2.1.2.1. Key activities to implement the EU Sustainable Development Strategy

The strategic document which focuses on the development of the Estonian research and development and innovation activities is the Estonian Action Plan for Growth and Jobs 2005-2007<sup>14</sup>) and its progress reports<sup>15</sup>.

Until very recently Estonia didn't have any sector specific research and development activities in the field of sustainable development. However, the new Estonian Strategy for research, development and innovation 2007-2013 "Knowledge-based Estonia" focusing on specific sectors or scientific disciplines is brought up as a new initiative. In this context the development of environmental technologies has been singled out as one of the priorities of the Estonian research and development agenda. The first concrete initiative in this field is the development of the Estonian **national programme for research and development of energy technologies**. The goal of the programme is to develop energy technologies that are of major local importance and yet have a future perspective on a global scale. The program is aimed amongst other things to develop technologies that utilise renewable energy sources as well as to further develop existing unique oil shale technologies.

In addition, the Estonian innovation policy measure that deals with the financing of research and development in companies sets **environmental sustainability as one of the most important criteria's** when selecting between the development of new competitive technologies, products, services and processes.

The implementation of the EU 7th Framework Programme has started in Estonia, applications have been accepted since December 2006. To introduce the available opportunities an introductory conference took place. Further ahead and within the framework of the new national research and development and innovation strategy the government is planning to start a scheme to support project applications into the 7. Framework Programme.

#### 2.1.2.2. Planned activities

In its action programme for 2007-2011, the Government of the Republic of Estonia has highlighted the **strengthening of the competitiveness of Estonia as one of its major priorities**. It is to be achieved mainly through supporting research, development and

<sup>14</sup> [http://www.riigikantselei.ee/failid/1.October\\_2005\\_Estonian\\_Action\\_Plan\\_for\\_Growth\\_and\\_Jobs.pdf](http://www.riigikantselei.ee/failid/1.October_2005_Estonian_Action_Plan_for_Growth_and_Jobs.pdf)

<sup>15</sup> [http://www.riigikantselei.ee/failid/EE\\_PROGRESS\\_REPORT\\_2006.pdf](http://www.riigikantselei.ee/failid/EE_PROGRESS_REPORT_2006.pdf)

**innovation** in the economy as well as in the whole society. In the given field, the specific goal of the Government is to increase the overall expenditure on research and development to 2% of the Gross Domestic Product (GDP) by the year 2011 and to 3% of the GDP by the year 2015.

One of the key goals in the new Estonian Strategy of research, development and innovation 2007-2013 is to focus research and development on specific disciplines in order to generate a critical mass of knowledge in the scientific branches that support the priorities of the Estonian government. To achieve this goal it is planned to initiate **national research and development programmes in the fields of energy, information technology, and biotechnology**. The primary goal is to initiate at least one or two national programmes in 2007.

Other major challenges that the Estonia is facing in its research and development system are the **modernisation of the scientific infrastructure, sustainable development of scientific human resources and their competitiveness, and the enhancement of cooperation between companies and research institutes**. To meet the challenges the Government has in its action programme for 2007-2011 foreseen measures to further develop programmes supporting top research centres and technological development centres. In addition to that, the government is considering the introduction of innovation vouchers, to enhance the innovation capacity of small and medium size enterprises. To enhance the cooperation between companies and research institutes, the state is drafting a policy scheme aimed at favouring the recruitment of innovation staff in enterprises and science-industry mobility.

In connection with the EU activity plan of environmental technologies, Estonia **is planning** to compile and constantly revise **an environmental technology roadmap** (ETAP roadmap).

**To improve scientific human resource base and its capability more stress is put on the support of doctoral studies**. Funds from the state budget are allocated for universities to enrol doctoral students under results-based contracts aiming to ensure them proper living, working and studying conditions.

### 2.1.2.3. Progress towards national objectives related to the EU Sustainable Development Strategy

<b>Estonian Action Plan for Growth and Jobs 2005-2007</b>				
<b>Objective</b>	<b>Target</b>	<b>Year</b>	<b>Current level</b>	<b>Year</b>
Science and technology graduates among graduates of higher education (%)	22%	2011	19.3	2005/ 2006
The percentage of companies that have brought new products or services onto the market or have employed new technologies	50%	2007	49%	2004
<b>The Government Action Programme for 2007-2011</b>				
<b>Objective</b>	<b>Target</b>	<b>Year</b>	<b>Current level</b>	<b>Year</b>
Number of students who have completed their doctoral degree	250	2011	143	2005/ 2006
R&D expenditures as a % of GDP	2% (a.o. private sector 1%)	2011	0.94% (a.o. private sector 0.42%)	2005
	3% (a.o. private sector 1.5%)	2015		

<b>Estonian Research and Development and Innovation Strategy 2007-2013 "Knowledge-Based Estonia"</b>				
<b>Objective</b>	<b>Target</b>	<b>Year</b>	<b>Current level</b>	<b>Year</b>
The proportion of workers employed in research and development (number of researchers and engineers per 1000 workers)	6	2010	5.5	2005
	8	2013		

## **2.2. Financial and economical resources**

### **2.2.1. Key activities to implement the EU Sustainable Development Strategy**

Over the terms of several governments, the Estonian taxation system has been revised for applying the **principles of green tax reform** to conserve natural resources and the environment. **Instead of solely taxing income, the trend is to tax consumption, the use of natural resources and the pollution of the environment.**

**In order to decrease the taxation of incomes,** the rate of income tax has been gradually reduced each year. Whereas the income tax rate in 2006 was 23%, by the year 2011 it will have decreased to 18%. Simultaneously, the level of tax exempt income will increase by 250 kroon annually (from 2000 kroons in 2006 to 3000 kroons in 2011).

**In order to tax consumption and to decrease negative environmental impact,** the excise duty rates on motor fuels will be increased at the beginning of 2008 to the level of the minimum EU requirement. As far as petrol is concerned, excise duty will rise 25%, and excise duty on diesel will rise 34.5%. Additionally, from 1st January 2008 excise duty will be introduced on electricity. Even though, for natural gas, the EU minimum rate of excise duty is obligatory only from 2014 on, it has been decided to increase the excise duty rates from 2008 on natural gas used for commercial purposes to 157 kroon per 1000 cubic metre, to match the EU minimum rate. In addition, also from 2008, it has been decided to abolish the exemption from excise duty on shale-derived fuel oil granted upon joining the EU.

**To influence the health behaviour of the inhabitants,** the excise duty rates on alcohol and tobacco will be increased from January 1, 2008. The tobacco excise will be almost doubled from January 1, 2008 (from today's 11 kroon per pack of 20 cigarettes to 20 kroon). During 2008, the excise duty on alcohol will increase by 20%.

**As a result of the changes put into practice, the importance of indirect taxes from GDP has increased and the share of direct taxes has decreased.** Considering the on-going plan, on the one hand, to decrease the rate of income tax and to increase the tax-free threshold and, on the other hand, to increase the excise duties relating to the use of resources, the share of indirect taxes increases and the share of direct taxes decreases in the coming years even more.

**The system of environmental taxes** is to a large extent fully formed and the rates and receipts of the environmental taxes have grown incrementally (the anticipated contribution to the state budget in 2007. is almost 1 billion kroon). The sums derived from environmental taxes go to the general state budget and are in the main directed to environmental protection projects through the Environmental Investment Centre.

During the period of 2007-2013, EU funds will be available to Estonia to a greater extent than to date. **From the instruments of the structural funds and the Cohesion Fund** more than 23 %

has been directed for decreasing the burden on the environment. More than 20% is directed for financing education, research and development. Within the framework of the Rural Development Plan, the measures to improve the environment form about 45% of all grants to agriculture and in support of rural life.

By the end of 2006 the **government debt of Estonia was 4,1%** of the GDP (the lowest in the European Union). The government has set a goal of decreasing the government debt even further, and according to the prognoses, the public debt will be decreased to 2,7% of GDP by the end of 2007.

In recent years (from 2001 on), **the public sector of Estonia has had a budget surplus**. The surplus of 2006 constituted 3.8% of GDP.

### **2.2.2. Planned activities**

In order to secure sustainable public finances, the Government Coalition Agreement includes a target that, the **state budget** for the forthcoming years must also be **drawn up to generate a surplus, whilst supporting the decrease of government debt**.

According to the concept of environmentally protective public procurement, the allocation of funds **supporting environmentally protective public procurement** is planned from 2009 on, in the public procurement areas of IT, office products, cleaning services, chemical products, vehicles and buildings.

With the aim of promoting the knowledge-based approach to the decisions of the public sector, the government is planning to **amend the systems for impact assessment of legislation as well as of strategies**. For this purpose separate activity plans and the relevant financing have drawn up.

In addition to enhancing the ability to assess the impact and to amend the rules, it has also been decided to **simplify and better codify the legislation in force** in the following four areas: social legislation, environmental legislation, planning and building legislation and economic and administrative legislation.

## **2.3. Information exchange, involvement and multiplying the successes**

### **2.4.1. Key activities to implement the EU Sustainable Development Strategy**

**The involvement of intergovernmental organisations** in political decisions and planning activities is increasingly recognised as important in Estonia. The new government has set the development of the civil society as a separate goal. For fulfilling that goal, the government has planned several concrete actions in the Government Action Programme for 2007-2011.

**Compiling strategies and development plans**, the government's regulation "The categories of Strategic development plans and the procedures for their compilation, amendment, implementation, evaluation and reporting" also details **the involvement of interested persons and concerned institutions**. In cooperation with different parties, the **best practices of involvement** have also been prepared, which give directions for appointing the parties to be involved and the organisation of involvement. In addition to that, the "Involvement-web" will be developed, which will offer all intergovernmental organisations and private individuals more convenient access to and participation in the process of the compilation of draft acts being prepared by the government.

In the involvement **at the regional and local levels**, the major cooperation partners are county governments and the local government associations. Apart from consultations concerning the compilation of major sector development plans, the local government associations are also involved in the process of drafting and amending new legislation.

**The involvement of the business sector** takes mainly place through larger umbrella organisations – the Estonian Chamber of Commerce and Industry, the Estonian Central Federation of Employers and the Estonian Association of Small and Medium Sized Enterprises. But other associations who have expressed interest are also involved. For that purpose the coordinating involvement-web of the Ministry of Economic Affairs and Communications has been implemented. Entrepreneurs are not only involved in the issues of entrepreneurship, but also contribute on other subjects concerning sustainable development and environmental protection. For example, entrepreneurs are actively involved in the process of drafting the principles of environmentally protective public procurement and putting the system into practice.

To create favourable circumstances for **developing civil initiative** in Estonia, a development plan for Civic initiative Support 2007-2010 has been compiled and will be implemented.

#### **2.4.2. Planned activities**

**Increasing the activity of the civil society and its capability to participate in formation and implementation of different policies** is one of the government's goals. For that purpose the government has extended the responsibilities of the Minister of Regional Affairs with the tasks of developing the civil society. In 2007 and 2008 the government plans to elaborate the civil society programmes to support improving the capabilities of social partners, local government unions and non-profit organisations.

By adopting the Governments Coalition Programme for 2007-2011 the government has decided to establish the **foundation for civil society**. The purpose of the foundation is to support the civil society. The allocation of the grants will be delegated to the associations of civil society organisations.

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## 3. ESTONIAN NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT “SUSTAINABLE ESTONIA 21”

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### 3.1. The coordination of development and implementation of strategy

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**The Estonian national strategy on sustainable development, “Sustainable Estonia 21”,** is the strategy for developing the Estonian state and society up to the year 2030, with the goal of combining the demand for success that come from global competition with the principles of sustainable development and the preservation of traditional Estonian values. The Strategy proposes goals and activities which would help Estonia to develop in a sustainable manner over the long-term.

The strategy was developed in close cooperation with experts and interest groups and its approval was preceded by a thorough public discussion. On behalf of the Government of the Republic, the development of the strategy was coordinated by the Ministry of the Environment. “Sustainable Estonia 21” was approved by the Estonian Parliament (Riigikogu) in September 2005.

In 1996, by order of the Government of the Republic of Estonia, **a commission of experts on particular issues concerning the long-term sustainable development of the state (the Commission for Sustainable Development)** was created. The commission is chaired by the Prime Minister, and its members appointed from different areas of life. The Estonian Parliament (Riigikogu), the government research and development institutions, the private sector and various associations are all represented.

The Commission for Sustainable Development has a counselling role to the government in matters of sustainable development. The task of the Commission is to analyse the policy of the state on sustainable development and to make proposals to the Government of the Republic and to the state and local government institutions to synergise developments in the economy, social affairs and environmental areas. Additionally, the commission has the right, when required, to make proposals for drafting of legislation and to organise research on the subject.

The strategy of sustainable development covers many different themes and different ministries are responsible for its implementation. Achieving the objectives of the strategy is also closely connected to matters of competitiveness and to the coordination of the implementation of the **Estonian Action Plan for Growth and Jobs 2005-2007** that has been developed to increase the competitiveness of the state. Therefore, the government decided in June 2006 that the **coordination of the implementation of the strategy on sustainable development would be the duty of the State Chancellery**. In the State Chancellery the position of the **Strategy Director** was created to coordinate the development and implementation of the government's action programmes, the competitiveness strategy and the sustainable development strategy. In addition, the Strategy Director ensures that the goals of the sector development plans accord with the principal objectives and priorities of the Government, and acts as the Prime Minister's advisor on such matters.

The Strategy Director was appointed the national coordinator of the implementation of the Lisbon Strategy and the national coordinator (or focal point) on matters of sustainable development. To support the Strategy Director in the execution of these tasks, the Strategy

Office was created. The fact that the coordination of the implementation of the strategy on sustainable development was brought into the State Chancellery, has ensured a more efficient application of the strategy. The coordination system created helps to ensure that the goals of the competitiveness strategy and the sustainable development strategy coincide, and that the goals of the sustainable development strategy are included in the other sector development plans and further that the monitoring of putting the measures into practice is efficient.

To improve the efficiency of the implementation, **an inter-ministerial working group for sustainable development** was also created. Its main task is to coordinate:

- the implementation and supervision of the execution of the Estonian National Strategy on Sustainable Development, “Sustainable Estonia 21”, by compiling a report to the Government of the Republic annually and a biannual report to the European Commission on the implementation of the Sustainable Development Strategy of the European Union and the results achieved;
- the development of proposals to amend the National Strategy on Sustainable Development “Sustainable Estonia 21”, as far as goals, measures and activities are concerned, depending on national needs or the orientations of the European Union;
- the development of a system of monitoring indicators of sustainable development, benchmarking the sustainable development of Estonia against other states and to track the implementation of the measures of “Sustainable Estonia 21”;
- the development of the position of Estonia in the context of the European Union Sustainable Development Strategy;
- information exchange and the introduction of better practices in the area of sustainable development.

The working group is directed by the Strategy Director of the State Chancellery and the members of the working group are the representatives of the ministries concerned with the implementation of the strategy at the level of deputy secretary general.

In autumn 2007, a **report on the situation of the implementation of the Estonian National Strategy on Sustainable Development** will be compiled and presented to the Government of the Republic. The report will include a review of the principle activities necessary to implement strategy and an analysis of attainment of the objectives set by the strategy. The consolidated report will trigger feedback and a more thorough analysis of the results of putting goals into practice in specific political areas and of the overall effect of implementing the sector development plans. According to the regulation of strategic planning documents approved by the Government of the Republic in December 2005, an annual report must be presented to the government on all sector development plans and a final report at the end of the implementation period.

## **3.2. The main goals and measures of the Estonian National Strategy on Sustainable Development**

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The Estonian National Strategy on Sustainable Development presents four major priorities. Those major priorities and their operational objectives are as follows.

### **3.2.1. Viability of the Estonian cultural space**

The prioritisation of culture differentiates the Estonian national strategy on sustainable development from the EU strategy and from those of other states. Culture is recognised as an important factor in the survival of the Estonian nation. In order that the nation may survive, the

survival and communication of the Estonian national identity is essential. Such elements as the values, traditions, behavioural models and ways of life characteristic of Estonia are key to the Estonian national identity, and it is also considered very desirable that they are adopted by migrants to Estonia.

In pursuing the goal of maintaining a viable Estonian cultural space, there is necessarily a focus on the areas of:

- The scope of the Estonian cultural space;
- The functionality of Estonian culture;
- The chronological continuity and flexibility of Estonian culture.

### **3.2.2. Growth of welfare provision**

The welfare of people includes the satisfaction of material, social and cultural needs as well as opportunities for self-realisation. Therefore, to achieve welfare, the following areas are focused upon:

- Economic wealth;
- The level of security;
- The variety of opportunities.

### **3.2.3. Coherence of Society**

The viability of the Estonian cultural space and the growth of welfare are achievable only if their fruits can be enjoyed and their achievement has come as a result of the efforts of the majority of the society. Achieving social coherence means achieving a social as well as a regional balance. Consequently, to achieve a coherent society, involves reaching three sub-goals:

- Social involvement;
- Regional balance;
- Strong civil society.

### **3.2.4. Ecological balance**

In achieving an ecological balance, the overall aim is to integrate the considerations of nature's capacity to regenerate with the utilisation of natural resources. The main function of environmental protection is not only to protect the resources and the natural environment, but to manage them harmoniously and in a balanced way. The aim is to manage natural resources and their consumption in such a way as to minimise pollution and retain resources for unexpected situations.

The sub-goals of the aim to achieve an ecological balance are:

- The use of natural resources in the way and in amounts that ensure an ecological balance is maintained;
- Reduction of pollution;
- Preservation of biological diversity and natural areas.