



**RAHANDUS-
MINISTEERIUM**

MINISTRY of FINANCE of the REPUBLIC of ESTONIA

Strategic report 2012

Estonia

Miryam Vahtra – miryam.vahtra@fin.ee

State Budget Department

Coordinator of evaluations

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Preparing the Strategic Report

Input:

- Annual implementation reports
- External evaluations and studies
- Project examples provided by Intermediate Bodies
- Pre-analysis made for preparation 2014-2020 period
– socio-economic analysis, external future trends, Estonian development needs
- Financial prognosis - the Macroeconomic Policy Department of MoF
- Sector specific analysis conducted by policy field strategy analysts in the State Budget Department of MoF – contribution to the objectives of NSRF, Europe 2020, tasks of the Funds

Preparing the Strategic Report

Structure:

- Largely the same structure as with 2009 report.
 - NSRF objectives – (headline/sub-objective/priorities)
 - When assessing the progress made only the OP indicators relevant to specific NSRF sub-objectives were indicated
 - Main content – progress on the level on agreed priorities of NSRF
 - Analyses is made taking into account both national and SF investments.
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- **Challenges for the next period** – distinguish the contribution of SF and national investments to higher level impact indicators (EU2020) – the exact proportion

Strategic Report – added value and utilization

- Complete analysis on results achieved
- Solid basis for reporting purposes
- Valuable input for 2014-2020 preparation

Indicated the bottlenecks –
gathering data on impact indicators – changed
methodologies

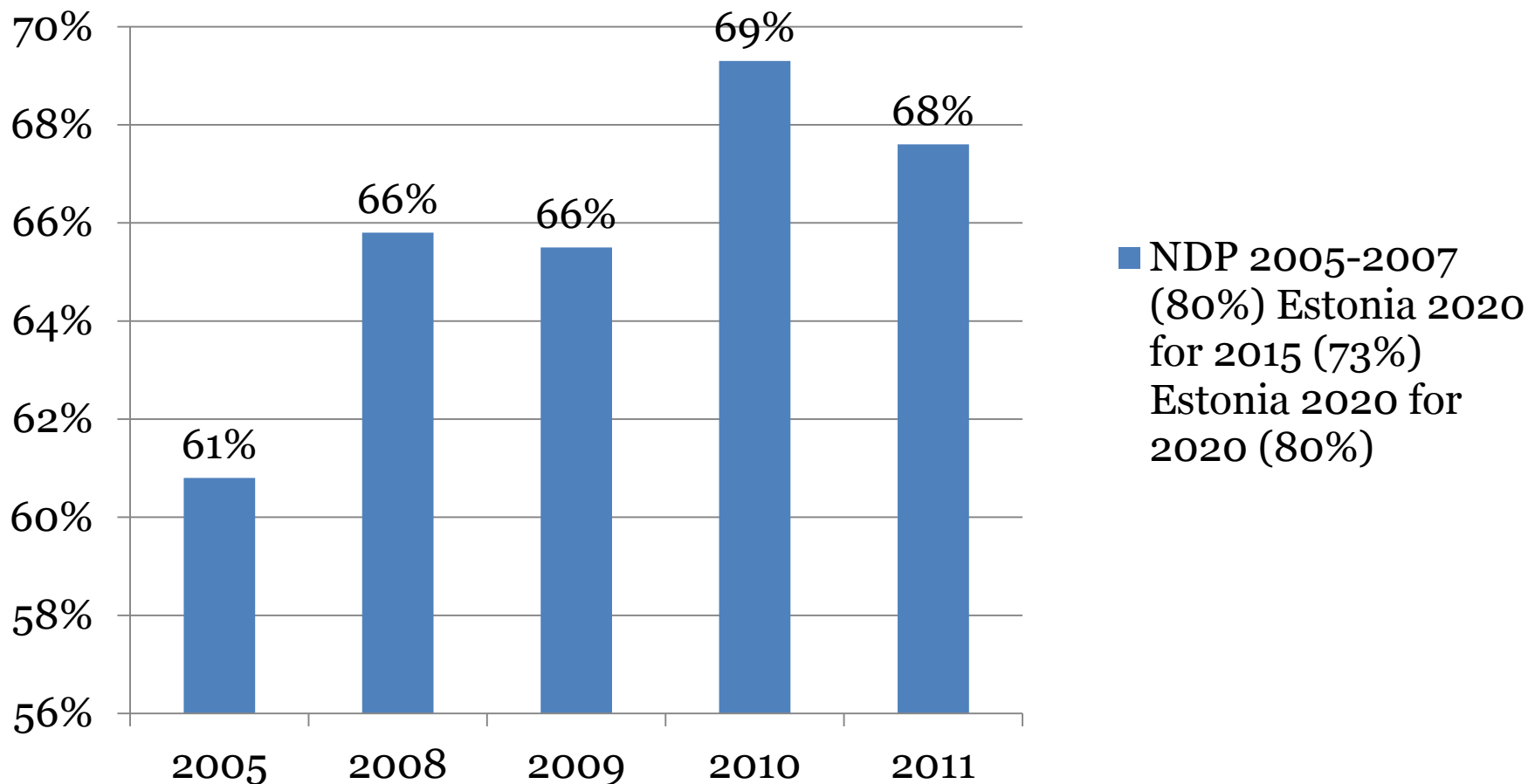
- Example: Employment (15-74 or 20-64);
Satisfaction with transport infrastructure changed
scale (5 or 10 units);

Contribution of OPs to Europe 2020 Strategy

- Estonian Action Plan for Growth and Jobs 2005-2007 - the national vehicle of EU growth and jobs agenda
- Following strategy for Growth and Jobs 2008-2011
 - The objectives in the strategy were set as follows
 - Company's productivity per employee 80% from EU average
 - Increase of research and development investment to 2% from GDP
 - Increase of employment rate to 70,5%.
- The national strategy corresponding to Europe 2020 is – “Competitiveness plan “Estonia 2020” – two main and central goals
 - Strong growth of productivity
 - High employment rate

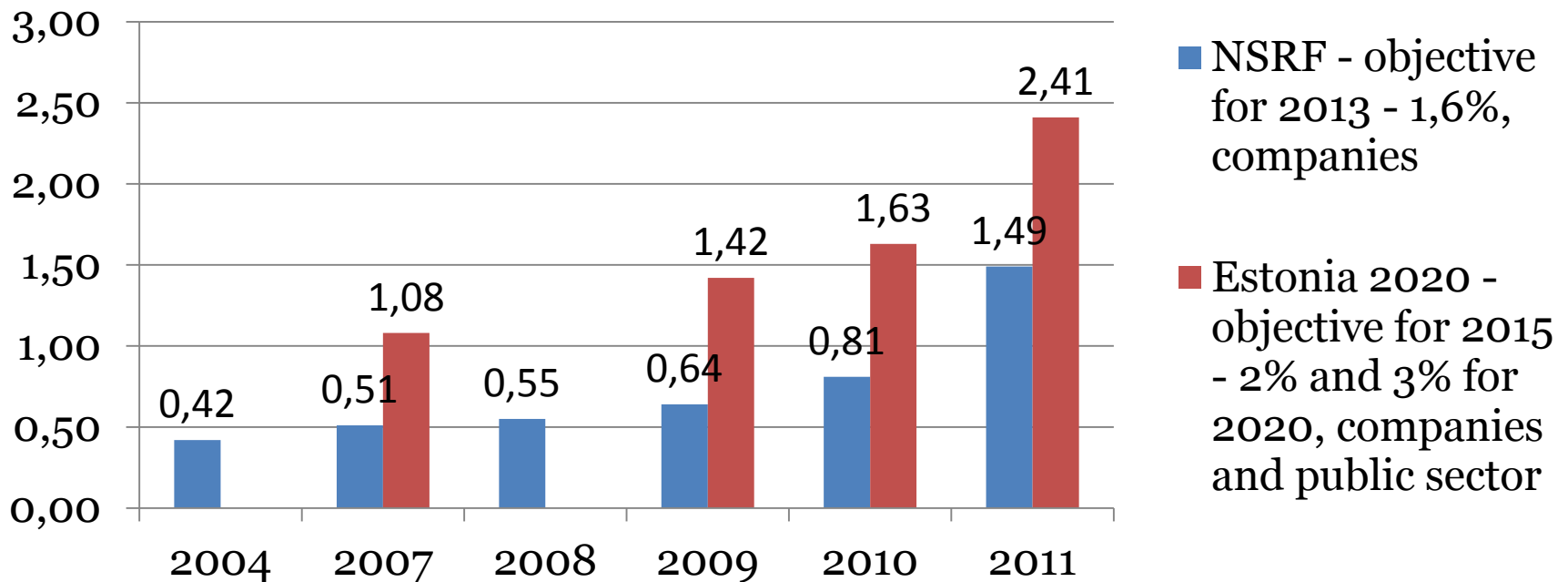
Contribution of OPs to Europe 2020 Strategy

Productivity per employee (% of EU average)



Contribution of OPs to Europe 2020 Strategy

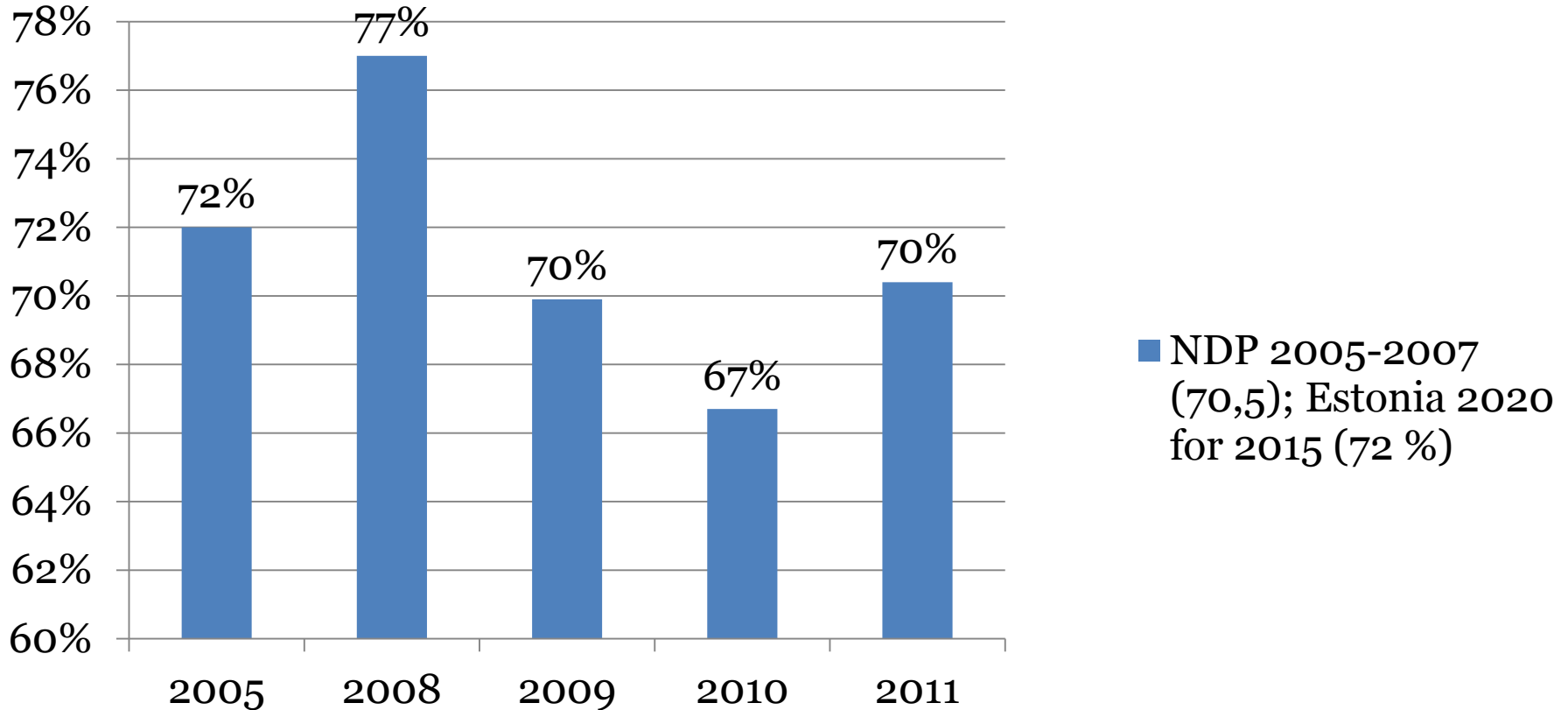
The level of R&D investments of the GDP



The high growth was achieved by a twofold increase in private sector R&D expenditure and a 22% increase in public sector R&D expenditure. The growth in public sector R&D investments was achieved by the accelerating implementation of EU structural funds measures.

Contribution of OPs to Europe 2020 Strategy

Raise of employment rate in age group 20-64



Increase 6,7%, reaching pre-crisis level. Mostly fuelled by exports, thus due to improvements in the labour market structure.

Contribution of OPs to Europe 2020 Strategy

Additional targets under EU 2020

Smart growth

- School drop-out rate below 10%

Goal	Initial level 2010	Current level 2011	Estonian goal 2015	Estonian goal 2020
The percentage of early school leavers (18-24)	11,7%	10,8%	11%	9,5%

- At least 40% of 30-34-year-olds with third level education

Goal	Initial level 2010	Current level 2011	Estonian goal 2015	Estonian goal 2020
Increase the % tertiary education attainment in age group 30-34	39,7%	40,2%	40%	40%

Contribution of OPs to Europe 2020 Strategy

Additional targets under EU 2020

Sustainable growth

*Reducing greenhouse gas emissions by 20%

*Increasing the share of renewables in final energy consumption to 20%

* Moving towards 20% increase in energy efficiency

Goal	Initial level 2009	Current level 2010	Estonian goal 2015	Estonian goal 2020
Limit of greenhouse gas emissions (outside EU ETS) in comparison with the level of 2005 (5627)	5627 thousand tons (2005)	6094 thousand tons	6183 thousand tons	6246 thousand tons (+11%)
Raising the percentage of renewable energy to 25% of end consumption of energy	19.5%	24%	23.6%	25%
Keeping the end consumption of energy at the level of 2010	2818 ktoe (2010)	2818 ktoe	2986 ktoe	2818 ktoe

Contribution of Ops to Europe 2020 Strategy

Additional targets under EU 2020

Inclusive growth

* At least 20 million fewer people in or at the risk of poverty and social exclusion.

Goal	Initial level 2010	Current level 2011	Estonian goal 2015	Estonian goal 2020
To reduce the at-risk-of-poverty rate after social transfers	17.5%	17.5%	16.5%	15%

* From 2000 to 2008 - around 18-19%. In 2009 - 15.8%, lowest rate in recent years.

Strategic objectives of NSRF

- Indicators were set to the sub-objective level – inter-priority indicators
- Some indicators are the same as for Estonia 2020 strategy

Indicator - Rise of competitiveness of economy	Initial level	Target level	Present level
Survival rate of enterprises	63% 2005	70% (2013)	65,4% (2011)
Employment in high-tech and medium-high-tech industry and service (% from total employment)	7,57% 2005	11% (2013)	6,45 (2007) 5,7 (2010) 6,09 (2011)
Satisfaction of entrepreneurs with transport infrastructure	7,09 (2005)		6,54 (2012)
Average life expectancy (M/F)	M – 67,27 (2005) F – 78,14 (2005)	M – 73 (2015) F – 80 (2015)	M – 68,59 (2008) F – 79,23 (2008) M - 70,6 (2010) F – 80,8 (2010) M - 71,2 (2011) F- 81,3 (2011)
Number of full time scientists and engineers per 1,000 employees	5,5 (2005)	8,0 (2013)	5,63 (2007), 6,1 (2008) 7,2 (2009), 7,1 (2010) 7,4 (2011)

Strategic objectives of NSRF – Strategic report

Indicator - Rise of competitiveness of economy	Initial level	Target level	Present level
Rate of participation in lifelong learning	6,5% (2006)	11,5% (2013)	9,8% (2008) 10,5% (2009) 10,9% (2010) 12,0% (2011)
Number of graduates in technical fields	20,2% (2004)	25% (2013)	21,1 % (2010/2011)

Indicator – Increased social cohesion	Initial level	Target level	Present level
Lowest employment rate in counties	45% (2005)	Not lower than 50% (2015)	48% (Põlva, 2008) 45,2 (Põlva, 2009) 43,0 Põlva, 2010) 49,0 (Jõgeva 2011)

Strategic objectives of NSRF – Strategic report

Indicator – Increased social cohesion	Initial level	Target level	Present level
The difference in the wages of men and women (wages gap)	25,4% (2005)	20% (2015)	30,3% (2007) 23,4% (2010) 22,9 (2011)
Percentage of people included in the information society: - number of Internet users	53% (2005)	75% (2013)	71,2 (2009) 74,1 (2010) 76,3 (2011)
Use of internet at home	Eurostat 39% (2005)	70% (2013)	63% (2009) 68% (2010) 71% (2011)

Strategic objectives of NSRF – Strategic report

Indicator – More sustainable use of environment	Initial level	Target level	Present level
Percentage of water bodies in good state	65% (2004)	100% (2015)	71,4% (2008) 73,1% (2011)
Recycling rate of solid waste (excluding oil-shale and agricultural waste)	30% (2004)	60% (2015)	40% (2008) 58% (2010) 88% (2011)
Percentage of public transport users among working people	29,9% (2005)	30% (2013)	24,23% (2008) 22,8% (2009) 22,3 % (2010) 22,2% (2011)

Implementation

- Total allocation – 3,4 billions EUR
 - 30.06.2012 – commitment 89,6%; payments 48,8%
 - 31.12.2012 – commitment 91,25%; payments 59,36%
- Cost of the implementation system:

According to Interim Evaluation (2011) – The cost of disbursing of one euro of support was 2,03 cents, or 1,74 cents if only taking into account eligible cost.

Main conclusions and SF contribution

- EU funding has helped to mitigate the negative impact of financial crisis and activate entrepreneurship, raise the level of employment (OP changes enabled redistribution of funding into transport, entrepreneurship and employment measures);
- Contribution of SF investments in the sector of education have helped to raise the level of lifelong learning among adults – 12% in 2011 compare to 6,5% in 2006.
- Financed co-operation projects between researchers and entrepreneurs, doctor schools and mobility programs have contributed to the increase in number of full time scientists and engineers as well as increase in private sector R&D investments.

Main conclusions and SF contribution

- Better connection opportunities - transport- and ICT networks
 - without CF support allocated the roads belonging to TEN-T would not have been constructed/reconstructed to that extent.
 - Construction of broad-band networks (2000 km) has contributed directly to the accessibility of internet use – 36% of Estonian population in 2005 compared to 71% in 2011 used internet at home.
- Environment and health
 - Due to SF support 81% of consumers can have good quality drinking water from public water system.
 - During 2007-2012 investments into health infrastructure were made up to 90% from ERF, contributing to regionally balanced development and equal access to health care (investments mostly in regions with less favourable socio-economic situation).

Main conclusions and SF contribution - 2

- SF impact has been substantial in developing and offering relevant labour market services –
 - * During 2007-2011 the active labour market measures were financed up-to 80% from SF;
 - * Participation in active labour market measures has raised remarkably – in 2010 every 10th registered unemployed, in 2011 every 5th and in 2012 already every 3rd;
- Evaluation on labour market training and wage subsidies
 - * Wage subsidies – six months after exit from the programme, the probability of being employed is about 56% percentage points higher for participants than for the control group. One euro invested in wage subsidies results in 7 euros of return, of which 2,8 euros is revenue for the state from direct taxes.
 - * Labour market training – cost-benefit ratio is 2,7.

Thank you!

Miryam.Vahtra@fin.ee