Riigikantselei

# Estonia’s European Union policy priorities 2025–2027



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# A competitive economic environment

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## Simplifying business in the single market

44. **Cross-border administration must be made easier for businesses** through digital technology opportunities such as the EUDI Wallet and the Single Digital Gateway. It is in Estonia's interest that the proposed digital wallet of the company is linked to the identity of the natural person through a power of attorney.

45. To ensure that **businesses do not need to submit the same data to the state or the EU repeatedly**, data ought to be cross-used. Legal bases for the cross-use of data need to be created in EU legislative acts. The introduction of new, justified reporting requirements in EU law must ensure the **standardisation, quality, and sharing of data between databases**.

46. We support making **sustainability reporting and corporate due diligence requirements** voluntary for all businesses.

47. We aim to reach **exchange of information on cross-border economic transactions** (e-invoices, e-waybills, e-receipts) in a standardised format in the B**altic Sea Region and the Nordic countries** to reduce the administrative and reporting burden for businesses. This provides a basis for extending the use of data to the EU level.

48. **We support the digitisation of data accompanying a product (digital product passport)**. This helps to reduce the amount of paperwork that accompanies a product and allows for more effective enforcement of product information requirements. However, we deem it necessary to retain physical consumer information, such as warnings, traceability requirements, and safety and user manuals.

49. **The requirements of the digital product passport must be clear and enforceable for businesses**. In the product passport, businesses need to provide only information that is reasonably available to the business with reasonable effort.

50. Estonia considers it important that the reform of the EU standardisation system includes the development of a **clear financing model for European standardisation**, which balances the responsibilities of the European Commission and the Member States, and the reform does not increase the Member States' responsibility to finance the system. A well-resourced standardisation infrastructure enables faster development and adoption of standards in important areas for Estonia, such as artificial intelligence, digitalisation, and hydrogen technologies.

51. To foster the growth of start-ups in the EU, **access to capital for start-ups needs to be improved, and the application for EU support must be simplified**. The EU strategy for start-ups must **proceed from the start-up life cycle** and provide support based on the start-up's development phase. EU funds must be available for start-ups to support them in both the initial and growth phase to bring products or services to the market (including applying for a business licence and certifying a product or service).

52. **The definition of a company in difficulty needs to be changed** so that start-ups that have short-term financial problems or have not yet reached profitability are not deemed companies in difficulty. As a rule, state aid to companies in difficulty is prohibited. The current definition of a company in difficulty prevents start-ups from benefiting from state aid, even though they have great potential to develop and succeed in the market.

53. Estonia considers it very important that the **legal framework for doing business** in the European Union's internal market is made easier for companies. The EU's new 28th regime for companies must allow them to expand and grow rapidly. Businesses need to be assured of the **digitalisation of necessary administration**.

54. We support the **implementation of automatic mutual recognition** of professional and higher education qualifications in the European Union to promote labour and learning mobility. The certification of professions already automatically recognised in the EU **(e.g. architect, doctor) should be simplified, and additional health professions (e.g. physiotherapist), civil and energy engineers should be added to the list of automatically recognised professions**.

55. In the European Union's single market, **location-based restrictions on audio-visual services** (e.g. film streaming, sports broadcasting) and other copyright-protected content services (e.g. e-books, music streaming) need to be reduced to allow broad access to copyright content in the single market, while safeguarding authors' rights.

56. **Increasing the chip production capacity** in the EU needs to support the whole value chain (standards, raw materials, subsidies, state aid) and ensure a level playing field between small and medium-sized industries. We believe it is important to ensure **equal treatment of chip imports between EU member states**.

57. **Introducing new chemicals to the market must be facilitated and accelerated** to ensure the competitiveness of the chemical industry while adhering to public health objectives, including the protection of workers. Implementing restrictions to mitigate the environmental and health risks of chemicals requires making lower-risk alternatives available or ensuring rapid development and registration of lower-risk alternatives.

58. To develop new, innovative technologies and business models, the concept of **Projects of Common Interest (PCI)** and Important Projects of Common European Interest (IPCEI) needs to be reviewed to ensure greater participation by small and medium-sized enterprises. One option we see for cohesion countries is to reduce the share of co-financing from the EU budget.

59. We support the rapid establishment of the **Bioeconomy Project of Common Interest w**ith Estonian participation. This will help strengthen the EU's position and competitiveness in the international market for bioresource-based materials, products, and chemicals, and reduce dependence on (imported) fossil raw materials.

60. When developing innovative technologies, EU support funds must offer companies **funding from the development to market cycle**.

61. The EU's **dependence on monopolistic suppliers of critical raw materials must be reduced**. This requires good cooperation between Member States within the EU and **increased EU funding opportunities** for critical raw material projects of strategic importance.

62. **State aid must be limited and targeted.** We support the **simplified granting of state aid to develop renewable energy and long-duration energy storage systems** and to **implement capacity mechanisms**.

63. **State aid procedures need to be much shorter** to speed up the market penetration of new technologies and to ensure sufficient production capacity of important existing technologies.

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# Digital economy and communications

64. Estonia's goal is to become the EU leader in the development and use of artificial intelligence (AI). We participate in the European AI funding projects to **strengthen the AI development capacity of Estonia** and ensure access to strategic technologies.

65. To ensure that small and medium-sized enterprises have access to the **EU's high-performance computing (HPC)**, the service must be kept accessible and affordable. It is essential for the promotion and implementation of Estonia's digital economy that entrepreneurs gain access to or participate in AI factories and that our SMEs can participate in the EU's AI procurement. If demand arises, we will apply for the establishment of a **local branch of an AI factory in Estonia**.

66. The **development of new data-driven services must be supported and funded by EU funds**. Under the leadership of the European Commission, EU-wide technological solutions must be developed for the data marketplace and for concluding and enforcing data reuse and repurposing agreements.

67. **The list of valuable data sets established at the EU level** (e.g. spatial data and services, energy sector, public water supply and sewerage) for which common disclosure restrictions should be imposed due to existing risks or threat assessments must be reviewed.

68. The digital identity of an EU natural person eID **must be interoperable across borders** and enable reliable identification of the individual. To achieve that, there is an urgent need to develop a certification scheme for the digital wallet.

69. **Legal clarity and certainty must be increased in the EU data area**. To this end, the Commission needs to ensure the **creation of test environments or sandboxes** for the implementation of EU data legislation to give businesses and public authorities certainty that their product or service complies with EU requirements.

70. In the EU, the uptake of **privacy technologies and secure data processing environments** must be encouraged to ensure that data is used and valorised in a privacy-preserving way. The European Commission needs to provide guidance and clarity on which privacy technologies are compliant and sufficient to protect fundamental rights in the EU.

71. It is important to initiate and implement the **Nordic-Baltic Cyber Consortium** and other similar EU regional projects to strengthen Member States' cooperation and joint capabilities in cyber incident prevention and response.

72. The number of cyberattacks against Member States in the coming years is not going to decrease. Based on the Cyber Crisis Management Framework, the Commission should develop an **operational plan for responding to a high-impact cross-border cyber incident** and practice its implementation in exercises.

73. It must be easy for the provider of a critical or essential service to **report cyber incidents**, including that only a single notification should be required for the same incident. The **risk analyses required** from a producer or service provider under cybersecurity and cyber resilience acts need to be structured in a similar way (e.g. structure of analysis, taxonomy, frequency, etc.) in order to reduce the administrative burden, in particular for SMEs.

74. **The primary task of the EU Agency for Cybersecurity (ENISA)** is to assist Member States in cybersecurity capacity building projects and to support them in the event of a cyberattack. ENISA's mandate should be reviewed accordingly, and it should be relieved of tasks that are not directly related to assisting and supporting Member States or that overlap with the European Cybersecurity Competence Centre.

75. There is a need for focused development of **language technologies** in the official languages of the European Union, including Estonian and other small EU languages. The EU should define language data as valuable data sets, realise the language data space, and support the development of the infrastructure needed to build a large EU language model. **To preserve the EU's linguistic diversity and avoid falling behind, it is necessary to support the creation of the needed infrastructure for AI development in small Member States.** We consider it important to integrate a sufficient quantity and quality of small language corpora into training AI in a way that ensures copyright protection.

76. With the extremely rapid development of AI solutions, it is important that **the authors** whose works

have been used in the process of developing and training AI models **do not suffer as a consequence**. At the EU level, there is a need to create an efficient **licensing market for AI training data** (in the context of language data, this could be part of the language data space created by the European Commission) and legal clarity on the ownership of AI output. The AI sectoral codes of conduct must provide **authors, performers, and other right-holders with the tools to exercise and enforce their rights**.

77. The establishment of data centres must be accelerated to ensure a **physical cloud infrastructure in the EU** and to promote the **emergence and development of cloud service providers** physically located on EU territory under EU jurisdiction. The establishment of data centres and support for cloud service providers must be based on a geographic balance within the EU, as well as ensuring equal opportunities for companies in small Member States. To revitalise the EU's cloud services market, we support creating opportunities to favour EU cloud service providers in procurement processes.

78. The **resilience and attack-resistance capacity of priority international data communication cables** must be increased. Adequate resources from the EU budget must be provided to achieve this.

79. In the transformation of the **telecoms landscape**, it is important to avoid solutions that lead to forced **consolidation** of companies operating in the sector, as this will reduce competition, innovation, and quality of services.

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# Social and health policy

80. The EU needs to agree on and swiftly implement **updated EU rules** on which Member State pays **benefits** to people who have exercised their right to free movement or to which Member State employers have to pay **social security contributions** for the employee (e.g. social tax and unemployment insurance contributions).

81. The European Commission needs to develop **quality, user-friendly, and interoperable pan-European data exchange systems** for the competent authorities of the Member States to exchange information on the payment of social security benefits, which will help reduce fraud and abuse.

82. For Estonia, it is important that in the EU-level discussions on the **minimum income threshold**, each Member State retains the right to decide on its minimum income threshold, as national social protection systems differ across countries.

83. To **ensure equal access to medicines for patients** in all EU Member States, effective sanctions must be imposed on marketing authorisation holders who do not put medicines on a small market. To

facilitate putting medicines on the market, the electronic package leaflet needs to be introduced across the EU as soon as possible. Centralised EU technical solutions should be favoured, while also ensuring that patients have the option to receive the medicine's information in paper form in the official language of the Member State when the medicine is dispensed. Generic medicines need to reach both the EU and Estonian markets more quickly than before.

84. When supporting the production of **critical medicines** and their active substances with EU funds, we consider it important that patients in all Member States have access to the medicines. The EU must develop a joint procurement mechanism for critical medicines that ensures timely access to the necessary quantity and form of medicines for patients.

85. It must be possible to initiate **strategic projects for the production of critical medicines** also in small Member States and with the participation of SMEs. To increase the security of supply of critical medicines, the best possible conditions for the implementation of strategic projects in Estonia must be ensured. One possible measure is to reduce the share of co-financing required from cohesion countries with support from the EU budget.

86. We expect the European Commission to ensure the implementation of the **European Health Data Space** and focus on creating common EU solutions for cross-border infrastructure, including secure data processing environments. **By 2029 at the latest, patients must be able to purchase medicines based on their digital prescription in all EU member states**.

87. Estonia aims to reduce the harm caused by non-communicable diseases within the European Union. It is important to establish **uniform requirements for the advertising, packaging and composition of tobacco and nicotine products**. We want an EU-wide ban on the distance sales of tobacco and nicotine products, as well as on the use of flavourings and aromas in these products.

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# Education, youth, science, culture, and media

88. Estonia will ensure that the agreements on the automatic recognition of **higher education qualifications** are respected and implemented in the European Union.

89. Education systems must support the development and preservation of national cultures and languages. EU action on **education systems** must be flexible and respect national specificities or be voluntary.

90. At the EU level, a**ctive learning mobility and transnational cooperation** in the fields of education,

youth, and sport must be promoted through the necessary EU support measures (e.g. Erasmus+, European Solidarity Corps).

91. To increase **youth participation** in policymaking and lawmaking, **we stand for lowering the voting age in European Parliament elections** from 18 to 16 and for developing youth participation competencies in the European Union.

92. We consider it necessary that in the new budget period, the European Union should continue to **support both basic and applied research and innovation**, in particular in the fields of artificial intelligence and clean technologies, critical minerals, health, and cybersecurity. We want EU research and innovation funds to support the development of dual-use technologies for military purposes in the future.

93. **To close the gap in research and innovation capacity in Europe**, the EU needs to continue to foster research and innovation cooperation with Member States that have been less involved so far. These EU measures must be targeted and linked to the country's contribution to increasing R&D competitiveness.

94. Common solutions and funding possibilities for the **protection of digital cultural heritage**, cross-border preservation, and data back-up need to be created in the EU. The protection of cultural heritage plays an important role in the context of crisis preparedness and strengthening security, but also in safeguarding European values.

95. The European Commission needs to closely monitor compliance with the obligation to assess and manage systemic risks of large platforms and react promptly to breaches of these obligations. **To prevent interference in elections and the spread of disinformation**, there is a need for strong legal tools and their implementation in a way that provides rapid and relevant assistance in the current security situation. If the EU's rules on digital services cannot be enforced in this way, they need to be improved.

96. R**esearchers need to be given access to platform data** to detect potential disinformation campaigns early. To do this, the Commission should immediately adopt a delegated act laying down the conditions for access to researchers' data.

97. We continue to support the **exclusion of athletes from Russia and Belarus**, and other countries supporting aggression, from international sporting events.

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# Agriculture and fishing

98. **The main objective of the Common Agricultural Policy (CAP)** is to maintain local production capacity and increase farmers' competitiveness. It must also contribute to achieving climate and environmental objectives, soil health, clean water and air, and biodiversity. CAP needs to be more supportive of business start-ups in the sector, and advisory services and support systems need to be put in place for new and young entrepreneurs.

99. We consider it essential to **simplify the Common Agricultural Policy** to reduce the administrative burden for both farmers and the state. In particular, it is important to simplify the performance framework of the CAP and to change the system of uniform and additional requirements, controls, and sanctions (conditionality system) in a way that better motivates producers to comply.

100. Opportunities must be created to quickly adjust the CAP **support requirements to changes in market conditions or climatic conditions**, as long as the changes do not jeopardise achieving the sustainable agriculture objectives. In the event of a military crisis, a Member State must have the right to derogate from the basic CAP regulations in a way that ensures food security on its territory.

101. A situation must not occur in the EU, where the lack of **suitable plant protection products** jeopardises the competitiveness of farmers and food security. The evaluation of active substances must also consider the existence of effective alternatives. The evaluation and authorisation of scientifically proven low-risk plant protection products must be simplified and expedited.

102. The principles for regulating **new genomic techniques** need to be renewed, and the legislation updated, considering modern science-based arguments. The introduction of new genomic techniques will help to ensure a more effective and sustainable food system.

103. **To promote animal health and welfare**, we consider it important to ban the cage rearing of **laying hens**. In the case of **long-distance transport of animals**, it is important that the requirements to be introduced are evidence-based, consider the geographical specificities of the Member States, and do not create barriers to the single market.

104. A coherent and clear **food labelling system** must be created that presents nutritional information on the front of the package and supports healthy and sustainable choices for consumers. We attach importance to the development and implementation of recommendations to reduce excess sugar, salt, and fat in foods.

105. The **regulation of food contact materials** needs to be modernised to ensure the protection of public health, the free movement of goods within the internal market, and the safety of recycled materials that come into contact with food.

106. To ensure sustainable fish stocks, **multi-annual plans for managing fish stocks** need to be renewed while maintaining a science-based quota system. Agreements between the Baltic Sea countries (BALTFISH) must be taken into account.

107. On the EU level, coherent measures need to be devised to **mitigate the impact of cormorants and grey seals** on fish stocks. We are open to discussing an update of the EU Birds Directive's list of huntable species to give member states more scope to manage cormorant populations where they have a high impact on fish stocks. We are also open to discussing amendments to the EU regulation that restricts seal trade to find ways to allow for small-scale and sustainable seal hunting and related trade.

108. Under the EU's Common Fisheries Policy, **fleet management rules need to be reviewed and limits on vessel capacity removed** where sustainability is already ensured, for example, through volume of authorised catches or the number of passive gears in small-scale coastal fisheries.

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# Climate and environmental policy

109. **The EU's 2040 greenhouse gas reduction targets** need to be agreed to ensure that the necessary preconditions are in place to reach the target, in particular, the availability of technologies. To achieve the post-2030s climate and energy policy goals, investment in clean technologies must be encouraged, their development accelerated, administrative burdens reduced, and planning, licensing, and environmental impact assessment procedures simplified.

110. **A just transition** should not be considered on a regional basis alone. The target groups affected by the green transition must be included throughout the country.

111. **The EU Emissions Trading System for building and road transport fuels must be cancelled or its implementation postponed** in order to minimise the negative impact on the Estonian economy and people's livelihoods.

112. **To achieve the Land Use, Land-Use Change, and Forestry (LULUCF)** objectives, **additional relief needs to be agreed** with the European Commission proportional to changes in Estonia's deforestation in recent years due to geopolitical reasons. Estonia must also be able to use the derogation for countries with a high proportion of peat soils to achieve the objectives of the regulation.

113. **Forest management decisions** must respect the principle of subsidiarity and remain a national competence.

114. Traditional conservation and restoration practices need to be complemented by alternative financing mechanisms, including a **'biodiversity credit system'** that is traceable, measurable, and avoids the risks of greenwashing. A system must be created to demonstrate measurable and evidence-based lasting positive impacts on biodiversity.

115. At the EU level, the use of secondary raw materials needs to be stimulated by setting **uniform quality standards for secondary raw materials**. The standards must include minimum limits for the content of recycled material, including in electronic equipment and textiles, and requirements for using secondary raw materials produced in third countries in the EU.

116. **A more effective extended producer responsibility system needs to be developed in the EU to ensure that producer responsibility requirements are met** for products entering the EU market from third countries via selling platforms and that they are also covered in practice by EU waste management rules.

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# EU energy market and security of supply

117. The integration of EU energy markets must be further pursued through the construction of new c**ross-border connections and the creation of a single Baltic electricity bidding zone** to ensure security of supply and competitive energy prices.

118. EU co-financing must be secured for Estonia's **third electricity interconnector with Finland and the fourth electricity interconnector with Latvia** to carry out the necessary studies and works.

119. The EU's **electricity market requirements for justifying the need for capacity mechanisms need to be reduced** to allow Member States to quickly deploy **dispatchable generation capacity** as needed.

120. **The process for obtaining state aid approval for electricity market capacity mechanisms and renewable energy production** must be simplified to accelerate the uptake of clean energy and ensure the stability of the electricity system. The requirements for obtaining approval should be reduced, and the duration of the approval procedure shortened.

121. Targeted financing instruments and risk-mitigating guarantee schemes need to be introduced at the EU level to support investments in **offshore wind and long-duration energy storage**.

122. **Electrification** in various sectors, including heating and transport, must be increased in the EU. At the same time, it is important to preserve the option to use **domestic biomass and biogas**, provided that they meet the sustainability criteria of the EU Renewable Energy Directive.

123. We support the objective of **reducing emissions from heaters** to contribute to improving air quality and meeting climate targets. When reviewing the requirements for **wood and other solid biomass local space heaters**, the economic impact of the requirements must be carefully considered alongside

the environmental impact, and to ensure that people retain the option to heat their homes with wood in a cost-effective way.

124. We support preparations for the establishment of a **Nordic-Baltic Hydrogen Corridor** and consider EU co-financing essential to undertake the necessary studies.

125. **Nuclear energy** has an important role to play in achieving climate neutrality and security of supply in the EU, provided it is developed sustainably, nuclear fuel and technology are supplied from reliable countries, and a high level of safety is ensured.

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# Protection of critical facilities

126. **Cooperation and funding must be strengthened** in the EU to increase the **resilience of critical infrastructure**. We need to improve the physical and cyber protection of infrastructure, ensure stockpiles of critical components, develop monitoring systems, increase the capacity to respond rapidly to incidents, and repair infrastructure quickly.

127. At the EU level, there is a need to establish **uniform restrictions on equipment and technologies from third countries used in critical facilities** to reduce dependency on third countries and security threats. The owners of vessels that have damaged underwater infrastructure need to be held responsible and made to compensate for the damage caused through EU Member States and international judicial cooperation. **In the case of damage to critical infrastructure**, there is a need to **harmonise and strengthen minimum penalties** to increase their deterrent effect.

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# Transportation

128. **To complete Rail Baltic by 2030**, sufficient **EU funding** and a rapid pace of construction of the main railway line must be secured.

129. **The central EU support instrument** for building cross-border transport, energy, and communication networks **must be continued** in the next long-term EU budget period.

130. **Promoting and funding military mobility** and building transport infrastructure that meets the requirements for the rapid movement of heavy military equipment and supplies in a crisis is essential to strengthen Europe's defence capabilities.

131. It is important to promote the uptake of **coherent digital solutions** in the transport sector, which reduce the administrative burden on businesses and facilitate the development of combined transport. The potential of the **electronic freight transport information exchange system** to be introduced in Europe in 2027 must be applied across the land, air, and maritime transport sectors to ensure seamless data exchange.

132. The requirements set in the Alternative Fuel Infrastructure Regulation for the **installation of charging infrastructure for electric heavy-duty vehicles** should be relaxed, and the implementation deadlines postponed by 5 years.

133. An exemption **from the requirement to complete the Trans-European Transport Network (TEN-T) core network** by 2030 must be secured for Estonia's road sections with very low traffic volumes.

134. **State aid rules for the aviation sector** must allow for **more expedient and substantial support** for air connections and airports in peripheral regions of the European Union in case of market failure. It must also be possible to support the operating costs of airports in sparsely populated areas. **The procedures for launching international Public Service Obligation (PSO) routes** in border regions of the European Union will have to be **sped up** by introducing a maximum two-month deadline for the PSO procedure.

135. **It is essential to maintain the manufacturing capacity and innovation of the EU's maritime industry**. Requirements should be introduced in European shipbuilding tendering and procurement procedures that **strengthen the European production capacity** while ensuring compliance with international trade rules. To speed up the procurement process, a 'white list' of companies that have passed background and compliance checks should be implemented for large-scale public contracts (above €3 million).

136. In order to **avoid double-taxation of ship-owners and operators** active in the European Economic Area with regard to the introduction of a global carbon tax in the maritime sector, the relevant EU legislation, including the application of the Emission Trading System to the maritime sector and the RefuelEU Regulation, needs to be reviewed.

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# Economic and monetary policy

137. **The implementation of the economic governance rules of the EU** must ensure the sustainability of public finances and, in the longer term, debt reduction. The increase in defence expenditure must be financed permanently in the budget, including by using the flexibility provided for in the escape clause of the budgetary rules for 2025–2028.

138. The European Commission must come forward with a proposal for a **single Deposit Guarantee Scheme (DGS)**, which would not depend solely on their country's ability to guarantee deposits in the event of a bank failure.

139. **The digital euro** must be introduced in a way that ensures the resilience of payment services in crises.

140. **Over-regulation in the banking sector needs to be reduced**, paying particular attention to reducing reporting obligations.

141. **In taxation matters**, it is important to maintain unanimity on legislation and healthy tax competition. We find it important that Estonia can maintain, to the maximum extent possible, the corporate income tax system that favours the reinvestment of profits. The Commission's tax proposals must focus in particular on reducing administrative burdens and simplification. When new tax rules are introduced, it is necessary to analyse which older ones could be abolished.

142. **Public procurement rules** will need to be amended so that, in justified cases, procurement can be restricted to a limited number of tenderers, products, and services, based on security risks or European strategic autonomy considerations.

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# Long-term EU budget

143. Due to crises and challenges of recent years, there is a more urgent need for the European Union to have and implement common priorities. This is why, for the **EU budget period starting in 2028, the long-term budget** must increase in size and contribute significantly more to EU public goods, in particular to comprehensive defence, strengthening external borders, and the development of cross-border connections, as well as ensure support for Ukraine and take into account EU enlargement.

144. **Cohesion policy** must continue to support the socio-economic convergence of countries and regions. As countries' wealth increases, subsidies should not fall sharply compared to the previous

period. **More favourable treatment in the use of EU budget support should be foreseen for the border regions of eastern EU** to mitigate the impact of disruptions to cross-border trade flows and security constraints on local economies and infrastructure development, and to strengthen the resilience of communities.

145. **The Common Agricultural Policy** must continue to harmonise the level of direct payments between Member States to achieve equal terms of competition.

146. **Possible new sources of revenue for the budget** must have added value compared to the current system, i.e. not merely redistribute contributions from national budgets. Neither should the new own resources place a disproportionate burden on less prosperous Member States.

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