

## **Estonia**

### **UN CSD18: National Reporting on 10 year Framework of Programmes on Sustainable Consumption and Production**

#### **Generic issues related to the inclusion of Sustainable Consumption and Production (SCP) in national policies**

Estonian National Strategy on Sustainable Development - Sustainable Estonia 21 (SE21) was approved by Parliament in 2005. The Strategy defines the goals for sustainable development in Estonia and it will serve as a basis for drafting sector-specific development plans and strategies. The principles of SCP have been integrated into sector-specific strategies and development plans to a different degree. In Estonia there is no specific strategies for poverty alleviation, the closest to this content is the National Programme for Economic Growth and Employment for 2008 – 2011, endorsed by the Government in 2008. The program includes the unemployment reduction, advancing and retraining employees as well as measures for establishing new enterprises which all together constitutes the best tools for reducing poverty.

According to the Estonian Development Plan of Development Cooperation and Humanitarian Aid for 2006 – 2010, endorsed by the Government in 2005, the state's important foreign policy goals include the increase of contribution to international development cooperation and humanitarian aid to at least 0.1 percent of GDP by 2010. One of the primary targets of development cooperation is to contribute to sustainable development of developing countries. For that purpose Estonia will continue the support of international environmental organisations (the UN Environmental Programme UNEP and the Global Environment Fund GEF) addressing environment-sparing development in the developing countries via voluntary donations.

During the drafting of the National Strategy for the use of European Union Structural Funds for the 2007-2013 programme periods, the Estonian National Strategy on Sustainable Development was considered and therefore the EU structural funds contribute to the achievement of the SE21 targets. It is important to proceed along the development model specified by SE21, which presumes the balanced consideration of the targets of viable cultural space, the increase of welfare, social cohesion and ecological balance.

At the local government level the priority spheres and developments will be determined by the development plan of the municipality or local authority. According to the Local Government Organisation Act the aim of the development plan is to balance the long-term trends and requirements of economic, social and cultural environment and natural environment. It is important that the targets of various sector-specific development plans were harmonised and the sustainable development goals set by the development programmes were reflected in planning. One of the goals of the Planning Act (entered into force in 2002) is also to ensure sustainable and balanced spatial development.

#### **Green public procurement policies, laws and regulations are coordinated under the Ministry of Finance.**

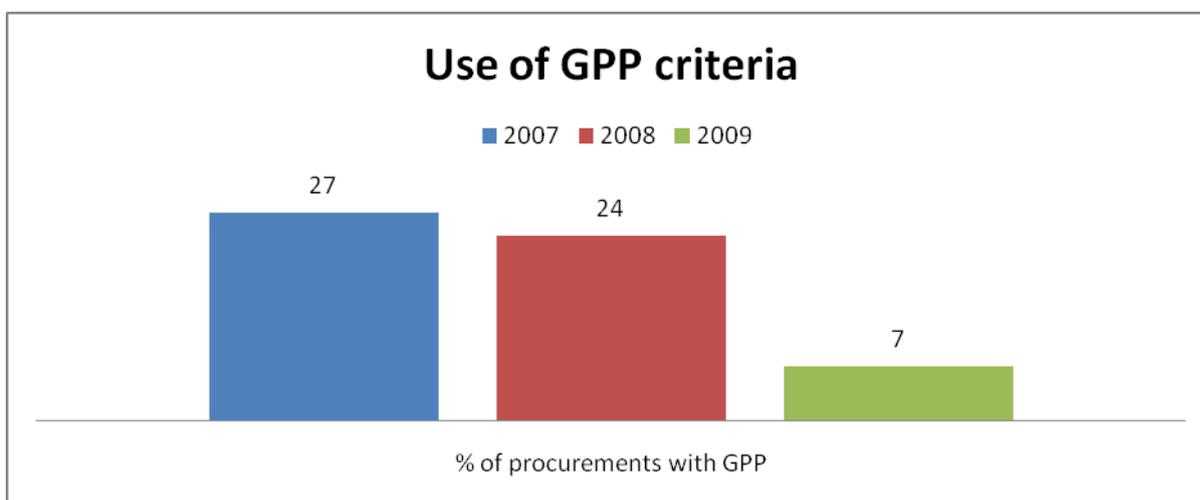
The share of public sector constitutes about 14-16% of GDP in Estonia, 75% of that is spent through public procurements. Therefore "greening" of public procurements is seen as a significant measure to spread environmental technologies and the development of environmentally sound products.

According to Directives 2004/17/EC and 2004/18/EC, the Government of Estonia took a commitment to amend Public Procurement Act with principles of Green Public Procurements (GPP). The new Public Procurement Act that enforces a procurer to favour environmentally friendly

goods and services is due from May 2007. To make the implementation of the new Public Procurement Act efficient, the Ministry of the Environment published an informative document “Environmental and Sustainable Public Procurement Priorities for 2007-2009”. Measures and actions to carry out these priorities were also incorporated in “National Environmental Action Plan of Estonia for 2007 - 2013”.

In 2006 the Ministry of the Environment established an Estonian GPP Working Group, a cross-ministry group of specialists that is engaged in popularisation of environmentally sound and sustainable public procurement, and compilation of GPP criteria for products and services. The main source for initial GPP criteria is the European Commission. As of 2009, GPP criteria have been set for ten product and service groups – copying and graphic paper, cleaning agents and services, office IT equipment, construction, transport, furniture, electricity, food and catering services, textiles, and gardening products and services. A target has been set that at least 50% of all public procurements for these product and service groups shall include GPP criteria by 2010. Furthermore, criteria for another ten product and service groups are to be compiled by the end of 2009.

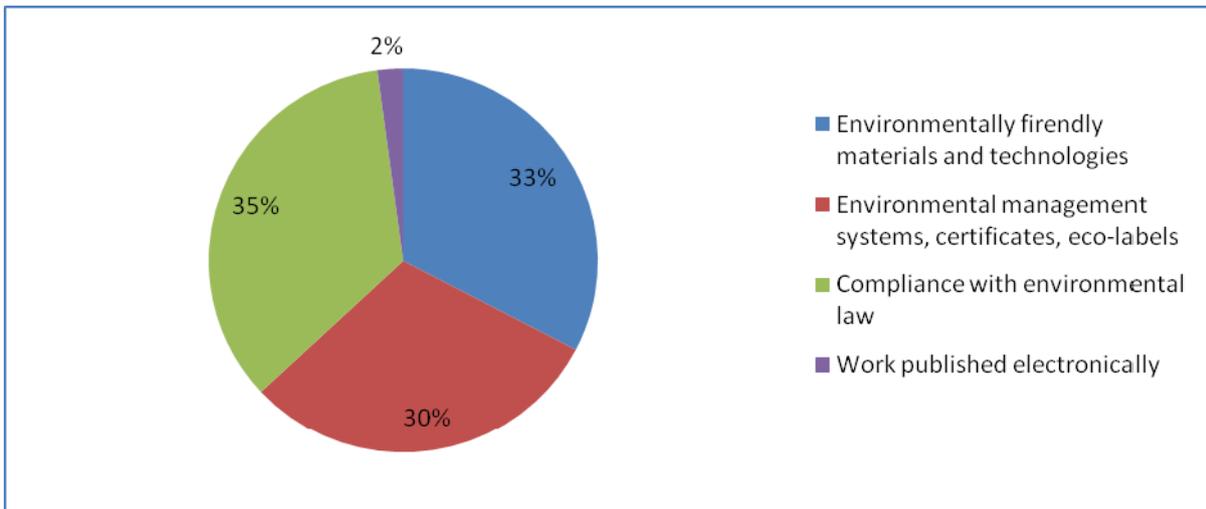
Starting from 2007, in all biddings for public procurements it is mandatory to specify in the registration of the procurement whether the bidding terms include environmental requirements (see Figure 1).



**Figure 1 - Use of GPP criteria in public procurement** (Source: Ministry of Finance)

The figure shows that the share of procurements with environmental requirements was significantly higher in 2007 and 2008 than in 2009.

The decline in the share of procurements that integrated environmental requirements was probably caused due to the amendment in the Public Procurements Act at the end of 2008, according to which the purchasers, that have integrated environmental requirements in procurement criteria, have to submit the description of these requirements to the National Register of Public Procurements. Consequently the integration of environmental requirements poses additional problems to purchasers. This assumption can be supported by the statistics of the first seven months of 2009, according to which the entries under environmental requirements of procurements primarily only state that one of the aims of the procurement is to limit environmental impacts of the procurement object or that the procurement object needs to comply with environmental legislation; however specific and usable GPP criteria are only infrequently included (see Figure 2).



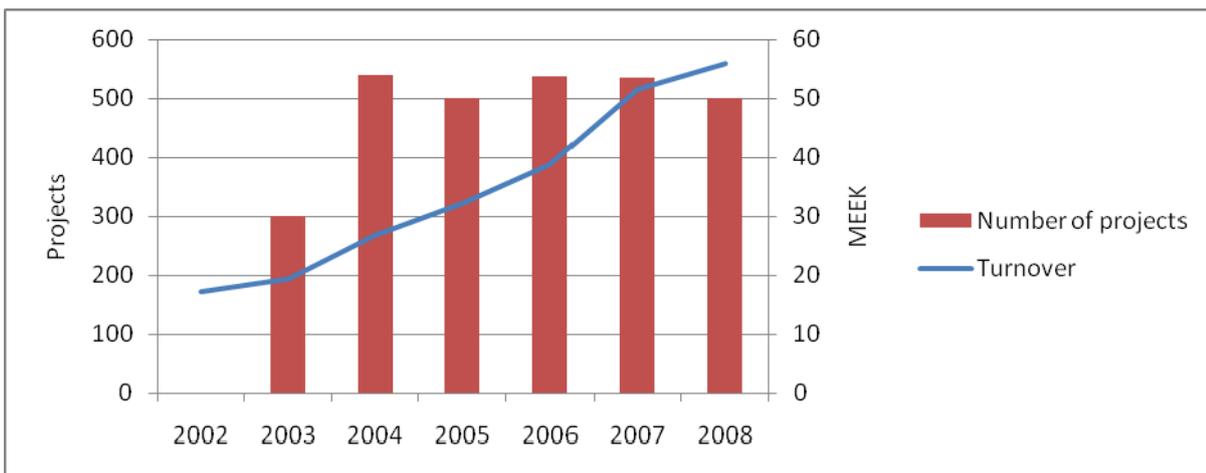
**Figure 2 - GPP criteria used public procurements in 2009** (Source: Ministry of Finance)

Conclusion:

- An Estonian GPP Working Group was established in 2006.
- Estonia uses GPP criteria developed by EC.
- The Public Procurement Act was amended with GPP principles in 2007.
- Various documents have been drafted for the popularisation and application of GPP principles.
- Awareness about GPP is low. Therefore a helpdesk is needed to provide procurement managers with know-how.

### Instruments for sustainable consumption

In Estonia the proceeds from environmental fees, finances from the EU structural funds, and foreign support programmes (i.e. public funds) are channelled into environmental projects by Environmental Investment Centre (EIC). Since 2000, approximately 3,000 projects have been supported within the EIC environmental awareness programme worth 241.6 million kroons (see Figure 3).



**Figure 3 – Dynamics of investments into awareness raising programmes by EIC, 2002 – 2008** (Source: Environmental Investment Centre)

The purpose of the projects supported is generally the relaying of environmental information, involvement of the public in the decision-making progress, improvement of environmental awareness and the promotion of environment-friendly consumption practices.

The public water supply construction projects in major cities and towns carried out in 1995 – 2008 and currently in progress have opened opportunities for saving water, primarily by the liquidation of pipeline leaks. The significant rise of the cost of water has also forced the households and enterprises to take additional water saving measures. Estonia's largest water supply firm, the Tallinn water works, has financed campaigns to improve water saving awareness among the public.

The "Energy saving target programme for 2007-2013" and the implementation plan have been drafted in accordance with the on the Government of the Republic 2007-2011 action programme and regarding the corresponding EU (especially directive 2006/32/EC) and international requirements (e.g. the Energy Charter protocol on improving the efficiency of energy use and the related environment protection issues). The document was endorsed by the Government of the Republic decree of 2007 and its goal is to support the implementation of the "Long-term national development plan of fuel and energy supply until 2015" regarding the saving of fuel and energy.

Estonia's energy policy emphasises the implementation of technically and economically justified and cost-effective energy saving measures; the task of the state is to promote the behaviour of energy consumers, which would contribute to rational use of fuels and energy. Various sectors use different measures to promote economic use of fuels and energy.

Detailed information on energy saving is available to individuals and organisations at:

- [Energy saving centre of excellence](#) (energy saving in apartment houses).
- [Energy saving portal](#) and [Energy wise homepage](#) (energy saving at home, institutions, industry).
- [e3portaal](#) (energy consumption and saving in public buildings). Important issues in the Ministry of Economy and Communications energy saving service are:
  - Implementation of energy saving target programme 2007-2013.
  - Development of buildings' energy efficiency minimum standards regulation.
  - Development of buildings' energy rating issue regulation.

Estonia is involved in several European Union projects, which aim at promoting rational measures of energy saving. The most significant are:

- IMPLEMENT – A three-year (2007-2009) project joining seven EU member nations aiming at wider presentation of the buildings' energy efficiency directive 2002/91/EC (EPBD). The project incorporates several public campaigns, which are expected to improve the energy saving awareness of Estonia's residents and to inform the public of the opportunities for learning about energy saving. [www.epbdinaction.eu](http://www.epbdinaction.eu).
- Changing Behaviour – a European Union funded project that aims to support change in energy use and energy services. As the project focuses on energy demand side management (DSM), its aim is to develop and disseminate a theoretically rich but practical conceptual model and toolkit of the socio-technical change involved in energy demand management programmes. [www.energychange.info](http://www.energychange.info).

The largest energy producer Eesti Energia holds regular campaigns for improving the energy efficiency awareness of the public.

The legislation on and organisation of Estonia's waste management sphere have undergone several changes according to the European Communities Council waste directive 75/442/EMÜ and the European Parliament and Council of the European Union package and package waste directive 94/62/EÜ. The packages recycling system came on force in 2004, entitling the consumers to return the taxes drink packages and all other sales packages. The end users have to sort the package waste separately from other waste for that purpose and deliver to the corresponding collection stations; i.e. the working of the package waste collection and recycling system depends on the consumers'

awareness and the activeness of their participation. The targets of collecting and recycling of package waste have been met, but there are still some areas, where the residents face problems handing over separately collected package waste. The collection of packages for return fee is operating satisfactorily.

Another important change took place in 2008, when the depositing of unsorted household waste in landfills was banned. Since the sorting of waste was alien to the Estonian public, local governments in cooperation with the Ministry of Environment and waste management organisations carried out extensive information campaigns, using various media channels and information leaflets. It is noticeable that the volume of waste deposited in landfills is steadily declining and the share of recycled waste is increasing. A significant campaign for promoting public waste awareness was the privately launched action Teeme Ära 2008 (Let's do it). A nationwide cleaning-up action was organised within the campaign with approximately 50,000 people gathering a total of 10,000 tons of waste from nature during a single day.

Depositing unsorted waste in landfills is forbidden in Estonia since 2008, therefore the sorting of waste has progressed rapidly. The organisation of waste management is the task of local governments, which they have handled adequately – while 98% of household waste was deposited in landfills in 1995, the share was only 66% in 2008.

*Policies and/or infrastructure to support citizens' choices for responsible consumption of products and services, including consumer information tools*

According to the EC eco-label regulation (1980/2000/EÜ), after the EU accession in 2004 Estonia had to develop a system enabling enterprises to apply for and use the EC eco-label – the flower. According to the Environmental impact assessment and environment management system act the competent institution for issuing the eco-label in Estonia is the Ministry of Environment Information and Technical Centre (ITK).

The EC eco-label was issued to only two Estonian enterprises in 2009. Significantly more widespread than the EC eco-label are several labels similar to the eco-label (FSC, Fair Trade etc.), organic farming labels and various self-declared labels (Green Energy etc.). The introduction of environment management systems is increasing. As of October 22, 2009, there are 278 enterprises in Estonia certified according to the ISO 14001:2004 standard and 1 according to the EMAS standard.

Besides the use of labels and management systems several enterprises and trade associations have signed Free will agreements with the Ministry of Environment. The agreements define developed common positions and goals by which the enterprises and organisations adopt obligations not directly required by existing legislation, but which would significantly improve the state of environment. On the other hand the Ministry of Environment will inform the enterprises on future amendments to environment-related legal and normative acts and will involve them in the drafting of legal acts in the enterprises' sphere of expertise.

The labelling of household appliances according to their energy efficiency has been well implemented in practice. Starting from 2007, according to the energy efficiency act of appliances improved in accordance with the EC Eco-Design (EuP) Directive 2005/32/EC must be provided with energy efficiency marking. The marking shall bear the appliance's energy efficiency class, energy requirement etc. Starting from 2009 houses as well as appliances are labelled. A law amendment came in force in Estonia in 2009 based on the European Parliament and Council directive 2002/91/EÜ (EPBD), according to which anyone wishing to design a new house, to buy or rent a house or an apartment is entitled to claim the building's energy label.

*Curriculum development/formal education programmes*

By signing agreements concerning human development and environmental protection, and by joining the European Union, Estonia has taken on several International obligations in the field of

sustainable development and education. Estonia participates in the implementation of the UN Decade for Education for Sustainable Development (2005–2014) and the Convention on Biological Diversity, both of which include drawing up national documents supporting the promotion of environmental education and awareness.

The framework for the forming of Estonia's environmental and sustainable development education has been drafted according to the "European Union Strategy on Sustainable Development". The "Baltic21E – an Agenda 21 for Education in the Baltic Sea Region" also encourages the integration of environmental and sustainable development principles in all curricula. However, environment-friendly, sustainable way of life is beginning of being rooted in the value system of people in Estonia. Environmental education is acquired during the entire life. Environmental education is considered important at every level of formal education (pre-school children's institutions, comprehensive schools, vocational schools and universities), as well as in informal education.

Pre-school children's institutions - according to the "National curriculum of preschool education", established in 2008, one of the spheres of education is "Myself and environment", which aims at teaching the children to perceive and understand the world as a whole. Besides understanding the natural environment, the understanding of cultural traditions and social roles is also emphasised.

General education - according to the "Basic school and grammar school national curriculum", environment and sustainable development are among the compulsory subjects contained in the entire curriculum. The mission of the school is among other things to support the development of competence in the natural sphere – the ability to understand the phenomena of the animate and inanimate nature, their regularities, knowledge and mentalities concerning natural sciences and to develop an attitude favouring the protection of nature.

Environment and sustainable development are also central subjects in the development of the pupils' social and technological competence. The objective of the curricula is to raise environmental awareness in schoolchildren, and to shape environmentally friendly consumers and producers. According to the curriculum the principles of sustainable development have to be integrated into all subjects taught. The "Comprehensive education system development plan for 2007-2013" emphasises the need for greater attention to the sustainable development, nature education/environmental education, technical and technological education and creative education aspects of the curricula.

Despite the drawbacks of the education system Estonian pupils achieved 1<sup>st</sup> place in geography, 5<sup>th</sup> place in chemistry, 5<sup>th</sup> place in environmental study, 6<sup>th</sup> place in biology and 7<sup>th</sup> award in physics in the international mathematics and natural sciences comparative study TIMSS in 2002. Estonia was represented among the top three of European nations in all subjects.

Vocational and adult education - until 2006 the environmental education level at vocational schools depended on the environmental awareness of the head of the institution, but significant changes at the national level have been made to improve the situation. Vocational education in environment protection is available in Estonia only in the R pina gardening school, but specialities more generally related to environment are taught in a number of vocational institutions.

Although the Ministry of Education and Science has drafted several development plans in the sphere of vocational and adult education (Development Plan for the Estonian Vocational Education and Training System 2009-2013, Adult education development plan for 2009-2013) their goal is primarily to create more favourable conditions for the students rather than to determine the content of the curricula. Therefore these development plans fail to pay sufficient attention to the subject of sustainable development.

Higher education - key role in providing the required sustainable development competence to qualified labour is played by universities and other higher educational institutions.

The curricula of higher education are developed in the universities. Natural sciences, which form

the bases for environmental education, are taught in most large universities. Environmental education curriculum and its methodology do not exist in Estonia, including the training of teachers.

Estonia's higher education strategy for 2006-2015 still calls for measures to further boost interest in studies of natural and exact sciences and technologies among the youths. A multi-faceted complex of measures will be launched for that purpose, including the allocation of state scholarships, availability of the corresponding subjects as optional in basic, grammar and vocational schools, state support to technical youth centres and university pedagogical training for teachers of these subjects. Universities and research facilities and the private sector will promote research and development activities, which would help to achieve economic growth and ensure environment preservation.

Informal education - only a few comprehensive and special interests schools offer nature- and environment-related activities to youths. Typical forms of study are visualised lessons, practical study, outdoor lessons, incl. camps, excursions and study tours. The subjects include the world's fauna, forestry, horticulture, pets, nature protection, ornithology etc. Surveys among pupils show that interest in joining nature and environment groups is very low.

Adult education on environment is provided by various environmental education centres and other institutions and organisations promoting environmental education. Mostly this concerns corresponding advanced training to teachers. Informal environmental training is available at adult universities and various non-governmental organisations and associations; corresponding training is primarily related to cultural environment.

The Ministry of Environment and KIK has supported the compiling of the Internet database [www.keskkonnaharidus.ee](http://www.keskkonnaharidus.ee), which lists all generally available centres of environmental education, e.g. nature centres, training institutions, natural museums etc. The 82 nature study paths opened by the State Forestry centre all over Estonia and numerous hiking and cycling tracks are also important. Acquiring nature education on one's own is becoming increasingly popular and the availability and distribution of information in the Internet is probably playing a significant role in that.

### **Sustainable Consumption and Production in national priority areas**

National priority areas of the Republic of Estonia, determined by the National strategy for the use of structural funds for 2007-2013, are:

- Development of human resources;
- Development of knowledge-based economy;
- Development of basic infrastructure;
- Environment protection and energy development;
- Local development;
- Increasing national administrative capacity.

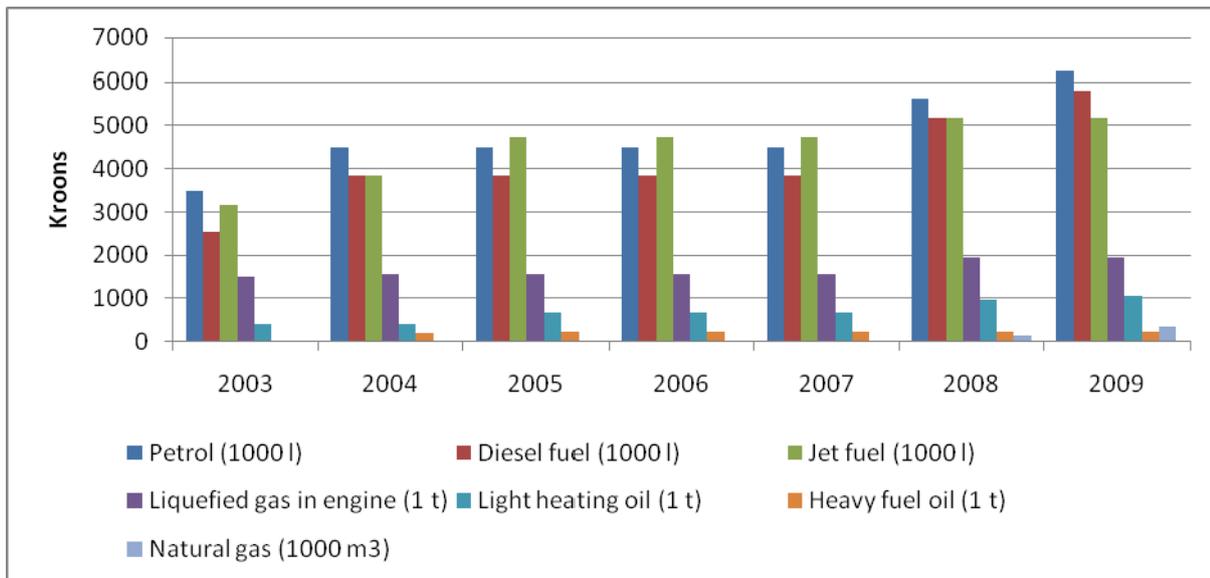
Principles of sustainable consumption and production have been introduced in many laws, regulations, and guidelines, including Public Procurement Act, Water Act, Sustainable Development Act, Integrated Pollution Prevention and Control Act, Nature Conservation Act, Environmental Impact Assessment and Environmental Management System Act and many others. The research, development and innovation (R&D&I) strategy "Knowledge-based Estonia", approved in 2001 and significantly amended and updated in 2007, concentrates on ensuring the society's sustainable development by research and development activities.

Although Estonia's R&D&I system is functioning stable and well, some lagging behind the R&D&I financing goals can be noticed. Nevertheless the growth of the R&D&I investments within the past five years have been on the average over 25% annually and amounted 1.14% of GDP in 2007. The R&D&I strategy is significantly complemented by the "Estonia's entrepreneurship policy 2007–

2013”, aimed at the development of human resource and entrepreneurial capabilities meeting the enterprises’ needs.

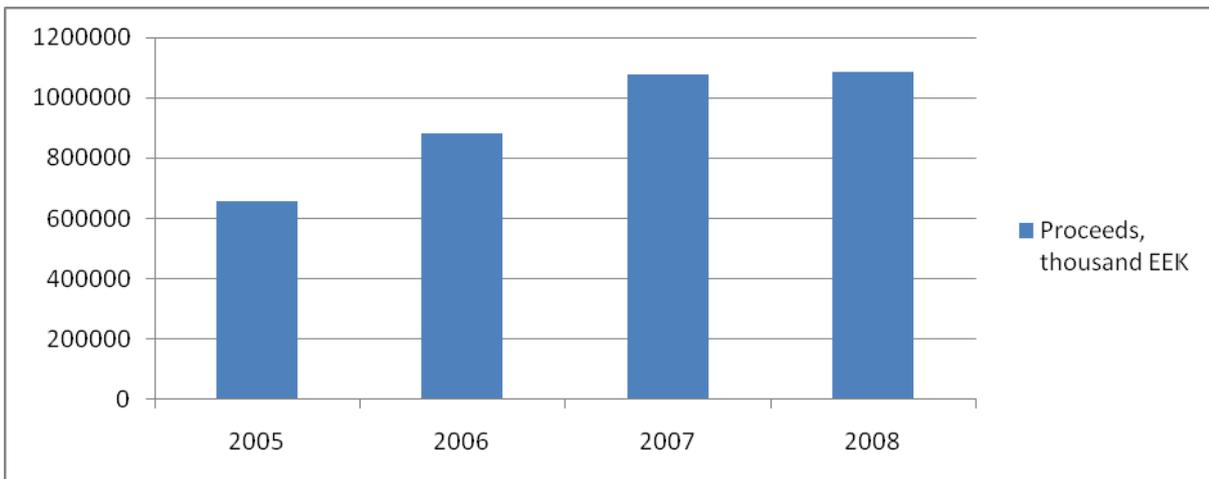
More than 4,600 people were trained in 2008 according to the development plan and some 11,000 took part in the cities’ entrepreneurship week. Additionally, technology investment support became available to industrial companies. Both development plans are harmonised and contribute to the achieving of the goals set in Estonia’s sustainable development strategy „Sustainable Estonia 21“.

Ecological tax reform - environmental fees have been used in Estonia since 1991 and they have been steadily increased. However, a situation developed in 2005, where the environmental fees no longer had any environment protection effect. Accordingly, the drafting and implementation of the basics of ecological tax reform (ETR) was started in 2005. The primary objective of ETR is to use the taxation system to create premises for sustainable use and fair pricing of natural resources and environment. In order to achieve the goals, the taxation of consumption (use of natural resources and pollution) was increased, while the taxation of profits was reduced. For instance, the excise act amendments of January 1, 2008, significantly increased the gasoline, diesel fuel, petrol and liquid gas excise rates (Figure 4). Two new excises were also introduced from 2008: natural gas and electric energy excises.



**Figure 4 – Implementation of fuel excise in Estonia, 2003 – 2008** (Source: Ministry of Finance)

In 2009, the excise of gasoline, diesel fuel and specially dyed liquid fuels was increased once more by 10-12 %, while the natural gas excise as increased as much as by 134 %. Environmental fees were increased as well (Figure 5).

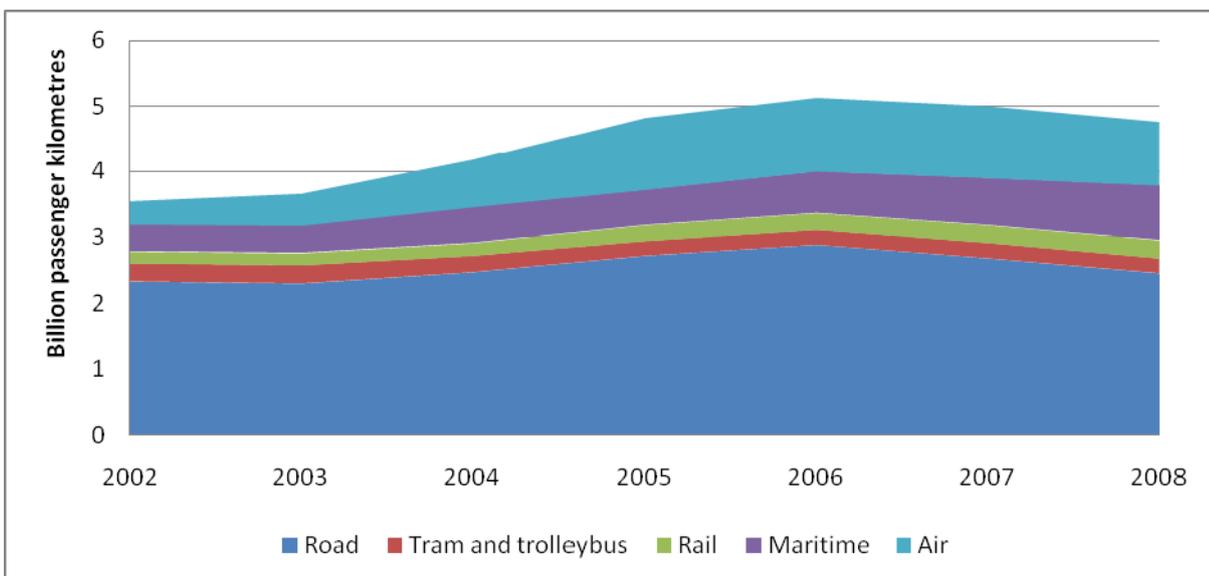


**Figure 5 – Influx of environmental fees to the State Treasury (environmental taxes not included)** (Source: Ministry of the Environment)

The long-term rising of the tax rates and the major hike of 2006 have boosted the fees rates to a sufficient level to force enterprises use sustainable technologies. According to the Environmental Fees Act, which will come in force in 2010, the gradual rise of environmental fees will continue in 2010-2015. The higher taxation of consumption, use of natural resources and pollution is to continue in the longer perspective. For better implementation of the “polluter pays” principle the environmental liability act was approved in 2007, which contains the regulation of environmental damage avoidance and compensation. The law is based on the principle that the party guilty of causing the damage has to ensure the restoration or replacement of the damaged environment.

#### *Enabling infrastructure and institutions for sustainable lifestyles*

The state level goals involve the increasing of the use of public transport. For achieving the objective cities have started to introduce public transport-only traffic lanes, a nationwide information system of timetables and travel planning ([www.peatus.ee](http://www.peatus.ee)) has been created and new tram lines are being planned.



**Figure 6 - Passenger turnover by type of transport, 2002–2008** (Source: Board of Statistics of Estonia)

Although the use of public transport increased steadily during the years 2002-2006, it has decreased over the past two years. One of the reasons may be the significant rise of ticket prices due to the increasing cost of fuel. Other objectives include the popularisation of light traffic; corresponding

roads are being built in cities and between towns. Although the general planning of many local governments call for extensive light traffic lanes, only some more important stretches have been built due to money shortage.

Several eco-villages have been created at private initiative; major cities have several shops specialising in organic and ecological products and organic farming is spreading. The development of organic farming is one of the national objectives; accordingly a national organic farming development plan was approved in 2007.

#### *Promotion of Corporate Social Responsibility in the sector*

The subject of corporate social responsibility (CSR) has seen more active approach in Estonia only in the recent years. The analysis of survey results shows that although Estonian enterprises are not aware of CSR issues, social responsibility in itself is not alien to entrepreneurs. Unfortunately, its strategic implementation, which would provide additional value to the enterprises and Estonia in general, is still out of the question. At the same time, studies also show that some enterprises are practicing CSR without acknowledging it. Although 85% of Estonian SMEs are interested in finding-out more about CSR and its advantages and there are 74 organisations certified according to OHSAS 18001, there are no organisations certified according to SA 8000. The best way to promote CSR among SMEs in Estonia has been identified as via the organization of seminars and the publication of best practice materials. CSR promoters in Estonia are the Responsible Entrepreneurship Forum, the Open Estonia Foundation, the Benevolent Acts Foundation and the Chamber of Commerce and Industry of Estonia.

The National Environmental Action Plan of Estonia for 2007-2013 allocates approximately 650 million kroons for the financing of R&D in the environment sphere (incl. sustainable development, consumption and production), which amounts to roughly 0.62% of entire cost of the environmental action plan.

The development of environmental technologies has been allocated high priority in the research and development and innovation strategy "Knowledge-based Estonia 2007–2013". Regarding that the Estonian Energy technology programme, has been drafted, aiming at developing local renewable energy sources, developing oil shale technologies and new energy technologies. The programme will support product development, applied studies and basic research. Money allocated from the EU structure funds would be also used to develop innovative environmental technologies. The living environment development programme in the structural funds implementation strategy 2007-2013 has allocated approximately 2240 million kroons to the environment technologies' development.