



REPUBLIC OF ESTONIA
GOVERNMENT OFFICE

The European Union policy priorities of Estonia for 2022–2023



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Foreword

A **united, strong, and future-proof European Union** is important for Estonia. Estonia consistently stands for European values and works to ensure that the voice of the European Union is **effective and united** in the world. From the results of the European Citizens' Dialogues, we are ready to consider proposals that are within the limits of the Treaties.

The European Union policy priorities of the government serve the development of Estonia, at they are linked to the achievement of the goals of the "Estonia 2035" strategy and the goals of the development plans of the country. The competitiveness framework of the European Union until 2030 must support the achievement of the goals of the long-term development strategy "Estonia 2035". All the agreements needed to implement the Recovery and Resilience plan must be concluded by the end of 2023

The forthcoming **European Union's framework document "A Strategic Compass for Security and Defence"** must be based on an actual and periodically updated threat assessment. Estonia will continue to work on bringing a comprehensive approach to security to the European level. The lessons of the health crisis related to the COVID-19 pandemic and the experience of the hybrid attack by Belarus must be made use of, including to strengthen the Schengen area.

Standards of trusted connectivity and resilience of connections, based on shared values and principles, strengthen the resilience of the European Union and its partners, reduce vulnerabilities, and contribute to the digital revolution and green transition. We will continue to strengthen the connections of the communications, energy, and transport infrastructure of Estonia to the internal market of the European Union.

The green transition must be the green transition of people. The goals of the European green transition must be ambitious and fair, and they must be achieved through the four fundamental freedoms and the internal market. Accelerating the market introduction of clean energy is important for affordable and secure energy.

Legislation on the secondary use of public and private data and on the digital single market needs to be approved in order to accelerate the **free movement of data and the digital transition**. The free movement of data must be extended to as many areas as possible and data spaces must be created.

ECONOMY AND CLIMATE



The competitiveness and growth of the European Union are based on **the functioning of the single market**, where goods, services, persons, and capital can move freely. The objective of the long-term development strategy “Estonia 2035” is to create a flexible and secure economic environment that promotes **innovative** and **responsible entrepreneurship** and **fair competition**. Estonian economy is strongly integrated with the European single market in both product and service sectors. **The European single market therefore has a key role to play in the green and digital transition**, which means making better use of the possibilities of the single market and improving the functioning of the market. In order to reduce the **administrative burden** on businesses and **the fragmentation of the single market**, Estonia supports **the introduction of uniform rules generally through regulations**, the greater use of **harmonised standards**, and the implementation of the **“one in, one out”** principle in the EU, which ensures that, in addition to adding new obligations, previous obligations are also simultaneously removed. When developing new EU initiatives, it is important that the Commission uses the results of its strategic foresight analysis¹ and regulatory sandboxes to improve the quality and flexibility of EU legislation.

Standards and **technical regulations** need to be **harmonised** to support the cross-border operating of businesses and to create demand in the single market for digital and green economy solutions. The EU can also assume a global leadership role in setting the standards needed to implement the green and digital transitions. In order to foster innovation, we must assure **the protection of intellectual property rights**, both in the internal market and in third countries, and keep the legal framework of the EU up-to-date, including by **enhancing the protection of design solutions**. In order to facilitate the **cross-border movement of services**, we must **continue to remove the barriers to the provision of services in the internal market**, and **harmonise the requirements for the provision of private sector services** and **procedures for proving compliance** (e.g. standards of business services). E-services must be made available through **the Single Dig-**

¹ https://ec.europa.eu/info/strategy/strategic-planning/strategic-foresight_en

ital Gateway, to facilitate cross-border business activities and the dealings of citizens with the state.

The **digitalisation** of public services across the European Union and **effective cross-border access to e-services**, using the opportunities of **digital identity**, must be ensured. In order to support this, **the regulation on European Digital Identity** proposed at the initiative of Estonia must be agreed on as soon as possible and the necessary steps must be taken for the practical implementation of digital identity. The proposed European Digital Identity Wallet and its supporting framework must allow for the presentation of essential data and documents in a way that allows for the solution to be used and verified across borders: for example, qualifications, proof of the right to represent a company, and the European Health Insurance Card. This is necessary in order to ensure digital cross-border access to as many private and public services as possible via one mean. When updating the rules on digital identity and trust services, decreasing the level of trust in the respective services must be avoided. **Greater cross-border interoperability of authentication and signing tools** needs to be ensured in order to permit the opening and verification of e-signatures on a document received from another Member State and thus the increased use of e-signatures in the internal market.

Facilitating cross-border entrepreneurship requires **harnessing the opportunities of real-time economy in the single market** (e.g. the introduction of electronic consignment notes and e-receipts in the near future). In order to promote real-time economy projects, but also to realise the potential of **the single data market**, the EU needs to agree on principles for **data structuring, interoperability, data exchange, and trust and security standards**. **Sectoral data spaces** with the greatest added value from an economic point of view need to be established. The creation of **the European Health Data Space** requires agreeing on a legal framework, secure infrastructure and standards for data compatibility and interoperability to support the cross-border use of health data (e.g. in research and the development of artificial intelligence systems). Estonia also wishes to establish **the European Green Deal Data Space**, as data has a very important role to play in achieving climate neutrality. Improving the availability and quality of environmental data also requires efforts at the global level. The **Data for the Environment Alliance (DEAL)** initiated by Estonia unites global environmental data activities in cooperation with the United Nations. Estonia and the European Union must continue being global leaders in the field of environmental data and create synergies between the activities of the Data for the Environment Alliance and the Green Deal Data Space.



In the European single market, rules must be agreed on for **the development and use of new technologies, including artificial intelligence and artificial intelligence systems**, in both the private and public sectors, in order to facilitate their uptake. A balance must be struck between promoting innovation and the protection of fundamental rights, security, and the safety of users. Persons who have been harmed through the actions of artificial intelligence must be guaranteed the opportunity to protect their rights. EU-wide rules on **civil liability in relation to artificial intelligence** must fit into the existing legal space on liability of the Member States. The unjustified differences between compensation for damage caused by the use of new technologies and compensation for damage caused by something else must be ruled out. The possibilities of data processing and artificial intelligence must also be developed and used in the public sector, including with regard to the needs of law enforcement in preventing and combating crime. In order to develop and facilitate the deployment of **artificial intelligence solutions in the field of law enforcement**, we support the creation of **the European Security Data Space for Innovation** at the European Union's IT agency (eu-LISA).

It is important for Estonia that the boundaries of administrative law and criminal law be preserved when **agreeing on the rules of the single market**. Member States must retain **the right to choose the rules of procedures that are consistent with the fundamental principles of their criminal law** when responding to infringements of EU law. Extensive changes to the Estonian criminal justice system with the introduction of an administrative fine or an administrative penalty system must be avoided. Member States must be able to **implement sanctions only for serious infringements of the rules of the common market in accordance with the *ultima ratio* principle**, according to which the penalising of each infringement should not be mandatory. Above all, it is important that the more effective enforcement of EU law does not come at the expense of the fundamental procedural rights of individuals.

To reduce the strategic dependence of EU's industry on third countries, targeted measures must be taken to increase the resilience of critical industries (including through important projects of common European interest (IPCEI)), while ensuring the openness of EU trade policy, fair competition, and access to supply chains for small and medium-sized enterprises (SMEs).

The functioning of **the economic and monetary union** is based on **compliance with the rules of budgetary and economic policy**. The suspension of the budget

rules to deal with the impacts of the COVID-19 crisis is **temporary**. **We support a return to budget rules by 2023**. Sound fiscal policy will ensure that **government debt remains at a low level**, which is one of the preconditions for ensuring the long-term sustainability of the euro area and public finances as well as our ability to respond rapidly to crises. Budget spending must foster a **sustainable economic recovery in line with the green and digital transitions**. The review of the budgetary framework of the EU and the possible reform of the Stability and Growth Pact must be based on the above considerations.

The Estonian recovery and resilience plan has been approved by the Council of the European Union and we can start implementing the reforms and investments foreseen in the plan. In order to approve the allocation of **the Recovery and Resilience Facility**, we will conclude the financing agreements between Estonia and the European Commission by the end of 2023 at the latest.

The aim of Estonia's long-term strategy is to develop and finalise **the banking and capital markets of the EU** in order to improve the economic environment, increase access to financing for enterprises of all regions, and enhance our ability to deal with crises. It is important for Estonia that **the solutions of the banking union ensure financial stability also at the level of the Member States**. National systemically important banks need to have sufficient capital buffers to ensure the functioning of the economy and, if necessary, its crisis management capacity. Estonia considers that, in addition to a unified banking supervision and resolution system, **the European Deposit Insurance Scheme** needs to be developed to ensure the functioning of the banking union. Central deposit insurance helps reduce the interdependence of states and banks, as a result of which depositors are no longer tied to their state's ability to support a national fund, and the payment obligations of banks would also be more evenly distributed across states. Estonia considers it important that smaller and less liquid markets also benefit from **the Capital Markets Union** in addition to large financial centres. In order to diversify funding sources, it is important to take advantage of and develop new ways of financing, for example **via crowdfunding**. The strengthening of the capital market is supported by modernised **insolvency frameworks** and efficient cross-border insolvency proceedings. The possible convergence of national insolvency rules must allow for flexibility for the Member States in order to ensure that the rules are appropriate to the legal space governing entrepreneurship in the Member States and that the efficiency of national proceedings is not diminished.

Agreements must be reached at EU level on how to mitigate **the threat to financial stability posed by cyber risks**. Important functions of the financial system, such as depositing assets, making payments, securities transactions, data storage, etc., take place digitally, which is why **the continuity of IT solutions in financial systems, resilience to cyber risks, and data protection** must be ensured. We therefore support **the introduction of uniform requirements in the EU for the security of the IT systems of financial service providers**. **Crypto-assets** must also be regulated in a uniform way across the EU, striking a balance between enabling innovation and security. The European Central Bank is developing **the concept of a digital euro** as an electronic form of money. We believe that the digital euro should meet the requirements of easy accessibility, (cyber) security, protection of privacy, and compliance with legislation. The digital euro should add value to the digital transition in Europe, strengthen the international role of the euro through integrated payment solutions, and increase the economic and financial sector competitiveness. It should also be interoperable with the payment solutions of the private sector.

Estonia has **zero tolerance** for money laundering and terrorism financing. In order to improve the confiscation of illicit proceeds, **the exchange of information and cooperation between competent authorities** in the prevention and investigation of criminal offences in the European Union **needs to be further enhanced**. We support the harmonisation of anti-money laundering requirements and anti-money laundering supervision rules at the European Union level and the establishment of a joint European Union Anti-Money Laundering Authority.

The state's ability to provide services to the residents and finance the state's activities depends directly on **taxes**. **The decisions on EU tax legislation must continue to be taken unanimously and be limited to the harmonisation necessary for the functioning of the single market**. We attach importance to the OECD agreement on **the taxation of the digital economy**, which ensures that income is taxed in the country where it was earned and leads to a fairer distribution of tax revenue. When transposing the OECD agreement on global **minimum corporate tax rate** into EU law, Estonia aims to maintain the current corporate tax system in force in Estonia to the maximum extent. The EU must also act jointly in the fight against **tax avoidance and tax evasion**. To that end, we support increasing cooperation between Member States, based on a common EU framework. We consider it important that new technologies are used in the EU to collect VAT and that we collect as detailed information on transactions as possible. **Taxing excise**

goods as uniformly as possible without exceptions contributes to the efficiency of tax collection, reduces the potential for fraud, and ensures equal competition and better revenue collection. **In customs policy**, we prioritise the transition to a completely paperless environment.

Estonia supports **the EU’s goal of achieving climate neutrality by 2050 and the setting of a corresponding target at the Member States’ level**. In order to achieve climate neutrality at a smooth and realistic pace, we must adapt the relevant EU legislation in the fields of climate, energy, taxation, and transport, which would allow the EU to reduce its total emission by 55% by 2030 compared to the level in 1990. It is important for Estonia that the transition is realistic for all Member States, takes into account the differences between Member States and the emission reductions already achieved, and provides sufficient flexibility to meet targets in different sectors. We support the harmonisation and modernisation of the taxation of energy products in the EU in order to bring taxation in line with European and Estonian climate policy. **The concept of a just transition** should be extended in the future beyond fossil fuel-dependent regions to other areas that are significantly affected by the move towards climate neutrality (e.g. forestry). The changes must be smooth and predictable for businesses, and **the EU Emissions Trading System** needs to be modernised in a way that ensures investment security and equal competition with companies from third countries. In order to initiate changes in the climate policies of third countries and to maintain a level playing field for EU businesses, we support an **EU carbon border adjustment mechanism** in line with WTO rules. At the same time, the mechanism must also cover the electricity sector in order to increase the investment security in renewable energy. For Estonia, **biomass** is an important source of renewable energy that must be used in accordance with the principle of sustainable forest management and other forest functions, while avoiding excessive administrative burden. It is important for Estonia that **biofuels (biomethane)** are recognised in the EU as “near zero-emission” renewable energy. The setting of greenhouse gas sequestration targets in **the land use and forestry sectors** must take into account the historical land use in different countries and the uneven age distribution of forests. The extension of the EU Emissions Trading System to **maritime sector** must be flag-neutral in order to ensure a level playing field for the Union’s shipping sector in comparison to third countries.

For Estonia, the transition to climate neutrality means significant changes in the energy sector. Estonia supports increasing the **renewable energy and energy efficiency targets** of the European Union in order to achieve climate neutrality. EU-level rules must ensure Member States the flexibility to decide on their energy mix, technology neutrality, security of supply, and energy security, create a competitive market environment, and strengthen the internal energy market through the development of infrastructure while basing measures on achieving climate goals. **In order to increase the share of renewable energy in energy production and consumption**, it is necessary to ensure the right conditions and more EU funding for the development of energy infrastructure in the near future (e.g. boosting the Modernisation Fund and Innovation Fund) as well as in the future long-term budgets of the EU. In order to increase the share of renewable energy and security of supply in the Baltic Sea region, it is necessary to develop an **off-shore renewable energy grid**, which will also strengthen the energy network of the European Union. In order to ensure the long-term EU funding necessary for the promotion of offshore renewable energy, Estonia supports regulating renewable energy cooperation projects and the joint development of offshore wind energy capabilities in EU legislation. The Estonian-Latvian offshore wind farm and grid project must be added to the Union list of cross-border renewable energy projects and to the list of Projects of Common Interest. **In order to synchronise the Baltic electricity networks** with Central Europe by 2025, continued funding from the Connecting Europe Facility and political support for the completion of the project must be ensured.

To facilitate achieving climate neutrality, Estonia supports the greater uptake in the European Union of **gases based on renewable energy sources**, such as hydrogen and biomethane, as well as synthetic gases. The gas legislation of the EU must facilitate the emergence and functioning of regional gas markets on a uniform basis, which will help promote the European Union's internal gas market, and create the right conditions for cross-border trade in renewable and carbon-neutral gases in the EU internal market. In order to reduce the dependence of the European Union on fossil fuel imports, only those gas infrastructure projects that support the transition to a climate-neutral economy should receive EU funding. We support **the creation of a pan-European hydrogen infrastructure** to encourage the deployment of carbon neutral hydrogen, while making use of the existing gas infrastructure as much as possible. **Nuclear energy** has an important role to play in achieving climate neutrality in the EU, provided it is developed sustainably and a high level of safety is ensured.

In order to promote a climate-neutral economy and responsible entrepreneurship, the EU needs to develop a green economy, encourage consumer habits to shift towards smart, more future-proof consumption, and make new green technology solutions more convenient to use than traditional ones. Companies need a comprehensive **sustainability reporting framework** to change their business models. We support a globally harmonised approach when creating an EU sustainability reporting standard. The provision of sustainability information required from SMEs must be proportionate to their impact on the environment. Sustainability reporting should remain optional for small and medium-sized enterprises in order to ensure that the administrative burden of implementing reporting does not become disproportionate. **Investors, in turn, need reliable information** on whether and how the companies or projects they consider investing in contribute to the achievement of the sustainable development goals. With that in mind, the EU needs to agree on which investments, technologies, and activities are considered to be in line with the objectives of climate neutrality and sustainable development goals in different areas (**taxonomy**).

We support the creation of a voluntary **standard for green bonds** in the EU to improve the efficiency, transparency, and credibility of the green bond market and increase funding for green and sustainable projects. In the area of corporate finance, the transition to green investments and bonds should be gradual to ensure the smooth functioning of banking and financial markets and access to financing for businesses. In order for businesses to be guided by the principles of sustainability and their impact on climate change, the social sphere, and human rights, **the principles of sustainable corporate governance need to be introduced at EU level**, for example by extending the due diligence of companies. However, we believe that in the imposition of measures, applying due diligence duties on the management board should be avoided in order to avoid conflicts between the responsibilities of the management board and the interests of the shareholders.

The aim of Estonia's long-term strategy is to introduce **the principles of circular economy**. To that end, **product ecodesign principles** need to be agreed at EU level, **the measures of the EU chemicals strategy need to be implemented, a coherent framework for sustainable product policy needs to be developed, waste management infrastructure needs to be developed, and resource efficiency in production supply chains needs to be improved. The EU product policy** framework must ensure that products and services on the EU market increasingly comply with the principles of a circular economy throughout the value and supply

chains, while ensuring a level playing field for companies during a fair transition (including taking into account the specificities of SMEs) and a reasonable time to invest. The implementation of the principles of circular economy is facilitated by **digital solutions** (e.g. digital product passport, implementation of digitalisation in waste management, real-time monitoring of materials and waste, improvement of data quality for decision-making, creation of a secondary raw materials market), which is a potential area of success for Estonian companies. In order to reduce waste generation, Estonia supports **the creation of uniform EU-wide labels and criteria for separate waste collection**. Uniform labelling and criteria will help clarify and improve the separate collection of waste, which has hitherto been confusing for consumers due to different systems, and thus ensure a higher cost-effectiveness of higher quality material collection and recycling.

The development of **the new EU action plan to conserve fisheries resources and protect marine ecosystems** is essential to address the adverse effects of by-catches of sensitive species and sensitive habitats in EU marine areas, including the Baltic Sea. The use of bottom gear should not be restricted in traditional fishing areas where such activities have taken place for decades. Bottom trawling in these areas must take into account the sustainability of stocks. The action plan must include cooperation with third countries and international organisations. The designation of additional strict marine protected areas should be based, *inter alia*, on the need to protect fish spawning grounds and juveniles. **The European Union's common fisheries policy** must ensure the sustainable management of fish stocks, taking into account regional specificities. It is important for Estonia that **the system of individual quotas** be maintained as is the practice in the Baltic Sea and that no additional technical restrictions are imposed on the tonnage and capacity of fishing vessels.

The agricultural policy of the EU must pay more attention to **the sustainable management of resources** and to **the development and wider application of agricultural production methods that are friendly to the climate, biodiversity, and the environment, including digital solutions**. In line with the objectives of the Farm to Fork strategy, sustainable and resilient **food systems** must be ensured that contribute to both climate goals and food security. In order to ensure sustainable food production, the availability of efficient and safer **plant protection products** must be improved, which is why we support facilitating placing biological plant protection products on the market. The setting of targets for the reduction of chemical plant protection products must take into account the efforts made

so far by Member States to promote an environmentally friendly food system. One of the prerequisites for the transition to more sustainable and economical production is research and development and innovation. In light of the emergence and development of new technologies, the EU legislative framework must support **the introduction of new breeding techniques, which are necessary for plant breeding, the promotion of low-chemical food production, and resistance to crop diseases and drought**. We support the implementation of digital technologies that help increase the efficiency of agricultural enterprises and mitigate their impact on the environment. For that purpose, the availability of agricultural data, the standardisation of data, as well as the more efficient use of big data (changes to the farm accountancy data network (FADN)) need to be improved. **Changes in consumer behaviour, which must be supported by better consumer information and education**, will help increase the demand for sustainable products and services. For that, it is important, among other things, to review the **marketing standard for agricultural products** at EU level, which aims to enable consumers to be offered more sustainable products. **Estonia supports measures to reduce food loss and food waste in the EU**. To that end, it is appropriate to **set specific targets at EU level**.

The European Union must stand for an **open foreign trade policy**, both multilaterally and bilaterally, by defending and supporting a foreign trade policy based on WTO rules and by preserving the continuation of open, free, and fair foreign trade. An open market and a level playing field for Estonian companies must be ensured. The European Union needs to actively continue **trade negotiations** with its major global economic partners. It is important to diversify trade, conclude new free trade and investment agreements, and implement and modernise the existing trade and investment agreements. Guided by the interests of Estonian businesses, it is a priority for Estonia to create new business opportunities with the United States, the Eastern Partnership countries (Ukraine, Georgia) and Australia. We wish for negotiations over an **EU–US free trade agreement to restart** and for the EU–US Trade and Technology Council to enhance transatlantic cooperation on trade, regulatory policy and connectivity. We support **the deepening of trade and economic relations with the associated Eastern Partnership countries** and their gradual integration into the EU internal market. The EU **unilateral trade measures directed at third countries**² must ensure that EU and Estonian businesses and consumers are protected against unfair trade practices and must be in compliance with the European Union's international obligations. Estonian companies must be able to compete on the markets of third countries

² Among other things, the EU trade mechanism to prevent coercive measures by third countries, the renewal of the regulation on extraterritorial sanctions, the initiative against the harmful effects of third country subsidies.

on equal terms compared to the access that those third countries are offered to the EU market.

The objectives of the Green Deal as a whole must be enshrined at the international level, and to this end, the EU must utilise **all available measures in compliance with international trade rules. The EU's international supply chains must be diversified** in line with the Sustainable Development Goals of the UN³. We support making the Paris Agreement an integral part of the EU's bilateral free trade agreements, while taking into account the ability of each trading partner to meet those targets.

Estonia has important trade interests in **the digital domain**. In trade relations and in negotiating trade agreements with our international partners, we must ensure that our companies are entitled to the free cross-border movement of data and to better access to open data, the protection of the source code of software and to digital services, including the use of e-documents and digital signatures.

It is important for Estonia to shape the European Union's **common approach to global connectivity**. The goal of the **Trusted Connectivity** framework initiated by Estonia is to base **cooperation with like-minded partners on common values and standards** in order to promote both physical and digital infrastructure projects globally. The principles of Trusted Connectivity thus help make infrastructure projects trustworthy and attract both public and private investments.

³ <https://sdgs.un.org/goals>

SPACE AND MOBILITY



In order to develop a **green and competitive transport infrastructure**, EU transport policy must support the reduction of the sector's carbon emissions, while ensuring accessibility, affordable connections, and connections to the centres for all EU regions. EU rules must encourage the shift of freight transport from roads to more environmentally friendly modes of transport (e.g. railways). The interconnection of regions and the construction of physical infrastructure must be continued, taking into account, in addition to safety and sustainability, the need for digital solutions and, where possible, military mobility across all modes of transport. To this end, it is important to speed up the construction of **Rail Baltic** and secure funding from the European Union to complete the project. Estonia supports a faster transition to **alternative fuels** across all modes of transport. In particular, it is important to create the conditions for the introduction of cleaner fuels in **road transport, shipping, and aviation**. We support agreeing at the European Union level on common principles for the development of **infrastructure for alternative fuels, including biomethane infrastructure**, on the main corridors of the Trans-European Transport Network (TEN-T) in order to develop cross-border infrastructure throughout the Union. TEN-T network capacity requirements must also take into account traffic density. We aim for **the Tallinn-Helsinki tunnel** to be added to the TEN-T core network map, which would provide an opportunity to finance the research and future construction activities of the tunnel from EU funds together with Finland.

Estonia considers it necessary for the European Commission to create a technical framework for the implementation of **electronic consignment note (e-CMR) data exchange** across transport modes, which would enable the introduction of an interoperable electronic data exchange platform for consignment notes throughout the EU. In order to promote **self-driving and remote control, including autonomous vessels**, the legal space for self-driving vehicles needs to be harmonised in the European Union and a comprehensive environment conducive to the introduction of self-driving vehicles needs to be developed. Estonia supports the

development of type-approval of self-driving vehicles and the harmonisation of standards for Intelligent Transport Systems services in the European Union.

In order to ensure efficient air connections in the peripheral regions of the European Union, we consider it necessary to review the state aid rules for aviation. The rules on **public service obligations (PSOs)** need to be made more flexible on the peripheral routes and for small airports in the EU. This includes reducing the administrative burden of launching international PSO routes, increasing the maximum amounts of support and shortening procedural times. When launching PSO routes, both the airline's sustainability strategy and the existing route network must be taken into account.

In **the field of space**, it is important for Estonia that common rules, policies, and standards in **the management of space traffic** are created in the European Union, and the European Commission's space traffic action plan and space flagship projects are implemented, which would increase the Union's global role as a participant in space affairs. Estonia wants to be a leader in **the data exchange platforms and e-services for the development of space traffic management**.

Estonia supports the implementation of quality principles⁴ of **high-quality space creation and the design of the built living environment** in EU programmes and investment plans. In **the EU's Green Deal and renovation wave initiatives**, we wish for **the life cycle of buildings** to be followed (from the production and transport of materials to demolition and waste management). The creation of any new physical environment or information space must be considered as a whole, taking into account, *inter alia*, the principles of cultural heritage and ensuring accessibility. When accelerating **the renovation of buildings** in the EU, it is important for Estonia that in addition to energy efficiency, attention is paid to environmentally friendly building solutions, a healthy indoor climate, the introduction of electric vehicle charging points, climate resilience, and a good and accessible living environment. Estonia's goal is to **increase the digitalisation of the construction sector in the European Union** to improve the efficiency of building construction and reconstruction processes and to support the achievement of the goals of the building renovation wave. In order to introduce common digital construction standards in the European Union, Estonia considers it important to enhance regional cooperation with the aim of initially enforcing common digital construc-

⁴ The quality criteria are based on the Davos quality system, which helps assess the quality of the space as a whole. The Davos evaluation system identifies eight criteria that must be taken into account when developing the living environment: the governance process, the functionality of the solution, the economic dimension, the environmental aspects, the diversity of spatial solutions, the friendliness of the context, the sense of place, and beauty. See: <https://davosdeclaration2018.ch/quality-system>.

tion standards in the Nordic and Baltic countries. Estonia wants to take the lead in **creating a dynamic energy labelling system** across the European Union that would consolidate energy labels into digital databases and ensure the comparability of energy labels in the Member States.

It is important for Estonia to implement **the biodiversity strategy of the European Union** to help biodiversity recover and increase its resilience to the effects of climate change. Nature-based solutions must also be used for this purpose (e.g. in urban planning). The Europe-wide target of putting at least 30% of the land area as well as old growth and primary forests of the EU under strict protection must take into account the proportion of protected areas that already exist in the Member States. Estonia supports **the development of a soil strategy** at the level of the European Union, which would enable the coordination of activities across the EU for the adequate assessment of soil condition, the establishment of common terminology and methodology for soil condition assessment, and the development of policy measures to ensure good soil condition. This must take into account regional specificities in Europe and the need to leave the Member States flexibility to design specific measures.

EU citizens consider **the Schengen free movement area** to be one of the Union's most important achievements. An area without internal border controls also contributes to the efficient functioning of the single market and to economic growth. For ensuring the security of the Schengen area, Estonia's aim is to strengthen **the capacity of external border surveillance and border protection** and to implement integrated border management. The experience of the COVID-19 pandemic has increased the need to improve governance of Schengen area to improve mutual trust between Member States in the functioning of the area and to ensure a coordinated approach in the event of a crisis affecting several Member States. The functioning of the single market in future crises requires **common contingency planning** (including a contingency plan for transport sector to reactivate the Green Lanes system) that ensure the cross-border movement of goods and services regardless of the nature of the crisis. It is necessary to describe in the contingency plan a catalogue of common trust measures, such as testing or the existence of a digital certificate, which would help to maintain the free movement of persons to the greatest extent possible also in case of the EU public health emergency. **The temporary reintroduction of border controls at internal borders must remain an exceptional, justified, and time-limited measure, to which alternative solutions**, such as more effective information exchange and

police cooperation, **must be preferred** in order to minimise the negative impact on free movement.

The European Union's external border surveillance must be ensured at similarly high level, which is why we consider it necessary to establish a **minimum standard for the surveillance of the European Union's external borders**. Such minimum requirements taking into account the specificities of border types, will ensure the full situational awareness and will contribute to a more effective detection of illegal border crossings between border crossing points. We consider it important for the European Union to provide additional funding for the construction of the European Union's external border infrastructure, as the surveillance of external borders is common interest of the Union. The new **European Union border management information systems**⁵ need to be implemented in a timely manner and their **interoperability** with other internal security and migration management information systems needs to be ensured to efficiently detect identity fraud and carry out background checks on persons. To improve the security of the Schengen area, it is important to streamline the principles for collecting **Passenger Name Record (PNR) and Advance Passenger Information (API)** data, including by following the once only principle of data collection, and to **extend these information exchange systems from aviation to other modes of transport**, in particular maritime transport. In the Schengen visa application process, we support **the development of a digital solution for visa applications and the introduction of a forgery-proof e-visa** to facilitate the visa application and processing process and reduce the costs of the visa procedure. We support **the enlargement of the Schengen area** to include Member States that have fulfilled the required conditions.

⁵ Entry/Exit System, European Travel Information and Authorisation System (ETIAS).

SKILLS AND THE LABOUR MARKET



Estonia’s long-term strategy “Estonia 2035” aims to create a flexible, learner-centred education system, which ensures equal opportunities for everyone to fulfil their potential and succeed in life. To this end, we support the EU’s goal of **adults’ participation in lifelong learning**, so that by 2030 at least 60% of adults aged 25–64 are in tertiary education or participate in a training at least once a year⁶. There is a need to ensure **more flexibility between levels and types of education** (through formal, non-formal, and informal learning) and **more choices of learning opportunities that meet the needs of a changing society and labour market** (including the green and digital transition). In order to promote learning mobility in the European Education Area, there is a need to agree on **the definition of a micro-credential⁷ and common principles for ensuring quality and transparency**. It contributes to the cross-border comparability, recognition, and portability of micro-credentials. It should be left up to the Member States to decide on the most appropriate ways to introduce micro-credentials. **When implementing individual learning accounts⁸, Member States must have the right to decide whether and how** they will improve existing systems and measures created to improve skills.

The adoption and implementation of the **European strategy for universities** supports Estonia’s long-term goal of improving the quality of higher education. **Belonging to the network of European universities** helps Estonian universities in addition to raising the quality of teaching and research, to improve international cooperation in higher education, including experimenting with innovative forms of cooperation, creating joint recruitment schemes for teachers and researchers, and offering inclusive and diverse learning opportunities. At the same time, it will create more opportunities for Estonian students and academic staff to **participate in international mobility**.

⁶ It is important to note that the methodologies of the EU and Estonia differ: the EU target of 60% applies to participation over the previous 12 months. In the “Estonia 2035” strategy and the development plan for the field of education, the target level for 2035 is 25%, which is calculated on the basis of participation that took place during the previous four weeks.

⁷ A micro-credential is a certificate of learning outcomes acquired through short-term learning, assessed on the basis of transparent standards. The micro-credential can be divided, transferred, and merged into higher qualifications.

⁸ In order to increase skills and employability, a learning account is an opportunity for people of working age to use the training rights in the learning account, i.e. certain sums for training.

The design of the European single market must take into account **the changing world of work** and increase social cohesion and equal opportunities in both education and the labour market. In line with the goals of “Estonia 2035”, Estonia supports a **system of social protection and occupational safety independent of the form of work**, which takes into account both the protection of workers and the need to develop innovative business models. Persons whose main income is related to platform work should **be able to conclude collective agreements**. Such agreements must not distort competition. **Teleworking and the constant need to be available to employers through digital tools** lead to a variety of problems, including the blurring of work and family life, the risk of overwork, and potential mental health problems. EU initiatives must therefore focus on the prevention of various risks in the work environment, including **psychosocial risk factors**. Synergies between the working environment and health policies need to be ensured in order to increase preparedness for health crises. For that purpose, we support the implementation of the EU strategy on health and safety at work. **In order for the free movement of persons to continue to run smoothly**, it is important to agree on the renewal and uniform implementation of the Social Security Coordination Regulation.

Estonia’s long-term goal is **a smart and balanced migration and integration policy** that takes into account the needs of the labour market and the society. The planned initiatives on legal migration in the EU (e.g. further development of the EU’s long-term resident status, developing an EU Talent Pool) must support the economic development and social cohesion of the Member States. Estonia supports the development of an **EU Talent Pool**, which will give employers an additional tool to find specialists from outside the EU, if necessary. We consider the principle that a third-country national must have a specific job offer or invitation to enter the EU to be important when developing such a Talent Pool. When filling a vacancy, the employer should, whenever possible give preference to a citizen of their state or the EU citizen. As the EU’s long-term resident status is of indefinite duration, it is important to **ensure that a non-national is well integrated** into the life of the Member State of residence.

THE SUSTAINABILITY, HEALTH, AND SOCIAL PROTECTION OF THE PEOPLE



Resilience in the field of health needs to be strengthened across the EU to ensure better preparedness and response capability to health crises in the future. In order to prevent the cross-border spread of communicable diseases and pandemics, the EU's preparedness to respond to health threats and its capacity to coordinate the actions of Member States need to be strengthened. To this end, **the EU legal framework for cross-border health threats** needs to be modernised and **the crisis response responsibilities of the European Centre for Disease Prevention and Control (ECDC) and the European Medicines Agency** need to be extended.

In order to improve **the timely and equitable availability of medicines and security of supply, the obligations of manufacturers, marketing authorisation holders, and wholesalers need to be clarified** at EU level, in addition to voluntary cooperation initiatives, to ensure that medicines are available in all countries. In order to strengthen **the supply chains of medicines**, it is necessary to improve the monitoring of supply chains and early warning mechanisms to improve the exchange of information between countries and to implement the **possibilities for cross-border lending of medicines** in case of temporary supply difficulties. In addition to the availability of medicines, **measures to support the affordability and transparency of pricing of medicines and the environmentally friendly production, use, and disposal of medicines** are also important. To this end, we support the implementation of the **European Medicines Strategy** and **the modernisation of EU medicines regulations**. EU regulations and support measures must take into account the specificities and needs of small markets.

The creation of **a supportive environment for health** must be promoted throughout EU policies (e.g. agricultural policy, transport policy, employment policy, etc.) in order to prolong healthy life expectancy. We consider it important to plan activities at EU level for the **prevention of the main risk factors for non-communicable diseases** (including healthy eating and exercise, food labelling, alcohol

and tobacco policy) as well as activities for **cancer prevention**. In order to improve the quality of healthcare systems, the EU needs to introduce **personalised medicine solutions and create the conditions for cross-border exchange of and access to health data**.

Equal opportunities and gender equality must be promoted across the EU in all policy areas to ensure a cohesive society. **The gender pay gap** needs to be reduced and **action against violence against women** needs to be stepped up. **The EU's accession to the Istanbul Convention must be completed**⁹. We consider it important not to compromise on the fundamental principles of gender and gender equality and to support the use of the term “gender equality” across all fields in EU. **Protection against discrimination** on the basis of nationality, race, skin colour, religion or belief, age, disability, and sexual orientation must be uniform at EU level. The free movement, security, and rights of all EU citizens and their families must be protected. Therefore, EU countries should also **mutually recognise as families persons with a registered partnership and same-sex couples** raising children together.

⁹ The Istanbul Convention is a treaty on preventing and combating violence against women and domestic violence, adopted by the Council of Europe in 2011. See: <https://rm.coe.int/1680464e70>.

GOVERNANCE



Estonia's long-term goal is to increase the unity of governance, including ensuring that **the rule of law** is upheld. Both the Member States of the European Union and the European Union as a whole must uphold the rule of law. Estonia is cooperating with the European Commission and other Member States to contribute to a more common understanding of the rule of law and its implementation, and to reduce the polarisation of the issue among the Member States.

In the discussions on **European elections**, including the system of transnational electoral lists and lead candidates throughout the European Union, we consider it important that the interests of small countries and geographical balance continue to be protected and represented and that the leaders of the European institutions be elected transparently. We support the goal of increasing transparency and thus people's confidence in the electoral process and results through **measures for providers of political advertising services in the online environment**, but keeping in mind that implementing new obligations must be justified and proportionate.

The European Union must continue with **developing e-governance and the digitalisation of the judiciary**, as this will increase transparency and access to justice, and thus strengthen the rule of law. Estonia's goal is to **develop cross-border court proceedings and judicial cooperation**. Information technology solutions and **cross-border e-services** ensure smooth cross-border cooperation between judicial authorities and the availability of legal information and data. Cooperation between the judicial authorities of the EU in civil and commercial matters, as well as in criminal matters, must become digital by default, and EU citizens and businesses must also have access to digital administration. The initiation of any legal proceedings and the conduct of proceedings through digital channels requires that the identity of the person instituting the proceedings be unambiguously digitally identifiable. We consider it important that all solutions follow the standards of the eIDAS¹⁰ regulation for the acceptance of electronic documents and e-signatures and the identification of persons.

¹⁰ The regulation on trust services for e-identification and e-transactions (eIDAS) aims to facilitate the cross-border use of e-services.

There is a need to improve **the compatibility** at EU level of the various legal **registers in the Member States (such as business registers, as well as insolvency and land registers)** and to develop **artificial intelligence solutions** to facilitate judicial cooperation (such as the development of machine translation). **In criminal matters**, automatic electronic access to the data in the Member States' registers would make it possible to verify the existence of the data and then continue to cooperate in the exchange of data in the form of letters rogatory. There is a need to create digital solutions for the cross-border service of documents in criminal proceedings, for the cross-border recognition of judgements, and for the cross-border enforcement of financial penalties. **An IT cooperation platform** for the exchange of information and evidence **between joint investigation teams** of competent authorities from different countries would help strengthen the fight against cross-border crime.

In civil and commercial matters, it makes sense in the first place to provide for digital communication channels for the initiation of legal proceedings in EU judicial cooperation instruments where the proceedings are initiated based on forms (e.g. European order for payment procedure, seizure order, succession order, judicial cooperation instruments on family matters, etc.). The e-CODEX data exchange platform and the e-Evidence Digital Exchange System (eEDES) based on it help ensure secure cross-border cooperation in both civil and commercial matters as well as in criminal matters. We consider it important to **transfer the management and development of e-CODEX to the European Union's IT Agency (eu-LISA)¹¹ in Tallinn by 2023**. eu-LISA, which has so far mainly dealt with internal security information systems, should become **an IT agency with a broader mandate, which also develops cross-border digital solutions in the field of justice**.

Given the mobility of persons within the European Union and the nature of serious crime, it is important that law enforcement authorities have access to **the communications data needed to conduct criminal proceedings**, irrespective of where the data are being stored. Therefore, it is necessary to establish a common framework for the **retention of communications data** that strikes a balance between the objectives of security and protection of privacy. The retention of data must be permitted in such a way that law enforcement authorities can efficiently prevent and prosecute criminal offences. The fundamental rights of individuals must be guaranteed by establishing clear rules on access and providing for various legal safeguards. **Efficient cross-border access to electronic evidence** must also be ensured in the European Union in order to tackle crime successfully. The

¹¹ European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA).

forthcoming **EU Police Cooperation Code** must facilitate cross-border police cooperation, *inter alia* by enhancing the potential of joint investigation teams and taking into account the best practices in existing bilateral and multilateral cooperation agreements. We would also like to clarify the possibilities for involving police volunteers at EU level. The exchange of information between competent authorities needs to be further developed in order to improve cross-border police cooperation. We support **the streamlining and extension of the Prüm data exchange mechanism to additional types of data** in addition to DNA, fingerprints, and vehicle registration data (e.g. facial images, ballistic data, data on driving licenses).

We consider it important to develop measures to **prevent the recurrence of violence and to prevent radicalisation, including in the online environment**. To this end, we support the clarification of the due diligence obligations of online platforms. Measures for fighting against **hate speech and hate crimes at the EU level** have to take into account the legal practices of the Member States, and alternatives to narrow criminal law approach must be considered.

Estonia's goal is to develop **a comprehensive approach to security and defence** in the EU and to improve **society's preparedness for crises** and its **resilience to hybrid threats**. The security of all the Member States of the European Union is threatened by various **hybrid threats**, including malicious cyber operations, hostile influence operations, the instrumentalization of migration, the exploitation of technological dependence, and threats to energy security. In order to respond adequately to these threats, the EU needs to move towards **a whole of the government approach** to security. To this end, there is a need to improve coordination between the European Union's institutions and its policy domains and to develop common **situational awareness and an early warning system** of the European Union. We need regular EU exercises and scenario-based discussions to raise awareness of the various threats (cyber security related and/or hybrid threats) and to improve the efficient and rapid response to them. The EU needs to develop a **hybrid toolbox** that allows for a rapid, efficient, asymmetric, and targeted response (attribution, sanctions, etc.) to hybrid threats. In the light of an increase in cyber incidents against critical infrastructure, it is essential to improve **the cyber resilience of the EU and its Member States**. To that end, Estonia wishes to **expand the requirements for strengthened cyber security in the EU** in the field of network and information system security **and to extend the basic requirements for cyber security** to those economically and socially important areas that are

excluded from the scope of the current directive on security of network and information systems. In the EU's cyber deterrence activities, it is important to ensure the unity and joint action of the European Union and other like-minded countries (including the United States and the United Kingdom), **the renewal of the cyber sanctions regime**, and its effective implementation. There is also a need to update existing EU cyber diplomacy measures (such as cyber dialogues, statements, strategic communications, joint investigations, etc.) in order to jointly respond to malicious cyber operations. With increasing digitalisation and growing cyber threats, the EU needs to develop a common approach to **assessing the adequacy of cyber security investments**.

The European Union must continue to develop joint **preparedness to respond to crises and threat scenarios with serious consequences for the security of its citizens**, using, *inter alia*, the European Union Civil Protection Mechanism and various forms of EU cooperation on internal security. Rapid assistance must be provided to a Member State in the event of a major emergency or natural disaster, as well as in the event of a major health crisis or mass immigration. **EU-wide (rescEU) special capabilities** to protect the population need to be created, especially in areas where building such capabilities by single Member States would be unreasonable or excessively costly, given the low probability of the risk occurring, but catastrophic consequences if the risk materialises. In particular, we are interested in building regional CBRN (chemical, biological, radiological, and nuclear) monitoring and detection capabilities. **The cross-border continuity and security of supply of critical infrastructure and services** must be better ensured in the European Union in order to meet the basic needs of the population during a crisis. In addition to the general requirements for the resilience of critical entities and digital infrastructure, it is necessary to agree on common **continuity requirements for communication services** to ensure the uninterrupted functioning of vital services. Estonia also considers it necessary to develop an EU preparedness plan to **ensure food supply and food security** during the crisis.

In the coming decades, Europe will continue to face widespread migration pressure from both fragile countries in the neighbourhood and beyond, which will require more efficient international and internal cooperation. The long-term goal of "Estonia 2035" is an efficient **migration surveillance and return policy that respects fundamental rights**; additionally, the reception system for beneficiaries of international protection must also be further developed. In order to prevent illegal migration and reduce migration pressure, in addition to **improving the**

surveillance of the European Union's external borders, it is necessary to **develop partnerships with countries of origin and transit** to reduce the root causes of migration, support the refugees in the region, implement readmission policies, and combat human trafficking and smuggling. The development of mutually beneficial partnerships with the countries of North Africa, the Sahel, the Western Balkans and the Asian Silk Road, including Turkey, is a priority. **In order to improve migration management and readmission cooperation with third countries, the European Union's development aid, trade, and visa policy measures** should be used in a consistent way and the return procedures must become faster in the Member States. The European Border and Coast Guard Agency (Frontex) and the EU Return Coordinator should have a central role in assisting Member States with return operations. We attach great importance to the active role of the High Representative and the Commission in negotiating readmission agreements with third countries, taking into account changing illegal migration routes. New EU readmission agreements or readmission cooperation arrangements are also needed, including the resumption of negotiations with Nigeria, Tunisia, and Morocco.

The aim of the reform of the European Union's migration and asylum system must be on helping those people who are in actual need of international protection. **Efficient border procedures** are needed for conducting security checks at the external borders and identifying persons whose applications for international protection are likely to be rejected and those in actual need of protection. Adequate EU operational and financial assistance must be provided to the frontline countries under severe migratory pressure, and **all Member States must support the front-line countries according to their capabilities and possibilities**, for example with experts, technology, or financial assistance. It is important to maintain the principle that **resettlement and relocation will be based on voluntary commitments**. It is also important to provide Member States with **the tools to deal with hybrid attacks threatening the security of the Schengen area where a third country instrumentalises migration** against the EU or its Member States. This requires targeted use of various measures at EU level, such as operational cooperation and funding, diplomacy, the imposition of sanctions, strategic communication, adaptation of EU legislation, and joint crisis preparedness planning.

In the common foreign and security policy (CFSP), Estonia's goal is the consistency and unity of the European Union's foreign policy decisions. We support the

12 1) Minski kokkulepete täielik rakendamine on peamine tingimus Euroopa Liidu seisukohtade muutmiseks Venemaa suhtes (st Minski kokkulepped on seotud sanktsioonipoliitikaga Venemaa suhtes); 2) suhete tugevdamine Euroopa Liidu idapartneritega ja teiste naabritega; 3) Euroopa Liidu vastupanuvõime tugevdamine, sealhulgas energiajulgeoleku, hübriidohtude ja strateegilise kommunikatsiooni valdkonnas; 4) valikuline koostöö Venemaaga Euroopa Liidule huvipakkuvates valdkondades; 5) toetada Venemaa kodanikuühiskonda, arendada inimestevahelisi suhteid.

effective and efficient implementation of the European Union’s common foreign and security policy, which helps to increase the European Union influence and promote democracy, common values, and security, especially in the Union’s immediate neighbourhood, but also in the wider world. Estonia is an active advocate for **increasing the common positions of EU and US policies** and **for strengthening transatlantic relations**. Estonia supports the launching of the EU-US dialogue on Russia. It is important to have the closest possible coordination between **the EU and the United Kingdom** on foreign and security policy issues.

Estonia aims for speaking with one voice and maintaining strategic patience and realistic attitude towards Russia. The European Union’s relations with Russia must be based on the five commonly agreed principles¹², including compliance with the Minsk agreements. Support for Russian civil society must be increased through EU projects and grants. We strongly support the **territorial integrity and sovereignty** of Ukraine, Moldova, and Georgia. Estonia will be keeping the situations in Belarus, Georgia, and Ukraine on the EU agenda, including **EU policy of the non-recognition** of the illegal annexation of the Crimean peninsula.

Estonia’s main goal in **the EU’s Eastern Partnership policy** is to promote a secure and economically prosperous neighbourhood based on the rule of law and the region’s gradual integration with the European Union. We seek the engagement of the Eastern Partnership countries in the areas of most interest to them. It is important to achieve closer integration of the three associated countries – Ukraine, Moldova, Georgia – with the European single market and to increase their resilience and strategic communication capability. It is important to strengthen the security belt around Europe so that it involves assistance to the Eastern Partnership countries (Georgia and Ukraine) which contribute to European security. Efforts must also be made to strengthen the civil society of Belarus. We will continue to share Estonia’s reform experience to the Eastern Partnership countries and look for opportunities to do make the most of the EU financing (including the Team Europe initiative).

We are seeking an increase in the EU’s common policies in relations with China and meetings in a 27 + 1 format. We contribute to the EU’s efforts to achieve a peaceful resolution of conflicts in the Southern Neighbourhood (via missions), in promoting their digital transition, and in supporting the civil society. We support

12 1) The full implementation of the Minsk agreements is a key condition for changing the European Union’s position towards Russia; 2) strengthening relations with the European Union’s Eastern Partnership countries and other neighbours; 3) strengthening the European Union’s resilience, including in the areas of energy security, hybrid threats, and strategic communications; 4) selective engagement with Russia in areas of interest to the European Union; 5) supporting Russian civil society, people-to-people contacts.

the further development of the strategic partnership between the European Union and the Southern Neighbourhood. We support EU-Africa cooperation to promote stability and a rule-based world order and to achieve sustainable development. In EU development cooperation, it is important to implement digitalisation (including through the membership of the global Digital for Development Hub) and green transition projects (in forestry, waste management, and circular economy).

The enlargement of the EU must continue within the framework and under the conditions set out in the Treaties. Accession negotiations must also be opened with **North Macedonia** and **Albania**. We support the Euro-Atlantic integration of the Western Balkans through the enlargement policy of the EU, as well as the growing alignment of the countries of the region with the common foreign and security policy of the European Union. We need to continue engaging Turkey with the EU and keep the dialogue ongoing.

We contribute to **the civilian missions of the EU**, thereby increasing Estonia's foreign policy visibility. Estonia's aim is to increase the number of Estonian experts participating in EU's civilian missions. The priority countries for Estonia are Ukraine, Georgia, Kosovo, Iraq, Libya, Mali, and Somalia. The important areas of cooperation are related to cyber security and hybrid threats. Estonia supports the conducting of the European Union's **crisis management operations** and other operations that help to contribute to European security. We continue to contribute to them and consider it important to improve the rapid response capability of the EU battle groups.

While developing the European Union's security and defence initiatives, the focus must be on improving the defence capabilities of the Member States, involving our transatlantic allies and other countries that are capable and share our values. It is in the strategic interest of Estonia to strengthen NATO and the transatlantic bond as they make up the backbone of the European security architecture. Therefore, we support the unity of the European Union and NATO and their mutually beneficial cooperation. We will continue efforts to enhance the EU-NATO cooperation so, that both organisations would assess threats in a similar way, and would improve practical cooperation, especially on issues where EU and NATO capabilities can be brought together (e.g. in the domain of new technologies, hybrid threats, military mobility). The European Union's defence initiatives must involve strategic partners who contribute to European security, but are not members of the European Union, such as the United States and the United Kingdom.

In the Strategic Compass for Security and Defence document, which sets the goals of the EU's security and defence policy for the next five to ten years, Estonia's main goal is to strengthen European security by ensuring the central role of NATO and the transatlantic allies in European security and collective defence and the participation of transatlantic allies in EU defence initiatives. The Strategic Compass must provide a common direction in accordance with the actual security threats and threat assessments, especially in the immediate neighbourhood of the Union. It is important that the Strategic Compass, based on the principle of comprehensive security, also includes issues that remain outside the common security and defence policy, but are related to internal and external security, such as economic and energy security and limiting the influence of third countries.

Estonia actively participates in the **research and development activities of the European Defence Fund (EDF)** and supports the participation of Estonian companies in joint projects (as partners and project managers) in order to boost the innovation and competitiveness of the Union as well as the Estonian defence sector. Important areas for us are related to naval capabilities, cyber defence, surveillance and situational awareness, the autonomy of ground systems, digitalisation supporting the speed of military mobility, and various solutions based on artificial intelligence. In order to enhance the development opportunities of Estonian companies, we stand for the balanced priorities of the European Defence Fund to enable innovation led by small and medium-sized enterprises (SMEs) and the Estonian SMEs to enter the value chains of the European defence industry. To improve **military mobility**, the European Union must invest in the development of dual-use transport infrastructure and support the simplification and acceleration of border crossing procedures. **In cyber defence**, it is important to have a clear division of roles between the EU and NATO so that the EU focuses primarily on ensuring cyber resilience and supports Member States in developing their cyber defence capabilities.

