

Estonia 2020 action plan - ANNEX

Reform commitments of the Euro Plus Pact to be taken for 2013/2014 under updating the National Reform Programme "Estonia 2020"

Background

At the European Council meeting of 24-25 March 2011, the heads of government agreed on the **Euro Plus Pact**, which aims at the implementation of concrete reforms¹ for the purpose of increasing the competitiveness and employment, improving the sustainability of public finance, and ensuring financial stability.

In 2012, Estonia assumed **12 reform commitments** as a part of the Euro Plus Pact, approving these under a cabinet decision on 26 April in the national reform programme "Estonia 2020". The reforms are to be implemented by the summer of 2013 and the current status of their implementation is as follows:

- four have been implemented – (1) lowering the unemployment insurance premium rate, (2) amendments to legislation serving as prerequisites for the opening of the gas market, (3) development of principles for financing of general education, (4) launching of a programme for the organisation of the upper secondary school network;
- six are planned to be implemented by summer 2013 – (1) an environmentally friendly public transport investment programme, (2) the first stage of investments into energy conservation, (3) legislative basis for modernisation of vocational education curricula, (4) centralisation of financial and personnel accounting, (5) reform of the management system of European Union funds, (6) simplifying entrepreneurship grants;
- two will presumably be delayed by a few months – (1) the new capacity for work scheme, (2) a programme for improving employment among youth with low competitiveness.

List of reform commitments for 2013/2014

Based on the priorities agreed at the European Council and in accordance with the action plan of the Government and the discussions of the State Budget Strategy and the Structural Funds 2014+, the Government will carry out **following nine reforms and activities** by June 2014 to fulfil the objectives of the Euro Plus Pact, that will be approved with the "Estonia 2020":

1. **Implementation of higher education reform**, support institutions of higher education in strengthening their areas of responsibility, incl performance grants in priority specialities, internationalisation, entrepreneurship training and development of practical training systems.
2. **Extension of funding the upper secondary school network reform**, investment programme aimed at local government authorities to support the reform in an amount of 50 million euro

¹ In the case of draft legislation, the Riigikogu must pass the legislation. In the case of actions that do not require parliamentary procedure, the cabinet or minister must have made the necessary decision

(incl. the establishment of boarding school facilities). The volume of the first stage is 24 million euro, which covers less than a third of the total need.

3. **Amendment of the Aliens Act**, more flexible possibilities will be created for increasing the mobility of highly qualified employees and researchers and improving student-mobility.
4. **Supporting the IT academy to alleviate structural unemployment**, the prioritized development of the successfully launched ICT education and research will continue according to the need for workforce in the sector.
5. **Development of support programmes for research, development and growth companies based on smart specialisation**, new measures focussing on a limited number of growth areas under preferential development selected on the basis of economic and social impact.
6. **Continuous support for the development of the “last mile” of the high-speed internet network**, provision of additional support by the state (about 25% of the total investment need) to take the Internet connection to companies and homes in market failure areas (particularly in rural areas).
7. **Launching the Rail Baltic joint venture**, for the integral management of the establishment of a transport infrastructure of European level importance.
8. **Launching stage I of the capacity for work scheme**, implementation of new assessment and support systems related to reduced capacity for work and an occupational accident insurance system based on private insurance.
9. **Updating the hospital network development directions**, strengthening of the basic medical care through the harmonisation of the required infrastructure network and supporting further optimum development of the hospital network providing specialised medical care.