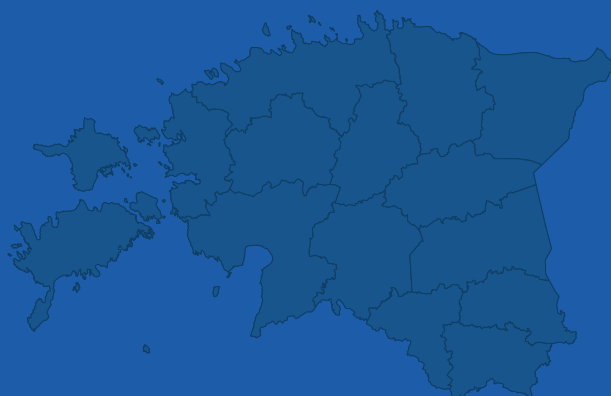


Startup Estonia

Good practice



Member State, Region: Estonia, National Initiative

Publication date: June 2025

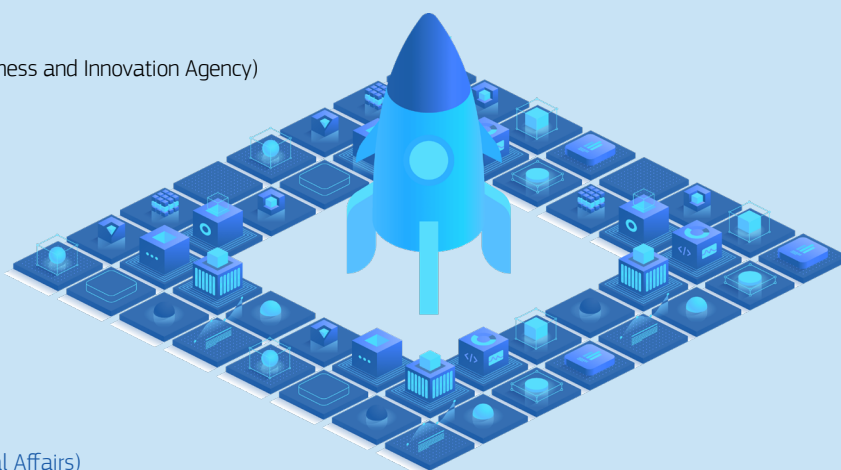
Basic project details

Main institution heading the initiative:

[Enterprise Estonia](#) (legally called Estonian Business and Innovation Agency)

Main partners involved:

- [Estonia startup community](#)
- [LIFT99 \(Startup Hub\)](#)
- [Tehnopol Startup Incubator](#)
- [Work in Estonia Initiative](#)
- [Digital Nomad Visa](#)
- [e-Residency Programme Estonia](#)
- [Police and Border Guard \(Ministry of Internal Affairs\)](#)



Project duration (start – end date):

During 2014–2016, Startup Estonia had a 2-year pilot programme cooperation with the Estonian Ministry of Environment. The programme was officially launched in 2016 under [Foundation KredEx](#). The Startup Visa Programme was instead launched in 2017. All activities are ongoing.

Main sector targeted: Competitiveness and innovation; Jobs and Skills

Official website:

<https://startupestonia.ee/start-up-in-estonia/>

Implementation costs

Total budget (in €): EUR 8,926,004.09

Sources of funding:

Startup Estonia is fully EU funded through the Estonian **Operational Programme for Cohesion Policy Funding 2014–2020**.¹

Amounts:

- EUR 319.034,09 (ERDF 1 July 2015 – 31 December 2016)²
- EUR 8.606.970,00 (ERDF 1 July 2016 – 31 December 2023)³

EU funding: European Regional Development Fund (ERDF)

Short summary of the project

Startup Estonia was initiated in 2014 and officially launched in 2016 through an executive order by the Estonian Minister of Entrepreneurship. The programme aims to develop and strengthen Estonia's startup ecosystem through various grants and community-driven initiatives⁴. Tasked by the Ministry of Entrepreneurship, Startup Estonia sought to build on the success of Estonia's flagship startups – such as Skype – and transition the ecosystem from producing isolated success stories to fostering a more sustainable and cohesive startup environment. Initially, the initiative also played a key role in distributing European structural funds from the 2014-2020 programming period to support startup-driven initiatives in Estonia. Over time, Startup Estonia has evolved into the primary supporter and enabler of the Estonian startup community, acting as a bridge between founders, ecosystem stakeholders, and the public sector.

Startup Estonia focuses its attention on creating an attractive startup culture and collaborative environment in Estonia within **four focus areas**:

1. Creating and maintaining a high-quality startup environment
2. DeepTech ecosystem with a respective action plan
3. Ensuring diversity in the talent pool by attracting global talent and founders
4. Advancing regional entrepreneurship by using boots-on-the-ground community building

The initiative aims to position Estonia as a leading startup hub in Europe, establishing its startup ecosystem as a key player in the European entrepreneurial landscape. Through Startup Estonia, a structured ecosystem has been developed to support both local and international startups, fostering collaboration and enabling partnerships. This platform connects top startups, incubators, and accelerators across Estonia's private and public sectors, creating an integrated and dynamic environment for innovation.

As part of this effort, Startup Estonia launched the Startup Visa programme in 2017 to attract global founders and talent, streamlining the visa process for non-EU entrepreneurs. A sister programme – Scale-up Visa – aimed at scaling up startups was established in 2023.

Startup Estonia has successfully led to the relocation of 6,445 skilled professionals to Estonia between 2017 and 2024, of which more than **1,000 are founders**. Of the founders granted the right to relocate their business to Estonia, close to 300 have established registered companies in Estonia, contributing significantly to the Estonian economy. Foreign-founded startups have had a significant impact on the economy, recording an **annual turnover of 84 million EUR in 2022** and paying 9.5 million EUR in government tax and 7.6 million EUR in employment taxes.



Regional context

Estonia faces a key innovation challenge due to the emigration of skilled workers, even as its economy increasingly focuses on technology and startups. A major hurdle has been the limited international visibility of its startup ecosystem, initially restricting its ability to attract global talent. Despite this, Estonia has a highly educated workforce, with 42.3% of the working-age population holding tertiary education, a figure that has steadily increased. The country also maintains a positive net migration rate, indicating its growing attractiveness. The labour market saw an employment rate of 69.2% in 2022, with a rise in mid- and senior-level specialists, while lower-skilled jobs declined.

However, labour shortages are expected as the population ages, with demand increasing for ICT specialists, engineers, healthcare professionals, and business analysts.⁵ Nevertheless, Estonia has successfully positioned itself as a startup hub, with initiatives like Startup Estonia attracting global founders. The country is home to four unicorns⁶, ranks 14th in the EU Innovation Index, and has seen a rise in trademark applications and startup-driven employment growth—all indicators of its thriving innovation ecosystem.⁷



Effectiveness

Goals of the initiative

The initiative aims to attract founders and skilled talent to Estonia, positioning the country as a leading startup and innovation hub in Europe and beyond. A key component of this effort is the Startup Visa programme, designed to attract and retain international entrepreneurs. The programme supports non-EU founders in growing their startups in Estonia while also facilitating the recruitment of non-EU talent for Estonian startups.

Types of activities

Attraction:

Startup Visa: Launched in 2017, the Startup Visa initiative focuses on two key activities:

1. *Facilitating Talent Recruitment* – Helping local startups hire foreign talent more efficiently, with a particular focus on non-EU professionals.
2. *Supporting Non-EU Founders* – Assisting non-EU entrepreneurs in establishing and scaling their startups in Estonia, whether to access the EU market or leverage Estonia's strong research and innovation ecosystem.

The visa operates under Estonia's legal framework for startup recognition, ensuring that applicants meet the necessary criteria. Startup Estonia guides new startups through the application process and provides essential immigration-related information, including housing options and estimated living costs.

The visa application process requires startups to submit CAP

documents⁸ detailing their status and progress. These submissions are reviewed by the Startup Visa Committee, which evaluates whether the company is sufficiently developed to enter the European market.

Scale-up Visa: The Scale-Up Visa is a sister programme to the Startup Visa, offering similar support but tailored to startups that have outgrown the early stage and are now legally classified as scale-ups. While these companies have progressed beyond the initial startup phase, they still require assistance in areas such as talent acquisition and international expansion. The programme operates within Estonia's legal framework, which defines the distinctions between startups and scale-ups, ensuring that only eligible companies receive support.

Talent Attraction Abroad: Startup Estonia actively promotes Estonia as a startup destination at international fairs, conferences, and key industry events, with a primary focus on Brazil and planned expansions into other Latin American markets. These efforts are

targeted outside the EU to raise awareness of Estonia's startup ecosystem. The organisation also hosts roadshows, masterclasses, and conference presentations in selected markets, including Brazil, South Africa, and the UK, to engage global entrepreneurs. Additionally, bi-monthly sessions are held to support and encourage the participation of international founders in Estonia's startup community.

Integration:

Slack Channels for founders: To support foreign founders in integrating into Estonia's startup ecosystem, Startup Estonia has established a Slack channel where they can connect, seek advice, and share experiences. This online community helps entrepreneurs navigate relocation challenges while fostering professional and social networks. By providing a supportive environment, the initiative enhances the likelihood that international founders and their startups will remain in Estonia long-term, strengthening the ecosystem's stability and growth.

Resources:

Startup Estonia provides a range of legal and industry-standard documents in collaboration with the Estonian Private Equity and Venture Capital Association ([EstVCA](#)). These include model contracts, strategic guidelines, surveys, and investment instructions designed to assist startups—both local and international—at various stages of their business journey. These resources streamline early-stage legal and administrative processes, reduce costs, and educate entrepreneurs on best practices, accelerating company formation, team building, and investment readiness. All materials are freely available on Startup Estonia's website.⁹

Connecting:

Ecosystem Platform: Estonia offers a supportive and [interconnected startup ecosystem](#), empowering entrepreneurs and investors through an extensive online platform. This ecosystem database includes:

- Startups and scale-ups.
- Deep tech companies and unicorns.
- Foreign startups operating in Estonia.
- Investor and funding insights.
- Market heatmaps and industry reports.
- A job board and network of support organisations.

Startups and scaleups can register on the platform via the Startup Estonia website, gaining access to essential resources and networking opportunities. Startup Estonia also organises ecosystem meetups to facilitate collaboration, share best practices, and support emerging founders—particularly in the Ida-Virumaa region, where new startup support programmes are being launched. Startup support organisations can also sign up for the platform under a different [interface for support organisations and accelerators](#) to find startups and other partners for possible collaboration or investments.

Research activities:

Market Monitoring: Startup Estonia conducts quarterly reports and in-depth biannual studies¹⁰ to track market trends and startup activity. These analyses help identify:

- Which types of companies are establishing operations in Estonia.
- The key regions from which international founders originate.
- Emerging trends in innovation and entrepreneurship.

The organisation also uses data analytics and digital market monitoring tools to track local and international talent availability. This enables Startup Estonia to better align the Startup Visa selection process with Estonia's economic and industry demands.

Mindset:

Fostering an Innovation Culture: Startup Estonia actively promotes an entrepreneurial mindset, particularly among young people, by supporting STEAM¹¹ and entrepreneurship programmes. The initiative collaborates with various partners to introduce students to the startup ecosystem through practical learning experiences, including:

- Coding camps
- Mechanical workshops
- Innovation challenges

Key partners include [Merkuur](#), [Junior Achievement Eesti](#), and the [Codesters Club](#), all of which organise events to inspire the next generation of Estonian entrepreneurs.

Supporting New Startups:

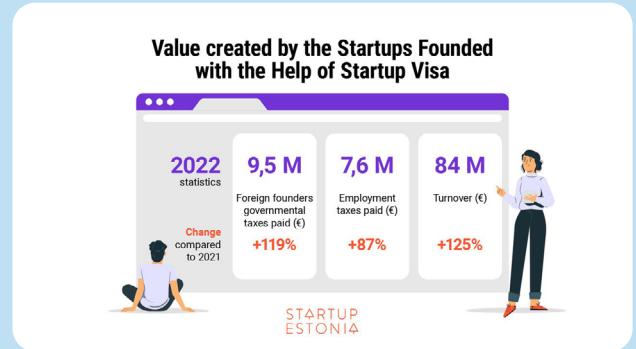
To **stimulate new business creation**, Startup Estonia organises idea hacks, boot camps, and hackathons in collaboration with [Tehnopol Startup Incubator](#) and [OBJEKT Startup Hub](#). Tehnopol Startup Incubator, for instance, is a pivotal partner of the Programme and supports nearly 100 startups a year with tailored mentoring from a pool of local and international experts covering areas like product development, marketing, and investor readiness. Each startup supported by the Incubator is assigned a dedicated key coach who tracks progress weekly and provides hands-on support across various fields. The Incubator uses a structured PPP (Problems, Progress, Plan) mentoring model and incentivises coaches with reimbursement and success fees, enhancing commitment and impact. Over 800 entrepreneurs have received support at Startup Incubator over the years, helping them raise a total of over 40 million euros in investments. **Startup Estonia also works to bridge traditional industries with the startup ecosystem**, hosting events that connect established companies with innovation-driven entrepreneurs, fostering a culture of collaboration and technological advancement. A highlight is the W3N tech conference in Narva, which brings together the Ida-Viru startup community, providing a platform for local founders to network and showcase ideas.

Important outputs, results & achievements

Through the Startup Estonia initiative:

- Since 2017, **6,445 individuals (employees + founders) have relocated to Estonia as a direct result of the Startup Visa programme**. This includes more than **1,000 startup founders, coming from 80+ countries**. Initially, the majority of applicants came from Russia, India, Turkey, Ukraine, Iran, Pakistan, and Egypt. Since 2020, the applicant pool has increasingly shifted towards Brazil and Latin America, while Iran, Pakistan, and Egypt remain key talent sources. The main sectors those founders operate in are Business Software & HR, AdTech & Creative Tech, Fintech, and Consumer Products & Services.
- Of the founders granted the right to relocate their business to Estonia with the help of Startup Visa, close to **300 have established registered companies** in Estonia, contributing significantly to the Estonian economy.

- As the figure below outlines, foreign-founded startups have had a significantly positive impact on the economy, recording an **annual turnover of 84 million EUR in 2022** and paying 9.5 million EUR in government tax and 7.6 million EUR in employment taxes. The biggest revenue was generated by [Glia](#), [Vertigo Games](#) and [Atomic Wallet](#).



- Startup founders that have relocated to Estonia with the help of Startup Visa **ensure high standards for their employees**: the average gross **salary in those startups was more than two times the Estonian average salary**, totaling 3,240 EUR.

Key success factors

Several factors have been essential to the success of the Startup Visa programme and Startup Estonia as an organisation.

1. Strong Private Sector Involvement

From the outset, entrepreneurs and businesses have played a crucial role in supporting the programme. Even before its launch, strong private sector backing ensured seamless integration into Estonia's business environment. Additionally, key business leaders from various industries participate in the Startup Visa Committee, evaluating applications to ensure that new startups align with and contribute to the local economy.

2. Favourable Legal Framework

Estonia's centralised national legislation simplifies policy implementation, as there are no regional governments introducing independent initiatives. The Startup Visa is an exception within Estonia's strict immigration laws, offering a unique entry point for non-EU talent. The programme's success is built on trust and cooperation between agencies, ministries, and stakeholders, ensuring smooth operations and making Estonia a leading gateway for global entrepreneurs entering the EU market.

3. Engagement of Opinion Leaders

The early involvement of influential stakeholders—including policymakers, investors, and industry leaders—has been pivotal in gaining credibility and public support. The Startup Visa Committee ensures rigorous applicant screening, helping to identify high-potential startups. Furthermore, alignment between the government, business community, and Startup Estonia has been key to maintaining a unified vision and ensuring the initiative's long-term success.

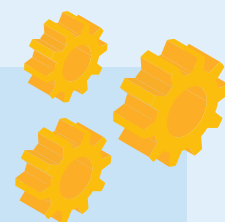


4. Estonia's Strong International Reputation

Estonia enjoys a positive global image as an innovation-driven startup hub. Its well-developed digital infrastructure, English-language administrative services, and low bureaucratic barriers make it an attractive destination for entrepreneurs. The ease of access to government and business services online, along with widespread high-speed internet and a robust mobile network, allows newcomers to quickly integrate and establish operations.

5. Fast and Efficient Administrative Processes

Estonia's flat administrative hierarchy enables fast-tracked visa applications. The entire process—from initial application to approval—takes only two months, with final visa issuance typically completed within 10 days. This efficiency enhances Estonia's attractiveness, making the Startup Visa programme one of the fastest and most accessible in Europe.



Key challenges

Two major challenges have emerged in the operations of Startup Estonia and the Startup Visa programme.

1. Institutional Coordination and Process Efficiency

Communication and operational processes between institutions can sometimes cause delays and inefficiencies. Representatives have noted challenges in receiving timely responses from government agencies, which affects overall processing speed. The Ministry of Interior Affairs, with the department of Police and Border Guard, takes a cautious and stringent approach when evaluating talent attraction policies. A key issue is the definition of a startup, which determines eligibility for the Startup and Scale-Up Visa programmes. Under Estonian legislation, a startup is legally defined as a company that has existed for a maximum of 10 years. This limitation created barriers for more mature startups that still required international talent support. In response, Startup Estonia introduced the Scale-Up Visa, turning this legislative restriction into an opportunity for broader talent recruitment.

2. Public Awareness and Perception of Immigration

A significant challenge lies in public awareness of the initiative and its services. This issue has two key aspects:

- **Limited Visibility:** The programme remains relatively unknown both in Estonia and internationally, restricting its reach and uptake.
- **Immigration Sensitivities:** Immigration—particularly from non-EU countries—remains a politically sensitive issue in Estonia. Public and political sentiment can influence policy decisions made by key government bodies, including the Ministry of Interior Affairs.

To address these challenges, Startup Estonia must focus on increasing public and international visibility through targeted awareness campaigns, maintain ongoing dialogue with key stakeholders, and ensure proactive engagement with policymakers, founders, and the public to secure long-term support for the programme.

Scalability¹² and replicability¹³

Scalability

The Startup Visa programme is highly scalable, as it operates with minimal personnel requirements and low administrative costs. The programme is currently managed by two dedicated staff members from Startup Estonia, focusing on marketing, organisation, and strategy. Additionally, the Startup Visa Committee, consisting of nine business sector representatives, provides expert evaluation of applicants on a voluntary basis, further reducing operational costs.

Given its lean structure, the programme can be scaled up efficiently without requiring a significant increase in staffing. Since the Startup Visa is already a national-level initiative, expanding it to a larger country would primarily involve adjusting operational capacity to accommodate higher application volumes.

For successful expansion, three key conditions must be met:

1. **Strong Coordination Among Stakeholders** – A well-connected network of involved actors, including government agencies, startup communities, and business representatives, is crucial to maintaining the efficiency and speed of the visa approval process.
2. **Trust Building** – As the programme scales, fostering trust among key stakeholders—particularly between the startup ecosystem and government authorities—is essential for sustained collaboration.
3. **Continuous Communication and Transparency** – Scaling requires clear communication channels and transparent processes to ensure that all actors remain aligned and committed to the programme's objectives.

Although expanding to a larger national level introduces greater complexity, these challenges can be addressed through structured coordination, strong stakeholder relationships, and a clear governance framework.

Replicability

The Startup Visa model is highly transferable to other countries, provided that the right administrative and operational conditions are in place. The success of the programme in a new setting depends on:

1. **Government and Institutional Support** – A key factor in replicating the programme is securing commitment from national authorities responsible for visa processing and immigration policies.
2. **Trust Between Actors** – Estonia's flat administrative structure facilitates smooth collaboration. While other countries may have more complex hierarchies, trust can still be established through structured engagement between business leaders, ministries, and startup networks.
3. **Clear Oversight and Process Alignment** – The managing authority must have a comprehensive overview of both the visa process and the startup ecosystem to ensure seamless integration.

The flexibility of the programme's design allows it to be adapted to different regulatory environments, making it a viable model for other countries seeking to enhance startup-driven talent attraction. Establishing early buy-in from key stakeholders is critical, as government support plays a decisive role in ensuring long-term programme sustainability.



Sustainability¹⁴

The long-term sustainability of Startup Estonia and its Startup Visa and Scale-Up Visa programmes depends on continued state investment, as the initiative is not expected to become financially self-sufficient in the short to medium term. However, the programme has demonstrated a strong return on investment, with every euro spent contributing significantly to Estonia's startup ecosystem and economic growth. This financial benefit, combined with broad support from the business and startup communities, strengthens the initiative's long-term viability.

One of the key indicators of sustainability is the absence of resistance from the business sector, which has not only embraced the initiative but has also called for its expansion. The programme's adaptability has been a major factor in its resilience, as seen with the introduction of the Scale-Up Visa in response to demand from more established startups seeking international talent. This ability to adjust to market needs ensures that Startup Estonia remains relevant and impactful, allowing it to evolve alongside Estonia's broader economic and innovation strategies.

Looking ahead, expanding international outreach will be essential for the programme's sustainability. Plans to increase visibility in new target markets will help attract a more diverse pool of founders and skilled talent. While these efforts are still in their early stages, they represent a strategic approach to

strengthening the initiative's long-term impact. At the same time, the programme's future direction will be influenced by macroeconomic and geopolitical factors. Estonia's geographical position makes it susceptible to shifts in global talent mobility, and maintaining a flexible approach will be crucial in adapting to external developments. One way to future-proof the initiative is by focusing on emerging high-growth sectors, such as deep technology, which could further enhance Estonia's position as a specialist hub for cutting-edge startups.

The biggest challenge to long-term sustainability remains to secure stable funding to allow for an expansion of the programme. While current funding levels are sufficient to maintain operations, further investment would enable Startup Estonia to scale its efforts and potentially expand its services to established companies seeking international talent. Strong backing from the business community and Estonia's pro-innovation policies together provide a solid foundation for securing additional resources. Overall, the initiative's sustainability is reinforced by its adaptability, proven economic benefits, and strong industry support. By maintaining close engagement with stakeholders, expanding its international reach, and aligning with future economic priorities, Startup Estonia can continue to be a key driver of talent attraction and innovation in the long term.

Innovativeness

The initiative is innovative in its approach of creating a national startup network to consolidate efforts and aid the inflow of foreign talent to the local startup community. The creation of the Startup Visa made Estonia the easiest entry point into the European market for non-EU founders and entrepreneurs. This also applies to talent, as Estonia became the most accessible entry point for international talent to enter the labour market in the innovative startup sphere. The initiative is also the first of its kind in Estonia and bordering countries, leading to an unprecedented inflow of talents who contribute to the startup sector in the region.



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Interview with representatives of Startup Estonia, conducted on the 06.01.2024 (Note. The interviewee shared international documentation with the HTP Secretariat in support of their work)

Contact

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Website: https://ec.europa.eu/regional_policy/policy/communities-and-networks/harnessing-talent-platform_en

Endnotes

- 1 Operational Programme for Cohesion Policy Funding 2014-2020 (https://ec.europa.eu/regional_policy/in-your-country/programmes/2014-2020/ee/2014ee16m3op001_en)
- 2 European Commission. (n.d.-b). *Startup Estonia 2016*. Kohesio: Discover EU Projects in Your Region. Retrieved February 4, 2025, from <https://kohesio.ec.europa.eu/en/projects/Q3069381>
- 3 European Commission. (n.d.-a). *Startup Estonia*. Kohesio: Discover EU Projects in Your Region. Retrieved February 4, 2025, from <https://kohesio.ec.europa.eu/en/projects/Q3069370>
- 4 These community facing programmes involve the organisation of events such as hackathons, conferences, and hands-on mentoring between superhero founders and newcomers aimed at instilling a startup mindset in the Estonian society and business community.
- 5 European Employment Services. Labour market information: Estonia. (n.d.). EURES (European Employment Services). Retrieved from https://eures.europa.eu/living-and-working/labour-market-information-europe/labour-market-information-estonia_en
- 6 The term unicorn describes a startup company that is financed through venture capital and has a valuation of over €1 billion.
- 7 European Commission (2024). Country Profile Estonia. European Innovation Scoreboard. European Commission. Retrieved from [EIS interactive tool 2024 | Research and Innovation](#)
- 8 CAP documents are organisational records that outline a company's equity structure, detailing ownership stakes, stock distribution, convertible securities, warrants, options, and grants. These documents provide a comprehensive overview of a startup's equity ownership. As part of the Startup Visa application, CAP documents play a crucial role in the evaluation process. The Startup Visa Committee reviews them to assess the startup's financial and organisational structure, helping determine whether the company meets the criteria for visa approval.
- 9 The documents aiding startups in setting up their businesses in Estonia are available under [strategic documents and instructions - Startup Estonia](#)
- 10 The published reports can be found on Startup Estonia's website under [statistics and surveys - Startup Estonia](#)
- 11 STEAM refers to an educational approach involving science, technology, engineering, the arts and mathematics as access points to guide students.
- 12 Scalability entails that a policy approach can be adapted to a bigger scale than just the local context.
- 13 Replicability entails that a policy approach can be applied to a different setting in a rather straightforward manner.
- 14 Sustainability refers to the capacity of the project to be sustained over the long term.