



Estonia and the European Green Deal:

Climate and energy targets in Estonia

May 2022
#EUGreenDeal

To fight the climate crisis, the EU's goal is to cut its net greenhouse gas emissions by 55% by 2030. For Estonia, this means **reducing emissions by 24% by 2030** in sectors outside the EU Emissions Trading System, compared to 2005. These include emissions from transport, buildings, agriculture and waste.

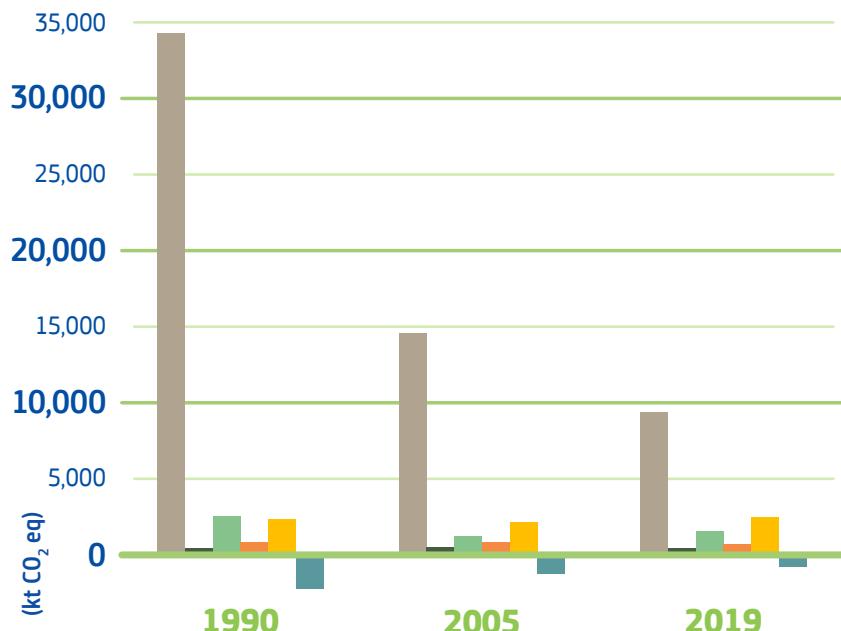
To get there, the European Commission estimates that **at least 37%** of Estonia's final energy consumption would need to come from **renewable sources by 2030**.

Equally, with a national energy efficiency target of 42% by 2030, there is potential for Estonia to contribute more to the proposed EU-wide goals of 39% for primary energy consumption and 36% for final energy consumption.



Greenhouse gas emissions in Estonia

We're on the right track. Since 1990, Estonia has successfully reduced its emissions in several key sectors.



	1990	2005	2019
Energy	34,543	14,681	9,883
Waste	370	515	306
Agriculture	2,696	1,179	1,497
Industrial Processes	963	728	618
Transport	2,473	2,155	2,395
Land-based removals	-2,960	-1,160	-716
Total	38,086	18,097	13,984

Net removals of carbon in soils, forests and bio-based products; depending on the situation in the Member State, there could also be net emissions from the land sector

Source:
<https://unfccc.int/ghg-inventories-annex-i-parties/2021>

Benefits of climate action

More than
63%
of Estonians

consider climate change
a serious problem.

As well as limiting the impact of global warming, climate action brings many other benefits:

- ✓ **It saves lives:** climate action helps improve air quality. Every year 500 Estonians die prematurely due to air pollution. By delivering the European Green Deal, we can cut that number by 41%, saving some 205 lives.
- ✓ **It saves money:** improving energy efficiency, insulating homes and installing renewable energy lowers energy bills.
- ✓ **It protects nature:** restoring natural landscapes to capture carbon is great for biodiversity.
- ✓ **It strengthens energy independence:** more renewable energy means less dependence on oil and gas imports.
- ✓ **It boosts innovation:** the climate transition creates a powerful incentive to develop climate-friendly technologies, boosting growth and creating jobs.

Climate action is worth it, and Estonians know it. The majority (67%) believe national governments are responsible for tackling climate change, while over 4 in 10 (47%) have taken action themselves.

75%
of Estonians



believe the damage due to
climate change is higher
than the investment needed
for a green transition.

Financing Estonia's green transition

Various European funding sources are available to support Estonia's green transition.



EU budget sources

Just Transition Fund

353.9 million
(2021-2027)

Cohesion Policy Funds (ERDF, ESF+, Cohesion)

904.7 million
(2021-2027)

Recovery and Resilience Fund

402 million
(2021-2026)

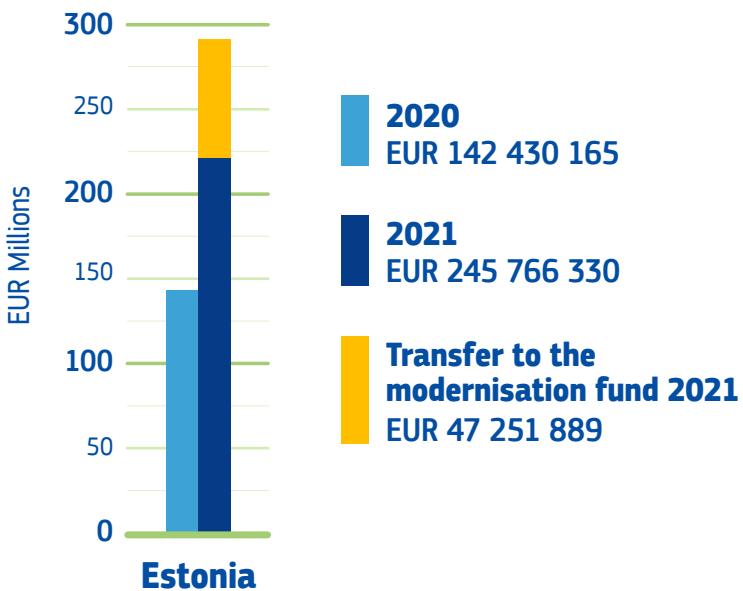
Social Climate Fund*

207 million
(2025-2032)

* The Social Climate Fund was proposed by the Commission in July 2021 and will accompany the new Emissions Trading System (ETS) for road transport and buildings. The fund will help vulnerable households and micro-enterprises invest in clean heating, electric driving, solar panels, and more.



Revenues from the Emissions Trading System



Revenues from the sales of emission allowances largely stay with the national government. In addition, Estonia may transfer some of its national ETS revenues into the Modernisation Fund. The Modernisation Fund started operating in 2021.

Here's how the Modernisation Fund benefited Estonia in 2021:

- ✓ EUR 15.5 million to improve energy efficiency and renewable energy use in public sector buildings.
- ✓ EUR 9 million for energy-efficient and low-emission public transport.

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