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COMMISSION IMPLEMENTING DECISION

of 11.4.2024

on the authorisation of the disbursement of the third instalment of the non-repayable support for Estonia

(Only the Estonian text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 16 June 2023 on the approval of the assessment of the recovery and resilience plan for Estonia² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Estonia has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 18 December 2023, Estonia submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the third instalment of the non-repayable support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Estonia³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 18 relevant milestones and targets related to the non-repayable support and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the satisfactory

¹ OJ L 57, 18.2.2021, p. 17.

² Council Implementing Decision amending the Council Implementing Decision of 29 October 2021 on the approval of the assessment of the recovery and resilience plan for Estonia, COM 2023/0161.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Estonia, entered into force on 4 March 2022.

- fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and considered that Estonia has satisfactorily fulfilled all the milestones and targets associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.
- (4) Section 2(1) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the third instalment of the non-repayable support for an amount of EUR 142 977 720.
 - (5) Target 7 provides that at least five projects developing platforms for a digital exchange of information in road freight transport have received a positive grant decision. The evidence provided by Estonia demonstrates that six projects were awarded a grant to develop a digital platform and the basic functionalities to enable the deployment of digital waybills exchange service. On the basis of the due justification provided, target 7 should be considered as satisfactorily fulfilled.
 - (6) Milestone 24 provides that the Green Transition Task Force shall review the existing Circular Economy activities and different action plans and merge them into a single Circular Economy Action Plan that will lead the Estonian transition to a Circular Economy. The evidence provided by Estonia demonstrates that the Green Transition Task Force has reviewed the existing Circular Economy activities and prepared a single Circular Economy Action plan. On the basis of the due justification provided, milestone 24 should be considered as satisfactorily fulfilled.
 - (7) Milestone 41 provides that project selection criteria shall be developed, and the ministerial decree on the conditions for granting support for projects related to integrated green hydrogen technologies shall enter into force. Furthermore, compliance with DNSH criteria shall be ensured. The evidence provided by Estonia demonstrates that project selection criteria and conditions for granting support for projects related to integrated green hydrogen technologies have been established through a regulation, which has entered into force and also defines the compliance with DNSH criteria. The Council Implementing Decision required the development of project selection criteria and conditions for granting support to be enacted by a decree of the responsible minister, whilst Estonia used a regulation issued by the Minister of Economic Affairs and Conditions. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, according to Estonian legislation, Estonian ministers can only issue regulations and directives. Regulations have the same legal effect as a decree in the Estonian legal system. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. The measure description further required that the projects to be supported shall be selected following a call for proposal that is open for projects from all economic sectors. The evidence provided by Estonia shows that the call for proposals was open to the transport and chemical sector. Whilst this constitutes a minimal substantive deviation from the requirement of the Council Implementing Decision, a thorough analysis has been done to identify the relevant sectors related to green hydrogen technologies, which resulted in the identification of the transport and chemical sector. The study conducted for the Estonian government by Civitta Eesti AS (Civitta), the Tallinn Center of the Stockholm Environment Institute (SEI) and the National Institute of Chemical Physics and Biophysics (NICPB) identifies the sectors

- of transport and chemical as the most relevant sectors for green hydrogen deployment in Estonia, based on interviews held with potential users of hydrogen in different sectors of the economy (such as agriculture, transport, energy) and on an estimate of the potential of the production needs in 2030 and 2050 in different sectors. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (8) Target 47 provides for the launch of two personal life event services and/or proactive services. The evidence provided by Estonia demonstrates that two personal life event services (“getting married” and “having a baby”) have been launched and that the corresponding IT solutions are operational at least in the basic parts of the service. The Roadmap, provided as evidence by Estonia, describes the next steps for the further development of the proactive digital public services. The evidence provided by Estonia also shows that the selection of services was based on the development plan. Both life event services that were launched online allow a better integration of IT systems across different public authorities and contribute to the implementation of the once-only principle. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (9) Target 49 provides the deployment of one IT development contributing to the implementation of the business event services and gateway. The evidence provided by Estonia demonstrates that one IT development project was deployed (a new portal for Estonian entrepreneurs), and the evidence also shows that this IT development was directly related to the development of the digital gateway for entrepreneurs. Furthermore, the evidence provided by Estonia shows that as a result of the development project, a functional IT solution had been completed (i.e., the IT solution was operational at least in the basic parts for the end users (entrepreneurs) and the development project was able to provide feedback for further development needs during the reform’s implementation period or afterwards. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (10) Milestone 63 provides for the setting up of a regional advisory network of technical consultants for energy-efficient renovations in order to provide the necessary information and incentivise renovations. The evidence provided by Estonia demonstrates that cooperation agreements have been concluded between the central authority managing the renovation support measures (EAS/KredEx) and the regional development centres to ensure that at least one trained specialist would provide advice on renovation in each region. Estonia has also provided evidence that advice has been provided at least once in each regional development centre. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone 76 provides that an open call shall be published by the Environmental Investment Centre to support the grid connection costs of companies producing electricity from renewable sources in industrial sites and that compliance with DNSH criteria shall be ensured. The evidence provided by Estonia shows that an open call was published on the website of the Environmental Investment Centre. The establishing regulation ensures compliance with DNSH criteria and defines that companies producing electricity from renewable sources in industrial sites are eligible. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (12) Milestone 78 provides that an open call shall be published by the Environmental Investment Centre to support energy storage projects and that compliance with DNSH criteria shall be ensured. The evidence delivered by Estonia demonstrates that a call for proposal was published on the website of the Environmental Investment Centre and in various media outlets. The compliance with DNSH criteria is defined in the regulation establishing the call for proposals. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Milestone 82 provides for the adoption of an implementation plan for green sustainable public transport development of the Transport and Mobility Development Plan 2021-2035. The evidence provided by Estonia demonstrates that the Estonian Government adopted the implementation plan, and that the content of this Plan is in line with the milestone requirements. The Council Implementing Decision required the implementation plan to be approved by a Steering Committee. The implementation plan was approved and signed by the Minister of Economic Affairs and Infrastructure on 31 January 2023. The draft of the implementation plan was submitted to the Steering Committee for opinion in writing. The Plan was amended with input received from the Steering Committee, and then submitted to the Ministry of Finance, as shown in feedback documents. Whilst this constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, the Steering Committee has been consulted, and their comments have been taken into account. In addition, the implementation plan has been approved by the Minister of Economic Affairs and Infrastructure, which is of higher hierarchical order than the approval by a Steering Committee. As of this, this minimal deviation does not affect the progress towards achieving the investment that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Milestone 92 provides for the publication of an open call for investment by municipalities in bike- and walkways. The evidence provided by Estonia demonstrates that a call for proposal was published on the website of the State Shared Service Centre. The call for proposals includes requirements such as the construction of 24 km of bike- and walkways infrastructure that ensure safe and sustainable access to public services, public transport, and workplaces. The call also sets out that attention is paid to the Rail Baltic local stops and connection with the existing cycling and pedestrian network. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Milestone 95 provides for the approval of the Strategic Framework for addressing health workforce shortages which shall outline measures on the organisation of health care services in different health sectors, in particular specialised care; allocation of physical and human resources to ensure the provision of health care throughout the territory, financing, governance and information exchange mechanisms that ensure performance throughout the country. The evidence provided by Estonia demonstrates that the Strategic Framework has been adopted in line with the milestone requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (16) Milestone 96 provides for the entry into force of the Decrees of the Minister of Health and Labour amending the reimbursement system for doctors and pharmacists. The evidence provided by Estonia demonstrates that the Regulation of the Minister of Health and Labour on “The beginner’s allowance for medical specialists” and the Regulation of the Minister of Health amending the Regulation on “The procedure for application for, payment and recovery of the beginner’s allowance for a pharmacist”

entered into force. The Council Implementing Decision required the entry into force of Decrees of the Minister of Health and Labour, which amend the reimbursement system for doctors and pharmacists. Whilst adopting a regulation instead of a decree constitutes a minimal formal deviation from the requirement of the Council Implementing Decision, according to Estonian legislation, Estonian ministers can only issue regulations and directives. Regulations have the same legal effect as a decree in the Estonian legal system. As of this, this minimal deviation does not affect the progress towards achieving the reform that the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (17) Milestone 99a provides for the signature of the contract for the construction of TERVIKUM, which is a new health center in the city of Viljandi consisting of a general hospital and a primary health care centre. The evidence provided by Estonia demonstrates that the contract has been concluded by the Estonian Government in line with the milestone requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Milestone 108 provides for the entry into force of amendments to the Health Services Organisation Act which shall amend the management of the list of patients, ensure continuity of primary care and extend the rights of nurses to prescribe medicines to patients. The evidence provided by Estonia demonstrates that the amendments entered into force in line with the milestone requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (19) Milestone 109 provides for the approval of the proposal on the Governance Framework and implementation roadmap, which shall update the governance framework for eHealth and the coordination of the development of eHealth services. The evidence provided by Estonia demonstrates that the Governance Framework and implementation roadmap were approved in line with the milestone requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Milestone 116 provides for the entry into force of the amendments to the Unemployment Services and Benefits Act and the Unemployment Insurance Act which shall lay down a permanent mechanism to activate the extension of the duration of unemployment insurance benefits by 60 days. The evidence provided by Estonia demonstrates that the amendments entered into force in line with the milestone requirements and of those in the Further Specification of the Operational Arrangements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (21) Milestone 118 provides for the adoption of the Action Plan on an integrated care model. The evidence provided by Estonia demonstrates that the Action Plan was adopted by the Minister of Social Protection and the Minister of Health in line with the milestone requirements. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (22) Milestone 122 provides for developing a prototype of a digital gender pay gap tool. The evidence provided by Estonia demonstrates that the prototype has been developed. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (23) Furthermore, Estonia has also confirmed that previously satisfactorily fulfilled milestones and targets have not been reversed.
- (24) Following the fully positive assessment concerning the Estonian payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the third instalment of the non-repayable support should be authorised.
- (25) In accordance with Article 2(3) of the Council Implementing Decision, as specified in the Financing Agreement, the pre-financing of the financial contribution shall be cleared by being proportionally deducted against the payment of the instalments. As Estonia received EUR 143 991 532 of the financial contribution as pre-financing, an amount of EUR 20 687 219 of the payment should be utilised to clear the pre-financing, of which EUR 3 853 422 to clear the pre-financing for the REPowerEU chapter.
- (26) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (27) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the third instalment of the non-repayable support as laid down in Section 2(1) of the Annex to the Council Implementing Decision of 16 June 2023 on the approval of the assessment of the recovery and resilience plan for Estonia for an amount of EUR 142 977 720 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Estonia, EUR 20 687 219 shall be utilised to clear the pre-financing of the financial contribution and offset the excess amount of pre-financing paid. EUR 122 290 501 shall be provided to Estonia by means of payment to the bank account indicated in the Financing Agreement.

Article 2
Addressee

This Decision is addressed to the Republic of Estonia.

Done at Brussels, 11.4.2024

For the Commission
Paolo GENTILONI
Member of the Commission