A High Quality Living Environment for Estonia

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CONTENTS

Abbreviations

BIM	Building information modelling
BRP	Building renovation passport
CAP	Common Agricultural Policy
CDE	Common data environment
DESI	Digital Economy and Society Index
DG REFORM	Directorate-General for Structural Reform
EHR	Estonian National Register of Buildings
ESDP	European spatial development perspective
EU	European Union
HQLE	High Quality Living Environment
IT	Information Technology
KPI	Key performance indicator
MEAC	Ministry of Economic Affairs and Communications
NGO	Non-governmental organisation
PLANK	Database of spatial plans
RAAs	Renewable Acceleration Areas
RKAS	Riigi Kinnisvara Aktsiaselts (State real estate company)
RD&I	Research, development and innovation
SoM	Ministry of Social Affairs
TRAM	Transport Administration Agency
UX/UI	User Experience / User Interface
VET	Vocational education and training

1 Introduction

This report gives a short overview of the work that was developed for the project "Coherent Policy Development for High-Quality and Sustainable Living Environment (HQLE) in Estonia".[1] The main part of this report (17 pages long) consists of the challenges and the priorities/recommendations to achieving a high quality living environment in Estonia for the way forward. In the annex, a summary of the key project takeaways (per deliverable) is provided. It gives the reader the opportunity, in an hour's time, to grasp the idea of HQLE, why it is important for our society and how to achieve it.

The project has taken place at a timely opportunity, as there have been active discussions and advancements in improving the quality and sustainability of Estonia's living environment. The National Spatial Plan is currently in the process of being updated, and the concept of developing a Living Environment Development Plan has been recognised by decision makers. Structural changes due to the political developments following the parliamentary elections held in March 2023 have also taken effect within a short span of time; the bulk of functions related to the broad field of spatial creation are now consolidated mainly under two new ministries, i.e. Ministry of Climate and the Ministry of Regional Affairs and Agriculture. A centralised national spatial office is expected to start operations on 1 January 2025.

1.1 Objective

In light of the on-going active discussions, the project team led by Trinomics suggested to develop this document as a condensed report with key recommendations and learnings that can be readily shared with politicians and key officials of various ministries and municipal governments etc., even though it is not included in the original terms of reference of this project.

1.2 Scope

The scope of this document includes an executive summary of the work done across all deliverables of this project, highlighting the key challenges and presenting a set of priorities and recommendations that are necessary to improve the coherence, quality and sustainability of the living environment in Estonia.

1.3 Methodology

The insights gathered in this report are based on the findings and recommendations from all eight deliverables of the "Coherent Policy Development for High-Quality and Sustainable Living Environment in Estonia" project funded by DG REFORM.

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[1] The project is funded by the Directorate-General for Structural Reform (DG REFORM), with the current Ministry of Climate - formerly under the Ministry of Economic Affairs and Communications (MEAC) - as the main beneficiary.

1.4 Reading guide

This report includes the following elements:

- ✓ **Chapter 1** provides a short introduction that describes the purpose of this document;
- ✓ **Chapter 2** explains the urgency and need to have a coherent approach to achieve a high quality and sustainable living environment;
- ✓ **Chapter 3** describes the key challenges to achieving a high quality and sustainable living environment in Estonia;
- ✓ **Chapter 4** details the key priorities and recommendations for the next steps to be taken;
- ✓ Lastly, an overview of the main messages of Deliverables 2 to 7 are provided in **Annex A.**

2 The need of a coherent approach to achieve a high quality living environment

Box 2-1 Definition of a high-quality living environment in Estonia

High quality living environment (HQLE) in Estonia encompasses a broader concept than just the built environment. It also reflects the values of the Estonian society on the environment, culture, heritage and social values, while recognising the need for economic development and sustainability. The key elements of HQLE in Estonia includes the following:[2]

- Inclusiveness to all citizens;
- Environment-friendly transport infrastructure that enables the population to be mobile and connected to various amenities and services;
- Easily accessible greenery and recreational spaces;
- Clean, efficient, sustainable and secure energy system
- Future proofing housing;
- Preservation of heritage;
- Infrastructure to promote healthy lifestyle;
- High biodiversity;
- Possibilities to engage with the Estonian cultural heritage and have an active lifestyle.

In addition, the values of New European Bauhaus,[3] i.e. to improve the sustainability, aesthetics and inclusivity of the living environment, should also be incorporated into Estonian's spatial development. As a signatory of the 2018 Davos Declaration, Estonia also commits itself to ensuring a high-quality living environment which can be assessed by the Davos Baukultur Quality System, a framework which places social, cultural and emotional criteria on an equal footing to the more common technical, environmental and economic criteria.[4]

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[2] This definition is derived from the results of a survey carried out as part of this study, and considers the definition of a what a sustainable living environment provides in the Estonia 2035 long-term development strategy.
[3] See https://new-european-bauhaus.europa.eu/about/about-initiative_en. Estonia has also discussed this 2021, see https://estonia.representation.ec.europa.eu/system/files/2022-02/Eesti%20ruumiloome%20l%C3%A4bi%20Euroopa%20uue%20Bauhausi%20prisma%20ENG.pdf
[4] The Davos Baukultur Quality System: Eight criteria for a high-quality Baukultur – the whole story. Available at: https://davosdeclaration2018.ch/wp-content/uploads/sites/2/2023/06/2022-05-27-083053-dbqs-the-whole-story-en.pdf

While spatial planning has always dealt with complexity, it must increasingly consider a broader range of sustainability topics, such as climate change mitigation, biodiversity challenges, sustainable economic development, the creation of liveable and mixed-use living environments, reduced social exclusion, etc. To deal with such issues, a traditional silo-approach is no longer effective. Coordination and coherence of spatial development policies and actions, as well as effective discussions and cooperation between various stakeholders including the public sector (both national and municipal levels), businesses, professional associations, non-governmental organisations (NGOs), and the general public etc., and innovative solutions are necessary to ensure a high quality and sustainable living environment in Estonia and to achieve positive social, cultural, economic and environmental impacts. This will however require some fundamental changes in the approach across the different stages of a spatial creation process, including spatial planning, spatial design, construction and post-construction activities.

Although Estonia already aspires to improve the quality and sustainability of its living environment, past efforts have not led to significant changes yet. The national long-term strategy 'Estonia 2035'[5] that was published in 2021 identified that the current development of the living environment is not addressing the society's core needs and lacks efficient organisation. However, the political developments and the coalition agreement arising from the March 2023 governmental elections have resulted in structural changes to the organisation of and the future dynamics of various ministries and departments who are considered as key stakeholders in the policy- and decision-making process for spatial development. As the new roles and responsibilities are being discussed now, it is an extremely timely opportunity to provide a holistic consideration to what changes are needed and what actions are required to be taken to achieve a coherent and comprehensive spatial planning approach to attain a HQLE in Estonia.

3 Key challenges to achieving a HQLE in Estonia

This chapter summarises the key challenges that Estonia faces to achieve a HQLE, which have been identified throughout the work carried out in Deliverables 2 to 6.

3.1 Lack of a coherent and comprehensive spatial strategy

The current spatial planning process has several limitations:
1. There is a lack of a comprehensive and coherent spatial policy at the national level to provide a basis and guidance for spatial decisions that would contribute to a HQLE, which includes the consideration of the multitude of European Union (EU)-level legislations that are to be transposed into national legislations would have an impact on the spatial development and processes in Estonia[6].
2. Present spatial planning practices in Estonia adopts a limited perspective, which does not fully capture the broader, holistic view required for comprehensive planning.

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[5] Republic of Estonia Government (2021). "Estonia 2035" National long-term Development Strategy.
[6] In addition, additional requirements from the EU, now and in the future, will continue to influence and impact on the spatial structure of Estonia, for e.g. the recent revision of the Renewable Energy Directive would require Member States to identify and designate Renewable Acceleration Areas (RAAs) for solar and wind energy.

3. The lack of well-coordinated regional planning activities has resulted in a lack of coherence and inefficiencies in spatial developments across municipalities, due to a lack of oversight of plans and activities across municipal borders.

4. While municipalities have the autonomy to make spatial decisions, they often experience a lack of budget and human resources at the municipal level, which includes the number of staff processing spatial plans, skilled professionals such as urban planners, architects, landscape architects etc., to make good, informed spatial decisions that would result in a good quality and sustainable living environment. Municipalities also expressed that it is sometimes difficult to find the right contacts at the national government who can advise them on spatial planning issues, i.e., there is a lack of a centralised agency / department with a clear point of contact to support them.

In general, there has been no agreed objectives, principles, and supporting programmes to achieve a HQLE in Estonia. There are also no indicators to measure and monitor the quality and sustainability of spatial development. The lack of a focus on the quality and sustainability of the living environment has resulted in a reduction in the spatial (and living) quality for Estonians. For example, construction in flood-prone areas continues, and Estonia has an unsustainable car/vehicle-centric transportation system, even in denser cities, i.e., Tartu and Tallinn, and has the lowest share of rail passenger transport compared to overall land-based transportation among EU Member States. Business and manufacturing areas are currently spatially isolated from residential areas and green transport links are often poor.

3.2 Uncertainty of continued political momentum and prioritisation

The March 2023 elections reflected the growing political interest and willpower to revise the spatial creation system and to prioritise the creation of a HQLE. The reorganisation and consolidation of most of the spatial creation units under the new Ministry of Climate and the Ministry of Regional Affairs and Agriculture is a positive step forward which can help to break the cycle of silo-thinking and move towards improving cooperation and fostering innovative solutions to address the multifaceted and multidisciplinary issues of strategic spatial planning. The decision to set up a Land and Spatial Board, which is to be co-managed by four ministries, i.e. Ministry of Climate, Ministry of Regional Affairs and Agriculture, Ministry of Culture and Ministry of Finance, is a ground-breaking step for Estonia towards making well-informed and cohesive policy making on spatial development; however, the details regarding the structure, roles and responsibilities of the Land and Spatial Board still needs to be worked out to maximise its effectiveness and efficiency (a proposal has been made in the Deliverable 5 report).

Nonetheless, it will be important for Estonia to ensure a continued momentum and political interest to improve the spatial creation processes and to continue to prioritise improving the quality and sustainability of the living environment. This would go beyond the current reorganisation process which is expected to be concluded by 2023 - special attention must be given to ensure that the topic of HQLE will be prioritised and considered holistically within the new structure. Further, the merger of the previous Ministry of Environment with the various departments, i.e., the Construction and Housing, Transport, and Energy Departments from the Ministry of Economic Affairs and Communications does not guarantee effective cooperation; there is still a need to stimulate and foster good cooperation across the new ministry to achieve shared goals and objectives, i.e., to achieve a HQLE that considers economic, social and environment aspects.

3.3 Lack of clearly defined roles and responsibilities

The ongoing discussions scoping the precise roles and responsibilities of the various ministries in the new/emerging governance structure is an opportune moment to (re)define ownership to address key areas which require attention, and a clarification of ownership and responsibility. This includes, but is not limited to the following:

- Sustainability of settlement structure;
- Sustainability and connectivity of public transportation network;
- Sustainability of cities;
- Availability of affordable and quality housing, and the reduction of spatial stratification;
- Sustainable design and construction practices;
- Availability of high quality public green spaces in urban areas;
- Sustainable and responsible development and management of mineral resources;
- Promotion of circular economy in the built environment;
- Comprehensive approach to improving the knowledge and increasing the capacity of skilled professionals across industries (construction, spatial planning, communication specialists etc.).
- Maximising the potential of digital solutions for spatial planning and development;
- Strategy for stakeholder engagement in the spatial creation process;
- Permitting issues for renewable energy.

In addition, the achievement of a HQLE requires the combined efforts of stakeholders across different sectors and professionals from across disciplines. Apart from the definition of roles and responsibilities at the national level, it is also important that all actors that will have significant influence and impact on spatial development are aware of the need to consider it as part of their responsibility and obligation to contribute to the improved quality and sustainability of the living environment. For example, the decisions taken by state-owned companies such as Tallinna sadam, Eesti Raudtee, Riigi Kinnisvara, Rail Baltic, Transport Administration Agency (TRAM) etc. significantly impact the quality and sustainability of the living environment in Estonia. And yet, they have neither been instilled the responsibility nor obliged to ensure that their activities contribute specifically to the quality and sustainability of the living environment. Estonia also does not yet fully optimise the potentials and opportunities of other possible actors which can actively and effectively contribute to achieving a HQLE, which includes local communities, NGOs, academia, professional associations and businesses etc.

As it will be increasingly important and necessary to engage a broader range of stakeholders in the spatial creation process, there is also a need to clarify the roles and responsibilities of these actors in this process, and to set up a structure to facilitate cooperation and discussions with them, as it is currently lacking.

3.4 Lack of a specialised agency

There is currently a lack in the checks and balances to ensure that spatial decisions are made in the best interest of society. Sometimes, decisions impacting spatial development are made in favour of interests of specific sectors, rather than taking a holistic view – an issue that was identified by The Green Paper on Spatial Planning, published by the Ministry of Finance in 2020. Further, in practice, there is also a weak segregation and division of roles and responsibilities between professional planners

and the politicians at the municipal level; politicians tend to micromanage the spatial planning process, interfere in legal issues and question professional knowledge. There is lack of a knowledge-based, politically neutral agency that has the authority to represent public interests and to offer professional advice on spatial planning issues to both public and private actors.

3.5 High private ownership of land

Estonia faces a unique situation where most of the land is privately owned. This significantly limits the extent to which the government can directly influence land uses,[7] and influences the processes to which it should approach spatial planning, including stakeholder engagement, support policies etc. For example, the high share of private ownership, combined with long permitting procedures, the sometimes stringent heritage and conservation requirements as well as modest funding for the preservation of built heritage have also contributed to a tensed domestic housing market, i.e., regarding accessibility and affordability.

3.6 Lack of useful data, digital services and tools to inform and support planning decisions

Estonia is one of Europe's leading countries for digital skills, and one of the world's most digitally advanced society. According to the 2022 Digital Economy and Society Index (DESI) report, Estonia has been ranked 9 amongst Member States, and is identified as the EU leader in digital public services.[8]

Regardless, there is still a lack of useful data and digital services and tools to inform and support spatial decisions. For example, data fragmentation is high because it is collected by different agencies, datasets and platforms, like the building register (EHR) and the PLANK planning database; public maps, such as those provided by the Geoportal of the Land Board, are not updated timely with spatial decisions that have already been taken; spatial monitoring is low, making it difficult to evaluate the real environmental impacts of decisions and their links to other sectoral decisions or development needs. An overview and proper management of data is lacking, affecting the usefulness and quality of data. There is a need for improving digital services that could better inform and support decision-making processes to improve the quality and sustainability of the living environment in Estonia.

4 The way forward: Key priorities to achieving a high quality living environment in Estonia

This chapter presents the main actions crucial to addressing the key priorities for achieving a HQLE in Estonia. The following priorities will be further elaborated in the sections below:

1. Develop a long-term vision and implementation plan for developing a high-quality and sustainable living environment, and allocate sufficient state budget;

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[7] Although there are still many potential and opportunities to enliven, and to improve the quality of public spaces and streets that are owned by public authorities (including both national and local governments). https://ec.europa.eu/newsroom/dae/redirection/document/88701
[8] European Commission (n.d.). Digital Economy and Society Index (DESI) 2022 – Estonia. Available at: https://ec.europa.eu/newsroom/dae/redirection/document/88701

2. Optimising governance and the institutional system to strengthen implementation, cooperation and coordination;

3. Accelerate capacity building and digitalisation;

4. Accelerate the transition towards a sustainable built environment.

The table below provides an overview of how the key challenges will be addressed by the proposed priority actions. The following sections briefly describe each suggested priority, identify the respective main responsible party for its implementation, and suggest action steps and a timeline of its implementation as well as possible key performance indicators (KPIs) to monitor progress.

Table 4-1 Overview of key challenges (rows) addressed per key priority (columns)

Key priority / Key challenge	4.1 A long-term vision and implementation plan for a HQLE	4.2 A governance structure to strengthen implementation, cooperation and coordination	4.3 Accelerate capacity building and digitalisation	4.4 Accelerating the transition towards a sustainable built environment
3.1 Lack of a coherent and comprehensive spatial strategy	✓	✓		✓
3.2 Uncertainty of continued political momentum and	✓	✓		
3.3 Lack of clearly defined roles and responsibilities		✓		
3.4 **Error! Reference source not found.** agency		✓		
3.5 High private ownership of land	✓	✓		
3.6 Lack of useful data, digital services and tools to inform and support planning decisions			✓	

4.1 A long-term vision and implementation plan for a HQLE

4.1.1 Description

This priority focuses on implementing a long-term strategy to ensure the high quality development of Estonia's living environment. While the basis for this is already set in the national strategy 'Estonia 2035', there remains a lack of agreed objectives, principles, and action programmes at the state level to address the quality of living environment. There is currently no strategic planning document that sets clear objectives and policy instruments dedicated to comprehensively address the various specific topics of HQLE as elaborated in Deliverable 4. The lack of such a 'strategic document' also implies, in the Estonian context, that such activities do not receive funding from the state budget. Estonia will need to establish a dedicated policy and financial framework to implement the actions needed to achieve a high quality living environment.

The development of a long-term vision and implementation plan to achieve a HQLE would involve the processes outlined below. The National Spatial Plan will have a key role to play to identify the long-term objectives and broad strategies on how to achieve a HQLE, and to visualise how this would transform spatial development in Estonia (see the first two points below for elaboration). The implementation plan to achieve the long-term objectives and reflecting the broad strategies will be laid out in the Living Environment Development Plan (preparations for which are expected to begin in early 2024); this will be complemented with the further guidance provided for municipalities as part of the National Spatial Plan. The new Land and Spatial Board will have a role to play, among others, to ensure

alignment and compliance of spatial plans, promote digitalisation and engagement with stakeholders (see Section 4.2 for elaboration).

At the time of writing this report, the concept of developing a 'Living Environment Development Plan' has been suggested to and principally accepted by decision-makers. The plan is to start preparations in the first half of 2024, although a final decision has yet to be taken by the government. The preparation of this 'Living Environment Development Plan', which could possibly be ready in 2024 or 2025, could also provide important inputs to the National Spatial Plan, which is expected to be ready later, in 2026. Due to the difference in timing between the two plans, it would be crucial to ensure coherence and complementarity between them.

1. Identification of long-term objectives and broad strategies to achieve them

There is a need to come to a national consensus on the approach and broad principles to spatial development in Estonia, considering various factors, including but not limited to:

- Population, which considers the demographics of Estonia; the spatial distribution (also factoring in patterns of seasonal migration);
- Transportation, to consider multi-modal transportation planning and to promote a more sustainable transportation network;
- Economic and development needs;
- (Renewable) energy and infrastructure needs, in line with the energy and climate targets set for Estonia;
- Environment protection and conservation;
- Climate adaptation;
- Healthcare;
- Social equality and inclusivity;
- Preservation of built and cultural heritage;
- Other areas of national significance (e.g. military) etc.

2. Development of a long-term vision for spatial development through the regional and thematic plans

Based on the long-term objectives and broad strategies, the required infrastructure and resource planning to support their achievement can be identified. The long-term vision can be visualised through the existing regional and thematic plans to illustrate the envisioned land use of the country over a longer period, e.g. 20 to 30 years, or longer. The long-term vision should be a high-level plan that broadly identifies land for various needs, balancing economic, social, cultural, environmental and sustainability considerations, and reflecting the broad strategies needed to create a high quality living environment.

Such plans can convey the strategic vision and inspiration on how spatial development in Estonia can be integrated and organised to achieve a high quality living environment for its residents. It should reconcile with other national sectoral plans, environment development plans etc., and reflect the strategies for nationally significant areas, sites and infrastructure, as well as the broader EU policies such as the National Energy and Climate Plan or the Common Agriculture Policy (CAP) Strategic Plan

etc. Such plans have been developed in several countries, like the Netherlands[9], Ireland[10] and Singapore[11].

3. Development of a mid-term plan for implementation and guidance documents

An implementation plan should be in place to support the realisation of the long-term strategic vision, the agreed objectives and the key principles of spatial development. This implementation plan should provide guidance over the next 10-20 years and cover a broader scope to ensure effective operationalisation. It should set clear objectives and identify the necessary policy instruments to comprehensively address the specific topics of HQLE. Among others, it should include the allocation of adequate financial and knowledge resources, clarity in the roles and responsibilities of different actors, strategies to improve collaboration, stakeholder engagement, digitalisation and capacity building. Clear indicators to measure progress should also be identified and monitored. This mid-term plan should further consider the diversity of various settings, like urban, rural, transitional, and other distinct environments.

In Estonia's context, where most of the planning autonomy lies with the municipalities, the national government will have an important role in supporting and providing clear guidance to municipal governments to empower them in making decisions that will contribute to a high-quality living environment, e.g. by developing guidance documents based on agreed objectives and key principles as identified in the previous steps.

4. Set up a robust regulatory and financial framework and system to support the implementation

Local plans, such as county plans, local comprehensive plans and the detailed plans, should also be professionally evaluated and assessed to ensure their alignment with the plans and visions introduced above. This should be accompanied by a framework for enforcement to ensure compliance with land use regulations, zoning laws, and other spatial planning policies. However, sufficient flexibility should be guaranteed to enable the compatibility with the local context. In addition, a standardised approach should be taken to evaluate the proposed spatial plans for a more holistic assessment of the potential impacts on health, the environment, heritage and culture etc. Further, a financial framework aligned with the HQLE strategy should be in place to support its implementation.

5. Digitalisation

The use of digital tools, including data analytics and geospatial technologies, can help to inform decision making and to eventually deliver better outcomes for a high quality living environment and to serve Estonia's long-term spatial needs. Estonia is considered a digitally advanced country, but could further harness the potential of digital tools to better inform decisions that will have an impact on spatial development. This includes actions to improve the quality of data and to develop a long-term vision for digital services for spatial planning and in related fields, such as the construction sector. The cooperation and engagement of stakeholders could also be strengthened through the use of digital services – an action plan and roadmap for digitalisation is elaborated in the Deliverable 6 report (see summary in Annex).

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[9] Government of the Netherlands (n.d.). Summary national policy strategy for infrastructure and spatial planning.
[10] Department of Public Expenditure, NDP Delivery and Reform (2021). National Development Plan 2021-2030. Available at: https://www.gov.ie/en/publication/774e2-national-development-plan-2021-2030/
[11] Urban Redevelopment Authority (2023). Long-Term Plan Review. Available at: https://www.ura.gov.sg/Corporate/Planning/Long-Term-Plan-Review

6. Adopting a participatory approach towards spatial planning and development

The spatial planning process should allow for an integrative, adaptive and participatory approach. The joint efforts of, and the close involvement and collaboration between the national government, local municipalities, NGOs, private actors and the general public are necessary to achieve a high quality living environment.

4.1.2 Responsible party

- **Main responsible parties:** Ministry of Climate, Ministry of Regional Affairs and Agriculture, Ministry of Finance, Ministry of Culture, Land & Spatial Board
- **In consultation with:**
  - Government office, municipal governments, private actors (landowners and developers), professional associations (spatial planners, architects, landscape architects, construction etc.), NGOs and general public

4.1.3 Actions steps and indicative timeline

The following table presents the recommended action steps and their timeline to implement the priority of 'A long-term vision and implementation plan for a HQLE'.

Table 4-2 Recommended action steps and timeline for implementing 'A long-term vision and implementation plan for developing a HQLE'

Suggested action steps for the priority's implementation	Implementation timeframe
Set up the responsible unit to coordinate the work	Short term
Consult key partners and stakeholders and secure their involvement in a structural manner, ensuring thereby diversity and inclusiveness among the representatives	Short term
Conduct an analysis of the current policy and funding landscape and identify gaps, hampering policies and funding mechanisms	Short term
Set up the legal framework to coordinate appeals on the decisions for land use due to misalignment with the nationally developed strategies / guidelines	Short term
Define topics of national interest and assess which land areas in Estonia are the most suitable for their provision	Short – Medium term
Decide on the guiding concepts (e.g., 5-finger-plan, etc.) and tailor them to the Estonian context	Short – Medium term
Define principles for the spatial targets for specific funding provided e.g. SoM, Regional Development Fund, transport investments, etc.	Short - Medium term
Identify possible funding opportunities and needed policy interventions to streamline funding and policies with the vision and aims stated by spatial development plans. Update the policy and funding framework as needed and establish mandates for regular reviews.	Short - Medium term
Develop a comprehensive national strategic spatial plan for Estonia and land use plans for the major urban regions, i.e., Tallinn, Tartu and Narva.	Short - Medium term
Provide regional decision makers with a set of principles and guidance that contains clear and consistent definitions of rules and obligations for spatial planning and the related timeline.	Medium term
Set up a transparent and accessible communication strategy to inform and engage relevant stakeholders in the spatial planning process, general and stakeholder-specific funding opportunities, as well as changes in the policy framework etc.	Short term

Suggested action steps for the priority's implementation	Implementation timeframe
Monitor and evaluate the implementation of the strategic spatial plan and the policy and funding updates.	Medium - long term

(i) short term: actions are to be implemented in less than 2 years, (ii) medium term: less than 5 years, (iii) long term: more than 5 years

4.1.4 List of suggested KPIs

- Definition of topics of national interest (yes/no);
- Establishment of a long-term vision;
- Development of a mid-term implementation plan to achieve HQLE;
- Development of digital tools to support spatial planning / decisions;
- Development of a public communication strategy for HQLE;
- Reduced land in human use (settlement area) (the share of the built environment in the total territory of the municipality or settlement);
- Increasing number of monuments and buildings of cultural value that are in use, in active use or renovated;
- Number of cross-municipality partnerships;
- Reduced share of car-use by urban dwellers;
- Reduced travel time;
- Distance to green spaces;
- Visitor numbers of green spaces in urban areas

4.2 A governance structure to strengthen implementation, cooperation and coordination

4.2.1 Description

This priority aims to improve the cooperation and coordination between stakeholders within and across governance levels, as well as non-governmental actors, by implementing a national institutional framework for regulating spatial development topics. This would be facilitated via a central agency, like the Land and Spatial Board as introduced above. It is important that such an agency will receive official approval and backing from political authorities but will operate independently. I.e., it will act and participate in decision-making in a neutral way, based on objective criteria and methodologies, and preparing supporting analysis and evidence. The structure of the Land and Spatial Board should also be detached from election circles. Deliverable 5 recommends that this suggested Land and Spatial Board, would be steered by an interdisciplinary Spatial Creation Strategic Group with further subdivisions that will be working on different previously mapped out barriers where:

- A Competence Centre would be able to provide in-depth support for activities such as spatial visioning, education / training (capacity building), research, development and innovation (RD&I) and strategic communications etc.;
- A Spatial Agency would be responsible for coordinating data management and conducting studies; while
- A Spatial Inspection Agency would carry out monitoring tasks.

Creating such division in the Land and Spatial Board would help create structure and determine responsibilities for specific sets of tasks, while keeping these functions still under one institution for smoother cooperation.

In summary, this dedicated central entity should be an independent body, which can:
- ✓ develop spatial visions and related strategic communication;
- ✓ collect, manage, and analyse data and trends;
- ✓ keep an overview of the state of play of the living environment;
- ✓ remain as a politically neutral advisory body to inform policymaking through data-driven, evidence-based advice;
- ✓ offer professional expertise on practical solutions regarding spatial planning and development to both the public and private sectors;
- ✓ coordinate the implementation of the Living Environment Development Plan (which preparations are expected to begin in 2024), including the engagement and negotiation with various stakeholders to safeguard the national government's interest in HQLE.

In addition, local-regional-state collaborations should be strengthened. By coordinating and aligning planning outcomes at the local, regional, and national levels, and ensuring that these are reflected in detail plans, comprehensive plans, county plans and national strategic plans, it assures that the diverse needs of different communities across the country are addressed in a holistic and systematic way. The Land and Spatial Board can play an important role to facilitate and mediate discussions while safeguarding the best interests of the country.

It is also equally crucial to serve local governments, in terms of both the necessary know-how and financial support, in order to develop and to implement spatial plans that will contribute to achieving HQLE. To do so, the Land and Spatial Board could provide centralised resources to bridge the lack of human resources and skills across Estonia. It could organise the financial resources needed to implement the plans that will contribute to a HQLE, especially in bigger cities and rural areas in Estonia.

The achievement of a HQLE will also require the efforts and cooperation of various stakeholders across sectors. It is important to identify and clarify the roles and responsibilities of all relevant stakeholders, such as the public sector, state-owned companies, property owners, businesses, NGOs, professional associations, academia, general public etc. This can help to instil a sense of ownership of the achievement of key outcomes and increase efficiency. However, it would also be necessary to decide on the guidelines / rules of their engagement and to provide a structure for engagement set in a regulatory framework.

4.2.2 Responsible party
National government, in particular the new Ministry of Climate and Ministry of Regional Affairs and Agriculture

4.2.3 Action steps and indicative timeline
The following table presents the recommended action steps and their timeline to implement the priority of 'A governance structure to strengthen implementation, cooperation and coordination'.

Table 4-3 Recommended action steps and timeline for implementing 'A governance structure to strengthen implementation, cooperation and coordination'

Suggested action steps for the priority's implementation	Implementation timeframe
Create a comprehensive overview of the roles and skills needed to advance HQLE in Estonia	Short term
Specify the legal requirement for implementing the agency	Short term
Setting up the rules of engagement and structure for engagement	Short term
Clarify and subsequently dedicate the needed resources, including budget, personnel, etc.	Short term
Create a communication document which provides accessible and transparent information about the roles and their responsibilities of the agency, and transparency regarding the appointment and dismissal procedures; to be shared with the public	Medium term
Agency to organise regular meetings with stakeholders, like municipalities and Estonian Association of Architects, Association of Architectural and Consulting Engineering Companies, to ensure inclusive development	Medium term
Agency to organise trainings if needed	Medium term
Evaluate the roles, the body they are attached to and the responsibilities to uncover potentially missing roles and needs for restructuring	Medium - long term

(i) short term: actions are to be implemented in less than 2 years, (ii) medium term: less than 5 years, (iii) long term: more than 5 years)

4.2.4 List of suggested KPIs

- Filling all positions (no vacancies);
- Set legislation for implementing the central agency;
- Securing the national budget for its implementation;
- Existence of a publicly accessible and transparent guide on involved roles and responsibilities, and on appointment and dismissal procedures;
- Increasing share of stakeholders consulting the central agency when having questions;
- Regular publishing of reports analysing quality of living environment based on available data

4.3 Accelerate capacity building and digitalisation

4.3.1 Description

This priority aims to improve the capacity and competency of both the planning and the construction and building sectors. In particular, there is a demand for planning specialists who understand what it takes to achieve a HQLE in Estonia and to work across the planning hierarchy. A reform and professionalisation of the construction and building sector is also needed to improve its image and tap on its significant potential to contribute to the quality and sustainability of Estonia's living environment. This demands the promotion of RD&I projects through open calls, pilot projects etc., the organisation of urban architecture and design competitions, the facilitation of cross-sector collaboration and information exchanges, the development of a training curriculum for schools and the vocational education and training (VET) sector.

Consideration should be given to the professionalisation of the sectors when allocating available public and private funding, as well as when evaluating opportunities for external donor calls, like the European Environmental Agency's Baltic Research programme in 2019. The development of a strategy and action plan to facilitate capacity building could be managed and facilitated by the new Land and

Spatial Board (e.g. under the 'Competence Centre' that has been suggested in Deliverable 5 – see summary in Annex).

Estonia is one of the most digitalised countries in the EU and good work to digitalise processes in the building and construction sector is already underway, i.e. with the e-construction platform etc. New services could be integrated into the e-construction platform, including but not limited to the following:

- Building materials products database and CO2 footprint calculator;
- CO_2 footprint calculator for planned new developments;
- A service to identify recyclable demolition waste;
- A Building Renovation Passport (BRP) service, which also offers appropriate support measures;
- Street and roadworks permitting procedures and notifications;
- Planning procedures;
- Utility network database, which contains information about electricity, water, gas and telecommunications infrastructure;
- Energy label calculation services;
- Building information modelling (BIM)-based automated checks for the processing of authorisations and for the control of network crossings.

However, the future focus regarding digitalisation should take on a broader perspective to consider digital solutions that would help to provide useful insights to inform the planning process, and to empower stakeholders and decision makers to improve the quality and sustainability of the living environment, which is also mentioned in the first key priority listed in chapter 0.

4.3.2 Responsible party

Land and Spatial Board; the scope of the current digitalisation team under Ministry of Climate could be expanded; donor programme operators, like the previous Ministry of Economic Affairs and Communications, Ministry of Education and Research etc.

4.3.3 Action steps and indicative timeline

The following table presents the recommended action steps and their timeline to implement the priority of 'Accelerate capacity building and digitalisation'.

Table 4-4 Recommended action steps and timeline for implementing 'Accelerate capacity building and digitalisation'

Suggested action steps for the priority's implementation	Implementation timeframe
Set up a responsible unit to coordinate the work to oversee the digitalisation of processes and services of the construction and building sector	Short term
Coordinate and engage with other key partners and stakeholders in a structured manner	Short term
Create a regulatory / legal environment that supports the digitalisation of the construction and building sector. This would entail setting a carbon footprint obligation for buildings and residential areas.	Short term
Develop and endorse an action plan which prioritises, at national level, which features to roll-out first.	Short term
Develop an action plan to prioritise RD&I projects, the organisation of urban architecture and design competitions, the facilitation of	Short term

Suggested action steps for the priority's implementation	Implementation timeframe
cross-sector collaboration and information exchanges, and the development of a training curriculum for schools and the VET sector	
Set aside sufficient budget for the development of the digital services and for trainings/education programmes and communications purposes (see next line).	Short term
Develop targeted training and communications to promote dialogue and the use of the platform by different stakeholder groups	Short - medium term
Clearly identify the use cases and improve the digital functions. For example, but not limited to the following: • a nationwide planning procedures; • digitising the construction and building sector etc.	Short - medium term
Establish an evaluation and monitoring system on the performance of the digital systems	Medium – long term

(i) short term: actions are to be implemented in less than 2 years, (ii) medium term: less than 5 years, (iii) long term: more than 5 years)

4.3.4 List of suggested KPIs

- Increasing number of stakeholders using the digital services across the hierarchy (local, regional, national) and functions (private vs public stakeholders);
- Increasing percentage of design and construction companies using innovative digital solutions;
- Increase in enrolment numbers of students in relevant courses e.g. in digital skills, urban planning, and green building technologies etc.;
- Increase in professionals who participate in the 'Continued Education' schemes;
- Increase in digitalisation of processes in the sector;
- Development of tools that calculates the greenhouse gas values of buildings;
- Development of smart readiness assessment tools, in connection with the Smart readiness indicator scheme, which describes the readiness of buildings to implement smart energy solutions, both in terms of occupants and technical solutions;
- Increasing reuse rate of construction materials

4.4 Accelerating the transition towards a sustainable built environment

4.4.1 Description

There are some key topic areas which should be prioritised to accelerate the transition towards a high quality and sustainable living environment. These include, for example, the development of a sustainable transport system and network in Estonia and to move away from a car-centric transport system, especially in the urban setting. Another issue is the availability of quality and affordable housing for all residents, which includes building renovations, repurposing of existing buildings and new buildings; the housing policy should also seek to reduce social inequalities. The transition to a clean energy system is a crucial step towards building sustainable living environment. This does not only require a fundamental shift away from the use of fossil fuels, but also consider the role of buildings, transportation systems and urban energy systems to accelerate the uptake of renewable energy and to reduce greenhouse gas emissions. These plans should also be in alignment with the new National Spatial Plan and the Living Environment Development Plan, whose development is planned for the near future.

4.4.2 Responsible party

Ministry of Climate, especially the departments dealing with transport, housing, and energy policies, Ministry of Regional Affairs and Agriculture

4.4.3 Action steps and indicative timeline

The following table presents the recommended action steps and their timeline to implement the priority of 'Accelerating the transition to a sustainable built environment'.

Table 4-5 Recommended action steps and timeline for implementing 'Accelerating the transition to a sustainable built environment'

Suggested action steps for the priority's implementation	Implementation timeframe
Set up the responsible unit to coordinate the work, respectively for the transport, housing and energy aspects	Short term
Set up structure to consult with and involve other key partners and stakeholders and identify their needs	Short term
Investigate the transportation needs of Estonians, with special consideration of groups at risk, the urban context, the urban-rural connectivity and needs of freight transport	Short term
Identify physical public transport nodes to indicate areas suitable for increasing population density	Short term
Regularly review the Transport and Mobility Master Plan to ensure alignment with the National Spatial Plan and the Living Environment Development Plan, considering the needs across sectors	Short term
Ensure alignment of the National Energy and Climate Plan with housing, transport, and other sectors, and with the National Spatial Plan and the Living Environment Development Plan	Short term
Develop principles for affordable housing (for whom, what, where and with what life-cycle perspective - as a temporary or long-term solution, considering that it does not increase segregation but supports social integration).	Short term
Identify the housing needs in Estonia, which entail a national mapping of Estonia's housing stock, i.e. vacant buildings as well as hotspots of housing shortage and sites with capacity for new housing. This should also include critical areas, risk factors and risk groups in terms of housing costs.	Short term
Develop a housing strategy that addresses the availability and affordability of housing for all, including groups at risk. It should also consider the social aspects, e.g. policies should support social integration rather than segregation. This strategy should also be aligned with the National Spatial Plan and the Living Environment Development Plan.	Short - medium term
Assess the current policy landscape and appropriate instruments to ensure access to sustainable housing and transport, and implement policy interventions in line with the national zoning plan and local development plans to address the gaps in the housing and transport	Short - medium term

Suggested action steps for the priority's implementation	Implementation timeframe
market. Special attention should be given to the treatment of privately owned real estates and land. The chosen political and financial instruments should also address issues arising from EU guidelines, such as the quality of available housing space (including social space by preventing stratification and promoting social inclusion), affordability for different groups (including young people embarking on housing careers), the suitability of housing (including cultural factors arising from a diversifying ethnic composition) and housing security.	
Develop a communication plan to share the strategies for the transport, housing and energy sectors with relevant planning stakeholders	Short - medium term
Establish an evaluation and monitoring system	Medium – long term
Evaluate and update the transportation, housing and energy strategies	Long term

(i) short term: actions are to be implemented in less than 2 years, (ii) medium term: less than 5 years, (iii) long term: more than 5 years)

4.4.4 List of suggested KPIs

- Decreasing average commuting time of Estonians;
- Reduced share of car-dependency, i.e. for commute in urban areas;
- Increasing share of passengers travelling via public transport;
- Increasing share of freight transport via railways;
- Reducing the share of households or population spending more than 40% of their disposable income on housing costs (in line with Eurostat methodology and applied by OECD);
- Reduced number of homeless people;
- Reduced time period needed to find a new house (purchase and rental);
- Percentage of monuments and buildings of cultural value that are in use, in active use or renovated;
- Construction Price Index;
- Level of energy labelling of residential buildings

5 Annex A: Summary of key project takeaways per deliverable

5.1 Deliverable 2: State of play of the development of the living and built environment in Estonia

The key takeaways of Deliverable 2 are as follows:

- Estonian politics have been preoccupied with sustainability for a long time, being one of the first countries in Europe and the world to adopt the Sustainable Development Act in 1995.
- In the past decade Estonia has seen several public and private initiatives to improve the quality of life and living environment in terms of housing, infrastructure, services etc. of its citizens. The public initiatives have materialised mainly in regulations and several long-term national development plans and strategies. Such initiatives have pushed for a more coherent and implementation-oriented approach to spatial planning than before. Moreover, there is a momentum in the last 15 years to account for the opinions of the local residents in planning the living environment of specific communities.
- Estonia is one of the most digitalised countries in the EU. In particular, there has been increased digitalisation and more uniform requirements in spatial planning in the past years, resulting in an increase in transparency and reduction in corruption. Endeavours to collect and aggregate spatial data in Estonia has obtained a significant momentum in the last five years, with the ambition of establishing an integrated platform for a Digital Twin on national level.
- Estonia is rich in greenery and wildlife, little pollution problems, self-sufficient (reliable food source for internal consumption and export), rich in mineral resources, and has made considerable progress in developing its physical infrastructure (e.g., roads, electricity etc.) since gaining its independence from the Soviet Union in 1990.
- The housing conditions have improved and the living per-person space has increased compared to the pre-independence housing stock. The number of renovations of single-family houses and apartment blocks has also increased in the last decade and renovations also include energy-efficiency improvements.

5.1.1 Challenges and barriers

Nonetheless, challenges and barriers to achieve a HQLE in Estonia continue to exist. The key challenges and barriers identified are summarised below.

Political / Governance

- Estonia lacks a common understanding and agreement between authorities about what it means and what it takes to build a high-quality living environment.
- The idea of improving the living environment in Estonia has been discussed for the past ten years, with little progress on reaching a consensus.
- Spatial planning in Estonia is viewed more as an obligation than an opportunity to develop optimal spatial solutions.
- The statutes of government agencies, state foundations and companies, including RKAS, the Land Board, the Road Administration, Tallinn Port, etc., do not include the objective of creating a high-quality space. Instead, the decisions are made "in silos", which are focused on

achieving key sectoral objectives. Without reflection on the space as a whole, these do not guarantee the development of a coherent space.

- Estonian planning follows a narrow scope of highly regulative land-use planning and lacks a comprehensive and coherent spatial policy at country level, which could serve as a basis for regional planning and policy that would cover both the natural and the built environment.
- There is also a lack of a central authority or coordinating authority at the national level that could combine competencies of the various spatial fields. At the same time, while local municipalities have autonomy in planning, they often lack financial and human resources for creating a high-quality living environment.
- Specific city plans are not coherent and not comprehensive - they do not consider the neighbouring regions and municipalities giving rise to urban sprawls.
- However, private ownership of land is high in Estonia, limiting what the government can do.
- There is a weak division of tasks (not clear roles in reality) between professional planners and the politicians at the local level. Hence, politicians tend to micromanage and interfere in legal issues and question professional knowledge while civil servants tend to back off from their professional roles. The dependency on politicians' interference in details undermines the planning profession since it does not safeguard professional continuity.
- Planning instruments are overly bureaucratic, time consuming and ineffective. Spatial planning is seen more as a necessary bureaucratic procedure than a tool for finding best solutions. Very often, detailed planning is made for one single lot without any consideration for the overall urban landscape or content. Since there is often a lack of competence on local level, it is easier to fulfil bureaucratic requirements than to work with planning professionally. Private companies dominate the planning arena which also makes the public level involvement weak.

Structural
- Estonia is a sparsely populated country with concentrations in a few large urban areas such as Tallinn, Tartu or Pärnu and with low density in the rest of the territory.
- The parallel expansion of Tallinn and the shrinkage of the population in the rest of the country has given rise to what is know as the two Estonias, with a clear division of spatial structure and administration between Tallinn and the other regions. This has led to fragmentation in planning.
- Transportation is heavily reliant on private cars, there is low density of public transport.
- Estonia ranks among the EU countries with the lowest share of rail passenger transport in total inland passenger transport. A deficient transport connection with Europe is also persisting and there was little progress made to improve it.[12]

This deliverable also looked at 'best practices' from other countries which could be relevant to the Estonian context. While spatial planning has always dealt with complexity, the complexity is increasing with the need to mitigate climate change, tackle challenges to biodiversity, promote a sustainable economic development, create liveable and mixed-use living environments, reduce social exclusion etc. To deal with such complex issues, a traditional "silo approach" is no longer effective. This complexity is mirrored in an **increased attention to place-based approaches, coordination (across sectors and administrative levels) and participation of private and public stakeholders**. In most countries

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[12] The construction of the Estonian segment of Rail Baltic is currently underway, with the ambition to be ready by 2030. See https://www.railbaltica.org/rail-baltica-announced-tenders-for-the-construction-of-nearly-53-kilometers-of-the-railway-mainline-in-estonia/.

studied, this is often mirrored in **a combination of decentralisation of responsibilities and multilevel governance**.

5.1.2 Lessons learnt from international good practices
Planning

- The use of **"structural images"** as a tool to engage and commit different sector interest towards a joint approach on the spatial structure on national and regional level. Such structural images would be a useful tool to achieve a more coherent and implementation-oriented approach to spatial planning than currently in Estonia. Furthermore, such images would contribute to sorting out the specific structural challenges observed in the Harjumaa region. The Finger Plan for the Greater Copenhagen Area, could provide inspiration to the spatial development governance for the Tallinn/Harju Region. Structural images could also be used as (binding) guidance for land-use planning on local level.

- The need for **planning at the regional level** is necessary, since the logic of sustainable development often follows other geographical borders than the municipal borders. The sector-by-sector approach to spatial planning lacks a comprehensive viewpoint, which sheds a light on the consequences of the lack of a regional planning level in Estonia. How this can be mitigated to some degree is well illustrated by the Five Finger Plan from Denmark.

- **Increased skills and competencies on local level** – Our study shows that qualified skills are a prerequisite for good spatial planning. Despite the recent amalgamation reform, many Estonian municipalities are small and have difficulties to hire qualified staff in spatial planning.[13] Consultants cannot fill that gap, since spatial planning is a legal and political instrument that cannot be delegated to private companies. Increased skills and competences would also help to address the lack of common understanding and an agreement between authorities about what it means and what it takes to build a high-quality space and living environment. Training and certification of skills should therefore be an important element, where the Association of Rural and Urban Municipalities could take a role (supported by its members and the government).

- **Delegation of responsibilities and mandates requires clarity** to manage those responsibilities. The current reform of the Land Use and Building Act in Finland is very interesting, since it is directed towards many areas for the living environment that have been identified as critical in Estonia. Many suggested amendments could be of interest in the context of the current project, for policy recommendations as well as for more detailed suggestions.

- There is a need to **professionalise the role of civil servants** on local level to reduce risk of corruption and secure well-informed decisions regarding spatial planning. The political independence of civil servants has been the norm in the neighbouring Nordic countries for decades.

- **Cross fertilisation with EU policies and funds** – steps need to be taken to use spatial planning more for improving the efficiency and outcomes from cohesion policy funding and to coordinate the territorial impacts of sectoral policies. Estonia is among the largest beneficiaries of European funds and largely dependent on those funds for its development. At the same time, cross fertilisation is among the weakest in Europe.

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[13] The qualification gap will likely resist despite any consolidation of municipalities, as the financing scheme of municipalities is poor. An alternative is to rely on semi-centralised resources. Additionally, cooperation between municipalities could be a way forward: When "sharing" one skilled person among three or four municipalities, they can both acquire the competence needed and afford it.

5.1.3 Regulations

- **Simplification** – To better handle complexity, there is a need to move from a spatial planning system characterised by a formal driven approach of "fulfilling of formalities" towards a more "aims and objectives guided" driven approach. Here, one example is the simplified planning process used outside densely populated areas in Sweden (Områdesbestämmelser). Another Swedish example is the so-called preliminary assessment (Förhandsbesked) for building permits outside areas with detailed plans, where the preconditions for (or against) the exploitation of a certain plot are sorted out without an overly bureaucratic procedure.

5.1.4 Governance

- Increased cross sector approach and multi-level governance – Most of the challenges facing Estonia cannot be handled through a bilateral and sector by sector approach that involves only central government and individual local authorities. Our study shows that in most countries the need for an increased cross sector approach and multilevel governance is identified. In Estonia, instruments for an increase cross sector approach are lacking. Although consultations with different sector interests take place, for instance in detailed planning processes, the holistic role of spatial planning to prioritise among sector interests is weak. Since Estonia does not have a regional level with a mandate to handle spatial issues, there is a need to create a regional platform with a mandate, possibly from a ministry, for spatial planning. In coordination with municipalities, the regional level planning could be agreed upon in terms of spatial extent and content – e.g., Tallinn and Tartu municipal areas. Here, for example, the overall ambition in Luxembourg to achieve a more holistic planning system, inspired by the European Spatial Development Perspective (ESDP) and the Territorial Agenda, could provide food for thought in Estonia. Especially the ambition to include sectoral interest plans in the system.

5.2 Deliverable 3: Policy recommendations

In addition to considering the current state of play of the development of the living and built environment in Estonia as described in Deliverable 2, Deliverable 3 further developed a list of key barriers based on inputs received during interviews, regional workshops, and expert meetings. Thereafter, a set of policy recommendations were proposed to address these barriers, namely:

1. Develop a long-term vision for spatial development (Roadmap)

Estonia should develop a common long-term vision for spatial development towards a HQLE (e.g., up to 2050, with an update to be carried out every 10 years). This vision should be embedded in a strategic document, like the National Spatial Plan (EE: *Üleriigiline planeering*), which will describe how spatial developments are envisioned for Estonia as a whole, by preference with goals and targets. This requires agreeing upon the general principles on how the quality of the living environment, including EU and national goals, should be duly considered by the relevant actors. In addition, it should provide broad guidelines on how these principles should be jointly implemented by the relevant actors to shape a HQLE. The ambitions for Estonia should also be in accordance with the country's economic means and necessities. Currently, the lack of agreed-upon vision prevents Estonia from coherently moving forward with spatial development. Agreeing on the vision will address this barrier, and in addition, provide a stronger basis for the creation of a high-quality living environment. It will also help to better align the use of EU grants for spatial development.

2. Develop a Spatial Development Action Plan

Estonia should develop a comprehensive and integrated national action plan for improving the quality and sustainability of the living environment that establishes a broader vision for spatial development, e.g., a Living Environment Development Action Plan (EE: *Elukeskkonna arengukava*). This plan should lay out a cohesive plan that specifies how the targets will be reached and as such which actions are needed while considering the current state of play and future trends. Further, it should be supported with appropriate policy instruments and sufficient and sustainable financing to support its implementation. In addition, a reorganisation of the Estonian governance structure to support the implementation of spatial planning and to achieve a HQLE should be made to ensure alignment with the long-term vision, and provide clarity on who should be responsible for which actions. The new governance structure must be considered in a holistic manner (across sectors), which is further elaborated in the next recommendation. The development of this Spatial Development Action Plan could be staggered, carried out in parallel to the development of the roadmap (see previous recommendation).

3. Strengthen cooperation, coordination and implementation

Cooperation and coordination between stakeholders within and across governance levels to shape spatial development towards a high quality and sustainable living environment should be strengthened, e.g. through the setting up a central entity dedicated to spatial planning issues. This refers to the cooperation and coordination between the different agencies and ministries of the state, the state and municipalities, and between municipalities. As spatial planning is a topic that spans across sectors and different levels of governance, there is also a strong need for improving coordination of spatial planning issues and to improve the quality of the living environment in Estonia. This can be addressed by, for example, setting up a dedicated 'National Competence Centre' (such as the new national Land and Spatial Board that will be set up in Estonia). The setting up of this 'Centre' and the setting of its purpose, should obtain political support while maintaining independence, i.e. without influence from political and market actors (see D3, Annex 2, chapter 5.3)

This dedicated central entity should be an independent body, which can,

- ✓ collect, manage, and analyse data and trends;
- ✓ develop spatial visions and related strategic communication;
- ✓ keep an overview of the state of play of the living environment;
- ✓ provide data-driven, evidence-based advice and offer professional expertise on practical solutions regarding spatial planning and development to both public and private sectors;
- ✓ coordinate the implementation of the Living Environment Development Action Plan, which is to be developed by the Ministries.

This will help Estonia in the achievement of a HQLE, which goes beyond just fulfilling regulatory obligations and narrowly focusing on the achievement of sectoral objectives.

4. Empower local governments to make good spatial decisions

There is a need to empower local governments to make spatial decisions that are aligned with the vision of achieving a high quality and sustainable living environment in Estonia. With the high levels of rural-urban migration occurring in Estonia, support should also be provided to local governments to

ensure that a basic service level remains available and accessible for the residents, particularly in the rural areas. Discussions with stakeholders have highlighted the need for the central government to provide clear guidelines at the municipality levels for relevant topics on spatial planning and for achieving a high-quality and sustainable living environment. There should also be clear guidance on how EU regulations should be interpreted and implemented at the municipality level. There is also a need to consider measures to institutionalise knowledge transfer and sharing of lessons learnt, good practices, setting up trainings and education programmes on relevant topics, e.g. the concept of spatial planning and development, spatial governance, quality and sustainability of living space, long-term investment planning and other relevant skills.

In addition to strengthening the national guidance for the municipalities, the provision of adequate and sustainable financial support and professional know-how are also crucial. Alternative solutions to improve the financials of municipalities could also be considered. For example, a planning application fee can be introduced where the revenues will be channelled towards increasing the local planning capacity, for example, to hire trained and professional planning personnel. This is also an approach that is evident in many western European countries.

This policy will help to address the following current barriers to effective local spatial planning which include fragmentation in planning; spatial competition between municipalities; inefficient resource use; architects and landscape architects not participating in the design process of streets and roads; lack of access to public transport, and; lack of spatial analysis for the development of transport systems.

5. Sustainable reform of the construction sector

Estonia should stimulate the sustainable reform of the construction sector that supports the goal of achieving a HQLE. This will require education and training of the sector on the principles of circular economy and other best practices, and RD&I support measures. This policy addresses the following current barriers: Low application of the principles of environmental health and sustainability within the construction sector; low sector productivity; bad reputation of the sector, and; lack of openness to innovation within the sector.

5.3 Deliverable 4: Proposal for the a living environment development plan concept

Deliverable 4 details the need for a high quality living environment development plan as a national strategic document, proposes a concept for the content of such a development plan and gives an overview of the links with the national spatial plan that is concurrently being prepared. A list of possible topics to be addressed in the development plan, which are also accompanied by a set of indicators to measure the state of development and progress made, are:
- Settlement structure and infrastructure;
- Cities;
- Housing;
- Sustainable construction and energy efficiency of buildings;
- Urban nature;
- Mineral resources;
- Materials and circular economy;

- Competences (Skills);
- Integrated e-solutions for spatial planning;
- Participatory tools.

The Deliverable 4 report also discusses the principles for the preparation of the living environment development plan. This includes:

1. Reconciling spatial and strategic development guidance

The State Budget Act establishes that Estonia's long-term state development relies on a strategic planning framework connected to an activity-based state budget. While various strategic planning documents are defined by law, such as the country's long-term development strategy, policy framework, sectoral development plans, and programs, many critical issues on the topics that are discussed in Deliverable 4 lack precise objectives and policy instruments within these documents, often addressing development orientations only at the program level; these are not developed based on broad-based cooperation nor does it engage with a broader range of stakeholders.

In addition, the National Spatial Plan and spatial planning which is primarily implemented through more detailed planning are drawn up within the framework of the Planning Act. The Planning Act, and therefore spatial plans, do not consider other important issues related to the development of an effective and efficient planning system, e.g. digitalisation of the field, capacity building and the introduction of innovative methods to guide spatial development. Similarly, these issues are addressed only at the programme level in the strategy papers, which are not prepared based on broad-based stakeholder cooperation.

As the new strategic plans, i.e. the National Spatial Plan and the Living Environment Development Plan are being prepared, a vision for Estonia's spatial development should be formulated in coherence and synergy with the goals of the 'Estonia 2035' development strategy and with other sectoral development plans. The activities to achieve this vision should be addressed in detail, the state's strategic planning and budgeting system, where a long-term public investment plan should be created. The National Spatial Plan should provide a national framework for spatial development and sets objectives for local authority planning and other sectoral development documents; the development plan for the living environment should set out the sub-objectives and activities to achieve the objectives, linking them to the action plan for implementing the National Spatial Plan.

2. Co-creation in composing the living environment development plan

It is both important and necessary to prepare the Living Environment Development Plan in close cooperation between government, local authorities, communities, NGOs and businesses. As decisions regarding the development of the living environment is best taken at the local level, in line with the subsidiarity principle, the state should provide a stable, predictable, visible and appropriate legal framework that identifies the long-term strategic objectives and to provide the necessary guidance and support for these decisions to be taken. This includes the need to address the issue of regional resolution of areas of national importance in the strategic documents.

As many local spatial decisions are implemented by the private sector through property development and with NGOs, it is increasingly important for the state to develop a framework to foster partnerships and cooperation between the sectors of public, private and NGOs.

3. Monitoring and policy evaluation

A comprehensive national monitoring and evaluation framework for the quality and sustainability of the living environment should be developed to guide monitoring and evaluation activities. These activities would help to understand and track progress on policies, programmes and activities, to provide insights to whether their purpose and objectives have been achieved, and to evaluate their impact.

A limited number of specific, cross-sectoral indicators will have to be developed in line with the objectives to be achieved in the Living Environment Development Plan. In addition, key indicators to be included are the policy indicators of the national strategy "Estonia 2035" (e.g., quality of living environment and differences between regions), as well as organisational programmes of the relevant ministries. Further indicators to be considered for national monitoring include land take indicators, share of covered areas (permeability index), share of supported housing, share of cycling work travel (although this is already being monitored and needs to be aligned with policy making), density of the built environment, etc. Where possible, information should be gathered and presented on the level of local municipalities.

The main take aways form this report can be summarised as follows:

- There is an urgent need for a living environment development plan that would provide a strategic view of the issues that affect the human living environment.
- This development plan should address issues that have not yet been reflected in the national spatial plan, other development plans or addressed in sufficient detail in the Estonia 2035 Action Plan. These topics are for instance housing, the climatic and environmental impact of buildings and land use, the material resources for construction, the skills of professionals involved in shaping the built environment and the quality of the micro-environment (buildings and their surroundings).
- The proposal for living environment development plan has been prepared, where the key decision points are listed and recommendations provided.
- The creation of the living environment development plan must happen in close cooperation between government, local authorities, communities, NGOs and businesses – a broad-based co-creation process.
- In the national spatial plan and the development plan for the living environment to be prepared, a vision for Estonia's spatial development supporting the implementation of the goals of the development strategy "Estonia 2035" and the necessary changes must be formulated in cooperation.

5.4 Deliverable 5: Recommendations to improve the governance and coordination system for spatial decisions

Deliverable 5 provides and overview and gaps of previous and emerging spatial governance systems, and preliminary analysis of possible indicators that could measure the spatial creation process and to determine the status quo and development of spatial quality in Estonia.

The key recommendations for optimising the spatial creation governance system are as follows:

1. Keeping up the political momentum to continue optimising the spatial governance and coordination system for HQLE

To keep the newfound political will to move towards HQLE we suggest that the currently considered co-management of the Land and Spatial Board by the Ministry of Climate, Ministry of Regional Affairs and Agriculture, Ministry of Culture and Ministry of Finance as a viable solution as it creates a high-level discussion space on the strategic HQLE issues and paves way for new ways of cooperation beyond the silos of business as usual. Another benefit of the co-management is that the emerging Land and Spatial Board would have more leverage and a stronger legislative, authoritative, or administrative power to push through spatial decisions that reflect the genuine needs of general public. Also, the creation of a HQLE spatial development strategy, as suggested in Deliverable 4 and formulating a vision for Estonia's spatial development in alignment with the goals of long-term strategy "Estonia 2035" would be an optimal way for prolonging the momentum and political interest in spatial creation issues. As these processes also require a lot of cooperation between different stakeholders, it also helps to foster a sense of ownership for the decisions that have to do with creating HQLE.

2. Establishing a state spatial office to coordinate and improve coherence in spatial creation system

To achieve efficient management, minimise confusion, and eliminate duplicative efforts, we propose the establishment of a centralised, independent spatial office at the national level, which would also support and cooperate closely with the regional and local levels. This suggested Land and Spatial Board, would be steered by the interdisciplinary Spatial Creation Strategic Group with three further subdivisions i.e.:

- **A Spatial Agency** that will coordinate data management and studies;
- **A Spatial Inspection Agency** that will carry out monitoring functions;
- **A Competence Centre** that will provide support, monitoring and data management.

Elaboration on the potential functions of each of these subdivisions are provided in the Deliverable 5 report. Creating such division in the new Land and Spatial Board would help create structure and determine responsibilities for specific sets of tasks, while keeping these functions still under one institution for smoother cooperation.

3. Supporting professional competence and capacity building

The Deliverable 5 report suggests that the Land and Spatial Board, and more specifically its Competence Centre, should start coordinating the thematic educational, research and innovation activities in Estonia to enhance spatial innovation capacity and professional competences, promote cross-sectoral cooperation and offer specific funding for explorative and innovative HQLE projects. The Land and Spatial Board could promote interdisciplinary cooperation, enhance the education and training quality and mutual networking and learning among professionals which will contribute to fostering innovation in research and development and increasing the capacity of spatial creation specialists, e.g. collaboration with the Estonian Business and Innovation Agency. A closer cooperation

with universities and other research institutes would also help to ensure the availability of well-rounded specialists in the field of spatial and urban planning.

4. Prioritising HQLE in the state budget

It is strongly recommend adding an 18th performance area (EE: *tulemusvaldkond*) to the national budget strategy, specifically focusing on creating sustainable and high-quality living environment. This would ensure a more realistic and inclusive long-term approach to achieving the goals outlined in the long-term national strategy plan "Estonia 2035". The new performance area would be located under the new development strategy Deliverable 4 argued for, i.e. the Living Environment Development Plan, and would not only demonstrate the state's ambition to develop a sustainable and high-quality living environment but also underscore its commitment to raising social awareness regarding spatial design quality. It would also be essential to adopt a participatory approach in the spatial creation process, and the adoption and monitoring of indicators for measuring progress, across planning levels, towards HQLE in Estonia.

5. Strengthening local-regional-state collaborations and addressing local needs through territorial governance

A territorial governance approach should be applied to improve the cooperation between state and the municipalities. This approach combines the advantages of a place-based approach and multi-level governance. By coordinating and aligning planning outcomes at the local, regional, and national levels, reflected in detail plans, comprehensive plans, county plans and national strategic plans, it assures that the diverse needs of different communities across the country are addressed in a holistic and systematic way. To facilitate effective implementation, it is recommended that the Land and Spatial Board takes an active role as a mediator, fostering intensive cooperation and communication between state and local levels, safeguarding the objectives of sustainable and high-quality living environment by addressing conflicting interests and promoting consensus-building across the country. The proposed 'Competence Centre' of the Land and Spatial Board could play a crucial role to encourage and support local planning authorities in making informed spatial decisions and finding creative, adaptive and resilient solutions that address local needs.

6. Streamlining common understanding about HQLE supported by a long-term counter-cyclical construction investment plan

Public investments should be made, within the framework of a comprehensive long-term spatial vision, to foster sustainable and high-quality living environment. This vision should be embedded in a strategic document like the National Spatial Plan and updated regularly. To ensure success, it is advised to support the spatial vision with a long-term counter-cyclical construction investment plan.

5.5 Deliverable 6: Action plan and roadmap for the further development of the e-construction services

An action plan and roadmap to further develop e-construction and spatial development digital services in Estonia is available in the Deliverable 6 report. It aims to support the spatial development strategy concept in the context of improving the quality and sustainability of the living environment in Estonia. The focus of the action plan is on the IT solutions that are in the public sector, which is intended for use by both public and private actors.

Three main objectives were identified for this action plan to digitalise services to support the improvement in the living environment of Estonia, namely:

1. To improve the usefulness and quality of data

This includes several actions:

- Review of data needs of existing digital services
- Develop national model of built environment common data environment
- Strengthen regulation on construction and planning to clarify data ownership and responsibility and legal means of ensuring data quality
- Enforcing regulation and standards for data formatting and exchange
- Introduce nation-wide BIM-based permit procedure

2. To improve the usefulness and quality of digital services, which builds upon relevant existing efforts.

This includes the following actions:

- Draft a built environment digital services strategy (including state and municipality actor levels),
- Support innovative initiatives to motivate emerging innovations in digital solutions,
- Develop digital services quality standards (setting up feedback/monitoring mechanisms, User Experience / User Interface (UX/UI) design, user guides) based on international standards,
- Develop centralised service for government notifications/messaging to contact stakeholders/citizens.

3. To strengthen cooperation and engagement of stakeholders with the use of digital services.

This include the following actions:

- Reduce fragmentation of spatial decisions between different agencies and institutions
- Create digital environment for involvement of the public and all parties involved in the building environment to be involved in spatial planning decisions
- Awareness raising of the usefulness/benefits of digital services and of sharing data/knowledge, particularly for the e-construction platform.

To achieve these objectives of the proposed action plan, three key recommendations have also been made, as described below.

1. Ensure high quality of data by standardising data processes and increasing stakeholder involvement

A major barrier for digital services is the lack of trust that stakeholders have for the underlying data. Key steps for Objective A involve regulating data processes in such a way which creates:

- greater consistency in data generation, collection and storage (via developing a national model in a common data environment (CDE);
- stronger data management regulation; enforcing standards;
- BIM-based permitting;
- a more efficient transfer of data (via data exchange protocols).

By setting up these structural guidelines and regulations on data, there is more transparency on data processes which ultimately make this data more reliable for stakeholders to use in construction and spatial planning decision-making. In addition, stakeholder involvement is needed to ensure that the data is of value for their decision-making, and for ensuring that there will be greater compliance of the protocols and regulations that will be set up.

2. Develop a long-term vision for digital services for construction and planning

To improve the quality of digital services used for construction and spatial planning (Objective B), a long-term vision needs to be created, where:

- a built environment digital services strategy should be developed;
- quality standards for services based on international standards should be implemented;
- new innovations in digital solutions should be explored.

These actions are intended to create a clear signal to stakeholders on how digital services will be evolving to more efficiently and effectively support decision-making for construction and spatial planning. There should be a move towards knowledge-based thinking, where there is a shift from *information*-centric approach towards an *insights*-centric approach which focuses on using data and digital solutions to facilitate decision-making and foster collaboration throughout the entire lifecycle of buildings and spatial planning projects.

3. Strengthen stakeholder involvement and cooperation in the entire lifecycle of buildings/spatial planning

Once digital services and the underlying data are of high quality, stakeholders need to be sufficiently and continuously engaged to be able to effectively use digital services in their decision-making processes. This entails:

- organising of awareness raising campaigns;
- setting up complementary digital services/environments to inform stakeholders;
- setting up complementary digital services/environments to involve and engage stakeholders in the decision-making processes.

However, a prerequisite is a coherent and consistent strategy for spatial decision making amongst those already involved in decision-making (government agencies and institutions), which requires greater communication and knowledge-sharing across these agencies.

5.6 Deliverable 7: Communication plan

A good relationship between the government and other stakeholder groups is essential for the successful implementation of policy interventions, including visions and action plans. Good relationships can be built on **transparent** and **open communication**, through the provision of **timely** information, effective **two-way** communication and the use of the **digital** space.[14] Deliverable 7 provides guidance to the MoC on key messages and communication channels to effectively inform different stakeholder groups to raise awareness after the conclusion of the project on the results of two of the Deliverables of this project namely:

- Deliverable 4: Proposal for a living environment development plan concept;
- Deliverable 6: Action plan for the development of the e-construction platform.

1. Key communication messages for Deliverable 4

The main messages of Deliverable 4 aim to emphasise the need for a high quality living environment development plan as a national strategic document, and to inform about its content and the necessity to integrate it with the national spatial plan. The objectives of the communication on Deliverable 4 can be summarised as:

- **Objective 1:** Explain the need for a living environment development plan in Estonia;
- **Objective 2:** Inform about the development of the living environment development plan;
- **Objective 3:** Raise awareness on the living environment development plan's implementation;
- **Objective 4:** Sensitise to the need of coherent policy making.

Objective 1: Explain the need for a living environment development plan in Estonia

The main objective of this communication message is to justify the need for a living environment development plan and emphasise its urgency towards Estonian policy makers. This message aims to explain why such a plan is needed, i.e. by emphasising those topics not covered in existing policy documents. The messaging would focus on the plan's relevance for society and would thus cover:

- ✓ The strategic aspects of the issues affecting the human living environment; and
- ✓ The gaps regarding the issues' consideration in the national spatial plan, other development plans and the Estonia 2035 Action Plan.

Key audience: Policymakers, politicians, ministers and high-level government officers; Local authorities

Communication channel: Website; Social media; Intranet

Objective 2: Inform about the development of the living environment development plan

This message aims to distribute the current proposal of the living environment development plan, including key points for further discussion and policy recommendations. It aims to inform affected parties and keep them involved in the development process. The message would hence include:

- ✓ A status update on the development process and further steps planned in the timeline;
- ✓ Links to the outline of the proposal for review; and
- ✓ Brief summaries to on the topic for further distribution.

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[14] Whispir (n.d.). A guide to multi-channel communication for local government.
https://assets.ctfassets.net/9kxenxp0ev0j/5Iv1dVKKO3Cs2A4jLXzuhP/add6c142354e3f02714616c76c2b5dd6/Whispir_Local_Gov_Ebook_210609_015127.pdf

Key audience: Policymakers, politicians, ministers and high-level government officers; Local authorities; Non-governmental organisations; Business; General public; Education and academia

Communication channel: Website; Newsletter and social media; News articles; Live public events

Objective 3: Raise awareness on the living environment development plan's implementation

This objective is closely related to the previous one, however, it is not only informative but aims to actively engage stakeholders in the plan's implementation. While the informative aspects of Objective 2 are already relevant, the active engagement will become more important at a later stage of the project, i.e. after official initiation of the development plan. It should be noted that active engagement can only start after the development plan is officially initiated. The message would include:

- ✓ Information regarding the official kick-off of the development plan implementation;
- ✓ Current state of the development plan and progress made with regards to the foreseen timeline;
- ✓ Background information on process developments, involved stakeholders and implementation of feedback received; and
- ✓ Links to more elaborate information.

Key audience: Politicians, ministers and high-level government officers; Local authorities; NGOs; General public; Business, i.e. construction and spatial planning sector; Education and academia

Communication channel: Email; Newsletter; Social media; News articles

Objective 4: Sensitise to the need for coherent policy making

This objective aims to facilitate coherent policy making and communicates on the aspects that are relevant across several development plans, i.e. the national spatial plan and Estonia 2035. Hence, the message would stress:

- ✓ The need of cooperation for the plan's development; and
- ✓ Strategic aspects that need revision to be coherent across all development plans and strategies.

Key audience: Policymakers, politicians, ministers and high-level government officers; Local authorities

Communication channel: Intranet; Email; Workshops / focus groups

2. Key communication messages for Deliverable 6

The key communication messages of Deliverable 6 relate to the e-construction platform. The messages aim to justify the need for an e-construction platform, raise awareness about its functions and capabilities, and to encourage its use. The key messages will also seek to promote the action plan / policy recommendations formulated by Deliverable 6. The objectives can therefore be defined as follows:

- **Objective 1:** Explain the need for the e-construction platform;
- **Objective 2:** Raise awareness on the e-construction platform (and other digital services);

- **Objective 3:** Encourage spatial planning / construction stakeholders to use the e-construction platform (and other digital services);
- **Objective 4:** Communicate about the policy recommendations i.e. the action plan Deliverable 6 has produced.

Objective 1: Explain the need for the e-construction platform

This objective seeks to justify the need for the e-construction platform by explaining what problem it is trying to solve. Its aim is therefore to make the case for the e-construction platform, i.e. to explain *why* such a platform is needed. Communication would focus on explaining which current bottlenecks in Estonia's construction and spatial planning sector are addressed by the e-construction platform. The messages would revolve around:
- ✓ Lack of information exchange between the stakeholders in the sector;
- ✓ Data related to the built environment being scattered across different databases.

Key audience: Policymakers, politicians, ministers and high-level government officers; Local authorities; Business, i.e. construction and spatial planning sector

Communication channel: Social media; Website

Objective 2: Raise awareness on the e-construction platform (and other digital services)

This objective requires regular communication on the progress made regarding the e-construction platform, i.e. its improvements. The aim is to keep stakeholders informed, carry them along and create some buzz around the developments of the e-construction platform (and other digital services), increasing the chances to engage them. The specific aspects to communicate about are:
- ✓ Steps in its development, success stories, e.g., when an existing specific database has been integrated in the e-construction platform; when a specific subsystem of the e-construction platform has been developed / finalised;
- ✓ Planned next key steps in the development;
- ✓ Any improvements regarding the data quality (including reliability), user-friendliness / usefulness.

Key audience: Policymakers, politicians, ministers and high-level government officers (mostly interested in major achievements); Local authorities; Business, i.e. construction and spatial planning sector (interested in major and smaller achievements along the development process); General public (mostly interested in major achievements); Education and academia

Communication channel: Website; Intranet; Newsletter; Social media; Live public events; News articles

Objective 3: Encourage spatial planning / construction stakeholders to use the e-construction platform (and other digital services)

This objective calls for communicating on the benefits / usefulness of the e-construction platform (and other digital services). This aims to 'sell' the e-construction platform (and other digital services) to stakeholders, creating a sense of need. This can be done by informing the sector about the platform's functional tools and how they can benefit from using it. It is thereby key to overcome the

feeling that stakeholders may have of digital services being too complex. The key communication messages would focus on:

- ✓ The functionalities of the e-construction platform;
- ✓ The fact that the e-construction platform simplifies processes.

Key audience: Business, i.e. the construction and spatial planning sector

Communication channel: Newsletters; Social media; Workshops / focus groups; Live public events

Objective 4: Communicate about the policy recommendations (i.e. action plan) Deliverable 6 has produced

This objective tackles how the Ministry of Climate can communicate about the policy recommendations (i.e. action plan) Deliverable 6 has produced. The aim of this objective is to facilitate an open dialogue between the Ministry of Climate and relevant policy stakeholders who have the potential to influence or be impacted by the proposed next steps. The key communication messages should include:

- ✓ The three main 'objectives' that Deliverable 6 produced;
- ✓ The (priority) actions that Deliverable 6 developed.

Key audience: Politicians, ministers and high-level government officers; Local authorities; Education and academia

Communication channel: Website; Newsletters; Social media; Workshops / focus groups; News articles

5.7 Deliverable 8: Final report

A final report was also prepared for this project to provide an administrative summary of the activities that were carried out during the implementation of the project, i.e. it does not delve into the content-related details. It also includes an analysis of the impact of the study and highlights the challenges and lessons learnt during the implementation of the project.

1. Summary of activities

All of the eight deliverables as required in the terms of reference, as well as this additional report has been completed within the project implementation period of 22 months, which ran from March 2022 to January 2024. In addition, a summary of the key meetings, workshops, seminars, and events that took place during the implementation of this project is listed below. Several other meetings and discussions also took place between the project team and the beneficiary throughout the project implementation period.

- In-person meetings with nine different stakeholder groups were held in Tallinn during the inception phase in June 2022;
- Three expert meetings were organised to discuss the policy recommendations for Estonia (Deliverable 3 and 5), which included an in-person meeting in Tallinn with bottom-up stakeholders in April 2023;
- Five regional working seminars with a broader group of stakeholders (123 attendees) were conducted between November and December 2022, which contributed to Deliverables 3, 4 and 5;
- Five workshops, collectively attended by about 60 stakeholders, were conducted to specifically discuss the content of the Deliverable 4 report, including four thematic workshops with stakeholders and one with representatives from the then MEAC and MoF (now Ministry of Climate and Ministry of Regional Affairs and Agriculture respectively);
- Preliminary results of the study were presented in the Tartu Planning Conference in March 2023;
- Two workshops, attended by over 15 attendees each, were conducted within the work delivered for Deliverable 6 to discuss the current status and the proposal for actions necessary to improve the digitalisation of services for the construction sector and to support the implementation of the living environment development plan;
- A total of 15 progress meetings, including a final meeting, were conducted with the core steering group throughout the project implementation period.

2. Brief analysis of impact indicators

The outputs of this project has been actively used in the ongoing discussions and developments to develop a high quality living environment in Estonia. For example, the concept of developing a 'Living Environment Development Plan' has been suggested to and principally accepted by decision-makers. The plan is to start preparations in the first half of 2024, although a final decision has yet to be taken by the government at the time of writing this report. This Plan will be considered as a strategic planning document, and the associated actions would receive State funding. This document will include a vision for Estonia's spatial development, with sub-objectives and activities designed to achieve key objectives which are aligned with the National Spatial Plan. It will also provide a national reference for

implementing the 2018 Davos Declaration, and to support the New European Bauhaus initiative[15]. In addition, it will also seek to address many important issues that are related to the overall development of a good spatial planning system (beyond what is covered in the current Planning Act).

In addition, some of the recommendations from this project regarding the governance and coordination system for making spatial decisions have already been implemented in the new coalition agreement arising from the March 2023 governmental elections. For example, the need to consolidate the bulk of functions related to the broad field of spatial creation together (now consolidated under the Ministry of Climate and the Ministry of Regional Affairs and Agriculture), and the implementation of a centralised spatial office at the national level to support regional and local spatial planning (the decision has been made on 7 December 2023 by the Estonian government to establish a Land and Spatial Agency [EE: *Maa-ja Ruumianet*] which is expected to begin operations by 1 January 2025).

Further, the Ministry of Climate has also started taking actions to implement some of the recommendations arising from Deliverable 6. In particular, a project to develop a framework and detailed principles for data management has been kick-started to improve the quality and reliability of built environment data collected by public agencies. There are also continuing efforts to the development of BIM-based building permits, 3D digital twin and utility network database, and to improve connectedness with other ministries and stakeholders. An example that is stipulated to start in January 2024 is the development of a digital planning information system (PLANIS and PlanBIM) which is carried out in close cooperation with the Ministry of Climate, Ministry of Regional Affairs and Agriculture, and the City of Tallinn.

3. Challenges encountered

The key challenges encountered when implementing the project relates to the difficulty in arriving at a mutual understanding and agreement on the scope of some deliverables. During the project implementation, the project team also had to interact actively with two key stakeholders, namely the Construction and Living Environment Department of the Ministry of Climate (formerly within the Ministry of Economic Affairs and Communications), who is the official beneficiary of this project, and the spatial planning department of the Ministry of Finance (now within the Ministry of Regional Affairs and Agriculture). During the process, initial divergent understandings converged, and the discussions contributed to clarifying the role of the Living Environment Development Plan and National Spatial Plan.

4. Lessons learnt

Some of the key lessons learnt from the process of implementing this project relates to the following topics:

✓ **Effective stakeholder engagement**: In the Estonian context, having in-person, small group meetings are beneficial. Stakeholder engagement activities are also more effective when conducted in Estonian, and when the contact is made directly via the Estonian ministry(s). The distribution of discussion papers prior to stakeholder meetings has also proven to be highly successful in actively engaging key thinkers and practitioners in the field, fostering active participation during the meetings.

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[15] https://new-european-bauhaus.europa.eu/about/about-initiative_en

✓ **Identification of international good practices for spatial planning;**
Looking at good examples from other countries to learn how spatial planning is organised and carried out provided good insights and learnings for Estonia. Deep diving into specific examples from other countries through study trips and formal exchanges could be beneficial to better understand the nuances to support the implementation of these good practices.

✓ **Continued close collaboration and dialogue between the key ministries for spatial development will be crucial;**
While important steps have been taken to consolidate the bulk of functions related to the broad field of spatial creation under the Ministry of Climate and the Ministry of Regional Affairs and Agriculture, steps are still needed to foster good and effective cooperation between different departments within the newly formed ministries and also between the ministries to improve the quality of spatial development in Estonia. Besides, improving collaboration and maintaining dialogues with other key ministries such as the Ministry of Culture and Ministry of Finance is also necessary.

✓ **Ensuring the implementation of a plan for improving the living environment with clear objectives, actions, and assigned responsibilities, and with sufficient resources allocated**
Discussions on improving the living environment in Estonia has been ongoing for the past decade, but little progress has been made. While the recent reorganisation of the ministries shows a positive development in this aspect, clear objectives and strategic actions that will lead Estonia to achieving a high quality and sustainable living environment must be established. Further, as pointed out in Deliverable 5 and in the additional report, it is also crucial to clarify on the roles and responsibilities of the various stakeholders that are involved in the spatial creation process. Provision of sufficient manpower and financial resources must also be allocated and secured to ensure a quality outcome.

37

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