



RAHANDUSMINISTEERIUM

CONSOLIDATED ANNUAL REPORT OF THE STATE FOR 2023

Prepared by: Ministry of Finance
Tallinn 2024

Table of Contents

Table of Contents	2
Preface by the Minister of Finance	4
Introduction	5
Definitions	6
1 Management report	7
1.1 Financial overview of the general government sector	7
1.1.1 Key economic and financial indicators in 2023	7
1.1.2 Important events.....	8
1.1.3 General macroeconomic development and impact on financial performance	9
1.1.4 Overview and budgetary position of the public sector and general government sector.....	9
1.1.5 Revenue of the general government sector	12
1.1.6 Expenditure and investments of the general government sector.....	14
1.1.7 Balance sheet of the general government sector	16
1.1.8 Debt liabilities of the general government sector.....	20
1.1.9 Contingent liabilities	21
1.1.10 Principles of managing the state's financial risks and liquidity.....	22
1.2 Overview of activities	24
1.2.1 Long-term development strategy 'Estonia 2035'	24
1.2.2 Welfare.....	27
1.2.3 Health	30
1.2.4 Educated and active population	32
1.2.5 Estonian language and identity.....	35
1.2.6 Environment	37
1.2.7 Research and development and entrepreneurship.....	40
1.2.8 Agriculture and fishery	42
1.2.9 Transport.....	44
1.2.10 Energy	47
1.2.11 Digital society	49
1.2.12 Effective state	51
1.2.13 State governed by the rule of law	53
1.2.14 Internal security.....	55
1.2.15 Foreign policy	58
1.2.16 Security and national defence	60
1.2.17 Culture and sports.....	62
1.2.18 Cohesive society	64
1.2.19 Chancellery of the <i>Riigikogu</i>	67
1.2.20 Supreme Court	68
1.2.21 National Audit Office.....	69
1.2.22 Office of the President of the Republic.....	70
1.2.23 Office of the Chancellor of Justice	72
1.2.24 Results of internal and external assessments of the internal audit units of ministries	72
2 Consolidated and unconsolidated annual accounts	74
2.1 Balance sheet	74
2.2 Statement of financial performance	76
2.3 Cash flow statement	77
2.4 Statement of changes in net assets.....	78
2.5 State budget implementation report.....	80
2.6 Accounting methods and valuation principles.....	127
2.7 Notes (a1–a31).....	133
3 Information on local governments	211
3.1 Balance sheet	211

3.2	Statement of financial performance	213
3.3	Cash flow statement	214
3.4	Statement of changes in net assets.....	215
3.5	Accounting methods and valuation principles.....	216
3.6	Notes (b1–b21).....	217
4	Information on the public sector and general government sector	251
4.1	Balance sheet	251
4.2	Statement of financial performance	253
4.3	Cash flow statement	254
4.4	Statement of changes in net assets.....	255
4.5	Accounting methods and valuation principles.....	257
4.6	Notes (c1–c27).....	258
	Signature to the consolidated annual report	287

Preface by the Minister of Finance

Dear reader of the consolidated annual report of the state for 2023!

Unfortunately, the hoped-for turnaround in Estonia's economic recovery did not happen in 2023. Russia's ongoing war of aggression in Ukraine, troubled export markets, loss of price competitiveness, supply constraints, low business and consumer confidence, and a number of other factors hampered the recovery. We have had to accept the biggest recession in the European Union.

We are a small and open economy, and more dependent on the external environment than the rest of Europe. The advantages of the Estonian economy – its proximity to the strong and fast-growing Nordic economies and its geographical position between East and West – which had previously been a certainty, suddenly turned against us. Our main export markets, Finland and Sweden, were also among the weakest in Europe.

Nevertheless, the Estonian economy as a whole weathered the difficult conditions well. The volume of the economy, measured in euros, grew throughout 2023. The labour market remained stable, salaries and wages continued to rise, while price growth started to slow down in the second half of the year and was twice as low as in 2022. In contrast to the downturn in manufacturing and construction, exports of services performed better than expected, providing a strong support to the economy.

Economic indicators show that the recession was, and still is, a rather protracted one, with the main three per cent contraction last year. In Estonia's previous economic crises, society as a whole has been much more hurt by similar downturns than now. Nevertheless, the current situation cannot be underestimated.

However, the Estonian economy shows flexibility and adaptability. Companies are persevering in the face of adversity, struggling to find new markets and reviewing existing business models, including those that are not in line with the Russian sanctions and no longer make sense to keep artificially alive. So far, adequate buffers have helped companies through the tough times.

The state should also be ready for hard times. In good times, you need to build up reserves to be prepared for the unexpected. Unfortunately, decades of sustainable fiscal policy have begun to drift off track in recent years, and the budget has been allowed to run into structural deficits.

On the one hand, the crises have led to higher spending, but on the other hand, the suspension of the implementation of EU budgetary rules has allowed additional spending decisions to be taken without seeking to cover them. Decisions on the 2023 budget were also taken under relaxed rules.

However, if we are optimistic, the budgetary deficit has helped people and companies to weather the long recession better, but going forward we need to make efforts to stop the rising deficit and with it the rapid increase in public debt.

In 2023, a new government took office, which set as its priorities the restructuring of Estonia's national security and public finances. Investing in defending the state and in a responsible monetary policy is an investment in our future, so that we have an independent country where the economy can function and flourish, and we can give companies the confidence to continue to operate and invest here.

The first steps to put public finances back on a more sustainable path were taken last summer, in anticipation, to give society time to take them into account and get used to them. In the *Riigikogu*, we passed some tax reforms, made support for large families more affordable for the state, and agreed on the first much-needed savings in each ministry. As a result of these decisions, we were able to improve the budgetary position in 2024, increase defence spending to three per cent of GDP and save nearly 850 million euros over the period of 2024–2027.

Raising revenue and cutting excessive public spending is something that we also have to implement in the future. Much work remains to be done to improve both public finances and the state of the economy. If we do nothing to improve the fiscal situation, our debt burden will continue to grow – by 2028 it would be 36 per cent of GDP and we would pay half a billion euros in interest alone. This is a very large amount of money that we need to use much more wisely, in particular for additional funding for security, education, and health.

The Estonian economy is not in its best shape at the moment, but sound public finances are a strong basis for growth and work must continue in this regard.

Happy reading and thinking along!

Mart Võrklaev

Minister of Finance

Introduction

The consolidated annual report of the state is an annual report submitted by the Ministry of Finance to the *Riigikogu*, which gives an overview of the achievement of the objectives set out in the state budget, the financial position, financial performance, and cash flows of the state, and allows the *Riigikogu* to exercise its control function over the Government of the Republic. The consolidated annual report gives the Government of the Republic an opportunity to explain its activities in the accounting year and present the *Riigikogu* with information necessary for making budgetary decisions. The consolidated annual report of the state also ensures the availability of governmental and public sector information necessary for performing the international accounting and financial reporting obligation.

The consolidated annual report is based on the reports of state accounting entities and accounting entities under the dominant influence of the state but also accounting entities of other public sector entities, statements of financial performance of areas of government of ministries, and other reports.

The consolidated annual report of the state includes an audit report prepared by the National Audit Office as a result of auditing the annual accounts. By auditing the consolidated annual report of the state, the National Audit Office provides assurance that the state accounting indicators submitted to the *Riigikogu* and the public provide correct information about the financial position of the state and the economic performance of the concluded year, and the state budget implementation report provides relevant information about state revenue, expenditure, and investments.

The consolidated annual report of the state comprises four parts: management report, annual accounts, information about local governments, and information about the public sector and the general government sector.

The management report is part of the consolidated annual report of the state, which gives an overview of the state's activities and circumstances that are decisive in assessing the state's financial position and economic

activity, significant events during the financial year, and expected developments in the next financial year.

The annual accounts of the state provide an overview of the state's consolidated and unconsolidated financial position, financial performance, cash flows and implementation of the state budget, and explain the most important items.

Information on public sector and general government sector and information on local governments includes a consolidated overview of the financial position, financial performance, and cash flows of these sectors.

The figures in the consolidated annual report have been presented as of 31 December 2023 and have generally been adjusted until 30 April 2024, which is the latest deadline for amending the reports in accordance with subsection 9 (4) of Regulation No 105 of the Minister of Finance of 11 December 2003 'Public sector financial accounting and reporting guidelines'. Individual significant changes up to the submission of the report have been made after this deadline in the course of audits.

The Ministry of Finance shall submit a consolidated annual report of the state to the National Audit Office no later than by 30 June of the year following the accounting year, and the National Audit Office shall complete the audit of the annual accounts of the consolidated annual report of the state and review of the lawfulness of transactions no later than by 31 August.

At the beginning of September, the Ministry of Finance shall submit the consolidated annual report of the state and the audit report of the National Audit Office to the Government of the Republic for approval.

The Government of the Republic shall submit the approved consolidated annual report of the state to the *Riigikogu* for approval together with the draft decision on the distribution of the state's unconsolidated cash flow surplus. The audit report of the National Audit Office shall be added to the consolidated annual report of the state.

Definitions

Public sector – i.e. the first sector, is engaged in governance and administration. Public sector institutions can be divided into state-owned or local government-owned institutions based on the type of owner. If the state's equity in the business entity is 50 per cent or greater, it is a public sector subtype of 'state'. If the local government's equity in the business entity is 50 per cent or greater, it is a public sector sub-type of 'local government'. The general government sector accounts for the largest share (in terms of staff and budget) of the public sector.

Budgetary position – the difference between revenue and expenditure in the budget. A deficit occurs when expenditure exceeds revenue and a surplus when revenue exceeds expenditure.

Central government – state budgetary entities and foundations, non-profit associations and companies under their dominant influence that belong to the general government sector.

Consolidated expenditure – expenditure in which the items of all public sector entities have been aggregated item by item and individual balances have been eliminated.

Liquidity reserve – financial reserve for managing the day-to-day cash flow of the state, and its volume also changes on a daily basis. The liquidity reserve is estimated to include the funds of the state, Tervisekassa¹, Eesti Töötukassa², foundations that are in the Treasury Single Account (TSA) system³, and of the other persons (for example, AS Pensionikeskus).

Nominal budgetary position – the difference between total revenue and total expenditure.

Gross Domestic Product – i.e. GDP, is the total value of goods and services created in a territory of a state during a year. Throughout the consolidated annual report of the state, the abbreviation 'GDP' is used.

Social security funds – Tervisekassa and Eesti Töötukassa. A social security fund is a national or local institutional unit whose main area of activity is the provision of social benefits and which meets the following two conditions: 1) persons or groups of persons designated by law or other legal act have the obligation to participate in social security schemes or to pay contributions; 2) the general government sector is responsible for the management of the institution by

establishing or approving contributions and social benefits, independently of its role as supervisory body or employer.

Stabilisation Reserve Fund – financial reserve for crisis situations used, for example, in financial crises, emergency situations and to reduce general economic risks.

Statistical budgetary position (deficit or surplus) – the difference between budget revenue and expenditure adjusted by the acquisition of non-current assets. A deficit occurs when expenditure exceeds revenue and a surplus when revenue exceeds expenditure.

Structural budgetary position – cyclically adjusted budgetary position of the general government sector that does not take into account one-off or temporary transactions.

Performance area – area in line with the action programme of the Government of the Republic and covered by the state budget strategy, which has a long-term objective set by the Government of the Republic together with one or several metrics for assessing the achievement thereof. Performance area conveys the state's policies and area-specific priorities for the achievement of the state's long-term objectives.

General government sector – includes public sector entities not considered market producers that are financed mainly through mandatory payments made by entities belonging to other sectors. In Estonia, the general government sector is divided into three subsectors: central government, local governments, and social security funds.

Budgetary position of the general government sector – the difference between total revenue and total expenditure of the general government sector.

Foreign funds – funds from the budget of a non-resident, including the European Union, an international organisation, a foreign country or a foreign non-governmental organisation, which the recipient of the funds uses to implement developments, reforms and investments.

Debt burden – the ratio between debt and GDP. (Consolidated) debt of the general government sector known as Maastricht debt in international comparison is used as a metric.

¹ Informative translation: Health Insurance Fund.

² Informative translation: Estonian Unemployment Insurance Fund.

³ Executing payments and settlements, management of cash receipts, and intermediating in the payment services through the e-State Treasury system.

1 Management report

1.1 Financial overview of the general government sector

1.1.1 Key economic and financial indicators in 2023

Table 1. Key economic and financial indicators

		2023	2022
	Annual growth of real GDP	-3.0%	-0.5%
	Unemployment	6.4%	5.6%
	Inflation	9.2%	19.4%
	Growth in salaries and wages	11.5%	11.6%
	Revenue of the general government sector	14,734 million euros	13,699 million euros
	Expenditure of the general government sector	15,130 million euros	13,256 million euros
	Accounting result of the general government sector	-397 million euros	443 million euros
	Nominal budgetary position of the general government sector	-3.4% of GDP	-1.0% of GDP
	Structural budgetary position of the general government sector	-1.3% of GDP	-1.1% of GDP
	Debt burden of the general government sector	19.6% of GDP	18.5% of GDP
	Consolidated financial reserves of the general government sector	9.3% of GDP	11.1% of GDP

Source: Statistics Estonia; Consolidated annual report of the state for 2023 The Statistics Estonia regularly reassesses and retroactively updates economic and financial indicators, so the details are subject to change.

1.1.2 Important events

IMPORTANT EVENTS IN 2023

War in Ukraine

On 24 February 2022, Russia began an attack on Ukraine, which resulted in a mass exodus from the country. Estonia adapted to the reception of refugees and is still reorganising life in society on the basis of changing circumstances. From February 2022 to the end of 2023, a total of 50,654 people applied for temporary protection (including 8,783 in 2023) and 35,384 for an extension of temporary protection.

Impact of sanctions related to the war in Ukraine

The war in Ukraine has driven both Estonia and all other European countries to find new ways to source energy. In order to ensure an independent gas supply from Russia, an LNG reception capacity (Pakrineeme shuttle quay) was established in Estonia in cooperation between the private and public sectors. No gas has yet been received through it during 2023.

Interest expense

The European Central Bank started to raise interest rates in the summer of 2022 and completed the process by September 2023. The underlying Euribor for housing loans rose at a similar pace and to a similar extent. As the vast majority of housing loans in Estonia are linked to the six-month Euribor, the full impact of the increase in interest rates on loan payments could only be felt by the end of 2023. This means that the impact of interest rate rises on people's wallets in 2023 was several times greater than a year earlier. This partly explains the weakness of private consumption in 2023, when the growth in employment income already clearly outpaced price increases.

Elections and a new coalition

In March 2023, the regular *Riigikogu* elections were held, and the winning Estonian Reform Party formed a government with the Estonia 200 and the Social Democratic Party. Under the new government's coalition agreement, work started on improving the fiscal situation of the state, with the aim of moving towards a balanced budgetary position of the general government sector. To this end, legislative amendments were adopted to raise income tax, VAT, excise duties, and gambling tax, and ways were sought to cut public spending. The new government also changed the structure of ministries. According to the coalition agreement, the reorganisation of ministries directly concerned five ministries. The structural units from the Ministry of Social Affairs joined the Ministry of Economic Affairs and Communications. On the basis of the Ministry of the Environment, the Ministry of Climate was created, to which the fields of construction, transport, and energy from the Ministry of Economic Affairs and Communications were merged. The Ministry of Rural Affairs became the Ministry of Regional Affairs and Agriculture, and units from the Ministry of Finance, the Ministry of Social Affairs, and the Ministry of Economic Affairs and Communications joined this ministry. Among other things, the changes led to a deterioration in the comparability of the time series of the data.

IMPORTANT EVENTS AFTER 2023

War in Ukraine

Russia's war in Ukraine, which started on 24 February 2022, is still ongoing, and emigration from the country continues. As of 12 May 2024, a total of 2,011 people have applied for temporary protection and 16,616 people have applied for an extension of temporary protection.

Tax changes and savings

The combined effect of the tax changes entering into force in 2024 will increase budget revenue by 298.5 million euros. This year's positive impact comes from indirect taxes, with the biggest impact coming from the increase in the standard VAT rate to 22 per cent. In addition to the increase in the VAT rate, this year will also be affected by increases in several excise duty rates. Saving measures amounted to 29 million euros in the 2024 state budget. In addition, a zero-based budget project was launched, which is expected to reduce expenditure from next year.

Supplementary budget

The 2024 state budget included more than 500 million euros worth of decisions to improve the budgetary position and move towards balance. The spring economic forecast published on 3 April 2024 was even more pessimistic than before. The economic recovery is slower, therefore leading to a higher projected budgetary deficit. The government decided to make a negative supplementary budget for 2024 with the aim of keeping public finances on a sustainable path. The supplementary budget was prepared on the basis of an analysis of the situation of public institutions, taking into account both the spring economic forecast and the socio-economic needs of the institutions. In order to bring the general government sector deficit below three per cent of GDP already in 2024 and to ensure that Estonia complies with the European Union's fiscal rules, the Government of the Republic agreed on negative supplementary budget measures that will improve the budgetary position by 173 million euros. The negative supplementary budget includes savings of around 115 million euros and revenue measures of 68 million euros, such as an increase in dividends and additional income tax receipts. All ministries, and where possible their agencies and foundations, save mainly on their own operating and management expenses.

1.1.3 General macroeconomic development and impact on financial performance

In 2023, the real volume of the Estonian economy was in decline. The economic situation was affected by soaring prices, increased interest rates, low confidence, and the rather weak state of the economies of Estonia's main trading partners. In constant prices, GDP fell by three per cent, with real added value declining in a large share of areas of activity. Among others, added value fell in manufacturing, construction, professional, scientific, and technical activities, transport and warehousing, and energy. In current prices, GDP grew by 4.6 per cent in 2023 (see Figure 1), which, despite the weakness of the real economy, supported tax receipts and budgetary position.

The year 2023 was characterised by a widespread weakening of trade. Global trade turned into decline already at the end of 2022, and volumes decreased throughout the past year. At the same time, the decline in trade in the euro area was almost twice as large as the global average. Estonia's exports of goods and services fell by 6.9 per cent last year. The decline in exports of goods was broad-based, while exports of mineral products, wood and wood products, wooden buildings, and electrical machinery and equipment fell more. However, exports of services grew primarily due to the success of exports of IT and business services. Sales of IT services to non-residents accounted for almost a quarter of exports of services in 2023. In 2023, exports of travel services continued to grow, but the number of foreign tourists hosted in Estonian accommodation establishments failed to reach the pre-coronavirus level.

Manufacturing output continued to decline in 2023. Output and export revenues fell in a large part of the manufacturing branches. In 2023, Estonian manufacturing companies considered low demand to be the most important factor limiting business. The prices of some production inputs turned to decline in 2023. Manufacturing output prices are on a downward trend from summer 2023.

Construction volumes in 2023 remained more or less at the level of 2020. At the same time, construction volumes increased on a quarterly basis in the third and fourth quarters of 2023, and in the fourth quarter they were also higher compared to the fourth quarter of 2022. Growth in construction prices slowed down considerably during the year.

Despite the recession, the labour market situation did not deteriorate significantly. The number of employees started to decrease from mid-2023. The number of jobs fell the most in manufacturing and construction, while the number of jobs increased in healthcare and education, accommodation and catering, financial intermediation,

and public administration. Although profits in the business sector as a whole fell compared to a year ago, the decline took place from the peak of 2022 and, overall, the financial position of companies remained generally satisfactory or, for some branches, even good. Therefore, there may have been no need to reduce labour costs. The unemployment rate increased by only 0.8 percentage points over the year to 6.4 per cent on average for 2023. Growth in average gross monthly wages was rapid and kept a similar pace to 2022, reaching 11.4 per cent.

Average real wages started to grow again in 2023 as inflation receded, but purchasing power did not reach the level of 2021 prior to the rapid rise in prices. Private consumption as a whole fell in 2023. The consumption opportunities of households were reduced, among other things, by the increase in loan interest payments. The average annual interest rate on new housing loans was 5.5 per cent in December 2023, compared to 4.4 per cent in December 2022 and 1.9 per cent in December 2021.

Price increases slowed down significantly in 2023. The stabilisation of energy and raw material prices in foreign markets, the completion of the transmission of these effects to the economy, as well as the Estonian weak economic cycle favoured a rapid slowdown in inflation in 2023. While the growth in the consumer price index was at 18 per cent at the beginning of the year, the growth of four per cent in December was the slowest in two and a half years. The prices of several energy carriers turned to decline last year and the increase in food prices slowed down. A more detailed overview of the key economic indicators is presented in the spring economic forecast of the Ministry of Finance.⁴

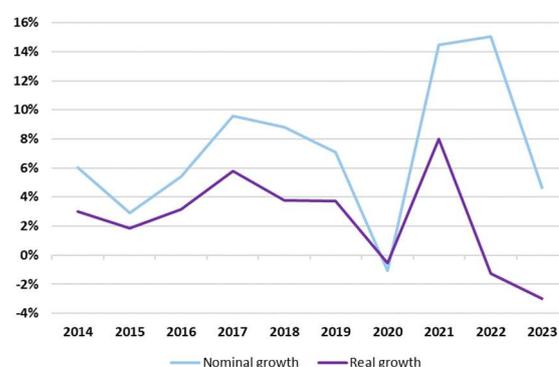


Figure 1. Nominal and real GDP growth by year. Source: Statistics Estonia

1.1.4 Overview and budgetary position of the public sector and general government sector

COMPOSITION OF THE PUBLIC SECTOR AND THE GENERAL GOVERNMENT SECTOR

The public sector is composed of entities which are publicly owned on the basis of ownership. The public sector is divided into two: the general government sector and other public sector entities. Most of the budgetary and statistical analyses are done for the general

government sector. The budgetary rules of Estonian state budget are also based on the general government sector⁵. Also internationally, the assessment of the budgetary position and fiscal sustainability of countries

⁴ <https://www.fin.ee/riigi-rahendus-ja-maksud/fiskaalpoliitika-ja-majandus/rahendusministeeriumi-majandusprognoos>

⁵ <https://www.riigiteataja.ee/akt/121062016019?leiaKehtiv>

is based on the revenue, expenditure, assets, and liabilities of the general government sector.

The general government sector is composed of public sector entities which are not considered market producers, and which are mostly financed through mandatory taxes. These include state budget institutions, local governments, social security funds (Tervisekassa and Eesti Töötukassa), and other institutions. Other institutions are legal entities governed by public law (for example, universities, the Guarantee Fund, the Estonian National Opera), foundations (for example, hospitals), non-profit associations, and companies (for example, AS Riigi Kinnisvara). The general government sector does

not include other public sector institutions such as Eesti Pank (together with Finantsinspektsioon)⁶ and foundations, non-profit associations and companies that produce goods and provide services in which the state and other members of the general government sector have holdings (for example, AS Eesti Energia, AS Elering, AS Tallinna Sadam).

In 2023, the consolidated expenditure of the public sector amounted to 18.81 billion euros⁷ (16.61 billion euros in 2022), of which expenditure of the general government sector accounted for 80.5 per cent and the expenditure of other public sector entities for 19.5 per cent (see Figure 2).

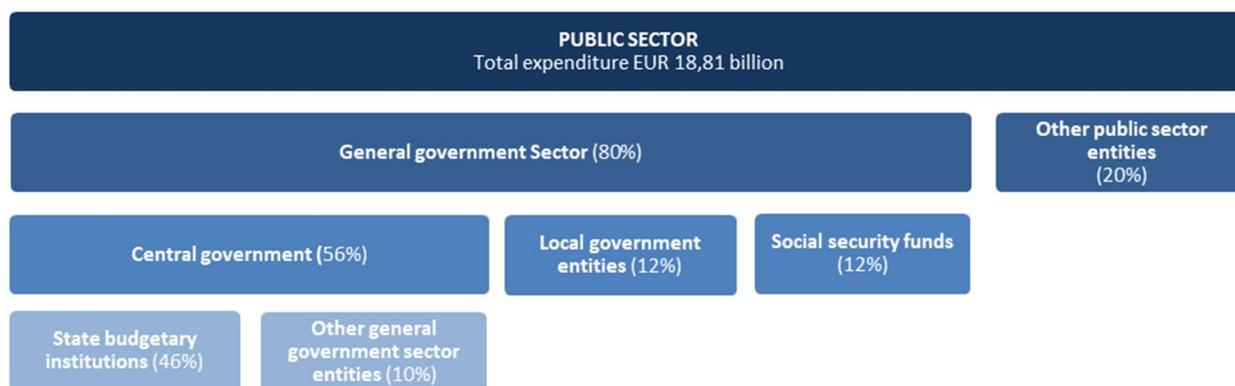


Figure 2. Total volume of public sector expenditure in 2023

NUMBER OF PUBLIC AND GENERAL GOVERNMENT SECTOR ENTITIES

In 2023, the public sector included 723 entities, of which 588 entities (81 per cent) belonged to the general government sector. There were a total of 135 other public sector entities, 120 of those were companies, 14 foundations and non-profit associations, and one legal entity governed by public law (Eesti Pank and

Finantsinspektsioon). Of the 588 general government sector entities, 170 were state agencies, 79 local governments, 21 legal persons in public law, 61 companies, and 257 foundations and non-profit associations, 186 of which are owned by local governments.

STATISTICAL BUDGETARY POSITION OF THE GENERAL GOVERNMENT SECTOR

In 2023, the statistical deficit of the general government sector increased to 1.28 billion euros (3.4 per cent of GDP, see Figure 3), according to preliminary data from Statistics Estonia, as a result of spending decisions in previous years and the deteriorating economic environment. Overall, the deficit was in line with the latest forecast: the shortfall in tax revenue was partly offset by an increase in non-tax revenue, mainly interest receipts, as well as lower-than-projected grants awarded from the state budget and investment expenditure. For **Tervisekassa**, 2023 was a financially successful year: social tax receipts were fairly close to the budgeted amount, additional income was earned from the accumulated reserve due to the increase in the base interest rate, less than planned was spent on temporary incapacity for work benefits, and slightly less was spent on health services. Overall, the year was financially better than initially expected, with Tervisekassa achieving a surplus of almost 140 million euros. The financial situation of **Eesti Töötukassa** has stabilised over the last two years. The year 2022 ended with a

surplus of 31 million euros, as adjusted, while the surplus in 2023 was 28 million euros. The budgetary deficit of the local governments reached almost 0.5 per cent of GDP in 2023. The large deficit was caused by a decline in real local government revenue from 2021 onwards and a rapid increase in expenditure (including higher Euribor).

Compared to 2022, the deficit was 930 million euros higher, i.e. 2.4 per cent of GDP, mainly due to a worse budgetary position of the central government. The deficit widened rapidly at the end of the year as expenditure rose to record levels. The biggest increases were in grants awarded from the state budget, but also in defence-related management expenses and investments. By function of government (COFOG), national defence expenditure grew the most last year (38.9 per cent), taking its proportion of GDP from 2.2 per cent to 2.9 per cent. The increase in defence expenditure was due to the worsening security situation caused by the war initiated by Russia.

⁶ Informative translation: the Bank of Estonia (together with the Estonian Financial Supervision and Resolution Authority).

⁷ In the consolidated expenditure, the rows of all public sector units are added line by line and balances between them are eliminated.

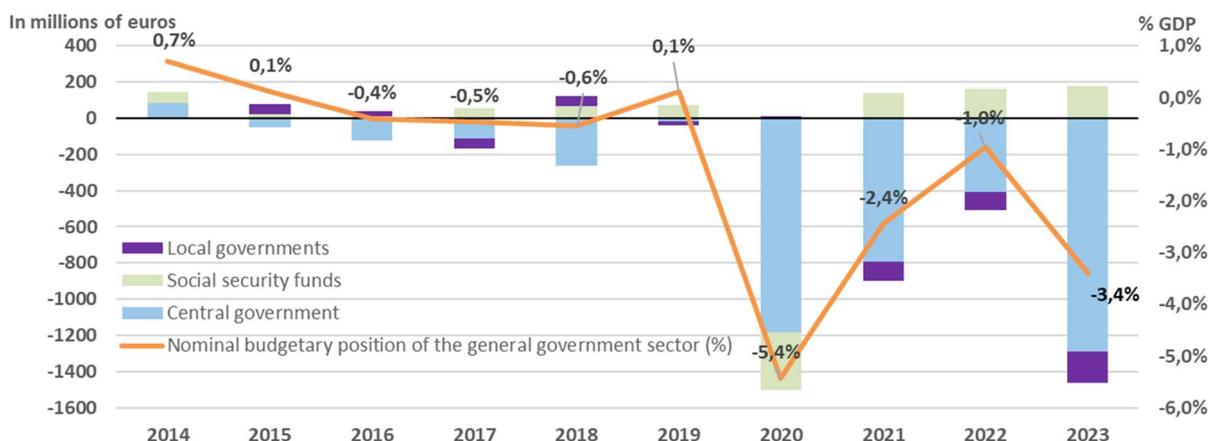


Figure 3. Budgetary surplus or deficit of the general government sector by subsectors as a proportion of GDP

SURPLUS/DEFICIT AND STATISTICAL BUDGETARY POSITION OF THE GENERAL GOVERNMENT SECTOR

The state budget is the government's main financial planning and control measure, which establishes expenditure limits for state agencies and allocates funds to other general government sector entities. The annual accounts of the state are the government's report which serves to present the financial status and results of the state and to improve financial planning and control. The data provided in the annual accounts are accrual-based. The state budget is in line with the accounting methodology of statistical indicators, which is also primarily accrual-based and is largely based on accounting data but also includes cash-based elements, such as tax revenue, incl. three types of tax with a one-month shift.

The statistical budgetary position (surplus or deficit) is not immediately comparable to the operating result used in accounting. Operating result is the difference between revenue and expenditure. Surplus or deficit of the budgetary position, in the most general terms, is the operating result adjusted by the acquisition of non-current assets. As the acquisition of non-current assets is fully recorded in the year of acquisition, the subsequent accounting depreciation and other write-offs are not included in surplus/deficit anymore. In practice, the

method for calculating the surplus or deficit of the budgetary position is even more complex and includes many other differences compared to the accounting principles.

In 2023, the negative accounting surplus/deficit of the general government sector was 396.8 million euros and the statistical budgetary position -1,279 million euros (see Table 2 and Figure 4). Last year, there was also a discrepancy in the way the Ministry of Defence reported its expenditure. In the calculation of the accounting surplus/deficit, no account was taken of the expenses of defence equipment to the extent that the risks and benefits had not yet been transferred to Estonia in 2023. At the same time, they were already included in the Public Sector Financial Statements system used by the Statistics Estonia as a basis for the assessment of the budgetary position. The decrease in expenditure on these goods was recorded in the Public Sector Financial Statements system after the provisional estimate of the budgetary position had been published by the Statistics Estonia. The Statistics Estonia revises the budgetary position in the autumn of each following year, taking into account audited data from the annual accounts of the state.

Table 2. Development of the general government sector position, EUR million

	2023	2022
Surplus/deficit according to the annual accounts	-396.8	443.2
Depreciation and change in value are eliminated	850.8	730.0
Change in fair value of biological assets is eliminated	-0.5	-13.4
Acquisition of non-current assets (non-financial assets) is added, excl. prepayments	-1,518.5	-1,250.7
Derecognition of carrying amount of non-current assets (non-financial assets) sold is eliminated	13.7	7.3
Super dividends, profit/loss from the sale of holdings, write-down and reversal of write-down are eliminated	-35.5	-155.1
Acquisition of holdings not estimated to yield dividend income in the future is recorded as expenditure	0.0	0.0
Contributions to dedicated funds from EU funds are recorded as expenditure	-119.0	-24.0
Impact of the change in provisions is eliminated (except for guarantees and the second pillar state liability)	248.4	195.0
Impact of the sale of emission allowance is adjusted to one year later	-26.0	-85.6
Tax revenue is adjusted according to receipts (with a one-month shift)	-18.7	-38.2
Change in inventories is added, excl. prepayments and reclassifications	-10.6	-196.6
Other adjustments	-266.3	39.5

	2023	2022
General government sector deficit according to Statistics Estonia	-1,279.0	-348.6
General government sector deficit to GDP (%)	-3.4%	-1.0%

Source: Public Sector Financial Statements system of the Ministry of Finance, Tax and Customs Board, and Statistics Estonia. The Statistics Estonia regularly reassesses and retroactively updates economic and financial indicators, so the details are subject to change.

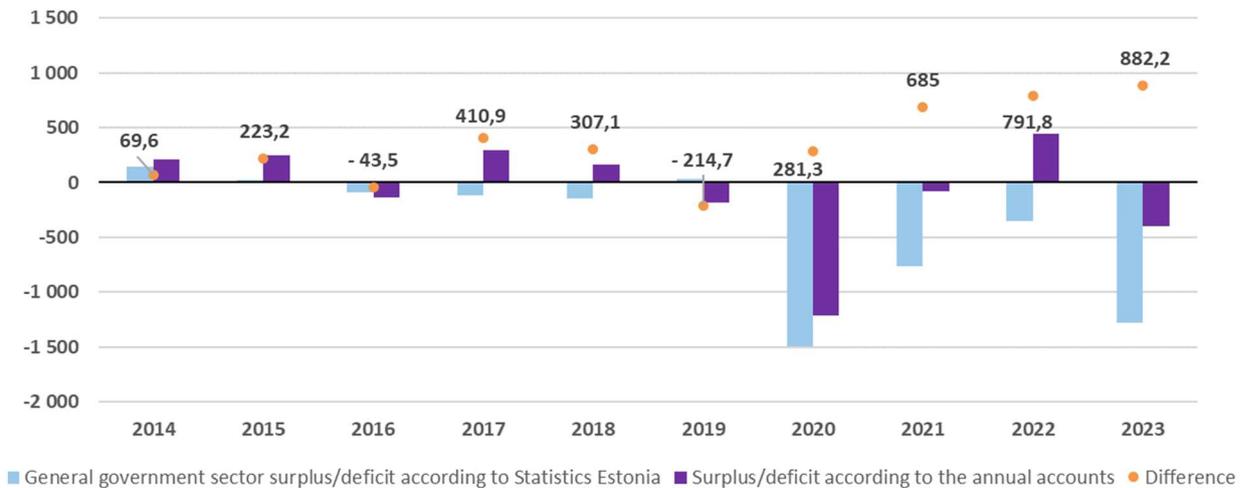


Figure 4. Comparison of the accounting result and statistical budgetary position of the general government sector, in millions of euros

1.1.5 Revenue of the general government sector

OVERVIEW OF THE REVENUE OF 2023

According to the annual accounts of the state, the general government sector revenue in 2023 amounted to 14.73 billion euros, i.e. 39.1 per cent of GDP. In 2023, revenue increased by 7.6 per cent (by 1.03 billion euros).

Tax revenue increased by 7.2 per cent (by 789.3 billion euros). In volume terms, the increase was driven by social tax (up by 430.0 million euros), which was supported by a strong labour market despite the economic downturn. The increase in social tax payments was one of the fastest in the last 15 years. Labour tax receipts were supported by a strong increase in expenditure of salaries and wages. In the public sector, wage growth was influenced by an overall increase in salaries and wages of five per cent at the beginning of the year, and by the allocation of extra money for additional salary increases in education, health, and internal

security. In the private sector, salary increase was boosted by inflation and the relatively strong financial position of companies.

In percentage terms, of the larger taxes, the corporate income tax increased the fastest – by 21.7 per cent. This was mainly due to an increase in interest income in the financial sector, which boosted the collection of the advance income tax of credit institutions by almost 2.4 times compared to 2022.

Non-tax revenue increased by 8.9 per cent (by 245.1 billion euros). The largest increases in volume terms were in foreign aid (190.0 million euros) and sales of goods and services (103.4 million euros) (see Figure 7). Dividend income increased by 35.9 million euros compared to the previous year, mainly due to an increase in dividends from Eesti Energia AS and Elering AS.

LONG-TERM TREND: TAXES, OTHER INCOME, FOREIGN GRANTS

During the period 2014–2023, tax revenue accounted for an average of 81 per cent of the general government sector revenue. Its share has fallen to 80 per cent in the last two years. The rest is non-tax revenue (see Figure 5).

From 2014–2023, social tax accounted for an average of 35 per cent of tax revenue, income tax a quarter, and VAT 24 per cent. The share of these three taxes has increased compared to the beginning of the period (81 per cent in 2014), reaching 88 per cent of tax revenue by the end of the period due to an increase in the share of social tax and income tax (see Figure 6). The share of the social tax increased by two per cent to 37 per cent in 2023 on the back of strong growth in expenditure of salaries and wages. It also supported personal income tax receipts, which fell by just one per cent to 20 per cent, despite the increase in the overall tax-free threshold and the

introduction of a flat-rate tax-free threshold for people of retirement age.

Grants received accounted for the largest share of non-tax revenue over the period of 2014–2023, averaging 47 per cent (see Figure 7). The use of foreign funds is described in detail below.

The amount of foreign aid from 2014–2023 depended on the grant implementation cycle. This period is affected by the European Union budget periods of 2014–2020 and 2021–2027. At the beginning of the European Union budget period, the speed of implementation of structural support is usually lower, increasing by the end of the period. The average share of foreign aid in other revenue was 45 per cent between 2014 and 2023, ranging from 41 per cent in 2022 to 57 per cent in 2019 (see Figure 8).

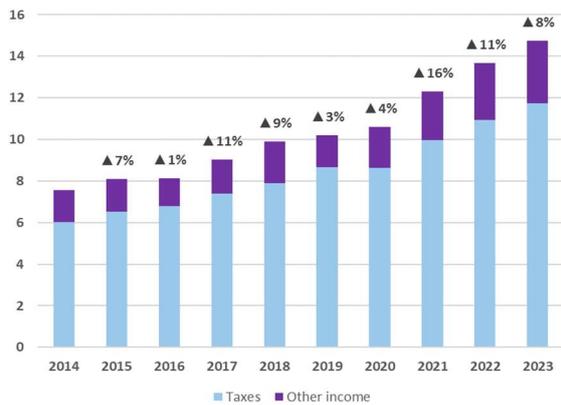


Figure 5. Structure of the revenue of the general government sector, in billions of euros

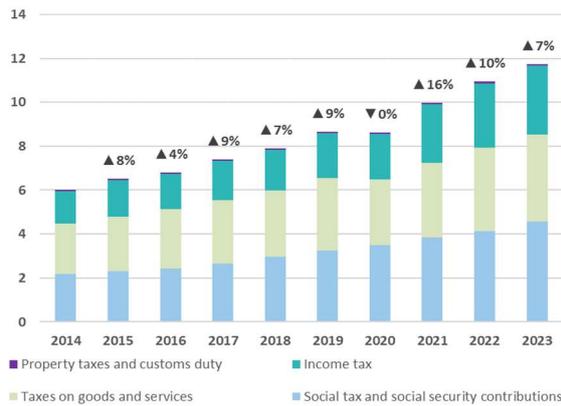


Figure 6. Tax revenue of the general government sector, in billions of euros

USE OF FOREIGN FUNDS

In the state budget planning, foreign funds account for about 10 per cent of the total budget. Foreign grants accounted for 1.31 billion euros of the 2023 state budget implementation (the general government sector share) (see 4.6 Note c15 A2).

The largest share of foreign funds is made up of funds from the European Structural and Investment Funds, which are implemented under the Operational Programme for Cohesion Policy Funds⁸, the Estonian Rural Development Plan⁹, and the Operational Programme for the European Maritime and Fisheries Fund. In the European Union budget period of 2014–2020, a total of 4.80 billion euros were allocated to Estonia, which could be used until the end of 2023.

The volume of European Union grants from the Operational Programme for Cohesion Policy Funds of the 2014–2020 budget period is 3.68 billion euros, which together with co-financing by the state and self-financing by beneficiaries exceeds 5.20 billion euros. It includes the REACT-EU funds to tackle the consequences of COVID-19, boost the economy, and respond to the energy crisis (see Figure 9).

Important milestones in the implementation of the Structural Funds in 2023 were the parallel closure of the 2014–2020 funding period and the launch of the new funding period, which affected project implementation. Throughout the year, particular attention was paid to the timely completion of projects and final payments for the funding period coming to an end.

⁸ Covers funds from the European Agricultural Fund for Rural Development, abbreviated 'EAFRD'.

⁹ Includes the funds of the European Social Fund, the European Regional Development Fund and the Cohesion Fund, abbreviated 'ESF', 'ERDF', and 'CF', respectively.

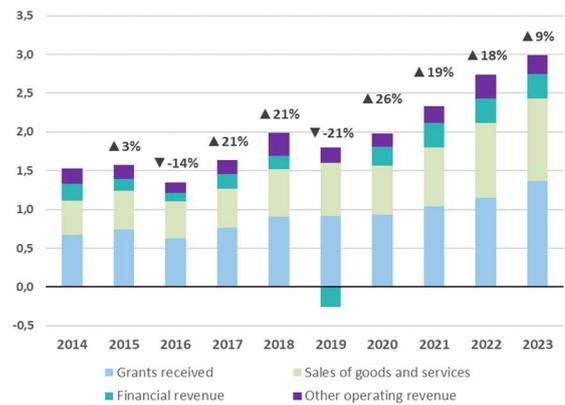


Figure 7. Other income of the general government sector, in billions of euros

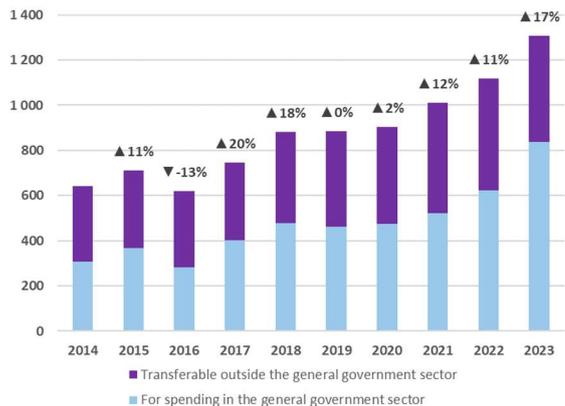


Figure 8. Foreign aid, in millions of euros

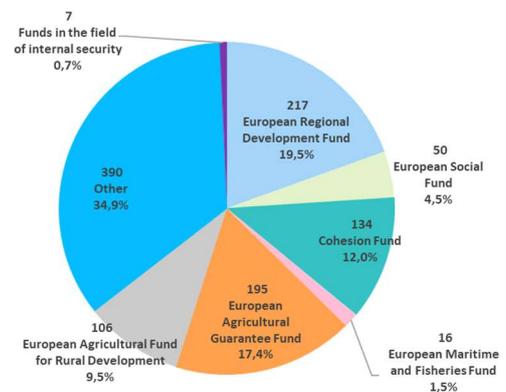


Figure 9. Distribution of expenditure of disbursed foreign aid by funds in 2023 (in millions of euros, % of total volume)

By the end of 2023, almost 100 per cent of EU funding from the **Cohesion Policy Funds** for the 2014–2020 period had been disbursed. Within the year, 428 million euros were directed into the Estonian economy.

The 2014–2020 Estonian Rural Development Plan focuses on six European Union priorities in rural development. As of the end of 2023, commitments to European Union funds amounted to 1.07 billion euros, of which 945 million euros have been disbursed. The funds

are available with a transitional period and a contribution from the recovery facility until 2025.

At the same time, the legislation for the foreign grants for the new period of 2021–2027 was prepared and implemented as quickly as possible.

The 2014–2020 Operational Programme of the European Maritime and Fisheries Fund¹⁰ assembles six objectives. By the end of 2023, commitments had been assumed out of the European Union funds in the amount of 102.4 million euros and 98.8 million euros had been disbursed.

As part of the internal security policy, foreign funds will be channelled through the Internal Security Fund, the Border Management and Visa Instrument, and the Asylum, Migration and Integration Fund for the 2021–2027 budget period. These European Union grants amount to a total of 87.8 million euros, plus national co-financing. As at the end of 2023, commitments to European Union funds already amounted to nearly 80 million euros, of which approximately two million euros have been disbursed.

In December 2020, the Council of the European Union approved European Union long-term budget for 2021–2027. **Estonia will receive 3.37 billion euros in grants from the European Union Cohesion Policy Funds for 2021–2027.** The strategy documents for the start of the new implementation period – the Partnership Contract and the Operational Programme – were approved in 2022, which meant that the funds could be launched. By the end of 2023, a total 103 legal acts (72 per cent of the total for the period) distributing the various grants had already been approved and the first payments have already been made. As of the end of 2023, commitments to European Union funds amounted to nearly 1.6 billion euros, of which approximately 135 million euros have been disbursed.

In addition to the long-term budget of the European Union, the final budget for Estonia’s recovery plan until 2026 under the NextGenerationEU¹¹ recovery facility was announced in 2022. The final amount of the instrument for Estonia is 863.3 million euros, and in 2023 there has been active work to implement these funds through various investments and reforms.

1.1.6 Expenditure and investments of the general government sector

OVERVIEW OF EXPENDITURE AND INVESTMENTS OF THE GENERAL GOVERNMENT SECTOR

The total unconsolidated expenditure of sectors within the general government sector in 2023 amounted to 20.53 billion euros, equivalent to 54 per cent of GDP, of which state (unconsolidated) expenditure accounted for 11.31 billion, i.e. 55.1 per cent (see Figure 10).

(Unconsolidated) expenditure of local governments amounted to 3.04 billion euros, expenditure of social security funds to 2.99 billion euros, and expenditure of other entities to 3.18 billion euros.

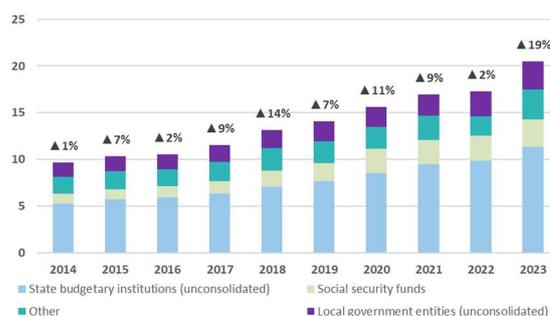


Figure 10. Unconsolidated expenditure of subsectors of the general government sector, in billions of euros

OVERVIEW OF THE EXPENDITURE OF 2023

Expenditure of the general government sector accounted for 80.5 per cent (79.8 per cent in 2022) of the consolidated expenditure of the public sector in 2023. Of the consolidated expenditure of the general government sector, 74.8 per cent was spent by public authorities and a quarter by local governments. The share of consolidated expenditure of state budget institutions and local governments in total general government sector expenditure remained unchanged from the previous year.

Compared to the previous year, the growth rate of the expenditure of state budget institutions accelerated significantly in 2023, mainly due to labour costs and grants awarded. The growth rate of the expenditure of local governments in 2023 decreased due to the impact of government grants for the acquisition of non-current assets and subsistence benefit.

Consolidated expenditure of the general government sector without investments amounted to 15.13 billion euros in 2023 (13.26 billion euros in 2022), i.e. 14.1 per cent (1.87 million euros) more than the year before (see Figure 11). Compared to 2022, the largest increases in the general government sector expenditure were in

grants (688.1 million euros, 11.0 per cent) and labour costs (746.7 million euros, 20.2 per cent).

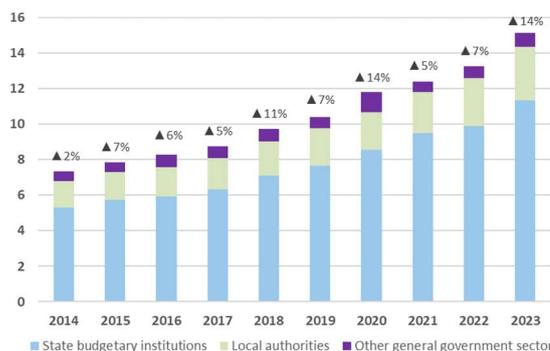


Figure 11. Expenditure of the general government sector without investments, in billions of euros

The structure of the general government sector expenditure in 2023 was similar to the pre-crisis period in 2019, when the share of grants remained below 50 per cent of total expenditure and operating expenses accounted for around 45 per cent of total expenditure

¹⁰ Abbreviated 'EMFF'

¹¹ European Union Recovery Instrument, abbreviated 'NGEU'

(see Figure 12). In 2023, the share of grants in the total general government sector expenditure decreased by 1.3 percentage points and the share of management expenses by 1.2 percentage points compared to the previous year, while the share of labour costs increased by 1.5 percentage points.

In 2023, the grants awarded decreased due to a lower use of the supplementary budget, as only the balances of the supplementary budget carried over from 2022 were used. Employees' salaries and wages increased because the 2023 budget allocated extra money for a pay rise for employees of state budget institutions and additional funds for an increase in the wage fund of teachers, culture professionals, and employees in charge of internal security.

LARGEST EXPENSE, I.E. GRANTS AND SUBSIDIES

The volume of subsidies granted, which at the end of 2023 amounted to 6.95 billion euros in the general government sector (6.26 billion euros in 2022), increased by 688.1 million euros over the year, mainly due to an increase in social benefits. Pensions increased in 2023 as a result of regular indexation, an exceptional increase in the basic pension of 20 euros, and an income tax exemption for the average state pension. The increase in family allowances was caused by the amendments to the law that entered into force in February 2023, according to which the allowance for the first and second child and the allowance for a single parent's child rose to 80 euros per month, the allowance for a family with three to six children to 650 euros per month, and for seven or more children to 850 euros per month. Over the year, pensions increased by 358.6 million euros (16.4 per cent), family allowances by

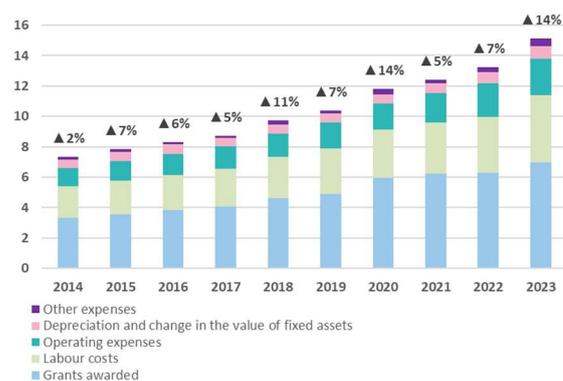


Figure 12. Structure of the expenditure of the general government sector, in billions of euros

161.9 million euros (22.6 per cent), other sickness benefits by 78.0 million euros (19.8 per cent), unemployment and work ability allowances by 42.4 million euros (9.5 per cent), and unemployment insurance benefits by 42.2 million euros (30.8 per cent).

Benefits for temporary incapacity for work decreased by 27.8 million euros in 2023 and subsistence benefits by 15.7 million euros. In 2022, a one-off compensation of the average rate of return of 21.6 million euros for the temporary suspension of state contributions to the second pillar was included as a provision.

An overview of grants and subsidies received and awarded, including the distribution by area of activity, can be found in section 4.6 of the annual accounts in Note c15.

EXPENDITURE OF THE GENERAL GOVERNMENT SECTOR¹² BY AREA OF ACTIVITY

Labour costs

Labour costs of the general government sector¹³ amounted to 4.45 billion euros in 2023 (see Figure 13) and accounted for 11.8 per cent¹⁴ of GDP. Compared to the previous year, the proportion of GDP has increased by 1.4 percentage points.

In 2023, labour costs increased most in central government (21.2 per cent), followed by local governments¹⁵ (19.1 per cent) and social security funds (15.5 per cent).

The average gross monthly salaries and wages in the general government sector increased by 16.1 per cent in 2023, which is faster than the growth of average gross monthly salaries and wages in Estonia (8.7 per cent). Within the general government sector, the fastest growth was in social security funds (19.2 per cent). Increase in the average gross salaries and wages of local governments was 18.1 per cent and 13.7 per cent in the central government.

The gross monthly salaries and wages of the general government sector have increased by 108 per cent over a decade, while the Estonian average gross monthly salaries and wages have increased by 82 per cent. The gap between the average gross monthly salaries and wages in the general government sector and the average

gross monthly salaries and wages in Estonia has narrowed.

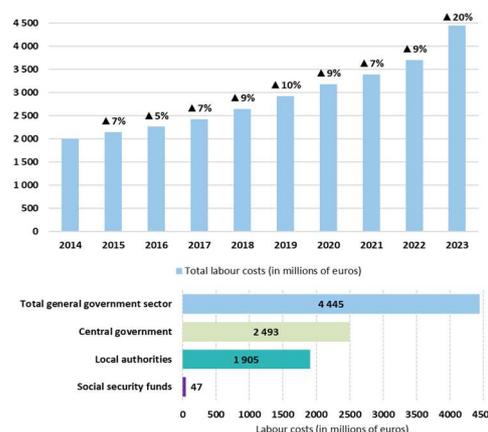


Figure 13. Change in the labour costs of the general government sector over the years. Source: Public Sector Financial Statements system of the Ministry of Finance

The average gross monthly salaries and wages of the general government sector have increased from 997 euros to 2,076 euros during this period (see Figure 14).

¹² Excl. grants and subsidies.

¹³ Labour costs comprise the following parts: basic wage of permanent staff, additional remuneration, compensation, bonuses and performance pay, holiday pay, taxes and social security contributions related to labour costs, fringe benefits, wages of other persons, wages arising from contracts under the law of obligations, special pensions, pension increased, capitalised labour cost.

¹⁴ Source: Eurostat (last updated on 22 May 2024).

¹⁵ Includes entities under the dominant influence of entities in the general government sector.

In 2023, the Estonian average gross monthly amount of salaries and wages was 1,832 euros. There are more employees with higher education in the general government sector, which is why the salaries and wages are higher than the Estonian average gross monthly amount of salaries and wages.

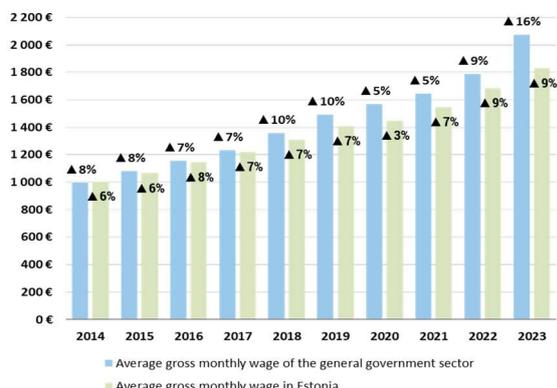


Figure 14. Change in the Estonian average gross monthly wage and average gross monthly wage of the general government

Management expenses

In 2023, the general government sector management expenses amounted to 2.38 billion euros (2.24 billion euros in 2022), and increased by six per cent over the year. The largest increases in 2023 were in expenses of defence-related equipment and materials (44.3 million, 26.6 per cent), expenses of the information and communication technology (32.0 million, 24.5 per cent), management expenses of machinery, equipment, and

sector over the years. Source: Public Sector Financial Statements system of the Ministry of Finance

The number of employees in the general government sector in 2023 was 123,974¹⁶, a statistical increase of 3,419 employees, i.e. 2.8 per cent. The employees of the general government sector were divided between the central government, local governments, and social security funds.

Local governments employed 53 per cent of total general government sector employees, central government 46 per cent and social security funds one per cent of total general government sector employees, i.e. 1,157 employees.

More detailed information about the figures and average salaries and wages of the employees of the general government sector can be found in the annual report of the Civil Service for 2023: <https://www.fin.ee/riigihaldus-ja-avalik-teenistus-kinnisvara/avalik-teenistus/personali-ja-palgastatistika>

fixtures (29.0 million, 30.5 per cent), and expenses of communication, culture, and recreation (16.0 million, 14.9 per cent). Expenditure on social services decreased the most in 2023, i.e. by 59.0 million euros (32.6 per cent), as expenditure on accommodation and catering for war refugees decreased compared to 2022. An overview of the management expenses of the general government sector can be found in section 4.6 in Note c21.

INVESTMENTS OF THE GENERAL GOVERNMENT SECTOR BY SECTOR

When comparing 2023 with 2022, the share of investment by state budget institutions increased to 44 per cent of general government sector investments (see Figure 15). Investments of the general government sector increased by 463 million euros (37.8 per cent) in 2023 compared to the previous year. In 2023, a total of 1.68 billion euros were invested (1.22 billion euros in 2022). Of this, 745.4 million euros (491.8 million euros in 2022) were invested by public authorities and 422.2 million euros (371.1 million euros in 2022) by local governments.

The general government sector investments increased most in the fields of national defence (254 million euros, 203.2 per cent) and transport (75.0 million euros, 21.4 per cent), and decreased only in social protection (12.0 million euros, 28.7 per cent). An overview of the investments of the general government sector by area of

activity can be found in the annual accounts section 4.6 in Note c10.

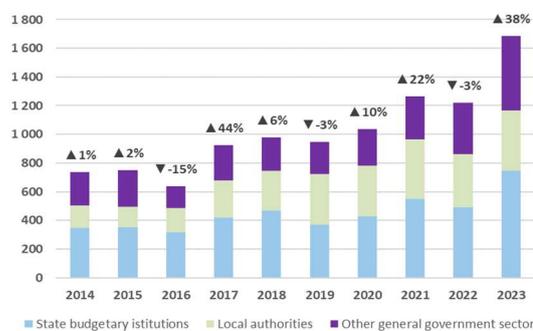


Figure 15. Investments of general government entities, in millions of euros

1.1.7 Balance sheet of the general government sector

STRUCTURE OF THE BALANCE SHEET

At the end of 2023, the consolidated assets of the general government sector amounted to 24.37 billion euros (65 per cent of GDP), increasing by 1.32 billion, i.e. 5.7 per cent, in a year (four per cent of GDP (see Figure 16)). The largest share of assets was in illiquid non-financial assets (hereinafter 'Other assets'), which accounted for 50.7 of total assets and amounted to 12.35 billion euros (33 per cent of GDP) at the end of 2023, with property, plant and equipment accounting for the largest share, i.e. 92.1 per cent. Other assets grew by 1.36 billion euros, i.e. 12.3 per

cent, over the year, which is significantly faster than in previous years, with an average increase of 5.9 per cent over the previous five years. The main increase in 2023 was due to national defence investments (see Figure 21). Holdings with a proportion of 20 per cent accounted for the second largest share – 4.75 billion euros (13 per cent of GDP) at the end of 2023. This was followed by liquid assets (15 per cent of total assets, i.e. 3.68 billion euros) and receivables and prepayments (15 per cent of total assets, i.e. 3.58 billion euros). Liquid assets fell by eight

¹⁶ The average number of employees reduced to full-time working hours per year has been taken as the number of employees throughout the chapter.

per cent over the year, driven by short-term financial investments.

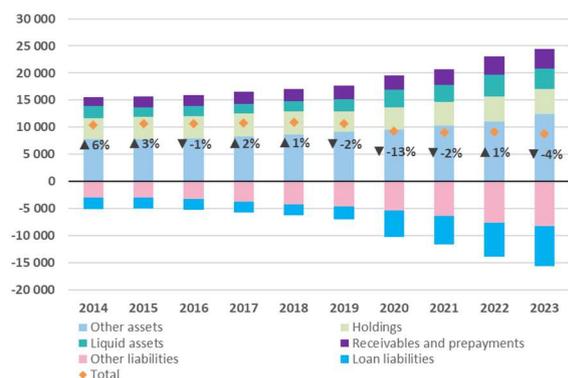


Figure 16. Balance sheet of the general government sector, in millions of euros

At the end of 2023, the general government sector liabilities amounted to 15.58 billion euros (41 per cent of GDP), having increased by 1.66 billion euros, i.e. 11.9 per cent (four per cent of GDP) over the year.

Liabilities are divided into two: loan liabilities (47 per cent of liabilities) and other liabilities (53 per cent of liabilities). Borrowings or loan liabilities amounted to 7.38 billion euros at the end of 2023 (20 per cent of GDP), and their growth has accelerated since 2020. Over the past year, they increased by 1.07 billion euros, i.e. 17 per cent (see Subchapter 'Debt liabilities of the general government sector'). Other liabilities amounted to 8.20

CURRENT ASSETS AND LIQUID ASSETS

Liquid assets accounted for 3.68 billion euros, i.e. 53 per cent, of the current assets of the general government sector (6.93 billion euros) at the end of 2023. The State Treasury Department of the Ministry of Finance managed 70 per cent of the liquid assets of the general government sector, being in charge of state financial reserves in the amount of 2.6 billion euros (see Figure 18). The State Treasury Department is responsible for the consolidated cash flow management of state agencies, social security funds and state-owned foundations and manages the Liquidity Reserve and the Stabilisation Reserve Fund (see Subchapter 'Principles for consolidated cash flow and financial risk management of the state').

At the end of 2023, the current assets of the general government sector exceeded current liabilities (2.68 billion euros) 1.6 times¹⁷. This indicates the generally good short-term financial capacity of the general government sector, as current assets exceed current liabilities. At the end of 2022, the current ratio was 1.7. In the last ten years, the ratio has remained between 1.6

RECEIVABLES AND PREPAYMENTS

Current and non-current receivables and prepayments of the general government sector increased by 149.0 million euros, i.e. 7.5 per cent,

billion euros (22 per cent of GDP) at the end of 2023. Other liabilities include provisions, prepayments received, trade payables, and payables to employees. Their growth is influenced by broader price and increase in salaries and wages.

Net assets of the general government sector amounted to 8.77 billion euros (23 per cent of GDP) at the end of 2023 (see Figure 17).

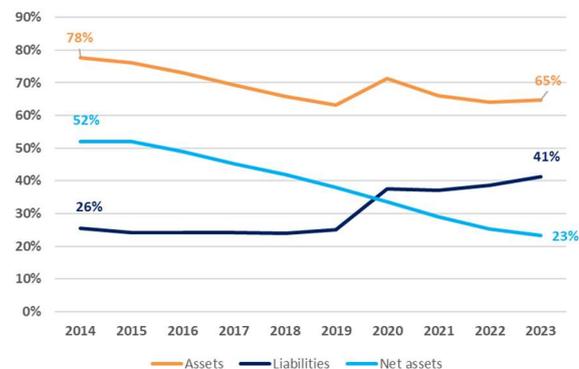


Figure 17. Proportion of assets, liabilities and net assets of the general government sector of GDP

Net assets of the general government sector decreased by 346.0 million euros, i.e. 3.8 per cent, over the year, and therefore, a decline can be seen again after a substantial net asset decrease of 1.40 billion euros, i.e. 13.2 per cent, in 2020 (see Section 4.4 'Part B of the general government sector statement of changes in net assets').

(in 2023) and 2.9 (in 2015), with the average level being 2.1.

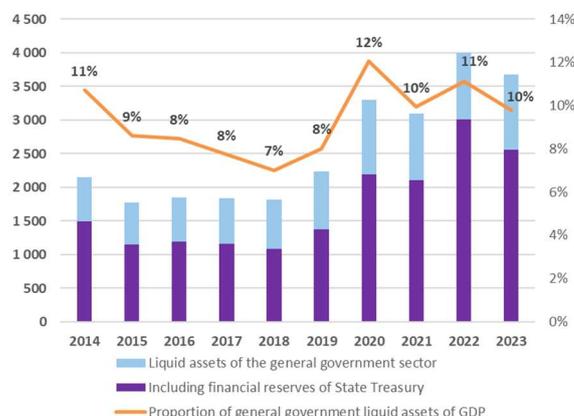


Figure 18. Liquid assets of the general government sector, including financial reserves held by the State Treasury, in millions of euros

to 3.58 billion euros (9.5 per cent of GDP (see Figure 19)) over the year.

¹⁷ Current ratio (current assets / current liabilities)

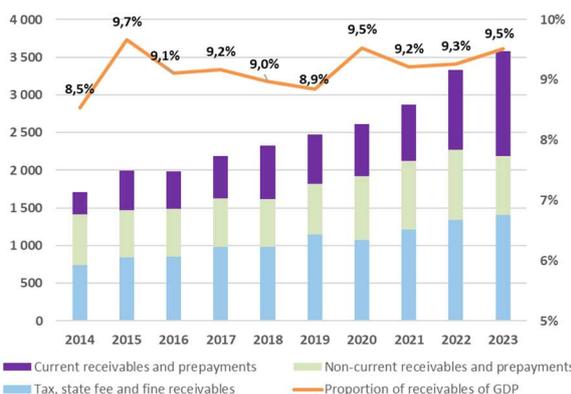


Figure 19. Receivables and prepayments of the general government sector, in millions of euros

Tax, state fee and fine receivables accounted for 1.40 billion euros, i.e. 39 per cent, of all receivables and prepayments, other current receivables and prepayments for 1.4 billion euros (39 per cent), and other non-current receivables and prepayments for 0.78 billion euros (21.9 per cent).

HOLDINGS

At the end of 2023, the general government sector had holdings in the amount of 4.75 billion euros (12.6 per cent of GDP), which is 33.4 million euros, i.e. 0.7 per cent, more than the previous year (see Figure 20).



Figure 20. Holdings and dividends of the general government sector in millions of euros

State-owned subsidiaries and associates in the value of 3.60 billion euros accounted for the largest share (75.8 per cent) of the general government sector holdings. State holdings in them decreased by 220.4 million euros over the year (see 4.6 Note c6 and 2.7 Note a9).

Holdings of local governments in subsidiaries and associates amounted to 388.0 million euros, increasing

OTHER ASSETS

Half of the total general government sector assets consisted of other assets, which include, in addition to property, plant and equipment and intangible non-current assets, biological assets, investment property, and inventories. The volume of other assets increased by 1.36 billion euros over the year and amounted to a total

Among the current receivables and prepayments, the largest share of 63.7 per cent is represented by outstanding targeted financing of 889.6 million euros, and among the non-current receivables and prepayments, the largest share is represented by loans granted of 674.1 million euros, accounting for 85.9 per cent of the total (see 4.6 Note c4).

Loans granted in the general government sector include 447.1 million euros (451.9 million euros at the end of 2022) of loans of the Estonian state granted to Greece, Ireland, and Portugal through the European Financial Stability Facility¹⁸ (see 2.7 Note a6). This amount is also recognised under government debt liabilities (see 2.7 Note a17).

In the Greek programme, long-term interest receivables (see 2.7 Note a5) and interest payables (see 2.7 Note a15) in the amount of 34.1 million euros (30.3 million euros at the end of 2022) will be added. The largest lenders in the general government sector include Ettevõtlike ja Innovatsiooni Sihtasutus¹⁹, Maaelu Edendamise Sihtasutus²⁰, and the Estonian Environmental Investment Centre.

by 39.6 million euros in 2023 (see 4.6 Note c6 and 3.6 Note b5).

State holdings in international organisations amounted to a total of 277 million euros (215 million euros in 2022). The largest was the holding in the European Stability Mechanism in the amount of 204.7 million euros (see 2.7 Note a3). In 2023, dividend income in the amount of 202.5 million euros, which was 35.9 million euros more than a year earlier, was received from subsidiaries and associates.

The state owned 30 subsidiaries and associates. Of these, nine are included in the general government sector, the largest of which were AS Riigi Kinnisvara, Eesti Raudtee AS, and Eesti Varude Keskus OÜ (see 2.7 Note a1 B2). In 2023, Estonian Raudtee AS and Eesti Keskkonnauuringute Keskus OÜ were added to the general government sector.

The general government sector did not include 21 state subsidiaries and associates, the largest of which were Eesti Energia AS (group), State Forest Management Centre, and Elering AS (group).

Consolidated overviews of holdings²¹ are published annually, providing more detailed information about the principal activities and financial position of state-owned foundations and companies.

of 12.35 billion euros (33 per cent of GDP) at the end of 2023. Property, plant and equipment increased by 1.29 million euros to 11.38 billion euros over the year and accounted for 92.1 per cent of other assets.

¹⁸ The European Financial Stability Facility (EFSF) is an institution jointly established by the euro zone countries in June 2010 to ensure the financial stability of the euro area. The European Financial Stability Facility issued long-term loans to Ireland, Greece and Portugal, for the financing of which long-term bonds guaranteed by euro zone countries were issued. The European Financial Stability Facility will not be issuing new loans to the members of the euro zone as this function was taken over by the European Stability Mechanism founded in 2021.

¹⁹ Informative translation: Estonian Business and Innovation Agency

²⁰ Informative translation: Estonian Rural Development Foundation

²¹ Overview of the principles of state's holding policy: <https://www.fin.ee/riigihanked-riigiabi-osalused/riigi-osalused>.

The inventories doubled in 2022. In 2023, growth slowed down to 2.2 per cent, and the volume of inventories increased by 9.7 million euros.

Buildings and facilities accounted for the largest share, i.e. 70.5 per cent, of the non-current assets of the general government sector, worth 8.03 billion euros.

Land amounted to 810.2 million euros and plant and equipment to 863.0 million euros (see 4.6 Notes c7, c8, and c9).

In 2023, the general government authorities acquired non-current assets for 1.69 billion euros. This was 462.6 million euros more than in 2022.

Investments in 2023 were made the most in transport (426.8 million euros) and national defence (379.3 million euros), where the volume of acquisitions essentially tripled (see 4.6 Note c10 and Figure 21).

OTHER LIABILITIES

The general government sector liabilities are divided into two: loan liabilities²² and other liabilities. Other liabilities include provisions, prepayments received, liabilities to suppliers and employees. Other liabilities increased by 589.7 billion euros, i.e. 7.7 per cent, over the year, amounting to 8.20 billion euros at the end of 2023 (see 4.6 Notes c12 and c13). Provisions accounted for 57.7 per cent and other payables 42.3 per cent of other liabilities (see Figure 22).

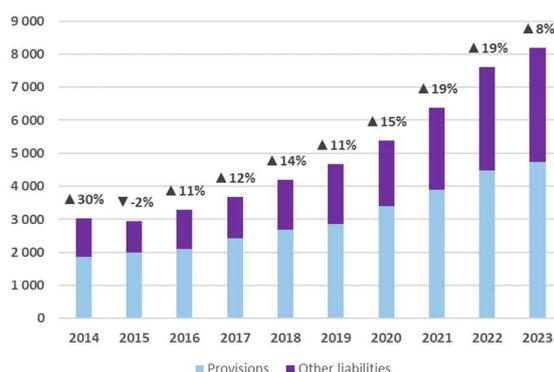


Figure 22. Structure of liabilities (excluding loan liabilities) in millions of euros

At the end of 2023, the general government sector provisions amounted to 4.73 billion euros, which was 5.3 per cent more than in 2022 (see 4.6 Note c13). Of the provisions, 98.3 per cent were public sector pension liabilities (4.65 billion euros) (see Figure 23). Other provisions (79.2 million euros) consisted of guaranteed liabilities, loan securities, legal costs, and environmental protection provisions.

Pension provisions are calculated for the former and current employees of the state and their family members who have a statutory right for special pensions or a pension increase which exceeds the ordinary state pension. These include police and rescue officers, servicemen, prosecutors, judges and the Chancellor of Justice, Members of Parliament, and other officials (see 2.7 Note a16 A). As of the end of 2023, public sector pension provisions were allocated to 32,400 people (30,167 people in 2022) in the total amount of 4.65 billion euros (4.12 billion euros in 2022). Of the recipients of pension provisions, 15,093 were retired (14,456 at the end of 2022). Factors affecting the size of provisions for special pensions include life expectancy,

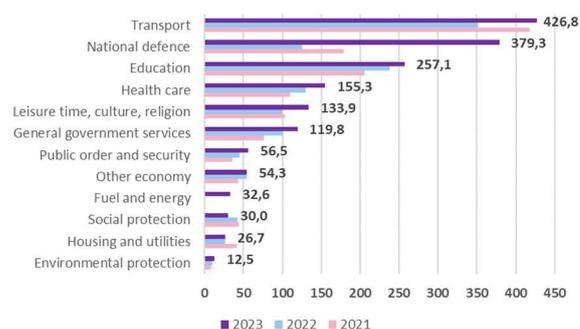


Figure 21. Acquisition by the general government sector of property, plant and equipment and intangible non-current assets and investment property by area of activity in millions of euros in the last three years

interest rates, the number of pensioners, and their accumulated pension rights.

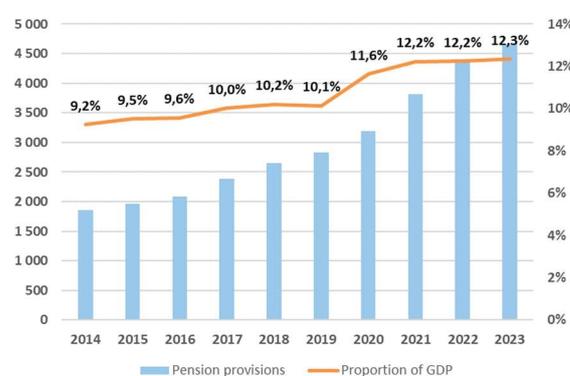


Figure 23. Pension provisions in millions of euros and proportion of GDP

Since actuarial gains and losses on pension provisions may fluctuate significantly year by year, they are recognised directly as changes in net assets. In 2023, these amounted to a loss of 237.3 million euros (loss of 394.7 million euros in 2022). Actuarial loss is affected by the change in long-term forecast of the average salaries and wages and the pension index. The amounts accrued for the current period are recognised under labour costs (see 2.7 Note a23).

In 2023, the Rescue Service Act was amended, according to which the accumulation of seniority as a basis for the increase of the state old-age pension was extended until 28 February 2043 (previously 28 February 2023). In addition, entitlement to an allowance of a rescue servant waiting for old-age pension was made permanent and, compared to before, it can be applied for up to five years before retirement. As a result of the changes, the number of personnel in the Rescue Board who earn seniority for pension increases grew. In 2022, the provision for special pensions for police and border guards increased significantly as a result of the amendment to the Police and Border Guard Act. Previously, special pensions were calculated on the basis of the remuneration for the service rank and the scaled salary of the position. In 2022, the basis for calculation was changed to the basic salary of the position.

The financial statements of the state do not recognise the first pillar pension contributions earned by Estonian

²² Loan liabilities are explained in more detail in Subchapter 'Debt liabilities of the general government sector'.

employees to be charged (state pension) as liabilities, therefore, no dedicated provision has been formed for this liability. According to International Public Sector Accounting Standards, the first pillar pension contributions are recognised in financial statements in the period for which they are due. At the same time, the

Ministry of Finance prepares long-term forecasts of state pension revenue and expenditure and assesses the difference between projected social tax received and projected state pension expenditure, which must be funded by other income of the state budget.

1.1.8 Debt liabilities of the general government sector

DEBT LIABILITIES OF THE GENERAL GOVERNMENT SECTOR BY ENTITY

The statistical debt burden of the general government sector as of the end of 2023 was 7.37 billion euros (19.6 per cent of GDP), having increased by 717 million euros, i.e. 11 per cent, compared to the previous year (see Figure 24).

The biggest increase, by 813 billion euros, i.e. 18 per cent, was in debt liabilities for the state due to the war that continued in Ukraine in 2023 and energy crisis. At the end of 2023, the 5.34 billion euro debt portfolio of the Ministry of Finance accounted for 72 per cent of the debt burden of the general government sector.

Debt liabilities of the state also include the state guarantee for the loans granted by the European Financial Stability Facility in the amount of 447.1 million euros, which accounted for six per cent of the total general government sector debt in 2023. Compared to 2022, the liability related to the European Financial Stability Facility decreased by 4.8 million euros. To date, Estonia has not made any payments related to the state guarantee for debt liabilities of the European Financial Stability Facility.

At the end of 2023, the debt liabilities of other central government entities in the general government sector amounted to 445 million euros. These debt liabilities account for six per cent of the total general government debt.

Debt liabilities of local governments increased by 152 million euros, i.e. 16 per cent, over the year and amounted to 1.14 billion euros at the end of 2023, accounting for 15 per cent of the total general government sector debt.

The social security funds had no debt liabilities.

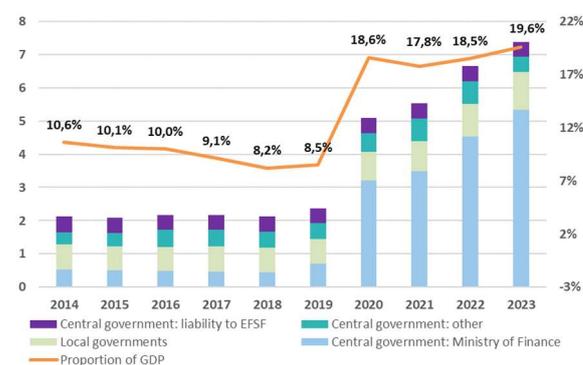


Figure 24. Breakdown of general government sector debt liabilities by entities, in billions of euros. Source: Statistics Estonia

STRUCTURE OF DEBT LIABILITIES OF THE GENERAL GOVERNMENT SECTOR

Bonds accounted for 49 per cent of the general government sector debt liabilities, loans 49 per cent, and financial leases two per cent at the end of 2023 (see 4.6 Note c14).

The proportions of debt liability instruments changed significantly in 2020, when the Ministry of Finance returned to international capital markets, issuing 1.50 billion euros of Eurobonds with maturity in 2030 (see Figure 25).

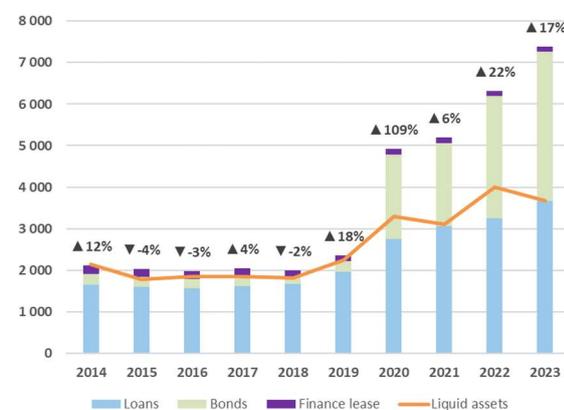


Figure 25. Debt liabilities of the general government sector on the basis of instruments in millions of euros

In 2022, 1 billion euros of long-term Eurobonds maturing in 2032 were added. In 2023, this issue was increased by a further 500 million. For cash flow

management, the Ministry of Finance also uses T-bills and commercial papers (the balance at the end of 2023 is 521 million euros) and long-term loans from the Nordic Investment Bank, the European Investment Bank, the Council of Europe Development Bank, and the European Commission (balance 1.82 billion euros at the end of 2023 (see 2.7 Note a17 and Table 3)). All debt liabilities of the general government sector are in euros.

For a long time, debt liabilities of the general government sector were at a level similar to financial reserves. From 2020 onwards, the state's need to raise debt liabilities to cope with various crises increased significantly and remains higher than before to cover the budgetary deficit in the coming years.

The refinancing risk of the debt portfolio of the Ministry of Finance as the biggest borrower in the general government sector is low. Repayments of the principal amount of debt liabilities are evenly spread over the years. Major principal repayments of debt liabilities start from 2030, when the issued long-term bonds begin to be redeemed (see Figure 26).

The low refinancing risk is characterised by a weighted average repayment period of 6.6 years for the debt liabilities of the state (see Figure 27), which has decreased compared to the previous year due to an increase in the share of short-term debt instruments. In comparison: according to the European Commission, the average repayment period for debt liabilities of European Union countries is 8.3 years.

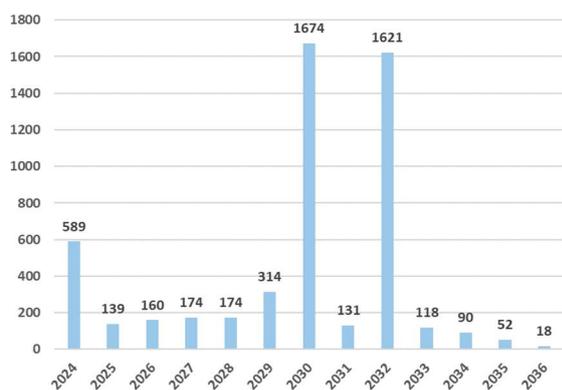


Figure 26. Debt liabilities' repayment profile of the Ministry of Finance, in millions of euros

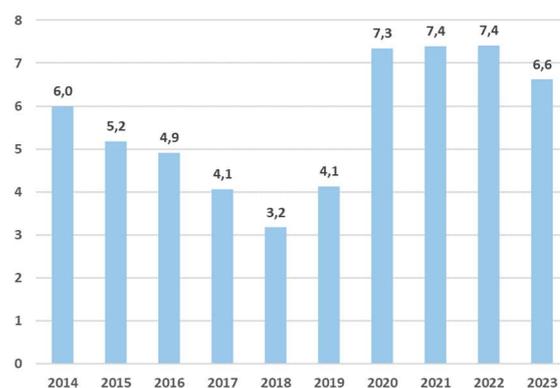


Figure 27. Weighted average repayment period of debt liabilities of the Ministry of Finance, in years

Table 3. Comparison of the structure of debt liabilities of the Ministry of Finance in 2021, 2022, and 2023, in millions of euros

	31/12/2021	Proportion	31/12/2022	Proportion	31/12/2023	Proportion	Net change 2023/2022
Total debt liabilities	3,481	100%	4,528	100%	5,341	100%	813
Long-term loans	1,581	45%	1,678	37%	1,820	34%	142
Short-term debt instruments	400	12%	350	8%	521	10%	171
Long-term bonds	1,500	43%	2,500	55%	3,000	56%	500
Weighted average interest rate	0.03%		1.62%		2.85%		
Average term to maturity	7.4 years		7.4 years		6.6 years		

1.1.9 Contingent liabilities

Contingent liabilities of the general government sector (see 4.6 Note c27) have remained between 4.61 and 6.90 billion euros in the last decade, increasing by 810 million euros in 2023. The proportion of these liabilities of GDP has decreased year by year, accounting for 18 per cent of GDP at the end of 2023 (see Figure 28).

The two largest liabilities – callable capital in international financial institutions (2.04 billion euros, 30 per cent of contingent liabilities) and the state guarantees (1.98 billion euros, 29 per cent of contingent liabilities) accounted for 59 per cent of the contingent liabilities of the general government sector in 2023. Compared to 2022, these contingent liabilities increased by 340 million euros. Estonia had a 12-year transition period with reduced holding after joining the European Stability Mechanism, which ended in January 2023. In this regard, Estonian holding, including the callable capital, in the capital of the European Stability Mechanism increased. Guarantee for debt liabilities of the European Financial Stability Facility²³ accounts for 1.55 billion euros, i.e. 76 per cent, and Ettevõtlike ja Innovatsiooni Sihtasutus guarantees for business and

housing loans and export guarantees account for 262.0 million euros, i.e. 13 per cent, of the state guarantees. Other smaller guarantees have been given to international financial institutions to guarantee loans or various projects (see 2.7 Note a30 B).

At the request of international financial institutions, the state must pay a total of 2.04 billion euros for its callable capital, the largest liability of which, 1.59 billion euros, is to the European Stability Mechanism. The callable capital of other financial institutions are significantly lower: for example, the European Investment Bank 188 million euros, the World Bank 141 million euros, the Nordic Investment Bank 69 million euros (see 2.7 Note a30 A). The remaining contingent liabilities are related to delivery contracts and investment liabilities (1.83 billion, 26 per cent of contingent liabilities), liabilities arising from grants awarded and mediated (358 million, five per cent of contingent liabilities), pending court cases, and liabilities arising from other contracts and securities (a total of 689 million, ten per cent of contingent liabilities (see Figure 29)).

²³ From 2011 onwards, Estonia provides guarantees for each bond issue of the European Financial Stability Facility according to its holding capacity to the extent of up to 1.99 billion euros.

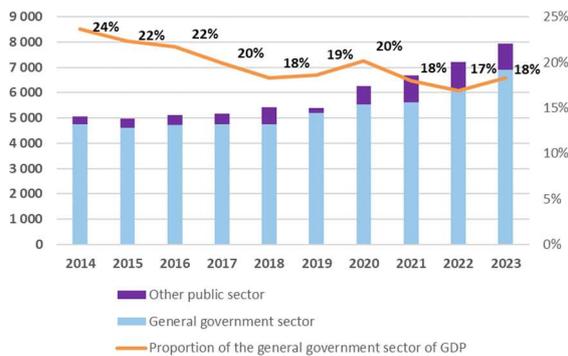


Figure 28. Total contingent liabilities of the public sector and the general government sector, in millions of euros

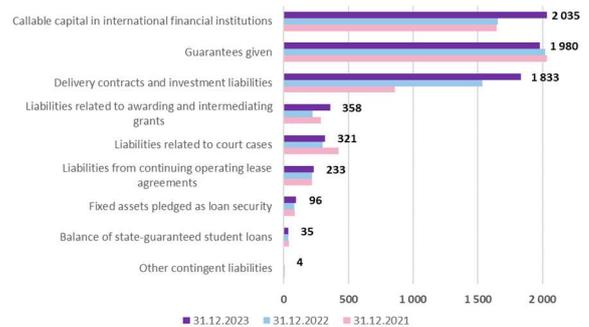


Figure 29. Contingent liabilities of the general government sector by type, in millions of euros

1.1.10 Principles of managing the state’s financial risks and liquidity

CONSOLIDATED CASH FLOW MANAGEMENT OF THE STATE

Within the general government sector of the state, 220 institutions, including all 164 state agencies, 52 foundations, Tervisekassa, Eesti Töötukassa, AS Pensionikeskus, and the European Commission have brought under consolidated cash flow management (see 2.7 Notes a2 and a15). The Treasury Department of the Ministry of Finance is responsible for the management of settlements, payment services, and cash flow management through the e-State Treasury system and bank accounts in the name of Ministry of Finance in credit institutions linked to the Treasury Single Account (TSA) system. The large institutions of the general government sector that are outside the consolidated

cash flow management of the State Treasury Department are the Guarantee Fund, local governments and their entities, universities, and state companies.

Consolidated cash flow management allows achieving better synergies within the group. The state is therefore able to postpone borrowing and to use the available funds of the general government sector flexibly and efficiently. Tervisekassa, Eesti Töötukassa, and foundations do not have to manage financial assets or cash flow. In addition, the State Treasury Department pays them interest on the balance of cash at a rate equal to the yield of the liquidity reserve.

PRINCIPLES OF THE STATE’S FINANCIAL RISK MANAGEMENT

The State Treasury Department of the Ministry of Finance follows a conservative investment strategy in managing the state’s financial investments in order to ensure the preservation of the value and liquidity of funds and the earning of revenue within the approved risk limits (see Figure 30).

expenditure related to the assumption of the state’s debt liabilities must be in line with the state’s ability to meet its debt liabilities.

The State Treasury Department manages two investment portfolios: the liquidity reserve for managing daily cash flow and the Stabilisation Reserve Fund for crisis situations. Financial instruments are invested in bonds and deposits of high credit rating and liquidity on international financial markets.

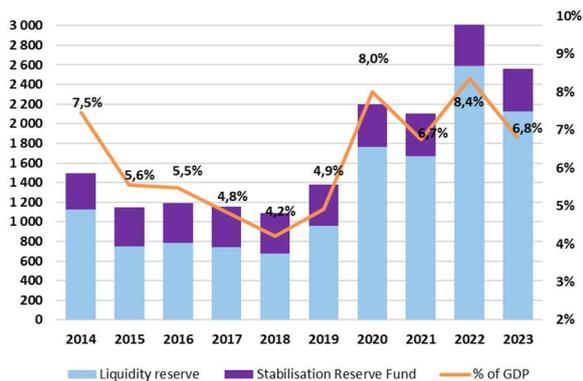


Figure 30. Size of state financial reserves in millions of euros and their proportion of GDP. Source: Ministry of Finance, Statistics Estonia

Financial risk management is based on the principles of asset-liability management²⁴, according to which the financial risks of financial assets and liabilities are as neutral as possible, meaning that risks are naturally hedged (see Table 4). The ratio of financial risks and

In order to ensure the timely fulfilment of the state’s payment obligations, the minimum level of the liquidity reserve and current debt liabilities (overdraft, short-term credit limit and other similar contracts) are monitored. In order to ensure liquidity, funds of the liquidity reserve can only be invested in deposits with a maturity of up to three months and liquid bonds.

Investments made in euros are considered free of currency risk. It is not permitted to assume currency risk in managing the Stabilisation Reserve Fund. Currency risk may be assumed up to one per cent of the market value of the liquidity reserve.

Interest risk of the Stabilisation Reserve Fund is measured against benchmark compiled quarterly. The benchmark consists of bonds and money market instruments of at least AA- credit rated countries of the euro zone. For the purposes of managing the interest rate risk of loans granted by the liquidity reserve and the State Treasury, their average modified maturity may not

²⁴ ALM – asset-liability management.

exceed 0.45 years. The standard liquidity reserve portfolio is the one month €STR swap rate.

The interest rate risk of debt liabilities is measured using the average interest refixing period method. As of the end of 2023, the average interest refixing period for debt liabilities was 4.99 years and 5.46 years at the end of 2022.

In managing credit risk, the State Treasury uses the credit ratings assigned to issuers and credit institutions by the international rating agencies Moody's, Standard & Poor's (S&P) and Fitch. The financial resources of the Liquidity and Stabilisation Reserve Fund may be invested in long-term (with a maturity of more than one year) securities and deposits with a credit rating of at least Aa3 (Moody's) or AA- (Standard & Poor's and Fitch), for short-term investments (with a maturity less than one year) the credit rating must be at least Prime-1 (Moody's), A-1 (Standard & Poor's) or F-1 (Fitch). There are additional restrictions on investments in credit institutions through which national settlements are conducted.

The funds of the liquidity reserve and Stabilisation Reserve Fund may not be invested in the European

Financial Stability Facility or the European Stability Mechanism bonds. Furthermore, the funds of the Stabilisation Reserve Fund may not be placed in credit institutions where deposits are secured in accordance with the Guarantee Fund Act. The proportion of transactions related to one credit institution or issuer and its group may constitute up to 20 per cent of the market value of the respective investment portfolio. At least 65 per cent of the market value of the Stabilisation Reserve Fund must be placed in the bonds of general government sector issuers.

Refinancing risk is also taken into account when managing financial risks related to debt liabilities. In order to avoid an excessive payment burden on the state budget, a limit has been established on the balance of outstanding current debt liabilities. This may not exceed 25 per cent of the total amount of state budget expenditure and investments for the respective year. Repayments of long-term debt liabilities should, as far as possible, be spread over the years so that the debt liabilities to be repaid within a year do not exceed five per cent of the forecasted gross domestic product for a given year.

Table 4. Main risk indicators of liquidity reserve, Stabilisation Reserve Fund, and debt liabilities assumed by the Ministry of Finance

	Debt liabilities assumed		Liquidity reserve		Stabilisation Reserve Fund	
	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023
Market value	4,528 million euros	5,341 million euros	2,587 million euros	2,123 million euros	424 million euros	440 million euros
Modified duration	4.83 years	4.41 years	0.16 years	0.09 years	0.65 years	1.85 years
Average term to maturity	7.41 years	6.62 years	-	-	-	-
Average interest refixing period	5.46 years	4.99 years	-	-	-	-
Currency	100% euro	100% euro	99.71% euro and 0.29% other currency	99.94% euro and 0.06% other currency	100% euro	100% euro

1.2 Overview of activities

As of 2020, the Estonian state budget is fully activity-based, meaning that the strategic objectives of the state are related to the funds available, which makes the state budget more understandable to even those decision-makers and readers who do not have knowledge of accounting.

The aim of this chapter is to give a brief overview of the progress of both the state's long-term targets and the objectives set out in the State Budget Strategy 2023–2026.

For an overview of progress towards long-term goals, see the summary of the action plan of the long-term development strategy 'Estonia 2035'²⁵. Activities of the ministries are covered in brief overviews of performance areas.

At the end of the chapter, an overview of the activities of constitutional institutions in 2023 and the results of internal and external assessments of internal audit units of ministries is presented.

For a more detailed overview, the topics are accompanied by a link to a more detailed report.

1.2.1 Long-term development strategy 'Estonia 2035'

On 12 May 2021, the *Riigikogu* adopted the long-term development strategy of the state 'Estonia 2035'. Its objectives are:

- Estonian people are smart, active and care about their health;
- Estonian society is caring, cooperative, and open-minded;
- Estonian economy is strong, innovative and responsible;
- Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants;
- Estonia is an innovative, reliable and people-centred country.

ESTONIAN PEOPLE ARE SMART, ACTIVE AND CARE ABOUT THEIR HEALTH

- **We will make the education system learner-driven and flexible and align people's knowledge, skills, and attitudes with the needs of the labour market.** To ensure the transition to the Estonian language of instruction in preschool child care institutions and in the first and fourth grade, **the action plan for the transition to learning in Estonian** will be updated at the beginning of 2024. In order to ensure the availability of good education, educational continuity, the well-being of children, and the cohesion of the community, **the concept changes of funding of the school network** was developed, on the basis of which the state provides additional support to local governments for the preservation of smaller schools in rural areas.
- **We are preparing for the work of the future.** The government approved a **new employment programme for 2024–2029** and made **the unemployment benefit system** more targeted, fairer, and more responsive to the labour market situation. In order to expand the system of social guarantees for creative people, the *Riigikogu* initiated the draft act amending the Cultural Endowment of Estonia Act and the Gambling Act.
- **We will improve the quality of higher education and enhance its funding.** Based on the analysis of

sustainable financing of higher education, the government doubled the rates of need-based study allowance from the 2023/2024 academic year.

- **We will increase social cohesion and equal opportunities in education and the labour market.** The government, trade unions, and employers signed a **trilateral goodwill agreement** that set a goal to reach a minimum amount of salaries and wages of 50 per cent of the average gross salaries and wages by 2027. Support measures for bringing Russian and English-speaking Estonian residents into a common communication and information space and for different target groups to learn Estonian were continued. The implementation of the **adaptation programme** continued. In order to promote gender equality and equal opportunities for minorities, **a draft act to consolidate, update, and supplement the regulation of the Gender Equality Act and the Equal Treatment Act** is being prepared.

ESTONIAN SOCIETY IS CARING, COOPERATIVE, AND OPEN-MINDED

- **We will design comprehensive population and family policies to ensure the sustainability and well-being of Estonian people.** **The act amending the Family Law Act and other related acts** established **marriage equality**, and from 2024 two adults will be able to marry, regardless of their gender. The act introduced **implementing acts of the Registered Partnership Act**, which in the future, besides marriage, will maintain people the possibility of entering into registered partnership contract. From the beginning of 2024, **the amendment to the Family Benefits Act** increased the child maintenance allowance paid by the state to a child if the parent liable for maintenance does not pay the maintenance or does not do so in the required amount. **With the amendment to the Health Insurance Act**, it will be possible to pay sickness and care benefits to a parent returning to work after parental leave in the first year of work, either on the basis of the parent's own income taxed at social tax for the previous calendar year or on the

²⁵ Overview of the implementation of the 'Estonia 2035' action plan: <https://valitsus.ee/strateegia-eeesti-2035-arengukavad-ja-planeering/strateegia/materjalid>. Metrics with time series: <https://tamm.stat.ee/>.

basis of the daily rate of the parental benefit allocated to the parent.

- **We will shape the living environment and people's attitudes and behaviour to maintain health and the environment and reduce risky behaviour.** Cooperation between different ministries and agencies for **cross-sectoral prevention** continues. The Government Prevention Council continued to implement cross-sectoral prevention principles and assessed the evidence-based nature of 12 interventions. **An action plan to promote physical activity** is being implemented, with a focus on increasing people's physical activity.
- **We support mental health, and reduce mental and physical violence.** At the end of the year, **the national action plan for step-by-step mental health care** was finalised, with the aim of outlining the blueprint for a step-by-step service model and priority actions for the coming years. **The intention to amend the Health Services Organisation Act** was completed, with the aim of expanding the range of services regulated by law and supporting the modernisation of the organisation of health care. **The Action Plan for the Prevention of Intimate Partner Violence 2024–2027** foresees activities to prevent domestic violence and help people affected by domestic violence.
- **We will integrate health and social services in a people-centred way. The aim of amending the Social Welfare Act and other acts** was to improve data exchange across sectors and to clarify the rights and obligations of participants in interdisciplinary coordination. In addition, the integration of rehabilitation services and interventions for people with special needs with health services is planned. **The intention to amend the Child Protection Act** was completed, the aim of which is to increase the well-being of children through closer cooperation in the fields of child welfare and to improve and harmonise the quality of child protection work.
- **We will integrate personalised medicine solutions into the daily activities of the health care system. The directives 'Energy efficiency of health care institutions' and 'Support for the establishment of centres for the development and provision of integrated welfare services'** were approved, creating county-specific integrated centres in Kuressaare and Narva that provide both health and social services. In December, **a long-term programme of personalised medicine for 2024–2034** was completed. The aim is to provide personalised services to improve disease prevention capacities, make diagnosis and treatment more accurate, and thereby prolong people's healthy life years.
- **We will renew the organisation of social protection in the light of social changes.** The government initiated **an amendment to the dental benefit.** Dental benefits for different target groups will increase and own contribution will be reduced. From 2024–2027, five million euros per year will be allocated to charitable foundations through the call for applications to support the continuation of **the treatment of children with rare diseases** and the treatment of rare diseases that began in childhood. Work continued on proposals **to ensure the sustainability of health funding** so that access to

health services would not decrease and health inequalities would not increase. In addition, the sustainability of the health care system is supported by **an amendment to the Health Services Organisation Act**, which increased the beginner's allowance for pharmacists and made the conditions for obtaining it more flexible. The government approved the establishment of **a centre combining cancer prevention, diagnostics, treatment, and science**, binding science and research to clinical medicine. **The Pension Wisdom Strategy 2023–2027 was developed with an action plan** aimed at ensuring smart pension decisions and thus greater financial security.

- **We will improve the well-being and social activity of people with special needs and enhance the long-term care system. A care reform** entered into force, which aims to reduce the financial contribution and the burden of care for people in need of care and their family members, as well as to improve the quality of services.

ESTONIAN ECONOMY IS STRONG, INNOVATIVE, AND RESPONSIBLE

- **We will introduce new solutions to encourage research and development and innovation in companies. A centre for applied research** was launched, the aim of which is to support companies in carrying out research-intensive development work and reducing the risks associated with it. The results of **the analysis of the effects of the creation of the centre for applied research** were discussed, after which agreements were concluded between the ministries to clarify the issues of distribution of basic funding and succession issues.
- **We will increase the capacity of areas that are important for the Estonian economy. 'Industrial Policy 2035'** was prepared, which addresses topics that are important for the comprehensive development of Estonian industry. The government approved **the green reform action plan for 2023–2025.** This sets the course of action for green reforms to reduce negative environmental impacts, to create a modern and high-quality living environment, and to promote competitive and green entrepreneurship. **The Climate Act** under development provides a framework for who does what and when in order to reduce climate impacts. The draft Climate Act is planned to be submitted to the *Riigikogu* by September 2024. **The Climate Council** consisting of scientists and sectoral experts was established to advise the government, the *Riigikogu*, the ministries and stakeholders in the preparation of the Climate Act. **Sustainable agricultural practices** will continue to be introduced, resulting in a reduction in the use of plant protection products and fertilisers.
- **We will create a flexible and secure economic environment that fosters innovative and responsible business and fair competition. The draft act amending the Environmental Charges Act and the Forest Act** will update the pollution charge rates. The government submitted to the *Riigikogu* **a draft act amending the Building Code and other acts.** The changes in both the permit granting process and the implementation of the environmental impact assessment are intended to speed up the administrative procedure. In order to increase the smoothness of economic transactions

and reduce transaction costs, **proposals were prepared for Estonia's full transition to the European standard for e-invoicing.** In order to revive the economy, **a draft act amending the Foreign Relations Act** was developed. The work was started by **the water services reform steering group**, which is tasked with drawing up a strategic roadmap for the water service to ensure the continuity and sustainability of the public water supply and sewerage service. The government submitted to the *Riigikogu* **a draft Motor Vehicle Tax Act**, the purpose of which is to introduce an environmental tax on Estonian vehicles.

- **We will introduce the principles of the circular economy. The national waste management plan** was completed, which sets broader strategic directions for the development of waste management until 2028. In addition to municipal waste, it also covers the areas of construction and demolition waste, hazardous waste, packaging waste, waste from products of concern, biodegradable waste, waste from the oil shale industry, plastic waste, and textile waste. **The intention to develop a municipal waste reform** was also completed, aimed at transitioning to a circular economy, increasing the recycling of the materials contained in waste and reducing the amount of municipal waste reaching the Iru incineration plant or a landfill.
- **We will transition to climate-neutral energy production, ensuring energy security.** The conditions for granting support to **support knowledge-intensive activities of entrepreneurs in Ida-Viru County, support for investments by small and medium-sized enterprises in Ida-Viru County, and increasing research and development capabilities that meet the needs of society and the economy** were approved. The conditions for granting support **for investments by local governments, for opening measures for regional initiatives, and for developing the skills of workers in the oil shale sector and supporting new employment in another sector, as well as in the measure 'Links between education, society, and the labour market'** were also approved. The International Atomic Energy Agency assessed the activities of **the nuclear power working group**. In the opinion of the Agency, the analyses of nuclear energy are thorough and the *Riigikogu* will be able to make an informed decision on the possible use of this form of energy in 2024.

ESTONIA HAS A SAFE, SECURE AND HIGH-QUALITY LIVING ENVIRONMENT THAT MEETS THE NEEDS OF ALL

- **We will ensure a vibrant cultural space.** In order to promote international cooperation, it was decided to increase the volume of **the cash rebate fund of Film Estonia.** The implementation of **the measure of Culture Backpacks** continued. This will ensure the participation of children and young people in cultural life and the succession of audiences who appreciate culture. Two activities of **the reform in the field of libraries** were implemented: a support measure for public library development projects was initiated and all the functions of the Estonian Repository Library were transferred to the National Library of Estonia. In order to preserve **the tradition of the song and dance festival**, a separate support

measure for the conduct of county song and dance festivals was developed.

- **We will plan and renew the space in a comprehensive and high-quality manner and taking into account the needs of society, population changes, health and environmental protection. The Land and Space Board** will start its work in early 2025 and will give a significant impetus to organisation of the land and space area of the entire state. **Proposals to improve the quality of forest data** are being prepared. As a result of the work, an overview of the current state of reporting of cutting information will be created.
- **We will deploy safe, green, competitive, needs-based, and sustainable transport and energy infrastructure.** In summer, the Baltic states reached a joint agreement **to accelerate the desynchronisation of the Baltic states' electricity systems from the Russian frequency band.** While according to the current plan, desynchronisation was to take place at the end of 2025, according to the new agreement, synchronisation with the continental European frequency band will take place no later than February 2025. More than ten local facilities serving **the Rail Baltic railway** were completed, one overhead line crossing was completed, and the construction of two international passenger terminals began. The conditions for granting and using the grant were approved **for constructing the main networks of bicycle paths in large cities (Tallinn, Tartu, and Pärnu city centres) and for improving bicycle parking facilities.** **The road maintenance plan for national roads** approves the indicative financial volumes of various road maintenance measures and lists of construction and reconstruction objects. On the Tallinn–Pärnu highway, the redevelopment of hazardous areas of traffic will continue, using the principle of 2 + 2 or 2 + 1 lanes.

ESTONIA IS AN INNOVATIVE, RELIABLE, AND PEOPLE-CENTRED COUNTRY

- **We will increase the unity of governance and ensure the smooth functioning of the state.** The **Digital State Development Plan** will be complemented, data and artificial intelligence, and cyber security white papers will be created, which will replace the previously valid Kratt scheme, the action plan on open data and data management, and the cyber security strategy. **A draft act amending the Riigikogu Election Act and other related acts** were submitted to the *Riigikogu*, the main objective of which is to increase the transparency and reliability of electronic voting. In addition, an important development for the development of the infrastructure of the digital state was **the taking of national identification to a new level.** For this purpose, **an automated biometric identification system database called ABIS** was prepared, which will help to improve the capability and reliability of identification and identity verification. **The governance table for public finances** was created, where the most important indicators of public finances, as well as their past history, can be monitored in real time. In addition, **the governance table for the government's action programme** was created, where one can constantly monitor the implementation of the tasks set by the government

itself. **The state budget revision plan** was approved, the aim of which, in conjunction with the zero budget project, is to use the budget money as wisely and economically as possible. The government was given a comprehensive **review of the state reform**, which provided input to the ministries' plan to cut back, and cooperative meetings and discussions have been initiated on a number of issues related to governance. There was a **reorganisation of ministries**, which provided input to further actions to increase the flexibility of governance. The Open Government Partnership is an international initiative to promote good governance in the world. **The Partnership Summit** took place for the first time **during Estonian co-presidency in Tallinn**. It was attended by more than 1,500 **delegates from different parts of the world**. Work continued on the **development of a draft act, the main purpose of which is to enhance the monitoring of the political party funding and to clarify the investigative powers of the Political Party Funding Supervision Committee**.

- **We will improve the quality and availability of the state and local government services and review the distribution of responsibilities.** The government analysed **the possibilities of reshaping the revenue base of local governments** and discussed specific proposals that would help to better ensure base-level local government services in local governments with fewer resources. In addition, **the terms and conditions of support measures** for local governments will be reviewed. In order to support regional development, **the representative of the government of Ida-Viru County** started working with the aim of supporting the improvement of the socio-economic situation in Ida-Viru County, primarily by making maximum use of the support of the Just Transition Fund. **Two new state one-stop shops** were opened during the year: in Valga and Pärnu. To support local communities, **the civil society advisory service of county** was upgraded.
- **We will improve the international position of the state and ensure security and safety.** To strengthen military defence, **Estonian defence expenditure amounted to 1.13 billion euros**. New investments were confirmed, the most important of which are **the procurement of ammunition and their storage infrastructure, the procurement of mobile interconnection points, the replacement of the patrol vessel *Pikker*, the creation of a**

second infantry brigade, and the construction of a combat school and the Tartu National Defence House. Funds were also allocated for **the establishment of an international training and development centre for military and disaster medicine.** In parallel, the exercising opportunities of the Defence Forces, the Defence League, and NATO allies are expanded. One of the important investments was **the continuation of the development of the Nursipalu home base.** In order to increase the crisis resistance of society and ensure clearer crisis management, **a draft Civil Crisis and National Defence Act** was developed. In order to ensure the necessary investments, proposals for a **comprehensive plan for the investment needs of national defence, including civil protection, were submitted to the government, and in February 2024 the government approved the Concept of Civil Protection 2.0.** Communities and local governments have an important role to play in improving crisis preparedness and creating a safe living environment. To empower them, a **development programme for the security of local governments** was initiated and a **civil society innovation fund** was launched, focusing on civil protection and crisis preparedness. **A draft act** was also prepared, **which will give local governments better opportunities to ensure security on their territory.** The **NATO Vilnius Summit** approved new defence plans that define collective defence activities in all domains of warfare. Estonia, in cooperation with Latvia and Lithuania, submitted a joint application for **the creation of NATO Baltic air defence missions, similar to the Baltic air policing missions.**

- Since the beginning of the war, Estonia has provided nearly 401 million euros in military assistance to Ukraine, i.e. more than one per cent of GDP. In addition, **Estonia raised at the European Union level the initiative to support the production of ammunition and transfer it to Ukraine.** Efforts were continued **to raise the price of the war of aggression Russia unleashed and to isolate Russia at the international level.** Work continued **to consistently strengthen the international sanctions policy,** including Estonia becoming the first European country to complete a legal scheme that allows **Russia's frozen assets to be used to help Ukraine.** Work continued on the establishment of **an international special tribunal.**

1.2.2 Welfare

Objective of the performance area

Estonia is a country where people are nurtured, inequalities and poverty are reduced, and a long and high-quality working life for all is supported

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian society is caring, cooperative, and open-minded

Development plan of the area

Welfare Development Plan 2023–2030

Programmes of the performance area

Programme for children and families

Labour market programme

Programme for the elderly

Social welfare programme

Gender equality and equal treatment programme

Area of government related to the performance area

Area of government of the Ministry of Social Affairs

Area of government of the Ministry of Economic Affairs and Communications (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- Despite several past and ongoing crises, the Estonian labour market remained fairly stable in 2023. The employment rate (20–64-year-olds) rose further to a record 82 per cent. Employment increased faster in the sector of services, among women and the elderly.
- Foreign funds were mobilised to provide labour market measures. Local governments support young people who are not in education, employment or training (NEETs) in continuing their education or entering the labour market and help workers in the oil shale sector to find new jobs and develop their skills.
- Solutions were analysed and developed to streamline the unemployment benefit system to make it coherent, clearer, and more targeted. Among other things, a new unemployment insurance benefit was developed at the base rate.
- At the beginning of 2023, new principles for the provision of comprehensive occupational health services entered into force and a project on the digitisation of health examination decisions was launched. Its aim is to improve the exchange of data between occupational health doctors, employees, and employers and to make the provision of occupational health services more efficient.
- In order to support parents raising a child alone, amendments to the law were adopted, doubling the amount of maintenance allowance from the beginning of 2024. Maintenance allowance is paid by the state to the child if the parent who is liable for maintenance allowance does not pay it or does not pay it to the extent necessary. The amount of maintenance allowance will increase from 100 euros to 200 euros per month.
- The amendments to the law necessary for the reform of old-age pensions under favourable conditions were adopted in the *Riigikogu*. As a result of the reform, the lists of occupations allowing for earlier retirement will disappear. The change will boost employment, pensions of people, and the financial sustainability of the pension system in the long term.
- From 1 April 2023, pensions and daily rates of work ability allowance increased by an average of 14 per cent. The average pension rose to 700 euros, which is the biggest increase in the last 15 years.
- From July 2023, a general care reform was implemented, which made the nursing home places more accessible to people and the care service more person-centred. It also gave impetus to reducing the workload of care workers and raising wages. Better assessment of the need for assistance and the provision of services to support living at home will prevent the aggravation of the need for care.
- As the first country in Europe, Estonia switched from the food parcel system to the food aid card system in October 2023 in order to help the most deprived people. The food aid card is more dignified and allows the people in need to have more freedom of choice compared to the distribution of state-purchased food aid so far.
- The Pay Transparency Directive of the European Union entered into force, the transposition of which

also contributes to pay transparency and the reduction of the gender pay gap and inequalities in Estonia. In order to support employers in fulfilling their obligations under the Directive, a digital tool, the Pay Mirror (*Palgapeegel*), was developed in Estonia.

- In summer, amendments to the Family Law Act were adopted, as a result of which marriage equality has been in force in Estonia since the beginning of 2024, and two adult people, regardless of gender, can enter into marriage.

Challenges

- The last two years have been marked by very low birth rates. While 11,646 children were born in 2022, i.e. 12 per cent less than in 2021, the number of births in 2023 was even lower – 10,949 births, which is six per cent less than in the previous year. This is the lowest birth rate in the last hundred years.
- In 2022, the absolute poverty line increased significantly – the absolute poverty threshold for a single-person household increased from 233.57 euros to 303.38 euros per month, i.e. 30 per cent. This directly affected the growth of absolute poverty to 3.5 per cent in 2022. People living alone or households with only one income recipient (such as single-parent households) are most at risk of absolute poverty. Also, absolute poverty is usually higher among the unemployed.
- Within the framework of the labour market reform, the focus is on further streamlining the unemployment benefit system, extending unemployment insurance cover to new forms of work (members of the management and controlling body, entrepreneur account holders, self-employed persons) and including people with reduced work capacity in the labour market.
- In order to create a clearer and more effective support system for people of working age with special needs than today, the identification of the degree of severity of disability and the assessment of work ability of people of working age will be restructured. The aim is to bring the identification of disability of people of working age, the assessment of work ability, and the organisation of related benefits into a single institution.
- The rate of relative poverty and social exclusion increased to 25.2 per cent in 2022. The increase in the rate was influenced both by the deteriorating assessments of the population about their economic opportunities (deprivation) in the conditions of rising prices, and by the increase in relative poverty in the general population in 2021. The challenges are increasing the minimum pension, developing occupational pensions, and raising pension awareness to ensure that people have an adequate income for old age.
- In order to better support children in need and their families, it is necessary to streamline the support system for children with child protection as well as for children with special needs. As a result, the recognition and prevention of the need for assistance will increase, the quality of child protection work and cooperation in the health, social, and educational fields in helping children will improve, and the

journey to help for a child with special needs and their family will be simplified.

- The necessary adjustments are being made so that people in need of rehabilitation receive services according to their needs. Access to services should be easy and supported for the individual, and services should be provided in an integrated manner through social, health, labour, and education cooperation.
- It is necessary to improve the quality and accessibility of special care. This requires ensuring sustainable funding of services, reducing queues for service locations, and developing community-based services.
- There is also an aim to integrate and provide coordinated health and social services, including the analysis of organisational and funding models, the implementation of common case management principles, the introduction of prevention activities, the introduction of modern IT solutions, and the improvement of data exchange.
- In order to improve the working environment, it is planned to create effective measures for employers and employees, as well as to promote individual and collective labour relations.

- Improving gender equality remains a concern. While the gender pay gap is improving again after rising in 2022, the Estonian Gender Equality Index remains poor and ranks 22nd in the European Union. In order to promote gender equality and equal opportunities, the modernisation and more effective implementation of the legal framework is planned. The focus is on fostering a more effective uptake of key principles and practices of equal treatment and gender mainstreaming in all policy areas through training, counselling, and tools.
- The crises of recent years have raised the need to improve the functioning of the social sphere in crisis situations. The priority is to ensure crisis preparedness and the continuity of the institutions of the area of government of the Ministry of Social Affairs.

Detailed information on the implementation of the performance area can be found on the websites [Development and work plans | Ministry of Social Affairs \(sm.ee\)](#)

[Activity-based state budget | Ministry of Economic Affairs and Communications \(mkm.ee\)](#)

Table 5. Target levels of metrics in the welfare performance area and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Employment rate among 20–64-year-olds						
- men	81.2%	83.3%	83.3%	81.9%	82.0%	-
- women	77.5%	80.4%	80.9%	78.3%	78.6%	-
- total	79.3%	81.9%	82.1%	79.9%	80.1%	-
Source: Statistics Estonia						
Absolute poverty rate						
- men	1.8%	4.0%	-	≤ 2.7%	≤ 2.7%	-
- women	1.0%	3.1%		≤ 1.8%	≤ 1.8%	-
- total	1.4%	3.5%		≤ 2.2%	≤ 2.2%	-
Source: Statistics Estonia						
Rate of relative poverty and social exclusion²⁶						
- men	19.6%	23.2%	-	≤ 19.6%	≤ 19.1%	-
- women	24.7%	27.0%		≤ 24.7%	≤ 24.0%	-
- total	22.2%	25.2%		≤ 22.2%	≤ 21.6%	≤ 15.6%
Source: Eurostat						
Cohort birth rate²⁷	1.85	1.87	1.82	> 1.80	1.86	1.84
Source: Statistics Estonia						
Caring and cooperation index	> 61%	-	-	> 61%	> 61%	> 61%
Source: University of Tartu, Statistics Estonia, Ministry of Social Affairs, European Social Survey						
Gender Equality Index (EIGE Index)	61.6	61	60.2	63.7	63.6	70.7
Source: European Institute for Gender Equality (EIGE)						

²⁶ The indicator has changed in connection with the new well-being development plan, which entered into force in 2023. Before 2023, this metric was replaced by the relative poverty rate.

²⁷ Before 2023, this measure was replaced by the total fertility rate.

Table 6. Implementation of the budget of the welfare performance area (in thousands of euros)

	Implement- ation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implemen- tation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-4,629,469	-5,551,782	-5,584,032	-5,503,214	-5,672,250	-6,212,357

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.3 Health

Objective of the performance area

Average life expectancy and the average number of healthy years of life in Estonia are increasing and health inequalities are decreasing.

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian people are smart, active and care about their health

Development plan of the area

Public Health Development Plan 2020–2030

Programmes of the performance area

Health supportive environment programme

Healthy choices programme

Human-centred health care programme

Area of government related to the performance area

Area of government of the Ministry of Social Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- In 2022, life expectancy and healthy life years increased for both men and women in Estonia.
- In order to reduce people's own contribution burden and improve the availability of dental care, the adult dental benefit was increased from 2024, growing from 40 euros to 60 euros. The dental allowance for subsistence benefit recipients, the unemployed, and the elderly (over 63 years) will increase from 85 euros to 105 euros and the own contribution will decrease from 15 per cent to 12.5 per cent.
- The government decided to support the treatment of children with rare diseases and the continuation of the treatment of rare diseases that began in childhood. For this purpose, five million euros per year will be allocated between 2024 and 2027. The aim is to help cover the expenses of medicines of rare diseases, health care and other support services, as well as own contribution of the families.
- Amendments to the Health Insurance Act were adopted, which compensate a parent returning to work from parental leave from July 2024 for sick and care days on the basis of the parent's previous income, not according to the minimum rate of salaries and wages. The amendment will give parents of young children better social guarantees in case of

their own illness or that of their children and will allow them to reconcile work and family life better.

- More than 116 million euros were allocated for increase in salaries and wages for health workers in 2023. According to what was agreed in the collective agreement in the field of health care, the minimum hourly wages for health care workers was increased by approximately 20 per cent, and increase in salaries and wages will continue in 2024.
- From the beginning of 2024, the terms and conditions for beginner's allowances for pharmacists became more flexible. In addition to pharmacists and medical specialists, from July 2024, nurses who will return to the health care system and start working outside the centres of attraction will also receive the beginner's allowance.
- Amendments to the Medicinal Products Act were adopted, which will help improve the availability of medicines and pharmacy services and offer solutions to alleviate the effects of difficulties in the supply of medicines.
- Crises in recent years have raised the need to strengthen health sector preparedness in crisis situations. In 2023, a total of 13.2 million euros of one-off state support was paid to hospitals and ambulances in the hospital network development plan providing vital services to ensure their unhindered and full-capacity operation during power outages and uninterrupted emergency medical care to the population.
- At the end of 2023, an action plan for tiered mental health assistance was finalised for early detection and effective intervention of the most common mental health problems – symptoms of anxiety and depression.
- The Ministry of Social Affairs prepared an amendment to the Tobacco Act, which transposes the requirements of the European Commission directive on the composition, labelling and packaging of heated tobacco products and bans the tastes of heated tobacco products to protect children and young people.
- Starting from February 2024, HPV vaccination is available to all young people aged 12–18, including boys. So far, only girls between the ages of 12 and 14 have been provided with HPV vaccination nationally. Allowing boys to be vaccinated against HPV helps to reduce the risk of developing cancer of the anus, penis, head and neck area.

Challenges

- Despite the increase in life expectancy and healthy life expectancy, inequalities persist in terms of gender, ethnicity, education, and place of residence. The life expectancy of women is 8.7 years longer than that of men, while the difference in life expectancy between highly educated people and people with basic education is more than ten years. In the case of healthy life years, people's health outcomes are also characterised by regional differences. The residents of Harju County live healthy lives the longest (2.8 years more than the Estonian average) and the residents of Põlva County live healthy lives the shortest (6.6 years less than the Estonian average). Despite improvements in life expectancy and healthy life years, Estonian people's health outcomes remain below the European Union average.
- Estonian public health expenditure as a proportion of GDP increased between 2020 and 2021 thanks to temporary fixed-term support to cope with the COVID-19 pandemic, but declined again in 2022. Despite additional subsidies, public health care expenditure as a proportion of GDP in Estonia (5.3 per cent in 2022) is still significantly lower than the European Union average (8.9 per cent in 2020). Estonian people's own contribution to health care expenses was 23.2 per cent in 2022; in the European Union, it averaged 14.5 per cent in 2021. Most of the spending as own contribution is on dental care (32 per cent), medicines (28 per cent), and long-term nursing and nursing care (18 per cent).
- The sustainability of health system financing and health insurance is a growing problem that requires systemic solutions. From 2025 onwards, the budget of Tervisekassa will be in increasing deficit (deficit of 147.1 million euros in 2025). Ensuring the sustainability of the health system requires additional resources and a review of funding principles. The current funding model for health insurance does not ensure sufficient access to care, which affects the provision of timely health care to people and hinders the implementation of the necessary reforms. Coping with the growing shortage of health professionals, especially family physicians, remains a challenge. In primary care, the uneven quality and availability of family health care is also a concern.
- Crises in recent years have raised the need to strengthen health sector preparedness in crisis situations. Ensuring the continuity of the health care system, the development of disaster medicine, civil protection, and the soundness of the institutions of the area of government of the Ministry of Social Affairs continue to be priorities.
- The crises have led to an increase in mental health problems among both adults and children. The mental health survey of the population conducted between 2020 and 2022 shows that one in five people in Estonia are at risk of anxiety disorder and more than a quarter (28 per cent) are at risk for depression. These risks have increased compared to the pre-pandemic period.
- The availability and consumption of alcohol and tobacco, including nicotine products, has increased in Estonian society in recent years. In the case of these products, the factor contributing to consumption is certainly the high stress level of people. Since 2018, alcohol consumption and mortality from diseases caused directly by alcohol use among people in Estonia (15 years and older) have increased. The widespread use of alternative tobacco and nicotine products, including e-cigarettes, among young people has been an upward trend in recent years. Since 2022, the number of deaths from drug overdose has increased (80 in 2022 and 117 in 2023).
- Growing obesity across the population remains a challenge. In 2022, more than half of adults were overweight. Almost one in three children are already overweight among primary school students, and one in four among 13 to 15-year-olds. Overweight and obesity increase the risk of developing cardiovascular disease, diabetes, and certain cancers, but can also cause or aggravate mental health problems. It is therefore necessary to support prevention activities and to look for ways to create evidence-based services for overweight people.
- Cancer is a serious problem in Estonia. Since 2000, mortality from cancer has declined among both men and women, but continues to be the second leading cause of death. 40 per cent of cancer cases are known to be preventable.
- The priorities for the coming years will be to bring the health system into focus on disease prevention, with a greater emphasis on prevention activities that support public health, and the design of health-supporting living environments and choices. The focus is both on the adoption of the new Public Health Act and on the development and implementation of personalised prevention services in health care.

Detailed information on the implementation of the performance area can be found on the website [Development and work plans | Ministry of Social Affairs \(sm.ee\)](https://sm.ee)

Table 7. Target levels of metrics in the health performance area and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Life expectancy (men) Source: Statistics Estonia	72.8	73.6	-	75.7	76	-
Life expectancy (women) Source: Statistics Estonia	81.4	82.3	-	83.2	83.3	-

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Healthy life expectancy (men) Source: Statistics Estonia	54.9	57.9	–	57	57.7	63
Healthy life expectancy (women) Source: Statistics Estonia	58	60.6	–	59.6	60.1	64.5

Table 8. Implementation of the budget of the health performance area (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-2,209,233	-2,364,294	-2,437,357	-2,396,426	-2,499,492	-2,497,143

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.4 Educated and active population

Objective of the performance area

Estonian people have the knowledge, skills and attitudes that allow self-actualisation in society, personal life and work life and support promoting life in Estonia and the global sustainable development

A wide range of opportunities for development, sense of security, and strong support create the Estonia that young people want to promote

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian people are smart, active and care about their health

Development plans of the area

Education Development Plan 2021–2035

Youth Development Plan 2021–2035

Programme of the performance area

Education and youth programme

Area of government related to the performance area

Area of government of the Ministry of Education and Research

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The draft **Preschool Education and Child Care Act** has been prepared, which increases the availability of preschool education, defines the provision of support services and support for children with special educational needs more clearly, establishes the requirement for teaching and education in Estonian, increases the qualification requirements for the director and nanny, and establishes qualification requirements for assistant teachers, in addition to specifying the regulation of group formation.
- The excellent PISA performance of pupils in schools **whose language of instruction is different from**

Estonian has improved in the natural sciences and reading compared to five years ago.

- The national curriculum for basic schools, the simplified national curriculum for basic schools, and **the national curriculum** for upper secondary schools were accompanied by **recommended descriptions of learning processes** that support teachers in their work. In addition, **quality criteria for general education and a quality assessment model** were developed, which will be piloted in schools in 2024.
- **In order to switch to teaching in Estonian**, the provision of multifaceted support to educational institutions continued, and **the transition action plan was updated**. As of September 2023, the Ministry of Education and Research supports the employment of Estonian-speaking educators in Ida-Viru County by paying salary support to **school owners. A programme for the formation of a value-based educational culture** began for the owners of educational institutions in Ida-Viru County. In 2023, in cooperation with the Ministry of Education and Research and the Integration Foundation, **language courses were offered to educators in four cities**. Schools are provided with support in hiring substitute teachers and in the form of students as assistant teachers. School and kindergarten owners were able to apply for support for additional studies of the Estonian language, for conducting Estonian-language studies in an increased volume, and for the studies of new immigrants. Language support was allocated in the amount of 5,064,124 euros in 2023.
- **A number of important advances were made** to ensure the succession of teachers. The minimum salaries and wages for teachers increased from 1,412 euros to 1,749 euros in 2023. In addition, admissions at Tallinn University and the University of Tartu were **increased** in the curricula of **teacher training and educational sciences and support specialists**. Students who were enrolled in teacher training or support specialist training curricula started to receive a **scholarship** of 400 euros per month for full-time study. The Teacher's Professional Year

Programme was updated, and is now called the **'Induction Year for Novice Teachers'** and supports all new people in the teaching profession, regardless of having the profession.

- Preparations for **the reform of vocational education** were started with the aim of increasing the diversity and flexibility of vocational secondary education offered to basic school graduates and extending the learning period to be predominantly four years by increasing the share of general skills in curricula. The further development of the field is also supported by the programme **'Development of the IT Academy and the Academy of Engineering in vocational, general, and hobby education'**.
- **The operating support allocated to higher education institutions** for the provision of higher education studies was increased by 15 per cent and **the need-based study allowance for students was doubled** to 440 euros per month, depending on the income of the family. In addition, **a funding instrument was created for institutions of professional higher education** under the area of government of the Ministry of Education and Research **to support the initial up-to-date research and development activities**. The conditions for the award of the grant for the implementation of the programme **'Academy of Engineering and IT Academy in higher education'** were approved.
- **Vocational and higher education graduates have successfully entered the labour market**. Employment figures for vocational or higher education graduates aged 20–34 were very good in 2023. Today, these indicators have also exceeded pre-pandemic levels.
- In order to support the green transition of Estonian companies, higher education institutions, vocational educational institutions, and vocational and professional associations started in cooperation with **identifying the most important green skills** and formulating learning outcomes.
- **In the youth field, a digital environment supporting the quality management and evaluation of services** was completed, allowing the evaluator to create pre-filled graphs and tables.

Challenges

- **Transition to teaching in Estonian**. The move to teaching in Estonian exacerbates the problem of teacher supply, as the change in qualification requirements for teachers' language skills further increased the teacher shortage. In addition, the transition will have a wider impact on what happens in education (for example, performance, satisfaction, special needs, drop-outs, further education, and so on).

- **An increase in the proportion of teachers who do not meet the qualifications**. In the context of an ageing teaching staff and a general shortage, it is inevitable that educational institutions will be forced to hire staff who do not have the competence required for teaching. This in turn puts education performance indicators at risk.
- **Pupil satisfaction with the school has decreased**, dissatisfaction among the 8th graders is especially high. One of the causes of dissatisfaction is frequent bullying in schools. A partial expression of this problem may also be the increased dropout rate of girls in the third stage of schooling in 2023.
- **The implementation of a modern approach to learning in educational institutions** is a strategic goal in Estonia, but has not produced the expected results. According to the results of the PISA survey (2022, 2018, and earlier) and the satisfaction and school environment surveys, there are significant shortcomings in Estonian educational institutions in creating a learner-centred school culture and teaching that takes into account the specifics and needs of the learner.
- **The student support and loan system** needs attention in order to ensure that young people from lower socio-economic backgrounds have access to higher education and to reduce the workload of students alongside their studies.
- Good opportunities to find application in the labour market and an inadequate support and loan system affect graduation indicators. For the second year in a row, **the share of graduates of natural and exact sciences and technology in higher education decreased, and a smaller than expected number of graduates of the field of study of information technology is a concern**. The programme **'Development of vocational and higher education relevant to the needs of the labour market PRÕM+**', approved in 2023, should help to improve the situation.
- Despite decades of strategic developments in youth work and informal education, the professional standard of youth workers and higher education, to this day, there is no threshold set for qualifications for working in youth work and informal education. **The qualifications of the youth workforce** are one of the factors that guide the quality of service received for young people.

Detailed information on the implementation of the performance area can be found on the website at <https://www.hm.ee/ministeerium-uidised-ja-kontakt/ministeerium/strateegilised-alusdokumendid-ja-programmid>

Table 9. Target levels of metrics in the performance area of educated and active population and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Proportion of people aged 18–24 with low level of education and not in education or training (total) Source: Eurostat	9.8%	10.8%	9.7%	9.6%	9.3%	–
Proportion of people aged 18–24 with low level of education and not in education or training (men) Source: Eurostat	12.0%	14.3%	11.4%	12.5%	12.0%	–
Proportion of people aged 18–24 with low level of education and not in education or training (women) Source: Eurostat	7.6%	7.5%	7.8%	6.7%	6.6%	–
Proportion of adults (aged 25–64) with professional and vocational education Source: Statistics Estonia	73.5%	74.7%	74.9%	74.5%	74.5%	80%
Adult participation rate in lifelong learning in formal and non-formal education Source: Eurostat, Statistics Estonia	18.4%	21.1%	23.2%	19.4%	19.4%	25%
Adult participation rate in lifelong learning in non-formal education²⁸ Source: Statistics Estonia	–	–	Methodology under development	–	–	–
Proportion of those employed in smart specialisation growth areas one year after graduation of all employed Source: Survey 'Success in the Labour Market'	27.3% ²⁹	26.7%	Data will be published in Q3 of 2024	29.0%	29.0%	–
Proportion of students with advanced skills³⁰: functional reading skills Source: PISA survey	–	–	10.6%	–	–	–
Proportion of students with advanced skills: mathematical literacy Source: PISA survey	–	–	13.1%	–	–	–
Proportion of students with advanced skills: natural science literacy Source: PISA survey	–	–	11.6%	–	–	–
Average salaries and wages of teachers compared to average salaries and wages in Estonia (%), kindergarten teachers Source: Balance sheet, EHIS (Estonian Education Information System), Statistics Estonia	81%	81%	92%	85%	92%	–

²⁸ Target levels were set in 2023.

²⁹ In 2022, the methodology for calculating the indicator was changed due to a change in the list of smart specialisation growth areas. The target levels for the metric are unchanged in the table and result from the programme in force in 2022.

³⁰ Levels 5 and 6 in the PISA survey. The proportion of pupils with top-level skills declined in all three measured areas, with the biggest decline in functional reading proficiency. Despite this, Estonian pupils are among the top countries in the world in terms of PISA results. The results of pupils here fell relatively less compared to other countries.

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Average wages of teachers compared to average salaries and wages in Estonia, teachers of general education school Source: Balance sheet, EHIS (Estonian Education Information System), Statistics Estonia	106%	105%	120%	111%	120%	-
Average wages of teachers compared to average salaries and wages in Estonia, vocational training teachers Source: Balance sheet, EHIS (Estonian Education Information System), Statistics Estonia	103%	102%	117%	111%	120%	-
Young people's trust in the state Source: International Civic and Citizenship Education Study ICCS	-	-	57%	-	-	-

Table 10. Implementation of the budget of the performance area of educated and active population (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEG Y 2025
Expenditure	-616,297	-766,251	-873,291	-704,347	-814,900	-884,681

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.5 Estonian language and identity

Objective of the performance area

To ensure the functioning of the Estonian language as an official language in all areas of life, teaching, research, development and protection of the Estonian language and thus preservation of the Estonian language through the ages

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian society is caring, cooperative, and open-minded

Development plan of the area

Estonian Language Development Plan 2021–2035

Programmes of the performance area

Language programme

Area of government related to the performance area

Area of government of the Ministry of Education and Research

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- **To support the transition to Estonian-language learning**, activities were prepared to develop the Estonian language skills of educators. There are a few thousand educators in Estonia who need Estonian language training in order to bring their language

skills up to the level required. Until now, language proficiency at the B2 level was enough for many teachers. During the transition period, they will have to bring their language skills to level C1. In 2024, language courses will be organised for educators and an additional session of the B2 or C1 level Estonian language proficiency exam will be organised for educational staff.

- The activities of the transition to Estonian-language learning are supported by **the programme 'Estonian language learning and language development' co-funded by the Ministry of Education and Research and the European Social Fund+**, approved in August 2023 and implemented by the Institute of the Estonian Language (EKI). The activities of the programme support the implementation of objectives in both language and education fields. The programme has a budget of 46 million euros for the period of 2023–2029.
- In 2023, **the [Action Plan for the Preparation of the ÕS and EKI Guide 2022–2025](#), prepared by the Institute of the Estonian Language and the Ministry of Education and Research, was approved.** The need arose from the debate in society around the creation of a new orthographic dictionary (ÕS). The action plan specifies the activities for the organisation and development of the Estonian language at the Institute of the Estonian Language in order to implement the Estonian Language Development Plan 2021–2035. The broader goal is to ensure the availability of information about Estonian

written language and clarity about the activities of the Institute of the Estonian Language in compiling new language sources. To facilitate user access, dictionaries compiled at the Institute of the Estonian Language are aggregated and merged.

- In 2023, [the Estonian Terminology Action Plan for 2023–2025](#) was approved. Terminology committees, representatives of higher education institutions, and other stakeholders in terminology work were involved in the preparation of the action plan. Newer methods, such as co-creation and analysis of specialised language corpuses, will be introduced to improve the effectiveness of term work. The action plan provided an understanding of the functioning of Estonian term work in the digital age in a multilingual information space. Terminology is increasingly needed in the development of language technologies, such as the development of sectoral machine translation and the state's translation gateway.
- **The Language Technology Competence Centre of the Institute of the Estonian Language** acted as a supranational coordination and knowledge centre in the field of language technology. They cooperated with several public and private institutions in the implementation of speech recognition, machine translation, and text analysis tools in *Riigi Teataja*, the State Agency of Medicines, the North Estonia Medical Centre, and elsewhere. In addition, the procurement of language technologies for the innovation capability measure of the Government Office (project of the Government Office, project of the Ministry of the Interior), applications for a preliminary consultation round of Ettevõtluse ja Innovatsiooni Sihtasutus, courts, and other public institutions and disciplines of related fields (mainly in the social and humanitarian fields) were consulted.
- On the one hand, Estonia is becoming a destination country for migration, on the other hand, communities raised the issue of the status of dialects. For these reasons, the Ministry of Education and Research began an analysis of the language field and the use of the Estonian language in order to identify areas of concern in the implementation of the Language Act. In cooperation with stakeholders and representatives from different fields, solutions were sought to preserve the use of the Estonian language. **The analysis of the working environment of the Language Act** will be completed by the summer of 2024, and the intention to develop the Language Act is being prepared.

Challenges

- **The field of adult Estonian language learning is fragmented.** The language learning services offered

are divided between the administrative areas of different ministries and the state does not have a central, systematic, and up-to-date overview of language learning for adults or its effectiveness. This leads, on the one hand, to duplication, and on the other hand, there is a risk that some target groups that are important for the state will be left without the necessary learning. It is important, under the leadership of the Ministry of Education and Research, to continue cooperation between ministries that provide adult Estonian language training in order to reduce fragmentation in the field and increase the effectiveness of the learning provided.

- **The knowledge of the Estonian language of educators is a key issue in the transition to Estonian-language learning.** The problems are both the provision of sufficient study places with the flexibility that meets the expectations of educators and the effectiveness of learning, which depends on the motivation of participants in long-term language learning.
- In order to ensure the viability of Estonian language in the digital society, it is necessary to introduce Estonian language technologies into as many public services and information systems as possible and to reach full language technology support. In international comparison, Estonian language has the basic components necessary for processing a language. The missing key components, such as the summarator of texts, the simplifying of texts, the detector of obscene expressions (hate speech), the detector of fake news, semantics tools, and dialogue models, will be further developed.
- **In order to promote the multilingualism** of Estonian population, it is important to develop attitudes, encourage cooperation between (language) teachers, and update language learning and language assessment methodologies. The decision to expand the range of foreign language learning (when choosing foreign language B) in general education schools has led to the need to support schools in offering choices, including the acquisition of study materials for foreign languages B and the popularisation of the study of different languages. The competence of teachers who are added to schools is also important. From the point of view of fulfilling the goals of the development plan and the language programme, it is important to continue to popularise the learning and knowledge of other languages in addition to English.

Detailed information on the implementation of the performance area can be found on the website at <https://www.hm.ee/ministeerium-uudised-ja-kontakt/ministeerium/strateegilised-alusdokumendid-ja-programmid>

Table 11. Target levels of metrics in the performance area of Estonian language and identity and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Functional reading skills in Estonian among Estonian residents aged 16–65 Source: PIAAC survey	-	To be specified on the basis of the results of the PIAAC survey	There was no survey	-	-	-
Proportion of people using Estonian in the population³¹ Source: Estonian labour force survey (Statistics Estonia)	91	91.2	91.7	-	-	> 91
Number and referencing of Estonian linguistics publications internationally distributed³²	150	-	-	-	-	-
Number of multilingual term bases³³	-	-	115	-	-	-
Estonian language technology support	-	-	Partial	-	-	-
Estonian as a second language learning environment for adult learners	-	-	None	-	-	-
Self-assessed foreign language proficiency of Estonian residents Source: Statistics Estonia, Estonian labour force survey	-	-	Measured by the Estonian labour force survey	Target level to be specified in 2024	-	-

Table 12. Implementation of the budget of the performance area of Estonian language and identity (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-6,158	-10,518	-10,141	-7,959	-11,235	-11,299

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.6 Environment

Objective of the performance area

Estonian people are ensured a clean and diverse living environment, and the attitude towards nature is responsible

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia has a safe, secure and high-quality living environment that meets the needs of all

Development plan of the area

Estonian Environmental Strategy until 2030
Estonian Forestry Development Plan until 2020
National Development Plan for Oil Shale Use 2016–2030

Climate Change Adaptation Development Plan until 2030
National Waste Management Plan 2014–2020
National Radiation Safety Development Plan 2018–2027

Programme of the performance area

Programme for environmental protection and exploitation

Area of government related to the performance area

Area of government of the Ministry of the Environment (until 30 June 2023)
Area of government of the Ministry of Climate (from 1 July 2023)

³¹ Information on the self-assessed proficiency in Estonian of people with another mother tongue or native language is collected through the Estonian labour force survey conducted by Statistics Estonia. The metric is included in the country's long-term strategy 'Estonia 2035'.

³² It measures the quantity and referencing of publications published in international peer-reviewed publications (ETIS classification 1.1, 1.2, 3.1, 2.1), other than set of theses. The number of publications in 2023 was measured and the data is as of October 2023.

³³ It measures how many disciplines have their vocabulary developed in the centrally coordinated terminology management environment Ekilex.

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The aim of the field of the environment is that the attitudes and behaviour of each person are based on environmental sustainability. The key to achieving results in the field of the environment lies in conscious citizens who consciously change their behaviour. **Overall environmental awareness has increased year on year** (the environmental awareness index was 41.6 per cent in 2022, a new survey will be conducted in 2024). Both people's attitude and behaviour have improved.
- The achievement of the **resource productivity** target for 2023 will be announced in early 2025. In 2022, compared to 2021, resource productivity decreased slightly (the 2022 level of 0.69 euros per kilogramme), but nevertheless the 2022 objective was met. Due to the uncertain economic situation caused by the COVID-19 pandemic and Russia's aggression in Ukraine, confidence to make investments that increase resource productivity decreased. The negative impact was manifested in the extension of the deadline of projects, the lengthening of supply chains, and the cancellation or postponement of marketing activities. At the same time, during the longer reference period of 2013–2022, resource productivity in Estonia is improving, increasing by 32 per cent. With this result, Estonia is in second place in the European Union after Ireland.
- One of the prerequisites for assessing today's situation and measuring the impact of activities is high-quality data. A number of national as well as international initiatives have been launched to improve the quality and accessibility of **environmental data**. This requires the development of monitoring capabilities, the upgrading of monitoring equipment, and the discovery of innovative ways of carrying out environmental monitoring. In accelerating the transition to renewable energy and ensuring energy security, it is important to find ways for the co-existing of natural values and infrastructure by providing environmental information and expertise.

Challenges

- The economy must fit within the bounds of nature. The loss of biodiversity has a devastating impact on nature, people, and the economy in general. **Preserving biodiversity** and, where possible, **restoring nature** are stepping on the same page when adapting to climate change. Biodiversity conservation is an important instrument in all policy areas. **The environment is a human right**. Globally, and also in the European Union, there is a growing need to respond to long-term environmental and climate challenges – the accelerating green transition, sustainable use of resources, the preservation of ecosystems, climate change and adaptation. Estonia has agreed with the objectives of the European Union's regulation on the restoration of nature. The condition of nearly half of the endangered species and habitats in Estonia is

unfavourable, although the state of nature in Estonia can be judged to be one of the best preserved in the European Union. Restoring ecosystems and halting biodiversity loss form a cornerstone of the European Green Deal. **The metric 'Proportion of habitats with the favourable Habitats Directive status' is 57 per cent (measured every six years), which is at the desired target level.**

- **According to the data of the Estonian greenhouse gas inventory³⁴ for 2022, the greenhouse gas emissions totalled 14.3 million tonnes of CO₂ equivalent.** Emissions in 2022 increased compared to 2021 – this was due to the use of oil shale in electricity and heat production. In 2020, total emissions were lower than expected due to the pandemic. Compared to 1990, Estonia's total greenhouse gas emissions have decreased by 65 per cent. Also considering the land use, land use change, and forestry (LULUCF) sector, total emissions have decreased by 59 per cent. Existing rules and measures are not sufficient to meet the different climate policy objectives under the legislation and to achieve the state's long-term climate goals. Further measures are therefore needed in all sectors. In September 2023, the process of developing a **climate law** was launched. It aims, among other things, to review the legal framework **to meet the Estonia's 2030 climate targets** and achieve climate neutrality by 2050 and to set out the basic principles for reaching those goals. In February 2023, the *Riigikogu* approved the amendments to the document '**General Principles of Climate Policy until 2050**'.
- The focus of the coming years will continue to be on the waste sector and its reform. In the course of the **waste reform**, it is important to reorganise waste management in an efficient and innovative way. Material recycling must be ensured and mandatory targets for municipal waste and other types of waste must be achieved. In the coming years, Estonia will have a number of obligations related to the requirements and targets to be set for new types of waste (for example, the collection and recycling of textile waste, targets in the field of bio-waste, the obligations arising from the transposition of the so-called single-use plastics directive, the entry into force of the Packaging and Packaging Waste Regulation, and so on). In addition, a new concept of waste reporting and a plan for its implementation were developed.
- **Waste generation** has shown a growing trend in recent years. While there was some decline in waste generation in 2022 compared to 2021, it is expected (waste statistics for 2023 are being aggregated and will be available at the beginning of 2025) the 2023 waste reduction target (2022 level: 4,585 kilogrammes per person per year versus the planned 3,530 kilogrammes per person per year) was not achieved. Increased waste generation is partly due to an increase in certain types of waste (e.g. construction and demolition waste, soil and industrial waste), but on the other hand, the waste reduction measures implemented so far have not yet had their full impact. In order to achieve the goal of

³⁴ Greenhouse gas inventory of Estonia published in 2022 (Greenhouse gases in Estonia | Ministry of Climate).

reducing waste generation, various measures have been implemented (incl. advice to local governments, training of experts, support measures) and updated legislation. Raising people's awareness and changing their habits to greening are also important. In 2023, the **National Waste Management Plan 2023–2028** was completed, which is part of the strategic vision and action plan for the circular economy, forming a systemic whole in the transition to a circular economy.

- **Protection of water** is also under attention. Based on the 2022 assessments of the condition of water bodies, 51 per cent of bodies of surface water and 74 per cent of bodies of groundwater are in a good condition. Unfortunately, there is no sign of improvement. The reduction of pollution and the implementation of measures to improve the condition of the waters are hampered by a lack of resources. There is a shortage of people as well as money for research and research development and investment. In 2023, the full text of the new Public

Water Supply and Sewerage Act was adopted. Issues related to water pricing were set out in more detail at the level of the law. Among other things, a basis was created for taking into account the need to protect water resources when determining the price of water. In the summer of 2023, the preparation of the **water reform** roadmap was launched, with the aim of developing a strategy by June 2025 on how to ensure the sustainability of the water business and a reasonable price for water services. In 2023, the work on **the elimination of residual pollution** of the Purtse and Erra rivers was completed. For nearly 27 million euros, a total of 18 kilometres of riverbed became cleaner from the residues of the oil shale industry in the Purtse River basin.

Detailed information on the implementation of the performance area can be found on the website at <https://kliimaministeerium.ee/ministeerium-kontakt-uidised/ministeeriumi-tutvustus/tegevuspohine-eelarve>

Table 13. Target levels of metrics in the performance area of the environment and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Proportion of habitat types included in the Habitats Directive in favourable condition Source: Ministry of Climate	57%	57%	57%	≥ 57%	≥ 57%	–
Environmental awareness index Source: Ministry of Climate	–	41.6 ³⁵	–	–	45.5	–
Total emissions of greenhouse gases Source: Ministry of Climate	13.4 ³⁶ million t CO ₂ eq	14.3 million t CO ₂ eq	–	2.7 million t CO ₂ eq	2.4 million t CO ₂ eq	million t CO ₂ eq
Proportion of water bodies in good condition Source: Ministry of Climate	52	51	–	54	55	–
Waste generation (excluding oil shale industry) Source: Ministry of Climate	4657 kg/in	4,585 kg/person	–	3,460 kg/person	3,400 kg/person	–
Resource productivity: ratio of GDP to domestic raw material use Source: Eurostat	0,7 €/kg	0.69 €/kg	–	0.68 €/kg	0.69 €/kg	0.9 €/kg

Table 14. Implementation of the budget of the performance area of the environment (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-121,813	-191,128	-554,952	-137,717	-166,686	-154,177

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

³⁵ Change in methodology.

³⁶ Specified actual level.

1.2.7 Research and development and entrepreneurship

Objective of the performance area

Estonia's research, development, innovation, and entrepreneurship work together to increase the well-being of Estonian society and the productivity of the economy, providing competitive and sustainable solutions to the development needs of Estonia and the world.

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian economy is strong, innovative, and responsible

Development plan of the area

Research and Development, Innovation and Entrepreneurship Development Plan 2021–2035

Long-term view on construction 2035

Long-term strategy for the reconstruction of buildings

Tourism Strategy 2022–2025

Programmes of the performance area

Scientific system programme

Knowledge transfer programme

Entrepreneurial environment programme

Construction programme

Areas of government related to the performance area

Area of government of the Ministry of Education and Research

Area of government of the Ministry of Economic Affairs and Communications

Area of government of the Ministry of Climate (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- Estonia has set a strategic goal of keeping research, development, and innovation funding at least one per cent of GDP. In 2023, a total of 390.7 million euros was planned to support research, development, and innovation in the state budget.
- A number of research and development support measures for the new structural funds period 2021–2027 were launched, supporting the achievement of the objectives of the research system and the knowledge transfer system.
- The implementation of the reform of doctoral studies continued. In 2023, doctoral students received the opportunity to work in a positively evaluated research and development institution and use intersectoral mobility support in the private or public sector.
- The conditions for supporting centres of scientific excellence and research infrastructures of national importance were confirmed. Support will enable the

creation of disruptive research results in areas relevant to society and the economy, and ensure the sustainable operation and opening to external users of advanced research infrastructures.

- The development of the draft act on the organisation of research, development, and innovation continued. The draft act intends to create a clearer framework for the public organisation and funding of the field and to include topics on research ethics and open science.
- Metrosert established the first applied research centre in Estonia, the purpose of which is to provide services and cooperation opportunities to increase the internal development and innovation capabilities of companies. Five business lines will be launched at the centre: biorefinery, medical data, hydrogen technologies, drone technologies, and autonomous vehicles.
- Of the knowledge-intensive activities that promote start-ups, business development support was opened, NATO's DIANA³⁷ accelerator was launched, the AI pilot projects programme and the CDL-Estonia³⁸ mentoring programme were continued. The goal is to vigorously grow the number of deep-tech startups.
- All tourism actions for the 2021–2027 cohesion policy period (support for international events and conferences, Estonia's support to increase the competitiveness of the tourism sector) were launched, and the product development and central digital solutions measures of REACT-EU of the previous period were completed, bringing new high-quality tourism products to the market and creating the prerequisites for the digitisation of companies.
- Research intensity and investment support measures under the Just Transition Fund were launched.
- As part of the Estonian recovery plan, a support measure was launched to support the security of supply of companies.
- The basic study preparing the preparation of the development plan for the living environment made recommendations for the redesign of spatial policy, becoming, among other things, the kingmaker for the creation of the Land and Space Board.
- The new procedural environment of the national register of construction works shortened the processing times for building and use permits by more than 25 per cent and streamlined the procedural processes of local governments.
- Testing the display and verification of the BIM building permit will allow the release of a test version of the software in 2024, preparing to give BIM building permits legal meaning as one of the first countries in the world.
- Through KredEx, three million euros were directed to the residential sector for home support, 81.6 million euros for the reconstruction of apartment buildings, 2.3 million euros for factory reconstruction, 7.8 million euros for the

³⁷ NATO's Defence Innovation Accelerator for the North Atlantic.

³⁸ Creative Destruction Lab-Estonia.

reconstruction of small houses, and 5 million euros for rental housing.

- For the purposes of energy independence and environmental sustainability, a consolidated authorisation was prepared to accelerate the construction of renewable energy facilities, and an update of the regulations on the energy performance of buildings was prepared.
- As part of the LIFE IP BuildEst programme for reconstruction, studies on the renovation capacity of residential buildings, commercial real estate in need of reconstruction, the basic level of energy efficiency, and the preliminary assessment of improvement measures were completed.

Challenges

- Research institutions and companies lack the motivation and ability to cooperate, and the results of research are not sufficiently applied in Estonian society. Therefore, more needs to be invested in applied research by companies.
- In order to achieve the objectives set out in the Research and Development, Innovation and Entrepreneurship Development Plan, Estonia needs several times more scientists and engineers, especially outside the academy. Therefore, special attention must be paid to their succession and increasing the attractiveness of academic careers in order to provide companies with the competence to hire research and development workers and engineers.
- Ensuring the basic capabilities of the research system and the stability and consistency of the research and development environment (incl. funding) are indispensable prerequisites for achieving societal and economic applications of scientific achievements.
- The overall innovation capacity of companies is low. It is therefore important to continue with the support aimed at increasing the development capacity of entrepreneurs.
- The public procurement market is not sufficiently open to innovative companies and products or services. As a result, both public services and the competitiveness of enterprises suffer, as public procurement accounts for a significant share of the total market – between 10 and 12 per cent of GDP, depending on the year, or around three billion euros a year.
- Estonia's capacity to support the strategic investments needed for growth in economy and competitiveness is low. Improving the capacity to provide financial instruments will help to increase investment by companies in major projects (for example, to build new production sites) and green technologies (including to increase resource efficiency), and to facilitate large-scale export transactions.

- In order to increase the volume of exports, investments, and tourism, it is important to continue to promote the foreign economy and increase support for exporting entrepreneurs of Estonia.
- In order to grow business tourism as a high value-added service sector, Estonia needs a multifunctional, large-capacity conference and exhibition centre. To attract foreign investment and support exports, strategic flight connections to business centres and hubs need to be established.
- The state must become a proactive and comprehensive service provider for the entrepreneur. Information and services aimed at companies must be made to communicate with each other and, to the maximum extent, concentrated in the company's gateway at eesti.ee. In order to modernise business-to-state reporting, it is necessary to create a single system of data collected by the state, invest in the reception and processing of machine-readable data, and support businesses to speed up the transition.
- Consistent and effective implementation and monitoring of sanctions against Russia must be ensured.
- The goals of the long-term strategy for the reconstruction of buildings can be met with stable and constantly growing means so that the construction market and owners can adapt. Investments must be guided by the principles of quality space and the New European Bauhaus, which is also a condition for the development of the living environment, including infrastructure, through foreign funds.
- It is necessary to continue with the digitisation of the construction sector and find money for this from the state budget due to the end of foreign funds.
- It is necessary to introduce the principles of the circular economy and to adopt a methodology for calculating the carbon footprint of buildings. In order to be environmentally friendly, resource efficient, and improve the quality of the living environment, a comprehensive view is needed at the state level for shaping the living environment, i.e. a development plan that coordinates the spatial development of the state.
- Research and development related to the quality of construction and the living environment, as well as the implementation of results, require national attention.

Detailed information on the implementation of the performance area can be found on the website at <https://www.mkm.ee/ministeerium-uudised-ja-kontakt/strateegiline-juhtimine/tegevuspohine-riigieelarve>
<https://www.hm.ee/haridus-ja-teadusministeeriumi-2023-aasta-tulemusaruanded>

Table 15. Target levels of metrics in the performance area of research and development and entrepreneurship and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Funding for research and development planned in the state budget as a proportion of GDP Source: explanatory memorandum to the state budget for the respective year	0.75%	1%	1%	≥ 1%	≥ 1%	–
Proportion of private sector research and development expenditure of GDP³⁹ Source: Statistics Estonia	0.98%	1%	– ⁴⁰	1.1%	1.3%	2%
Nominal labour productivity of EU-27 average⁴¹ Source: Eurostat	84.0%	80.7%	77.5%	88%	90%	110%
Ranking in the European Innovation Scoreboard (place in scoring group) Source: European Commission	Strong innovator (9th place)	Moderate innovator (12th place)	Moderate innovator (12th place)	Strong innovator	Strong innovator	Innovation leader

Table 16. Implementation of the budget of the performance area of research and development and entrepreneurship (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-378,872	-646,303	-546,178	-441,925	-681,403	-655,676

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.8 Agriculture and fishery

Objective of the performance area

Consumers prefer Estonian food, the living environment is maintained, food sector companies are successful, and the vitality of rural and coastal communities is growing

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian economy is strong, innovative, and responsible

Development plan of the area

Estonian Agriculture and Fisheries Development Plan until 2030

Programmes in the performance area

Agriculture, food, and rural affairs

Fisheries

Areas of government related to the performance area

Area of government of the Ministry of Rural Affairs (until 30 June 2023)

Area of government of the Ministry of the Environment (until 30 June 2023)

Area of government of the Ministry of Regional Affairs and Agriculture (from 1 July 2023)

Area of government of the Ministry of Climate (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The coronavirus pandemic and the alarming security situation in Europe, including the spread of animal diseases and international trade restrictions, brought **increased attention to food security and the vulnerability of international supply chains**. In cooperation with major food producers and professional associations, a strategy and action plan for the security of food supply were drawn up. The state and the private sector defined the main threats, capability gaps, and necessary actions. The Government of the Republic approved the tasks of the strategy action plan on 15 June 2023. In 2023, several food security lines were launched with the aim of ensuring priority access to electricity, liquid fuel for critical companies in the supply chain in crises, and supporting their security in a situation of heightened security.

³⁹ According to the Research and Development, Innovation and Entrepreneurship Methodology, the proportion of business sector research and development expenditure is measured (BERD, Statistics Estonia, Table TD052).

⁴⁰ The data has not yet been published.

⁴¹ The data has been subsequently revised on the basis of corrections made by Eurostat.

- **A number of exceptional support measures were developed that are important for the agricultural, fisheries, and rural sectors to cope with crises.** Emergency support payments amounted to more than 11.4 million euros.
- **In January 2023, the Estonian Common Agricultural Policy Strategic Plan for 2023–2027 entered into force.** Subsidies amounting to 340 million euros were paid to the fields of agriculture, food industry, and rural development.
- **In 2023, a total of 65 projects were underway from the research and development activities of the Ministry of Regional Affairs and Agriculture, 17 of which were in cooperation with international consortia.** A total of 3.3 million euros were disbursed to finance these projects. In addition, the risk assessment activities of the National Centre for Laboratory Research and Risk Assessment were financed with 0.5 million euros and the activities of the long-term programmes 'Plant Breeding Programme 2020–2030' and 'Collection, Conservation, and Use of Plant Genetic Resources for Food and Agriculture 2021–2027' in the amount of 1.1 million euros and 0.4 million euros, respectively.
- **In order to further ensure environmental protection, the introduction and continued use of environmentally friendly management methods in agriculture will be encouraged with the support of the Common Agricultural Policy.** The share of environmentally managed land in the utilised agricultural area was 88 per cent in 2022.
- **The food safety barometer, which measures the overall food safety situation in Estonia on an annual basis and compared to the previous year, was 100.69.** The goal is for the indicator to be at least 100, i.e. not to fall compared to last year. The food safety barometer showed an improvement in the food safety situation compared to 2022.
- **From September 2022, a support measure for educational institutions was implemented to support general education schools and kindergartens providing organic food for children.** While schools and kindergartens that notified about organic catering were 45 in 2021 (six per cent of Estonian kindergarten and school children), at the end of 2023, organic food was already offered in 153 educational institutions (20 per cent of Estonian kindergarten and school children).

Challenges

- Ensuring food safety and reliability requires a knowledge-based approach, consistent adaptation to society's expectations in mitigating risks, broad-based monitoring, and increased consumer awareness. It is therefore necessary to significantly increase the capacity of the state to effectively monitor food safety, including risk assessment and communication.
- **Antibiotic use in agriculture and pets has fallen by 35 per cent over the past decade, but the decline is stalling⁴².** In 2022, the amount of active ingredients sold remained at the same level as in the previous year. The use of antibiotics is accompanied

by the property of microorganisms not to be subjected to the action of antibiotics, i.e. the resistance of microbes to antibiotics. Regular monitoring of antibiotic resistance in pigs and poultry and their products is carried out by the Agriculture and Food Board. Monitoring results show that the upward trend in the occurrence of antibiotic resistance is also evident in Estonia.

- **An increase in the incidence of animal diseases was noticeable.** Of the particularly dangerous animal diseases, African swine fever and highly pathogenic avian influenza were still present.
- A third of Estonia's population continues to live in rural areas, and it is estimated that a third of businesses operate there. In rural areas, 27.6 per cent of the total number of participants in the survey are offered a job. **Despite the fact that Estonian overall population continued to grow last year, the share of young people living in rural areas (aged 21–40) in the total number of young people of the same age group continues to decline, being 26.4 per cent in 2023.** This is below the 2030 agriculture and fisheries development plan target (27.8 per cent). **The main problems in settling in rural areas are poor access to services, lack of attractive jobs, and housing problems.** The provision of co-financing loans for housing continued across Estonia, which allows to acquire or build or renovate an existing building in a rural area. As of the end of 2023, co-financing loan agreements have been signed with a total of 132 households for a total amount of 8.4 million euros.
- **The adaptation of companies in the agricultural sector to the green transition is an important complex challenge for the sector. At the same time, climate change mitigation needs to be addressed by mitigating risks related to food security.** In order to find solutions, the Green Transition Roadmap for Four Areas of the Agriculture and Food Sector was drawn up and various measures were implemented to ensure the security of food supply in cooperation with private companies. The renewed Green Transition Action Plan 2023–2025 will also support the solution of the challenge of the green transition.
- Food of domestic origin was preferred to be purchased by 61 per cent of respondents in 2022, which is less than in previous years (74 per cent from 2016–2020). The goal is that by 2030, 75 per cent of consumers will prefer to buy domestic food.
- The share of fish resources in good condition remained within 40 per cent in both 2021 and 2022, and the condition of resources is poor. In order to improve the condition of fish resources, conservation measures for fish resources must continue to be modernised and fishing efforts in coastal fishing must be reduced.

Detailed information on the implementation of the performance area can be found on the website at <https://www.agri.ee/ministeerium-uudised-kontakt/ministeerium/strateegilised-alusdokumendid>

⁴² [Sales of veterinary antimicrobial agents in 31 European countries in 2022 – Trends from 2010 to 2022 – Thirteenth ESVAC report \(europa.eu\)](https://www.eurostat.ec.europa.eu/en/indicators/sales-veterinary-antimicrobial-agents-31-european-countries-2022).

Table 17. Target levels of metrics in the performance area of agriculture and fishery and the actual performance⁴³

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024
Employment rate of rural residents aged 20–64 Source: Statistics Estonia	78.3%	82.1%	82.9%	78.4%	78.7%
Value added in agriculture, forestry, fishery and food and beverage production per person employed, three-year moving average Source: Statistics Estonia	31,697 euros	35,762 euros	41,691 euros	33,800 euros	34,700 euros
Trade balance for agricultural products and foodstuffs: export-import ratio Source: Statistics Estonia	0.83	0.89	0.84	0.81	0.80
Proportion of Estonian consumers who prefer buying local foodstuffs Source: Estonian Institute of Economic Research	–	61%	–	75%	75%
Greenhouse gas (GHG) emission per value of agricultural production, tonnes per thousand euros⁴⁴ Source: Statistics Estonia, Estonian Environmental Research Centre	2.48	2.42	–	≤ 2.5	≤ 2.5
Food safety barometer Source: Ministry of Regional Affairs and Agriculture	99.22	99.63	100.69	≥ 100	≥ 100

Table 18. Implementation of the budget of the performance area of agriculture and fishery (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-440,581	-477,015	-453,505	-429,673	-499,987	-506,401

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.9 Transport

Objective of the performance area

The purpose of Estonian transport policy is to ensure safe, accessible, fast, sustainable, and comfortable mobility for residents and businesses in accordance with the objectives established in the legislation of the European Union

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia has a safe, secure and high-quality living environment that meets the needs of all

Development plan of the area

Transport and Mobility Development Plan 2021–2035

Programme of the performance area

Transport competitiveness and mobility programme

Area of government related to the performance area

Area of government of the Ministry of Economic Affairs and Communications (until 30 June 2023)

Area of government of the Ministry of Climate (from 1 July 2023)

Area of government of the Ministry of Regional Affairs and Agriculture (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- AS Eesti Raudtee completed preparations for the construction of the Turba–Rohuküla railway section. The electrification of the Aegviidu–Tapa–Tartu railway section began. The renewal of the protection systems of Lääne–Harju was completed, as a result of

⁴³ No targets have been set for the performance area in the 'Estonia 2035' strategy.

⁴⁴ The greenhouse gas emissions inventory will be made for year n-2, i.e. the greenhouse gas emissions value for agriculture in 2022 will be derived from the 2024 inventory.

which it was possible to increase passenger train traffic in this direction and add high-speed trains to the timetable. The overhaul and straightening of the curves of the Aegviidu–Tapa section were carried out, as well as the overhaul of the Riisipere–Vasalemma station spacing.

- The project solutions for the **Rail Baltic** local objects were completed by the end of the year. Construction work began in the Ülemiste terminal area, and Lao street, which connects the city of Pärnu with the Rail Baltic terminal, was completed. By the end of the year, about 30 Rail Baltic main line objects – bridges, viaducts, ecoducts – had been completed or were under construction. Most of the separately procured trails around the construction sites are complete.
- The Cohesion Fund project of AS Tallinna Lennujaam was completed, the aim of which was to increase **the environmental protection and security of Tallinn Airport**. The number of international regular flights was increased to **44**.
- In 2023, dust-free pavements **on highways** were built, reconstructed, and repaired on a total of 1,381 kilometres. Six kilometres of four-lane sections of road were built. A total of 22 bridges and 20 kilometres of various sections of the road were reconstructed. Pavements were built on 18 kilometres of gravel roads. A total of 39 hazardous areas of traffic were rebuilt.
- In terms of **road safety**, the number of light-duty vehicle accidents decreased in 2023 compared to 2022. This may have been influenced by the awareness of the dangers associated with light-duty vehicles, the limitation of speeds in the hearts of the city, the organisation of parking and the relatively cool and rainy summer. The number of drunk drivers was one tenth lower than in 2022, while the number of drivers under the influence of drugs also decreased by the same order of magnitude.
- In 2023, 4.7 million kilometres serviced by gas buses were added to the volume of regular services on county routes at the expense of diesel buses. The volume of the entire line network increased by only 0.5 per cent. **27 per cent of the total county line service is serviced by gas buses.**
- In order to further integrate public transport modes of mobility services, the Public Sector Innovation Fund will support **the development of the MaaS X-road, an integrated data exchange platform for mobility services and ticketing**, with 0.8 million euros. The aim of the project is to create a prototype of a standardised service platform for driving requests and linking mobility services, and to test it as an intermediary channel for connecting different transport service providers and creating common tickets, travel rights or discounted products for participants in the system.
- **The construction of a new environmentally friendly ferry** to serve the major island lines continued. The vessel will be completed by 2026.
- In October 2023, a CEF financing agreement was signed with the European Commission for the implementation of the **eFTI4EU** project on digitisation of transport. The aim of the project is to develop and test the eFTI Gate solution to be ready for the eFTI (Electronic freight transport information) regulation-compliant digital freight document data exchange in 2026. Nine member

states (Ministry of Climate is the main partner) and 23 private and public partners are involved in the project. The project will run from 2023–2026 with a total budget of 28.3 million euros.

Challenges

- **Reducing CO₂ emissions from transport sector.** According to the updated forecast, the CO₂ reduction target set out in the Transport and Mobility Development Plan **will not be achieved**. The CO₂ emission reduction commitment made to Estonia by the European Union's 'Fit for 55' climate package in the event of a proportional sectoral distribution is even higher than the target set by the Transport and Mobility Development Plan (conditionally 1.6 million tonnes of CO₂ equivalent by 2030). With the measures currently in place, emissions from the transport sector will be around 2.1 million tonnes of CO₂ equivalent in 2030 (projections have deteriorated compared to the previous year). Failure to comply with the CO₂ reduction obligation of the transport sector means a potential obligation for Estonia to start acquiring CO₂ units from the trading market, which is an additional burden on the budget in a situation where it is necessary to find funding for various investments. Studies show that it will not be possible to achieve CO₂ targets in the transport sector without **changes in tax policies** (consumption taxes that motivate people to choose active modes of mobility, sustainable public transport or a more environmentally friendly car). **People's awareness** must also **be raised** consistently.
- **The energy consumption of transport** will not decrease at the expected rate. In Estonia, road mileages continue to be high, increasing every year. Also, when buying a new car, a large and energy-intensive passenger car is preferred to a sustainable small car.
- In trade, **shifting the transport of goods from road to railway** (both nationally and internationally) is an ongoing challenge. Perspectives in the north-south and west corridors need to be considered. In addition to servicing of passenger trains, the modernisation of the railway must contribute to the service of freight transport to the maximum extent. However, the targets set out in the Transport and Mobility Development Plan cannot be achieved.
- The Transport and Mobility Development Plan envisages reducing the number of traffic fatalities to 30 and the number of seriously injured to 187 by 2035 as a three-year average. **The milestone set by the road safety programme in 2023 (44 and 316, respectively) is far from the actual result (55 and 395, respectively). It is not realistic to achieve these targets** without additional activities that have a significant impact on traffic safety.
- At the same time, **there is a need to invest in the road safety and environmental equivalent construction of the TEN-T core network**. This has been stalled due to a significant reduction in the volume of funding for road maintenance. **Maintaining the condition of state roads and reducing repair debt** is also an ongoing challenge. State roads need 210 million euros every year to be maintained and somewhat improve the existing condition. Over the next four years, an average of only 115 million euros per year can be used for

maintenance, which will lead to a deterioration in the condition of the roads.

- Fulfilling the metric ‘Number of Estonian flagged cargo and passenger ships (500 gross tonnage or more)’ remains a challenge. **In 2023, there are 31 ships under the Estonian flag.** The legislation makes it difficult to bring and keep ships under Estonian flag, as competing countries offer better conditions for this. The new competitive package will be ready by 2026.
- In view of the planned increase in passenger train speeds, it is necessary to analyse the safety of level crossings and **to find more than 100 million euros to comply with the revised requirements for crossing, including multi-levelling.** In order to establish a tact timetable and increase the speed of the railway up to 160 kilometres per hour, **15 million euros** will have to be invested in the construction of the second main road of the Liiva-Saku railway section and increasing the speeds, **15 million euros** in straightening the Saku–Rapla railway section and increasing the speeds, **4.2 million euros** in ensuring safety on the Tapa–Narva railway section, and **30 million euros** in the overhaul of the Aegviidu–Kehra I road.
- In 2023, Estonia, in cooperation with the other Baltic states, specified the possible results of **Rail Baltic** by the end of 2030 and the amount of necessary financial resources. The cost of **the first phase** of Rail Baltic has been pessimistically calculated at **3.1 billion euros** in the 2023 prices (instead of the current 1.8 billion euros in the 2017 prices). The main reasons for the increase in the estimated cost are inflation (an increase in construction prices of 40

per cent), the specification of the design solution and the fact that the construction of Rail Baltic in Estonia is mainly financed from the funds of the Connecting Europe Facility (with mandatory co-financing), but also partly from the Recovery and Resilience Facility and the European Social Fund, which makes the financing relatively unstable. Under the current European Union long-term budget period, the funds will be covered by construction contracts as early as 2025. This means that in order to achieve the 2030 target, **it will be necessary to find additional funds for the organisation of construction procurements on the section between Tootsi and Ikla from 2026.**

- **The basic budget for public transport** has been frozen from 2020, resulting in a budgetary deficit that **does not cover the public service obligations entered into.**
- **In order to ensure the competitiveness of aviation, additional funds are needed** for the operation of regional airports and investments for the renewal of infrastructure, membership fees of aviation organisations, as well as for the security and rescue costs of Tallinn Airport and to cover the increase in the volume of work of the aviation service of the Transport Administration.
- It is also important to ensure the **basic funding of the Estonian State Fleet**, which was created in 2023.

Detailed information on the implementation of the performance area can be found on the website at <https://kliimaministeerium.ee/ministeerium-kontakt-uidised/ministeeriumi-tutvustus/tegevuspohine-eelarve>

Table 19. Target levels of metrics in the transport performance area and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Decrease in the number of traffic fatalities by a half as an average of three years Source: Transport Administration	55	55	55	44	42	30
Decrease in the number of serious injuries in traffic by a half as an average of three years Source: Transport Administration	360	367	430	316	309	187
Reduction of CO₂ emissions from transport by 700 kt compared to 2018 Source: Ministry of the Environment	2357.73 kt CO ₂ eq ⁴⁵	2437.94 kt CO ₂ eq ⁴⁶	– ⁴⁷	2,243 kt CO ₂ eq	2,271 kt CO ₂ eq	1,700 kt CO ₂ eq
Number of Estonian flagged cargo and passenger ships (with gross tonnage of 500 or more) Source: Ministry of Economic Affairs and Communications	25	23	31	20	40	360
Increasing the proportion of rail freight transport in tonne-kilometres compared to road transport Source: Statistics Estonia	29%	22%	16%	23%	24%	40%

⁴⁵ from the 2022 inventory for 2020.

⁴⁶ from the 2023 inventory for 2021.

⁴⁷ Data for 2022 will be published in 2024.

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Increasing the number of year-round scheduled flights	32	33	44	25	45	40

Source: AS Tallinna Lennujaam

Table 20. Implementation of the budget of the transport performance area (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-504,196	-621,927	-766,460	-602,475	-887,448	-889,113

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.10 Energy

Objective of the performance area

Ensure that consumers have access to affordable energy supply, which is compliant with the long-term objectives of the EU energy and climate policy, while contributing to the improvement of Estonia's economic climate and environmental condition as well as to the growth of long-term competitiveness

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian economy is strong, innovative, and responsible

Development plan of the area

National Energy Sector Development Plan until 2030

Programme of the performance area

Energy and Mineral Resources Programme

Area of government related to the performance area

Area of government of the Ministry of Economic Affairs and Communications (until 30 June 2023)

Area of government of the Ministry of Climate (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- **Security of supply and energy security.** Estonia banned the import of pipeline gas from Russia from 1 January 2023. Gas consumption in 2023 was 3.42 terawatt-hours. Estonia has one terawatt-hour strategic gas reserve in the Latvian underground gas storage facility Inčukalns, which corresponds to approximately 29 per cent of the Estonian average gas consumption per year.
- In February 2024, a loading bucket was installed on the **Pakrineeme hauling quay**, which allows servicing various types of LNG floating terminals.
- **The accession of the Baltic states to the synchronous area of continental Europe is set to take place at the beginning of 2025.** The work to be carried out by Estonia as part of synchronisation

is on schedule. Two synchronous compensators are ready and the third one will be completed in June 2024.

- **So far, district heating price regulation has ensured the sustainable functioning of district heating systems** where the interests of consumers and service providers are balanced. The completed study 'Estonian transition to a carbon-neutral heating and cooling economy by 2050' provided the necessary additional baseline data for planning further activities. Shortcomings in the availability of data were highlighted, which will be corrected by further actions.
- **In renewable energy**, a larger under-supply of 780 gigawatt-hours per year was successful. The mechanisms of under-supply will continue in the future. The implementation of the Local Benefit Instrument started on 1 July 2023. According to it, the builders of wind power plants must pay a fee to the local government and local residents to encourage the production of renewable energy.
- The development of an overview of **renewable energy** development projects allows for better monitoring and speeding up of the procedures for renewable energy projects.
- Funding for **the joint offshore wind farm of Estonia-Latvia** and the movement of the 330-kilovolt network development of Saaremaa into the state planning phase has led to a major improvement in the development projects of offshore wind farms.
- **In 2023, Estonia reported to the European Commission that it met its energy efficiency targets.**
- **In the field of exploration and use of subsoil resources**, policies for the exploration and use of the earth's crust were formulated, field analyses were prepared, and the state's interest in the possible use of subsoil resources was defined. An important part of the activity was the integrated knowledge-based exploration of subsoil resources. In 2023, various pilot projects were prepared and launched. In Roosna-Alliku and Tiskre, drilling and construction work took place with boreholes about 500 metres deep.

- Planned complex **geological baseline mapping** and focused subsoil investigations were carried out. The best possible conditions for the exploration and storage of geological information were ensured and the public was informed about the opportunities, challenges and risks of the subsoil. Surveys related to the risk arising from the geological environment, surveys of water resources, surveys of groundwater quality, surveys of the status of bodies of groundwater, groundwater monitoring, seismic monitoring and radon monitoring were also carried out and such data was interpreted.

Challenges

- Successful synchronisation of the electricity system with the Central European network and related activities (ensuring manageable capacity, system operator services (frequency maintenance)) and electricity market design, which will help these activities to the market with a regulatory framework and create the necessary conditions for synchronisation. The Baltic system operators plan to start the market for frequency reserves in 2025. This will lead to the full interaction of the electricity networks of the Baltic States with the European electricity networks, which will ensure better long-term security of electricity supply and security for Estonia.
- **The potential for renewable electricity production in Estonia is more than necessary to cover domestic consumption one hundred per cent with renewable electricity, as is the goal set for 2030.** The challenges in the coming years will be accelerating network developments, market-based development of offshore wind farms, launching the market for storage technologies, speeding up permit procedures, creating or supplementing the necessary regulations. In the development of renewable energy, it is increasingly important to take into account social involvement (solving the problem of 'not in my backyard'), the removal of bureaucratic restrictions on development, the rules of sustainable finance and taxonomy when financing projects, and the balance of the natural environment.
- The conclusion of the network development principles for **the new external connections, maritime spatial planning, and Estonian-Latvian offshore wind farms**, as well as international agreements to ensure Estonia suitable conditions for the consumer community in the transition to a climate-neutral energy system.
- **The main challenge for district heating in the future will be the implementation of storage, environmental and waste heat, and low-temperature district heating** to achieve a climate-neutral heating and cooling economy. In 2024, the goal is to make the price regulation of district heating two-tariff based on the best practices of the Competition Authority so far. It aims to reduce parallel consumption of local and district heating to ensure a fairer distribution of infrastructure expenses between district heating consumers. As a result of the change, district heating losses will be reduced, peak load will decrease, the use of waste

heat will increase, and greenhouse gases will be reduced.

- The public sector has an increasingly important role to play in achieving the renewable energy targets set, as it must also lead by example in its own consumption choices. By setting the conditions for public procurement (incl. at local level), it is possible to create the necessary preconditions for increasing the share of renewable energy in both energy and transport (biomethane, hydrogen). The challenge is to change the traditional evaluation criteria and to take the necessary strategic decisions, which require a clear long-term vision of the development of the sector.
- The ministry responsible for implementing the Energy Efficiency Directive is the Ministry of Climate. With the reorganisation of the ministries, the responsible unit within the ministry has changed: from 1 July 2023, this role will be performed by the basic unit of the living environment and the circular economy. The biggest challenge is the horizontal implementation of energy efficiency measures across sectors and the increased contribution of the public sector. According to the study **'Support to the renovation wave - energy efficiency pathways and energy saving obligation in Estonia'**⁴⁸ prepared in 2023, in order to meet the energy consumption targets set for Estonia by 2030, the energy efficiency targets arising from the Energy Efficiency Directive will require a total of 13.3 billion euros to be contributed to energy efficiency measures in the building stock, transport, services, industry, and agriculture in Estonia until 2030, including five billion euros from public funding.
- In the field of **the earth's crust**, the biggest challenge is to increase the knowledge base in areas of subsoil resources with high economic potential, in particular in the exploration of critical mineral resources. The management of the subsoil resources is also an ongoing issue in a situation where the socio-economic situation is taken into account and the associated negative effects are mitigated. When directing the use of subsoil resources, it is necessary to ensure the highest possible added value of resources and the sustainable use of resources with minimal losses and waste, in accordance with the principles of the circular economy.
- **Coordinating the topic of resources needed in the context of the green transition, including keeping the focus on critical mineral and secondary raw material projects.** The aim is to achieve significant progress in the exploration and promotion of the exploitation of strategic or future mineral resources and other resources of the earth's crust, which will be solved by the introduction of a concession mechanism into the Earth's Crust Act.
- **Sustainable and at the same time economical use of construction minerals necessary for the construction of infrastructure objects.** The preparation and implementation of thematic plans for county construction minerals will continue in cooperation across ministries in order to reach compromises on the use of construction minerals and the interests of local governments.

⁴⁸ [Energy efficiency studies | Energy inventory.](#)

- **Maintaining dialogue in society – discussions with the local community, institutions, and developers on the exploitation of mineral resources involving all affected parties.**

Detailed information on the implementation of the performance area can be found on the website at <https://kliimaministeerium.ee/ministeerium-kontakt-uidised/ministeeriumi-tutvustus/tegevuspohine-eelarve>

Table 21. Target levels of metrics in the energy performance area and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024
Consumer access to affordable fuels and energy compliant with environmental requirements⁴⁹	ABB	ABA	ABA	ABB	ABB
Source: World Energy Council					

Table 22. Implementation of the budget of the energy performance area (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-180,415	-258,326	-216,420	-81,917	-80,658	-70,787

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.11 Digital society

Objective of the performance area

The best experience is guaranteed in the digital country, the ultrafast internet is available to all people who want it and our cyberspace is safe and reliable.

Strategic target of the ‘Estonia 2035’ strategy most relevant to the performance area

Estonia is an innovative, reliable, and people-centred country

Development plan of the area

Digital Society Development Plan 2030

Programme of the performance area

Digital society

Area of government related to the performance area

Area of government of the Ministry of Economic Affairs and Communications

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The success of **the digital state** is measured by satisfaction with public digital services. Satisfaction with services was high in 2023 – at 83 per cent. The goal is to further increase satisfaction through various activities. To make it easier to use public services, at the end of 2022, information services of having a baby and getting married reached people as

the first proactive government services. In 2023, three proactive government services were added: the death of a loved one, fulfilling the defence obligation, and settling in Estonia. The established proactive government services have been well received by users, including more than half (53 per cent, i.e. about 6,800) of marriage applications were submitted on the population register portal. In 2023, the information service about having a baby was visited 70,911 times. The proactive government services aim to provide them to the user as a single, seamless service, proactively where possible, and with a maximum of one click. In addition to life event services, the state was also engaged in the development of business event services as part of the entrepreneurial environment programme in order to make it easy for Estonian entrepreneurs to use digital services.

- A new solution and basic infrastructure for a supranational computer workstation were built, and the computer workstation services of several institutions were consolidated into the state’s information and communication technology centre. In 2023, the development of a public cloud strategy and the implementation of the marketplace concept began. Activities were also started to upgrade the hardware platform of the data embassy and create a European shoulder for the national cloud. Crisis and fatality resistance increased, a 24/7 crisis manager’s capability was created, and three major exercises were conducted.
- According to the **cyber security** metric, people’s trust in public e-services has decreased compared to last year, but remains high (91.5 per cent). The

⁴⁹ World Energy Council Energy Trilemma Index 2021 Country rankings <https://trilemma.worldenergy.org/>.

Each letter of the index expresses the grade given to the state in the corresponding category. The first letter describes the state of energy security in the country, the second the availability and affordability of energy, and the third the environmental impact of energy. The letter A describes the result from a position among the top 25 per cent of countries – that is, the best result in all categories would be expressed in the form of AAA. The worst result is expressed by the letter D from the position among the last quarter of countries.

biggest drivers of trust include the overall changed security situation in the world, data breach incidents, and the increase in frequency of cyberattacks against Estonian infrastructure and web services. As users become increasingly aware and wary of cyber security threats and risks, some mistrust is also to be expected. The positive thing is to consistently keep trust above 90 per cent. Despite changes in the security situation and cyberattacks, the Estonian e-services functioned without more serious disruptions and the overall continuity of operations was improved. For 2023, the Government of the Republic allocated additionally 42 million euros, from which the basic needs for ensuring cyber security were primarily covered: the construction of duplicative locations, the reduction of threats arising from the heritage software, the improvement of monitoring, and the creation of security testing capabilities, based on the results of which the security of information systems can be increased.

- A mapping of the cyber security maturity level of ministries, constitutional institutes, and major local governments was carried out. It helped to analyse the current situation, highlighted the capability gaps to pay attention to in the updated cyber security strategy, while in turn assessing future development trends and resource needs. Compared to the evaluation of the 2022 maturity model, cyber security awareness in organisations and ordering secure software improved, and the share of the heritage software was reduced.
- Across the European Union, a cyber security index has recently been developed that measures cyber security from four angles: legislation, cyber capabilities, investment, and the ability of different sectors to handle incidents. According to this, in 2023, the Estonian cyber security index was higher than the European Union average.
- Improving **connectivity** is on an upward trend and requires continuous action. By the end of 2023, a total of 80 per cent of Estonian businesses and households had the possibility to connect to very high-capacity networks. This was supported by the 2023 5G frequency competition in the 26 gigahertz frequency band, which gave all three Estonian 5G frequency bands harmonised across the European Union to mobile operators. In 2023, the support measure for the construction of access networks, which began in 2017 and was implemented by Enefit Connect, ended. In 2023, more than 17,000 addresses

received the opportunity to connect to the light cable network (in total, the project volume was 40,016 addresses across Estonia).

Challenges

- In order to bring about digital transformation in a high-quality way across the public sector, a stable funding model needs to be found that enables long-term investment and the continuous development and maintenance of technological solutions.
- **Improving data management in public sector organisations.** In order to define agreed objectives and responsibilities, it is necessary to develop data-related operational models in public authorities. In order to make data-driven decisions and provide more customer-centred services, it is necessary to introduce service-based and customer-centred management and enable the wider use of private and public sector data.
- **Finding technical solutions,** including to increase the **reuse** of components and API (Application Programming Interface) services in the state. The development and management of similar services will be streamlined to reduce duplication and enhance the use of resources.
- **Development of future-proof services,** such as a mobile-based platform for state services and electronic identity. In addition, the focus must be on introducing AI-based and environmentally friendly solutions to ensure the continuous development and adaptability of the digital state to future technologies and requirements.
- **An important challenge for the industry is to ensure cyber security.** To this end, the resilience, durability, and crisis resilience of the ICT infrastructure and information systems need to be increased in the wider context of national defence. Permanent additional funding must be provided to develop the state's core cyber security capabilities and improve cyber security. In order to ensure the continuity of services that are important for the state and the population, critical infrastructure and the security of state communications must be increased.

Detailed information on the implementation of the performance area can be found on the website at <https://www.mkm.ee/ministeerium-uudised-ja-kontakt/strateegiline-juhtimine/tegevuspohine-riigieelarve>

Table 23. Target levels of metrics in the performance area of digital society and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Satisfaction with public digital services	69%	80%	83%	82%	83%	90%
Source: Ministry of Economic Affairs and Communications						
Estonian residents feel safe online and trust the e-state: proportion of those who refrained from communicating electronically with the public sector or a service provider for the purpose of avoiding a security risk⁵⁰	–	4.7%	8.5%	– ⁵¹	4.5%	–

⁵⁰ The level for 2021 is not provided because a new metric was planned to be developed and no data was collected in 2021.

⁵¹ The 2023 target was not set as the metric was under development.

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Source: Statistics Estonia						
Percentage of households and businesses in Estonia with access to at least 100 Mbps internet, which can be increased up to 1 Gbit/s	73.4% ⁵²	74.6%	80%	62% ⁵³	77%	-
Source: Consumer Protection and Technical Regulatory Authority						

Table 24. Implementation of the budget of the performance area of digital society (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-64,126	-124,077	-111,830	-90,795	-150,225	-141,219

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.12 Effective state

Objective of the performance area

Unified and effective governance that takes the needs of the population into account.

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia is an innovative, reliable, and people-centred country

Development plan of the area

No development plan has been prepared for the performance area.

Programmes of the performance area

Programme to support the activities of the Government of the Republic and the Prime Minister

Public finance programme

Administrative policy programme

Regional policy programme

Financial policy programme

Archiving programme

Areas of government related to the performance area

Government Office

Area of government of the Ministry of Finance

Area of government of the Ministry of Education and Research

Area of government of the Ministry of Regional Affairs and Agriculture (from 1 July 2023)

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The preparatory period for the 2021–2027 Operational Programme for Cohesion Policy for regional funding came to an end in 2023. In 2023, most calls for applications for new regional measures were opened, with a total budget of 186 million euros. In the period of 2024–2027, the call for applications will be opened in the amount of 62 million euros.
- In the field of spatial planning, amendments to the Planning Act allowing faster development of buildings and wind farms important to the state and amendments to the Weapons Act allowing faster development of training areas entered into force in 2023. For the further development of the field of spatial planning, the intention to develop the Planning Act and its basic research were drawn up. In addition, 15 per cent of the plans in force in Estonia were digitised into a central database of plans. The project will continue from 2024–2026 in order to digitise all existing plans.
- With the 2023 coalition agreement, the government made the impact of increasing the regional balance of the national business support one of its priorities. It has been agreed that at least 40 per cent of business support for business development and greening under the 2021–2027 Operational Programme for Structural Funds must reach outside the regions of Tallinn and Tartu.
- In the area of public finances, rating agencies' estimates have fallen by a notch compared to the previous year, which is due to one and a half per cent of the general government sector deficit last year. At

⁵² Adjusted value for changes in methodology compared to the programme (was 58 per cent).

⁵³ Target level presented in the 2023–2026 programme according to the former methodology.

the same time, strong governance, strong institutions with membership of the European Union and the euro area, continued sound fiscal policies, combined with low debt burden, and a net lender position will help to guide the Estonian economy back to growth in the near future.

- Tax receipts were seven per cent higher than in the previous year, but remained lower than expected. The budget forecast was fulfilled by 99 per cent. Personal income tax (151 million euros), corporate income tax (117 million euros), and excise duty on alcohol (3.3 million euros) were received more than expected. Less was received from VAT (288 million euros), excise duty on tobacco (22 million euros), social tax (21.7 million euros), and excise duty on fuel (18 million euros).
- The stability (predictability) of tax policy was at a good level, as there were no high-impact tax changes. However, a number of tax changes with a smaller impact entered into force: tax-free income and excise duty on tobacco increased, VAT was increased from 20 per cent to 22 per cent, and platform operators were obliged to disclose information about the income they earned.
- In the field of administrative policy, an analysis of the state reform was published, studies were prepared on roles and attitudes in the public sector and on the operating models of information and communication technology development services of ministries, as well as salaries and wages surveys in different sectors. In the field of public procurement, the principles of value-based public procurement were prepared. Two stateone-stop-shops were opened, in Pärnu and Valga.
- Statistics Estonia's priority activities in cooperation with the agencies were to support the description of databases, in addition to supplementing and updating the harmonised and mandatory composition of statistics in the European Union in order to bring them more in line with the social and economic environment that has changed in recent years and to assess the effectiveness of green transition activities, changes in the European labour market and population. In addition, Estonian positions were drawn up on draft regulations amending the European Statistics Regulation, the Regulation on European Population and Housing Statistics, and the Regulation on Labour Market Statistics for Enterprises.
- In the area of financial policy, European sustainability reporting standards are being transposed, discussions on European Union directives setting renewed capital requirements for banks are ongoing or have ended. A crisis management framework and other measures were published to ensure higher deposit security in an unstable economic situation. The share of financial and insurance activities in the added value of GDP has increased to six per cent compared to last year (4.6 per cent). The Estonian banking sector remains strong and is ready to support Estonian entrepreneurs and households.
- In order to increase preparedness for national defence and civilian crises in Estonia, a draft civil crisis and national defence law will be prepared, which will create a single legal space instead of the current situation of crises fragmented between the

National Defence Act, the State of Emergency Act, and the Emergency Act.

- A broad investment plan for national defence and civil protection was drawn up. An action plan on civil protection was completed, which will form the basis for a number of follow-up actions.
- In archival work, an intermediate finish was reached in 2023 with several central developments. A new public interface of the archive information system was opened, and the role of the public access system for photographs, films, and audio was taken over by the Media Library. The film heritage streaming platform Arkaader was also developed, with a timeline of films and an English section. These developments were well received by the archive users.
- The progress in large-scale digitisation projects was thriving. From 2018–2023, the National Archives of Estonia led a total of seven mass digitisation projects, as part of which 6.6 million frames of document heritage from 22 different memory institutions were digitised, in addition to 245 hours of films and 167 thousand photo negatives. As a result of the projects, a large number of hitherto unknown cultural heritage reached the public. Digitisation provides an opportunity for new developments, the biggest new public good of which is provided by the streaming platform Arkaader.

Challenges

- The willingness of local governments to keep up with the challenges arising from the development of society and the state. Urbanisation, shrinking and ageing of the working-age population, and the green transition have resulted in lower tax revenue across regions, unequal and difficult provision of services, a higher environmental burden due to sprawl, and higher per capita expenses for the provision of services and infrastructure maintenance.
- Following the administrative-territorial reform, the decision-making powers of local governments are increased. To this end, the state transfers additional tasks to the local level and thereby increases the revenue base of local governments.
- Given the small size of Estonian territory, regional differences within Estonia are large in comparison with the rest of the European Union and OECD countries.
- Measures to mitigate the effects of the pandemic crisis and the war started by Russia have led to an unprecedented budgetary deficit. Reducing the deficit and returning to a fiscally sustainable path is essential for achieving the state's longer-term goals.
- A continuing problem in staff policy is the trend of demographic decline and ageing of the population, including those of working age, and various crisis situations. According to the population forecast, the working-age population will decrease by about six per cent by 2040. At the same time, the number of the general government sector employees has increased by almost 1,440 people in the last decade. The general government sector accounted for 16 per cent of the working-age population in 2022 and nine per cent of employment.
- 2023 continued in the light of the sanctions imposed on the Russian Federation. In terms of Russia, three

additional sanctions packages were adopted, all of which included additional commodity sanctions. Sanction inspections account for about half of customs inspections, and sanction circumvention schemes have become more complex and inspections more protracted.

- In the area of financial policy, the challenge in the coming years will be how to develop European and Estonian capital markets. For Europe to develop and be able to finance its green ambitions, digitisation, innovation, and defence needs, a lot of money is needed for investments. It cannot be served solely by bank loans and national budgets – it is necessary to promote European capital markets. Much of this work and development is taking place at European

Union level, but it needs to be transposed into Estonian law.

- The need to modernise the archival rules in order to support the simplest and most automated transfer of digital materials to the archives, which would help to reduce the administrative burden on institutions in the field of archival activities.

Detailed information on the implementation of the performance area can be found on the websites at

- [About the ministry | Ministry of Finance \(fin.ee\)](#)
- [Strategic reference documents and programmes | Ministry of Education and Research \(hm.ee\)](#)
- [Economic and staff information | Government Office](#)
- [Strategic reference documents | Ministry of Regional Affairs and Agriculture \(agri.ee\)](#)

Table 25. Target levels of metrics in the performance area of effective state and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Proportion of the general government sector expenditure of GDP (not increasing) Source: Eurostat	41.9%	39.8%	43.5%	42.9%	41.9%	39%
Proportion of the general government sector employees in the working-age population aged 20–64 Source: Ministry of Finance	15.6%	15.7%	Data will be available later	15.2%	15.2%	15.2%
GDP per capita generated outside Harju County of the European Union average Source: Statistics Estonia	64.4%	–	Data will be available later	> 66%	> 67%	≥ 67%

Table 26. Implementation of the budget of the performance area of effective state (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-303,863	-409,900	-468,783	-444,779	-574,543	-652,607

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.13 State governed by the rule of law

Objective of the performance area

Legally certain, well-functioning country with a low crime rate and a high-quality justice system

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia is an innovative, reliable, and people-centred country

Development plans of the area

Basic Principles for Legislative Policy until 2030

General Principles for Criminal Policy until 2030

Development Plan of Courts of First and Second Instance 2020–2023

Programme of the performance area

Reliable and effective legal space

Areas of government related to the performance area

Area of government of the Ministry of Justice

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The Ministry of Justice focused on creating a clear and integrated legal space where people's fundamental rights are guaranteed and protected, the state functions transparently and efficiently, and the crime rate is low.

- The digitalisation of the legal framework continued to make policy-making data-driven and access to digital legal services and legal procedures user-friendly. High-quality legislation improves the competitiveness of the state and supports the general functioning of society. Rules that take account of innovation and ensure flexibility reduce bureaucracy, save time and money, and promote economic activities.
- Amendments to the Commercial Register Act entered into force, the purpose of which is to simplify and harmonise the registration procedure for all legal persons; among other things, the requirement for a minimum share capital of a private limited company was abolished, the supervisory possibilities of the registrar were expanded, and the turnover security of transactions with the shares of the private limited company was increased. The insolvency service was launched with the aim of determining whether the causes of insolvency of the debtor may be illegal and increasing the level of payments to creditors in bankruptcy proceedings. Taken together, these changes in the law will help to create a more reliable business environment and simplify the activities of entrepreneurs.
- Work to improve the quality of legal education continued and a succession programme for legislative lawyers was started.
- The modernisation and improvement of the judicial system continued. High-quality justice must be available across the state, but in order to ensure this, trials must become more flexible and less burdensome for the parties to the proceedings. The specialisation of judges, the further centralisation of support services, as well as the further development of digital solutions are important in the work of the judicial authority. At the beginning of 2023, three draft laws on the judiciary were adopted, which provided for the formation of departments in county courts for the better organisation and specialisation of judges and their support staff, in addition to moving to paperless court proceedings in civil and administrative matters. For example, prisoners will be able to submit documents to the court and examine the court file in a public e-file. The cross-service of procedural documents through the service portal has continued successfully, and the data and analysis environment of the justice system was introduced in the courts. In cooperation with the courts, a website called 'The Guardian's Guide' was created, which provides explanations and assistance to guardians in the performance of their duties.
- Developments in various information systems (e-file, commercial register, *Riigi Teataja*, enforcement register, court information system, data and analysis environment of the justice system) continued. The introduction of information technology tools will contribute to the efficiency of criminal proceedings, the creation of a competitive business environment, the digitisation and modernisation of the prison service, and the work processes of the courts. It is also important for high-quality policy decisions. In prisons, inmates received tablets for use, through which they can communicate with the courts and use the e-shop service. In 2024, there will be an opportunity to start making video calls with loved ones, and probationers will be able to start meeting with their probation officer through the probation portal. In 2023, the prison service has set up data-

driven governance tables to make the necessary information easily accessible.

- Work continued to make the criminal justice system efficient, incl. digital, fast, independent, and victim-friendly. Regular wastewater surveys for drug monitoring continued to show trends and patterns in the use of narcotic drugs and psychotropic substances. Several important analyses were carried out that served as input to changes in the law, such as proposals to make criminal proceedings faster and more economical and the compliance of offences against sexual self-determination with the Istanbul Convention. Draft acts were submitted to the *Riigikogu* to criminalise incitement to hatred and to protect the whistleblower.
- Attention was focused on reducing the recidivism rate and preventing crimes committed because of addictions and other mental health disorders. In 2023, the project to protect victims of crime ended successfully. The Ministry of Justice, the Police and Border Guard Board, the Social Insurance Board, the health sector, and other stakeholders jointly developed special tools to assess the needs of victims of crime, transfer from one service to another, and better inform victims. The processes were also refined to ensure protection for victims of crime and to provide them with better support.

Challenges

- In the coming years, the digitisation of the legal framework will continue. In order to ensure the digital availability of the necessary information and the exchange of data, existing working environments will be improved and new ones will be introduced. In designing citizen-centred services, it is necessary to make access to digital legal services and procedures more user-friendly, and to create more simple and accessible ways to help. In addition to digitisation and citizen-centred services, the priority of the Ministry of Justice is to create a competitive business environment and improve the efficiency of court proceedings. Ongoing efforts to enhance criminal law and improve the quality of legal education to ensure the succession of regulated legal professions, the quality of legal education, and the sustainable development of law.
- We are preparing changes to the judicial administration that will give the judiciary more responsibility and decision-making power for its administration and development. There are also plans to modernise the judicial profession, which will increase the interest of capable lawyers in the profession. In addition, the aim is to improve access to legal aid for those who are financially prevented from doing so, and to support the development of the civil enforcement sector by launching an enforcement register and resolving legal bottlenecks.
- It is important to keep children and young people out of the criminal justice system and reduce the number of offences they commit. To this end, it is necessary to respond to offences in a way that takes into account the risks, needs, and opportunities of young people. The approach of the youth-friendly justice system project, which has proven itself on minors, must be extended to young people up to the age of 29.
- The main challenges of the prison service in 2024 are the transfer of medical services in prisons to health care providers, the liquidation of Eesti Vanglatööstus AS, and the establishment of the Tallinn Prison Entrepreneurship Centre. The aim is to provide

prisoners with more effective and broad-based employment, especially in situations where sentences are increasingly shorter. The decrease in the number of prisoners is also the reason why Tartu Prison will be partially closed from mid-2024. In the future, it will remain a place of detention for regional prisoners and will continue to provide detention services.

- In 2024, Transposition and implementation of European Union law will continue to form a large part of the activities of the ministry.

Detailed information on the implementation of the performance area can be found on the website at <https://www.just.ee/strateegilised-alusdokumendid>

Table 27. Target levels of metrics in the performance area of state governed by the rule of law and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Rank in the Freedom in the World ranking Source: https://freedomhouse.org/country/estonia/freedom-world/2023	Status 'free'	Status 'free'	Status 'free'	Status 'free'	Status 'free'	-
Position of Estonia's competitiveness Source: World Economic Forum	26	22	26	27	-	Change in economic target C
Number of people who feel safe in their neighbourhood after dark Source: Ministry of Justice	75%	71%	70%	> 79%	> 76%	Change in the (human) target C for public sustainability, health, and social protection
World Justice Project Rule of Law Index	0.81	0.82	0.82	0.81	0.81	Change in the target B for governance concerning 'Estonia 2035'
Estonian position in the international rule of law index in the subcategory of the criminal justice system	15	10	9	< 15	< 15	Change in the (human) target C for public sustainability, health, and social protection concerning 'Estonia 2035'

Table 28. Implementation of the budget of the performance area of state governed by the rule of law (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-187,146	-222,132	-233,757	-212,311	-218,265	-215,223

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.14 Internal security

Objective of the performance area

Estonian people feel that they live in a free and safe society where everyone's value, involvement and contribution to the security of the community build one of the safest countries in Europe. The living environment is being improved, threat to life, health, property and the constitutional order is being reduced, and prompt and expert assistance is being ensured

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia has a safe, secure and high-quality living environment that meets the needs of all

Development plan of the area

Internal Security Development Plan 2020–2030

Programme of the performance area

Internal security programme

Area of government related to the performance area

Area of government of the Ministry of the Interior

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- **In 2022, a total of 90 per cent of people considered Estonia a safe country.** The next results will be available in the summer of 2024. People's confidence in Estonian security in 2023 is demonstrated by a relatively small proportion of the population who consider crime (one per cent), terrorism (one per cent) or immigration (nine per cent) to be the state's main concerns.
- **Confidence in the internal security institutions has increased.** The Police and Border Guard Board

was trusted by 88 per cent, the Rescue Board by 97 per cent, and the Emergency Response Centre by 96 per cent of Estonian residents. This facilitates the work of the responding institutions, but in order to ensure sufficient and motivated staff, it is necessary to have **worthy remuneration and sufficient training**. This was helped by the growth of the wage fund of the area of government of the Ministry of the Interior by more than 20 per cent in 2023, i.e. more than 50 million euros. The average salaries and wages of rescuers rose 33 per cent, patrol police officers 14 per cent, border guards 16 per cent, and rescue organisers 27 per cent. The number of police training places was also increased.

- **Population protection and crisis preparedness were improved.** In 2023, the national threat notification system EE-ALARM was introduced, the crisis information service was developed, preparations were made for the installation of a nationwide network of threat sirens, an application round was created for cooperatives to improve the shelter resistance of basements, an application round was conducted to increase the crisis preparedness of local governments, various series of training sessions for state institutions, local governments, educational institutions, and residents took place, and a system of assistant police officers with a crisis role was launched.
- The Government of the Republic agreed on **the development objectives for population protection for the next ten years**. The Action Plan for Civil Protection for 2024–2027 will receive 31 million euros from the state budget, of which ten million will be spent on activities in the area of government of the Ministry of the Interior.
- **On the eastern border, construction work continued.** The second 39.5-kilometre section of the land border infrastructure was completed, and work started on the first 23.5-kilometre section to install surveillance equipment. Development activities for the establishment of monitoring positions on the Narva river border continued.
- **In order to make migration surveillance** more effective, a migration monitoring database was introduced, which will make surveillance clearer, faster, and more effective.
- **In order to increase internal security**, regulations were strengthened to limit the Russian war propaganda, disinformation, and hostile influence activities in Estonia and the European Union in general. The removal of Soviet monuments and occupation symbols from Estonian public space was also continued. Several foreign citizens were expelled from Estonia who posed a threat to Estonian security. The state developed the mandate and capability to identify and counter security threats related to foreign investment from third countries. In cooperation with online entrepreneurs, extremist content was removed and online security was increased. The state of radicalisation prevention in the Estonian public sector was mapped. Security crisis response capacities, and cross-agency and international cooperation were strengthened.

Challenges

- The sustainable and high-quality provision of the internal security services is increasingly complex – the number of security providers has decreased over the past 13 years, but expectations have increased. **To ensure a sufficient number of staff and training in internal security and internal security agencies,**

including the provision of motivating and competitive salaries and wages, will continue to require efforts. The adequacy of staff and their training is key to responsiveness and to coping with and preventing various threats, accidents, and crises.

- **Improving crisis preparedness, including enhancing civil protection.** Due to changes in the security environment, expectations of crisis preparedness have increased significantly in recent years. Additional funds have been allocated to crisis preparedness and civil protection, but solid permanent funding is needed and cuts in basic services must be avoided. In the coming years, crisis management will be improved at the national, municipal, community, and people level. Everyone has a role to play in a crisis, and each agency must be prepared to manage crises in its field skilfully.
- **In order to be prepared for crises, it is important to develop the field of situational awareness.** The SitRep environment will be developed and its operational reliability will be increased to ensure the usability of the environment in any crisis situation, given the significantly increased number of users. In addition, analytical capabilities are being developed to produce forecasts and a unified threat picture. **The continuity of the area of government of the Ministry of the Interior** in providing critical services in a crisis situation will be increased. **In order to solve crises, volunteers are involved** in civil protection and volunteers with a crisis role are dealt with.
- In order to develop civil protection, it is important **to increase crisis awareness and independent preparedness of the population**. Prerequisites are created so that every resident can do better in a crisis, know their role and know how to make their home more crisis-proof. For this purpose, information activities, training, risk communication, exercises, citizens' initiatives, and apartment associations are supported. **In order to increase the local government level crisis capacity**, local governments are advised, trained, crisis exercises carried out, and supported. A support measure will be created to improve the crisis preparedness of local governments and a transparent and comparable development of the crisis preparedness of local governments will be ensured. **A nationwide rapid and comprehensive threat notification system for residents** will be developed, including sirens, SMS notifications, and other channels. **The continuity of the services of the Rescue Board will be increased.** As far as possible, all capabilities will be developed at the same time so that the Rescue Board would be able to deal with rescue and demining works, threat notification and crisis communication, large-scale evacuation, sheltering and support for local governments in a crisis situation.
- **Completing the construction of the eastern border in full.** A better protected border helps to increase security, prevent illegal migration, human trafficking, cross-border crime, and smuggling. This is a landmark and important step for Europe's security, as it will make the entire Schengen area even safer than it has been so far. In addition to the land border infrastructure, it is necessary to equip the entire eastern border with modern technical surveillance systems, including the development of drone surveillance and control capabilities – there are currently no funding decisions for all additional needs.

- **The implementation of a migration policy that supports the development of Estonia and, on the other hand, mitigates security threats, and implements the reform of the asylum and migration management acquis in the European Union.** To this end, the prevention and deterrence of the misuse of migration will be enhanced and the necessary information systems will be developed.
 - **The challenging security situation, including Russia's aggressive foreign policy ambitions and the non-military and military, as well as overt and covert means used to achieve them, require higher expectations to strengthen internal security. Internal security is strengthened by preventing and hindering the activities of hostile special services in Estonia and ensuring the supervision of sanctions imposed on the Russian Federation.**
 - **Increasing the ability to locate, seize, and confiscate criminal assets so that crime does not pay off in Estonia.** The profitability of serious and organised crime in Estonia can reach an average of 458 million euros per year. A comparison of the estimated proceeds of crime with the extent of confiscated property does not currently show a decrease in the profitability of crime, and in such a situation, the threat of crime may become a more serious problem in the future.
 - **Creating better conditions for effective prevention.** Damage to life, health, and property has not decreased to the desired extent in recent years. In order to improve the situation, conditions are created for planning, implementing, and evaluating the results of effective prevention activities. The activities of the Prevention Council and the Scientific Council for Prevention will be stepped up and a cross-cutting prevention action plan will be implemented. This includes the continuation of targeted prevention activities and the wider use of effective prevention activities. In addition, the private sector will be more involved in increasing people's sense of responsibility and expanding the spread of safety messages. For example, with the help of the private sector, it is planned to increase the number of fire-safe buildings and to make prevention messages more effective.
- Detailed information on the implementation of the performance area can be found on the website at www.siseministeerium.ee/stak2030

Table 29. Target levels of metrics in the performance area of internal security and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Proportion of people who consider Estonia to be a safe country Source: Ministry of the Interior, public poll on internal security	-	90%	-	≥ 94%	≥ 94%	≥ 94%
Proportion of residents involved in ensuring internal security Source: Ministry of the Interior, public poll on internal security	-	27%	-	≥ 20%	≥ 25%	-
Number of deaths from injury⁵⁴ Source: Statistics Estonia	796	825	⁵⁵	< 650	< 640	-
Proportion of residents who consider the main concern of the state to be:						
- crime	1%	1%	1%	≤ 3%	≤ 3%	-
- immigration	8%	10%	9%	≤ 12%	≤ 12%	
- terrorism	0%	1%	1%	≤ 1%	≤ 1%	
Source: Standard Eurobarometer						
Reliability of internal security authorities:						
- Police and Border Guard Board	86%	84%	88%	≥ 89%	≥ 89%	-
- Rescue Board	95%	93%	97%	≥ 97%	≥ 97%	
- Emergency Response Centre	94%	93%	96%	≥ 94%	≥ 94%	
Source: Reliability study of market research institutions						

⁵⁴ The document 'Internal Security Development Plan 2020–2030' and its 'Internal Security' programme have a direct impact on the number of drownings and deaths from fire, vehicle accidents, homicides and murders, and drug overdoses, but will also have an indirect impact on other causes of death, such as suicides, falls, and frostbite. Therefore, the overall objective is to report injury mortality for all types of injury deaths. The metric is mentioned as one of the prerequisites for achieving the metrics of the Population Health Development Plan 2020–2030. The Ministry of Social Affairs has also been the overall coordinator for injury prevention since 2015. Measures to reduce the number of road fatalities are set out in the Road Safety Programme.

⁵⁵ Data is available in June 2024.

Table 30. Implementation of the budget of the performance area of internal security (in thousands of euros)

	Implement- ation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implemen- tation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-474,019	-527,107	-576,116	-512,029	-492,365	-495,180

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.15 Foreign policy

Objective of the performance area

Preservation of the Estonian nationality, language and culture through the ages, the security of the independence and autonomy of the Republic of Estonia in international relations; growth of welfare in Estonia and protection of the Estonian community abroad; Estonia's growing contribution to global sustainable development

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonia is an innovative, reliable, and people-centred country

Development plan of the area

Foreign Policy Development Plan 2030

Programme of the performance area

Development cooperation and humanitarian aid programme

Area of government related to the performance area

Area of government of the Ministry of Foreign Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- By the beginning of 2024, Estonia's defence spending was increased. The European Commission adopted a strategy of defence industry, and intensive discussions took place on the sources of common funding for security and defence in the European Union. Estonia's initiative to annually allocate 0.25 per cent of GDP for military aid to Ukraine received international attention.
- Estonia's foreign policy continued to emphasise support for Ukraine, raising the price of Russian aggression and restricting freedom of action. At the same time, however, there was a sense of growing opposition and fatigue on the international scene. The creation of a special tribunal for aggression was not widely supported. This was seen as a continuous process. Estonia's contribution helped to make progress in legalising the use of Russia's frozen assets for Ukraine. The Estonian initiative to send a million projectiles to Ukraine which characterised the need to develop the European defence industry attracted attention.
- In Estonia, the Fit for Freedom initiative was launched in 2023. The programme stressed the need to link human rights and freedoms to security and stability, to play an active role in international organisations promoting democratic values, and to restore the credibility of the UN and use its 'soft' security capabilities. Estonia explained to the

countries of other regions the vision of the democratic world – the European Union and NATO – of what is happening in the world and the region, both in the context of political consultations and business diplomacy.

Challenges

- **Supporting Ukraine in resisting Russian aggression.** The economy of Russia allows the war of attrition against Ukraine to continue. The Kremlin believes that time is working in their favour, Ukraine's motivation and resources are dwindling, and the West is tiring. Support for Ukraine focused on the perception that the steps needed to suppress Russia would be exhausting and force Russia to abandon its objectives. Estonia will continue to provide military and economic assistance to Ukraine and to support Ukraine's reconstruction, the implementation of trade measures, cyber-defence capacity building, Ukraine's accession to the European Union and NATO, and the peace plan by President Zelensky.
- **Pressurising Russia and restricting its freedom of action in the offensive against Ukraine and the democratic world.** Russia's leadership has shown that the objectives have not changed. The Kremlin wants to punish Ukraine, seize the country or part of its territory, stop NATO's 'open-door policy', and achieve the withdrawal of the organisation's military structure from Eastern Europe. Russia is at war for the right of the stronger, to be allowed to establish spheres of influence and shape the future world order in a way that does not follow the rules of the superpowers. Estonia's diplomacy is based on the principle that Ukraine must remain a state in its territorial integrity. The aggression must not become an accepted new reality. To this end, it must be ensured that the aggressor emerges from the conflict weaker than when it started the aggression and must compensate Ukraine for the damage caused. Pressure on Russia is a combination of three interlinked policies: sanctions, isolation, and the use of frozen assets to support Ukraine.
- **Strengthening Europe's defences and deepening cooperation in the Nordic-Baltic area, unity with allies and like-minded partners.** The pillars of Estonia's security and economic prosperity are its membership of NATO and the European Union, its close alliance with major Western powers, and the increasing integration of the Nordic-Baltic region in all fields. The historic step was Finland's accession to NATO on 4 April 2023. Sweden joined NATO on 7 March 2024. The accession of the two Nordic countries significantly strengthened security in the Baltic Sea region. Diplomatically, the Nordic-Baltic format allows Estonia to defend its common interests much better and to strengthen its deterrence and defence posture.

- **Safeguarding international standards, promoting democracy, state governed by the rule of law, and freedom.** One of the main global contradictions is the attitude towards rights, state governed by the rule of law, and respect for international rules in general. Violations of human rights and restrictions on freedoms at national level are often accompanied by less accountability for international rules. This is why it is important for Estonia to adhere to the founding principles of the European Union and to expand the European Union's area of values to the Western Balkans and the Eastern Partnership countries. In 2024, there will be elections to the European Parliament.
- **Coping with conflicts in a changing world.** The year 2023 is marked by fragility and fragmentation of the world order. The influence of multilateral institutions is declining. The emergence of groups such as the G7, G20, BRICS, QUAD, and SCO puts decision-making in the hands of the major powers. In particular, the interests of small countries, which are excluded from discussions and decision-making, will suffer. The fragility of the world order and the erosion of rules encourage revisionism on the part of the major powers, which can increase tensions in different regions of the world and lead to the outbreak of regional conflicts.
- **Neutralising the negative effects of economic slowdown, technological developments, and new interdependencies.** The Estonian economy fell by three per cent in 2023. Exports fell in all quarters as a result of declining external demand, the loss of Russian-oriented business models, and rising input

prices, leading to a loss of competitiveness and raising expectations for state support. The geopolitical vulnerability of the European Union countries is exacerbated by their dependence on fossil fuels, critical minerals, technology and investment from authoritarian countries, as well as unreliable electricity connections. In the area of credible connectivity, participation in summits and conferences increasingly provided business diplomacy opportunities for Estonian companies, in addition to the political component. In the field of cyber security and digital diplomacy, Estonia's experience is trusted to develop bilateral relations and cooperation. Climate diplomacy showcased the government's green reform decisions at international level.

- **Preserving and promoting Estonia's identity outside Estonia and contributing to national goals.** Maintaining and strengthening Estonian identity abroad involves challenges and targeted action. To this end, a unified Estonian information space was developed, the application for funding for various community projects was facilitated, and the Estonian language learning was supported. The activity helped to increase the motivation to learn the Estonian language in order to better reach out to young people with Estonian roots living abroad, develop a global Estonian business network, and value the heritage of foreign communities.

Detailed information on the implementation of the performance area can be found on the website at <https://www.vm.ee/ministeerium-riiklik-protokoll-press/eesti-valispoliitika-arengukava-2030>.

Table 31. Target levels of metrics in the performance area of foreign policy and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Regional security Source: Ministry of Foreign Affairs	Unstable	Unstable	Unstable	Stable	Stable	–
EU coherence / EU cohesion index (value)⁵⁶ Source: European Council on Foreign Relations	6.7	6.7	6.7 ⁵⁷	6.8	6.8	–
Estonia's position in the global competitiveness ranking of the World Economic Forum⁵⁸ Source: World Economic Forum	26	22	26 ⁵⁹	27	25	–
Estonia's presence and influence in the world (general position)⁶⁰ Source: Elcano Global Presence Report	86	84	84 ⁶¹	< 89	< 89	≤ 89%
Estonia's presence and influence in the world (position among countries with up to five million inhabitants) Source: Elcano Global Presence Report	11	11	11 ⁶²	< 11	< 11	–
Proportion of development cooperation in GNP Source: OECD	0.17%	0.54%	0.28%	0.23%	0.25%	–

⁵⁶ EU Cohesion Monitor [EU Cohesion Monitor | ECFR](#).

⁵⁷ Baseline data from 2019, related to the funding period of 2014–2020.

⁵⁸ Source amended compared to development plan. Source: [IMD/Competitiveness](#); data from Statistics Estonia (March 2024).

⁵⁹ Data from IMD (March 2024).

⁶⁰ Elcano also recalculates the results of previous periods when publishing each new report. The Foreign Policy Development Plan 2030 sets out the objectives to maintain Estonia's position at the level of 2018. For the sake of comparability, indicators and target levels based on the latest Elcano report are referenced, which may differ from the results referenced in previous documents.

⁶¹ Data of 2022 (150 countries).

⁶² Data of 2022

Table 32. Implementation of the budget of the performance area of foreign policy (in thousands of euros)

	Implement- ation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implemen- tation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-93,931	-120,223	-133,189	-113,306	-127,524	-123,913

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.16 Security and national defence

Objective of the performance area

Plausible deterrence against a military aggressor. Ability to resist an attack with the actions of the entire society. Rapid and effective implementation of collective defence and international crisis management, if necessary.

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian national defence is guaranteed by independent defence capability and collective defence, which is ensured by a strong will to defend

Development plans of the area

National Defence Development Plan 2022–2031

Programmes of the performance area

Military national defence and deterrence

Area of government related to the performance area

Area of government of the Ministry of Defence

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The continued Russia's aggression against Ukraine and Russia desire to dismantle existing European security principles will put Estonia in the most difficult security situation since the Second World War in the coming years. Estonian security is guaranteed by our strong independent defence capability, NATO membership, and the accompanying principle of collective defence. **Estonia significantly accelerated the development of its defence capabilities based on Russia's war against Ukraine.**
- **In 2023, Estonian defence spending amounted to 1.14 billion euros.** In the next four years, the expenditure of national defence will exceed three per cent of GDP, plus the expenses associated with the reception of allies.
- **At least 50 per cent of the funds allocated to defence expenditure go to defence procurements each year.** In 2023, weapon systems, equipment, and a large amount of ammunition were supplied. Of the procurements planned for 2024–2027, the most important are the procurement of ammunition and their storage infrastructure, new armoured vehicles, additional self-propelled artillery, HIMARS multiple rocket launchers, mortars, military wheeled vehicles, air surveillance radars, and mobile interconnection points.
- **In parallel, the training opportunities of the Defence Forces, the Defence League, and NATO allies were expanded.** The total area of the training areas increased by approximately 44 per cent and now stands at 38,555 hectares. Compensatory measures were implemented to compensate for the impact of the establishment of the training areas on local communities.
- Established at the end of 2022, the division's headquarters will participate in the U.S. Army's Warfighter programme, which will allow gaining experience in planning and conducting operations.
- In order to improve independent defence capabilities, intensive development of the local defence industry and the promotion of ammunition production began. In 2023, the development of new defence products was supported with half a million euros.
- **In order to strengthen Estonian defence capabilities, it was decided in 2023 to increase the wartime composition of the Defence Forces to 43,700 fighters,** including doubling the territorial defence to 20,000 fighters.
- In 2023, approximately 30,000 reservists and volunteers of the Defence League participated in exercises and reservist training.
- **Estonian residents' will to defend their country remains high. The proportion of residents who are ready to participate in defence activities if Estonia is attacked is 64 per cent.** Support for armed resistance increased to 83 per cent. 76 per cent of Estonian residents support raising or maintaining the level of defence spending.
- **At the Vilnius Summit, the heads of state of NATO member states approved new defence plans that set out NATO's collective defence activities in all domains of warfare.** In addition, at the summit, the ministers of defence of the three Baltic states signed a joint declaration on the establishment of NATO's Baltic air defence missions.
- In autumn 2023, Estonia and the United Kingdom signed a long-term defence cooperation agreement with the aim of aligning bilateral cooperation with NATO's new defence plans. In December 2023, Estonia and the U.S. signed Security Cooperation Plan for 2024–2028.
- **In April 2023, the defence cooperation agreement between Estonia and Ukraine was signed, which aims to effectively coordinate further joint actions.**
- Estonia, one of NATO's smallest countries, has been a **substantive leader** in helping Ukraine on behalf of the Western world and **in Ukraine's winning strategy.** From 2022–2023, Ukraine was supported

with 500 million euros, which is 1.4 per cent of Estonian GDP.

- Estonia was one of ten countries that joined the declaration to continue assisting Ukraine in January 2023. In March, the European Union's **Million Projectile Initiative for Ukraine** was launched, and in September, together with Luxembourg and Ukraine, **the IT coalition was launched to support the Ukraine Defence Forces in the cyber field.**
- **In the deteriorating security situation as a result of the attack on Ukraine, key allies significantly increased their presence and visibility in Estonia.** The strengthening of NATO's deterrence and defence posture in Estonia was supported in 2023 by Spain sending the National Advanced Surface-to-Air Missile System air defence unit rotation to Estonia. In addition, NATO decided to temporarily increase maritime patrols in the Baltic Sea region.
- Allies are increasingly contributing to the defence of NATO's eastern flank, including Estonian. **In the U.S. budget for 2023, 225 million dollars were allocated to the Baltic Sea Region Security Initiative, forming the largest U.S. security assistance package for the Baltic states to date.** Estonian part of it, according to preliminary estimates, is 68 million dollars.
- **Estonian defence investments have increased exponentially since Russia attacked Ukraine, and Estonia is acquiring significantly more and faster ever better armaments, ammunition, and equipment.** Increasingly, joint procurement with other NATO member states is being used to procure defence-related equipment.
- In the development of national defence human assets, the most important **decision of the Government of the Republic in 2023 was to change the duration of conscript service in parts to 12 months** in order to better prepare for the introduction of new military capabilities of Estonia. **In 2023, the growth target for active servicemen was not achieved.** Resignations from active duty decreased and recruitment to active duty achieved an all-time high. In order to reduce the need for active servicemen, it is planned to expand the possibilities for involving reservists, conscripts, and civil servants in the performance of the tasks of the Defence Forces.

- In 2023, national defence education was extended to all pupils of upper secondary schools and funding for members of the Kodutütred (Estonian girl scout organisation) and members of the scouts organisation Noored Kotkad (Eaglets) was increased to support the next generation of future national defence leaders.

Challenges

- **Helping Ukraine win.** The war in Ukraine determines transatlantic security for decades to come. The survival of a free Ukraine depends on the help of the free world, including the contribution of Estonia. **To achieve victory for Ukraine and defeat for Russia, it would be enough for Ukraine's supporters to allocate 0.25 per cent of their GDP per year to Ukraine's military aid.** If the will is there, it can be done and Estonia is ready to lead by example.
- **Russia's strategic objectives have not changed.** They continue to pose a threat to NATO. Russia may regain its military capability quickly, within a few years, after the end of the war in Ukraine.
- **Estonia has a serious challenge to do all it can, together with its NATO allies, to deter Russia sufficiently to prevent an attack.** This is why the rapid development of Estonia's national defence is essential.
- **There is a need to accelerate the development of military capabilities,** the acquisition of ammunition and other supplies, the development of infrastructure and training areas, the increase in training capacity, as well as the planned increase in the number of active servicemen.
- **The three per cent of GDP allocated to national defence is decreasing in the context of an economic downturn;** as a result, there are fewer funds available for national defence than are necessary for the implementation of the plans of the National Defence Development Plan.

Detailed information on the implementation of the performance area can be found on the website at <https://kaitseministeerium.ee/et/eesmargid-tegevused/kaitsevoime-areng>

Table 33. Target levels of metrics in the performance area of security and national defence and the actual performance⁶³

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024
Units are manned, equipped, trained in accordance with the decisions of the National Defence Development Plan Source: Ministry of Defence	Yes	Yes	Yes	Yes	Yes
Allied troops are permanently stationed in Estonia Source: Ministry of Defence	Yes	Yes	Yes	Yes	Yes
Level of military defence spending of GDP according to the NATO method Source: Ministry of Defence	2.06%	2.15%	2.92%	> 2.0%	> 3.0%

⁶³ No targets have been set for the performance area in the 'Estonia 2035' strategy.

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024
Readiness of residents to participate in defence activities if Estonia is attacked⁶⁴	57%	66%	64%	> 55%	> 66%
Source: Public poll survey					
Number of active servicemen at the end of the year (minimum)⁶⁵	3,459	3,335	3,514	3,623	3,656
Source: Ministry of Defence					

Table 34. Implementation of the budget of the performance area of security and national defence (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-616,630	-826,612	-955,190	-918,459	-1,016,578	-1,102,435

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.17 Culture and sports

Objective of the performance area

To shape a society that values creativity by preserving and promoting the Estonian national identity, researching, preserving and carrying cultural memory, and creating favourable conditions for the development of a viable, open and diverse cultural space and participation in culture

Physical activity and sports have an important and growing role in promoting the vitality of Estonians, creating a rich living environment, and shaping the good reputation of the Estonian state.

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian people are smart, active and care about their health

Development plans of the area

Cultural Development Plan 2021–2030

General Principles of Estonian Sports Policy until 2030

Programmes of the performance area

Cultural programme

Sports programme

Areas of government related to the performance area

Area of government of the Ministry of Culture

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- In order to increase the regional availability of participation in culture and the succession of future

professionals as well as an informed audience, a cultural heritage support measure has been implemented since 2022 to allow children and young people to visit cultural institutions or events as part of the study programme.

- In 2022, a population satisfaction survey with the services of local governments was conducted, according to which 63 per cent of all Estonian residents surveyed were satisfied with cultural leisure activities.
- In 2023, preparations for amending the Creative Persons and Artistic Associations Act continued.
- The Cultural Affairs Committee of the *Riigikogu* initiated the draft act amending the Cultural Endowment of Estonia Act and the Gambling Act. One of its objectives is to support the livelihoods of creative persons who make a significant contribution to Estonian culture with pay and the accompanying social guarantees. The second objective is, in addition to the list previously approved by the *Riigikogu*, the financing of additional culturally important construction objects.
- In order to harmonise and clarify the system of financing of theatres, the Performing Arts Institutions Act was amended. The 2024 operating grants were awarded on the basis of a number of innovations agreed with the field, such as multiannual contracts, viability of the budget, and more.
- The objective of the cash rebate fund of Film Estonia is to stimulate international film production projects coming to Estonia by repaying up to 30 per cent of the production costs incurred in Estonia. According to an analysis carried out in 2022, a total of 189 jobs were created in 2021 thanks to the cash rebate fund and 2.7 million euros in tax revenue was generated. For every euro invested with the support of the cash

⁶⁴ In 2023, the target levels of the metric 'Readiness of residents to participate in defence activities if Estonia is attacked' were changed from 2024. The previous target level of > 55 per cent was replaced by a target level of > 66 per cent from 2024, as the previous target level was not ambitious enough. The target level of > 55 per cent was already reached in 2020, and in 2022 and 2023 the actual level of the metric has been above 60 per cent.

⁶⁵ In 2023, the target levels of the metric 'Number of active servicemen at the end of the year (minimum)' were changed from 2024. The target level of the metric was adjusted based on the achieved level achieved so far and the predicted ability to increase the number of active servicemen and the ambition to reach the target level planned in the National Defence Development Plan by the end of 2027.

- rebate fund, five euros are brought into the Estonian economy.
- The Government of the Republic approved a proposal to further work on the regulation aimed at ensuring the diversity of streaming platforms and finding additional funds to support the Estonian audiovisual industry.
 - Further support for private media and the Estonian Public Broadcasting continued to bring Russian and English residents in Estonia to the common communication and information space. With the decision of the government, in 2023, the amount of one million euros was allocated for the creation of high-quality Russian-language journalistic content in private media channels, and two million euros for the development of Russian and English-language channels of the Estonian Public Broadcasting.
 - According to the cultural heritage awareness survey conducted for the first time in 2023, the indicator of the corresponding index, the heritage barometer, is 60 points (out of 100 points). It shows an aggregate assessment of how to participate in the inheritance, contribute to its preservation, and the impact of the legacy on attitudes and behaviour.
 - In order to preserve the tradition of the Estonian song and dance festival, a separate support measure for the conduct of county song and dance festivals was developed and launched.
 - In 2023, a total of 31,415 singers, dancers, and instrument players took part in the 13th Youth Song and Dance Festival 'Holy is the Land'. Nearly 90,000 people attended the festival. It was the first song and dance festival to use recyclable dishes.
 - As a first step in the planned reform of public libraries, the Library Accelerator support measure for the innovation of public libraries was launched. The aim of the accelerator is to support, with both knowledge and resources, the holistic development of public libraries as providers of public services. In 2023, the activities of 46 library projects were supported with a total of half a million euros, to which local governments added the same amount.
 - Estonia has cultural representatives in seven countries to create opportunities for Estonian cultural organisations and creative persons to internationalise and to support the fulfilment of Estonian foreign policy goals.
 - The Ministry of Culture, in cooperation with Estonian partner, has made it possible to implement cultural and sporting events that are important for the Ukraine creative sector with the help of an extraordinary Ukraine support fund. Under the leadership of the Ministry of Culture and in cooperation with the Estonian Centre for International Development and the Estonian Association of Architects, an architectural competition was held for family homes in the Zhytomyr province.
 - A measure to support the improvement of the energy efficiency of architectural monuments was developed, financed from the sale of CO₂ quotas. Over three years (2024–2026), the measure will provide a total of 24 million euros in support for buildings with a public function.
 - In addition, a measure was developed to switch to energy-saving lighting solutions for performance institutions in order to replace incandescent bulbs with LED lamps in the lighting of performance and rehearsal halls.
 - Preparations for the conditions and implementation of the measure for the development of creative industries for the 2023–2027 funding period of the European Union took place. The first call for applications is to provide support services to creative entrepreneurs. In addition, there was an opportunity to apply for support for increasing export capacity and implementing development plans.
 - To ensure the sustainability of Estonian cultural life and bring new innovative ideas to the cultural and creative sectors, half a million euros of support for creative research continued in 2023.
 - The piloting of the Estonian culture research and development programme for 2023–2026 in the total amount of 6.4 million euros was initiated. The first call for applications was carried out in 2023 in the amount of 1.3 million euros.
 - 2023 was the year of exercise, the aim of which was to increase the number of people engaged in regular exercise in Estonia. The project was led by SA Liikumisharrastuse kompetentsikeskus, which was established at the end of 2022. The aim of the year of movement was to bring to the public's attention everything that contributes to the promotion of the mindset and culture associated with exercise. According to a survey on exercise habits conducted at the end of 2023, a total of 44 per cent of residents were aware of the year of movement. Practicing recreational sports and exercise activities was considered very or quite important by 91 per cent of the population (88 per cent in 2022, respectively).
 - In 2023, a total of 272 medals – 69 gold, 81 silver, and 122 bronze – were won in 38 fields of sports at international championships. 34 medals (12.5 per cent) were won from competitions on the Olympic schedule. In 2023, international competitions included the Tallinn Ironman, Rally Estonia, Tallinn Marathon, and several other competitions, which were supported with 5.5 million euros.
 - In 2023, the Government of the Republic made a landmark decision to allocate three million euros per year from 2024 for the organisation of high-level competitions with a high potential for marketing of Estonia.
 - In 2023, a survey commissioned by the Ministry of Culture was completed, which mapped the exposures of Estonian top athletes, coaches, and support staff to prohibited substances and methods, as well as related knowledge and attitudes. The results showed that widespread doping is not expected to take place in Estonia, but anti-doping training should be continued consistently.

Challenges

- Improving the working conditions of creative and cultural workers, including those in hobby education.
- Greater appreciation of the work of professionals, instructors and leaders in the area of culture, including at local government level.
- Improving the accessibility of culture across different target groups and fields, and regionally.
- Increasing access for people with special needs to participation in cultural activities and consumption of cultural services.
- Ensuring the long-term physical and digital preservation of cultural heritage, including the creation of heritage repositories.

- Supporting Ukraine’s creative sector, promoting cooperation with Estonia, and supporting the country internationally.
- It remains necessary to pay attention to valuing the work of coaches and promoting exercise and achievement sports, as well as to streamline the support mechanisms for sports and sports objects.

Detailed information on the implementation of the performance area can be found on the website at <https://www.kul.ee/asutus-uudised-ja-kontakt/kultuuriministeerium/strateegilised-alusdokumendid-ja-programmid>

Table 35. Target levels of metrics in the performance area of culture and sports and the actual performance

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024	Target level for 'Estonia 2035'
Participation of residents in cultural life Source: Statistics Estonia	-	-	-	-	-	80%
Proportion of people engaged in physical activity on a regular basis (twice a week for 30 minutes) of the 16–64 age group Source: Tervise Arengu Instituut ⁶⁶	-	45.2%	-	Not measured	50%	-

Table 36. Implementation of the budget of the performance area of culture and sports (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-314,227	-351,922	-446,172	-350,364	-342,803	-326,852

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

1.2.18 Cohesive society

Objective of the performance area

Estonia is a cohesive and inclusive society

Strategic target of the 'Estonia 2035' strategy most relevant to the performance area

Estonian society is caring, cooperative, and open-minded

Development plan of the area

Cohesive Estonia Development Plan 2030

Programmes of the performance area

Integration, incl. adaptation programme

Estonian community programme

Smart census programme

Programme for funding political parties

Action plan for Global Estonia

Areas of government related to the performance area

Area of government of the Ministry of Culture

Area of government of the Ministry of the Interior

Area of government of the Ministry of Foreign Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The information service 'Settling in Estonia' was developed, which brings together seven different services aimed at new immigrants and returnees who have arrived in Estonia.
- In 2023, as part of the project initiated with the Association of Estonian Cities and Municipalities, partnership agreements were signed with five municipalities to support local governments: Tallinn, Tartu, Rakvere, Pärnu, and Saaremaa municipalities.
- A call for tenders was launched for the development of a visual identity for cultural diversity.
- In October, a seminar on state information in Russian was held for the communication and public relations specialists working in the Estonian public sector, as well as for students of the specialty, attended by 87 people.
- In 2023, the Ministry of Culture supported about 13,500 language learning places (incl. 3,605 study places at the Integration Foundation Estonian language houses and their partners, 787 study places

⁶⁶ Informative translation: National Institute for Health Development

under the adaptation programme for ordinary migrants, and 9,125 study places under the adaptation programme for persons eligible for temporary protection).

- A total of 13,831 people participated in the basic module of the adaptation programme for persons eligible for temporary protection, while those who arrived as part of regular migration were offered around 1,500 study places in the thematic modules of the adaptation programme.
- 76 per cent of new immigrants in Estonia have adapted well.
- **The traineeship programme for students from different language and cultural backgrounds was attended by 14 people.** Eight of them completed the traineeship in 2023, with six continuing in 2024.
- **A total of 1,216 people participated in the Language Friends programme,** 598 of them as the Estonian language mentors and 618 as the language learners.
- **In the round of support for national minority cultural associations, 83,050 euros were distributed among 18 projects.** More than 260 national minority cultural associations received operating grants.
- In the support round of expatriate Estonian cultural associations, funding was awarded to 20 projects.
- **Support programmes in the field of global Estonian identity continued:** a support programme for own-initiative projects, a support programme for diaspora publications, support for various learning centres that contribute to the preservation of Estonian language, spirit, and identity.
- The study **'Young Estonians abroad: reasons for leaving, relations with Estonia, and return'** by Terje Toomistu, Aet Annist, and Rein Murakas, funded by the Postimees Foundation, was completed.
- The Integration Foundation provided counselling services to 806 returnees, including 338 individual counselling sessions. Return support was paid to 60 people for a total of 47,155 euros.
- **In the Riigikogu elections, Estonian citizens from 137 foreign countries cast a total of 24,377 votes.** Of the Estonian citizens with the right to vote permanently residing in a foreign country, 11 per cent participated in the vote.
- **In 2023, various activities continued to enhance communication with the global Estonian community, keeping the Global Estonian web gateway central.** The number of portal users and newsletter readers increased.
- **In 2023, a total of 58 per cent of residents knowingly participated in charity, including 21 per cent in volunteering.** With this, Estonia ranks 49th out of 142 countries, which is 15 places better than in 2022. **Local participation was promoted.** For example, the first call for applications for the Civil Society Innovation Fund took place. In addition, the Ministry of the Interior signed two additional strategic partnership agreements to implement a community-centred form of governance. A vision for social innovation for 2030 was formulated and the concept of a competence centre for social innovation was drawn up.

- **The population register is increasingly important to the state and the people.** In 2023, the number of inquiries made to the population register increased by 24 million. The increase in the number of inquiries indicates that the need to use data from the population register has also increased. This is accompanied by additional expectations for infrastructure and support activities. The population register is being developed systematically. **Satisfaction with the e-services of the population register continued to be good in 2023 – 77 per cent.** The ease of use of services was increased. The e-population register created the possibility to make automatic decisions on notifications of residence and birth registration applications. The goal is to develop convenient, automatic, and electronic services. **The quality of the data in the population register was also significantly improved** – with the help of 148 quality works, the data of more than 64,000 people in the population register were checked and organised, and campaigns were carried out to ensure that people also organise their data themselves.

Challenges

- Development of the information service 'Settling in Estonia' into a full-scale proactive government service.
- Further development of an information platform for new immigrants settleinestonia.ee and a data exchange solution.
- Provision of an adaptation programme, making it more personalised and accessible.
- The strengthening of the common information space will continue, including the empowerment of local media outlets, the promotion of adult media literacy.
- In cooperation with Statistics Estonia, a governance table for the public and policy-makers will be created, which will provide an overview of the main indicators and situation in the field of migration and integration, including adaptation.
- Return support services (counselling, experience meetings, information days, return support) will continue to be provided.
- The empowerment of local governments in the development of integration and adaptation services will continue, involving stakeholders and target groups at the local level. The network of integration coordinators and contact persons will be expanded.
- The socio-economic integration of Roma, the strengthening of the Roma national culture and identity that supports it, will be encouraged. Negative stereotypes about the community are dispelled.
- Increasing the visibility of the activities and support offered among expatriate Estonians. A few educated Estonian young people who have gone to study or work have little cooperation with Estonian communities abroad.
- Upgrading the systems for applying for grants, which would better connect with the image of Estonian e-state. Estonians born abroad do not relate to the opportunities that come with a digital identity.
- The creation of an Estonian-language learning environment for children from multilingual families needs to be developed consistently, bearing in mind possible special educational needs.

- The public debate on the 1944 Great Exile must continue.
 - Funding of the Global Estonian Cultural Days, i.e. ESTO 2025: the Stockholm–Narva–Tallinn.
 - One of the priorities in the field of civil society is to agree on the needs and directions of the strategic partnership of civil society and to find new strategic partners in order to achieve the thematic objectives together with civil society, in conditions with a limited budget.
 - In order to better involve civil society, it is planned to draw up a code of conduct for cooperation with civil society or a standard for civil society involvement.
 - It is important to analyse the experience and feedback of the Civil Society Innovation Fund in 2023, introduce the necessary changes to the conditions for applying for the innovation fund, and continue to introduce a community form of governance.
 - Proposals analysed and developed with partners to activate the participation of individuals and companies in charity must be enforced.
 - The priority of the National Foundation of Civil Society is to develop social innovation and its competence centre.
 - In order to ensure the state's democracy and resilience, it is necessary to establish and develop a network of volunteers.
 - The outdated software of the population register must continue to be updated to support the creation of modern IT solutions. The services of the population register should be convenient, simply structured, and logically linked, and ensure data quality that meets users' expectations. The quality of the contact details of the population register must also be improved.
 - The development of proactive government services must be continued.
 - It is still necessary to conclude agreements with foreign countries for the exchange of data from the population register and to organise data exchange.
 - Cross-border cooperation with the tribal peoples living in the Russia Federation is difficult; it is complex to monitor the situation of Finno-Ugric peoples.
- Detailed information on the implementation of the performance area can be found on the website at <https://siseministeerium.ee/sidest#aruanded>
https://kul.ee/sites/default/files/documents/2024-06/2023.%20tulemusaruanne_TUV%20Sidus%20%C3%BChiskond.pdf

Table 37. Target levels of metrics in the performance area of cohesive society and the actual performance⁶⁷

Metric	Performance in 2021	Performance in 2022	Performance in 2023	Target level in 2023	Target level in 2024
Proportion of people carrying strong or moderate national identity, Estonians Source: Estonian Integration Monitoring	-	-	73%	≥ 79%	≥ 79%
Proportion of people carrying strong or moderate national identity, other nationalities Source: Estonian Integration Monitoring	-	-	89%	≥ 86%	≥ 86%
Sense of unity with Estonia among Estonians living abroad Source: Survey related to Estonian expat communities and their return	84%	-	-	≥ 85%	≥ 85%
Satisfaction with the engagement of residents in the local government⁶⁸ Source: Satisfaction survey commissioned by the Ministry of Finance	-	-	-	> 38%	> 38%
Recommended satisfaction index with the e-services of the population register Source: Recommy, population register	74	75	77	> 72	> 72

Table 38. Implementation of the budget of the performance area of cohesive society (in thousands of euros)

	Implementation of the budget 2022	Initial budget for 2023	Final budget for 2023	Implementation of the budget 2023	Initial budget for 2024	STATE BUDGET STRATEGY 2025
Expenditure	-26,732	-32,472	-39,623	-28,340	-34,294	-35,492

Source: State budget implementation report 2023, State Budget Act 2024, State Budget Strategy 2024–2027

⁶⁷ No targets have been set for the performance area in the 'Estonia 2035' strategy.

⁶⁸ In 2020, the measured level was 38 per cent.

1.2.19 Chancellery of the *Riigikogu*

The objective of the Chancellery of the *Riigikogu* is to create conditions necessary for the *Riigikogu* to fulfil its constitutional functions. The tasks of the Chancellery include advising the *Riigikogu*, its management board, committees, parliamentary groups and members of the *Riigikogu*, ensuring administration and organisational, economic and technical conditions for their work.

The *Riigikogu* has 101 members. The work of the *Riigikogu* takes place in plenary meetings, committees, parliamentary groups, and foreign delegations.

In addition, the Chancellery of the *Riigikogu* serves the State Electoral Office, the Foresight Centre, the National Electoral Committee, and the Political Parties Financing Surveillance Committee.

The task of the State Electoral Office is to prepare and conduct referendums and elections of the *Riigikogu*, President of the Republic, municipal councils, President and Vice-Presidents of the *Riigikogu*.

The Foresight Centre works on identifying and analysing long-term developments in Estonian society and preparing development scenarios based on them.

The task of the National Electoral Committee is to ensure compliance with the principles provided for in the *Riigikogu* Election Act and performing other tasks arising from the law.

The task of the Political Parties Financing Surveillance Committee is to verify the compliance of the activities of the political parties, election coalitions and independent candidates with the requirements provided for in the Political Parties Act.

Adoption of laws and parliamentary scrutiny

- The 14th and 15th *Riigikogu* adopted 122 legislative acts during the two sessions of 2023.
- During the reporting period, 108 sessions were held, including two additional sessions.
- There were two extraordinary sessions.
- A total of 33 collective appeals were accepted.
- Ten important national issues were discussed.
- Members of the Government and other officials appeared before the *Riigikogu* 15 times.
- Political statements were made to the *Riigikogu* on five occasions.
- There was one censure vote and one vote of no confidence, and 23 drafts were linked to a vote of confidence.
- A total of 591 inquiries and 73 written questions were submitted to the Government of the Republic and its members.

Parliamentary activities at committees of the *Riigikogu*

There are 11 standing committees and three select committees of the *Riigikogu*. In addition, there was one problem committee in the *Riigikogu* until 20 February 2023: the problem committee on the development of Estonian language learning.

The committees held 706 meetings during the reporting period:

- 606 meetings of the standing committees;

- 96 meetings of the select committees;
- four meetings of the problem committee.

Cooperation on parliamentarianism at international level

A central theme in foreign relations in 2023 was the continued support for Ukraine in the war of aggression started by Russia.

There was a significant increase in the board members' external communication and in the activities of foreign delegations.

Speaker meetings were held with Latvian, Lithuanian, and Swedish counterparts, and multilateral meetings of presidents of the parliament were actively participated in.

In 2023, Estonia held the Presidency of the Baltic Assembly. The idea of presidency was to continue building a safe, reliable, and sustainable Baltic region.

As part of the cooperation between the European Centre for Parliamentary Research and Documentation, 270 inquiries on different areas were answered. The parliamentary associations of the *Riigikogu* were active.

Information to the public

There were 624 visitor groups visiting the *Riigikogu* during the year, with 20,904 visitors. In addition, excursions were organised for almost 800 participants in the educational programme. More than 500 people visited the *Riigikogu* during the day of the open doors in April.

Simulation games of various youth parliaments continue to take place. Also, young people take an active part in festive flag-raising ceremonies on national anniversaries.

State Electoral Office

The main focus of the State Electoral Office was on the 2023 *Riigikogu* elections. To this end, an international observation programme was established, during which observers were introduced to the organisation of Estonian elections and were enabled to visit polling stations and participate in the counting of both e-votes and paper votes.

In cooperation with the Estonian Information System Authority and the state's information and communication technology centre, user support was provided for users of election information systems, users of computers of divisional committees, and e-voters. In cooperation with the Emergency Response Centre, the election helpline was set up at 1247.

Participation took place in the work of the European Cooperation Network on Elections, including in the run-up to the European Parliament elections. Preparations were started for the audit of the Estonian information security standard and for the elections to the European Parliament.

Foresight Centre

The Foresight Centre worked on three lines of research: trends and scenarios for the green transition in Estonia, the future of the next generation of teachers, and active consumers in the future energy system.

In addition, two earlier topics were followed up: the long-term effects of the Russo-Ukrainian War on Estonia and a future-proof tax structure.

Two summary reports were published, three studies and 23 short reports were completed. In addition, the trend report 'Spyglass' was issued and four new research directions were approved for 2024.

The centre's media coverage has increased significantly and recognition has increased by twelve per cent over the year.

Political Parties Financing Surveillance Committee

1.2.20 Supreme Court

The Supreme Court is the highest court of the Republic of Estonia, whose jurisdiction and functions are set out in the Constitution, the Courts Act, and acts on judicial procedure. According to the Constitution, the Supreme Court is the court of cassation and the court of constitutional review. The role of the Supreme Court is to contribute to the proper administration of justice in the judiciary, in particular by organising the work of self-governing councils of judges, and development of judicial practice. The Supreme Court organises the training of judges and acts in the external relations of the judiciary. The Chief Justice of the Supreme Court chairs the Council for the Administration of Courts.

On May 27, the Supreme Court celebrated the 30th anniversary of its re-establishment with the publication of the book 'The Third Pillar of the Estonian State' and the academic jubilee ceremony.

On 12 and 13 October, the conference 'Court proceedings in a changing time: what remains and what changes?' was held in Swissôtel, Tallinn. The conference was organised in cooperation with the Supreme Court and the Ministry of Justice, the Bar Association of Estonia, the Public Prosecutor's Office, the Faculty of Law of the University of Tartu, and the Institute of Law of Tallinn University of Technology.

Staff

As of 31 December 2023, the Supreme Court had 96 service positions, of which 19 for the justices of the Supreme Court, 52 for the office, and 25 for the workplace. Total annual labour turnover was 16 per cent (12 per cent in 2022), voluntary turnover 12 per cent (seven per cent in 2022). During the year, 15 employees left the Supreme Court (11 in 2022) and 11 employees joined it (ten in 2022).

Budget

The initial budget of the Supreme Court for 2023 (excluding VAT and non-monetary expenses) was 6,136,322 euros. From 2022, 647,248 euros were transferred, which included funds for the implementation of multiannual projects. The amendment to the 2022 State Budget Act transferred 500,000 euros from the budget of the Ministry of Justice to the budget of the Supreme Court to cover the costs of projects. As of June 2023, the accounting, staff, and payroll functions of the Supreme Court were transferred to the State Shared Service Centre. For this purpose, 6,239 euros from the budget of the Supreme Court were transferred to the budget of the State Shared Service

In addition to the usual scrutiny of the reports of political parties, it was also involved in the handling of infringements of the Political Parties Act and in court cases related to the committee's injunctions. The main violations were related to the financing of the 2023 election campaign for the *Riigikogu*.

It is worth noting the upgrade of the committee's online reporting environment and the transfer to a level that meets modern security requirements.

A full-length overview of the activities of the Chancellery of the *Riigikogu* in 2023 can be found on the website [Budget and activity report – Riigikogu](#).

Centre to cover the expenses of 2023. Of the final budget of the Supreme Court (6,777,331 euros), the funds without a limit amounted to 32 per cent, i.e. 2,175,352 euros (31 per cent, i.e. 1,913,800 euros in 2022), with a limit of 68 per cent, i.e. 4,601,979 euros (69 per cent, i.e. 4,350,548 euros in 2022).

Administration of justice

In 2023, a total of 2,409 procedural applications were submitted – 932 in civil cases, 877 in criminal and misdemeanour cases, and 600 in administrative cases. Together with previous ones, 2,955 applications were pending (one per cent less than in 2022). A total of 2,628 applications were reviewed. The decision to carry out proceedings was taken in respect of 2,126 applications, of which 222 applications (ten per cent) were accepted. In the area of constitutional review, 46 cases were reviewed. In 2023, the performance of the Supreme Court reviewing procedural applications was 109 per cent. The average net duration of proceedings was 62 days for preliminary proceedings and 133 days for main proceedings.

Organisation of the work of the municipal councils of judges

Court en banc

Court en banc is comprised of all the judges of the state. The Supreme Court prepared and conducted the 22nd *en banc* session of the Judiciary, where, in addition to briefings by the Chief Justice of the Supreme Court and the Minister of Justice on the development of the legal and judicial system and organisational issues, the central topic of discussion was the challenges and opportunities for generational renewal of judges.

Judicial examination committee

A total of 33 applications for admission to the examination were received in 2023, and six people taking the examination successfully passed the examination. Six judge competitions were held to fill 23 positions, for which 105 candidates applied. As of the end of 2023, there were 41 judges with less than three years' length of service.

Training council

On 8 June 2023, new judicial members of the training council were elected to the *court en banc*. As of 19 September 2023, the Chairman of the training council is the Judge of the Supreme Court Judge, Heili Sepp, and the

Vice-Chairman is the Judge of Tartu County Court, Margit Jõgeva.

The training council approved the 2022 training report, monitored the implementation of the 2023 training programme for judges, set priorities for the preparation of the 2024 training programme, and approved these. The training council began developing the judicial training strategy for 2025–2027, which is scheduled to be adopted in the autumn of 2024.

Judiciary Disciplinary Chamber

In 2023, one judge was subject to disciplinary proceedings.

Judiciary Ethics Council

In 2023, the judiciary ethics council was addressed on six occasions.

Training activities

In 2023, a total of 68 training courses were prepared and delivered on 88 days. During the year, 234 judges (95 per cent of working judges), 214 advocates-general (92 per cent), and 42 incoming judges (100 per cent) attended at least one training session. In 2023, the 'Digital Gateway for Novice Judges' was opened in the Moodle learning environment and the training website at <https://koolitus.riigikohus.ee/> was developed, where 31 recordings for independent study were added.

Legal training for court staff continued on the basis of a contract with the Ministry of Justice (nine training sessions).

Estonia continues to be a patron state of the Academy of European Law. In 2023, judges of the first and second instance participated in foreign training through the Supreme Court a total of 56 times.

In 2023, nine judges participated in bar training and two judges participated in prosecutorial training. Prosecutors attended 39 training courses for judges and lawyers 389 training courses.

The training council considered the implementation of the judicial training strategy in 2023 to be successful and effective.

International communication

The Supreme Court is a member of nine international organisations, including on the governing boards of three. In addition to regular communication through member organisations (missions abroad, questionnaires, and other data exchange), several meetings and joint seminars were held in 2023.

1.2.21 National Audit Office

The principal activity of the National Audit Office is auditing. In 2023, the Audit Department of the National Audit Office completed 12 audits and overviews plus a number of memorandums. More in-depth attention was paid to issues related to energy, in addition to the perspective of the Estonian prison system and Estonian language training in a Russian language basic school. The analysis department of the National Audit Office completed three overviews. This included subsidies to companies over the last ten years, as well as brief

From 24–25 April, a seminar on asylum law was held at the Supreme Court, which was conducted by Professor Emeritus Harald Dörig, the Judge Emeritus of Germany Supreme Administrative Court, together with Katelijne Declerck, the Belgium asylum judge and the former president of the International Association of Refugee Law Judges. In addition to Estonian justices and counsellors to the Supreme Court, the seminar was attended by colleagues from Latvia administrative courts.

From 23–25 May, the Supreme Court hosted representatives of the Latvian and Lithuanian constitutional courts, with whom the issues of the balance between national constitutions and European Union law and the legal guarantees of judges were mainly discussed.

From 6–8 September, a seminar on cooperation between the Supreme Court and the Supreme Court of Finland took place in Helsinki. The seminar explored the principles of work organisation and permit granting procedures and discussed recent case law.

From 18–22 November, a delegation from the Supreme Court visited the Supreme Court of Ukraine, as well as the Court of Appeal in Kiev and the district courts of Borodianka and Malyn.

Yearbook of Estonian Courts

In 2023, the Supreme Court issued the 'Yearbook of Courts 2022' in electronic form. One of the main themes of the yearbook was the continuing generational change of judges. It was noted that in 2023 there will probably be the biggest wave of judges' retirement. There were concerns about finding the succession of judges.

Council for Administration of Courts

The Council for Administration of Courts met four times in 2023. They discussed the budget of the courts, the redesign of the remuneration policy for court officials, the model of court administration and the development plan of the courts, the improvement of court proceedings, the legislation governing the activities of courts and the administration of justice, and other topical issues.

Important data sources for Supreme Court activities

Detailed annual reporting of case reviews: [Statistics | Supreme Court](#); training: [Training is part of the judicial profession | Supreme Court](#); work of the self-governing assemblies of judges: [Self-governing assemblies of judges | Supreme Court](#); Yearbook of Estonian Courts: [Year 2022 – Yearbook of Estonian Courts \(riigikohus.ee\)](#).

analyses of the problems with the implementation of European Union funds.

Major works in 2023

Overview of the use and preservation of state assets in 2021–2022. Alternatives for the Estonian electricity system

The annual report to the *Riigikogu* gave an overview of the development trends in the field of energy and the

challenges that the state faces in the development of the electricity system. The National Audit Office found that the Government of the Republic has not yet found a specific and realistic solution for ensuring that household and business consumers have the necessary amount of electricity in the future, at any time and at an affordable price. Therefore, there may be a risk that in the event of a shortage of electricity in our region, the price of electricity will become too expensive for consumers. A clear perspective and action plan in the field of energy are also necessary for economic and industrial development in order to bring about an increase in Estonian prosperity and competitiveness.

In addition, the National Audit Office prepared separate reports on the activities of the state in promoting wind energy and the security of electricity supply in Estonia.

Accuracy of annual accounts 2022 and regularity of transactions of the state

The 2022 annual accounts of the state fairly reflected the financial position of the state and the economic result and cash flows for the completed reporting period, excluding the comment on the balance of labour costs of the Ministry of the Interior. The Ministry of the Interior created obstacles to the audit of labour costs, and also delayed the submission of data on management expenses and investments in the area of government. The economic transactions of the state were substantially carried out in accordance with the law.

Preparedness for the implementation of the national defence action plan

The National Audit Office audited the ability of several ministries to perform 12 broad-based national defence tasks that support military national defence and are related to internal defence and the functioning of state institutions in a crisis. The readiness of most of the audited ministries to perform the national defence tasks assigned to them revealed significant shortcomings. Although the Government Office had to create a comprehensive and accurate overview of the capabilities of different areas of government to perform national defence tasks, it has not been able to do so. In addition, the activities of the Government Office have not been sufficient to eliminate the common shortcomings of the areas of government.

Overview of the activities of the national airline Nordica

In the course of the audit, the National Audit Office did not find any significant arguments confirming that the state-owned companies AS Nordic Aviation Group (trademarked Nordica) and OÜ Transpordi Varahaldus (TVH) would be strategically necessary for the state in their current form and that there would be an understandable public interest in the participation of the state in these companies. The audit materials also indicated that the state has not proven to be a sufficiently skilled and interested owner in such a complex business area as aviation. Therefore, the National Audit Office

recommended taking the direction of privatising Nordica and TVH.

Representatives of the National Audit Office participated in the sittings of the State Budget Control Select Committee of the *Riigikogu*, as well as in sittings of standing committees. Auditor General Janar Holm gave a speech introducing the annual report at the plenary meeting of the Parliament, replied to the interpellation by the members of the *Riigikogu*, and published several articles. The Auditor General criticised the quality of the state budget and found that the current process of transitioning to an activity-based budget has failed and needs a new start, the aim of which is to create a state budget that gives a clearer overview of where the money goes, what will be received for it, and what the expected result of the funded activity will be.

The Auditor General also prepared a memorandum concerning the creation of a capacity to receive liquefied natural gas (LNG) in Paldiski and the risks associated with it.

The task of the Development and Administration Service is to support the principal activity of the National Audit Office. In the area of audit quality and methodology and administration, in addition to providing ongoing advice and support to audit teams, the focus was on upgrading the audit module of the document management system and harmonising audit documentation practices. The rental area of the building was also reduced, which led to an increase in the density of use of the existing space and a decrease in the rental cost of the National Audit Office.

The development projects in the area of data analytics included in particular the development of an automated data exchange solution for the national aggregated annual accounts in order to reduce the workload of auditors using pseudonymised data.

Two major events were organised in the field of foreign relations: an online spring meeting of the Information Technology Working Group of the European Organisation of Supreme Audit Institutions (EUROSAI) and an annual meeting in hybrid format in Poland. At the same time, the development of the EUROSAI IT Working Group training programme 'IT audit for non-IT auditors' was continued and seven modules were completed. A meeting of the Baltic national audit offices was organised and a number of foreign delegations were hosted (Oman, Kosovo, Romania, and Switzerland).

At the end of 2023, there were 81 people in employment or service relationship with the National Audit Office, 76 of whom were actively employed. There were 37 per cent of men and 63 per cent of women among employees. The average age of the employees was approximately 44 years.

1.2.22 Office of the President of the Republic

The Office of the President of the Republic supports the President of the Republic in performing duties arising from the law. The Office organises national and international communication of the President of the

Republic, manages information exchange with the media, the public and other partners, prepares legislation, and performs other tasks.

Proclaiming laws and other decisions

In 2023, the President of the Republic proclaimed 71 laws and refused to proclaim two laws.

In the case of one act, the *Riigikogu* decided to proceed with it again, in the case of another, the President of the Republic applied to the Supreme Court, because the *Riigikogu* again adopted the act unchanged.

In connection with the election of the 15th *Riigikogu*, the President of the Republic made a decision on the convening of the *Riigikogu*. The head of state made three decisions concerning the composition of the Government of the Republic: he appointed Kaja Kallas as a candidate for the Prime Minister, appointed a new Government of the Republic, and dismissed the previous government.

The President of the Republic proposed to the *Riigikogu* the appointment of Urmas Varblane as the Chairman of the Supervisory Board of Eesti Pank, which was also approved by the *Riigikogu*.

Appointment to office and granting of military ranks

The President made 19 decisions on appointment and removal of ambassadors extraordinary and plenipotentiary of the Republic of Estonia and three decisions on appointment and seven decisions on removal of judges. The President issued 18 decrees to grant military ranks to servicemen.

Awarding of decorations

The President of the Republic donated 167 national decorations for the anniversary of the Republic. In addition, national awards were donated in connection with the departure of foreign diplomats from Estonia (two decorations) and in connection with state visits (16 decorations on the state visit of the President to the Republic of Latvia and 26 decorations on the occasion of the state visit of the King of Sweden to Estonia). In 2023, the President donated a total of 211 state decorations by five decisions.

Pardon

The Clemency Committee reviewed materials on 78 convicted offenders, three of whom were granted a pardon. Four resolutions on granting a pardon were prepared.

National activities

In 2023, the President of the Republic visited many regions of Estonia and met with representatives of local governments, entrepreneurs, and other promoters and leaders of local life in different regions of Estonia. In addition to many shorter visits, the President made county visits to Põlva County and Hiiu County, and visited Ida-Viru County on several occasions.

During the year, the head of state gave a large number of different speeches, and gave school lessons. There were also national meetings with representatives of various fields, the members of the Government and the *Riigikogu*. The Office of the President of the Republic organised the celebrations of important anniversaries of the statehood of the Republic of Estonian, as well as events important for valuing our language and culture.

International communication

In 2023, the President's external relations were guided by the following objectives:

- 1) full support for Ukraine following the Russian military aggression in Ukraine which started on 24 February 2022;
- 2) strengthening Estonia's security;
- 3) deepening cooperation with European and transatlantic partners, as well as global partners;
- 4) supporting Estonian business in foreign markets and attracting investment to Estonia.

In pursuit of these objectives, the President of the Republic made 16 foreign visits during the accounting year and held several international meetings, conferences, and presentations in Estonia and online at various international conferences.

External visits and multilateral meetings

Official visits took place to Slovakia in March and Albania in June, and a state visit to the Republic of Latvia in April. All other visits were working visits. In bilateral communication, it is also important to name visits to Slovenia, Sweden, the Netherlands, and South Korea. A notable visit to Ukraine in June involved a large business delegation of Estonian entrepreneurs and two ministers.

Among multilateral meetings, the Head of State participated in the reconstruction conference of Ukraine in London in June, the Council of Europe Summit in Reykjavík in May, the UN General Assembly in New York in September, and the 75th Anniversary of the Universal Declaration of Human Rights in Geneva in December. The President also attended the meeting of the Heads of State of Eastern and Central Europe (the so-called B9 format) in Warsaw in February and Bratislava in June, the Three Seas Summit in Bucharest in September, and the Arraiolos Group meeting in Porto in October. In 2025, this summit will take place in Estonia.

Visits to Estonia and international meetings

In 2023, the President hosted eight foreign Heads of State. At the beginning of May, King Carl XVI Gustaf and Queen Silvia paid a historic state visit to Estonia. In September, Ecumenical Patriarch Bartholomew of Constantinople visited Estonia. Working visits to Estonia were made by Armenian President Vahagn Garniki Khachaturyan in January, German President Frank-Walter Steinmeier in March, the new Latvian President Edgars Rinkēvičs in July, Georgian President Salome Zourabichvili during a private visit in September, and the Polish presidential couple in December. A meeting of the Presidents of Estonia-Latvia-Lithuania also took place in Tallinn in December in connection with the end of Estonian presidency in the framework of Baltic cooperation.

Meetings were also held with a number of visiting heads of government, foreign and defence ministers, presidents of parliament, and leaders of international organisations. In accordance with established practice, a meeting was held with the ambassadors of the EU Member States in June and a reception was organised for the diplomatic corps in December. In July, the Head of State hosted Estonian honorary consuls and global friends of Estonia in the President's rose garden.

Powers of attorney

In 2023, a total of 23 foreign ambassadors handed over their letters of credence to the President of the Republic. Meetings were also held with some of the ambassadors who are ending their missions in Estonia. The Head of State signed the credentials of Estonian ambassadors (incl. co-accreditations) on 17 occasions, and in the case of basic accreditations, pre-departure interviews were held with the ambassadors.

1.2.23 Office of the Chancellor of Justice

The Office of the Chancellor of Justice is responsible for supporting the activities of the Chancellor of Justice in the performance of duties arising from the Constitution and the laws.

The function of the Chancellor of Justice is to oversee the compliance of legislative acts with the Constitution and the laws, verify respect for the fundamental rights and freedoms of people by authorities and officials performing public functions, perform the function of the ombudsman for children, and to serve as a preventive authority of the Republic of Estonia as a state party to the UN convention against mistreatment of people. The Chancellor of Justice oversees respect for fundamental rights and freedoms in the organisation of the covert collection, processing, use and supervision of personal data and related information by the authorities of executive power.

The Chancellor of Justice performs the functions of the Estonian National Human Rights Institution (NHRI). The Chancellor of Justice stands for ensuring that all disabled

Miscellaneous

During the accounting year, the digital visit management system of the Office of the President of the Republic was completed. This helps to make the organisation of visits much smoother and significantly reduces the amount of materials that need to be printed. Several other public sector entities are considering joining the digital visit management system.

people can exercise their fundamental rights and freedoms on an equal footing with others.

Once a year, the Chancellor of Justice submits to the *Riigikogu* an annual review of the performance of duties assigned to them by law. An overview of the activities of the Office of the Chancellor of Justice in the 2023 financial year has been published on the website of the Chancellor of Justice at <https://www.oiguskantsler.ee/ylevaade2023/>

The Chancellor of Justice submitted a written overview of the activities of 2022–2023 until 1 September 2023 to the *Riigikogu* during the autumn session of 2023 and also made a respective oral presentation.

The presentation and the subsequent questions of the members of the *Riigikogu* and the answers of the Chancellor of Justice can be viewed in the online environment of the *Riigikogu*:

<https://stenogrammid.riigikogu.ee/et/202309191000#PKP-766224>

1.2.24 Results of internal and external assessments of the internal audit units of ministries

The Estonian public sector internal audit follows the Internal Auditing Standards developed by the Institute of Internal Auditors (IIA), which require that the quality of the internal audit function is assessed at least once every five years by an external independent specialist, in addition to a periodic internal assessment.

In Estonia, the standards of internal audit are established by the Auditors Activities Act. The rules on quality assessment are also laid down in section 11 of the General Rules for Internal Audit of Authorities of Executive Power: 'In the course of external assessment, compliance of the management and activities of an internal audit unit with the requirements of legislation is assessed. External assessment is carried out at least once every five years.'

The periodic internal assessment of the internal audit capability should be carried out as necessary, in accordance with both the standards and the Regulation, but certainly not earlier than 12 months before the planned external assessment.

The activity report of the internal audit unit for 2023 was submitted by nine of the 11 ministries. No internal or external quality assessments were reported in 2023. On the basis of an external quality assessment carried out earlier (in 2021), the Internal Audit Unit of the Ministry of Regional Affairs and Agriculture has the right to use the expression 'in general compliance with the definition of internal auditing, the code of ethics, and the standards of professional activity of the internal auditor' in its reports. The Ministry of Regional Affairs and Agriculture

is the only one where quality assessments of the internal audit unit are carried out regularly. In other ministries, according to the activity reports, an external independent specialist has not assessed the quality of the internal audit unit in the last six years, and this has never been done in the Ministry of Defence, Ministry of Climate, Ministry of Social Affairs, and Ministry of Foreign Affairs.

The use of the expression 'in accordance with internal auditing standards' is also stated by the Ministry of Economic Affairs and Communications in its 2023 report. This is not in line with the five-year cycle requirement of the standard – the external quality assessment of the Internal Audit Unit of the Ministry of Economic Affairs and Communications, which justified the use of the expression, took place in 2015.

Historically, internal audit has emerged as a support for the management of large multinational corporations to assess the performance of the internal control system in separate subdivisions. Estonian state institutions and enterprises are relatively small and compact. According to the Government of the Republic Act, the position of internal auditor or internal audit unit in an institution of executive state power is created on a need-based basis. The existence of an internal audit, and in particular the added value it brings, depends primarily on the recognition by the manager that an independent competent internal audit, which assesses the effectiveness of the internal control system, is a useful tool for achieving the goals of the organisation.

In Estonian ministries, the number of internal auditors has decreased by more than a quarter in a decade (58 in 2015, 42 in 2023). In six ministries, only one to three internal auditors cover the entire area of administration, in two of them (in the Ministries of Defence and Culture) the internal audit unit has been abolished and the internal audit function is performed by officials under the direct authority of the minister. Due to the lack of labour and often competence (mainly IT, but also other specific areas), in most ministries internal audit services are purchased from various external service providers.

According to the justifications given in the activity reports of the internal audit units of the ministries and the results of the 2023 study 'Opinion of the consumer of the internal audit service on the impact of internal audit on the achievement of the goals of the organisation', the additional burden of external quality assessment and the expenses of resources are considered inexpedient in the conditions of small size and tight budget of the internal audit units.

For the listed reasons, it is not possible to provide the legally required overview of the results of the 2023 quality assessment of the internal audit units of the ministries.

From January 2025, new internal audit standards, including quality assessment rules, will enter into force. It makes sense to evaluate their implementation only after a few years. Thus, in the coming years, quality assessments of the internal audit units of ministries are rather not planned.

The audit of the government entities is a cornerstone of good governance in the general government sector, as it impartially and objectively assesses whether public resources are managed responsibly and effectively in order to achieve the intended results and to promote appropriate ethics and values. Internal auditors help government agencies to gain accountability and integrity, improve performance and build trust among citizens and stakeholders. The existence and effectiveness of the control function have been seen as evidence of the democratic functioning of the public sector.

The head of the institution is always responsible for the internal control system, including internal audit. It is important that decision-makers understand the importance of high-quality internal audit in ensuring that Estonian public control mechanisms are sufficiently strong and effective. The form in which an internal audit is carried out – whether it is carried out by its own employee or department, or whether the service is purchased from an external service provider – is at the discretion of the institution.

In order to ensure optimal coverage of important public sector organisations with high-quality internal audit services, several possible solutions are under consideration:

- ✓ Creation of one central internal audit unit in ministries with a large area of administration, based on the existing internal audit units of both the ministry itself and the administrative agencies (the internal auditor is employed in a few dozen agencies).
- ✓ Creation of a joint internal audit unit for ministries with a smaller area of administration.
- ✓ Establishment of a central national internal audit unit to serve all public sector entities.

Possible advantages of aggregating the internal audit function:

- ✓ A wider professional spectrum of specialists.
- ✓ A continuous, smooth process, that is not interrupted by staff holidays, sickness leaves, departures.
- ✓ Better ability to meet the quality requirements established by standards and more consistent quality.
- ✓ Lower expenses due to the distribution of work between different levels of staff (professional experienced internal auditor versus assistant).
- ✓ Wider scope, greater competence and savings from the reuse of audit programmes.

The selection and implementation of a suitable solution requires political decisions.

2 Consolidated and unconsolidated annual accounts

2.1 Balance sheet

In millions of euros

	Consolidated			Unconsolidated			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Assets							
Current assets							
Cash	2,365.2	2,496.4	2,503.2	1,428.2	1,415.1	1,658.9	a2
Financial investments	1,141.7	1,609.1	461.6	1,125.0	1,598.1	448.3	a3
Tax, state fee and fine receivables	1,467.2	1,387.5	1,248.8	1,537.8	1,454.2	1,322.1	a4
Other receivables and prepayments	2,066.4	1,676.8	1,294.7	1,347.3	1,034.0	1,228.5	a5
Derivatives	59.7	199.8	160.2	0.0	0.0	0.0	a18
Inventories	660.6	714.4	367.4	37.9	40.0	33.3	a7
Intangible current assets	216.5	444.1	208.6	0.0	0.0	0.0	a12
Biological assets	69.2	62.2	41.1	3.1	3.1	1.8	a14
Total current assets	8,046.5	8,590.3	6,285.6	5,479.3	5,544.5	4,692.9	
Non-current assets							
Holdings in foundations	0.0	0.0	0.0	524.1	430.8	441.7	a8
Holdings in subsidiaries and associates	90.7	89.4	67.5	4,514.4	4,490.0	4,169.9	a9
Financial investments	634.8	480.0	319.8	602.2	453.0	301.8	a3
Other receivables and prepayments	795.7	941.4	925.1	1,040.9	1,193.2	1,089.2	a5
Derivatives	257.8	496.5	187.6	0.0	0.0	0.0	a18
Investment property	98.3	83.2	85.3	36.9	37.0	37.1	a10
Property, plant and equipment	11,351.3	10,803.2	10,318.1	3,843.2	3,471.5	3,334.0	a11
Intangible non-current assets	385.5	333.2	305.9	215.9	180.3	150.4	a12
Biological assets	2,411.5	2,170.3	930.7	28.0	27.7	16.5	a14
Total non-current assets	16,025.6	15,397.2	13,140.0	10,805.6	10,283.5	9,540.6	
Total assets	24,072.1	23,987.5	19,425.6	16,284.9	15,828.0	14,233.5	

	Consolidated			Unconsolidated			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Liabilities and net assets							
Current liabilities							
Prepayments of taxes, state fees and fines received	658.4	700.2	622.8	677.9	716.6	638.6	a4
Trade payables	572.4	532.0	387.1	209.0	218.6	172.9	
Payables to employees	215.2	188.5	165.9	83.3	71.7	63.1	
Tax, state fee and fine liabilities	463.0	435.5	407.7	442.4	418.5	392.2	a4
Other liabilities and prepayments received	3,133.7	2,639.3	2,019.3	3,694.5	3,087.7	2,865.2	a15
Provisions	378.1	855.6	347.1	137.7	387.7	117.1	a16
Loan liabilities	1,103.1	1,327.8	718.6	580.3	417.8	472.9	a17
Derivatives	67.8	169.1	116.1	0.0	0.0	0.0	a18
Total current liabilities	6,591.7	6,848.0	4,784.6	5,825.1	5,318.6	4,722.0	
Non-current liabilities							
Provisions	4,624.0	4,111.1	3,787.8	4,521.9	4,025.7	3,701.4	a16
Loan liabilities	7,096.5	5,621.5	5,179.0	5,195.2	4,542.5	3,443.6	a17
Other liabilities and prepayments received	120.8	119.5	127.4	130.1	132.5	145.1	a15
Derivatives	16.6	32.1	37.8	0.0	0.0	0.0	a18
Total non-current liabilities	11,857.9	9,884.2	9,132.0	9,847.2	8,700.7	7,290.1	
Total liabilities	18,449.6	16,732.2	13,916.6	15,672.3	14,019.3	12,012.1	
Net assets							
Minority shareholding	303.5	301.9	283.5	0.0	0.0	0.0	
Net assets of the state							
Stabilisation Reserve Fund and ownership reform reserve	491.6	474.3	471.9	491.6	474.3	471.9	a20
Hedging reserve	141.6	698.4	211.5	0.0	0.0	0.0	a18
Other reserves	13.3	12.5	8.2	0.0	0.0	0.0	
Accumulated surplus or deficit	4,672.5	5,768.2	4,533.9	121.0	1,334.4	1,749.5	
Total net assets of the state	5,319.0	6,953.4	5,225.5	612.6	1,808.7	2,221.4	
Total net assets	5,622.5	7,255.3	5,509.0	612.6	1,808.7	2,221.4	
Total liabilities and net assets	24,072.1	23,987.5	19,425.6	16,284.9	15,828.0	14,233.5	

2.2 Statement of financial performance

In millions of euros

	Consolidated		Unconsolidated		Note
	2023	2022	2023	2022	
Income from operations					
Taxes and social security contributions	12,427.4	11,641.2	12,582.9	11,773.0	a4
Goods and services sold	4,323.0	4,511.8	520.9	514.5	a21
Grants received	1,338.3	1,176.0	1,255.5	1,085.9	a19
Other income	432.2	661.5	221.3	281.0	a22
Total income from operations	18,520.9	17,990.5	14,580.6	13,654.4	
Operating expenses					
Grants awarded	-7,547.7	-6,662.8	-8,086.0	-7,134.9	a19
Pass-through taxes, state fees, fines	-4,432.2	-4,072.8	-4,432.2	-4,072.8	a4
Change in doubtful tax, state fee and fine receivables	-39.5	-34.2	-39.5	-34.2	a4
Labour costs	-2,498.9	-2,093.9	-1,431.0	-1,173.9	a23
Management expenses	-2,733.0	-2,847.7	-964.4	962.0	a24
Depreciation and change in value of non-current assets	-1,449.3	-739.0	-357.0	-312.2	a25
Other expenditure	-594.3	-939.1	-136.6	-144.5	a26
Total operating expenses	-19,294.9	-17,389.5	-15,446.7	-13,834.5	
Operating result	-774.0	601.0	-866.1	-180.1	
Surplus/deficit from change in fair value of biological assets					
	248.4	1,260.7	0.3	12.5	a14
Financial income and expenses					
					a27
Profit/loss from financial investments	2.1	30.5	178.6	331.8	
Interest expense	-391.0	-198.6	-338.7	-162.1	
Income from deposits and securities	93.4	-8.5	67.7	1.1	
Other financial income	4.7	5.8	4.2	3.6	
Other financial expenses	-0.3	-0.4	0.0	0.0	
Total financial income and expenses	-291.1	-171.2	-88.2	174.4	
Surplus or deficit of the reporting period	-816.7	1,690.5	-954.0	6.8	
Incl. the share of state in surplus/deficit	-837.8	1,655.9	-954.0	6.8	
Incl. the share of minority shareholding of surplus/deficit	21.1	34.6	0.0	0.0	

2.3 Cash flow statement

In millions of euros

	Consolidated		Unconsolidated		Note
	2023	2022	2023	2022	
Cash flow from principal activities					
Operating result	-774.0	601.0	-866.1	-180.1	
Depreciation and change in value of non-current assets	1,449.3	739.0	357.0	312.2	a25
Profit/loss from non-current assets sold	-28.0	-59.2	-26.4	-52.3	a22
Revenue from government grants received for acquisition of non-current assets	-798.4	-600.0	-751.3	-544.5	a19
Expenditure on government grants awarded for acquisition of non-current assets	460.5	395.5	672.3	562.5	a19
Other non-financial income and expenses	-288.7	182.7	-0.2	-5.5	
Total adjusted operating result	20.7	1,259.0	-614.7	92.3	
Net change in current assets	-406.1	-1,112.9	-167.1	-310.5	
Net change in liabilities	165.3	1,009.4	-27.0	472.5	
Total cash flows from principal activities	-220.1	1,155.5	-808.8	254.3	
Cash flows from investment activities					
Investments in non-current assets	-1,958.5	-1,318.0	-733.0	-479.5	a13, a17
Capital gains from non-current assets sold	36.9	66.9	34.3	54.4	a5, a10, a11, a14
Government grants received for the acquisition of non-current assets	790.7	453.5	747.9	390.4	a19
Government grants invested for acquisition of non-current assets	-451.6	-351.6	-686.8	-514.5	a19
Paid upon acquisition of liquid financial investments	-1,583.2	-1,516.2	-1,576.1	-1,514.9	
Received from sale of liquid financial investments	2,063.9	352.4	2,061.6	350.4	
Paid upon acquisition of other financial investments	-171.1	-163.4	-190.4	-179.1	a3, a5
Paid upon acquisition of holdings (minus the cash acquired)	-3.3	-14.1	-168.8	-148.0	a8, a9
Received and granted from transfer, sale and liquidation of holdings and other financial investments (minus the cash disposed of)	32.8	26.4	143.6	479.1	a3, a8, a9
Dividends received	2.7	2.6	223.8	190.6	a9
Dividends paid	-19.2	-17.5	0.0	0.0	a9A
Loans issued	-33.8	-34.2	-0.1	-20.1	a6
Repayments of loans received	155.1	53.9	11.3	16.5	a6
Financial income received	85.0	6.7	53.0	1.0	
Total cash flows from investment activities	-1,053.6	-2,452.6	-79.7	-1,373.7	
Cash flows from financing activities					
Received from assumption of loan liabilities	3,088.1	2,051.3	1,531.4	1,666.1	a17
Repayments of loan liabilities	-1,859.4	-973.0	-720.7	-625.5	a17
Interest paid and other financial expenses	-221.9	-34.4	-140.6	-3.0	
Change in deposits by customers	135.7	246.4	231.5	-162.0	a15
Total cash flows from financing activities	1,142.5	1,290.3	901.6	875.6	
Net cash flows					
Net cash flows	-131.2	-6.8	13.1	-243.8	
Cash and cash equivalents at the beginning of the period	2,496.4	2,503.2	1,415.1	1,658.9	a2
Cash and cash equivalents at the end of the period	2,365.2	2,496.4	1,428.2	1,415.1	a2
Change in cash and cash equivalents	-131.2	-6.8	13.1	-243.8	

2.4 Statement of changes in net assets

In millions of euros

A. Consolidated report

	Net assets of the state						Minority shareholding	Total	Note
	Stabilisation Reserve Fund	Ownership Reform Reserve Fund	Hedging reserve	Other reserves	Accumulated surplus or deficit	Total			
Balance as of 31/12/2021	430.1	41.8	211.5	8.2	4,357.3	5,048.9	283.5	5,332.4	
Change of accounting principle					176.6	176.6	0.0	176.6	a15
Adjusted balance as of 31/12/2021	430.1	41.8	211.5	8.2	4,533.9	5,225.5	283.5	5,509.0	
Exchange rate differences attributable to foreign subsidiaries and impact of other comprehensive income of associates				4.3		4.3		4.3	
Revaluation of risk hedging instruments			486.9			486.9	3.4	490.3	a18
Actuarial gains and losses in provisions for pensions					-394.7	-394.7		-394.7	a16
Transfer of inventories to Tervisekassa					-28.0	-28.0		-28.0	a7
Revaluation of property, plant and equipment					3.5	3.5		3.5	a11
Surplus or deficit of the reporting period					1,655.9	1,655.9	34.6	1,690.5	
Total surplus or deficit of the reporting period	0.0	0.0	486.9	4.3	1,236.7	1,727.9	38.0	1,765.9	
Acquisitions and sales of minority holding						0.0	-2.1	-2.1	a9A
Dividends paid						0.0	-17.5	-17.5	A9A
Reallocation	-6.2	8.6			-2.4	0.0		0.0	a20
Balance as of 31/12/2022	423.9	50.4	698.4	12.5	5,768.2	6,953.4	301.9	7,255.3	
Exchange rate differences attributable to foreign subsidiaries and impact of other comprehensive income of associates				0.8		0.8	0.3	1.1	
Revaluation of risk hedging instruments			-556.8			-556.8	-0.6	-557.4	a18
Actuarial gains and losses in provisions for pensions					-237.3	-237.3		-237.3	a16
Transfer of assets to other general government sector entities					-6.6	-6.6		-6.6	a7, a8
Revaluation of property, plant and equipment					1.9	1.9		1.9	a11
Surplus or deficit of the reporting period					-837.8	-837.8	21.1	-816.7	
Total surplus or deficit of the reporting period	0.0	0.0	-556.8	0.8	-1,079.8	-1,635.8	20.8	-1,615.0	
Holdings consolidated for the first time					1.4	1.4		1.4	a8A
Dividends paid						0.0	-19.2	-19.2	a9A
Reallocation	16.3	1.0			-17.3	0.0		0.0	a20
Balance as of 31/12/2023	440.2	51.4	141.6	13.3	4,672.5	5,319.0	303.5	5,622.5	

B. Unconsolidated report

	Stabilisation Reserve Fund	Ownership Reform Reserve Fund	Accumulated surplus or deficit	Total	Note
Balance as of 31/12/2021	430.1	41.8	1,749.5	2,221.4	
Actuarial gains and losses in provisions for pensions			-394.7	-394.7	a16
Transfer of inventories to Tervisekassa			-28.0	-28.0	A7
Revaluation of property, plant and equipment			3.2	3.2	a11
Surplus or deficit of the reporting period			6.8	6.8	
Total surplus or deficit of the reporting period	0.0	0.0	-412.7	-412.7	
Reallocation	-6.2	8.6	-2.4	0.0	a20
Balance as of 31/12/2022	430.1	41.8	1,749.5	2,221.4	
Actuarial gains and losses in provisions for pensions			-237.3	-237.3	a16
Transfer of assets to other general government sector entities			-6.6	-6.6	a7, a8
Revaluation of property, plant and equipment			1.8	1.8	a11
Surplus or deficit of the reporting period			-954.0	-954.0	
Total surplus or deficit of the reporting period	0.0	0.0	-1,196.1	-1,196.1	
Reallocation	16.3	1.0	-17.3	0.0	a20
Balance as of 31/12/2023	440.2	51.4	121.0	612.6	

2.5 State budget implementation report

In thousands of euros

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
(A) BUDGET OF REVENUES AND EXPENDITURES					
TOTAL STATE BUDGET REVENUE	15,590,358	15,590,358	14,934,959	13,996,560	-655,399
Taxes and social security contributions	12,915,277	12,915,277	12,810,633	11,948,516	-104,645
Incl. domestic VAT	297,296	303,444	290,538	262,748	-12,906
Grants received	1,626,214	1,626,214	1,106,566	1,048,209	-519,648
State fees	92,170	92,170	86,982	91,722	-5,189
Income from economic activities	485,180	484,980	433,882	422,799	-51,098
Income from non-current assets and inventories sold	26,753	26,953	26,761	52,463	-191
Fines and other fines to the extent of assets	19,961	19,961	23,695	22,910	3,734
Environmental charges	147,043	147,043	103,442	152,374	-43,601
Other income from operations	43,060	43,060	59,968	47,944	16,908
Interest and dividend income	234,700	234,700	283,030	209,622	48,331
TOTAL STATE BUDGET EXPENDITURE	-16,838,947	-17,775,269	-15,896,750	-13,913,756	1,878,519
Incl. funds with limits	-4,734,611	-5,391,643	-4,407,503	-3,954,838	984,139
Incl. depreciation and revaluation of non-current assets	-299,050	-299,050	-357,022	-312,243	-57,971
Incl. domestic VAT expense	-175,868	-186,402	-188,692	-165,692	-2,290
REVENUE MINUS EXPENDITURE IN THE STATE BUDGET	-1,248,589	-2,184,911	-961,791	82,804	1,223,120
(B) BUDGET FOR INVESTMENTS	-755,692	-1,026,497	-701,558	-630,081	324,939
Incl. funds with limits	-424,235	-539,119	-407,640	-388,758	131,479
Incl. domestic VAT expense	-121,412	-117,026	-101,829	-97,039	15,196
TOTAL STATE BUDGET EXPENDITURE AND INVESTMENTS	-17,594,640	-18,801,765	-16,598,307	-14,543,837	2,203,458

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
REVENUE MINUS EXPENDITURE AND INVESTMENTS IN THE STATE BUDGET	-2,004,282	-3,211,407	-1,663,348	-547,277	1,548,059
REVENUE ADJUSTMENT IN THE STATE'S BUDGETARY POSITION			-18,043	-83,450	
Adjustment of revenue from the sale of emission allowances			-26,010	-85,636	
Super dividends and non-monetary dividends			0	-532	
Carrying amount of non-current assets sold			7,967	2,718	
TOTAL REVENUE IN STATE BUDGETARY POSITION			14,916,916	13,913,109	
EXPENDITURE ADJUSTMENT IN STATE BUDGETARY POSITION			623,572	281,433	
Depreciation			357,022	312,243	
Adjustment by payments of provisions			267,906	23,212	
Adjustment by formation of provisions			5	-18,772	
Adjustment by the change in inventories			-2,234	-36,152	
Adjustment by the exchange rate changes			874	903	
TOTAL EXPENDITURE IN STATE BUDGETARY POSITION			-15,273,177	-13,632,322	
TOTAL STATE BUDGETARY POSITION			-1,057,819	-349,294	
REVENUE ADJUSTMENT ACCORDING TO STATEMENT OF FINANCIAL PERFORMANCE			-103,535	6,782	
Taxes and social security contributions			32,471	60,596	
Doubtful taxes, state fees, fines			39,521	34,168	
Revenue from domestic taxes			-292,309	-264,961	
Non-monetary grants and grants for financing transactions received			148,978	37,666	
Surplus/deficit from the change in fair value of biological assets			321	12,488	
Surplus/deficit from the sale and revaluation of holdings			-45,189	141,163	
Surplus/deficit from the sale and revaluation of financial investments			11,311	-16,519	
Financial income from the exchange rate change			-316	194	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Interest income from discounting the receivables			1,677	1,988	
TOTAL REVENUE IN THE STATEMENT OF FINANCIAL PERFORMANCE			14,831,424	14,003,342	
EXPENDITURE ADJUSTMENT ACCORDING TO STATEMENT OF FINANCIAL PERFORMANCE			111,314	-82,833	
Transfer of taxes and social security contributions			-18,445	-21,512	
Doubtful taxes, state fees, fines			-39,521	-34,168	
Domestic tax expenses			292,309	264,961	
VAT expenses recorded in investments and financial transactions			-101,846	-97,056	
Adjustment by payments of provisions			380,245	113,437	
Adjustment by formation of provisions			-231,928	-164,089	
Interest expense from discounting provisions			-160,656	-138,035	
Non-monetary grants awarded and management expenses			-8,845	-6,371	
TOTAL EXPENDITURE IN STATEMENT OF FINANCIAL PERFORMANCE			-15,785,435	-13,996,589	
TOTAL SURPLUS/DEFICIT			-954,011	6,753	
(C) BUDGET FOR FINANCING TRANSACTIONS	467,591	272,804	1,322,688	-127,802	1,049,884
Incl. funds with limits	-208,915	-393,215	-273,883	-198,097	119,332
Incl. domestic VAT expense	-16	-16	-17	-17	0
(D) CASH FLOWS					
TOTAL CASH FLOWS FROM REVENUE			15,123,850	14,119,572	
Total state budget revenue			14,934,959	13,996,560	
Adjustment for receipt of revenue cash flow			188,891	123,012	
TOTAL CASH FLOWS FROM EXPENDITURE			-15,598,584	-13,658,974	
Total state budget expenditure			-15,896,750	-13,913,756	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Adjustment for payment of expenditure cash flow			298,166	254,782	
CASH FLOWS FROM INVESTMENTS			-834,827	-576,614	
Total state budget investments			-701,558	-630,081	
Adjustment for payment of investment cash flow			-133,269	53,467	
CASH FLOWS FROM THE FINANCING TRANSACTIONS			1,322,688	-127,802	
TOTAL CASH FLOWS			13,128	-243,818	
RIIGIKOGU					
INCOME	0	0	205	58	205
Income from economic activities	0	0	2	18	2
Grants received	0	0	52	36	52
Income from non-current assets and inventories sold	0	0	2	0	2
Other income	0	0	150	5	150
EXPENDITURE	-33,200	-33,503	-30,901	-23,707	2,602
Incl. funds with limits	-19,980	-20,156	-17,405	-13,053	2,751
Incl. VAT	-924	-924	-738	-621	186
INVESTMENTS	-4,317	-1,569	-825	-526	744
Incl. funds with limits	-3,598	-849	-688	-442	162
Incl. VAT	-720	-720	-138	-83	582
ADJUSTMENTS			-471	-39	
National grants received			0	43	
Non-monetary grants awarded			0	-8	
Remuneration of members of the <i>Riigikogu</i> (provision for compensation at the end of employment)			-471	0	
Interest expense on provision for compensation at the end of employment			0	-74	
OFFICE OF THE PRESIDENT OF THE REPUBLIC					

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
INCOME	28	28	149	149	121
Income from economic activities	28	28	40	36	12
Grants received	0	0	109	113	109
EXPENDITURE	-5,571	-5,996	-5,753	-5,412	243
Incl. funds with limits	-4,580	-4,991	-4,724	-4,473	267
Incl. VAT	-316	-316	-302	-306	14
INVESTMENTS	-445	-811	-420	-683	391
Incl. funds with limits	-371	-612	-246	-492	366
Incl. VAT	-74	-95	-70	-113	25
ADJUSTMENTS			52	43	
National grants received			19	20	
Interest expense on provisions			-299	-271	
Adjustment by payment of special pension provisions			331	295	
Capitalised remuneration (reduction of expenditure)			2	13	
Capitalised remuneration (increase in investment)			-2	-13	
NATIONAL AUDIT OFFICE					
INCOME	0	0	0	49	0
Grants received	0	0	0	49	0
EXPENDITURE	-5,855	-6,583	-5,757	-5,400	826
Incl. funds with limits	-5,342	-6,070	-5,328	-5,015	742
Incl. VAT	-248	-248	-224	-221	23
INVESTMENTS	0	-77	-78	-177	0
Incl. funds with limits	0	-77	-65	-114	13
Incl. VAT	0	0	-13	-23	-13
ADJUSTMENTS			-16	0	
Provisioning and interest expense			-16	0	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
OFFICE OF THE CHANCELLOR OF JUSTICE					
INCOME	0	0	5	0	5
Grants received	0	0	5	0	5
EXPENDITURE	-3,378	-3,471	-3,264	-3,068	206
Incl. funds with limits	-3,128	-3,210	-3,030	-2,842	180
Incl. VAT	-124	-124	-104	-100	21
ADJUSTMENTS			-29	11	
Interest expense on provisions			-29	11	
SUPREME COURT					
INCOME	220	220	360	428	140
State fees	220	220	290	311	70
Income from economic activities	0	0	4	1	4
Grants received	0	0	44	10	44
Fines and other fines to the extent of asset	0	0	0	5	0
Other income from operations	0	0	22	101	22
EXPENDITURE	-6,461	-7,184	-6,971	-5,959	214
Incl. funds with limits	-3,961	-4,583	-4,394	-3,713	189
Incl. VAT	-108	-109	-145	-105	-36
INVESTMENTS	0	-38	-46	0	-8
Incl. funds with limits	0	-38	-38	0	0
Incl. VAT	0	0	-8	0	-8
ADJUSTMENTS			-611	-602	
National grants received			6	0	
Interest expense on pension provisions			-550	-552	
Public sector special pensions and pension increases			-67	-50	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
GOVERNMENT OF THE REPUBLIC					
EXPENDITURE	-3,108,344	-3,126,852	-2,891,766	-2,573,417	235,086
Incl. funds with limits	-928,118	-946,626	-709,013	-569,718	237,614
EU national contribution	-372,350	-372,350	-374,461	-362,957	-2,111
Reserve fund of the Government of the Republic	-219,103	-237,611	0	0	237,611
Support fund for local governments	-640,110	-640,110	-647,389	-502,359	-7,279
Incl. funds with limits	-601,645	-601,645	-601,643	-462,416	3
Incl. compensation for expenses incurred due to performing state functions	-39,592	-39,592	-46,874	-41,367	-7,282
Incl. funds with limits	-1,127	-1,127	-1,127	-1,424	0
Budget equalisation fund of local governments (with limits)	-107,370	-107,370	-107,370	-107,302	0
Transferable taxes to local governments	-1,769,411	-1,769,411	-1,762,546	-1,600,799	6,865
GOVERNMENT OFFICE					
INCOME	5,953	5,953	982	1,082	-4,971
Income from economic activities	0	0	1	2	1
Grants received	5,953	5,953	981	1,080	-4,972
EXPENDITURE	-26,369	-28,177	-17,951	-17,525	10,226
Incl. funds with limits	-15,245	-17,296	-14,860	-14,674	2,436
Performance area: EFFECTIVE STATE	-23,481	-26,737	-16,996	-16,700	9,741
Incl. funds with limits	-15,245	-17,296	-14,860	-14,674	2,436
Supporting the activities of the Government of the Republic and the Prime Minister	-23,481	-26,737	-16,996	-16,700	9,741
Incl. funds with limits	-15,245	-17,296	-14,860	-14,674	2,436
VAT	-2,888	-1,440	-956	-825	485
INVESTMENTS	-249	-268	-150	-432	118
Incl. funds with limits	-174	-194	-118	-324	75

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. VAT	-41	-36	-25	-72	11
ADJUSTMENTS			75	78	
National grants received			109	108	
Foreign aid received for intermediation to state agencies			191	183	
Pass-through foreign aid and co-financing provided to state agencies			-225	-212	
Area of government of the MINISTRY OF EDUCATION AND RESEARCH					
INCOME	235,140	235,346	170,729	179,623	-64,618
State fees	61	61	69	73	8
Income from economic activities	10,437	10,314	13,822	13,715	3,508
Grants received	224,599	224,728	156,512	165,624	-68,216
Income from non-current assets and inventories sold	0	200	105	16	-95
Other income	29	29	222	182	193
Interest and dividend income	14	14	-1	11	-15
EXPENDITURE	-1,026,750	-1,143,939	-935,551	-838,558	208,388
Incl. funds with limits	-781,126	-853,531	-753,839	-657,101	99,692
Performance area: ESTONIAN LANGUAGE AND IDENTITY	-10,518	-10,141	-7,959	-6,158	2,183
Incl. funds with limits	-8,231	-9,135	-7,300	-5,735	1,835
Language programme	-10,518	-10,141	-7,959	-6,158	2,183
Incl. funds with limits	-8,231	-9,135	-7,300	-5,735	1,835
Strengthening the reputation and status of the Estonian language	-994	-1,007	-931	-708	76
Incl. funds with limits	-994	-1,007	-931	-708	76
Developing language infrastructure and language technologies	-5,254	-5,914	-4,723	-3,801	1,191
Incl. funds with limits	-4,732	-5,419	-4,252	-3,410	1,168
Supporting Estonian language learning and assessment and multilingualism	-4,269	-3,221	-2,305	-1,649	916
Incl. funds with limits	-2,505	-2,709	-2,118	-1,617	591
Performance area: EDUCATED AND ACTIVE POPULATION	-766,251	-873,291	-704,347	-616,297	168,944

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-583,076	-629,852	-563,149	-499,381	66,703
Education and youth programme	-766,251	-873,291	-704,347	-616,297	168,944
Incl. funds with limits	-583,076	-629,852	-563,149	-499,381	66,703
Organising and developing the education network	-67,689	-63,337	-59,134	-45,291	4,203
Incl. funds with limits	-24,196	-25,970	-22,231	-20,251	3,739
Ensuring access to general and vocational education	-264,720	-304,578	-269,666	-254,553	34,912
Incl. funds with limits	-243,340	-272,774	-241,917	-229,492	30,857
Ensuring access to higher education	-242,560	-251,085	-242,621	-210,155	8,464
Incl. funds with limits	-235,434	-239,739	-236,410	-203,029	3,329
Developing adult education and creating learning opportunities	-15,189	-8,741	-5,753	-6,169	2,988
Incl. funds with limits	-151	-151	-93	-151	58
Promoting the international competitiveness of education	-36,328	-112,840	-39,428	-30,848	73,412
Incl. funds with limits	-1,865	-2,409	-2,243	-1,914	166
Curriculum and school organisation development activities	-33,274	-35,153	-28,666	-23,934	6,486
Incl. funds with limits	-19,460	-24,192	-18,511	-16,282	5,681
Ensuring equal opportunities in education	-55,185	-53,722	-33,608	-17,790	20,114
Incl. funds with limits	-44,580	-48,271	-29,338	-14,211	18,933
Supporting the development of teachers and leaders of educational institutions	-6,543	-5,316	-3,937	-4,663	1,378
Incl. funds with limits	-587	-708	-618	-661	89
Developing the skills system and skills forecasting system OSKA	-3,420	-3,210	-3,159	-2,311	51
Incl. funds with limits	-1,388	-1,388	-1,379	-1,349	9
Linking learning to the labour market needs	-28,219	-20,079	-8,637	-11,514	11,442
Incl. funds with limits	-6,043	-7,443	-4,800	-6,539	2,642
Supporting youth entrepreneurship and own initiative (HOOG)	-2,554	-6,471	-3,052	-2,078	3,419
Incl. funds with limits	-191	-214	-186	-38	28

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Supporting young people's civic participation and protecting their rights (OSA)	-853	-853	-815	-853	38
Incl. funds with limits	-853	-853	-815	-853	38
Developing the accessibility and quality of youth work (ISE)	-4,664	-5,593	-4,350	-4,809	1,243
Incl. funds with limits	-4,547	-5,288	-4,175	-4,174	1,114
Ensuring equal opportunities for young people in society (KINDLUS)	-5,053	-2,312	-1,520	-1,329	792
Incl. funds with limits	-440	-452	-433	-440	19
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP	-225,371	-233,429	-198,149	-192,863	35,280
Incl. funds with limits	-180,580	-205,064	-174,315	-143,757	30,749
Scientific system programme	-186,829	-205,653	-174,451	-172,833	31,202
Incl. funds with limits	-161,740	-185,934	-157,025	-139,017	28,909
Supporting the development of research institutions and the research community	-167,136	-183,796	-155,563	-159,862	28,233
Incl. funds with limits	-146,545	-168,678	-142,702	-129,037	25,976
Ensuring the quality and accessibility of research infrastructure	-19,692	-21,857	-18,887	-12,971	2,969
Incl. funds with limits	-15,195	-17,256	-14,323	-9,980	2,933
Knowledge Transfer Programme	-38,543	-27,777	-23,698	-20,030	4,079
Incl. funds with limits	-18,840	-19,130	-17,290	-4,740	1,840
Supporting knowledge transfer between sectors	-38,543	-27,777	-23,698	-20,030	4,079
Incl. funds with limits	-18,840	-19,130	-17,290	-4,740	1,840
Performance area: EFFECTIVE STATE	-9,823	-10,924	-9,606	-9,865	1,317
Incl. funds with limits	-9,238	-9,479	-9,074	-8,228	405
Archiving programme	-9,823	-10,924	-9,606	-9,865	1,317
Incl. funds with limits	-9,238	-9,479	-9,074	-8,228	405
Collecting, preserving and providing access to archival materials	-9,823	-10,924	-9,606	-9,865	1,317
Incl. funds with limits	-9,238	-9,479	-9,074	-8,228	405

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
VAT	-14,786	-16,153	-15,490	-13,375	663
INVESTMENTS	-105,010	-97,321	-79,198	-79,530	18,123
Incl. funds with limits	-16,018	-24,204	-14,131	-20,347	10,073
Organising the network of upper secondary schools	-68,861	-52,260	-47,227	-41,949	5,033
Incl. funds with limits	-200	-200	0	-192	200
Funds for Riigi Kinnisvara Aktsiaselts	-12,987	-13,611	-7,405	-12,050	6,206
Incl. funds with limits	-12,987	-13,611	-7,405	-12,050	6,206
Total other investments	-4,087	-15,977	-11,457	-12,464	4,520
Incl. funds with limits	-2,831	-10,394	-6,726	-8,104	3,667
VAT	-19,074	-15,473	-13,109	-13,067	2,364
FINANCING TRANSACTIONS	248	248	54	70	-194
Incl. funds with limits	-11	-11	-11	-12	0
Incl. VAT	0	0	-2	-2	-2
Loan liabilities	-11	-11	-11	-12	0
Incl. funds with limits	-11	-11	-11	-12	0
Loan receivables	259	259	67	84	-192
ADJUSTMENTS			571	13,091	
Non-monetary grants received			0	426	
Difference between internal grants received and awarded			-3	38	
Foreign aid co-financing received from other areas of government			448	480	
Surplus/deficit from the revaluation of biological assets			321	12,488	
Non-monetary grants awarded			-192	-317	
Foreign aid awarded to other areas of government (reversed income)			19	162	
Foreign aid and co-financing intermediated to other areas of government (reversed expenses)			-23	-186	
Doubtful receivables (reversed income)			25	-4	
Doubtful receivables (reversed expenses)			-25	4	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Area of government of the MINISTRY OF JUSTICE					
INCOME	45,962	45,962	53,881	58,594	7,919
State fees	29,235	29,235	31,130	32,483	1,895
Income from economic activities	2,935	2,935	4,152	6,774	1,217
Grants received	3,960	3,960	5,918	7,456	1,958
Income from non-current assets and inventories sold	0	0	1	3	1
Fines and financial penalties	861	861	1,607	1,825	746
Other income	8,970	8,970	11,072	10,051	2,102
EXPENDITURE	-233,078	-244,481	-221,567	-196,584	22,914
Incl. funds with limits	-176,092	-184,678	-168,242	-140,895	16,436
Performance area: RULE OF LAW	-222,132	-233,757	-212,311	-187,146	21,447
Incl. funds with limits	-176,092	-184,678	-168,242	-140,895	16,436
Programme for a reliable and effective legal space	-222,132	-233,757	-212,311	-187,146	21,447
Incl. funds with limits	-176,092	-184,678	-168,242	-140,895	16,436
Shaping legal policy and ensuring the quality of legislation	-11,569	-12,936	-10,277	-7,289	2,659
Incl. funds with limits	-11,413	-12,693	-10,071	-6,469	2,622
Implementing the field of intellectual property	-4,864	-5,888	-4,563	-4,956	1,325
Incl. funds with limits	-2,341	-2,351	-2,090	-1,686	260
Developing criminal policy and implementation, incl. prevention	-40,581	-43,087	-37,476	-31,636	5,611
Incl. funds with limits	-27,556	-28,706	-24,518	-19,449	4,188
Organising the enforcement of penalties	-80,245	-82,153	-78,321	-72,900	3,832
Incl. funds with limits	-78,004	-80,139	-76,713	-70,860	3,426
Ensuring justice, legal registers and legal services	-82,742	-87,228	-79,425	-68,535	7,802
Incl. funds with limits	-55,079	-58,702	-52,921	-41,956	5,781
Central IT services for other areas of government	-2,130	-2,466	-2,247	-1,831	219
Incl. funds with limits	-1,699	-2,086	-1,927	-474	158

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
VAT	-10,946	-10,724	-9,256	-9,438	1,468
INVESTMENTS	-1,658	-10,532	-7,163	-6,007	3,369
Incl. funds with limits	-1,361	-3,980	-2,087	-1,077	1,893
Incl. VAT	-276	-959	-1,096	-974	-137
ADJUSTMENTS			-9,753	-8,858	
Foreign aid co-financing received from other state agencies			584	881	
Foreign aid intermediated to other areas of government (reversed income)			63	70	
Foreign aid and co-financing intermediated to other areas of government			-74	-82	
Public sector special pensions and pension increases			-4,055	-3,761	
Interest expense on pension provisions			-6,271	-5,967	
Doubtful receivables are recorded as reduction in income, reversed income			1	4	
Doubtful receivables are recorded as reduction in income, reversed expenses			-1	-4	
Expenditure adjustment from capitalised investments			5,108	2,618	
Increase in investments from capitalised expenses			-5,108	-2,618	
Area of government of the MINISTRY OF DEFENCE					
INCOME	16,253	16,253	44,066	7,544	27,814
Income from economic activities	177	177	3,370	3,884	3,193
Grants received	11,802	11,802	38,787	2,799	26,985
Income from non-current assets and inventories sold	1,837	1,837	413	543	-1,424
Fines and financial penalties	135	135	1,272	210	1,137
Other income	2,301	2,301	255	49	-2,046
Interest and dividend income	0	0	-30	59	-30
EXPENDITURE	-899,396	-1,028,021	-1,005,604	-663,662	22,417
Incl. funds with limits	-744,865	-820,499	-791,536	-527,096	28,964
Performance area: SECURITY AND NATIONAL DEFENCE	-826,612	-955,190	-918,459	-616,630	36,731
Incl. funds with limits	-744,865	-820,499	-791,536	-527,096	28,964

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Military defence and deterrence programme	-826,612	-955,190	-918,459	-616,630	36,731
Incl. funds with limits	-744,865	-820,499	-791,536	-527,096	28,964
Force generation: land forces	-199,300	-220,819	-235,899	-158,406	-15,080
Incl. funds with limits	-186,944	-214,268	-213,569	-128,675	699
Force generation: navy	-36,136	-34,282	-40,644	-23,232	-6,362
Incl. funds with limits	-35,741	-33,756	-33,676	-17,249	80
Force generation: air forces	-28,168	-26,828	-24,586	-25,788	2,242
Incl. funds with limits	-27,094	-25,753	-21,367	-20,020	4,386
Force generation: other units	-353,965	-413,462	-382,515	-191,419	30,946
Incl. funds with limits	-288,992	-300,212	-293,460	-157,497	6,752
Defence readiness	-14,048	-15,427	-15,059	-51,844	369
Incl. funds with limits	-14,025	-15,073	-14,548	-43,306	524
Engaging allies and international cooperation	-34,887	-48,119	-47,325	-39,885	794
Incl. funds with limits	-34,353	-46,557	-46,013	-38,427	543
Presence of allies in Estonia	-9,683	-24,278	-22,779	-12,273	1,499
Incl. funds with limits	-9,683	-24,278	-22,779	-11,835	1,499
Intelligence and early warning	-51,513	-60,511	-55,903	-51,334	4,608
Incl. funds with limits	-51,513	-60,511	-55,903	-51,334	4,608
Will to defend	-30,553	-32,978	-29,823	-23,912	3,155
Incl. funds with limits	-30,165	-32,122	-29,049	-23,202	3,073
National defence human assets	-51,175	-54,558	-51,908	-25,595	2,650
Incl. funds with limits	-50,838	-53,961	-51,291	-23,790	2,670
Defence investment management	-17,184	-23,928	-12,018	-12,945	11,910
Incl. funds with limits	-15,519	-14,009	-9,880	-11,763	4,129
VAT	-72,783	-72,830	-87,145	-47,032	-14,314
INVESTMENTS	-313,192	-396,471	-282,718	-186,744	113,753
Incl. funds with limits	-227,232	-256,776	-222,898	-151,574	33,878

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Purchase and renovation of buildings and facilities	-44,767	-107,098	-49,216	-43,451	57,882
Incl. funds with limits	-41,770	-54,196	-48,723	-43,451	5,474
Allied infrastructure	-31,458	-50,988	-45,339	0	5,649
Incl. funds with limits	-31,458	-50,242	-44,693	0	5,550
Defence-related special equipment	-124,670	-110,427	-76,197	-93,758	34,231
Incl. funds with limits	-124,584	-87,331	-68,263	-93,758	19,068
Radars on renewable energy statistics from trade in transferred funds	-11,133	-7,840	-7,840	0	0
Plant and equipment from the CO ₂ proceeds	-12,686	-7,870	-7,870	0	0
Defence investments programme	0	-45,686	-45,686	-452	0
Incl. funds with limits	0	-45,686	-45,686	-452	0
Other investments	-41,280	-21,177	-17,325	-22,056	3,852
Incl. funds with limits	-29,420	-19,321	-15,534	-13,913	3,787
VAT	-47,198	-45,385	-33,245	-27,028	12,139
ADJUSTMENTS			-45,602	-64,567	
Public sector special pensions and pension increases			-38,848	-38,715	
Interest expense on pension provisions			-28,480	-29,033	
Foreign aid co-financing received from other areas of government			44	69	
Non-monetary foreign aid received			29,241	7,338	
Non-monetary domestic grants received			0	23	
Non-monetary grants awarded			-1,615	-1,554	
Expenditure incurred with non-monetary grants			-5,945	-2,695	
Area of government of the MINISTRY OF CLIMATE					
INCOME	738,834	1,037,199	802,313	657,064	-234,886
State fees	492	16,627	15,900	471	-727
Income from economic activities	417,074	424,758	374,238	341,476	-50,520
Grants received	75,580	351,822	209,372	40,657	-142,450

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Income from non-current assets and inventories sold	24,000	12,059	13,900	46,637	1,841
Fines and financial penalties	250	257	597	338	340
Environmental charges	146,203	146,203	102,222	151,380	-43,981
Other income	20	10,333	10,599	253	266
Interest and dividend income	75,215	75,140	75,486	75,854	346
EXPENDITURE	-202,556	-1,056,512	-482,745	-134,677	573,767
Incl. funds with limits	-90,281	-236,652	-186,450	-75,260	50,202
Performance area: AGRICULTURE AND FISHERY	-6,785	-9,081	-7,682	-7,562	1,399
Incl. funds with limits	-5,450	-5,651	-4,718	-4,550	933
Fisheries programme	-6,785	-9,081	-7,682	-7,562	1,399
Incl. funds with limits	-5,450	-5,651	-4,718	-4,550	933
Management and conservation of fish resources and fishing	-6,785	-9,081	-7,682	-7,562	1,399
Incl. funds with limits	-5,450	-5,651	-4,718	-4,550	933
Performance area: ENVIRONMENT	-191,128	-544,596	-130,112	-121,813	414,484
Incl. funds with limits	-84,831	-98,549	-76,063	-70,711	22,487
Programme for environmental protection and exploitation	-191,128	-544,596	-130,112	-121,813	414,484
Incl. funds with limits	-84,831	-98,549	-76,063	-70,711	22,487
Climate change mitigation and adaptation	-35,405	-394,127	-12,830	-8,562	381,298
Incl. funds with limits	-3,409	-2,254	-2,607	-2,236	-353
Improving air quality	-13,390	-6,377	-4,634	-3,691	1,742
Incl. funds with limits	-4,872	-5,881	-4,281	-3,505	1,601
Ensuring radiation safety	-1,811	-2,471	-2,406	-1,648	65
Incl. funds with limits	-1,440	-1,899	-1,586	-1,321	313
Promoting resource efficiency and eco-innovation	-19,698	-11,873	-11,413	-11,472	460
Incl. funds with limits	-1,482	-2,051	-1,796	-958	256
Ensuring environmental impact assessment and mitigation	-1,023	-4,467	-2,276	-955	2,191
Incl. funds with limits	-953	-1,215	-951	-814	264

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Industrial emissions and chemicals policy-making	-3,458	-3,207	-2,250	-1,763	957
Incl. funds with limits	-2,163	-3,039	-2,177	-1,679	862
Organising waste management	-11,352	-7,202	-5,697	-6,054	1,506
Incl. funds with limits	-4,170	-4,882	-3,928	-3,738	954
Management of the exploitation and conservation of the subsoil resources	-2,322	-2,179	-1,935	-1,264	244
Incl. funds with limits	-1,812	-1,898	-1,645	-1,181	253
Targeting the protection of the marine environment	-3,404	-4,638	-3,087	-2,386	1,550
Incl. funds with limits	-3,185	-4,210	-3,002	-2,312	1,209
Ensuring the sustainable use and protection of water	-35,682	-39,613	-27,755	-27,480	11,858
Incl. funds with limits	-13,551	-22,119	-11,830	-7,876	10,289
Ensuring biodiversity protection	-22,408	-24,265	-18,522	-15,907	5,743
Incl. funds with limits	-11,780	-12,882	-10,828	-10,674	2,054
Guiding forestry development	-13,319	-14,501	-13,203	-11,684	1,297
Incl. funds with limits	-12,759	-13,850	-12,760	-11,204	1,090
Organising land operations	-7,214	-6,466	-4,911	-8,883	1,555
Incl. funds with limits	-4,932	-4,301	-3,492	-5,982	809
Spatial data capture, analysis and making it available	-8,817	-5,931	-5,762	-9,322	170
Incl. funds with limits	-8,317	-5,450	-5,221	-8,436	229
Provision of weather data, forecasts and warnings	-4,663	-5,979	-5,409	-4,721	570
Incl. funds with limits	-3,310	-3,804	-3,510	-3,389	294
Guiding the development of environmental awareness and education	-7,162	-11,299	-8,022	-6,021	3,277
Incl. funds with limits	-6,697	-8,813	-6,451	-5,404	2,362
Performance area: ENERGY	0	-47,654	-18,225	0	29,429
Incl. funds with limits	0	-6,377	-2,658	0	3,719
Energy and Mineral Resources Programme	0	-47,654	-18,225	0	29,429
Incl. funds with limits	0	-6,377	-2,658	0	3,719
Ensuring the supply of electricity and gas	0	-18,196	-255	0	17,941

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	0	-322	-235	0	88
Transport fuel regulation and fuel stock preservation	0	-83	-90	0	-7
Incl. funds with limits	0	-81	-84	0	-4
Efficient production and transmission of heat	0	-143	-106	0	37
Incl. funds with limits	0	-140	-98	0	42
Increasing the energy efficiency	0	-2,402	-1,792	0	609
Incl. funds with limits	0	-758	-195	0	564
Increasing the share of renewable energy in final consumption	0	-20,679	-13,692	0	6,987
Incl. funds with limits	0	-523	-425	0	98
Exploration and exploitation of the subsoil resources	0	-4,061	-975	0	3,086
Incl. funds with limits	0	-3,463	-679	0	2,784
Geological mapping and the subsoil competence	0	-2,090	-1,314	0	776
Incl. funds with limits	0	-1,090	-943	0	148
Performance area: DIGITAL SOCIETY	0	-141	-59	0	82
Incl. funds with limits	0	-130	-57	0	73
Digital society programme	0	-141	-59	0	82
Incl. funds with limits	0	-130	-57	0	73
Development leaps for the digital economy	0	-12	-8	0	3
Incl. funds with limits	0	-11	-8	0	3
Strengthening the digital state	0	-56	-30	0	26
Incl. funds with limits	0	-51	-29	0	23
National cyber security governance and co-ordination	0	-10	-4	0	5
Incl. funds with limits	0	-9	-4	0	5
Developing capacity to analyse trends, risks and impacts	0	-5	-4	0	1
Incl. funds with limits	0	-5	-4	0	1
Ensuring cyber security	0	-3	0	0	3
Incl. funds with limits	0	-3	0	0	3

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Ensuring the rule of law	0	-44	-4	0	40
Incl. funds with limits	0	-41	-4	0	37
Developing access networks	0	-6	-4	0	1
Incl. funds with limits	0	-5	-4	0	1
Developing the 5G infrastructure and services	0	-6	-4	0	2
Incl. funds with limits	0	-5	-4	0	1
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP	0	-53,910	-39,496	0	14,414
Incl. funds with limits	0	-24,809	-11,428	0	13,382
Knowledge Transfer Programme	0	-311	-72	0	239
Incl. funds with limits	0	-309	-71	0	238
Fostering innovation, digital and green transition of enterprises	0	-301	-63	0	238
Incl. funds with limits	0	-299	-63	0	237
Developing research and technology intensive start-ups	0	-10	-8	0	2
Incl. funds with limits	0	-10	-8	0	1
Construction programme	0	-53,402	-39,359	0	14,044
Incl. funds with limits	0	-24,318	-11,293	0	13,025
E-construction	0	-3,027	-2,871	0	155
Incl. funds with limits	0	-1,162	-1,125	0	36
Developing the quality of the built environment and the construction sector	0	-1,014	-427	0	588
Incl. funds with limits	0	-790	-238	0	552
Housing policy	0	-49,361	-36,061	0	13,301
Incl. funds with limits	0	-22,367	-9,930	0	12,437
Entrepreneurial environment programme	0	-197	-65	0	131
Incl. funds with limits	0	-182	-63	0	119
Promoting the development of entrepreneurship	0	-136	-24	0	112
Incl. funds with limits	0	-125	-23	0	102

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Promoting business competitiveness and exports	0	-37	-25	0	12
Incl. funds with limits	0	-35	-24	0	11
Developing research and development intensive start-ups	0	-24	-17	0	7
Incl. funds with limits	0	-22	-16	0	6
Performance area: TRANSPORT	0	-390,752	-275,823	0	114,929
Incl. funds with limits	0	-101,135	-91,526	0	9,609
Transport competitiveness and mobility programme	0	-390,752	-275,823	0	114,929
Incl. funds with limits	0	-101,135	-91,526	0	9,609
Development and maintenance of rail transport infrastructure	0	-203,731	-111,365	0	92,367
Incl. funds with limits	0	-28,538	-27,313	0	1,225
Development and maintenance of water transport infrastructure	0	-30,093	-27,847	0	2,246
Incl. funds with limits	0	-17,532	-11,427	0	6,105
Development and maintenance of air transport infrastructure	0	-5,691	-5,659	0	32
Incl. funds with limits	0	-5,202	-5,165	0	36
Development and maintenance of road transport infrastructure	0	-126,176	-70,245	0	55,931
Incl. funds with limits	0	-32,984	-30,912	0	2,072
Urban environment promoting eco-mobility	0	-164	-170	0	-6
Incl. funds with limits	0	-150	-147	0	3
Safe and sustainable transport system	0	-15,355	-54,755	0	-39,401
Incl. funds with limits	0	-14,386	-14,275	0	111
Developing and promoting mobility services	0	-9,542	-5,782	0	3,760
Incl. funds with limits	0	-2,344	-2,287	0	57
VAT	-4,643	-10,377	-11,348	-5,302	-971
INVESTMENTS	-2,930	-181,148	-128,904	-5,059	52,244
Incl. funds with limits	-1,853	-87,745	-67,086	-2,897	20,659
Summary project of the renovation of national roads	0	-73,279	-58,617	0	14,662
Incl. funds with limits	0	-69,372	-57,327	0	12,045

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Rail Baltic development	0	-20,609	-10,868	0	9,740
Pärnu-Uulu 2+2 road	0	-18,800	-15,056	0	3,744
Sauga-Pärnu 2+2 road	0	-2,400	-1,377	0	1,023
Other investments	-2,442	-43,120	-22,653	-4,216	20,467
Incl. funds with limits	-1,853	-18,374	-9,759	-2,897	8,615
VAT	-488	-22,940	-20,333	-843	2,607
FINANCING TRANSACTIONS	4,100	-1,750	2,047	4,913	3,797
Incl. funds with limits	0	-3,800	0	0	3,800
Loan receivables	4,100	2,050	2,047	4,913	-3
Holdings in public sector and affiliated entities and international holdings	0	-3,000	0	0	3,000
Incl. funds with limits	0	-3,000	0	0	3,000
Government grants awarded for the financing activities	0	-800	0	0	800
Incl. funds with limits	0	-800	0	0	800
ADJUSTMENTS			-59,193	147,034	
Environmental and pollution charges recorded as implementation of the budget of the Government of the Republic			-14,832	-15,947	
Foreign aid co-financing received from other areas of government			917	952	
Foreign aid intermediated to other areas of government, reversed expenses			-155	0	
Doubtful environmental charges and income from economic activities, reversed income			477	-915	
Doubtful environmental charges and income from economic activities, reversed expenses			-477	915	
Non-monetary grants received			34	0	
Non-monetary grants awarded			-364	-363	
Interest expense on other provisions			-16	0	
Revaluation of holdings			-44,778	162,392	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Area of government of the MINISTRY OF CULTURE					
INCOME	7,873	7,873	10,209	11,557	2,336
State fees	7	7	8	8	0
Income from economic activities	2,205	2,205	3,264	2,943	1,060
Grants received	5,661	5,661	6,932	8,598	1,271
Other income	0	0	5	7	5
Interest and dividend income	0	0	1	0	1
EXPENDITURE	-364,126	-468,189	-363,861	-328,786	104,328
Incl. funds with limits	-309,717	-364,147	-307,248	-271,081	56,899
Performance area: COHESIVE SOCIETY	-10,061	-19,747	-11,275	-11,194	8,472
Incl. funds with limits	-6,295	-17,641	-9,857	-8,113	7,784
Programme: Cohesive Estonia: integration, incl. adaptation	-10,061	-19,747	-11,275	-11,194	8,472
Incl. funds with limits	-6,295	-17,641	-9,857	-8,113	7,784
Developing and implementing integration, incl. adaptation policy	-9,914	-19,600	-11,205	-11,194	8,395
Incl. funds with limits	-6,148	-17,494	-9,787	-8,113	7,707
Supporting fellow citizens	-147	-147	-70	0	77
Incl. funds with limits	-147	-147	-70	0	77
Performance area: CULTURE AND SPORTS	-351,922	-446,172	-350,364	-314,227	95,808
Incl. funds with limits	-303,422	-346,506	-297,391	-262,968	49,116
Cultural programme	-292,045	-378,015	-298,369	-265,159	79,646
Incl. funds with limits	-247,432	-282,235	-249,196	-218,298	33,039
Supporting and recognising creative persons	-3,133	-3,102	-3,152	-4,291	-49
Incl. funds with limits	-336	-305	-290	-1,648	15
Developing and implementing literary policy	-8,725	-8,861	-8,732	-7,554	128
Incl. funds with limits	-5,764	-5,825	-5,772	-4,722	54
Developing and implementing performing arts policy	-44,795	-48,507	-48,319	-43,343	189
Incl. funds with limits	-41,685	-45,398	-45,278	-40,398	120

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Developing and implementing audiovisual policy	-17,447	-19,409	-16,792	-16,046	2,617
Incl. funds with limits	-13,747	-15,709	-13,166	-12,535	2,543
Developing and implementing music policy	-18,741	-19,317	-18,584	-16,427	733
Incl. funds with limits	-15,040	-15,610	-14,959	-12,910	651
Developing and implementing arts policy	-9,760	-7,015	-6,496	-6,382	519
Incl. funds with limits	-6,241	-3,454	-3,022	-3,024	432
Developing and implementing architecture and design policy	-2,523	-2,510	-2,467	-2,426	42
Incl. funds with limits	-378	-364	-362	-388	2
Developing and implementing media policy	-44,685	-47,358	-47,333	-42,770	24
Incl. funds with limits	-44,685	-47,358	-47,333	-42,770	24
Developing and implementing museum and heritage conservation policy	-54,538	-117,623	-55,306	-53,083	62,318
Incl. funds with limits	-50,661	-62,404	-47,499	-45,801	14,906
Developing and implementing library policy	-38,395	-48,242	-44,663	-35,017	3,579
Incl. funds with limits	-38,395	-48,242	-44,663	-35,017	3,579
Developing and implementing folk culture policy	-14,358	-15,683	-14,777	-10,322	905
Incl. funds with limits	-10,762	-11,916	-11,180	-6,507	736
Digitising the cultural sector	-53	-280	-224	-123	56
Incl. funds with limits	-53	-280	-224	-82	56
Promoting the internationalisation of culture	-4,910	-5,198	-4,856	-4,227	342
Incl. funds with limits	-4,910	-5,137	-4,811	-4,119	326
Developing and implementing creative sector policy	-1,775	-1,200	-1,200	-1,098	0
Incl. funds with limits	0	0	0	-16	0
Cross-cutting support and development for culture	-28,207	-33,710	-25,468	-22,049	8,243
Incl. funds with limits	-14,773	-20,233	-10,635	-8,361	9,598
Sports programme	-59,876	-68,157	-51,995	-49,069	16,162
Incl. funds with limits	-55,990	-64,271	-48,194	-44,670	16,077
Supporting and developing competitive sports	-42,258	-47,697	-44,660	-43,680	3,037

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-38,372	-43,811	-40,859	-39,297	2,952
Supporting and developing fair sports and sports security	-279	-309	-309	-203	0
Incl. funds with limits	-279	-309	-309	-203	0
Promoting organised physical activity	-17,339	-20,151	-7,026	-5,186	13,125
Incl. funds with limits	-17,339	-20,151	-7,026	-5,170	13,125
VAT	-2,143	-2,270	-2,222	-3,365	49
INVESTMENTS	-136	-208	-187	-477	22
Incl. funds with limits	-136	-176	-133	-169	43
Incl. VAT	0	-1	-22	-44	-21
ADJUSTMENTS			40,496	37,626	
Tax revenue received			37,898	39,078	
Pass-through tax revenue, the difference between accrued and cash expenses			3,046	401	
Non-monetary government grants received			5	74	
Foreign aid co-financing received from other areas of government			59	154	
Non-monetary swap, gain on sale of non-current assets			1,094	0	
Non-monetary swap, acquisition of non-current assets			-1,100	0	
Doubtful accounts, reversed income			1	0	
Doubtful accounts, reversed expenses			-1	0	
Revaluation of holdings			-506	-2,081	
Area of government of the MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS					
INCOME	791,282	502,393	383,023	433,755	-119,369
State fees	36,743	20,588	21,079	37,382	492
Income from economic activities	33,155	23,625	18,547	38,703	-5,078
Grants received	675,421	422,574	305,253	307,813	-117,321
Income from non-current assets and inventories sold	117	59	118	816	60

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Fines and other fines to the extent of asset	207	225	296	412	71
Other income	20,458	10,142	11,827	21,683	1,685
Interest and dividend income	25,181	25,181	25,903	26,944	723
EXPENDITURE	-1,448,948	-1,302,042	-1,071,752	-975,955	230,290
Incl. funds with limits	-519,740	-509,996	-337,892	-520,515	172,104
Performance area: TRANSPORT	-621,927	-296,021	-251,887	-504,196	44,134
Incl. funds with limits	-254,452	-137,163	-136,875	-293,231	288
Transport competitiveness and mobility programme	-621,927	-296,021	-251,887	-504,196	44,134
Incl. funds with limits	-254,452	-137,163	-136,875	-293,231	288
Development and maintenance of rail transport infrastructure	-198,148	-82,718	-35,061	-105,645	47,656
Incl. funds with limits	-2,058	-632	-558	-36,495	74
Development and maintenance of water transport infrastructure	-26,850	-15,107	-28,713	-26,531	-13,605
Incl. funds with limits	-19,185	-14,269	-14,269	-21,558	0
Development and maintenance of air transport infrastructure	-11,454	-5,182	-5,041	-7,906	141
Incl. funds with limits	-10,345	-5,177	-5,176	-12,652	0
Development and maintenance of road transport infrastructure	-190,211	-95,327	-43,724	-199,811	51,603
Incl. funds with limits	-55,508	-26,604	-26,603	-61,373	0
Urban environment promoting eco-mobility	-26,067	-6,492	-6,487	-918	5
Incl. funds with limits	-217	-132	-132	-146	0
Safe and sustainable transport system	-30,290	-14,763	-53,382	-29,225	-38,619
Incl. funds with limits	-28,504	-14,142	-13,929	-27,041	212
Developing and promoting mobility services	-138,908	-76,432	-79,480	-134,160	-3,048
Incl. funds with limits	-138,633	-76,207	-76,207	-133,967	0
Performance area: ENERGY	-258,326	-168,766	-63,692	-180,415	105,074
Incl. funds with limits	-111,840	-132,203	-27,069	-132,312	105,134
Energy and Mineral Resources Programme	-258,326	-168,766	-63,692	-180,415	105,074
Incl. funds with limits	-111,840	-132,203	-27,069	-132,312	105,134

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Ensuring the supply of electricity and gas	-160,298	-102,980	-23,081	-127,177	79,900
Incl. funds with limits	-80,270	-99,365	-19,465	-100,937	79,900
Transport fuel regulation and fuel stock preservation	-6,291	-10,134	-5,386	-7,904	4,748
Incl. funds with limits	-6,267	-10,127	-5,379	-7,880	4,748
Efficient production and transmission of heat	-40,639	-47,207	-26,747	-11,493	20,460
Incl. funds with limits	-20,626	-20,798	-338	-11,479	20,460
Increasing the energy efficiency	-1,980	-905	-880	-17,205	25
Incl. funds with limits	-853	-240	-215	-8,490	25
Increasing the share of renewable energy in final consumption	-44,485	-4,074	-4,047	-13,001	27
Incl. funds with limits	-862	-400	-400	-881	0
Exploration and exploitation of the subsoil resources	-2,646	-2,214	-2,260	-1,181	-46
Incl. funds with limits	-1,199	-373	-373	-854	0
Geological mapping and the subsoil competence	-1,986	-1,251	-1,292	-2,455	-41
Incl. funds with limits	-1,763	-899	-899	-1,790	0
Performance area: DIGITAL SOCIETY	-124,077	-110,787	-89,834	-64,126	20,954
Incl. funds with limits	-44,108	-74,558	-61,292	-40,119	13,265
Digital society programme	-124,077	-110,787	-89,834	-64,126	20,954
Incl. funds with limits	-44,108	-74,558	-61,292	-40,119	13,265
Development leaps for the digital economy	-3,224	-5,868	-4,986	-2,997	882
Incl. funds with limits	-709	-3,316	-2,405	-1,126	911
Strengthening the digital state	-88,970	-72,576	-57,177	-39,394	15,399
Incl. funds with limits	-25,307	-43,223	-35,371	-21,004	7,852
National cyber security governance and co-ordination	-866	-2,005	-1,260	-1,111	744
Incl. funds with limits	-410	-1,552	-1,104	-988	448
Developing capacity to analyse trends, risks and impacts	-412	-582	-289	-826	294
Incl. funds with limits	-400	-577	-279	-638	298
Ensuring cyber security	-9,406	-12,806	-11,086	-10,210	1,721

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-6,406	-9,586	-7,651	-6,540	1,935
Ensuring the rule of law	-10,892	-16,428	-14,562	-9,771	1,865
Incl. funds with limits	-10,593	-15,988	-14,215	-9,606	1,773
Developing access networks	-10,149	-355	-331	302	24
Incl. funds with limits	-137	-154	-130	-106	24
Developing the 5G infrastructure and services	-157	-167	-143	-119	25
Incl. funds with limits	-146	-162	-138	-112	25
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP	-420,932	-258,831	-204,271	-186,009	54,560
Incl. funds with limits	-109,341	-161,438	-108,598	-54,853	52,840
Knowledge Transfer Programme	-145,985	-140,283	-102,094	-63,265	38,189
Incl. funds with limits	-56,087	-95,975	-59,160	-19,357	36,815
Fostering innovation, digital and green transition of enterprises	-144,624	-138,878	-100,808	-63,113	38,070
Incl. funds with limits	-55,555	-95,405	-58,699	-19,218	36,706
Developing research and technology intensive start-ups	-1,361	-1,406	-1,286	-152	119
Incl. funds with limits	-532	-570	-461	-139	109
Construction programme	-89,582	-24,587	-24,364	-57,258	223
Incl. funds with limits	-12,930	-9,348	-9,161	-11,364	186
E-construction	-3,109	-1,679	-1,710	-1,855	-30
Incl. funds with limits	-1,148	-514	-513	-760	1
Developing the quality of the built environment and the construction sector	-2,099	-1,740	-1,486	-1,308	254
Incl. funds with limits	-1,952	-1,274	-1,090	-1,124	184
Housing policy	-84,374	-21,168	-21,169	-54,094	0
Incl. funds with limits	-9,830	-7,559	-7,559	-9,481	1
Entrepreneurial environment programme	-185,365	-93,960	-77,813	-65,486	16,147
Incl. funds with limits	-40,324	-56,115	-40,276	-24,132	15,839
Promoting the development of entrepreneurship	-29,901	-24,200	-20,996	-19,342	3,205

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-15,260	-17,256	-14,290	-12,176	2,966
Promoting business competitiveness and exports	-134,386	-56,528	-49,275	-38,991	7,253
Incl. funds with limits	-16,901	-26,158	-18,949	-6,538	7,209
Developing research and development intensive start-ups	-21,078	-13,232	-7,543	-7,154	5,689
Incl. funds with limits	-8,163	-12,702	-7,037	-5,419	5,664
Performance area: WELFARE	0	-440,196	-441,200	0	-1,004
Incl. funds with limits	0	-4,634	-4,058	0	577
Labour market programme	0	-438,987	-440,293	0	-1,306
Incl. funds with limits	0	-3,841	-3,373	0	468
Labour market development	0	-1,091	-991	0	99
Incl. funds with limits	0	-966	-886	0	79
Active and passive labour market services	0	-433,407	-435,371	0	-1,965
Incl. funds with limits	0	-211	-199	0	12
Developing the quality of working life	0	-4,490	-3,930	0	560
Incl. funds with limits	0	-2,664	-2,287	0	377
Gender equality and equal treatment programme	0	-1,209	-907	0	302
Incl. funds with limits	0	-794	-685	0	108
Developing the field of equal treatment	0	-409	-352	0	57
Incl. funds with limits	0	-356	-308	0	48
Developing the field of gender equality	0	-800	-555	0	245
Incl. funds with limits	0	-438	-377	0	60
VAT	-23,687	-27,441	-20,868	-41,209	6,573
INVESTMENTS	-244,738	-152,575	-95,308	-252,232	57,267
Incl. funds with limits	-115,310	-51,301	-48,381	-155,917	2,920
IT investments	-25,001	-40,107	-15,888	-16,514	24,219
Incl. funds with limits	-10,499	-10,555	-8,335	-4,677	2,220
2022 supplementary budget IT investments	0	-4,492	-4,492	-8,734	0

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	0	-4,492	-4,492	-8,734	0
Summary project of the renovation of national roads	-98,437	-32,821	-32,488	-129,469	333
Incl. funds with limits	-97,029	-32,393	-32,393	-127,010	0
Rail Baltic development	-27,011	-17,560	-8,265	-9,385	9,295
Pärnu-Uulu 2+2 road	-19,961	-21,392	-9,987	-5,365	11,405
Sauga-Pärnu 2+2 road	-10,000	0	0	0	0
Construction of the Kose-Mäo road section into 2+2 lanes	0	-1,500	0	-15,168	1,500
Incl. funds with limits	0	0	0	-3,824	0
Total other investments	-24,190	-19,985	-8,557	-27,703	11,429
Incl. funds with limits	-7,782	-3,862	-3,161	-11,672	700
VAT	-40,139	-14,717	-15,632	-39,895	-915
TOTAL FINANCING TRANSACTIONS	-217,575	-294,562	-171,791	154,540	122,771
Incl. funds with limits	-208,800	-275,300	-273,800	-198,000	1,500
Short-term financial investments	0	0	141	5,403	141
Holdings in public sector and affiliated entities and international holdings	-3,000	-169,500	-168,800	-148,000	700
Incl. funds with limits	-3,000	-169,500	-168,800	-148,000	700
Long-term financial investments, incl. holdings in international organisations	0	-106,000	-106,000	0	0
Incl. funds with limits	0	-105,000	-105,000	0	0
Government grants awarded for the financing activities	-214,575	-19,062	102,868	297,136	121,930
Incl. funds with limits	-205,800	-800	0	-50,000	800
ADJUSTMENTS			146,174	-22,456	
Taxes and social security contributions			149,006	0	
Non-monetary government grants received			20	36	
Revaluation of holdings			0	-19,148	
Foreign aid received for intermediation to state agencies			13,995	16,096	
Foreign aid co-financing received from other state agencies			599	176	
Pass-through tax revenue, the difference between accrued and cash expenses			-1,066	0	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Foreign aid intermediated to other areas of government			-16,381	-18,855	
Doubtful receivables, reversed income			0	3	
Doubtful receivables, reversed expenses			0	-3	
Non-monetary government grants awarded			0	-733	
Interest expense on other provisions			0	-27	
Area of government of the MINISTRY OF REGIONAL AFFAIRS AND AGRICULTURE					
INCOME	354,868	392,910	375,813	344,224	-17,097
State fees	1,320	1,341	1,393	1,520	52
Income from economic activities	8,302	10,148	12,428	10,277	2,281
Grants received	343,637	367,728	345,466	326,621	-22,262
Income from non-current assets and inventories sold	500	12,500	10,856	0	-1,644
Fines and financial penalties	2	2	40	15	38
Environmental charges	840	840	1,262	1,024	422
Other income	22	32	582	953	550
Interest and dividend income	245	320	3,786	3,813	3,466
EXPENDITURE	-475,538	-610,210	-561,235	-436,157	48,974
Incl. funds with limits	-74,870	-213,100	-178,726	-66,825	34,374
Performance area: AGRICULTURE AND FISHERY	-470,230	-444,423	-421,991	-433,019	22,432
Incl. funds with limits	-74,870	-89,452	-78,318	-66,825	11,134
Programme: Agriculture, food and rural affairs	-446,134	-421,298	-403,263	-415,542	18,036
Incl. funds with limits	-72,336	-85,883	-75,609	-64,435	10,274
Ensuring the good agricultural environment	-82,297	-54,132	-53,498	-96,975	634
Incl. funds with limits	-3,757	-5,866	-5,362	-2,072	504
Ensuring plant health, animal health and welfare	-21,440	-26,865	-25,458	-19,688	1,407
Incl. funds with limits	-8,821	-9,930	-9,327	-10,433	603

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Ensuring food safety	-11,572	-13,186	-11,435	-11,357	1,751
Incl. funds with limits	-8,610	-9,186	-8,857	-8,354	329
Land use	-10,050	-10,539	-9,721	-7,357	818
Incl. funds with limits	-2,189	-2,706	-2,095	-606	611
Land improvement	-13,373	-11,381	-9,521	-10,781	1,860
Incl. funds with limits	-3,538	-3,841	-3,653	-2,919	188
Plant breeding and plant propagating material	-10,895	-14,172	-11,623	-10,503	2,549
Incl. funds with limits	-7,340	-8,209	-7,081	-5,897	1,128
Breeding of farm animals	-6,222	-5,373	-5,330	-6,777	43
Incl. funds with limits	-4,895	-5,220	-5,113	-5,577	107
Competitiveness of farmers and food industries	-79,544	-80,142	-79,602	-62,095	540
Incl. funds with limits	-7,128	-9,202	-8,792	-17,924	409
Change of generations	-10,912	-5,800	-4,764	-5,783	1,036
Incl. funds with limits	-1,339	-1,436	-1,133	-368	303
Risk management and balance of agricultural markets	-129,141	-130,583	-130,039	-1,342	544
Incl. funds with limits	-13,278	-13,495	-13,161	-1,026	334
Joint action and cooperation	-4,439	-2,000	-1,329	-1,101	671
Incl. funds with limits	-962	-1,050	-826	-731	225
Export capacity and the image of Estonian food	-2,651	-5,240	-2,847	-130,890	2,393
Incl. funds with limits	-1,378	-4,716	-2,420	-2,400	2,296
Organic farming	-28,334	-30,286	-28,256	-23,730	2,030
Incl. funds with limits	-3,940	-5,432	-3,325	-2,103	2,107
Rural and coastal development	-35,264	-31,599	-29,840	-27,038	1,760
Incl. funds with limits	-5,161	-5,593	-4,464	-3,965	1,129
Financial instruments	0	0	0	-125	0
Incl. funds with limits	0	0	0	-59	0
Programme: Fisheries	-24,096	-23,125	-18,728	-17,478	4,397

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-2,534	-3,569	-2,709	-2,389	861
Commercial fishing	-8,638	-10,117	-6,913	-9,699	3,204
Incl. funds with limits	-1,513	-1,605	-1,343	-1,577	262
Treatment of live aquatic resources	-8,665	-9,869	-9,592	-5,876	276
Incl. funds with limits	-505	-590	-507	-353	83
Aquaculture	-3,044	-1,415	-1,144	-1,546	271
Incl. funds with limits	-252	-279	-264	-244	15
Implementation of EMFF environmental measures	-3,748	-704	-523	-357	182
Incl. funds with limits	-265	-295	-234	-215	62
Managing and conserving fish stocks and fisheries resources	0	-1,020	-556	0	464
Incl. funds with limits	0	-801	-361	0	440
Performance area: WELFARE	0	-21	-17	0	5
Incl. funds with limits	0	-21	-16	0	6
Social welfare programme	0	-21	-17	0	5
Incl. funds with limits	0	-21	-16	0	6
Designing long-term care policies, empowering local governments	0	-21	-17	0	5
Incl. funds with limits	0	-21	-16	0	6
Performance area: DIGITAL SOCIETY	0	-902	-903	0	-1
Incl. funds with limits	0	-902	-902	0	0
Digital society programme	0	-902	-903	0	-1
Incl. funds with limits	0	-902	-902	0	0
Ensuring the rule of law	0	-902	-903	0	-1
Incl. funds with limits	0	-902	-902	0	0
Performance area: ENVIRONMENT	0	-10,356	-7,604	0	2,752
Incl. funds with limits	0	-7,910	-5,756	0	2,154
Programme for environmental protection and exploitation	0	-10,356	-7,604	0	2,752
Incl. funds with limits	0	-7,910	-5,756	0	2,154

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Organising land operations	0	-6,430	-3,630	0	2,800
Incl. funds with limits	0	-4,085	-2,117	0	1,968
Spatial data capture, analysis and making it available	0	-3,926	-3,974	0	-48
Incl. funds with limits	0	-3,825	-3,639	0	186
Performance area: EFFECTIVE STATE	0	-68,916	-52,124	0	16,792
Incl. funds with limits	0	-35,119	-18,970	0	16,150
Regional policy programme	0	-68,916	-52,124	0	16,792
Incl. funds with limits	0	-35,119	-18,970	0	16,150
Regional policy, development of regions and cross-border cooperation	0	-54,078	-42,918	0	11,160
Incl. funds with limits	0	-22,963	-11,804	0	11,160
Local government policy and financing	0	-11,254	-7,332	0	3,922
Incl. funds with limits	0	-8,572	-5,319	0	3,253
Designing and organising spatial planning policy	0	-3,584	-1,874	0	1,710
Incl. funds with limits	0	-3,584	-1,847	0	1,737
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP	0	-8	-10	0	-1
Incl. funds with limits	0	-8	-9	0	0
Entrepreneurial environment programme	0	-8	-10	0	-1
Incl. funds with limits	0	-8	-9	0	0
Promoting the development of entrepreneurship	0	-8	-10	0	-1
Incl. funds with limits	0	-8	-9	0	0
Performance area: TRANSPORT	0	-79,687	-74,764	0	4,923
Incl. funds with limits	0	-79,687	-74,757	0	4,930
Transport competitiveness and mobility programme	0	-79,687	-74,764	0	4,923
Incl. funds with limits	0	-79,687	-74,757	0	4,930
Developing and promoting mobility services	0	-79,687	-74,764	0	4,923
Incl. funds with limits	0	-79,687	-74,757	0	4,930

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
VAT	-5,308	-5,895	-3,822	-3,137	2,073
INVESTMENTS	-4,727	-19,982	-12,778	-6,183	7,204
Incl. funds with limits	-3,082	-7,371	-3,645	-1,443	3,726
Incl. VAT	-561	-1,611	-1,715	-866	-103
FINANCING TRANSACTIONS	0	2,050	20,966	7,864	18,916
Loan receivables	0	2,050	2,240	0	190
Government grants awarded for the financing activities	0	0	18,726	7,864	18,726
ADJUSTMENTS			-290,181	-316	
Foreign aid co-financing received from other state agencies			408	143	
Received for intermediation to other state agencies			4,173	2,339	
Grant and equalisation fund for local governments (reflected in the section of the budget of the Government of the Republic)			-289,784	0	
Doubtful sales receivables, reversed income			26	-61	
Doubtful sales receivables, reversed expenses			-26	61	
Foreign aid and co-financing awarded to other state agencies			-4,878	-2,797	
Non-monetary government grants awarded			-100	0	
Area of government of the MINISTRY OF FINANCE					
INCOME	13,140,778	13,117,342	13,055,029	12,106,927	-62,313
Taxes and social security contributions	12,915,277	12,915,277	12,810,633	11,948,516	-104,645
Grants received	78,794	55,359	27,575	53,336	-27,784
State fees	1,270	1,270	1,146	1,186	-124
Income from economic activities	813	813	1,553	1,759	740
Income from non-current assets and inventories sold	53	53	132	93	79
Fines and other fines to the extent of asset	470	470	1,194	343	724
Other income	10,055	10,055	22,187	13,196	12,132
Interest and dividend income	134,045	134,045	190,609	88,499	56,564

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
EXPENDITURE	-382,681	-368,176	-371,565	-282,980	-3,389
Incl. funds with limits	-138,390	-142,937	-120,321	-145,155	22,615
Performance area: EFFECTIVE STATE	-376,596	-362,206	-366,053	-277,299	-3,846
Incl. funds with limits	-138,390	-142,937	-120,321	-145,155	22,615
Public finance programme	-171,839	-177,694	-250,877	-92,487	-73,183
Incl. funds with limits	-60,062	-62,852	-58,726	-55,886	4,126
Budgetary policy-making	-13,489	-15,297	-12,335	-11,426	2,962
Incl. funds with limits	-4,790	-6,197	-3,805	-3,396	2,391
Organisation and supervision of public finances	-101,395	-102,206	-181,480	-26,214	-79,274
Incl. funds with limits	-1,226	-1,873	-1,276	-1,044	596
Tax and customs policy-making	-1,469	-1,846	-1,582	-1,472	263
Incl. funds with limits	-1,451	-1,786	-1,537	-1,456	249
Tax and customs administration	-55,486	-58,345	-55,479	-53,375	2,866
Incl. funds with limits	-52,594	-52,996	-52,107	-49,990	890
Administrative policy programme	-69,817	-96,626	-72,305	-65,590	24,320
Incl. funds with limits	-45,930	-61,609	-46,157	-41,462	15,452
Arranging the public sector organisation and resources	-4,123	-9,539	-3,609	-3,675	5,930
Incl. funds with limits	-3,349	-8,655	-2,913	-2,773	5,742
Provision of support services and implementation of grants in the State Shared Service Centre	-19,865	-29,222	-19,767	-18,402	9,455
Incl. funds with limits	-10,038	-12,769	-10,994	-9,438	1,774
Developing and organising ICT at the Information Technology Centre of the Ministry of Finance	-25,143	-31,614	-28,138	-24,215	3,476
Incl. funds with limits	-13,783	-19,209	-14,451	-13,333	4,758
Organisation of central support services for the common building of ministries	-7,121	-8,563	-6,985	-6,809	1,579
Incl. funds with limits	-7,015	-8,457	-6,906	-6,763	1,552

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
National statistics and the relevant policy-making	-13,565	-17,687	-13,807	-12,489	3,880
Incl. funds with limits	-11,744	-12,518	-10,892	-9,155	1,626
Regional policy programme	-127,540	-77,749	-36,021	-113,751	41,727
Incl. funds with limits	-25,016	-8,980	-8,898	-42,396	82
Regional policy, development of regions and cross-border cooperation	-121,148	-74,435	-32,775	-87,236	41,660
Incl. funds with limits	-18,745	-5,831	-5,756	-18,896	75
Local government policy and financing	-3,477	-2,151	-2,108	-24,561	43
Incl. funds with limits	-3,377	-2,026	-2,019	-21,666	7
Designing and organising spatial planning policy	-2,915	-1,162	-1,138	-1,954	24
Incl. funds with limits	-2,894	-1,123	-1,123	-1,835	0
Financial policy programme	-7,401	-10,138	-6,849	-5,471	3,289
Incl. funds with limits	-7,383	-9,496	-6,541	-5,411	2,955
Financial policy-making	-1,012	-2,022	-1,046	-5,209	976
Incl. funds with limits	-1,001	-1,982	-1,014	-5,151	968
Financial information policy-making	-6,388	-8,116	-5,803	-263	2,313
Incl. funds with limits	-6,382	-7,514	-5,527	-259	1,987
VAT	-6,085	-5,970	-5,512	-5,680	458
INVESTMENTS	-22,457	-35,012	-22,603	-17,590	12,409
Incl. funds with limits	-18,235	-28,215	-15,797	-9,688	12,418
IT investments	-15,748	-22,305	-12,032	0	10,272
Incl. funds with limits	-14,461	-18,185	-9,007	0	9,178
Other investments	-3,774	-9,507	-6,790	0	2,717
Incl. funds with limits	-3,774	-10,030	-6,790	0	3,240
VAT	-2,935	-3,201	-3,781	-2,996	-580
FINANCING TRANSACTIONS	680,840	566,840	1,240,640	-143,039	673,800
Incl. funds with limits	-82	-114,082	-72	-75	114,010
Loan liabilities	808,918	808,918	810,621	1,040,540	1,703

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-82	-82	-72	-75	10
Holdings in public sector and affiliated entities and international holdings	-109,162	-223,162	-62,301	-5,044	160,861
Incl. funds with limits	0	-114,000	0	0	114,000
Loan receivables	-18,900	-18,900	492,334	-1,178,520	511,234
VAT	-16	-16	-14	-15	2
ADJUSTMENTS			-7,660,724	-7,128,148	
Difference between accrued and cash tax revenue			40,078	57,218	
Non-monetary services sold			0	168	
Non-monetary government grants received			102	237	
Non-monetary government grants awarded and management expenses			-58	-310	
Pass-through taxes that are not recognised in the budget of the Government of the Republic and the difference between accrued and cash-based pass-through taxes			-6,896,240	-6,279,308	
Grant and equalisation fund for local governments (reflected in the section of the budget of the Government of the Republic)			-464,975	-609,661	
European Union payments (reflected in the part of the budget of the Government of the Republic)			-339,632	-296,770	
Doubtful taxes, reversed income			32,110	28,851	
Doubtful fines, reversed income			20	75	
Doubtful late interest, reversed income			5,677	5,228	
Taxes, fines, and late interests recognised as doubtful, reversed expenses			-37,807	-34,154	
Foreign aid intermediated to other areas of government, reversed income			4,708	4,920	
Foreign aid co-financing received from other areas of government			763	914	
Foreign aid and co-financing intermediated to other areas of government			-5,470	-5,556	
Labour costs capitalised into investments (increasing an investment)			-27	-23	
Labour costs capitalised into investments (reduction of expense)			27	23	
Area of government of the MINISTRY OF THE INTERIOR					

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
INCOME	65,175	65,175	60,425	59,447	-4,750
State fees	19,460	19,460	14,354	16,173	-5,107
Income from economic activities	3,835	3,835	5,342	4,754	1,508
Grants received	23,194	23,194	20,249	17,924	-2,945
Income from non-current assets and inventories sold	3	3	14	23	11
Fines and other fines to the extent of asset	17,975	17,975	18,662	19,719	687
Other income	707	707	1,804	853	1,097
EXPENDITURE	-571,847	-618,889	-549,992	-510,467	68,897
Incl. funds with limits	-491,566	-536,623	-477,417	-441,634	59,207
Performance area: INTERNAL SECURITY	-527,107	-576,116	-512,029	-474,019	64,087
Incl. funds with limits	-471,058	-518,873	-461,257	-427,017	57,615
Programme: Internal security	-527,107	-576,116	-512,029	-474,019	64,087
Incl. funds with limits	-471,058	-518,873	-461,257	-427,017	57,615
Designing a safe environment	-16,275	-17,797	-17,103	-10,367	694
Incl. funds with limits	-15,977	-17,165	-16,539	-10,070	626
Preventing accidents, crime, and damage to property	-16,024	-16,951	-15,028	-17,095	1,923
Incl. funds with limits	-14,004	-14,809	-12,873	-15,153	1,936
Issuing licences for activities and weapons	-2,206	-2,372	-2,409	-2,815	-38
Incl. funds with limits	-2,068	-2,220	-2,159	-2,634	61
Involving internal security volunteers	-6,668	-9,366	-7,779	-3,678	1,587
Incl. funds with limits	-6,652	-9,242	-7,655	-3,591	1,587
Receiving emergency and information messages and dispatching assistance	-11,665	-13,256	-11,859	-10,431	1,398
Incl. funds with limits	-10,824	-11,641	-11,153	-9,581	487
Improving the efficiency of criminal proceedings	-36,668	-38,375	-35,534	-46,049	2,841
Incl. funds with limits	-35,384	-36,659	-34,193	-44,330	2,466
Ensuring public order	-77,396	-81,663	-75,787	-56,666	5,876
Incl. funds with limits	-74,325	-77,354	-71,445	-53,553	5,909

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Demining	-5,054	-6,098	-5,537	-4,886	561
Incl. funds with limits	-4,950	-5,915	-4,998	-4,407	917
Rescue on land and inland waterways	-98,895	-98,200	-83,256	-64,634	14,945
Incl. funds with limits	-96,779	-94,350	-78,183	-60,104	16,167
Providing assistance in Estonian maritime areas and border waters	-21,250	-18,844	-14,669	-19,492	4,175
Incl. funds with limits	-11,342	-12,464	-10,217	-13,516	2,248
Ensuring constitutional order	-53,715	-62,095	-62,119	-85,748	-24
Incl. funds with limits	-53,597	-61,961	-61,804	-85,570	157
Fight against serious and organised crime	-44,939	-41,724	-39,997	-31,926	1,727
Incl. funds with limits	-36,881	-39,643	-37,361	-30,217	2,282
Civil protection, crisis preparedness and response	-6,654	-18,599	-11,476	-7,796	7,123
Incl. funds with limits	-6,468	-18,325	-10,896	-7,433	7,429
Border management	-56,142	-61,951	-55,255	-49,458	6,696
Incl. funds with limits	-43,132	-49,098	-43,811	-39,892	5,287
Security and personal protection	-9,631	-11,054	-10,656	-9,674	398
Incl. funds with limits	-9,475	-10,785	-10,397	-9,414	388
Designing and implementing migration and citizenship policies	-13,841	-15,759	-11,854	-7,171	3,906
Incl. funds with limits	-10,494	-11,966	-8,520	-5,675	3,446
Serious identification of persons and issuing of documents	-20,360	-24,230	-19,774	-19,593	4,456
Incl. funds with limits	-12,213	-15,687	-12,207	-12,150	3,480
Migration monitoring	-6,642	-9,253	-8,712	-6,828	540
Incl. funds with limits	-6,385	-8,004	-7,731	-5,925	274
Level training and in-service training at the Estonian Academy of Security Sciences	-19,085	-21,981	-18,116	-16,102	3,864
Incl. funds with limits	-16,545	-16,560	-14,917	-10,930	1,643
Research, development, and innovation of the Estonian Academy of Security Sciences	-2,241	-3,895	-2,747	-1,804	1,149

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-2,229	-2,739	-2,348	-1,457	390
Provision of ICT services outside the area of government of the Ministry of the Interior	-1,754	-2,654	-2,363	-1,807	292
Incl. funds with limits	-1,334	-2,285	-1,849	-1,413	436
Performance area: COHESIVE SOCIETY	-22,411	-19,876	-17,065	-15,538	2,811
Incl. funds with limits	-20,508	-17,751	-16,159	-14,617	1,591
Programme: Estonian community programme	-9,787	-5,634	-5,057	-4,824	577
Incl. funds with limits	-9,198	-5,584	-5,013	-4,748	572
Supporting community development	-8,794	-4,550	-3,977	-2,754	573
Incl. funds with limits	-8,207	-4,503	-3,935	-2,684	568
Ensuring religious freedom	-992	-1,084	-1,080	-2,070	4
Incl. funds with limits	-990	-1,081	-1,077	-2,064	4
Programme: Smart population census	-7,385	-9,003	-6,769	-5,473	2,234
Incl. funds with limits	-6,071	-6,927	-5,907	-4,629	1,020
Increasing the quality of population registration data	-3,900	-4,853	-3,740	-3,020	1,113
Incl. funds with limits	-3,311	-3,874	-3,361	-2,604	513
Improving the user-friendliness of the population register	-3,485	-4,150	-3,029	-2,453	1,121
Incl. funds with limits	-2,760	-3,053	-2,547	-2,024	507
Programme for funding political parties	-5,239	-5,239	-5,239	-5,241	0
Incl. funds with limits	-5,239	-5,239	-5,239	-5,241	0
Financing of political parties	-5,239	-5,239	-5,239	-5,241	0
Incl. funds with limits	-5,239	-5,239	-5,239	-5,241	0
VAT	-22,329	-22,896	-20,897	-20,909	1,999
INVESTMENTS	-40,496	-74,860	-55,162	-44,847	19,698
Incl. funds with limits	-27,826	-52,825	-38,501	-29,250	14,324
Means of transport	-11,099	-16,305	-9,862	-828	6,443
Incl. funds with limits	-11,099	-15,674	-9,261	-849	6,413

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Other investments	-21,446	-49,793	-36,175	-36,364	13,617
Incl. funds with limits	-16,727	-37,152	-29,241	-28,402	7,911
Incl. VAT	-7,952	-8,761	-9,124	-7,655	-362
ADJUSTMENTS			-163,150	-84,644	
Non-monetary grants received			572	5 532	
Foreign aid co-financing received from other state agencies			604	444	
Foreign aid received for intermediating to other state agencies			578	10,741	
Foreign aid and co-financing awarded to other state agencies			-685	-11,012	
Forwarding of traffic fines recorded as implementation of the budget of the Government of the Republic			-24	-24	
Doubtful fines, reversed income			1 238	906	
Doubtful fines, reversed expenses			-1,238	-906	
Non-monetary government grants awarded and expenditure incurred with non-monetary grants			-572	-271	
Labour costs capitalised into investments (increasing an investment)			-1,520	-1,185	
Labour costs capitalised into investments (reduction in expenditure)			1,520	1,185	
Adjustment by payment of special pensions and pension increases			375	311	
Public sector special pensions and pension increases			-118,957	-57,120	
Interest expense on pension provisions			-44,967	-33,179	
Interest expense on other provisions			-72	-66	
Area of government of the MINISTRY OF SOCIAL AFFAIRS					
INCOME	174,288	150,001	162,825	155,513	12,824
State fees	361	361	310	336	-51
Income from economic activities	6,219	6,142	8,935	8,224	2,792
Grants received	167,150	142,970	152,864	146,157	9,893
Fines and other fines to the extent of asset	60	35	36	39	1

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Other income	498	492	681	756	189
EXPENDITURE	-7,922,674	-7,587,902	-7,467,013	-6,851,698	120,889
Incl. funds with limits	-322,767	-408,543	-364,471	-410,191	44,072
Performance area: WELFARE	-5,551,782	-5,143,815	-5,061,997	-4,629,469	81,818
Incl. funds with limits	-123,156	-145,187	-125,649	-138,708	19,538
Labour market programme	-917,907	-492,259	-473,151	-812,788	19,108
Incl. funds with limits	-11,842	-7,190	-6,811	-11,864	379
Labour market development	-2,678	-2,302	-1,233	-2,441	1,069
Incl. funds with limits	-2,557	-1,145	-1,127	-2,286	18
Active and passive labour market services	-890,266	-468,410	-452,247	-795,361	16,163
Incl. funds with limits	-541	-371	-322	-2,076	49
Developing the quality of working life	-20,764	-18,853	-17,241	-11,007	1,612
Incl. funds with limits	-5,213	-3,749	-3,609	-4,279	140
Coping and working life of people with special needs	-4,200	-2,693	-2,430	-3,980	264
Incl. funds with limits	-3,532	-1,924	-1,753	-3,223	171
Programme for the elderly	-3,442,224	-3,448,224	-3,426,233	-2,846,124	21,991
Incl. funds with limits	-5,256	-11,034	-10,071	-24,547	963
Supporting the well-being of the elderly and their participation in society	-628	-4,048	-3,935	-618	114
Incl. funds with limits	-414	-4,048	-3,935	-584	114
Designing the pension system and paying benefits	-3,441,596	-3,444,176	-3,422,299	-2,845,506	21,877
Incl. funds with limits	-4,842	-6,986	-6,136	-23,963	850
Social welfare programme	-159,997	-167,742	-162,907	-145,589	4,835
Incl. funds with limits	-66,457	-83,964	-72,214	-59,845	11,750
Designing long-term care policies, empowering local governments	-14,741	-9,589	-6,919	-6,906	2,671
Incl. funds with limits	-4,832	-6,873	-4,384	-3,377	2,490
Ensuring access to welfare services, supporting subsistence	-145,256	-158,152	-155,988	-138,682	2,164
Incl. funds with limits	-61,625	-77,091	-67,830	-56,468	9,260

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Programme for children and families	-1,029,037	-1,033,863	-998,399	-823,300	35,465
Incl. funds with limits	-37,503	-41,649	-35,424	-41,317	6,226
Benefits and allowances for children and families	-984,770	-986,605	-960,503	-789,479	26,102
Incl. funds with limits	-4,789	-6,529	-6,038	-21,080	491
Support services for children and families in need	-29,657	-28,594	-25,018	-22,802	3,575
Incl. funds with limits	-22,276	-22,567	-19,866	-11,610	2,702
Developing and providing measures to support children and families	-2,192	-5,058	-2,840	-1,345	2,218
Incl. funds with limits	-1,935	-2,354	-1,921	-1,134	433
Developing the area of children and families and victim support	-3,336	-4,091	-2,334	-3,473	1,757
Incl. funds with limits	-2,451	-3,330	-1,804	-2,827	1 526
Services for victims and perpetrators of violence	-9,081	-9,516	-7,703	-6,200	1,813
Incl. funds with limits	-6,053	-6,869	-5,795	-4,666	1,073
Gender equality and equal treatment programme	-2,617	-1,726	-1,307	-1,668	419
Incl. funds with limits	-2,098	-1,350	-1,129	-1,135	220
Developing the field of equal treatment	-706	-310	-303	-324	7
Incl. funds with limits	-706	-296	-295	-310	1
Developing the field of gender equality	-1,286	-644	-443	-588	201
Incl. funds with limits	-787	-304	-303	-299	1
Commissioner for Gender Equality and Equal Treatment	-624	-773	-561	-757	211
Incl. funds with limits	-605	-750	-532	-525	218
Performance area: HEALTH	-2,364,294	-2,437,357	-2,396,426	-2,209,233	40,932
Incl. funds with limits	-199,611	-263,356	-238,822	-271,483	24,534
Health supportive environment programme	-9,243	-12,844	-10,303	-8,385	2,541
Incl. funds with limits	-6,545	-8,340	-7,639	-5,917	702
Creating an environment that supports and improves health	-971	-1,353	-953	-896	399
Incl. funds with limits	-969	-1,277	-881	-847	396
Health risks related to water, air, noise, and radiation	-2,839	-3,832	-2,864	-1,931	968

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-1,954	-2,402	-2,281	-1,581	121
Safety of chemicals and risk reduction	-1,344	-1,874	-1,730	-1,335	144
Incl. funds with limits	-1,295	-1,677	-1,644	-1,266	33
Product and service safety and risk reduction	-4,089	-5,787	-4,756	-4,223	1,030
Incl. funds with limits	-2,327	-2,985	-2,833	-2,223	151
Healthy choices programme	-22,892	-30,221	-25,858	-25,501	4,363
Incl. funds with limits	-19,022	-22,874	-20,646	-20,626	2,228
Organising health risk prevention and health promotion activities	-8,543	-12,955	-9,644	-8,664	3,311
Incl. funds with limits	-5,704	-6,961	-5,823	-4,989	1,138
Mental health promotion	-1,542	-3,535	-2,549	-1,765	986
Incl. funds with limits	-1,523	-3,450	-2,412	-1,738	1,038
Promoting a balanced diet and physical activity	-1,147	-1,270	-1,223	-1,221	47
Incl. funds with limits	-480	-463	-431	-543	33
Preventing and reducing drug use	-5,402	-6,053	-6,036	-7,462	16
Incl. funds with limits	-5,079	-5,661	-5,644	-7,024	17
Preventing the spread of infectious diseases (HIV, TB, and hepatitis)	-6,258	-6,408	-6,405	-6,389	3
Incl. funds with limits	-6,236	-6,339	-6,336	-6,333	3
Human-centred healthcare programme	-2,332,159	-2,394,292	-2,360,265	-2,175,347	34,028
Incl. funds with limits	-174,045	-232,142	-210,538	-244,939	21,604
Developing people-centred healthcare	-5,863	-10,109	-7,646	-5,490	2,463
Incl. funds with limits	-5,162	-6,914	-5,071	-4,236	1,843
People's health education and protection of fundamental rights	-33,468	-2,266	-2,245	0	22
Staff capacity, management, and accountability	-5,970	-9,762	-8,223	-3,515	1,539
Incl. funds with limits	-4,377	-7,242	-6,415	-3,204	827
Redesigning the health care service models	-53,143	-94,699	-87,333	-2,104,387	7,366
Incl. funds with limits	-5,457	-24,144	-17,097	-200,723	7,047
Quality of the health system and patient safety	-2,408	-3,746	-3,259	-2,093	487

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Incl. funds with limits	-2,181	-3,048	-2,630	-1,649	418
Reducing health inequalities and ensuring health insurance coverage	-2,218,721	-2,237,112	-2,223,298	0	13,814
Incl. funds with limits	-148,571	-165,403	-157,427	0	7,976
Developing the medicines and medical devices sector	-767	-1,151	-823	-678	328
Incl. funds with limits	-765	-1,113	-761	-644	352
Access to medicines, blood products, and medical devices	-7,558	-13,759	-9,216	-8,217	4,543
Incl. funds with limits	-3,691	-4,380	-4,214	-3,908	166
Preventing the spread of infectious diseases (vaccination, antimicrobial resistance)	-4,261	-21,689	-18,223	-50,966	3,466
Incl. funds with limits	-3,841	-19,899	-16,922	-30,575	2,977
VAT	-6,597	-6,730	-8,590	-12,996	-1,860
INVESTMENTS	-7,822	-26,508	-17,999	-18,373	8,509
Incl. funds with limits	-3,554	-10,592	-6,507	-8,551	4,085
Incl. VAT	-1,167	-2,341	-2,983	-3,003	-643
ADJUSTMENTS			5,136,877	4,547,249	
Taxes and social security contributions			4,912,047	4,572,002	
Surplus/deficit from revaluation of holdings			95	0	
Pass-through tax revenue, the difference between accrued and cash expenses			-5,656	-4,699	
Interest expense of provisions			-79,995	-68,873	
Foreign aid co-financing received from other state agencies			892	721	
Foreign aid and co-financing intermediated to other areas of government			-1,985	-704	
Foreign aid intermediated to other areas of government (reversed income)			1,428	533	
Non-monetary grants awarded			0	-119	
Doubtful accounts, reversed income			55	1	
Doubtful accounts, reversed expenses			-55	-1	
Expenditure of suspending four per cent payments of funded pension			0	-21,591	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Four per cent payments of funded pension in the expenditure of the budget, elimination			270,482	24,358	
Formation of pension provisions			-67,725	-42,852	
Payments of pension provisions, elimination from expenses			107,293	88,474	
Area of government of the MINISTRY OF FOREIGN AFFAIRS					
INCOME	13,705	13,705	5,585	7,722	-8,119
State fees	3,000	3,000	1,435	1,900	-1,565
Income from economic activities	0	0	4	19	4
Grants received	10,462	10,462	3,465	1,368	-6,997
Income from non-current assets and inventories sold	243	243	128	4,326	-115
Other income	0	0	605	5	605
Interest and dividend income	0	0	-52	104	-52
EXPENDITURE	-122,176	-135,142	-114,379	-95,001	20,763
Incl. funds with limits	-104,843	-118,003	-105,511	-85,597	12,493
Performance area: FOREIGN POLICY	-120,223	-133,189	-113,306	-93,931	19,882
Incl. funds with limits	-104,843	-118,003	-105,511	-85,597	12,493
Foreign policy and development cooperation programme	-120,223	-133,189	-113,306	-93,931	19,882
Incl. funds with limits	-104,843	-118,003	-105,511	-85,597	12,493
Strengthening Estonia's security environment	-27,434	-29,692	-27,959	-35,738	1,732
Incl. funds with limits	-25,693	-27,935	-26,146	-32,499	1,789
Estonia's foreign policy engagement in global issues	-21,182	-23,089	-20,584	-15,109	2,506
Incl. funds with limits	-19,790	-21,670	-19,119	-13,071	2 551
Resolving legal, consular, sanction, and strategic goods issues	-19,880	-21,210	-18,380	0	2 831
Incl. funds with limits	-18,487	-19,646	-16,745	0	2,900
Promoting and protecting Estonia's foreign economic interests	-22,064	-22,097	-12,718	-24,476	9,380
Incl. funds with limits	-11,906	-12,433	-10,637	-21,835	1,797

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget 2022	Implementation of the budget minus final budget
Development cooperation and humanitarian aid coordination	-29,663	-37,100	-33,666	-18,609	3,434
Incl. funds with limits	-28,967	-36,319	-32,863	-18,192	3,456
VAT	-1,953	-1,953	-1,073	-1,070	881
INVESTMENTS	-7,514	-29,117	-12,959	-7,382	16,158
Incl. funds with limits	-5,485	-14,163	-10,016	-6,475	4,148
Incl. VAT	-786	-786	-537	-378	249
FINANCING TRANSACTIONS	-22	-22	0	-10	22
Incl. funds with limits	-22	-22	0	-10	22
ADJUSTMENTS			11	0	
Foreign aid co-financing received from other state agencies			11	0	

Explanations to the state budget implementation report are given in Note a31. Initial and final budget – see Note a31A, a31B.

2.6 Accounting methods and valuation principles

These annual accounts have been prepared in accordance with the Estonian financial reporting standard and the State Budget Act. The basic requirements of the Estonian financial reporting standard have been set forth in the Accounting Act and supplemented with the guidelines issued by the Estonian Accounting Standards Board, incl. the public sector financial accounting and reporting guidelines. The Estonian financial reporting standard is based on internationally acknowledged financial reporting standards, incl. the International Public Sector Accounting Standards.

In the unconsolidated annual accounts of the state, state accounting entities have been consolidated line-by-line and include, pursuant to the Accounting Act, all ministries, the Government Office of Estonia and the constitutional institutions – the *Riigikogu*, the President of the Republic, the National Audit Office, the Chancellor of Justice, and the Supreme Court. According to the State Budget Act, state accounting entities are also administrative subjects of the state budget concerning whom the state budget implementation report has been prepared. The list of the state accounting entities included in the unconsolidated annual accounts of the state has been disclosed in Note a1 A to the annual accounts.

In the unconsolidated annual accounts of the state, the financial data of the foundations and subsidiaries which are under the controlling influence of the state, and the profit-making state agency State Forest Management Centre have been consolidated line-by-line in addition to the unconsolidated financial data of the state. The list of the foundations and subsidiaries included in the consolidated report and their major economic indicators have been disclosed in Note a1 B to the report.

The annual accounts have been prepared in accordance with the cost principle, except for held-for-trading securities, financial assets and liabilities held for resale, derivative transactions and biological assets grown for profit, which are reported in their fair value.

Functional and presentation currency

The functional currency is the currency of the primary economic environment. The presentation currency is the euro. The reports have been rounded to the nearest hundred thousand, except for the state budget implementation report, which has been rounded to the nearest thousand.

Classification of assets and liabilities into current and non-current

In the balance sheet, assets and liabilities have been classified into current and non-current based on whether a liability is expected to be held for up to one year or longer, calculated from the balance sheet date.

Cash and cash equivalents

The cash item in the balance sheet includes cash at hand, bank account balances (except for overdraft) and short-term deposits or deposits terminated before maturity with a remaining term of up to one year. The interests accrued and not received on deposits by the balance sheet date are recognised as accrued income.

Financial investments

Short-term financial investments include securities held for short-term trading (shares, bonds, fund units, etc.) and securities with a fixed maturity date within 12 months after the balance sheet date. Long-term financial investments reflect securities unlikely to be sold within the nearest 12 months (except for holdings where the reporting entity exercises controlling influence, given by voting right starting from 20 per cent of holdings) and securities with a fixed maturity date of more than 12 months after the balance sheet date.

Financial investments (except for debt instruments held to maturity) are recorded in their fair value if it can be estimated reliably. The stock market price of the balance sheet day is used as fair value. If fair value cannot be estimated reliably, financial investments are recorded according to the adjusted cost method (i.e. the original cost less write-downs, if the value covered by the investment has dropped below the book value).

Financial investments into bonds and other debt instruments held until the maturity date are recognised at adjusted cost by using the effective interest rate.

Purchases and sales of financial investments are recognised on the transaction date.

Tax, state fee, fine and other receivables

Tax, state fee, fine and other receivables are recognised in the balance sheet according to the adjusted cost method. Receivables are recognised in the balance sheet as the right of claim arises and are estimated based on collectible amounts. Certain receivables are originally recognised off-balance-sheet upon determining, until their receipt is considered likely (tax decisions, court judgements). If possible, the receivables from each customer are evaluated separately for each specific customer, taking into account any available information about the customer's solvency. The recoverability of a large number of receivables of the same category is evaluated on a group basis, taking into account the statistics of previous periods on the receipt of similar receivables. Doubtful receivables are written down to their doubtless collectible value. The receivables received in the reporting period and charged to costs are recognised as a reduction in the expenditure on doubtful receivables in the reporting period. Irrecoverable receivables were withdrawn from the balance sheet. A receivable is treated as irrecoverable if the management board is of the opinion that it is impossible to recover the receivable.

Long-term receivables are recognised at present value of the consideration receivable, taking into account the interest income on the receivable in the following periods, using the effective interest rate method.

Tax receivables and tax penalties are evaluated individually if total receivables per customer exceed 60 thousand euros. In estimating the remaining tax and interest receivables as doubtful, the following approximate method is used: receivables from legal persons have been written down by 100 per cent if their payment deadline is overdue by more than 180 days; receivables from natural persons have been written down by 100 per cent if their payment deadline is overdue by more than 360 days.

Derivatives

Derivatives are recognised at fair value and the fair value change is generally recognised in the statement of financial performance. If the goals of hedging and the strategy for hedging transactions have been determined, the link between a derivative considered a hedging instrument and the hedged object has been documented at the time of entry into the transaction, and the derivative is deemed very efficient in terms of hedging throughout the validity of the derivative, the effective portion of the fair value change can be recognised in net assets as a change in hedging reserve.

Inventories

Finished goods and work-in-progress are recognised at manufacturing costs, which include direct and indirect manufacturing expenses. Other inventories are recognised at cost, which comprises the purchase price and other directly attributable expenditure related to acquisition. Expensing inventories, either the FIFO or the average weighted cost principle is used.

Inventories are written down to the estimated net realisable value if it is lower than their cost. If the net realisable value of inventories previously written down increases, the future write-down is cancelled.

By way of exception, defence-related inventories (other than strategic inventories), which are used exclusively for military purposes, are recorded as expenditure upon acquisition, on the basis of their recurring movement out of storage (for exercises and missions) and back into storage. Off-balance sheet records are kept of the quantity and location of inventories held and used.

Holdings in foundations and non-profit associations

The balance sheet of the reporting entity shows holdings in foundations and non-profit associations where the reporting entity has dominant influence. Influence is considered controlling if the reporting entity has the right to appoint or remove most of the members of the entity's supervisory board. Holdings are recognised in the unconsolidated report at deemed cost (see the relevant explanation). In the consolidated reports, the foundations and non-profit associations under controlling influence have been consolidated line-by-line.

Holdings in subsidiaries and associates

A subsidiary is considered to be under controlling influence if the reporting entity owns more than 50 per cent of the voting shares of the subsidiary, is able to control the subsidiary's operating and financial policy or has the right to appoint or remove most of the members of the supervisory board.

An associate is an undertaking where 20 to 50 per cent of the voting shares are held. Holdings in the shares of subsidiaries and associates are recognised in the unconsolidated reports at deemed cost (see the relevant explanation).

In consolidated reports, the subsidiaries under controlling influence have been consolidated line-by-line and associates are recorded based on the equity method.

Deemed cost

In case of holdings acquired before 31 December 2003, deemed cost is defined as its value according to the equity method because there is no reliable information on the cost in previous periods, and in case of holdings acquired after 31 December 2003, as cost. Deemed cost is written down if the share owned by the entity holding the holdings in the investee drops below the value of the holdings as given in the owner's balance sheet. The write-downs made are reversed in the future reporting periods, but not higher than the deemed cost.

Consolidation

The activity of entities under controlling or significant influence is recognised in the consolidated report from the beginning to the end of the controlling or significant influence. The acquisition of entities under controlling or significant influence is recognised using the purchase method where the assets and liabilities of the holdings acquired are evaluated at fair value, except for the acquisitions made under joint control, which are recorded at book value.

In the consolidated report, the financial indicators of entities under controlling influence are added up line-by-line, whereas mutual assets, liabilities, net assets, revenue, expenditure, and unrealised gains and losses of the entities included in the consolidation have been eliminated.

In the consolidated report, entities under significant influence are recorded using the equity method.

Investment property

Investment property includes real estate objects (land, buildings, facilities) held for renting or for increasing market value, which the reporting entity or any other public sector entity does not use in its principal activity. Investment property is recorded using the cost method (at cost, less accumulated depreciation and write-downs).

Property, plant and equipment

Assets with an expected useful life longer than one year and cost starting from 10,000 euros are accounted for as property, plant and equipment. The limit applied from 2023, with the previous one being 5,000 euros. As a result of the increase in the limits, items of property, plant and equipment with a cost of between 5,000 euros and 9,999 euros were de-recognised from the balance sheet at the beginning of 2023, with the residual value recognised as an expenditure

under the item 'Depreciation and change in value of non-current assets', or groups of property, plant and equipment with a similar residual life were formed and continued to be accounted for as a group in the balance sheet.

The cost of property, plant and equipment includes expenditure needed for utilisation, except the taxes, state fees, training and travel expenses related to the acquisition, which are recorded as expenditure of the reporting period upon accrual. The subsidiaries who prepare their financial statements according to the international financial reporting standards capitalise the loan expenses into the cost of non-current assets. All other entities do not capitalise their loan expenses but record these under interest expense as accrued. Reconstruction costs of non-current assets, which comply with the definition of property, plant and equipment, are added to the cost of non-current assets.

Property, plant and equipment are recorded at cost less accumulated depreciation and write-downs due to impairment. The linear method is used for calculating depreciation. The depreciation rate is established separately for each non-current asset, depending on its useful life. Land, items of artistic value and museum exhibits that do not decrease in value over time are not depreciated. Average depreciation rates are given in Note a11 to the annual accounts.

Intangible assets

Assets of no physical substance with an expected useful life longer than one year and cost starting from 10,000 euros are accounted for as intangible non-current assets. The limit was applied in a similar way to the limit for property, plant and equipment from 2023.

Intangible non-current assets are recorded at cost, less accumulated depreciation and write-downs due to impairment. The linear method is used for calculating depreciation of intangible non-current assets. The depreciation rate is established separately for each non-current asset, depending on its useful life. Average depreciation rates are given in Note a12 to the annual accounts.

Expenditure on research and development is recognised as expenditure when incurred.

The emission allowance acquired is recorded at cost as intangible current or non-current assets depending on their estimated realisation period. Emission allowances allocated free of charge by the state are recorded at zero cost basis.

Biological assets

Biological assets grown for sale are accounted for in their fair value, less expenditure on the sale. If it is not possible to reliably determine the fair value, it is recorded at cost, less depreciation and write-downs. If there is no reliable information available on the cost, the biological assets are recognised at zero cost basis.

Biological assets used in activities other than those for which they are held for sale are recorded at cost, less depreciation and write-downs due to impairment.

The fair value of realisable state forest is recognised as the difference between the projected ten-year average forest management income and expenses divided by the difference between the state forest manager's market interest rate and the projected five-year average inflation rate of the forest sector.

Revaluation

Property, plant and equipment and investment property acquired before 2004 have been revalued on a one-off basis. The need for revaluation stemmed from accounting deficits in previous periods as well as from pre-1996 hyperinflation. Revaluations were made to a greater extent in 2005.

Due to the ongoing land reform, the recording of the revaluation will continue for the land measured in the reporting year and entered in the land cadastre which has previously not been registered. Orphan assets transferred to the public sector due to the absence of a successor are also recorded as revaluation.

Market price is primarily used for revaluating assets. In case of objects with no market value (particular public sector objects which have no active market), the depreciated replacement cost method is used. Valuations are conducted by experts in the field. In simplified terms, land can be revalued by using the land taxation price.

Museum objects have not been revalued due to their large number and the difficulty of finding a reliable market price. Most museum objects are not recognised as non-current assets because they were acquired in previous periods (before 2004) or received as donations and inheritances for which fair value has not been assessed.

Leased assets

Finance lease is a lease contract that transfers all of the material risks and benefits incidental to ownership of an asset to the lessee. Other lease contracts are recognised as operating lease. In the unconsolidated report, lease contracts between entities under collective controlling influence are always recognised as operating leases (lease receivables and liabilities, income and expenses are eliminated in the consolidated report).

(a) The reporting entity is the lessee

Finance lease is recognised in the balance sheet at the fair value of the leased assets and liabilities or the present value of the minimum lease payments if the latter is lower. Assets leased under finance lease are depreciated similarly to non-current assets acquired, unless there is reasonable assurance that the lessee will obtain ownership of the assets by the end of the lease term – in such a case, the asset is depreciated either during the lease period or the useful life, whichever is shorter. Finance lease payments are divided into principal repayments that reduce the outstanding liability and interest expense.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

(b) The reporting entity is the lessor

Assets leased out under a finance lease are recognised in the balance sheet as a receivable in the amount of the net investment made in finance lease. Lease payments received from the lessee are divided into principal repayments of the finance lease receivable and interest income.

Assets leased out under operating lease are recognised in the balance sheet as usual, similarly to other non-current assets. Operating lease payments are recognised as an income on a straight-line basis over the lease term.

Financial liabilities

Financial liabilities (trade payables and payables to employees, tax liabilities, loan liabilities, other liabilities) are initially recognised at fair value and subsequently recorded at adjusted cost using the effective interest rate method.

Transactions via the EFSF

The European Financial Stability Facility (EFSF) is not an independent legal entity, but a joint venture between the Member States of the European Union. Therefore, the part of the bonds issued by EFSF, corresponding to a Member State's quota, is recorded as a debt liability of the Member State (see Note a17). The part of the loans granted through the EFSF to countries in difficulty, corresponding to the Member State's quota, is recorded as a loan receivable of the Member State (see Note a6). According to the Eurostat guidelines, long-term interest receivables and liabilities for which the Member States had allowed deferred payments are also recognised on the same basis. Interest income and expense are not recognised in the statement of financial performance.

The remaining maximum possible amount guaranteed for the issuance of loan instruments is recognised as an off-balance sheet liability (see Note a30 B).

Service concession arrangements

Non-profit public entities recognise the assets and related liabilities completed under long-term cooperation agreements in the balance sheet when the public sector entity controls or regulates which public services the contractor provides to whom and for which price and has control over the infrastructure at the end of the agreement period. The corresponding liabilities are recorded in the loan liabilities group (together with finance lease liabilities).

Provisions and contingent liabilities

Provisions are recognised in the balance sheet as liabilities arising before the balance sheet date, which have a legal or contractual basis or result from the reporting entity's past practice, which requires the disposal of assets and the amount of which can be measured reliably but whose final cost or payment date is uncertain. Provisions have been assessed based on the management board's assessment, experience and, if necessary, expert judgement. Long-term provisions are discounted at the discount rate of 4 per cent.

If it is expected that the expenditure necessary for the implementation of the provision is reimbursed (for example, by the provider of support), the corresponding benefits will also be recorded as a receivable if the reimbursement is considered to be practically certain.

Commitments, guarantees, and other obligations that under certain circumstances may result in future liabilities as well as liabilities the amount of which cannot be reliably estimated are disclosed in the notes to the annual accounts under contingent (off-balance sheet) liabilities.

Pension provisions

Pension provisions are calculated for the former and current employees of the state and their family members who have a statutory right for special pensions or a pension increase which exceeds the ordinary state pension. The projected unit credit method is used to calculate pension provisions, according to which each year of service on which the pension is based creates an additional unit for receiving a pension. In estimating the pension payment period, the life expectancy forecasts by Statistics Estonia are used. Estimates of changes in the average salaries and wages and average pension prepared by the Ministry of Finance are used to estimate the size of the pension. In addition, the year of retirement and official rank at retirement are evaluated and employee turnover is taken into account in the calculation of pension provisions.

As the actuarial gains and losses may fluctuate significantly year by year, they are recognised directly as the change in net assets. When allocating pension provisions, the amount considered to be related to service in the current year is recognised under labour costs (see Note a16, a23).

Grants received and awarded

Grants received are funds not directly received in exchange for goods or services. Grants awarded are considered to be funds given for which no goods or services are directly received.

Grants are broken down into social benefits, government grants, and operating grants.

Social benefits are benefits for natural persons, except for business purposes. Social benefits are recognised as an expense in the period for which the benefits are intended to be paid.

Government grants are earmarked for specific purposes and subject to certain conditions, which involve project-based targeting and reporting. Government grants are not recognised as revenue or expenditure until there is reasonable assurance that the recipient of the grant meets the conditions attached to the grant and that the grant will be awarded. Government grants are recognised on a gross basis.

Recognition of government grants for operating expenses is based on the matching principle. Revenue from government grants is recognised in proportion to the related expenditure. Government grants for assets are recognised as income in the period in which the assets are acquired.

Operating grants are grants received and awarded, which are awarded to the beneficiary in pursuance of its statutory functions and objectives as defined in its development documents, and are not subject to specific conditions of use. Operating grants are recognised when paid or received.

Reserves

Reserves are groups of net assets formed for specific purposes on the basis of legislation. The formation and use of reserves are recognised as a change between accumulated surplus/profit and reserves (except for the hedging reserve (see 'Derivatives'), foreign exchange differences arising from the conversion of foreign subsidiaries and other comprehensive profits of associates).

Recognition of transactions in foreign currency

Transactions in foreign currency are recorded by applying the European Central Bank exchange rates officially quoted at the date of the transaction. Monetary financial assets and liabilities denominated in foreign currencies and non-monetary financial assets and liabilities recognised at fair value have been converted into euros according to the official exchange rates of the European Central Bank at the balance sheet date. Foreign exchange gains and losses are recognised in the statement of financial performance as revenue and expenditure for the period, except for foreign exchange differences arising from the conversion of foreign subsidiaries, see 'Reserves'.

Accounting for revenue

Revenue from taxes, state fees and fines collected is recognised on an accrual basis in accordance with the submitted tax returns and other documents reflecting the generation of revenue. Pass-through taxes are recognised simultaneously as an expense and a liability to the tax recipient during the income recognition period by reducing the respective expense and liability by the portion of the tax receivables assessed as doubtful. Based on the doubtfulness of receipt, certain receivables are initially recognised off-balance sheet and recognised as income on receipt. Receivables determined on the basis of tax rulings are recognised as income upon expiry of the term for appealing the tax ruling. State fees may be recognised on a cash basis if the rate is up to 100 euros per transaction, the period between the receipt of the fees and the performance of the transaction is short or it is difficult to determine the accrual basis of recognition. If receivables are registered off-balance sheet at the time of their occurrence, the aggregate amounts calculated on the basis of the balance of off-balance sheet receivables are recognised as balance sheet receivables and income at the end of the year, using appropriate methods to determine estimated receivables.

Revenue from the sale of products is recognised when all material risks and benefits of ownership have been transferred to the buyer and the revenue and transaction costs can be measured reliably. Revenue from the sale of services is recognised when the service is provided based on the stage of completion method. Interest income is calculated on an accrual basis based on the effective interest rate. Dividend income is calculated when the dividends are declared.

Accounting for expenditure

Expenditure is recognised on an accrual basis. Non-refundable taxes and state fees paid on the acquisition of non-current assets or inventories (for example, VAT if the buyer is a limited taxable person who cannot account for VAT as input VAT) are recognised as expenditure at the time of acquisition and are not included in the cost of the assets.

The report of the state does not eliminate the tax expense calculated on the salaries and wages by the state agencies and the corresponding tax revenue calculated by the Tax and Customs Board on consolidation because employees are treated as recipients of the taxes calculated on the salaries and wages and as taxable persons. Excise duty on fuel is not eliminated either, because it is not indicated separately on the invoices submitted by fuel sellers. Taxes, state fees, and other charges within the consolidation group have been eliminated.

Change of accounting principle

In the accounting year, the accounting policy for the electricity congestion charge was changed retrospectively in the consolidated report of the state (see Note a15).

Post-balance sheet date events

The annual accounts reflect all the essential circumstances that influenced the evaluation of assets and liabilities were obvious during the time period between the balance sheet date and finalisation of the annual accounts but are associated with the transactions made during the accounting period or earlier periods.

Post-balance sheet date events which have not been taken into consideration when evaluating assets and liabilities but which may have a significant impact on the results of the next financial year are disclosed in the Notes to the annual accounts.

State budget implementation report

The state budget and the report on its implementation include state accounting entities included in the unconsolidated annual accounts of the state (see Note a1 A).

The state budget implementation report has been prepared on an accrual basis since 2017 and is comparable to the state's unconsolidated statement of financial performance and the state's unconsolidated statement of movements in non-current assets, incl. acquisition of property, plant and equipment and intangible non-current assets. Financing transactions are comparable to items recognised in the state's unconsolidated cash flow statement.

The numbers are expressed to the nearest thousand euros.

The structure of the report corresponds to that presented in the state budget. Revenue and expenditure in the state budget are recognised based on the accounting principles used in budgeting. Revenue and expenditure that were not budgeted or were budgeted differently from the accounting principles are recorded as adjustments of the state budget

revenue and expenditure. The aggregated part of the state budget implementation report also presents the adjustment of state budget revenue and expenditure in order to find the budgetary position. The guidelines for the calculation of the budgetary position are governed by the European Standard of Accounts.

In preparing the accrual-based budget, the accounting principles similar to those of accounting are generally applied. Differences compared to the accounting principles used in accounting are described and the implementation of the state budget is compared with the other unconsolidated state reports and their notes in Note a31 explaining the state budget implementation report.

The report presents the initial and final budget. The initial budget reflects the State Budget Act adopted by the *Riigikogu* before the budget year. The final budget includes adjustments decided or revealed during the accounting year, i.e. amendments under the Supplementary Budget Act and the State Budget Amendment Act, changes in classification and allocations from reserves by the Government of the Republic, limits arising from the carry-over of balances from the previous accounting year to the current year, actual revenue, actual revenue generated from economic activities, and so on (see Note a31).

2.7 Notes (a1-a31)

Note a1

Consolidated entities

A. Unconsolidated report

In millions of euros

The unconsolidated report includes public accounting entities together with the institutions of their area of government (state budget institutions).

Area of government	Assets 31/12/2023	Liabilities 31/12/2023	Indicators of the statement of financial performance 2023			Assets 31/12/2022	Liabilities 31/12/2022	Indicators of the statement of financial performance 2022			Assets 31/12/2021	Liabilities 31/12/2021
			Income from operations	Operating expenses	Financial income and expenses			Income from operations	Operating expenses	Financial income and expenses		
<i>Riigikogu</i>	22.5	4.5	0.2	-31.5	0.0	22.6	3.2	0.1	-23.8	-0.1	20.8	3.1
President of the Republic	4.6	8.8	0.2	-5.5	-0.3	4.5	8.5	0.2	-5.2	-0.3	4.0	7.4
National Audit Office	0.3	0.6	0.0	-5.8	0.0	0.4	0.6	0.0	-5.4	0.0	0.3	0.5
Chancellor of Justice	0.0	0.3	0.0	-3.3	0.0	0.0	0.1	0.0	-3.1	0.0	0.0	0.3
Supreme Court	7.0	9.7	0.4	-7.0	-0.6	7.2	14.4	0.4	-6.0	-0.6	7.4	14.4
Government Office	12.4	2.8	1.3	-18.2	0.0	13.0	2.9	1.4	-17.8	0.0	12.8	3.0
Ministry of Education and Research	591.3	176.9	171.0	-948.3	0.0	544.3	165.9	192.9	-851.8	0.0	497.6	186.4
Ministry of Justice	52.7	211.3	54.5	-221.7	-6.3	45.6	200.7	59.5	-198.8	-6.0	37.1	186.4
Ministry of Defence	1,500.2	1,134.5	73.4	-1,085.3	-28.5	1,073.8	857.5	14.9	-733.7	-29.0	894.3	820.3
Ministry of Climate	4,834.3	582.9	728.1	-518.7	30.7	2,116.9	113.1	581.2	-150.8	238.2	1,902.3	83.8
Ministry of Culture	225.3	55.2	49.3	-360.8	-0.5	212.3	63.6	50.9	-328.4	-2.1	212.1	59.0
Ministry of Economic Affairs and Communications	1,292.3	165.3	519.9	-1,103.9	25.9	3,877.8	557.0	422.4	-1,034.7	7.8	3,815.6	287.3
Ministry of Regional Affairs and Agriculture	728.7	408.6	376.3	-857.5	3.9	595.3	338.9	341.5	-438.1	3.5	573.6	318.1
Ministry of Finance	7,173.0	10,181.6	12,947.5	-7,940.9	12.4	7,424.1	8,997.5	12,115.6	-7,487.6	64.8	6,208.4	7,680.6
Ministry of the Interior	256.7	1,230.3	62.3	-677.5	-45.0	271.5	1,209.1	76.2	-585.1	-33.2	263.6	902.6
Ministry of Social Affairs	613.1	2,796.5	5,077.2	-7,167.6	-79.9	534.7	2,546.4	4,728.5	-6,811.6	-68.9	500.7	2,303.3
Ministry of Foreign Affairs	145.3	16.2	5.6	-114.9	-0.1	148.7	7.5	7.6	-95.4	0.1	147.9	7.0
Eliminations	-1,174.8	-1,313.7	-5,486.3	5,621.7	0.1	-1,064.7	-1,067.6	-4,926.4	4,942.8	0.2	-865.0	-851.4
Total	16,284.9	15,672.3	14,580.9	-15,446.7	-88.2	15,828.0	14,019.3	13,666.9	-13,834.5	174.4	14,233.5	12,012.1

In the table above, the change in the fair value of biological assets is also included in income from operations. The report is comparable to the state budget implementation report (see Note a31 M). On 1 July 2023, the work in the areas of government of several ministries was reorganised. The Ministry of the Environment was renamed the Ministry of Climate and the Ministry of Rural Affairs was renamed the Ministry of Regional Affairs and Agriculture. The functions concerning the field of regional affairs performed by the Ministry of Finance were transferred to the area of government of the Ministry of Regional Affairs and Agriculture, the functions concerning the field of employment and social affairs performed by the Ministry of Social Affairs were transferred to the area of government of the Ministry of Economic Affairs and Communications, and the functions concerning the field of energy, construction, and transport performed by the Ministry of Economic Affairs and Communications were transferred to the area of government of the Ministry of Climate. As a result, the reporting lines of some government agencies were also changed, incl. the Transport Administration moved from the area of government of the Ministry of Economic Affairs and Communications to the area of government of the Ministry of Climate, the Labour Inspectorate from the area of government of the Ministry of Social Affairs to the area of government of the Ministry of Economic Affairs and Communications, and the Land Board from the area of government of the Ministry of the Environment to the area of government of the Ministry of Regional Affairs and Agriculture. Due to the reorganisation of functions, the 2023 figures of the areas of government are not comparable with the 2022 figures.

The figures for the area of government of the Ministry of Defence published in the table above have been adjusted in the consolidated state report as follows: the volume of assets has been increased by 32.8 million euros (work-in-progress reduced by 22.7 million euros, prepayments for non-current assets increased by 7.7 million euros, and future expenditure increased by 47.8 million euros), the liabilities reduced by 110.0 million euros (trade payables), the income from operations reduced by 24.3 million euros (grants received), and the operating expenses reduced by 167.2 million euros (expenses of defence-related inventories). The Ministry of Defence relied on the moment of acquisition of ownership of the expenditure and acquisitions of non-current assets related to defence inventories and assets, however, in the preparation of the consolidated report of the state, it has been found that, for the purposes of recognising the expenditure and the acquisition of non-current assets and the related income in these amounts, the rewards and risks associated with the assets had not yet been transferred to the Ministry of Defence as of 31 December 2023, and therefore the transactions will be recognised in the corresponding amounts in 2024. See also explanatory notes on the state budget implementation report in Note a31 M.

B. Consolidated report

In the consolidated report, the respective data of foundations and companies under the controlling influence of the state have been added line-by-line to the unconsolidated data, whereas mutual balances have been eliminated. Companies with a 20 per cent to 50 per cent share of ownership are accounted for in the consolidated report using the equity method.

B1. State holdings in foundations

In millions of euros

Foundations consolidated with a 100 per cent of holdings

	Assets 31/12/2023	State equity capital 31/12/2023	Indicators of the statement of financial performance 2023					Assets 31/12/2022	State equity capital 31/12/2022	Indicators of the statement of financial performance 2022					Assets 31/12/2021	State equity capital 31/12/2021
			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
Total foundations	1,959.5	1,157.3	1,288.1	439.6	-1,200.1	-145.0	98.6	1,854.8	968.0	1,056.1	329.6	-1,046.6	-124.4	11.5	2,206.7	947.0
Foundations in the general government sector	1,938.5	1,148.8	1,281.7	437.7	-1,193.6	-144.2	98.6	1,836.8	959.1	1,049.0	327.3	-1,039.0	-122.6	11.7	2,188.9	938.1
SA Eesti Koostöö Kogu	0.1	0.0	0.3	0.2	-0.3	-0.1	0.0	0.1	0.1	0.3	0.3	-0.4	-0.1	-0.1	0.3	0.1
SA Vabariigi Presidendi Kultuurirahastu	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	-0.1	-0.1	0.0	0.0	0.0

	Assets 31/12/2023	State equity capital 31/12/2023	Indicators of the statement of financial performance 2023					Assets 31/12/2022	State equity capital 31/12/2022	Indicators of the statement of financial performance 2022					Assets 31/12/2021	State equity capital 31/12/2021
			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
SA Eesti Teadusagentuur	41.2	38.6	82.9	82.5	-72.5	-66.9	11.2	31.3	27.3	75.2	74.9	-69.8	-63.5	5.4	27.2	21.9
SA Kutsekoda	1.4	1.0	3.4	3.1	-3.2	-0.8	0.3	1.1	0.7	2.7	2.4	-2.7	-0.8	0.0	1.0	0.7
Spordikoolituse ja Teabe SA	0.7	0.1	12.6	12.6	-12.6	-11.8	0.0	0.5	0.1	8.2	8.1	-8.2	-7.4	0.0	0.3	0.1
SA Teaduskeskus Ahhaa	9.3	8.9	5.1	2.1	-4.5	-0.2	0.6	9.3	8.2	3.8	1.1	-3.7	0.0	0.0	8.9	8.2
SA Euroopa Kool	2.1	0.8	6.6	4.2	-6.3	0.0	0.4	1.6	0.4	5.6	3.3	-5.7	0.0	-0.1	1.4	0.5
SA Rahvusvaheline Kaitseuringute Keskus	5.7	1.8	2.5	1.8	-2.3	0.0	0.4	5.5	1.4	2.5	1.8	-2.4	0.0	0.0	1.7	1.4
SA CR14	9.7	7.7	9.9	5.5	-7.6	0.0	2.3	7.6	5.4	4.0	3.6	-4.2	0.0	-0.3	6.0	5.6
Sakala Teatrimaja SA	0.4	0.3	0.4	0.3	-0.4	0.0	0.0	0.4	0.3	0.4	0.3	-0.4	0.0	0.0	0.5	0.4
SA Eesti Filmi Instituut (group)	5.1	0.9	12.7	12.1	-12.9	-10.3	0.1	6.7	0.8	12.7	12.2	-12.6	-10.5	0.1	4.2	0.8
SA Virumaa Muuseumid	5.1	4.5	2.7	1.6	-2.7	0.0	-0.1	4.9	4.5	2.4	1.1	-2.8	0.0	-0.4	5.3	4.9
Tartu Jaani Kirik SA	0.1	0.1	0.1	0.0	-0.1	0.0	0.0	0.1	0.1	0.1	0.0	-0.1	0.0	0.0	0.1	0.1
Eesti Laulu- ja Tantsupeo SA	2.7	2.6	7.2	5.0	-5.9	-1.5	1.3	1.4	1.3	1.6	1.6	-1.8	-1.0	-0.2	1.6	1.5
Unesco Eesti Rahvuslik Komisjon SA (liquidated 2023)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	-0.1	0.0	0.0	0.0	0.0
SA Eesti Draamateater	8.9	6.3	6.5	3.1	-6.6	0.0	0.1	8.1	6.2	4.9	2.6	-5.1	0.0	-0.3	7.7	6.5
SA Rakvere Teatrimaja	7.0	6.4	4.1	2.3	-4.0	0.0	0.2	6.6	6.2	3.3	2.0	-3.7	0.0	-0.4	6.9	6.5
SA Vene Teater	7.1	5.6	4.2	2.8	-4.2	0.0	0.0	7.4	5.6	3.6	2.5	-3.8	0.0	-0.2	7.8	5.8
SA Ugala Teater	11.4	10.9	4.0	2.0	-4.4	0.0	-0.4	11.7	11.3	3.4	1.7	-3.9	0.0	-0.5	12.1	11.8
SA Tehvandi Spordikeskus	31.7	28.9	6.0	3.0	-7.0	0.0	-1.0	30.9	29.9	7.1	4.7	-6.8	0.0	0.3	30.8	29.6
SA Jõulumäe Tervisespordikeskus	5.6	5.5	2.7	2.2	-1.5	0.0	1.3	5.0	4.2	2.3	1.8	-1.2	0.0	1.1	3.5	3.1
SA Kultuurileht	0.9	0.4	4.5	3.8	-4.5	0.0	0.1	0.7	0.4	3.8	3.1	-3.9	0.0	0.0	0.8	0.4
SA Endla Teater	5.8	4.7	4.2	2.3	-4.4	0.0	-0.2	5.9	4.8	3.5	2.0	-3.8	0.0	-0.3	6.1	5.1
SA Teater Vanemuine	14.9	12.2	12.7	9.6	-14.3	0.0	-1.4	15.8	13.7	10.9	8.4	-12.5	0.0	-1.6	17.2	15.3
SA Eesti Noorsooteater	0.5	0.1	4.8	3.7	-4.6	0.0	0.2	0.3	-0.1	3.9	3.1	-4.2	0.0	-0.2	0.4	0.1
SA Narva Muuseum	18.6	17.7	4.6	4.0	-2.3	0.0	2.2	17.2	15.5	3.4	2.7	2.2	0.0	1.1	15.8	14.4
SA Haapsalu ja Läänemaa Muuseumid (group)	5.6	5.5	1.4	0.8	-1.9	0.0	-0.5	6.3	6.0	1.8	1.1	-1.7	0.0	0.0	6.2	5.9
SA Eesti Tervishoiu Muuseum	1.1	0.9	1.4	1.1	-1.3	0.0	0.1	1.0	0.8	1.2	0.9	-1.2	0.0	0.0	1.0	1.0
SA Eesti Vabaõhumuuseum	12.0	11.1	5.4	3.9	-4.5	0.0	0.9	11.0	10.2	3.8	2.5	-4.0	0.0	-0.2	10.8	10.4

	Assets 31/12/2023	State equity capital 31/12/2023	Indicators of the statement of financial performance 2023					Assets 31/12/2022	State equity capital 31/12/2022	Indicators of the statement of financial performance 2022					Assets 31/12/2021	State equity capital 31/12/2021
			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
SA Eesti Kontsert	18.7	17.0	10.7	6.9	-10.2	0.0	0.7	17.9	16.3	8.7	6.0	-14.0	0.0	-5.2	22.7	21.5
SA Eesti Riiklik Sümfooniaorkester	1.6	1.1	4.8	4.0	-4.8	0.0	0.1	1.4	1.0	4.1	3.5	-4.2	0.0	-0.1	1.5	1.1
SA Hiiumaa Muuseumid	0.2	0.2	0.4	0.3	-0.5	0.0	-0.1	0.3	0.2	0.4	0.3	-0.4	0.0	0.0	0.3	0.2
SA Eesti Filharmoonia Kammerkoor	0.6	0.4	1.8	1.3	-1.7	0.0	0.1	0.4	0.3	1.4	1.1	-1.4	0.0	0.0	0.4	0.3
SA Pärnu Muuseum	1.2	1.0	1.4	1.1	-1.3	0.0	0.1	1.0	0.9	1.1	1.0	-1.2	0.0	0.0	1.1	1.0
SA Eesti Kunstmuuseum	23.2	22.4	12.7	10.0	-12.2	0.0	0.5	23.1	21.9	12.2	10.6	-12.4	0.0	-0.1	22.9	22.1
SA Eesti Meremuuseum	16.6	15.4	9.2	6.4	-8.7	0.0	0.6	15.6	14.7	7.6	5.2	-7.9	0.0	-0.3	15.5	15.0
SA Saaremaa Muuseum	15.1	14.9	3.1	2.5	-1.8	0.0	1.3	14.0	13.6	1.6	1.0	-1.5	0.0	0.1	13.6	13.6
SA Eesti Ajaloomuuseum	14.8	14.3	3.7	3.0	-4.2	0.0	-0.4	15.2	14.8	2.9	2.6	-4.1	0.0	-1.2	16.3	16.0
SA Eesti Spordi- ja Olümpiamuuseum	0.7	0.6	1.2	1.0	-1.2	0.0	0.0	0.7	0.6	1.0	0.9	-1.1	0.0	-0.1	0.8	0.7
Ettevõtluse ja Innovatsiooni Sihtasutus (group) (Ettevõtluse Arendamise SA and SA KredEx merged in 2022)	545.4	255.1	94.3	86.9	-91.6	-25.2	10.9	545.1	143.4	72.6	66.9	-71.9	-12.3	0.8	970.5	142.6
Riigi Infokommunikatsiooni SA	17.7	12.3	12.1	5.6	-10.4	0.0	2.0	13.4	10.3	8.9	3.8	-7.9	0.0	1.0	10.7	9.4
Eesti Interneti SA (consolidated since 2023)	2.0	1.6	1.2	0.0	-1.1	-0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SA Eesti Maaelumuuseumid	9.7	9.2	3.3	2.6	-2.9	0.0	0.5	8.9	8.7	2.1	1.8	-2.6	0.0	-0.5	8.9	8.7
Maaelu Edendamise SA	294.1	151.3	7.7	1.7	-7.1	0.0	3.7	307.4	147.6	6.1	1.4	-4.5	0.0	3.7	312.5	143.9
Environmental Investment Centre	71.3	14.7	10.2	9.7	-17.0	-10.5	-6.1	76.4	19.6	4.3	4.3	-17.1	-12.7	-12.3	74.8	31.9
Integratsiooni SA	6.9	1.2	10.7	10.7	-11.1	-1.9	-0.1	7.3	1.3	6.9	6.9	-7.1	-1.3	-0.1	3.2	1.4
SA Erametsakeskus (merged with Environmental Investment Centre from 2023)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	1.2	5.3	5.0	-5.3	-3.5	0.0	1.4	1.2
SA Kodanikuühiskonna Sihtkapital	1.8	0.2	2.8	2.7	-2.8	2.2	0.1	1.4	0.1	2.2	2.1	2.2	-1.6	0.0	1.6	0.1
Jõgeva Haigla SA	3.0	1.9	8.1	0.0	-8.1	0.0	0.0	2.8	1.9	7.3	0.1	-6.9	0.0	0.4	2.4	1.5
Eesti Puuetega Inimeste Fond SA	0.1	0.1	1.5	1.5	-1.5	-1.4	0.0	0.1	0.1	1.2	1.2	-1.2	-1.2	0.0	0.1	0.1
Tartu Ülikooli Kliinikum SA (group)	314.4	183.3	401.3	13.9	-386.3	-0.1	11.8	265.2	180.6	346.3	15.2	-338.5	-0.1	7.3	249.7	164.1
Põhja-Eesti Regionaalhaigla SA (group)	297.3	190.1	379.0	58.2	-336.8	-0.2	40.0	261.2	150.1	305.4	21.3	-295.4	-0.1	9.4	226.9	140.6
Viljandi Haigla SA	50.3	43.9	59.4	18.0	-46.6	0.0	13.1	34.0	30.8	42.3	7.2	-37.6	0.0	4.7	30.3	26.1

	Indicators of the statement of financial performance 2023							Indicators of the statement of financial performance 2022								
	Assets 31/12/2023	State equity capital 31/12/2023	Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state	Assets 31/12/2022	State equity capital 31/12/2022	Income from operations	Incl. grants awarded from the general government sector	Operating expenses	Incl. grants awarded	Surplus/deficit of the state	Assets 31/12/2021	State equity capital 31/12/2021
Haapsalu Neuroloogiline Rehabilitatsioonikeskus SA	8.9	7.9	8.5	0.8	-6.7	0.0	1.9	6.7	6.0	6.2	0.1	-5.7	0.0	0.5	6.1	5.5
SA Eesti Tervishoiu Pildipank	5.1	4.9	2.2	0.0	-2.5	0.0	-0.3	6.7	5.3	1.7	0.0	-1.2	0.0	0.5	4.9	4.8
SA Koeru Hooldekeskus (to be transferred to local government in 2023)	0.6	0.0	2.7	0.3	-2.9	0.0	-0.2	2.7	2.3	3.5	0.4	-3.5	0.0	0.1	2.6	2.3
SA Eesti Rahvusvahelise Arengukoostöö Keskus	2.5	0.3	14.8	13.0	-14.8	-11.0	0.2	8.2	0.2	9.1	7.5	-9.2	-6.4	-0.1	1.6	0.3
Non-government foundations	21.0	8.5	6.4	1.9	-6.5	-0.8	0.0	18.0	8.9	7.1	2.3	-7.6	-1.8	-0.2	17.8	8.9
SA Tallinna Teaduspark Tehnopol (group)	21.0	8.5	6.4	1.9	-6.5	-0.8	0.0	18.0	8.9	7.1	2.3	-7.6	-1.8	-0.2	17.8	8.9

B2. State holdings in subsidiaries and associates

In millions of euros

Name of undertaking	Share of holdings (%)	Indicators of the income statement 2023					Indicators of the income statement 2022						
		Assets 31/12/2023	State equity capital 31/12/2023	Operating income	Operating expenses	State profit/loss	Assets 31/12/2022	State equity capital 31/12/2022	Operating income	Operating expenses	State profit/loss	Assets 31/12/2021	State equity capital 31/12/2021
Total state subsidiaries		13,074.8	7,713.4	4,073.1	-3,949.5	24.5	13,353.7	8,248.0	5,682.9	-3,868.4	1,733.1	10,401.8	6,055.1
Total subsidiaries in the general government sector		2,080.8	1,341.3	462.9	-376.8	69.1	1,862.4	1,234.8	424.6	-337.0	72.4	1,597.9	1,028.4
Eesti Raudtee AS (to the general government sector in 2023)	100	489.8	176.1	64.3	-64.6	0.0	417.4	176.1	59.0	-58.7	0.0	374.4	176.1
Eesti Keskkonnauringute Keskus OÜ (to the general government sector in 2023)	100	9.1	5.8	10.1	-10.2	-0.1	6.9	5.9	9.1	-10.1	-1.0	8.0	6.9
A.L.A.R.A. AS	100	1.5	1.4	8.4	-8.5	-0.1	1.6	1.5	1.4	-1.3	0.1	1.4	1.4
AS Eesti Liinirongid	100	215.0	132.2	59.5	-60.0	-4.3	220.4	136.5	55.8	-56.7	-4.8	214.6	141.3

Name of undertaking	Share of holdings (%)	Indicators of the income statement 2023			Indicators of the income statement 2022			Assets 31/12/2021	State equity capital 31/12/2021				
		Assets 31/12/2023	State equity capital 31/12/2023	Operating income	Operating expenses	State profit/loss	Assets 31/12/2022			State equity capital 31/12/2022	Operating income	Operating expenses	State profit/loss
AS Eesti Varude Keskus	100	392.2	384.9	35.7	-33.4	2.4	323.1	314.4	32.5	-22.2	10.5	164.7	159.0
OÜ Rail Baltic Estonia	100	123.5	94.1	55.7	-23.3	32.3	74.7	61.7	39.6	-11.1	28.5	39.9	30.5
TS Laevad OÜ (subsidiary of Tallinna Sadam AS)	67.03	100.9	33.5	36.7	-26.9	5.2	107.4	28.3	34.8	-25.8	5.5	108.3	22.7
Riigi Kinnisvara AS	100	695.9	465.2	160.7	-117.4	34.3	658.1	462.0	159.1	-119.3	32.1	636.9	444.1
AS Hoolekandeteenused (group)	100	52.9	48.1	31.8	-32.5	-0.6	52.8	48.4	33.3	-31.8	1.5	49.7	46.4
Total non-government subsidiaries		10,994.0	6,372.1	3,610.2	-3,572.7	-44.6	11,491.3	7,013.2	5,258.3	-3,531.4	1,660.7	8,803.9	5,026.7
State Forest Management Centre	100	3,316.2	3,279.0	572.1	-185.1	378.6	3,008.7	2,983.8	1,568.3	-157.4	1,396.6	1,695.3	1,671.5
Eesti Energia AS (group)	100	4,823.0	2,060.1	2,164.5	-2,546.9	-435.3	5,506.2	2,953.1	2,676.9	-2,433.7	189.8	4,384.2	2,318.7
Elering AS	100	1,467.8	414.0	254.8	-226.5	28.0	1,460.9	399.5	398.1	-378.3	17.4	1,182.9	382.1
Tallinna Sadam AS (group, together with TS Laevad OÜ)	67.03	606.2	253.2	119.0	-94.4	10.6	621.2	255.4	123.1	-92.3	17.2	629.5	254.8
AS Operail (group)	100	67.2	33.3	26.6	-46.0	-19.2	153.2	52.5	60.7	-74.8	-15.7	176.3	68.2
Tallinna Lennujaam AS (group)	100	264.4	133.5	72.1	-63.4	8.5	258.3	125.0	63.5	-54.5	8.7	258.3	116.3
Lennuliiklusteeninduse AS	100	34.1	10.6	18.3	-21.0	-3.1	31.7	13.6	16.1	-20.8	-4.9	38.2	18.5
Saarte Liinid AS	100	63.2	27.2	11.3	-9.5	1.7	63.1	25.5	10.4	-9.2	1.2	64.1	24.4
Eesti Post AS (group)	100	133.2	60.0	134.5	-134.1	-1.3	123.8	67.7	129.1	-129.3	25.4	141.1	45.0
Eesti Loots AS (upon liquidation in 2023)	100	0.4	0.3	3.4	-4.5	-2.7	15.6	11.5	8.4	-8.4	-0.2	16.4	11.9
Teede Tehnokeskus AS	100	2.5	1.9	3.1	-3.0	0.1	2.3	1.8	2.6	-2.7	-0.2	2.9	2.2
Metrosert AS	100	9.1	8.0	9.0	-5.2	3.9	4.6	4.1	4.3	-3.5	0.8	3.8	3.3
KredEx Krediidikindlustus AS	100	38.3	20.8	1.8	-1.9	1.5	37.7	19.4	2.0	-1.8	-1.4	39.7	21.2
Nordic Aviation Group AS (group)	100	64.9	13.0	110.7	-128.7	-18.3	82.9	31.3	91.3	-89.8	1.5	58.8	29.8
Transpordi Varahaldus OÜ	100	69.6	34.7	12.5	-21.3	-10.6	85.6	45.3	8.5	2.8	9.7	78.4	35.6
Eesti Loto AS	100	23.3	13.9	88.1	-73.5	12.4	25.3	15.8	86.6	-69.8	14.3	23.7	15.3
AS Vireen	100	7.2	5.7	2.9	-2.8	0.0	7.3	5.7	2.8	-2.7	0.1	7.8	5.9
Eesti Põllumajandusloomade jõudluskontrolli AS	93.3	1.6	1.5	1.7	-1.6	0.1	1.5	1.3	1.7	-1.6	0.1	1.4	1.3
Eesti Vanglatööstus AS	100	1.8	1.4	3.8	-3.3	0.5	1.4	0.9	3.9	-3.6	0.3	1.1	0.7
Total state associates		18.8	7.7	15.2	-13.8	0.6	18.9	7.9	13.9	-12.7	0.5	19.3	8.2
Ökosil AS	35	1.7	0.5	0.8	-0.8	0.0	1.7	0.5	0.8	-0.8	0.0	1.7	0.5

Name of undertaking	Share of holdings (%)	Indicators of the income statement 2023			Indicators of the income statement 2022			Assets 31/12/2021	State equity capital 31/12/2021				
		Assets 31/12/2023	State equity capital 31/12/2023	Operating income	Operating expenses	State profit/loss	Assets 31/12/2022			State equity capital 31/12/2022	Operating income	Operating expenses	State profit/loss
AS Levira (group)	51	17.1	7.2	14.4	-13.0	0.6	17.2	7.4	13.1	-11.9	0.5	17.6	7.7
Total associates of the state subsidiaries		2,744.9	83.0	685.2	-699.8	0.5	2,533.3	81.5	145.3	-136.8	3.1	2,079.0	59.3
RB Rail AS (Latvia)	33.3	65.2	2.4	24.7	-24.6	-0.1	38.9	2.5	22.7	-22.7	0.1	28.3	2.4
Enefit Jordan B.V. (Jordan, Estonia)	65	0.4	0.0	0.0	-9.8	0.0	0.3	0.0	0.0	-8.6	0.0	0.3	0.0
Attarat Mining Co BV, Attarat Power Holding Co BV (group), Attarat Operation & Maintenance Co BV (Netherlands, Jordan)	10	2,655.3	73.9	627.4	-635.2	-1.6	2,472.1	72.6	82.0	-71.5	0.2	2,027.3	50.8
Orica Eesti OÜ	35	14.3	3.8	25.7	-24.0	1.7	15.1	3.7	32.9	-28.0	1.7	13.7	3.5
Insignificant holdings of Eesti Energia AS			0.6			0.1		0.5			0.7		0.6
AS Green Marine	51	9.7	2.2	7.4	-6.2	0.4	6.9	2.1	7.7	-6.0	0.8	5.1	1.6
Post11 OÜ (in liquidation)	30		0.0			0.0		0.0			-0.4	3.7	0.4
Baltic RCC OÜ (insignificant holdings of AS Elering)			0.1			0.0		0.1			0.0	0.0	0.0
Biolaborid OÜ (sold in 2024)	27.2		0.0			0.0		0.0			0.0	0.6	0.0

The data of AS Nordic Aviation Group are unaudited at the time of the completion of the annual accounts of the state.

Note a2

Cash and cash equivalents

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Cash	1.0	1.2	2.1	0.1	0.1	0.1
Cash in transit	0.9	2.7	2.0	0.2	0.1	0.2
Bank accounts in banks	1,351.6	1,811.0	2,310.6	811.6	874.1	1,563.5
Term deposits in banks	1,011.7	681.5	188.5	616.3	540.8	95.1
Total cash	2,365.2	2,496.4	2,503.2	1,428.2	1,415.1	1,658.9
Interest income of the reporting period (see Note a27)	63.5	2.5	-4.3	33.2	1.0	-4.8

Balances of the current accounts of the non-state institutions included in the cash pooling system of the Ministry of Finance (State Treasury) are recorded among public money (cash and cash equivalents) and deposits received (see Note a15):

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Eesti Töötukassa	650.5	609.0	552.6	650.5	609.0	552.6
Tervisekassa	623.6	508.3	355.9	623.6	508.3	355.9
Organisations not included in the public sector report	21.8	25.7	9.6	21.8	25.7	9.6
Public foundations and companies (consolidated in the report using the line-by-line method)	0.0	0.0	0.0	4.3	3.5	0.6
Total	1,295.9	1,143.0	918.1	1,300.2	1,146.5	918.7

The State Treasury keeps money of other persons on the basis of a deposit agreement and pays them interest on the balance. Minimum liquidity buffer requirements have been established for the liquidity reserve (see Note a20 C).

Note a3

Financial investments

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term financial investments						
Bonds in trading portfolio	1,141.7	1,609.1	461.6	1,125.0	1,598.1	448.3
Total short-term financial investments	1,141.7	1,609.1	461.6	1,125.0	1,598.1	448.3
Incl. recorded at fair value	1,141.7	1,609.1	461.6	1,125.0	1,598.1	448.3
Long-term financial investments						
Holdings in international organisations	277.4	215.3	210.1	277.4	215.3	210.1

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Venture capital fund holding	352.4	260.4	109.4	324.8	237.7	91.7
Unlisted shares	1.4	0.7	0.2	0.0	0.0	0.0
Other long-term financial investments	3.6	3.6	0.1	0.0	0.0	0.0
Total long-term financial investments	634.8	480.0	319.8	602.2	453.0	301.8
Incl. recorded at fair value	352.4	260.4	109.4	324.8	237.7	91.7
Incl. recorded at adjusted cost	282.4	219.6	210.4	277.4	215.3	210.1
Interest income from bonds (see Note a27)	40.4	-12.0	-3.1	39.2	-10.6	-3.2
Distribution of bonds by issuer						
Euro area governments	359.3	408.5	270.6	355.0	406.2	268.0
Credit institutions	773.7	1,192.8	182.9	770.0	1,191.9	180.3
Undertakings	8.7	7.8	8.1	0.0	0.0	0.0
Total bonds	1,141.7	1,609.1	461.6	1,125.0	1,598.1	448.3

Unquoted shares and other long-term financial investments include acquisitions of financial investments of SA Tehnopol (group) and SA Kaitseuringute Keskus, incl. 0.7 million euros invested in 2023 (4.0 million euros in 2022).

Holdings in international organisations

	31/12/2023	31/12/2022	31/12/2021
European Bank for Reconstruction and Development (EBRD)	5.3	5.3	5.3
European Investment Bank (EIB)	27.9	27.9	27.9
Nordic Investment Bank (NIB)	12.9	12.9	12.9
Council of Europe Development Bank (CEB)	0.8	0.8	0.8
International Development Association (IDA)	1.0	1.0	1.0
European Financial Stability Facility (EFSF)	0.1	0.1	0.1
European Stability Mechanism (ESM)	204.7	148.8	148.8
International Bank for Reconstruction and Development (IBRD)	8.7	7.6	6.0
Three Seas Initiative Investment Fund	16.0	10.9	7.3
Total holdings in international organisations	277.4	215.3	210.1

The balance sheet includes cash contributions to the equity capital of international organisations.

The contingent liabilities of the state from holdings in international organisations are presented in Note a30 A.

A total of 55.9 million was paid to the European Stability Fund in 2023 (0 euros in 2022).

Additionally 5.1 million euros were invested in the Three Seas Initiative Investment Fund in 2023 (3.6 million euros in 2022).

Additionally 1.4 million euros were paid to the IBRD group (1.4 million euros in 2022).

Revaluations of holdings amounted to 0.3 million euros (0.2 million euros in 2022).

Venture capital fund holdings

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
SmartCap Venture Capital Fund	175.1	92.2	70.0	175.1	92.2	70.0
SmartCap Green Fund	101.9	99.7	0.0	101.9	99.7	0.0

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
EstFund	47.8	45.8	21.7	47.8	45.8	21.7
Baltic Innovation Fund	27.6	22.7	17.7	0.0	0.0	0.0
Total venture capital fund holdings	352.4	260.4	109.4	324.8	237.7	91.7
Surplus/deficit of venture capital funds for the reporting period (see Note a27)	-15.0	-2.4	4.7	-15.8	-3.0	0.6

SmartCap Venture Capital Fund invests in venture capital funds that develop innovative Estonian enterprises with international growth potential or in international venture capital funds that help to modernise Estonian economy and develop the local capital market. Additionally, 101.9 million euros (25.0 million euros in 2022) were allocated to the fund in 2023. The fund earned a loss of 19.0 million euros in 2023 (loss of 2.8 million euros in 2022).

In 2022, the state set up the SmartCap Green Fund, contributing 100.0 million euros. The main objective of the fund is to improve access to capital for the development of innovative green technologies through innovative or research-intensive green technology companies. The fund earned a profit of 2.2 million euros in 2023 (loss of 0.3 million euros in 2022). The Green Fund is a part of the European Recovery and Resilience Fund implementation plan, and Estonia received 100 million euros in 2023 to cover this investment, which is reflected in the grant income received in 2023.

EstFund, a sub-fund of the European Investment Fund, invests in early-stage entrepreneurs to provide venture capital. Additionally, 1.0 million euros (24.0 million euros in 2022) were allocated to the fund in 2023. In 2023, the fund earned a profit of 1.0 million euros (profit of 0.1 million euros in 2022).

In the consolidated report, an investment by Ettevõtlike ja Innovatsiooni Sihtasutus in the Baltic Innovation Fund is added. In 2023, additionally 5.2 million euros were transferred to the fund (5.4 million euros in 2022). A profit of 0.8 million euros (0.6 million euros in 2022) was calculated on the fund's resources. 1.1 million euros were recovered from the fund (1.0 million euros in 2022).

Note a4

Taxes, state fees, fines

In millions of euros

A. Tax, state fee and fine receivables

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
VAT	516.6	505.5	462.6	520.9	521.2	482.1
Incl. in gross amount	652.1	637.0	597.0	656.4	652.7	616.5
Incl. doubtful receivables	-135.5	-131.5	-134.4	-135.5	-131.5	-134.4
Social tax	384.5	364.4	332.5	407.5	384.3	351.2
Incl. in gross amount	439.5	415.9	380.5	462.5	435.8	399.2
Incl. doubtful receivables	-55.0	-51.5	-48.0	-55.0	-51.5	-48.0
Personal income tax	251.1	242.7	219.7	264.0	253.7	230.0
Incl. in gross amount	275.5	264.7	241.6	288.4	275.7	251.9
Incl. doubtful receivables	-24.4	-22.0	-21.9	-24.4	-22.0	-21.9
Other taxes	272.6	232.9	194.2	292.1	237.5	206.8
Incl. in gross amount	303.4	265.6	230.6	322.9	270.2	243.2
Incl. doubtful receivables	-30.8	-32.7	-36.4	-30.8	-32.7	-36.4
Natural resource use and pollution charges	15.9	16.6	15.7	26.8	31.9	28.0
Incl. in gross amount	16.9	17.2	17.2	27.8	32.5	29.5

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Incl. doubtful receivables	-1.0	-0.6	-1.5	-1.0	-0.6	-1.5
Fines	7.2	6.4	5.8	7.2	6.5	5.8
Incl. in gross amount	15.5	14.9	15.0	15.5	15.0	15.0
Incl. doubtful receivables	-8.3	-8.5	-9.2	-8.3	-8.5	-9.2
Consideration adjudicated based on court judgments	14.2	14.4	13.9	14.2	14.4	13.9
Incl. in gross amount	15.5	15.5	14.8	15.5	15.5	14.8
Incl. doubtful receivables	-1.3	-1.1	-0.9	-1.3	-1.1	-0.9
Tax penalties	5.1	4.6	4.3	5.1	4.6	4.3
Incl. in gross amount	46.9	46.6	50.0	46.9	46.6	50.0
Incl. doubtful receivables	-41.8	-42.0	-45.7	-41.8	-42.0	-45.7
Total tax, state fee and fine receivables	1,467.2	1,387.5	1,248.7	1,537.8	1,454.1	1,322.1
Incl. in gross amount	1,765.3	1,677.4	1,546.7	1,835.9	1,744.0	1,620.1
Incl. doubtful receivables	-298.1	-289.9	-298.0	-298.1	-289.9	-298.0

In 2023, tax receivables in the amount of 24.2 million euros (31.7 million euros in 2022) and tax penalties, fines, and non-compliance levies in the amount of 5.7 million euros (8.9 million euros in 2022) were assessed as irrecoverable and written off the balance sheet by the Tax and Customs Board.

B. Prepayments of taxes, fines and state fees received

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
VAT	172.8	181.5	165.9	179.9	188.4	171.0
Personal income tax	219.6	206.8	204.4	219.6	206.8	204.4
Other taxes, state fees, fines	8.5	8.8	7.0	8.5	8.9	7.0
Prepayment account balances	257.5	303.1	245.5	269.9	312.5	256.2
Total prepayments of taxes, state fees and fines received	658.4	700.2	622.8	677.9	716.6	638.6

C. Tax, state fee and fine liabilities

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
VAT	16.0	13.1	11.3	0.0	0.0	0.0
Social tax	175.9	163.6	153.4	175.1	163.0	152.9
Personal income tax	163.3	153.1	141.0	162.8	152.7	140.4
Unemployment insurance premiums	27.2	25.4	23.0	27.2	25.4	23.0
Funded pension contributions	61.8	57.6	54.2	61.8	57.6	54.2
Other taxes	14.7	19.1	21.0	11.5	16.2	17.9

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Environmental charges and fees	4.1	3.6	3.8	4.0	3.6	3.8
Total tax, state fee, and fine liabilities	463.0	435.5	407.7	442.4	418.5	392.2

The majority of liabilities are pass-through taxes and other charges. In the consolidated report, the tax liabilities of establishments abroad to other countries are added.

Within the public sector, social tax is passed on to Tervisekassa, personal income tax and land tax to local governments, unemployment insurance payments to Eesti Töötukassa, excise duties and gambling tax to the Cultural Endowment, natural resource use charges to local governments.

Outside the public sector, funded pension payments are passed on to private pension insurance funds, payments related to customs procedures are passed on to the European Commission.

D. Revenue and expenditure

	Revenue				Expenditure from pass-through income				Expenditure from doubtful receivables			
	Consolidated		Unconsolidated		Consolidated		Unconsolidated		Consolidated		Unconsolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Taxes and social security contributions	12,427.4	11,641.2	12,582.9	11,773.0	-4,415.9	-4,055.3	-4,415.9	-4,055.3	-32.1	-28.9	-32.1	-28.9
Taxes on goods and services	4,167.3	4,023.4	4,260.2	4,109.4	-47.5	-45.4	-47.5	-45.4	-13.8	-12.8	-13.8	-12.8
VAT	3,123.1	3,001.4	3,190.4	3,061.6	0.0	0.0	0.0	0.0	-14.2	-12.3	-14.2	-12.3
Fuel excise duty	490.3	497.1	493.3	500.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Alcohol excise duty	262.4	241.4	262.4	241.4	-18.0	-17.0	-18.0	-17.0	0.0	0.0	0.0	0.0
Tobacco excise duty	251.4	245.4	251.4	245.4	0.0	0.0	0.0	0.0	0.4	-0.5	0.4	-0.5
Electricity excise duty	0.9	0.9	7.7	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excise duty on packaging	0.2	0.3	0.2	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advertising tax in Tallinn	6.3	6.3	6.3	6.3	-6.3	-6.3	-6.3	-6.3	0.0	0.0	0.0	0.0
Gambling tax	32.7	30.6	48.5	46.2	-23.2	-22.1	-23.2	-22.1	0.0	0.0	0.0	0.0
Social tax and social security contributions	5,071.9	4,582.5	5,071.9	4,582.5	-2,580.6	-2,348.1	-2,580.6	-2,348.1	-10.8	-10.5	-10.8	-10.5
Social tax	4,607.2	4,156.2	4,607.2	4,156.2	-2,116.6	-1,922.2	-2,116.6	-1,922.2	-10.2	-10.0	-10.2	-10.0
Incl. for pension insurance	2,796.0	2,518.7	2,796.0	2,518.7	-309.4	-288.6	-309.4	-288.6	-6.2	-6.1	-6.2	-6.1
Incl. for health insurance	1,811.2	1,637.5	1,811.2	1,637.5	-1,807.2	-1,633.6	-1,807.2	-1,633.6	-4.0	-3.9	-4.0	-3.9
Unemployment insurance premiums	293.0	264.0	293.0	264.0	-292.4	-263.5	-292.4	-263.5	-0.5	-0.5	-0.5	-0.5
Funded pension contributions	171.7	162.3	171.7	162.3	-171.6	-162.4	-171.6	-162.4	-0.1	0.0	-0.1	0.0
Income tax	3,094.3	2,898.2	3,148.0	2,935.2	-1,698.7	-1,537.9	-1,698.7	-1,537.9	-7.4	-5.5	-7.4	-5.5
Personal income tax	2,388.3	2,308.5	2,388.3	2,308.5	-1,698.7	-1,537.9	-1,698.7	-1,537.9	-5.2	-3.4	-5.2	-3.4
Corporate income tax	706.0	589.7	759.7	626.7	0.0	0.0	0.0	0.0	2.2	-2.1	2.2	-2.1
Property taxes	53.3	53.1	62.2	61.9	-59.1	-58.9	-59.1	-58.9	-0.1	-0.1	-0.1	-0.1

	Revenue				Expenditure from pass-through income				Expenditure from doubtful receivables			
	Consolidated		Unconsolidated		Consolidated		Unconsolidated		Consolidated		Unconsolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Land tax	48.4	48.0	57.3	56.8	-59.1	-58.9	-59.1	-58.9	-0.1	-0.1	-0.1	-0.1
Heavy goods vehicle tax	4.9	5.1	4.9	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on foreign trade	40.6	84.0	40.6	84.0	-30.0	-65.0	-30.0	-65.0	0.0	0.0	0.0	0.0
Customs duty	40.6	84.0	40.6	84.0	-30.0	-65.0	-30.0	-65.0	0.0	0.0	0.0	0.0
Tax penalties (see Note a22)	19.1	16.3	19.1	16.3	0.0	0.0	0.0	0.0	-5.2	-4.9	-5.2	-4.9
State fees (see Note a21)	86.5	91.3	87.0	91.7	-1.5	-1.6	-1.5	-1.6	0.0	0.0	0.0	0.0
On register entries	47.9	49.3	48.1	49.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Based on the Identity Documents Act and the Citizenship Act	12.7	14.0	12.7	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On court case procedures	10.6	10.6	10.6	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other state fees	15.3	17.4	15.6	17.6	-1.5	-1.6	-1.5	-1.6	0.0	0.0	0.0	0.0
Fines and other fines to the extent of asset (see Note a22)	27.7	32.9	25.0	23.9	0.0	0.0	0.0	0.0	-1.3	-1.0	-1.3	-1.0
Pollution charges and compensation for environmental damage (see Note a22)	22.7	23.9	34.2	41.2	-0.4	-0.5	-0.4	-0.5	0.0	0.0	0.0	0.0
Natural resource use charges (see Note a22)	40.4	54.2	69.7	110.2	-14.4	-15.4	-14.4	-15.4	-0.4	0.9	-0.4	0.9
Road usage charges (see Note a22)	21.0	21.5	21.0	21.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Monitoring charges (see Note a22)	1.3	1.1	3.5	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Universal postal service charges (see Note a22)	0.0	0.1	0.7	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables adjudicated based on non-compliance levies and court judgments (see Note a22)	10.5	9.5	10.5	9.5	0.0	0.0	0.0	0.0	-0.5	-0.3	-0.5	-0.3
Total taxes, state fees, fines	12,656.6	11,892.0	12,853.6	12,090.1	-4,432.2	-4,072.8	-4,432.2	-4,072.8	-39.5	-34.2	-39.5	-34.2

Revenue from taxes, state fees and fines eliminated on consolidation

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
VAT	357.8	322.9	290.5	262.7
Pollution charges and compensation for environmental damage	11.5	17.3	0.0	0.0
Natural resource use charges	29.3	56.0	0.0	0.0
Corporate income tax	53.7	37.0	0.0	0.0
Land tax	10.7	10.9	1.9	2.1
Other revenue from taxes, state fees and fines	29.3	27.9	0.2	0.2
Total eliminated revenue from taxes, state fees and fines	492.3	472.0	292.6	265.0

Tax expense calculated on salaries and wages and fringe benefits (see Note a23) and the corresponding revenue from social tax and social security contributions have not been eliminated on consolidation because for this expenditure, employees have been treated as counterparties. Moreover, fuel excise duty paid on the purchase of fuel has not been eliminated as it is received by the Tax and Customs Board through private sector fuel vendors, who do not reflect it in their sales invoices.

Note a5
Other receivables and prepayments

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term receivables and prepayments	2,066.4	1,676.8	1,294.7	1,347.3	1,034.0	1,228.5
Trade receivables	435.6	504.6	403.7	23.0	22.4	10.9
Incl. in gross amount	445.3	516.0	408.4	23.3	22.7	11.1
Incl. doubtful receivables	-9.7	-11.4	-4.7	-0.3	-0.3	-0.2
Interest receivables	22.8	9.4	2.4	17.0	7.3	1.1
Other accrued income	29.1	33.0	49.8	0.4	0.5	0.1
Loan receivables (see Note a6)	72.8	73.2	35.1	9.3	8.4	8.6
Outstanding government grants (see Note a19 A)	882.8	716.8	530.0	879.8	716.3	523.2
Other receivables	33.3	40.8	21.9	16.1	10.2	9.1
Security deposits	187.4	46.2	33.2	0.7	0.9	0.8
Prepayments and recoveries of taxes, state fees, and fines	29.8	11.3	5.1	0.4	0.3	0.2
Government grant prepayments (see Note a19 B)	130.8	142.6	156.1	176.8	197.9	184.8
Recoveries from dedicated funds	0.0	0.0	0.0	5.6	0.0	450.7
Prepaid expenses	242.0	98.9	57.4	218.2	69.8	39.0

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Long-term receivables and prepayments	795.7	941.4	925.1	1,040.9	1,193.2	1,089.2
Loan receivables (see Note a6)	689.5	815.9	865.3	515.6	530.6	519.3
Interest receivables (see Note a6)	34.1	30.3	39.5	34.1	30.3	39.5
Dedicated funds	0.0	0.0	0.0	359.3	472.2	462.6
Trade receivables	0.5	0.4	0.2	0.4	0.4	0.2
Outstanding government grants (see Note a19 A)	6.0	6.0	6.0	6.0	6.0	6.0
Other receivables	16.2	9.6	10.1	0.9	0.8	0.9
Government grant prepayments (see Note a19 B)	0.0	0.0	0.0	23.8	22.0	8.4
Prepaid expenses	49.4	79.2	4.0	100.8	130.9	52.3
Total receivables and prepayments	2,862.1	2,618.2	2,219.8	2,388.2	2,227.2	2,317.7

In the consolidated and unconsolidated cash flow statement, income from non-current assets sold has been adjusted by an increase in receivables in the amount of 0.1 million euros (increase of 0.6 million euros in 2022).

Of the long-term future expenditure prepayments, defence prepayments amount to 44.6 million euros (76.5 million euros as of 31 December 2022) and of the short-term future expenditure prepayments, they amount to 198.9 million euros (54.7 million euros as at 31 December 2022).

Dedicated funds are managed by the state, through foundations and a subsidiary under its controlling influence, granting and guaranteeing loans to the business sector and housing associations for the purpose of housing improvement.

In 2023, additional contributions to the funds amounted to 25.1 million euros (25.1 million euros in 2022). A total of 143.6 million euros (28.4 million euros in 2022) was recovered. A total of 5.6 million euros were reclassified to short-term receivables.

Dedicated funds

	Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021
Loan, security and export transaction funds managed by Ettevõtluse ja Innovatsiooni Sihtasutus	217.6	313.9	300.0
Reinsurer's deposit managed by AS KredEx Krediidikindlustus	15.0	14.8	14.8
Rural development trust funds managed by Maaelu Edendamise SA	126.7	143.5	147.8
Total dedicated funds	359.3	472.2	462.6

Revenue and expenditure from dedicated funds (see Note a27)

	Unconsolidated	
	2023	2022
Loan, security and export transaction funds managed by Ettevõtluse ja Innovatsiooni Sihtasutus	8.7	9.3
Reinsurer's deposit managed by AS KredEx Krediidikindlustus	0.4	0.0
Rural development trust funds managed by Maaelu Edendamise SA	1.9	3.6
Total revenue and expenditure from dedicated funds	11.0	12.9

In the unconsolidated cash flow statement, investments in the dedicated funds are recognised in cash flows from investment activities together with other financial investment movements.

Note a6

Loans issued

In millions of euros

	Consolidated			Unconsolidated		
	Short-term part	Long-term part	Total	Short-term part	Long-term part	Total
Balance as of 31/12/2021	35.1	865.3	900.4	8.6	519.3	527.9
Incl. in gross amount	43.4	995.9	1,039.3	9.1	574.0	583.1
Incl. reduced by discounting	0.0	-16.9	-16.9	0.0	-16.9	-16.9
Incl. doubtful receivables	-8.3	-113.7	-122.0	-0.5	-37.8	-38.3
Loan movements 2022	38.1	-49.4	-11.3	-0.2	11.3	11.1
Loans issued	0.1	34.1	34.2	0.0	20.1	20.1
Received	-44.4	-9.5	-53.9	-8.7	-7.8	-16.5
Doubtful receivables	-1.9	8.3	6.4	0.1	5.4	5.5
Increase from interest calculations	0.0	2.0	2.0	0.0	2.0	2.0
Reclassification	84.3	-84.3	0.0	8.4	-8.4	0.0
Balance as of 31/12/2022	73.2	815.9	889.1	8.4	530.6	539.0
Incl. in gross amount	81.3	905.4	986.7	8.8	546.2	555.0
Incl. reduced by discounting	0.0	-14.9	-14.9	0.0	-14.9	-14.9
Incl. doubtful receivables	-8.1	-74.6	-82.7	-0.4	-0.7	-1.1
Loan movements 2023	-0.4	-126.4	-126.8	0.9	-15.0	-14.1
Loans issued	9.0	24.8	33.8	0.1	0.0	0.1
Received	-153.1	-2.0	-155.1	-9.1	-2.2	-11.3
Offset against loan liabilities (see Note a17)	0.0	-4.8	-4.8	0.0	-4.8	-4.8
Doubtful receivables	-3.7	1.3	-2.4	0.0	0.2	0.2
Increase from interest calculations	0.0	1.7	1.7	0.0	1.7	1.7
Reclassification	147.4	-147.4	0.0	9.9	-9.9	0.0
Balance as of 31/12/2023	72.8	689.5	762.3	9.3	515.6	524.9
Incl. in gross amount	82.5	777.2	859.7	9.7	529.5	539.2
Incl. reduced by discounting	0.0	-13.2	-13.2	0.0	-13.3	-13.3
Incl. doubtful receivables	-9.7	-74.5	-84.2	-0.4	-0.6	-1.0

Major (unconsolidated) receivables of the state:

1) loans issued by the Estonian state through the EFSF in the total amount of 447.1 million euros (451.9 million euros at the end of 2022) (programmes for supporting Greece, Ireland, and Portugal). The corresponding amount is also recorded under the state's loan liabilities (see Note a17). In addition, the Greek programme includes long-term interest receivables (see Note a5) and interest payables (see Note a15) resulting from loans in the amount of 34.1 million euros (30.3 million euros at the end of 2022);

2) instalment receivables for land that was privatised on the basis of the Land Reform Act which have been secured by mortgages on the same lands in a total amount of 26.8 million euros (29.4 million euros at the end of 2022);

3) outstanding student loan receivables purchased from banks in the amount of 0.1 million euros (0.1 million euros at the end of 2022). The balances of student loans in banks are recorded as contingent liabilities of the state (see Note a30) as they may become receivables from the state in the event of non-payment;

4) 48.5 million euros (54.0 million euros at the end of 2022) to the Environmental Investment Centre for co-financing needed for the implementation of water management projects of local governments;

5) 2.3 million euros to Ettevõtluse ja Innovatsiooni Sihtasutus for on-lending to businesses (3.6 million euros at the end of 2022).

In 2021, the state's loan receivables also included a loan to AS Estonian Air (bankrupt) in the amount of 37.3 million euros, which was assessed as unlikely to be recovered. In 2022, the loan receivable was removed from the balance sheet due to the end of the bankruptcy proceedings. The bankruptcy estate returned 5.4 million euros to the state in 2022 (see also Note a20 B).

Major (consolidated) loan receivables of the state in addition to the (unconsolidated) loan receivables of the state listed in sections 1 to 3:

6) loan receivables of Ettevõtluse ja Innovatsiooni Sihtasutus in the amount of 95.5 million euros (204.0 million euros at the end of 2022);

7) loan receivables of Maaelu Edendamise SA in the amount of 133.8 million euros (143.0 million euros at the end of 2022);

8) loan receivables of the Environmental Investment Centre in the amount of 50.3 million euros (57.0 million euros at the end of 2022).

Note a7

Inventories

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Mobilisation stockpile	1.6	1.6	1.3	1.6	1.6	1.3
State operation stockpile for emergencies	161.4	137.8	1.0	1.8	0.6	0.6
Stocks of liquid fuel	171.0	167.8	148.0	0.0	0.0	0.0
Other stocks of raw material and other materials	134.5	170.9	126.8	32.3	36.0	28.5
Work-in-progress	78.3	45.2	44.6	0.0	0.0	0.0
Finished goods	40.0	49.1	33.1	2.2	1.8	1.4
Goods purchased for sale	40.2	54.3	4.3	0.0	0.0	0.0
Reclassified assets held for sale	32.9	86.4	6.6	0.0	0.0	0.0
Prepayments for inventories	0.7	1.3	1.7	0.0	0.0	1.5
Total inventories	660.6	714.4	367.4	37.9	40.0	33.3

Liquid fuel stocks are the state's strategic stocks held by AS Eesti Varude Keskus on the basis of the Liquid Fuel Stocks Act. The operational emergency reserves of the state include natural gas stocks acquired by AS Eesti Varude Keskus in the amount of 156.8 million euros (133.6 million euros at the end of 2022).

The cost of the write-downs of inventories and reversals is recognised under other expenditure (see Note a26).

In 2023, the state transferred vaccines to Tervisekassa in the amount of 4.4 million euros (recorded directly as a movement in net assets) (28.0 million euros in 2022).

In the consolidated report, 40.3 million euros have been reclassified in 2022 from other stocks of raw material and other materials to goods purchased for sale, based on the adjustments of stocks of the Eesti Energia group (mainly gas stocks).

Reclassified assets held for sale

	2023	2022
Balance at the beginning of the period	86.4	6.6
Reclassified		

	2023	2022
Property, plant and equipment	22.0	83.1
Investment property	0.9	2.3
Intangible non-current assets	1.0	0.0
Inventories	1.0	0.9
Trade and other receivables	1.2	1.1
Cash	0.0	0.5
Sold in residual value	-79.2	-7.6
Written down	-0.4	-0.5
Balance at the end of the period	32.9	86.4
Liabilities directly associated with reclassified assets held for sale (see Note a15)		
Loan liabilities	4.3	51.8
Trade and other payables	4.9	2.2
Total liabilities related to assets held for sale	9.2	54.0

In 2023, reclassifications were made by the Eesti Energia group (16.1 million euros related to the sale of two district heating businesses), AS Operail (6.3 million euros), and Riigi Kinnisvara AS (3.7 million euros).

In 2022, AS Operail (group) reclassified assets as assets held for sale in the amount of 74.9 million euros due to the sale of leased wagons in early 2023. In addition to the assets, the related liabilities were sold for 54.0 million euros.

Note a8

Holdings in foundations

In millions of euros

A. Consolidated report

A list of foundations consolidated line-by-line and key economic indicators are presented in Note a1 B1.

In 2023, the state handed SA Koeru Hooldekeskus over to the local government (also recorded as a direct decrease in net assets in the amount of 2.2 million euros). The transfer resulted in a decrease of 1.8 million euros in the state (consolidated) property, plant and equipment and a decrease of 0.5 million euros in cash and cash equivalents, while 0.1 million euros in current liabilities were transferred.

In 2023, Eesti Interneti SA, which had previously been considered a related entity, was consolidated for the first time. In the initial consolidation, 1.4 million euros were added to the net assets of the state, 1.7 million euros were received in cash and 0.3 million euros in liabilities.

B. Unconsolidated report

	Included in the general government sector	Not included in the general government sector	Total
Balance as of 31/12/2021	433.4	8.3	441.7
Write-downs and reversals of write-downs (see Note a27)	-10.9	0.0	-10.9
Balance as of 31/12/2022	422.5	8.3	430.8
Monetary contributions	100.8	0.0	100.8
Non-monetary payments	2.2	0.0	2.2
Write-downs and reversals of write-downs (see Note a27)	-5.3	0.0	-5.3
Balance as of 31/12/2023	515.8	8.3	524.1

Movements in 2023:

A monetary contribution of 100.8 million euros was made to Ettevõtluse ja Innovatsiooni Sihtasutus.

The transfer of holdings in SA Koeru Hooldekeskus to the local government amounting to 2.2 million euros (also recorded as a direct decrease in net assets) is recorded as a non-monetary payment.

Note a9

Holdings in subsidiaries and associates

In millions of euros

A. Consolidated report

A list of subsidiaries and associates recognised using the equity method, consolidated line-by-line, and key economic indicators are presented in Note a1 B2.

In 2023, the Eesti Energia group sold two subsidiaries with their registered office in Latvia. The revenue from sales amounted to 33.4 million euros, of which 1.4 million euros were not received, and the profit from sales was 0.9 million euros.

Assets, liabilities, and net assets removed due to sale of subsidiaries in 2023:

	Assets	Liabilities and net assets
Cash	1.5	
Receivables	4.2	
Inventories	12.2	
Property, plant and equipment	18.1	
Trade and other payables		3.5
Net assets		32.5
Total	36.0	36.0

Tallinna Sadam AS paid dividends to minority holding in the amount of 6.3 million euros (8.4 million euros in 2022) and the Eesti Energia group 12.9 million euros (9.1 million euros in 2022).

In 2022, AS Eesti Post sold its subsidiary, AS Maksekeskus, at a sales price of 30.1 million euros, with a gain on sale of 27.0 million euros. At the time of the sale, AS Maksekeskus had current assets of 5.6 million euros, incl. cash of 5.4 million euros, intangible non-current assets of 1.4 million euros, and liabilities of 1.8 million euros. Minority interests removed from the balance sheet amounted to 2.1 million euros.

Associates

	2023	2022
Balance at the beginning of the year	89.4	67.5
Dividends received	-2.7	-2.6
Sold at selling price	0.0	-0.7
Profit from sales	0.0	0.6
Profit/loss based on the equity method (see Note a27)	1.2	2.9
Monetary contributions	3.3	14.1
Effect of foreign exchange rate differences on the total profit of the associates directly reflected in the net asset reserves	-0.5	7.6
Balance at the end of the year	90.7	89.4

Monetary contributions in 2023 and 2022 were made by Eesti Energia AS to the Enefit Jordan B.V. group.

In 2022, Eesti Energia AS sold an independently insignificant associate, with proceeds from the sale amounting to 0.7 million euros and the gain to 0.6 million euros.

B. Unconsolidated report

	Government subsidiaries	Non-government subsidiaries	Associates	Total
Balance as of 31/12/2021	498.5	3,664.8	6.6	4,169.9
Monetary contributions	148.0	0.0	0.0	148.0
Non-monetary contributions and payments	19.7	0.3	0.0	20.0
Write-downs and reversals of write-downs (see Note a27)	0.0	152.1	0.0	152.1
Balance as of 31/12/2022	666.2	3,817.2	6.6	4,490.0

	Government subsidiaries	Non-government subsidiaries	Associates	Total
Reclassification	175.6	-175.6	0.0	0.0
Monetary contributions	68.0	0.0	0.0	68.0
Non-monetary contributions and payments	1.2	-4.9	0.0	-3.7
Write-downs and reversals of write-downs (see Note a27)	0.0	-39.9	0.0	-39.9
Balance as of 31/12/2023	911.0	3,596.8	6.6	4,514.4

Further clarifications on government holdings

In 2023, AS Eesti Raudtee and OÜ Eesti Keskkonnauuringute Keskus were classified as government undertakings.

A monetary contribution of 68.0 million euros was made to AS Eesti Varude Keskus.

Non-monetary contributions were made to AS Riigi Kinnisvara in the amount of 0.9 million euros and to AS Hoolekandeteenused in the amount of 0.3 million euros.

In 2022, the state made monetary contributions to AS Eesti Varude Keskus in the amount of 145.0 million euros and to OÜ Rail Baltic Estonia in the amount of 3.0 million euros.

Contributions in the form of property, plant and equipment were made to Riigi Kinnisvara AS in the amount of 19.6 million euros and to AS Hoolekandeteenused in the amount of 0.5 million euros. Riigi Kinnisvara AS made payments of property, plant and equipment to the state in the amount of 0.4 million euros.

Further clarifications on non-government holdings

AS Eesti Loots was liquidated. Its activities, incl. assets and liabilities, were taken over by the Estonian State Fleet. In the unconsolidated report of the state, the holding decreased by 8.5 million euros. Of this amount, property, plant and equipment amounted to 8.6 million euros, inventories to 0.1 million euros, and liabilities to 0.2 million euros.

Contributions and payments were made to the State Forest Management Centre in the form of plots of land, with the holding increasing by 3.7 million euros.

AS Eesti Post paid dividends with a stamp collection by the book value of 0.1 million euros. The fair value of the stamp collection was not assessed. The amount is recognised directly as a decrease in investments and an increase in property, plant and equipment.

Major write-downs of holdings: AS Operail – 19.2 million euros, AS Nordic Aviation Group – 18.3 million euros, AS Air Traffic Services – 3.1 million euros.

In 2022, contributions and payments were made to the State Forest Management Centre in the form of plots of land, with the holding increasing by 0.2 million euros.

Major write-downs of holdings and reversals of write-downs: The State Forest Management Centre in connection with the change in the fair value of forest 171.3 million euros, AS Operail -15.8 million euros, Lennuliiklusteeninduse AS -4.9 million euros, AS Nordic Aviation Group 1.5 million euros.

Dividend income from subsidiaries and associates

Payer of dividends	2023	2022
AS Tallinna Sadam	12.9	17.1
State Forest Management Centre	75.0	73.7
Eesti Energia AS	68.9	46.6
AS Elering	13.5	0.0
AS Eesti Loto	14.3	13.9
AS Eesti Post	6.2	2.8
Other subsidiaries	0.1	0.9
Riigi Kinnisvara AS (general government sector)	32.1	34.8
AS Levira (associate)	0.8	0.8
Total dividend income (see Note a27)	223.8	190.6

Note a10

Investment property

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Balance at the beginning of the period	83.2	85.3	37.0	37.1
Cost	112.6	113.1	40.0	40.7
Accumulated depreciation	-29.4	-27.8	-3.0	-3.6
Movements in the reporting period	15.1	-2.1	-0.1	-0.1
Depreciation and write-downs (see Note a25)	-2.4	-2.4	-0.1	-0.1
Sales at selling price	-0.2	-4.4	-0.1	-0.1
Profit/loss from sales (see Note a22)	0.2	4.3	0.1	0.1
Acquisitions and improvements (see Note a13)	1.4	0.2	0.0	0.0
Non-monetary contributions and payments	0.0	0.0	-0.4	0.0
Decrease related to loss of controlling influence	0.0	0.0	0.0	0.0
Reclassification with property, plant and equipment and inventories	16.1	0.2	0.4	0.0
Balance at the end of the period	98.3	83.2	36.9	37.0
Cost	128.1	112.6	37.8	40.0
Accumulated depreciation	-29.8	-29.4	-0.9	-3.0
Incl. carrying amount of non-current assets under operating lease	68.5	66.3	31.3	29.1
Incl. carrying amount of non-current assets pledged to cover loans	8.5	8.8	0.0	0.0
Income from constituting the right of superficies, user fees, lease and rent	19.9	19.0	7.1	6.3
Administrative expenses of investment property	-1.3	-1.2	-0.1	-0.2

Deferred lease income from continuing lease agreements is presented in Note a30 D.

Note a11

Property, plant and equipment

In millions of euros

A. Consolidated report

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	855.9	5,303.7	329.5	3,052.5	117.6	658.9	10,318.1
Cost	855.9	8,722.1	805.6	5,753.4	210.3	658.9	17,006.2
Accumulated depreciation	0.0	-3,418.4	-476.1	-2,700.9	-92.7	0.0	-6,688.1
Total movements 2022	17.9	145.8	48.4	-136.9	-0.4	410.3	485.1

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Acquisitions and improvements (see Note a13)	17.4	8.7	5.0	100.1	5.4	1,096.0	1,232.6
Depreciation and write-downs (see Note a25)	-0.1	-339.0	-50.2	-265.6	-12.5	-2.9	-670.3
Sales at selling price	-49.5	-6.3	0.0	-7.1	0.0	0.0	-62.9
Profit from sales (see Note a22)	47.0	5.1	0.0	2.7	0.0	0.0	54.8
Non-monetary government grants received	0.1	0.4	4.7	5.7	0.2	0.0	11.1
Non-monetary government grants awarded	-0.4	-0.5	-1.5	-0.5	-0.1	-0.5	-3.5
Reclassification	0.2	477.4	90.4	27.8	6.6	-682.6	-80.2
Revaluation (see the statement of changes in net assets)	3.2	0.0	0.0	0.0	0.0	0.3	3.5
Balance as of 31/12/2022	873.8	5,449.5	377.9	2,915.6	117.2	1,069.2	10,803.2
Cost	873.8	9,052.4	887.9	5,768.6	216.6	1,069.2	17,868.5
Accumulated depreciation	0.0	-3,602.9	-510.0	-2,853.0	-99.4	0.0	-7,065.3
Average depreciation rate		4%	6%	5%	6%		
Carrying amount of non-current assets leased under finance lease	0.0	4.0	0.0	112.3	0.1	0.0	116.4
Carrying amount of non-current assets under operating lease	171.2	36.2	0.0	4.9	0.2	0.0	212.5
Carrying amount of non-current assets pledged to cover loans	0.5	62.4	0.0	54.3	0.0	0.0	117.2
Total movements 2023	-0.1	256.7	59.8	-401.0	1.2	631.5	548.1
Acquisitions and improvements (see Note a13)	20.8	56.4	4.6	142.5	6.7	1,726.7	1,957.7
Depreciation and write-downs (see Note a25)	-0.1	-493.8	-68.8	-783.6	-15.8	-7.6	-1,369.7
Sales at selling price	-34.3	0.0	0.0	2.2	0.0	0.0	-36.5
Profit from sales (see Note a22)	26.3	0.0	0.0	1.4	0.0	0.0	27.7
Non-monetary government grants received	0.0	6.9	11.6	8.4	0.0	0.0	26.9
Non-monetary government grants awarded	-0.2	-0.9	-1.2	-0.1	0.0	0.0	-2.4
Decrease from loss of controlling influence	-0.1	0.0	0.0	-17.7	-0.1	-0.4	-18.3
Exchange rate differences from currency revaluation	-0.1	0.0	0.0	0.7	0.0	0.5	1.1
Non-monetary contributions and payments transferred and received	0.0	-1.8	0.0	0.0	0.0	0.0	-1.8
Reclassification	-14.0	689.7	113.6	249.6	10.4	-1,087.8	-38.5
Revaluation (see the statement of changes in net assets)	1.6	0.2	0.0	0.0	0.0	0.1	1.9
Balance as of 31/12/2023	873.7	5,706.2	437.7	2,514.6	118.4	1,700.7	11,351.3
Cost	873.7	9,673.2	1,001.3	5,919.7	214.5	1,700.7	19,383.1
Accumulated depreciation		-3,967.0	-563.6	-3,405.1	-96.1		-8,031.8
Average depreciation rate		5%	7%	13%	7%		

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Carrying amount of non-current assets leased under finance lease	0.0	11.3	0.0	112.1	0.0	0.0	123.4
Carrying amount of non-current assets under operating lease	168.3	22.8	0.0	10.3	0.1	0.0	201.5
Carrying amount of non-current assets pledged to cover loans	0.5	93.6	0.0	43.9	0.0	0.0	138.0

B. Unconsolidated report

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	195.1	2,289.4	329.5	210.4	25.9	283.7	3,334.0
Cost	195.1	3,750.1	805.6	588.9	65.1	283.7	5,688.5
Accumulated depreciation	0.0	-1,460.7	-476.1	-378.5	-39.2	0.0	-2,354.5
Total movements 2022	8.1	97.2	48.4	11.4	3.1	-30.7	137.5
Acquisitions and improvements (see Note a13)	9.1	4.1	5.0	39.9	2.3	362.1	422.5
Depreciation and write-downs (see Note a25)	0.0	-177.1	-50.2	-38.6	-4.0	-2.1	-272.0
Sales at selling price	-49.7	-4.5	0.0	-0.6	0.0	0.0	-54.8
Profit from sales (see Note a22)	47.5	4.1	0.0	0.5	0.0	0.0	52.1
Non-monetary government grants received	0.0	0.4	4.7	5.6	0.2	0.0	10.9
Non-monetary government grants awarded	-0.4	-0.5	-1.5	-0.5	-0.1	-0.5	-3.5
Non-monetary contributions and payments transferred and received	-1.4	-18.2	0.0	-0.4	0.0	0.0	-20.0
Reclassification	0.0	288.9	90.4	5.3	4.7	-390.2	-0.9
Revaluation (see the statement of changes in net assets)	3.0	0.0	0.0	0.2	0.0	0.0	3.2
Balance as of 31/12/2022	203.2	2,386.6	377.9	221.8	29.0	253.0	3,471.5
Cost	203.2	3,903.4	887.9	621.1	69.1	253.0	5,937.7
Accumulated depreciation	0.0	-1,516.8	-510.0	-399.3	-40.1		-2,466.2
Average depreciation rate		5%	6%	6%	6%		
Carrying amount of non-current assets leased under finance lease	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Carrying amount of non-current assets under operating lease	0.5	0.2	0.0	0.0	0.0	0.0	0.7
Total movements 2023	4.7	128.5	59.8	-15.7	0.6	193.8	371.7
Acquisitions and improvements (see Note a13)	15.5	1.9	4.6	38.8	3.7	596.5	661.0
Depreciation and write-downs (see Note a25)	0.0	-187.1	-68.8	-45.8	-6.7	0.0	-308.4
Sales at selling price	-34.3	0.0	0.0	0.0	0.0	0.0	-34.3

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Profit from sales (see Note a22)	26.3	0.0	0.0	0.0	0.0	0.0	26.3
Non-monetary government grants received	0.0	6.3	11.6	6.1	0.0	0.0	24.0
Non-monetary government grants awarded	-0.3	-0.9	-1.2	-0.4	0.0	0.0	-2.8
Non-monetary contributions and payments transferred and received	-4.3	0.8	0.0	7.7	0.1	0.0	4.3
Reclassification	0.1	307.5	113.6	-22.2	3.5	-402.7	-0.2
Revaluation (see the statement of changes in net assets)	1.7	0.0	0.0	0.1	0.0	0.0	1.8
Balance as of 31/12/2023	207.9	2,515.1	437.7	206.1	29.6	446.8	3,843.2
Cost	207.9	4,132.8	1,001.3	570.8	64.7	446.8	6,424.3
Accumulated depreciation		-1,617.7	-563.6	-364.7	-35.1		-2,581.1
Average depreciation rate		5%	7%	8%	10%		
Carrying amount of non-current assets under operating lease	0.5	0.2	0.0	0.0	0.0	0.0	0.7

As non-monetary government grants, the state received assets from outside the public sector for 24.0 million euros (10.4 million euros in 2022). As non-monetary government grants, the state awarded assets outside the public sector for 127 million euros (1.7 million euros in 2022).

Deferred lease income from continuing lease agreements is presented in Note a30 D.

Note a12

Intangible assets

In millions of euros

A. Intangible non-current assets

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Balance at the beginning of the period	333.2	305.9	180.3	150.4
Cost	770.3	695.5	468.5	406.2
Accumulated depreciation	-437.1	-389.6	-288.2	-255.8
Total movements	52.3	27.3	35.6	29.9
Acquisitions and improvements (see Note a13)	132.0	101.5	84.4	69.3
Depreciation and write-downs (see Note a25)	-77.2	-66.3	-48.5	-40.1
Sold at selling price	0.0	-0.1	0.0	0.0
Reclassification	-1.7	-7.5	-0.3	0.7
Exchange rate differences from currency revaluation	-0.8	1.1	0.0	0.0
Changes due to creation and loss of controlling influence	0.0	-1.4	0.0	0.0
Balance at the end of the period	385.5	333.2	215.9	180.3
Cost	872.3	770.3	538.6	468.5
Accumulated depreciation	-486.8	-437.1	-322.7	-288.2
Average depreciation rate	9.4%	9.0%	9.6%	9.2%

Computer software is registered as (unconsolidated) intangible non-current assets in the financial statements of the state.

In addition to computer software, contractual rights of Eesti Energia AS in the amount of 22.1 million euros (23.2 million euros at the end of 2022) are also recognised as significant assets in the consolidated report.

State subsidiaries recognise goodwill generated upon the acquisition of subsidiaries in the total amount of 24.7 million euros (26.6 million euros at the end of 2022). As subsidiaries prepare their financial statements in accordance with International Financial Reporting Standards (IFRS), goodwill is not amortised.

B. Intangible current assets

	Consolidated	
	2023	2022
Balance at the beginning of the period	444.1	208.6
Acquisitions	213.6	443.6
Calculated to cover greenhouse gas emissions (see Note a16 C)	-429.0	-193.2
Sold and divested	-13.3	-14.5
Exchange rate differences from currency revaluation	1.1	-0.4
Balance at the end of the period	216.5	444.1

Emission allowance credits and certificates of origin purchased by the Eesti Energia AS group are recognised as intangible current assets.

Note a13

Investments by area of activity

In millions of euros

A. Consolidated report

	Investment property	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible non-current assets	Total
2022 (see Note a10, a11, a12)	0.2	17.4	8.7	31.2	68.9	10.4	1,096.0	101.5	1,334.3
Fuel and energy	0.0	6.7	0.7	2.1	4.4	0.2	497.2	14.2	525.5
Transport	0.1	8.0	0.9	0.7	22.1	1.2	248.8	6.4	288.2
National defence	0.0	1.0	0.6	1.0	1.4	5.1	110.5	1.4	121.0
Health care	0.1	0.0	0.6	0.6	17.2	0.4	63.2	4.7	86.8
General government sector services	0.0	0.0	0.0	12.4	0.4	0.2	49.5	22.3	84.8
Education	0.0	0.2	2.0	0.9	0.9	0.5	59.3	2.6	66.4
Agriculture and forestry	0.0	1.5	0.0	0.2	0.6	0.4	22.6	5.0	30.3
Other	0.0	0.0	2.5	5.4	13.4	0.5	12.4	15.1	49.3
Public order and security	0.0	0.0	0.5	5.5	6.9	1.4	12.9	17.1	44.3
Social protection	0.0	0.0	0.1	2.2	0.1	0.0	7.5	11.4	21.3
Leisure time, culture, religion	0.0	0.0	0.2	0.1	0.3	0.5	10.6	1.1	12.8
Environmental protection	0.0	0.0	0.6	0.1	1.2	0.0	1.5	0.2	3.6
2023 (see Note a10, a11, a12)	1.4	20.8	56.4	23.0	119.5	11.3	1,726.7	132.0	2,091.1
Fuel and energy	0.0	1.9	33.1	2.4	43.0	0.9	794.9	19.0	895.2
National defence	0.0	6.1	0.1	1.9	1.1	4.8	355.7	2.3	372.0

	Investment property	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible non-current assets	Total
Transport	1.1	8.3	1.3	0.1	20.0	0.8	293.1	12.6	337.3
General government sector services	0.0	0.0	0.6	6.1	0.4	0.2	78.2	26.4	111.9
Health care	0.0	0.0	8.2	1.6	29.3	0.8	56.7	5.5	102.1
Agriculture and forestry	0.0	3.4	0.2	0.2	3.3	0.0	23.7	6.7	37.5
Other	0.3	0.0	11.8	5.4	4.3	0.2	34.2	20.9	77.1
Education	0.0	0.0	0.2	0.7	2.4	0.7	60.3	4.5	68.8
Public order and security	0.0	0.0	0.3	3.2	13.9	2.5	15.9	19.5	55.3
Social protection	0.0	0.0	0.0	1.3	0.0	0.0	2.3	12.9	16.5
Leisure time, culture, religion	0.0	1.1	0.5	0.0	0.7	0.4	10.9	1.1	14.7
Environmental protection	0.0	0.0	0.1	0.1	1.1	0.0	0.8	0.6	2.7

In the cash flow statement, the acquisition of non-current assets has been adjusted by an increase in the trade payables for non-current assets by 77.9 million euros (decrease of 4.6 million euros in 2022).

B. Unconsolidated report

	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible non-current assets	Total
2022 (see Note a10, a11, a12)	9.1	4.1	26.7	13.2	7.3	362.1	69.3	491.8
Transport	7.9	0.4	0.3	0.8	0.2	167.9	1.0	178.5
National defence	1.0	0.6	0.7	1.4	5.0	110.9	1.4	121.0
Education	0.2	2.0	0.9	0.8	0.4	59.4	2.6	66.3
Public order and security	0.0	0.5	5.5	6.9	1.4	13.0	17.1	44.4
General government sector services	0.0	0.0	12.4	0.4	0.2	6.9	21.5	41.4
Social protection	0.0	0.0	2.2	0.1	0.0	0.2	11.4	13.9
Agriculture and forestry	0.0	0.0	0.1	0.2	0.0	0.0	4.1	4.4
Other	0.0	0.2	4.5	0.6	0.0	1.2	9.9	16.4
Environmental protection	0.0	0.3	0.0	1.0	0.0	1.4	0.2	2.9
Health care	0.0	0.0	0.1	1.0	0.0	0.7	0.1	1.9
Leisure time, culture, religion	0.0	0.1	0.0	0.0	0.1	0.5	0.0	0.7
2023 (see Note a10, a11, a12)	15.5	1.9	15.9	22.9	8.3	596.5	84.4	745.4
National defence	6.2	0.1	1.6	1.1	4.8	355.5	2.3	371.6
Transport	8.2	0.6	0.0	1.2	0.3	147.9	1.0	159.2
Education	0.0	0.1	0.7	2.3	0.5	59.6	4.3	67.5
Public order and security	0.0	0.7	3.2	13.9	2.5	16.1	19.5	55.9
General government sector services	0.0	0.2	6.1	0.3	0.1	12.4	25.6	44.7
Social protection	0.0	0.0	1.3	0.0	0.0	0.0	12.9	14.2
Agriculture and forestry	0.0	0.0	0.2	1.0	0.0	0.0	5.7	6.9
Other	0.0	0.2	2.8	1.6	0.0	3.8	12.1	20.5

	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible non-current assets	Total
Environmental protection	0.0	0.0	0.0	0.7	0.1	0.7	0.5	2.0
Leisure time, culture, religion	1.1	0.0	0.0	0.0	0.0	0.5	0.4	2.0
Health care	0.0	0.0	0.0	0.8	0.0	0.0	0.1	0.9

In the cash flow statement, the acquisition of non-current assets has been adjusted by an increase in the trade payables for non-current assets by 12.4 million euros (increase of 12.3 million euros in 2022).

Note a14

Biological assets

In millions of euros

A. Classification of biological assets by type

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
State forest to be sold	2,470.6	2,223.5	962.6	30.9	30.6	18.1
Animals	0.3	0.2	0.2	0.2	0.2	0.2
Plants and plantations	9.8	8.8	9.0	0.0	0.0	0.0
Total biological assets	2,480.7	2,232.5	971.8	31.1	30.8	18.3
Incl. current assets	69.2	62.2	41.1	3.1	3.1	1.8
Incl. non-current assets	2,411.5	2,170.3	930.7	28.0	27.7	16.5

B. Movements in biological assets

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Balance at the beginning of the period	2,232.5	971.8	30.8	18.3
Total movements	248.2	1,260.7	0.3	12.5
Sold at selling price	-0.3	-0.1	0.0	-0.1
Profit from the sale of biological assets	0.1	0.1	0.0	0.1
Surplus/deficit from change in fair value	248.4	1,260.7	0.3	12.5
Balance at the end of the period	2,480.7	2,232.5	31.1	30.8

C. Volumes of state forest and indicators used to determine the fair value of state forest to be sold

	Unit of measure	Consolidated			Unconsolidated		
		31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Volume indicators							
Area under managed forests	thousand hectares	723.2	726.7	730.3	7.4	7.4	7.4
Estimated volume of managed forests	thousand solid m ³	111,311.2	112,049.6	113,389.8	1,561.9	1,561.9	1,561.9

	Unit of measure	Consolidated			Unconsolidated		
		31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Area under non-managed forests	thousand hectares	339.6	336.1	326.4	1.0	1.0	1.0
Estimated volume of non-managed forests	thousand solid m ³	72,859.0	71,413.9	68,633.6	238.7	238.7	238.7
Forecasts used to estimate forest value							
Average estimated annual timber sales volume	thousand m ³	3,594.7	3,709.0	3,534.0	29.0	29.0	29.0
Average estimated timber sales price	EUR/m ³	53.4	51.8	54.8	75.0	75.0	65.0
Average estimated forest management revenue per year	million euros	197.9	192.1	193.7	2.2	2.2	1.9
Average estimated annual expenditure on forest management	million euros	-140.9	-140.9	-162.8	-1.5	-1.5	-1.3
Discount rate	%	4.70	4.60	5.21	4.70	4.60	5.21
Inflation rate in the forestry sector	%	2.39	2.30	2.00	2.39	2.30	2.00

The primary manager of the state forest is the State Forest Management Centre. The unconsolidated report recognises the forest managed by Luua Forestry School.

The State Forest Management Centre plans cutting in such a way that mature forest is cut as evenly as possible. Actual sales volume increased by 4.7 per cent in 2023 compared to the previous year (decreased 2.3 per cent in 2022).

Comparison of inputs used in assessing the value of the forest of the State Forest Management Centre with actual indicators

	Unit of measure	Actual 2023	Estimate average of 2024–2033	Actual 2022	Estimate average of 2023–2032
Annual sales volume	thousand m ³	3,923.9	3,565.7	3,748.4	3,680.0
Forest management income per unit	EUR/m ³	77.3	54.9	80.2	51.6
Forest management expenditure per unit	EUR/m ³	47.5	39.1	45.9	37.9
Inflation rate in the forestry sector	%	-8.0	2.39	50.0	2.3

The growth in the estimated revenue of forest management is based on the increase in the price of wood varieties. Demand for timber continues to grow and its availability is decreasing.

Timber sales volume and average price at the State Forest Management Centre

	2023		2022	
	EUR/m ³	Volume (thousand m ³)	EUR/m ³	Volume (thousand m ³)
Sale of cutting right	22.1	12.9	21.0	13.9
Sale of timber	79.2	3,595.5	82.8	3,442.0
Sale of slash	35.2	1.1	23.7	1.0
Sale of wood chips	56.7	328.4	48.8	291.6

Forest land area by principal tree species at the State Forest Management Centre

In hectares

	2023			2022		
	Non-managed forest	Managed forest	Total area	Non-managed forest	Managed forest	Total area
Pine	163,154	266,429	429,583	161,101	268,895	429,996
Spruce	51,241	170,360	221,601	50,675	169,512	220,187
Birch	89,206	219,275	308,481	88,847	222,145	310,992
Aspen	16,745	28,558	45,303	16,312	27,834	44,146
Black alder	10,581	14,179	24,760	10,491	13,833	24,324
Grey alder	4,257	15,210	19,467	4,198	15,250	19,448
Others	3,501	1,763	5,264	3,476	1,852	5,328
Total	338,685	715,774	1,054,459	335,100	719,321	1,054,421

Forest stock by principal tree species at the State Forest Management Centre

In thousands of m³

	2023			2022		
	Non-managed forest	Managed forest	Total	Non-managed forest	Managed forest	Total
Pine	35,557.3	49,751.0	85,308.3	34,783.1	49,953.5	84,736.6
Spruce	11,372.2	22,200.5	33,572.6	11,143.5	22,496.7	33,640.2
Birch	17,131.7	30,002.7	47,134.5	16,897.7	30,228.3	47,126.0
Aspen	4,737.0	3,482.1	8,219.1	4,598.9	3,497.5	8,096.4
Black alder	2,450.8	2,206.5	4,657.3	2,404.3	2,161.8	4,566.1
Grey alder	705.4	1,875.7	2,581.1	693.0	1,912.7	2,605.7
Others	665.8	230.7	896.5	654.6	237.1	891.7
Total	72,620.3	109,749.3	182,369.5	71,175.2	110,487.6	181,662.8

D. Mineral reserves

Mineral resource	Unit of measure	31/12/2023			31/12/2022		
		Active consumption supplies	Rate of fee for exploitation per unit (in euros)	Stock price (in millions of euros)	Active consumption supplies	Rate of fee for exploitation per unit (in euros)	Stock price (in millions of euros)
Oil shale	million tonnes	909.4	3.2	2,919.1	909.4	3.8	3,437.4
Limestone for cement	million m ³	56.3	3.0	170.4	56.4	2.9	162.5
Technological limestone	million m ³	23.6	3.0	71.5	23.7	2.9	68.2
Construction limestone	million m ³	104.9	2.9	299.0	108.3	2.7	293.5
Filler limestone	million m ³	11.9	1.2	13.7	10.9	1.1	11.8
High-quality construction limestone	million m ³	28.0	2.9	79.9	23.3	2.7	74.6

Mineral resource	Unit of measure	31/12/2023			31/12/2022		
		Active consumption supplies	Rate of fee for exploitation per unit (in euros)	Stock price (in millions of euros)	Active consumption supplies	Rate of fee for exploitation per unit (in euros)	Stock price (in millions of euros)
Low-quality construction limestone	million m ³	26.8	1.8	48.5	22.6	1.7	39.0
Technological dolomite	million m ³	12.1	3.3	40.5	12.2	3.3	40.7
Finishing dolomite	million m ³	2.7	3.1	8.4	2.5	3.1	7.7
Construction dolomite	million m ³	56.5	2.9	160.9	59.1	2.7	160.1
High-quality construction dolomite	million m ³	3.4	2.9	9.6	3.4	2.7	9.2
Low-quality construction dolomite	million m ³	14.7	1.8	26.0	12.0	1.7	20.1
Filler dolomite	million m ³	14.1	1.2	16.2	12.3	1.1	13.5
Crystalline building block	million m ³	1,245.1	2.3	2,888.5	1,245.1	2.2	2,751.6
Cement clay	million m ³	14.9	1.0	14.3	14.9	0.9	13.6
Ceramic clay	million m ³	9.9	0.9	8.7	9.9	0.9	8.4
Ceramite clay	million m ³	7.9	1.0	8.2	8.0	1.0	7.8
Building gravel	million m ³	63.6	2.8	179.4	64.8	2.7	175.7
Filler gravel	million m ³	6.2	0.6	3.7	3.9	0.6	2.3
Technological sand	million m ³	6.0	2.6	15.6	6.0	2.5	14.8
Building sand	million m ³	285.7	1.9	528.5	281.1	1.8	494.7
Filler sand	million m ³	168.7	0.5	89.4	151.4	0.5	75.7
Sea mud (for treatment purposes)	thousand tonnes	1,407.7	0.0	0.0	1,407.8	0.0	0.0
Lake mud (for fertilisation)	thousand tonnes	170.9	0.0	0.0	170.9	0.0	0.0
Lake mud (for treatment purposes)	thousand tonnes	1,127.9	0.0	0.0	1,127.9	0.0	0.0
Lake lime	thousand m ³	731.0	0.0	0.0	731.0	0.0	0.0
Slightly decomposed peat	million tonnes	49.0	1.9	93.6	49.9	1.8	90.3
Well decomposed peat	million tonnes	163.5	2.2	359.7	163.2	2.2	359.0
Total				8,053.5			8,332.1

Mineral reserves are not recognised in the balance sheet. Exploitation fee is accounted for as revenue in the state report in the year of extraction of the respective resources. In 2023, the state (consolidated) received income from the fees for mining rights of minerals in the amount of 30.6 million euros (44.6 million euros in 2022). The state (unconsolidated) earned 53.6 million euros of income (93.6 million euros in 2022).

Note a15

Other liabilities and prepayments received

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Other short-term liabilities and prepayments received	3,133.7	2,639.3	2,019.3	3,694.5	3,087.7	2,865.2
Interest payable	61.9	25.7	6.3	46.3	18.2	0.7
Other accruals	14.8	24.4	43.9	1.0	0.3	2.3
Grant commitments (see Note a19 B)	281.6	266.3	241.7	384.4	353.9	299.0
Guarantee fees	37.1	41.0	40.3	26.4	32.8	32.0
Customer deposits	1,370.8	1,235.1	988.7	1,972.8	1,741.3	1,903.3
Grant repayment liabilities	17.8	12.8	10.5	17.7	12.8	10.5
Liabilities on sale of assets (see Note a7)	9.2	54.0	0.0	0.0	0.0	0.0
Other liabilities	80.3	24.3	19.4	18.4	17.7	14.7
Prepayments received for grants (see Note a19 A)	1,243.3	917.2	602.0	1,225.0	906.8	595.6
Other deferred income	16.9	38.5	66.5	2.5	3.9	7.1
Long-term liabilities and prepayments received	120.8	119.5	127.4	130.1	132.5	145.1
Trade payables	9.0	6.4	5.2	1.7	1.4	0.0
Grant commitments (see Note a19 B)	0.0	0.0	0.0	50.3	54.6	58.6
Interest payable (see Note a17 B)	34.1	30.3	39.5	34.1	30.3	39.5
Other liabilities	10.9	29.0	29.8	0.5	0.6	0.6
Prepayments received for grants (see Note a19 A)	42.5	44.8	44.3	42.5	44.8	44.3
Other deferred income	24.3	9.0	8.6	1.0	0.8	2.1
Total other liabilities and prepayments received	3,254.5	2,758.8	2,146.7	3,824.6	3,220.2	3,010.3

Customer deposits include deposits from other public sector entities that are part of the cash pooling system of the State Treasury in the bank (see Note a2). In addition, the money of the customers is deposited in accounts opened with the e-State Treasury system.

In 2023, the recognition of the congestion charge of AS Elering was retroactively amended. AS Elering will receive the congestion charge from the EU TSO auction. The use of the proceeds should be guided by Article 16 (6) of Regulation (EC) No 714/2009. It can be used to ensure the availability of distributed capacity and/or to maintain or increase interconnection capacity through network investments. If the revenue cannot be used for these purposes, it may, subject to the approval of the national regulatory authority, be taken into account when establishing network tariffs.

AS Elering recognises the majority of the congestion charge as deferred income and amortises the excess to income over the useful life of the asset acquired.

The accounting method appropriate to the company is not compatible with the accounting method used in the consolidated accounts of the state and the public sector, where the costs incurred for the use of non-current assets and the revenue used for their acquisition are not allocated to the same period. Therefore, a retrospective restatement was made in the consolidated state annual accounts. Revenue is recognised in the statement of financial performance when it is received (transmission capacity sold at auction) and is not recognised as deferred income. As a result of the change in accounting policy, as of 31 December 2021, deferred income was reduced by 176.6 million euros. In 2022, revenue from the sale of electricity in the amount of 164.7 million euros was additionally included. Deferred income as of 31 December 2022 was reduced by 341.3 million euros.

Note a16

Provisions

In millions of euros

	Consolidated			Unconsolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Balance as of 31/12/2021	347.1	3,787.8	4,134.9	117.1	3,701.4	3,818.5
Pension provisions	91.9	3,447.6	3,539.5	91.5	3,446.7	3,538.2
Environmental protection provisions	195.4	17.5	212.9	0.0	0.3	0.3
Provisions for guarantee liabilities and loan securities	12.6	46.0	58.6	0.7	0.0	0.7
Provisions for legal costs	2.5	4.0	6.5	0.8	0.0	0.8
State liability of the second pillar funded pension	22.9	250.3	273.2	22.9	250.3	273.2
Other provisions	21.8	22.4	44.2	1.2	4.1	5.3
Movements in 2022	508.5	323.3	831.8	270.6	324.3	594.9
Formation	531.0	536.4	1,067.4	35.0	537.1	572.1
Expenditure	-374.5	0.0	-374.5	-115.2	0.0	-115.2
Interest expense calculated	0.0	138.9	138.9	0.0	138.0	138.0
Reclassification	352.0	-352.0	0.0	350.8	-350.8	0.0
Balance as of 31/12/2022	855.6	4,111.1	4,966.7	387.7	4,025.7	4,413.4
Pension provisions	110.3	4,014.3	4,124.6	110.1	4,013.8	4,123.9
Environmental protection provisions	431.3	13.9	445.2	0.0	0.3	0.3
Provisions for guarantee liabilities and loan securities	12.2	44.1	56.3	0.7	0.0	0.7
Provisions for legal costs	3.4	4.0	7.4	2.5	0.0	2.5
State liability of the second pillar funded pension	270.5	0.0	270.5	270.5	0.0	270.5
Provision for the second pillar payments received from insurance funds	0.7	9.2	9.9	0.7	9.2	9.9
Other provisions	27.2	25.6	52.8	3.2	2.4	5.6
Movements in 2023	-477.5	512.9	35.4	-250.0	496.2	246.2
Formation	262.7	485.5	748.2	-0.1	469.1	469.0
Expenditure	-874.2	-0.6	-874.8	-383.5	0.0	-383.5
Interest expense calculated	0.0	162.0	162.0	0.0	160.7	160.7
Reclassification	134.0	-134.0	0.0	133.6	-133.6	0.0
Balance as of 31/12/2023	378.1	4,624.0	5,002.1	137.7	4,521.9	4,659.6
Pension provisions	136.5	4,508.6	4,645.1	135.3	4,508.0	4,643.3
Environmental protection provisions	206.4	15.9	222.3	0.0	0.3	0.3
Provisions for guarantee liabilities and loan securities	8.4	48.5	56.9	0.5	0.0	0.5
Provisions for legal costs	1.6	4.5	6.1	0.1	0.0	0.1
Provision for the second pillar payments received from insurance funds	0.7	8.5	9.2	0.7	8.5	9.2
Other provisions	24.5	38.0	62.5	1.1	5.1	6.2

A. Public sector pension provisions

	At the beginning of the year	Disbursements	Interest expense calculated	Formation	At the end of the year
Total in 2022	3,538.2	-89.1	137.9	536.9	4,123.9
Pensions for police and border guard officials and rescue officers	1,516.5	-35.5	59.3	429.9	1,970.2
Pensions for servicemen	1,088.9	-18.3	42.8	39.3	1,152.7
Pensions for judges, prosecutors and the Chancellor of Justice	273.4	-5.7	10.6	15.4	293.7
Parliamentary pensions	105.1	-7.4	3.9	-0.1	101.5
Special pensions for other officials	15.5	-0.9	0.6	1.3	16.5
Pension increases for pensioners under the Civil Service Act	300.7	-21.3	11.2	42.9	333.5
Pension increases for employees under the Civil Service Act	238.1	0.0	9.5	8.2	255.8
Total in 2023	4,123.9	-108.0	160.6	466.8	4,643.3
Pensions for police and border guard officials and rescue officers	1,970.2	-44.2	77.0	198.8	2,201.8
Pensions for servicemen	1,152.7	-22.7	45.2	131.6	1,306.8
Pensions for judges, prosecutors and the Chancellor of Justice	293.7	-6.7	11.4	33.3	331.7
Parliamentary pensions	101.5	-8.2	3.8	14.2	111.3
Special pensions for other officials	16.5	-0.9	0.6	1.1	17.3
Pension increases for pensioners under the Civil Service Act	333.5	-25.3	12.4	67.7	388.3
Pension increases for employees under the Civil Service Act	255.8	0.0	10.2	20.1	286.1

As of the end of 2023, public sector pension provisions were calculated for a total of 32,400 people (30,167 people at the end of 2022). Of them, 15,093 had retired (14,456 pensioners at the end of 2022).

As the actuarial gains and losses on pension provisions may fluctuate significantly year by year, they are accounted for directly as the change in net assets. In 2023, a total loss of 237.3 million euros was recorded (loss of 394.7 million euros in 2022). Actuarial loss is affected by the change in the long-term forecast of the average salaries and wages and the pension index. Amounts accrued for the current period are recognised under labour costs (see Note a23).

In 2023, the Rescue Service Act was amended, according to which the accumulation of seniority as a basis for the increase of the state old-age pension was extended until 28 February 2043 (previously 28 February 2023). In addition, entitlement to the pension allowance was made permanent and, compared to before, it can be applied for up to five years before retirement. As a result of the changes, the number of personnel in the Rescue Board who earn seniority for pension increases grew.

In 2022, the provision for special pensions for police and border guards increased significantly as a result of the amendment to the Police and Border Guard Act. Previously, special pensions were calculated on the basis of the remuneration for the service rank and the scaled salary of the position. In 2022, the basis for calculation was changed to the basic salary of the position.

In the consolidated report, pension provisions in the Eesti Energia group are added.

B. Environmental protection provisions

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Balance at the beginning of the period	445.2	212.9	0.3	0.3
Formation	206.4	426.0	0.0	0.0
Interest expense calculated	0.8	0.5	0.0	0.0
Expenditure	-430.1	-194.2	0.0	0.0
Balance at the end of the period	222.3	445.2	0.3	0.3

Environmental protection provisions have been formed mainly in the Eesti Energia group, incl. for closing the ash fields of mining areas and power plants and for purchasing emission allowances. Of the expenditure, 429.0 million euros are emission allowances expensed to cover greenhouse gas emissions (193.2 million euros in 2022, see Note a12).

C. Provisions for guarantee liabilities and loan securities

The state (unconsolidated) recognises provisions to cover insurance losses for AS KredEx Krediidikindlustus.

Provisions for guarantee liabilities and loan securities in Ettevõtlike ja Innovatsiooni Sihtasutus, Maaelu Edendamise SA, and AS KredEx Krediidikindlustus are reflected in the consolidated report. In 2023, the corresponding provisions were increased by 4.7 million euros (decreased 0.7 million euros in 2022) and disbursements were made in the amount of 4.1 million euros (1.6 million euros in 2022).

D. State liability of the second pillar funded pension

The state has undertaken to add an additional four per cent to the two per cent mandatory funded pension payments withheld from salaries and wages, i.e. to increase the pension contributions by the double amount. The state suspended these payments from July 2020 until August 2021 and paid its contribution to those leaving the mandatory funded pension funds of the second pillar when they became eligible to leave, and to the rest in January 2023. This brought the provision calculated in previous years to zero. No additional provision was made in 2023. During 2022, a total of 24.6 million euros were paid out to those leaving the mandatory funded pension funds of the second pillar. At the end of 2022, the provision was increased by the average rate of return on pension funds as of 31 December 2022, amounting to 21.6 million euros (recorded as an expense for social benefits).

E. Provision for the second pillar payments received from insurance funds

Under the Funded Pensions Act, insurers can opt out of making the second pillar pension contributions by transferring the amount of the guaranteed values agreed in the insurance contracts to the state. At the beginning of 2022, two insurance companies transferred 998 contracts to the state. In 2022, the state received 10.5 million euros. Of this, the state paid out 0.7 million euros in 2023 and 0.6 million euros in 2022.

F. Other provisions

AS Eesti Loto forms short-term provisions for the payment of the prize fund. In 2023, 46.8 million euros were paid from provisions (43.8 million euros in 2022), new provisions were formed in the amount of 45.7 million euros (44.0 million euros in 2022), and the balance at the end of the year was 4.5 million euros (5.5 million euros by the end of 2022).

Other provisions also include various provisions, incl. for the payment of rewards, compensation for health damage, dismantling of assets, covering unfavourable contracts, reorganising operations.

Note a17

Loan liabilities

In millions of euros

A. Consolidated report

A1. Division of loan liabilities by residual term

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	2,786.6	2,960.0	151.0	5,897.6
Up to 1 year	408.1	288.7	21.8	718.6
1 to 5 years	783.4	896.4	71.7	1,751.5
More than 5 years	1,595.1	1,774.9	57.5	3,427.5
Balance as of 31/12/2022	3,736.2	3,097.0	116.1	6,949.3
Up to 1 year	1,075.2	239.4	13.2	1,327.8
1 to 5 years	133.9	1,052.3	58.4	1,244.6
More than 5 years	2,527.1	1,805.3	44.5	4,376.9
Balance as of 31/12/2023	3,691.9	4,406.8	100.9	8,199.6
Up to 1 year	519.9	566.9	16.3	1,103.1
1 to 5 years	126.3	1,792.3	48.9	1,967.5
More than 5 years	3,045.7	2,047.6	35.7	5,129.0

A2. Movements in loan liabilities and interest expense

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	2,786.6	2,960.0	151.0	5,897.6
Received	1,496.1	555.2	13.6	2,064.9
Reclassification	0.0	-27.5	-26.5	-54.0
Repayment	-559.8	-390.7	-22.5	-973.0
Depreciation of loan cost	13.1	0.1	0.4	13.6
Exchange rate differences from currency revaluation	0.2	-0.1	0.1	0.2
Balance as of 31/12/2022	3,736.2	3,097.0	116.1	6,949.3
Received	1,321.3	1,766.8	21.1	3,109.2
Reclassification	0.0	0.0	-4.4	-4.4
Offset against loan receivables	0.0	-4.8	0.0	-4.8
Repayment	-1,382.1	-444.6	-32.7	-1,859.4
Depreciation of loan cost	16.5	-8.1	0.7	9.1
Exchange rate differences from currency revaluation	0.0	0.5	0.1	0.6
Balance as of 31/12/2023	3,691.9	4,406.8	100.9	8,199.6
Interest expense 2022	-38.7	-17.8	-6.2	-62.7
Average interest rate (%)	1.2%	0.6%	4.6%	1.0%
Interest expense 2023	-89.7	-125.9	-6.0	-221.6
Average interest rate (%)	2.4%	3.4%	5.5%	2.9%

Subsidiaries that prepare their financial statements in accordance with the International Financial Reporting Standards capitalised interest expense on loans into the cost of property, plant and equipment in the amount of 33.6 million euros (7.3 million euros in 2022) (see Note a27).

Assets acquired under finance lease are recognised in Note a11. Guarantees issued as loan securities and pledged assets are recognised in Note a30. The carrying amount of non-current assets pledged to cover loans is recognised in Notes a10 and a11.

Liabilities related to assets held for sale (see Note a7) and early terminated finance lease agreements are recorded as a reclassification of finance lease.

The loan receivables offset the reduction in the amount of debt liabilities corresponding to the Estonian government's share under the EFSF Framework Agreement (see Note a17 B).

B. Unconsolidated report

B1. Division of loan liabilities by residual term

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	1,884.0	2,032.0	0.5	3,916.5
Up to 1 year	400.4	72.4	0.1	472.9
1 to 5 years	0.0	364.5	0.2	364.7
More than 5 years	1,483.6	1,595.1	0.2	3,078.9
Balance as of 31/12/2022	2,831.5	2,128.7	0.1	4,960.3
Up to 1 year	349.7	68.0	0.1	417.8
1 to 5 years	0.0	498.2	0.0	498.2
More than 5 years	2,481.8	1,562.5	0.0	4,044.3

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2023	3,509.5	2,266.0	0.0	5,775.5
Up to 1 year	512.3	68.0	0.0	580.3
1 to 5 years	0.0	646.1	0.0	646.1
More than 5 years	2,997.2	1,551.9	0.0	4,549.1

B2. Movements in loan liabilities and interest expense

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	1,884.1	2,031.9	0.5	3,916.5
Received	1,496.1	170.0	0.0	1,666.1
Depreciation of loan cost	3.4	0.1	0.0	3.5
Reclassification	0.0	0.0	-0.3	-0.3
Repayment	-552.1	-73.3	-0.1	-625.5
Balance as of 31/12/2022	2,831.5	2,128.7	0.1	4,960.3
Received	1,321.4	210.0	0.0	1,531.4
Depreciation of loan cost	9.3	0.0	0.0	9.3
Repayment	-652.7	-67.9	-0.1	-720.7
Offset against loan receivables	0.0	-4.8	0.0	-4.8
Balance as of 31/12/2023	3,509.5	2,266.0	0.0	5,775.5
Interest expense in 2022 (see Note a27)	-12.1	-7.2	0.0	-19.3
Average interest rate	0.5%	0.3%	0.0%	0.4%
Interest expense in 2023 (see Note a27)	-65.5	-50.5	0.0	-116.0
Average interest rate	2.1%	2.3%	0.0%	2.2%

Among loans, the amount of debt liabilities corresponding to the share of the Estonian state arising from the EFSF Framework Agreement is 447.1 million euros (451.9 million euros at the end of 2022), which were lent on the basis of the European Union support programme. Long-term interest payables in the amount of 34.1 million euros (30.3 million euros at the end of 2022) are added to loan liabilities (see Note a15). These liabilities are also recognised as receivables from countries who have borrowed from the EFSF (see Note a6).

Bonds as of 31/12/2023:

Settlement date	Balance	Weighted average yield	Maturity date
14/11/2023	30.0	3.990%	15/01/2024
01/12/2023	4.0	3.980%	01/02/2024
21/12/2023	5.0	3.990%	21/03/2024
28/03/2023	125.0	3.324%	28/03/2024
28/09/2023	81.0	4.088%	28/03/2024
25/04/2023	72.0	3.680%	25/04/2024
28/09/2023	204.0	4.111%	27/09/2024
03/06/2020	1,500.0	0.235%	10/06/2030
05/10/2022	1,000.0	4.023%	12/10/2030
06/06/2023	500.0	3.618%	12/10/2030
Total	3,521.0		

Bonds as of 31/12/2022:

Settlement date	Balance	Weighted average yield	Maturity date
31/03/2022	250.0	-0.225%	30/03/2023
16/06/2022	100.0	0.900%	15/06/2023
10/06/2020	1,500.0	0.235%	10/06/2030
12/10/2022	1,000.0	4.023%	12/10/2032
Total	2,850.0		

Loans received as of 31 December 2023, in addition to the EFSF Framework Agreement liability:

Contract date	Lender	Loan balance	Interest rate	Maturity
17/12/2014	EIB	51.4	3M Euribor + 0.204%	16/07/2025
17/12/2014	EIB	20.0	3M Euribor + 0.273%	20/07/2030
02/12/2016	EIB	58.6	3M Euribor + 0.204%	16/07/2025
02/12/2016	EIB	195.0	3M Euribor + 0.273%	20/07/2030
29/04/2021	EIB	107.0	3M Euribor + 0.066%	30/01/2032
26/03/2020	NIB	747.7	6M Euribor + 0.32%	30/03/2035
09/06/2020	CEB	200.0	3M Euribor + 0.23%	05/05/2036
11/05/2021	European Commission's temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	140.0	0%	04/07/2029
11/05/2021	European Commission's temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	90.0	0.75%	04/01/2047
22/06/2023	EIB	210.0	6M Euribor + 0.179%	19/12/2033
	Total	1,819.7		

Loans received as of 31 December 2022, in addition to the EFSF Framework Agreement liability:

Contract date	Lender	Loan balance	Interest rate	Maturity
17/12/2014	EIB	77.1	3M Euribor + 0.204%	16/07/2025
17/12/2014	EIB	20.0	3M Euribor + 0.273%	20/07/2030
02/12/2016	EIB	87.9	3M Euribor + 0.204%	16/07/2025
02/12/2016	EIB	195.0	3M Euribor + 0.273%	20/07/2030
29/04/2021	EIB	120.0	3M Euribor + 0.066%	30/01/2032
26/03/2020	NIB	747.7	6M Euribor + 0.32%	30/03/2035
09/06/2020	CEB	200.0	3M Euribor + 0.23%	05/05/2036
11/05/2021	European Commission's temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	140.0	0%	04/07/2029
11/05/2021	European Commission's temporary Support to mitigate Unemployment Risks in an Emergency (SURE)	90.0	0.75%	04/01/2047
	Total	1,677.7		

Note a18

Derivatives

In millions of euros

	Consolidated					
	31/12/2023		31/12/2022		31/12/2021	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward, futures, and long-term contracts for the purchase of electricity – cash flow hedging instruments	152.3	41.2	399.8	0.1	193.7	2.5
Forward, futures, and long-term contracts for the purchase of electricity – trading derivatives through the statement of financial performance	131.1	1.6	206.4	0.8	87.3	4.3
Forward and futures contracts for the purchase of gas – cash flow hedging instruments	0.0	15.2	6.0	0.0	12.5	0.0
Forward and futures contracts for the purchase of gas – trading derivatives through the statement of financial performance	3.3	5.6	58.6	60.3	52.3	51.9
Swap and forward contracts for the sale of liquid fuel – cash flow hedging instruments	4.4	-0.1	3.5	89.8	1.8	76.2
Swap and forward contracts for the sale of liquid fuel – trading derivatives through the statement of financial performance	4.0	9.1	0.4	0.4	0.0	18.8
Universal electricity service	9.1	0.0	0.0	37.1	0.0	0.0
Green certificates	4.4	10.2	7.0	9.4	0.0	0.0
Other derivatives	0.0	1.6	0.0	3.3	0.2	0.2
Interest rate swap contracts – cash flow hedging instruments	8.9	0.0	0.0	0.0	0.0	0.0
Interest rate swap contracts – through the statement of financial performance	0.0	0.0	14.6	0.0	0.0	0.0
Total derivatives	317.5	84.4	696.3	201.2	347.8	153.9
Incl. short-term part	59.7	67.8	199.8	169.1	160.2	116.1
Incl. long-term part	257.8	16.6	496.5	32.1	187.6	37.8

Hedging reserve

	2023	2022
Hedging reserve at the beginning of the period	698.4	211.5
Change in the market value of derivatives	-438.8	670.3
Recorded as a reduction in income from operations	48.2	155.0
Recorded as a reduction in operating expenses	-162.1	-335.1
Recorded as a decrease (-) or increase (+) in interest expense	-3.5	0.1
Minority interest in hedging instruments	-0.6	-3.4
Hedging reserve at the end of the period	141.6	698.4

Note a19

Grants received and awarded

In millions of euros

A. Grants received

A1. Consolidated report

	Balance as of 31/12/2021		Calculated revenue 2022	Balance as of 31/12/2022		Calculated revenue 2023	Balance as of 31/12/2023	
	Receivables (Note a5)	Prepayments received (Note a15)		Receivables (Note a5)	Prepayments received (Note a15)		Receivables (Note a5)	Prepayments received (Note a15)
From European Union funds	522.4	570.6	1,091.6	709.4	879.1	1,236.2	870.3	1,097.4
Other foreign aid	13.0	23.4	37.7	12.4	32.7	55.9	17.8	141.8
Domestic grants	0.6	52.3	46.7	1.0	50.2	46.2	0.7	46.6
Total grants received	536.0	646.3	1,176.0	722.8	962.0	1,338.3	888.8	1,285.8

Foreign grants received from European Union funds was recovered in the amount of 35.1 million euros (9.9 million euros in 2022), of which intermediated foreign aid was 5.7 million euros (8.0 million euros in 2022) (reflected as a decrease in revenue).

A1.1. Income from grants received by area of activity

	2023				2022			
	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	For intermediated acquisition of non-current assets	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	For intermediated acquisition of non-current assets
Agriculture	11.8	235.6	7.2	59.8	15.2	260.6	1.2	50.2
Transport	6.6	0.0	139.3	53.4	3.0	0.0	98.8	14.9
Housing	0.0	0.0	0.1	39.5	0.0	0.0	0.2	54.7
Other	49.0	32.2	167.2	54.4	39.4	29.0	113.8	51.0
Environmental protection	16.4	5.2	3.7	12.5	10.5	1.7	2.0	22.3
Education	28.8	39.4	63.2	20.3	30.0	52.1	49.9	29.9
Health care	11.5	1.0	75.6	21.6	27.2	0.9	34.8	12.2
Social protection	21.3	15.3	0.6	8.8	29.7	22.1	5.7	4.4
General government sector services	29.3	6.2	23.9	6.6	25.9	5.0	27.6	9.8
National defence	9.1	0.4	35.6	0.0	4.9	0.3	4.9	0.0
Leisure time, culture, religion	8.5	3.1	0.2	1.1	9.8	2.1	0.6	0.2
Public order and security	8.9	0.3	3.6	0.2	6.3	0.3	10.9	0.0
Total income from grants received	201.2	338.7	520.2	278.2	201.9	374.1	350.4	249.6

Intermediated grants in the amount of 616.9 million euros (a total of 623.7 million euros in 2022) reflect grants received from European Union funds and other foreign aid and income from emission allowance trading which the state did not use for its operating expenses or for the acquisition of non-current assets but passed on to beneficiaries outside the state (also recorded as grants awarded, see Part B).

Grants received for the acquisition of non-current assets and intermediation of the acquisition of non-current assets are recognised as cash flows from investment activities. The cash flow statement also takes into account the increase in government grants received for the acquisition of non-current assets by 163.8 million euros (increase of 193.8 million euros in 2022) and the increase in prepayments received by 183.0 million euros (increase of 58.4 million euros in 2022). Government grants received for the acquisition of non-current assets are also reduced by non-monetary government grants (see Note a11).

A2. Unconsolidated report

	Balance as of 31/12/2021		Calculated revenue 2021	Balance as of 31/12/2022		Calculated revenue 2022	Balance as of 31/12/2023	
	Receivables (Note a5)	Prepayments received (Note a15)		Receivables (Note a5)	Prepayments received (Note a15)		Receivables (Note a5)	Prepayments received (Note a15)
From European Union funds	522.3	566.6	1,030.9	709.1	871.9	1,188.6	869.7	1,087.1
Other foreign aid	6.6	20.7	35.9	12.2	28.9	52.1	15.2	133.5
Domestic grants	0.3	52.6	19.1	1.0	50.8	14.8	0.9	46.9
Total grants received	529.2	639.9	1,085.9	722.3	951.6	1,255.5	885.8	1,267.5

A2.1. Income from grants received by area of activity

	2023				2022			
	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	For intermediated acquisition of non-current assets	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	For intermediated acquisition of non-current assets
Agriculture	10.2	237.0	7.1	59.9	13.9	261.9	1.1	50.2
Transport	1.8	4.0	58.1	125.8	1.5	0.9	47.8	71.7
Housing	0.0	0.0	0.0	39.6	0.0	0.0	0.0	54.9
Other	10.9	48.0	122.5	64.1	9.6	34.4	23.3	76.5
Environmental protection	7.9	14.2	0.6	15.6	8.5	4.6	0.3	24.0
Education	25.7	41.9	63.3	20.3	24.8	56.8	50.1	29.9
Health care	4.0	1.4	1.1	94.6	20.9	1.4	1.8	45.0
General government sector services	23.5	10.3	20.5	10.0	21.4	8.1	27.0	10.5
Social protection	21.2	15.3	0.8	8.5	29.6	22.2	0.8	9.3
National defence	8.1	0.7	32.6	1.4	4.2	0.5	4.9	0.0
Leisure time, culture, religion	4.8	3.9	0.0	1.0	6.1	3.4	0.1	0.2
Public order and security	9.0	0.4	3.7	0.2	6.4	0.3	10.9	0.0
Total income from grants received	127.1	377.1	310.3	441.0	146.9	394.5	172.3	372.2

Intermediated grants in the amount of 818.1 million euros (a total of 766.7 million euros in 2022) reflect grants received from European Union funds and other foreign aid and income from emission allowance trading which the state did not use for its operating expenses or for the acquisition of non-current assets but passed on to beneficiaries outside the state (also recorded as grants awarded, see Part B).

Grants received for the acquisition of non-current assets and intermediation of the acquisition of non-current assets are recognised as cash flows from investment activities. The cash flow statement also takes into account the increase in government grants received for the acquisition of non-current assets by 161.5 million euros (increase of 200.2 million euros in 2022) and the increase in prepayments received by 182.1 million euros (increase of 57.0 million euros in 2022).

Government grants received for the acquisition of non-current assets are also reduced by non-monetary government grants (see Note a11).

B. Grants awarded

B1. Consolidated report

	Balance as of 31/12/2021		Calculated expenditure 2021	Balance as of 31/12/2022		Calculated expenditure 2022	Balance as of 31/12/2023	
	Prepayments paid (Note a5)	Liabilities (Note a15)		Prepayments paid (Note a5)	Liabilities (Note a15)		Prepayments paid (Note a5)	Liabilities (Note a15)
From European Union funds	30.4	141.0	-593.3	15.4	144.6	-604.0	34.4	175.3
Other foreign aid	2.9	2.9	-30.4	17.6	3.1	-12.9	2.9	3.2
Domestic grants	122.8	97.8	-6,039.1	109.6	118.6	-6,930.8	93.5	103.1
Total grants awarded	156.1	241.7	-6,662.8	142.6	266.3	-7,547.7	130.8	281.6

B1.1. Grants awarded by area of activity

	2023			2022		
	Social benefits	For operating expenses	For acquisition of non-current assets	Social benefits	For operating expenses	For acquisition of non-current assets
Social protection	-3,654.5	-935.2	-10.5	-3,125.4	-828.3	-7.3
Education	-29.6	-975.6	-49.5	-25.6	-878.1	-33.5
Agriculture	0.0	-271.1	-70.2	-0.2	-300.9	-59.2
Transport	0.0	-127.4	-63.9	0.0	-113.9	-30.6
Housing	0.0	-0.6	-63.0	0.0	-0.3	-64.7
Other	0.0	-128.3	-55.5	0.0	-122.4	-51.8
General government sector services	-0.1	-501.7	-40.7	0.0	-438.2	-55.5
Environmental protection	0.0	-17.5	-23.0	0.0	-14.0	-31.6
Leisure time, culture, religion	-1.1	-168.0	-45.8	-2.5	-148.8	-41.0
National defence	-15.8	-63.8	-8.3	-12.1	-51.8	-6.3
Health care	-0.9	-182.3	-27.2	-0.3	-194.8	-12.7
Public order and security	0.0	-13.7	-2.9	0.0	-9.7	-1.3
Total expenditure of grants awarded	-3,702.0	-3,385.2	-460.5	-3,166.1	-3,101.2	-395.5

In the cash flow statement, government grants awarded for the acquisition of non-current assets have been adjusted by non-monetary government grants (see Note a11). In addition, an increase of 11.7 million euros in government grants for the acquisition of non-current assets (increase of 6.4 million euros in 2022) and an increase of 5.2 million euros in prepayments (decrease of 34.0 million euros in 2022) have been taken into account.

B2. Unconsolidated report

	Balance as of 31/12/2021		Calculated expenditure 2021	Balance as of 31/12/2022		Calculated expenditure 2022	Balance as of 31/12/2023	
	Prepayments paid (Note a5)	Liabilities (Note a15)		Prepayments paid (Note a5)	Liabilities (Note a15)		Prepayments paid (Note a5)	Liabilities (Note a15)
From European Union funds	36.4	162.9	-735.6	29.0	192.2	-805.1	72.9	228.9
Other foreign aid	1.7	3.1	-30.9	15.3	3.5	-13.0	0.7	3.7
Domestic grants	155.1	191.6	-6,368.4	175.6	212.8	-7,267.9	127.0	202.1
Total grants awarded	193.2	357.6	-7,134.9	219.9	408.5	-8,086.0	200.6	434.7

B2.1. Expenditure of grants awarded by area of activity

	2023			2022		
	Social benefits	For operating expenses	For acquisition of non-current assets	Social benefits	For operating expenses	For acquisition of non-current assets
Social protection	-3,654.5	-935.7	-12.8	-3,125.2	-828.9	-13.0
Education	-29.6	-1,001.4	-50.3	-25.5	-898.5	-33.5
Agriculture	0.0	-270.1	-70.3	0.0	-299.0	-59.3
Transport	0.0	-219.3	-153.5	0.0	-195.0	-107.1
Housing	0.0	-1.0	-63.6	0.0	-0.5	-65.6
Other	0.0	-212.9	-77.1	0.0	-231.3	-91.6
General government sector services	-0.1	-511.4	-49.2	-0.1	-445.9	-62.4
Leisure time, culture, religion	-1.1	-255.6	-50.8	-2.1	-222.2	-45.9
Environmental protection	0.0	-37.8	-23.6	0.0	-23.9	-27.6
Health care	-0.9	-183.7	-107.1	-0.3	-195.5	-48.9
National defence	-15.8	-68.7	-11.1	-12.1	-56.4	-6.4
Public order and security	0.0	-14.1	-2.9	0.0	-10.0	-1.2
Total grants awarded	-3,702.0	-3,711.7	-672.3	-3,165.3	-3,407.1	-562.5

Grants awarded for the acquisition of non-current assets are recognised under cash flows from investment activities. In the cash flow statement, government grants awarded for the acquisition of non-current assets have been adjusted by non-monetary government grants (see Note a11). In addition, an increase of 8.7 million euros in the government grant liabilities for the acquisition of non-current assets (increase of 42.6 million euros in 2022) and an increase of 26.0 million euros in prepayments (decrease of 1.9 million euros in 2022) have been taken into account.

B2.2. Social benefits by benefit type

	2023	2022
Pensions	-2,544.8	-2,186.2
Support for pensioners living alone	-12.7	-19.3
Family allowances	-858.9	-697.5
Social tax and funded pension payments paid by the state in special cases	-92.7	-94.4
Funds of four per cent temporarily allocated to the second pillar mandatory funded pension funds and the rate of return calculated on them	0.0	-21.6
For disabled persons	-77.0	-62.6

	2023	2022
Education allowance	-24.1	-19.3
Pension provisions for public sector employees (see Notes a16 A, a23)	-67.7	-45.5
Other support	-24.1	-18.9
Total social benefits	-3,702.0	-3,165.3

The state has undertaken to add an additional four per cent to the withheld two per cent to the second pillar mandatory funded pension funds to, i.e. double the amount, from the salaries and wages of employees who have joined the mandatory funded pension scheme and paid to mandatory funded pension funds through the Tax and Customs Board. According to the Social Tax Act, four per cent of payments are made from social tax and are planned in the state budget and recognised in the state financial statements as the expenditure of pass-through taxes. During the period from July 2020 to August 2021, the state suspended the four per cent payments to the funds and paid them retroactively at the time of final payments to those leaving the mandatory funded pension scheme, and to the rest in January 2023. In 2021, a separate allocation of 205.5 million euros was made from the state budget for the payment of the suspended part and no social tax resources were used for this purpose. At the end of 2022, the suspended four per cent of the funded pension funds was supplemented by a return of 21.6 million euros, which was also paid out to the funded pension funds in January 2023 (see also Note a16 D).

B.2.3. Grants provided for operating expenses and acquisition of non-current assets by recipient

	2023		2022	
	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets
To local governments	-839.2	-129.0	-717.4	-132.2
To Tervisekassa	-426.6	-1.0	-407.5	-0.4
To Eesti Töötukassa	-565.4	0.0	-525.4	0.0
To public universities	-308.5	-19.9	-282.2	-10.4
To other legal persons in public law	-123.4	-41.0	-108.4	-30.4
To other entities included in the general government sector	-484.2	-266.6	-370.9	-155.6
To other public sector entities not included in the general government sector	-56.5	-20.0	-115.3	-62.8
To private sector foundations and non-profit associations	-148.9	-46.8	-132.2	-57.7
To private sector residents	-346.3	-145.6	-407.8	-111.2
To non-residents	-412.7	-2.4	-340.0	-1.8
Total	-3,711.7	-672.3	-3,407.1	-562.5

Of the grants awarded to non-residents, payments to the European Union budget amounted to 343.8 million euros (295.4 million euros in 2022).

Note a20

Reserves

In millions of euros

A. Stabilisation Reserve Fund

The Stabilisation Reserve Fund is a set of assets formed from state budget funds and other receipts determined on the basis of legislation, which is regulated on the basis of sections 71–74 of the State Budget Act.

The objective of the Stabilisation Reserve Fund is the reduction of economic risks; the prevention or mitigation of socio-economic crises; the resolution or prevention of an emergency situation, a state of emergency, a state of war or other extraordinary situation or a crisis with material effect, or performance of the obligations provided for in a collective

self-defence agreement; the resolution and prevention of a financial crisis that may cause difficulties due to liquidity or solvency for the financial institutions or significant disruptions in the payment and settlement systems.

There were no withdrawals from the Stabilisation Reserve Fund in the year under review or in the comparable period.

	2023	2022
Balance at the beginning of the period	423.9	430.1
Financial income from reserve investment	16.3	-7.1
Revenue from the profit of Eesti Pank (see Note a27)	0.0	0.9
Balance at the end of the period	440.2	423.9

Clause 71 (2) 2) of the State Budget Act and subsections 38 (7)–(10) of the Accounting Act regulate the calculation of unconsolidated cash flow surplus of the state and its distribution. The *Riigikogu* may decide to transfer it to the Stabilisation Reserve Fund if the unconsolidated surplus/deficit of the state for the financial year is positive and the adjusted unconsolidated cash flow is in surplus.

Accounting of unconsolidated cash flow surplus/deficit of the state

	2023	2022
Total cash flows from principal activities	-785.5	254.3
Total cash flows from investment activities	-103.0	-1,373.7
Less cash flows from the investing liquid financial assets and funds of the Stabilisation Reserve Fund	-485.5	1,164.5
Repayments of long-term debt liabilities, interest paid, and other financial expenses	-861.3	-628.5
Total	-2,235.3	-583.4

B. Ownership reform reserve fund

The ownership reform reserve fund is formed based on the Use of Privatisation Proceeds Act.

	2023	2022
Balance at the beginning of the period	50.4	41.8
Income from privatisation of land	4.6	5.8
Receipts from the Estonian Air bankruptcy estate (see Note a6)	0.0	5.4
Compensation for expenses related to the organisation of privatisation	-3.6	-2.6
Balance at the end of the period	51.4	50.4

C. Liquidity reserve of the State Treasury

	31/12/2023	31/12/2022	31/12/2021
Liquidity reserve (liquid assets)	2,071.0	2,536.6	1,628.8
Demand deposits of customers in the State Treasury (liabilities)	1,952.5	1,718.1	1,895.1
Difference between liquidity reserve and demand deposits	118.5	818.5	-266.3

The State Treasury considers the liquidity reserve to be money on bank accounts, bonds in the trading portfolio and interest receivables calculated on them. The State Treasury keeps the funds of the Stabilisation Reserve Fund separate from the liquidity reserve. The size of the liquidity reserve has been reduced by the size of the ownership reform reserve fund.

Note a21

Goods and services sold

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
State fees (see Note a4)	86.5	91.3	87.0	91.7
Income from economic activities	4,236.5	4,420.5	433.9	422.8
Income from sale of electricity	1,664.8	1,907.4	0.0	0.0
Income from health care	743.1	640.1	8.5	7.5
Income from transport services	292.6	284.2	5.6	2.2
Income from agriculture and forestry	313.1	311.4	8.7	8.5
Income from mining, processing industry and construction	212.3	222.7	0.0	0.0
Income from communication services	121.9	107.5	1.8	1.4
Income from heat energy sold	53.4	64.4	0.1	0.1
Lease and rent	40.0	40.5	1.1	0.8
Payments for the right of superficies and right of use	20.1	38.0	11.4	29.5
Sale of emission allowance credits	360.0	334.4	360.0	334.3
Fairway dues	8.9	8.2	8.9	8.2
Income from educational activities	25.4	23.1	11.8	11.9
Income from cultural, sports and recreational activities	41.9	31.9	3.4	3.0
Guarantee fees, insurance premiums, contract fees	10.1	11.3	0.0	0.0
Interest income earned in principal activity on loans issued	15.7	8.8	0.0	0.0
Other goods and services sold	313.2	386.6	12.6	15.4
Total goods and services sold	4,323.0	4,511.8	520.9	514.5

In 2022, revenue from the sale of electricity of 164.7 million euros was retroactively included in the consolidated report due to a change in accounting policy (see Note a15).

Note a22

Other income

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Profit/loss from investment property sold (see Note a10)	0.2	4.3	0.1	0.1
Profit/loss from property, plant and equipment sold (see Note a11)	27.7	54.8	26.3	52.1
Profit/loss from biological assets sold (see Note a14)	0.1	0.1	0.0	0.1
Interest income on debt (incl. tax penalties, see Note a4)	23.2	19.2	20.6	17.3
Fines (see Note a4)	27.7	32.9	25.0	23.9
Pollution charges and compensation for environmental damage (see Note a4)	22.7	23.9	34.2	41.2
Natural resource use charges (see Note a4)	40.4	54.2	69.7	110.2
Universal postal service charges (see Note a4)	0.0	0.1	0.7	0.8

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Compensation awarded by court judgments (see Note a4)	10.5	9.5	10.5	9.5
Road usage charge (see Note a4)	21.0	21.5	21.0	21.5
Profit/loss from sale of inventories	9.3	7.3	0.3	0.2
Profit from revaluation of derivatives	225.7	426.1	0.0	0.0
Other income	23.7	7.6	12.9	4.1
Total other revenue	432.2	661.5	221.3	281.0

Note a23

Labour costs

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Expenditure of salaries and wages				
Persons elected and appointed to a position	-27.1	-22.4	-27.1	-22.4
Officials	-498.6	-435.5	-498.6	-435.5
Members of supervisory boards and management boards	-17.0	-16.3	0.0	0.0
Employees	-1,190.1	-1,003.6	-398.7	-321.6
Total salaries and wages of full-time employees	-1,732.8	-1,477.8	-924.4	-779.5
Salaries and wages of temporary and external employees	-36.5	-30.4	-22.0	-20.4
Special pensions and pension increases	-161.9	-99.6	-161.9	-99.6
Total expenditure of salaries and wages	-1,931.2	-1,607.8	-1,108.3	-899.5
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	363	356	363	356
Officials	16,246	16,044	16,246	16,044
Members of supervisory boards and management boards	240	227	0	0
Employees	42,215	40,481	14,446	13,513
Total average number of employees	59,064	57,108	31,055	29,913
Other labour costs				
Fringe benefits	-16.4	-14.1	-7.9	-6.9
Taxes and social security contributions	-591.9	-504.4	-321.5	-271.7
Capitalised production	40.6	32.4	6.7	4.2
Total other labour costs	-567.7	-486.1	-322.7	-274.4
Total labour costs	-2,498.9	-2,093.9	-1,431.0	-1,173.9

Provisions for special pensions and pension increases (see Note a16 A) are recognised as an expense in the labour expense group, except for pension increase adjustments paid to retired persons under the Civil Service Act, which are recorded in the social benefits group (see Note a19 B) because it is not possible to distinguish between pension increases earned in the state and in other legal persons in public law.

Actuarial gains and losses arising from the calculation of special pensions and pension increases are recognised directly as changes in net assets and not through the statement of financial performance.

Labour costs by area of activity are presented in Note a28.

Note a24

Management expenses

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Production costs	-1,120.0	-1,338.9	0.3	0.3
Medicines and medical services	-176.9	-191.8	-10.2	-39.5
Management expenses of property, buildings and premises	-185.8	-185.6	-182.1	-181.5
Management expenses of vehicles	-191.4	-165.0	-45.3	-42.4
Management expenses of facilities	-136.7	-128.5	-57.6	-52.5
Defence-related equipment and materials	-210.1	-165.8	-210.4	-165.9
Information and communication technology expenses	-127.0	-102.6	-84.1	-66.5
Administration costs	-101.0	-90.7	-51.0	-50.3
Social services	-78.1	-142.5	-106.9	-175.6
Management expenses of fixtures and fittings	-59.8	-40.1	-36.1	-25.1
Communication, culture and leisure time expenses	-66.7	-59.9	-14.7	-15.9
Travel expenses (except for training trips)	-58.4	-48.3	-51.6	-43.1
Change in provisions for security and guarantee losses	-5.9	-0.1	0.0	0.0
Research and development	-25.0	-22.3	-17.7	-15.3
Costs of organising teaching resources and training	-31.2	-25.5	-24.3	-22.7
Management expenses of work machinery and equipment	-30.6	-28.8	-6.5	-5.2
Other special equipment and materials	-31.5	-25.7	-7.5	-8.5
Foodstuffs and catering services	-25.8	-21.2	-16.2	-12.6
Transport services	-12.1	-15.2	-4.3	-7.3
Employee training expenses (incl. training trips)	-23.7	-19.7	-11.4	-10.3
Special clothing and uniforms	-10.0	-8.0	-5.6	-4.3
Other miscellaneous management expenses	-25.3	-21.5	-21.2	-17.8
Total management expenses	-2,733.0	-2,847.7	-964.4	-962.0

Management expenses by area of activity are presented in Note a28.

Note a25

Depreciation and change in value of non-current assets

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
On investment property (see Note a10)	-2.4	-2.4	-0.1	-0.1
On property, plant and equipment (see Note a11)	-1,369.7	-670.3	-308.4	-272.0
On intangible non-current assets (see Note a12)	-77.2	-66.3	-48.5	-40.1
Total depreciation and change in value of non-current assets	-1,449.3	-739.0	-357.0	-312.2

Depreciation and change in the value of non-current assets by area of activity are presented in Note a28.

Note a26

Other expenditure

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Expenditure related to state secrets	-133.3	-143.5	-133.3	-143.5
Expenditure on doubtful loan receivables (see Note a6)	-2.4	6.4	0.2	5.5
Expenditure on other doubtful receivables	-1.0	-9.7	-0.7	-1.3
Write-down of inventories	-16.9	-3.4	-0.1	-1.9
Expenditure on emission allowances	-205.4	-428.7	0.0	0.0
Loss from revaluation of derivatives	-218.9	-349.8	0.0	0.0
Other expenditure	-16.4	-10.4	-2.7	-3.3
Total other expenditure	-594.3	-939.1	-136.6	-144.5

Note a27

Financial income and expenses

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Profit/loss from financial investments	2.1	30.5	178.6	331.8
Surplus/deficit from foundations (see Note a8)	0.0	0.0	-5.3	-10.9
Dividends from subsidiaries (see Note a9)	0.0	0.0	223.0	189.8
Dividends from associates (see Note a9)	0.0	0.0	0.8	0.8
Write-downs of holdings of subsidiaries and reversals of write-downs (see Note a9)	0.0	0.0	-39.9	152.1
Surplus/deficit from the sale of holdings (see Note a3, a9)	0.9	27.6	0.0	0.0
Other profit and loss from subsidiaries (see Note a8, a9)	0.0	0.0	0.0	0.0
Surplus/deficit from associates (see Note a9)	1.2	2.9	0.0	0.0
Interest expense	-391.0	-198.6	-338.7	-162.1
From loan liabilities (see Note a17)	-188.0	-55.4	-116.0	-19.3
From discounted liabilities (incl. provisions, see Note a16)	-162.0	-138.9	-160.7	-138.0
From deposits	-41.1	-3.6	-62.2	-4.4
From other liabilities	0.1	-0.7	0.2	-0.4
Income from deposits and securities	93.4	-8.5	67.7	1.1
Interest income from deposits (see Note a2)	63.5	2.5	33.2	1.0
Profit/loss from bonds (see Note a3)	40.4	-12.0	39.2	-10.6
Profit/loss from venture capital funds (see Note a3)	-15.0	-2.4	-15.8	-3.0
Profit/loss from dedicated funds (see Note a5)	0.0	0.0	11.0	12.9
Other financial income and expenses	4.5	3.4	0.1	0.8
Other financial income	4.7	5.8	4.2	3.6

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Interest income from loans	4.4	4.8	4.2	2.6
Revenue from the profit of Eesti Pank (see Note a20 A)	0.0	0.9	0.0	0.9
Other financial income	0.3	0.1	0.0	0.1
Other financial expenses	-0.3	-0.4	0.0	0.0
Total financial income and expenses	-291.1	-171.2	-88.2	174.4

Note a28

Expenditure by area of activity

In millions of euros

A. Consolidated report

	2023					2022				
	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total
General government sector services	211.1	139.8	66.9	161.4	579.2	184.0	127.2	60.7	25.3	397.2
National defence	165.2	312.7	97.6	64.7	640.2	139.2	254.9	75.6	51.4	521.1
Public order and security	406.6	91.4	29.1	68.9	596.0	344.0	81.8	24.0	91.7	541.5
Economy	626.5	1,632.5	1,160.3	523.0	3,942.3	543.0	1,788.8	484.2	826.1	3,642.1
Environmental protection	47.8	31.4	5.3	0.7	85.2	43.2	26.4	6.5	0.1	76.2
Housing and utilities	0.6	0.5	0.0	0.1	1.2	0.6	0.7	0.2	0.1	1.6
Health care	481.8	246.4	38.6	5.7	772.5	411.7	262.4	35.1	3.9	713.1
Leisure time, culture, religion	89.4	105.5	14.7	0.0	209.6	76.6	94.8	19.2	0.1	190.7
Education	235.1	79.5	25.5	0.0	340.1	188.1	68.7	24.2	0.1	281.1
Social protection	234.8	93.3	11.3	161.1	500.5	163.5	142.0	9.3	139.3	454.1
Total expenditure	2,498.9	2,733.0	1,449.3	985.6	7,666.8	2,093.9	2,847.7	739.0	1,138.1	6,818.7

Other expenditure includes other operating expenses, interest expense and other financial expenses.

B. Unconsolidated report

	2023					2022				
	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total
General government sector services	198.3	103.6	33.5	178.1	513.5	173.1	90.4	29.4	24.2	317.1
National defence	161.1	318.9	96.6	64.7	641.3	135.6	264.8	75.1	51.4	526.9

	2023					2022				
	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total
Public order and security	406.6	160.5	29.1	68.9	665.1	344.0	153.1	24.1	91.6	612.8
Economy	143.1	109.1	157.2	1.9	411.3	121.8	98.2	145.9	-2.0	363.9
Environmental protection	37.1	22.7	3.3	0.6	63.7	34.3	24.2	4.4	0.0	62.9
Health care	28.9	22.9	1.1	0.1	53.0	26.0	69.2	0.9	1.9	98.0
Leisure time, culture, religion	19.7	17.0	3.1	0.0	39.8	17.4	19.3	3.0	0.0	39.7
Education	223.7	96.7	24.9	-0.1	345.2	178.3	83.3	23.6	0.1	285.3
Social protection	212.5	113.0	8.2	161.1	494.8	143.4	159.5	5.8	139.3	448.0
Total expenditure	1,431.0	964.4	357.0	475.3	3,227.7	1,173.9	962.0	312.2	306.5	2,754.6

Other expenditure includes other operating expenses and interest expense. The change in public service pension provisions affecting labour costs and interest expense is reflected under social protection expenditure (see Note a23).

Note a29

Transactions with public sector entities and related entities

In millions of euros

A. Assets and liabilities related to other public sector entities and related entities

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Assets	593.4	881.2	1,183.2	6,048.1	6,318.9	6,724.1
Current assets	457.6	739.1	1,060.0	528.2	798.0	1,553.1
Cash and bank accounts	170.4	454.7	758.4	170.4	454.7	758.4
Tax, state fee and fine receivables	119.3	105.8	98.8	190.0	172.5	172.2
Other receivables and prepayments	167.9	178.6	202.8	167.8	170.8	622.5
Non-current assets	135.8	142.1	123.2	5,519.9	5,520.9	5,171.0
Holdings in foundations	0.0	0.0	0.0	524.1	430.8	441.7
Holdings in subsidiaries and associates	88.3	87.0	65.0	4,514.4	4,490.0	4,169.9
Other receivables and prepayments	47.5	55.1	58.2	481.4	600.1	559.4
Liabilities	1,830.0	1,644.9	1,413.3	2,646.5	2,342.1	2,495.4
Current liabilities	1,787.2	1,599.8	1,368.7	2,553.1	2,242.2	2,392.0
Prepayments of taxes, state fees and fines received	22.1	17.9	19.6	41.6	34.3	35.4
Trade payables	10.6	11.9	10.2	24.7	27.3	27.3
Deferred taxes	376.9	352.3	328.2	376.9	352.3	328.2
Other liabilities and prepayments received	1,377.6	1,217.7	1,010.7	2,109.4	1,827.6	2,000.4

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Provisions	0.0	0.0	0.0	0.5	0.7	0.7
Non-current liabilities	42.8	45.1	44.6	93.4	99.9	103.4
Other liabilities and prepayments received	42.8	45.1	44.6	93.4	99.9	103.4

B. Income and expenditure from other public sector entities and related entities

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Income from operations	1,097.6	1,012.7	490.8	486.1
Taxes and social security contributions	250.5	233.4	406.0	365.2
Goods and services sold	808.9	743.9	11.5	10.6
Grants received	25.8	23.4	18.0	24.1
Other income	12.4	12.0	55.3	86.2
Operating expenses	-6,640.4	-6,021.7	-7,437.2	-6,710.5
Grants awarded	-2,668.9	-2,406.7	-3,292.6	-2,925.6
Pass-through taxes, state fees, fines	-3,919.7	-3,555.3	-3,919.7	-3,555.3
Labour costs	-0.3	-0.2	-0.3	-0.3
Management expenses	-51.2	-59.8	-224.4	-230.1
Other operating expenses	-0.3	0.3	-0.2	0.8
Operating result	-5,542.8	-5,009.0	-6,946.4	-6,224.4
Financial income and expenses	-31.9	2.9	138.9	343.1
Profit/loss from financial investments	1.3	3.5	178.6	331.8
Other financial income and expenses	-33.2	-0.6	-39.7	11.3
Surplus or deficit of the reporting period	-5,574.7	-5,006.1	-6,807.5	-5,881.3

The consolidated report includes the transactions of the reported entities with local governments and other legal persons in public law and the entities under their controlling influence, as well as with related entities of all public sector entities (companies and foundations under significant influence).

The unconsolidated report includes the transactions of the reported entities with subsidiaries under controlling influence and foundations, local governments and other legal persons in public law and the entities under their controlling influence as well as with related entities of all public sector entities (companies and foundations under significant influence).

Note a30

Contingent liabilities and assets

In millions of euros

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Contingent liabilities	8,056.7	6,677.9	8,261.5	7,481.5
Unpaid holdings in international financial institutions (see Note a30 A)	2,035.3	1,655.1	2,035.3	1,655.1
Balance of student loans issued by banks (see Note a6)	34.5	36.5	34.5	36.5
Non-current assets pledged as loan security (see Notes a8, a9)	146.5	126.0	0.0	0.0
Current assets pledged as loan security	24.6	7.9	0.0	0.0

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Contingent liabilities in connection with legal proceedings	370.4	305.9	321.8	304.0
Guarantees given (see Note a30 B)	2,032.7	2,070.5	1,679.4	1,674.6
Grant commitments (see Note a30 C)	969.4	569.6	2,235.3	1,883.7
Continuing operating lease liabilities (see Note a30 D)	83.2	89.3	993.3	982.7
Delivery contracts and investment liabilities (see Note a30 E)	2,360.1	1,817.1	961.9	944.9
Contingent receivables	406.3	405.3	10.4	15.1
Continuing operating lease receivables (see Note a30 D)	406.3	405.3	10.4	15.1

A. Holdings in international financial institutions

	EBRD	EIB	NIB	CEB	IBRD	MIGA	ESM	3SIIF*	Total
As of 31/12/2022									
Bonds	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.3
Callable capital	23.8	187.8	68.9	11.3	141.5	0.9	1,153.2	0.0	1,587.4
Paid-in capital	0.0	0.0	0.0	0.0	2.5	0.0	55.8	9.1	67.4
Received from bonus issue	1.0	5.4	3.9	0.6	3.2	0.0	0.0	0.0	14.1
Total	24.8	193.2	72.8	11.9	147.4	1.0	1,209.0	9.1	1,669.2
As of 31/12/2023									
Bonds	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.3
Callable capital	23.8	187.8	68.9	18.4	141.2	0.9	1,586.1	0.0	2,027.1
Paid-in capital	0.0	0.0	0.0	2.8	1.1	0.0	0.0	4.0	7.9
Received from bonus issue	1.0	5.4	3.9	0.6	3.2	0.0	0.0	0.0	14.1
Total	24.8	193.2	72.8	21.8	145.7	1.0	1,586.1	4.0	2,049.4

*3SIIF: Three Seas Initiative Investment Fund (see also Note a3).

The amount paid for holdings is reflected in the balance sheet (see Note a3). The state is required to redeem the bonds and callable capital at the request of an international financial organisation. No interest is calculated on them.

B. Guarantees given

Loan issuer	Loan recipient	Consolidated		Unconsolidated	
		31/12/2023	31/12/2022	31/12/2023	31/12/2022
EFSF	Euro zone member states in funding difficulties	1,547.8	1,543.0	1,547.8	1,543.0
European Commission	Member states to mitigate the risk of unemployment in an emergency situation	48.7	48.7	48.7	48.7
European Commission	European Single Resolution Board	22.0	22.0	22.0	22.0
European Commission	Ukraine loan guarantee	7.4	7.4	7.4	7.4
EIB	Project-based investment loans and securities	1.1	1.1	1.1	1.1
EIB	SA Põhja-Eesti Regionaalhaigla	52.2	52.2	52.2	52.2
Banks, leasing companies, foreign companies	Guarantees for business and housing loans, export guarantees by Ettevõtluse ja Innovatsiooni Sihtasutus	262.0	306.9	0.0	0.0
Estonian banks and leasing companies	Guarantees for rural loans by Maaelu Edendamise SA	85.3	89.0	0.0	0.0
Other		6.2	0.2	0.2	0.2
Total		2,032.7	2,070.5	1,679.4	1,674.6

C. Grant liabilities

Agreements with recipients for the intermediation of foreign aid and for domestic grants

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
From European Union funds	368.6	477.1	1,182.9	1,767.5
Other foreign aid	6.2	11.0	7.0	12.0
Domestic grants	594.6	81.5	1,045.4	104.2
Total	969.4	569.6	2,235.3	1,883.7

D. Continuing operating lease liabilities and receivables

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Lease liabilities				
Up to 1 year	36.6	35.1	137.3	127.9
1 to 5 years	42.5	50.7	270.5	268.9
More than 5 years	4.1	3.5	585.5	585.9
Total	83.2	89.3	993.3	982.7
Lease receivables				
Up to 1 year	19.7	18.8	1.2	0.9
1 to 5 years	51.3	50.3	4.6	3.8
More than 5 years	335.3	336.2	4.6	10.4
Total	406.3	405.3	10.4	15.1

Information on the carrying amount of leased assets is provided in Notes a10 and a11.

E. Delivery contracts and investment liabilities

Large-scale delivery contracts signed and investment liabilities agreed

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Investment liabilities by Riigi Kinnisvara AS	135.8	140.6	0.0	0.0
Transport and transport infrastructure liabilities	624.4	418.9	92.1	224.9
Liabilities for acquisition of defence-related non-current assets	837.9	699.9	837.9	699.9
Electricity production and supply liabilities	725.1	531.1	0.0	0.0
Other delivery contracts	36.9	26.6	31.9	20.1
Total delivery contracts and investment liabilities	2,360.1	1,817.1	961.9	944.9

Note a31

Explanations to the state budget implementation report

The state budget implementation report includes all state accounting entities included in the unconsolidated annual accounts of the state together with state agencies under their control (see Note a1 A). The report is prepared on an accrual basis and is comparable to the state's unconsolidated statement of financial performance. The structure and accounting policies of the report correspond to the structure and accounting policies of the 2023 State Budget Act.

The structure of the 2023 state budget is similar to the 2022 state budget. Expenditure in the areas of government of the ministries is broken down according to the performance areas, the programmes under them, and the activities within the programmes. Investments for the acquisition of property, plant and equipment and intangible non-current assets are presented by investment project in each area of government for projects with a value of 10.0 million euros or more. Other investments are shown on a single line. The VAT expenditure is broken down into VAT on expenditure, investment, and financing transactions and added to the total of expenditure, investments, and financing transactions, respectively.

The actual comparative figures for 2022 have been adjusted compared to the data presented in the annual accounts of the state for 2022 on the basis of the activities of the programmes amended in the structure of the state budget for 2023 or the investment projects separately identified. Where it was possible to reallocate the comparative figures for 2022 appropriately, for example, to bring several activities previously reported separately into one activity, this has been done. In the 2023 report, unlike the reports presented in previous years, the actual expenditure incurred by the Ministry of Finance in the part of the budget of the Government of the Republic is also reported as adjustment of the area of government of the Ministry of Finance (as such expenditure is reflected in the statement of financial performance of the area of government of the Ministry of Finance). In the comparative figures for 2022, an amount of -2 557 446 thousand euros has therefore been included in the adjustments.

The report starts with the consolidated part. The data is then broken down according to the constitutional institutions, the Government of the Republic, the Government Office, and the areas of government of the ministries. In all parts of the report, budgets and budget implementations are broken down according to their economic content into revenue, expenditure, investments (acquisitions of property, plant and equipment and intangible non-current assets), and financial transactions (transactions in financial assets and liabilities to be budgeted). Expenditure, investments, and financial transactions with limits, for which there are restrictions on exceeding the limit arising from the State Budget Act, are shown separately. Total expenditure, investments, and financial transactions include the following resources which are not considered as funds with limits:

- 1) estimated resources with the limits set on the basis of a separate law or contract, the amounts planned in the state budget may be exceeded (such as pensions);
- 2) expenditure, investments, and financial operations financed from revenue, for which the budgetary limit arises when revenue is received, irrespective of the amounts planned in the state budget;
- 3) expenditure of non-monetary depreciation and change in value of non-current assets;
- 4) the VAT expenditure arising from expenditure, investments, and financing transactions subject to limits.

The consolidated part of the report recognises the actual budgetary position separately. In order to account for this, the revenue and expenditure of the state budget have been adjusted in accordance with the rules for calculating the budgetary position, which are derived from the European Standard of Accounts.

After the calculation of the budgetary position, the consolidated part contains items that need to be used for adjusting state budget revenue and expenditure in order to reach the revenue and expenditure recognised in the statement of financial performance, which were not taken into account in the state budget or were accounted for in the state budget in a different way from the accounting policies.

In the parts of the report (by area of government), the revenues and expenditures included in the statement of financial performance, which are considered outside the state budget, are recognised in the section 'Adjustments'.

The report is presented in thousands of euros. Revenue and cash-generating financing transactions are recorded with a plus sign and expenditures, investments, and financing transactions with cash outflows with a minus sign.

Domestic transactions have been eliminated from the aggregated part, except for the domestic tax revenue and expenditure which have been eliminated as adjustments in order to calculate the revenue and expenditure recognised in the statement of financial performance. In data by area of government, intra-area transactions are generally not eliminated because an internal transaction incurs an expenditure for one government agency, which used the state budget limit, and revenue for another agency, which in turn serves as a basis for revenue-dependent expenditure limit. Intermediation of grants and aid within the area of government has been eliminated from revenue and expenditure. Foreign aid mediated to state agencies of other areas of government and their co-financing has also been eliminated from expenditure and co-financing of foreign aid received from state agencies of other areas of government has been eliminated from revenue. Eliminations related to other areas of government have also been included as adjustments because they are not eliminated in the statement of financial performance of the area of government.

The report presents the initial and final budget. The initial budget reflects the 2023 State Budget Act adopted by the *Riigikogu* on 7 December 2022. According to this, the volume of the state budget revenue was 15,590.4 million euros, the volume of expenditure was 16,838.9 million euros, the volume of investments was 755.7 million euros, and the volume of financing transactions was 467.6 million euros.

The final budget includes changes made to the budget during the year, incl. the transfer of the surplus budget from 2022 to the budget for 2023. The final budget carried over from 2022 turned out to be 1,599.6 million euros.

A. Budget carried over from 2022 to 2023

In thousands of euros

Area of government	Fixed balances carried over by directive	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total	Incl. changes after the approval of the 2022 annual report
Government of the Republic	179,124	0	0	179,124	-191
<i>Riigikogu</i>	2,322	0	0	2,322	-1
President of the Republic	491	0	0	491	0
National Audit Office	805	0	0	805	0
Chancellor of Justice	83	9	1	93	10
Supreme Court	647	20	0	667	0
Government Office	2,160	0	0	2,160	0
Ministry of Education and Research	78,382	13,296	61,961	153,639	0
Ministry of Justice	11,207	2,608	1,338	15,153	-925
Ministry of Defence	76,894	1,655	19,400	97,949	0
Ministry of Climate	22,234	220,363	6,862	249,458	0
Ministry of Culture	41,954	48,020	190	90 165	0
Ministry of Economic Affairs and Communications	198,932	126,742	40,987	366,662	-450
Ministry of Regional Affairs and Agriculture	13,666	3,740	1,031	18,437	0
Ministry of Finance	158,252	59,522	3,556	221,330	-600
Ministry of the Interior	57,439	5,328	11,475	74,241	0
Ministry of Social Affairs	92,165	8,197	1,162	101,524	0
Ministry of Foreign Affairs	20,685	4,627	89	25,401	0
Total	957,444	494,128	148,050	1,599,621	-2,157

In the 2022 report, a total of 1,601.8 million euros was proposed for the budget to be carried over to 2023. In 2023, the budget of the transferred funds was modified mainly by the decisions of the Government of the Republic to suspend expenditure in 2023 and to plan it in the years following 2023.

As of 1 July 2023, the work of a number of ministries has been reorganised (see Note a1 A) and, in this context, the national budget for the second half of the year has been reallocated between the areas of government of the ministries. In connection with this, the *Riigikogu* adopted the State Budget Amendment Act on 20 June 2023. The names of two ministries also changed: the Ministry of the Environment was renamed the Ministry of Climate and the Ministry of Rural Affairs was renamed the Ministry of Regional Affairs and Agriculture. As a result of the reorganisation of tasks, several programmes and activities in the sections of the 2023 state budget are included in the sections under one ministry in the first half of the year and under another ministry in the second half of the year, while the comparable figures for 2022 are included under the sub-headings of the ministry where these activities were carried out in 2022 (not broken down into two half-year figures).

On 27 November 2023, the *Riigikogu* adopted the second State Budget Amendment Act for 2023, which once again changed the distribution of expenditure between the activities and investments of the programmes of the areas of government.

In addition, the funds provided by the directives of the Government of the Republic on the basis of quarterly breakdowns and from the reserve fund of the Government of the Republic and the earmarked reserve allocated to the Minister of Finance to be used at the latter's discretion and from the ownership reform reserve fund have been redistributed between areas of government in the final budget. The expenditure dependent on the revenue forecast by the State Budget Act will be reimbursed in the final budget and replaced by budget generated by revenue. The actual revenue-dependent budget is obtained at the receipt of revenue (grants received), in opening bridge financing for projects financed by foreign aid, or the generation of revenue (revenue from economic activities, revenue from the sale of emission allowances, other revenue). The formation of the final budget is summarised in the table below.

B. Formation of the final budget

In thousands of euros

	Revenue	Expenditure, investments and VAT expense	Financing transactions
Initial budget	15,590,358	-17,594,640	467,591
Carried over from previous year (see Note a31 A)		-1,415,321	-184,300
Budgeted grants		1,617,439	8,775
Grants actually received and bridge financing opened		-1,539,641	-19,262
Budgeted co-financing of foreign aid		174,766	
Co-financing of foreign aid actually used		-91,889	
Budgeted revenue from economic activities		39,911	
Actual revenue from economic activities		-58,027	
Budgeted revenue from the sale of emission allowances		236,018	
Actual revenue from sale of emission allowances		-180,652	
Other revenue planned in the budget to cover expenditure		20,983	
Actual other revenue to cover expenditure		-9,646	
Budgeted use of the ownership reform reserve fund		2,000	
Actual allocation from the ownership reform reserve fund		-3,066	
Final budget	15,590,358	-18,801,765	272,804

In the final budget, expenditure, investments and VAT expense increased by 1,207 million euros compared to the initial budget.

C. Comparison of the items in the statement of financial performance and the aggregated part of the state budget implementation report

In thousands of euros

Item	2023			2022		
	Implementation of the budget	Statement of financial performance	Difference	Implementation of the budget	Statement of financial performance	Difference
Revenue						
Taxes and social security contributions	12,810,633	12,582,904	-227,728	11,948,516	11,773,024	-175,492
Goods and services sold	520,864	520,864	0	514,521	514,521	0
State fees	86,982			91,722		
Income from economic activities	433,882			422,799		
Grants received	1,106,566	1,255,544	148,978	1,048,209	1,085,876	37,666
Other income	213,866	221,277	7,411	275,692	280,986	5,294
Income from non-current assets and inventories sold	26,761			52,463		
Fines and other fines to the extent of asset	23,695			22,910		
Environmental charges	103,442			152,374		
Other income from operations	59,968			47,944		
Interest and dividend income	283,030		-283,030	209,622		-209,622
Revenue not included in state budget revenue	-103,535		103,535	6,782		-6,782

Item	2023			2022		
	Implementation of the budget	Statement of financial performance	Difference	Implementation of the budget	Statement of financial performance	Difference
Items in the statement of financial performance not recorded as separate items in the state budget						
Operating result from change in fair value of biological assets		321	321		12,488	12,488
Profit/loss from financial investments		178,612	178,612		331,756	331,756
Income from deposits and securities		67,668	67,668		1,074	1,074
Other financial income		4,232	4,232		3,617	3,617
Total revenue	14,831,424	14,831,424	0	14,003,342	14,003,342	0
Expenditure						
State budget expenditure	-15,896,750			-13,913,756		
Expenditure not included in the state budget expenditure	111,314			-82,833		
Expenditure in the statement of financial performance						
Grants awarded		-8,086,033			-7,134,902	
Doubtful taxes, state fees, fines		-39,521			-34,168	
Pass-through taxes, state fees, fines		-4,432,207			-4,072,830	
Labour costs		-1,431,016			-1,173,931	
Management expenses		-964,395			-961,999	
Depreciation and change in value of non-current assets		-357,022			-312,243	
Other expenditure		-136,520			-144,466	
Interest expense		-338,722			-162,051	
Total expenditure	-15,785,435	-15,785,435	0	-13,996,589	-13,996,589	0
Total operating result	-954,011	-954,011	0	6,753	6,753	0

In the budget, tax revenue and pass-through taxes are planned according to the rules for calculating the budgetary position: the position is considered to be tax revenue and transfers from pass-through taxes, which are adjusted for three tax types with a one-month shift in the receipt and transfer of tax revenue, i.e. the receipts and transfers of the first month of the year are excluded and receipts and transfers of the first month of the next year are added. The difference between expenditure on the transfer of cash-basis tax revenue and taxes compared to the expenditure on the transfer of accrual-basis tax revenue and taxes as recognised in the statement of financial performance is recognised as an adjustment of the revenue from taxes and social security contributions and the expenditure on the transfer of taxes and social security contributions, respectively, according to the statement of financial performance.

Domestic tax revenue and expenditure eliminated in the statement of financial performance are not eliminated during the preparation of the budget (see 'Revenue and expenditure adjustment according to the statement of financial performance'). Actual tax receipts, the effect of their one-month shift and domestic taxes and a comparison with the statement of financial performance are set out in Part D of this Note.

State budget revenue does not include local taxes and state budget expenditure does not include transfers to local governments. While local taxes are collected by the Tax and Customs Board and these are recorded as tax revenue and deferred tax expenditure in the statement of financial performance, in the state budget implementation report they are presented as an adjustment to the corresponding revenue and expenditure on the basis of the statement of financial performance.

No plans are made in the budget for doubtful taxes, state fees and fines (net revenue is planned, on a cash-basis in case of taxes). As they are recognised as an expense and not as reduction of revenue in the statement of financial

performance, they are recognised as an adjustment of the revenue and expenditure in the state budget implementation report.

No non-monetary transactions other than depreciation of non-current assets and write-off of residual value have been planned as the state budget revenue and expenditure. Therefore, various revaluations and their reversals, non-monetary grants received and awarded, and foreign exchange gains and losses are also reflected under adjustments made on the basis of the statement of financial performance.

Of financial income, interest and dividend income are planned in the state budget. The state budget does not foresee non-monetary financial income or gains/losses on the sale and revaluation of financial investments and holdings.

Expenditure from the formation and revaluation of provisions and adjustments of expenditure have in some cases been charged to the budget as expenditure on the same principle as accounting. However, interest expense arising from the formation of pension provisions and the discounting of provisions has not been budgeted. Instead, the estimated payments of pension provisions have been budgeted as expenditure. According to the accounting principles used in budgeting, the implementation of the budget is also presented. If the provisioning was not budgeted, it is recorded in the adjustment section while withdrawing the payments of the provisions included in the budget expenditure.

D. Classification of taxes into the state budget revenue, state budget expenditure and adjustments

In thousands of euros

Type of tax revenue	Final budget	Revenue in the statement of financial performance	Tax receipt	Difference between revenue and receipts in the statement of financial performance
Income tax	2,839,159	3,140,723	3,107,626	33,097
Social tax	4,618,443	4,596,943	4,567,235	29,708
Unemployment insurance premiums	282,000	292,431	290,653	1,778
Funded pension contributions	180,000	171,608	171,024	584
VAT	3,765,018	3,176,152	3,461,902	-285,750
Excise duties	1,051,257	1,015,335	1,001,999	13,336
Heavy goods vehicle tax	5,000	4,937	4,955	-18
Customs duty	69,800	40,622	41,252	-630
Land tax	59,000	57,186	59,231	-2,045
Gambling tax	45,600	48,551	48,576	-25
Total taxes	12,915,277	12,544,487	12,754,453	-209,965
Adjustment by one-month shift in receipts			56,180	
VAT received in January			-335,642	
Excise duties received in January			-95,127	
Social tax received in January			-392,169	
VAT received in January of next year			350,160	
Excise duties received in January of next year			107,307	
Social tax received in January of next year			421,651	
Total with adjustments	12,915,277	12,544,487	12,810,633	-266,145
Reversal of domestically eliminated tax revenue and expenditure in the statement of financial performance		292,309		
VAT expense on operating expenses		188,537		
VAT expense on acquisition of non-current assets		101,829		
VAT expense on financing transactions		17		

Type of tax revenue	Final budget	Revenue in the statement of financial performance	Tax receipt	Difference between revenue and receipts in the statement of financial performance
Land tax		1,861		
Heavy goods vehicle tax		4		
Excise duties		1		
Customs duty		60		
Total	12,915,277	12,836,797	12,810,633	26,164
Budget and implementation of tax revenue included in the budgetary position				
Income tax	2,839,159	3,140,723	3,107,626	33,097
Social tax	4,618,443	4,596,943	4,596,717	226
Unemployment insurance premiums	282,000	292,431	290,653	1,778
Funded pension contributions	180,000	171,608	171,024	584
VAT	3,765,018	3,466,535	3,476,420	-9,885
Excise duties	1,051,257	1,015,336	1,014,179	1,158
Heavy goods vehicle tax	5,000	4,941	4,955	-14
Customs duty	69,800	40,682	41,252	-570
Land tax	59,000	59,047	59,231	-184
Gambling tax	45,600	48,551	48,576	-25
Total budget and implementation of tax revenue included in the budgetary position	12,915,277	12,836,797	12,810,633	26,164

According to the calculation above, 12,810,633 thousand euros were considered tax revenue in state budget revenue and 26,164 thousand euros were considered tax revenue recognised outside the state budget revenue (total of 12,836,797 thousand euros). In addition, in the state budget implementation report, the revenue from local taxes (Tallinn advertising tax) of 6,307 thousand euros is included as an adjustment of revenue on the basis of the statement of financial performance under the heading 'Taxes and social security contributions'.

Type of pass-through tax revenue	Final budget	Expenditure in the statement of financial performance	Transfers for pass-through	Difference between expenditure and transfers of the statement of financial performance
Income tax – to the local governments	-1,694,331	-1,698,684	-1,688,521	-10,163
Social tax – to the registrar of funded pension	-315,400	-309,379	-305,922	-3,457
Unemployment insurance premium – to Eesti Töötukassa	-282,000	-292,431	-290,626	-1,805
Funded pension contribution – to the registrar of funded pension	-153,000	-171,608	-170,902	-706
Land tax – to the local governments	-59,000	-59,066	-59,169	104
Social tax – to Tervisekassa	-1,811,624	-1,807,154	-1,795,054	-12,100
Excise duties – to the Cultural Endowment of Estonia	-18,643	-17,994	-17,249	-745

Type of pass-through tax revenue	Final budget	Expenditure in the statement of financial performance	Transfers for pass-through	Difference between expenditure and transfers of the statement of financial performance
Gambling tax – to the Cultural Endowment of Estonia	-21,797	-23,207	-23,411	203
Customs duty – to the European Union	-52,350	-29,993	-34,829	4,836
Total pass-through taxes	-4,408,145	-4,409,516	-4,385,683	-23,833
Adjustment by one-month shift in receipts			-11,703	
Health insurance part of social tax received in January			153,470	
Health insurance part of social tax received in January of next year			-164,888	
Excise duties received in January			1,336	
Excise duties received in January of next year			-1,622	
Total adjusted pass-through taxes	-4,408,145	-4,409,516	-4,397,386	-12,130
Budget and implementation of pass-through tax revenue included in the budgetary position				
Income tax – to the local governments	-1,694,331	-1,698,684	-1,688,521	-10,163
Social tax – to the registrar of funded pension	-315,400	-309,379	-305,922	-3,457
Unemployment insurance premium – to Eesti Töötukassa	-282,000	-292,431	-290,626	-1,805
Funded pension contribution – to the registrar of funded pension	-153,000	-171,608	-170,902	-706
Land tax – to the local governments	-59,000	-59,066	-59,169	104
Social tax – to Tervisekassa	-1,811,624	-1,807,154	-1,806,472	-682
Excise duties – to the Cultural Endowment of Estonia	-18,643	-17,994	-17,534	-460
Gambling tax – to the Cultural Endowment of Estonia	-21,797	-23,207	-23,411	203
Customs duty – to the European Union	-52,350	-29,993	-34,829	4,836
Total budget and implementation of pass-through tax revenue included in the budgetary position	-4,408,145	-4,409,516	-4,397,386	-12,130

According to the calculation above, 4,397,386 thousand euros were recognised as expenditure of pass-through taxes and 12,130 thousand euros as adjustments outside expenditure of state budget (4,409,516 thousand euros in total) in the state budget implementation report. In addition, the state budget implementation report includes as an adjustment to expenditure on the basis of the statement of financial performance under the heading 'Transfer of taxes and social security contributions' a transfer of local tax revenue (Tallinn advertising tax) of 6,314 thousand euros.

E. Comparison between the acquisition of non-current assets and the state budget implementation report

In thousands of euros

Investments in acquisition of non-current assets	2023		2022	
	Implementation of the budget	Acquisitions in the statement of movement in non-current assets	Implementation of the budget	Acquisitions in the statement of movement in non-current assets
Investments in the state budget implementation report	-701,558		-630,081	
Acquisition of property, plant and equipment (see Note a13)		-661,030		-422,581
Acquisition of intangible non-current assets (see Note a13)		-84,365		-69,287
Change in prepayments		145,668		-41,173
Domestic VAT expense on acquisition of non-current assets		-101,829		-97,039
Total	-701,558	-701,558	-630,081	-630,081

The investments recognised in the state budget implementation report are comparable with the data on the unconsolidated acquisition of the non-current assets of the state. Prepayments for non-current assets are not considered as investments in the implementation of the state budget. Acquisitions of non-current assets are taken into account in the implementation of the budget upon the acquisition of non-current assets, incl. construction work in progress in accordance with the instruments of the work performed.

In the sections of the report of areas of government, total labour costs capitalised into the acquisition of non-current assets in the total amount of 6,657 thousand euros (4,135 thousand euros in 2022) have been recognised as labour cost in the state budget expenditure, and labour costs have been reduced and investments increased in adjustments. In the consolidated part of the state budget, labour costs capitalised into the acquisition cost of non-current assets are recognised as investments, not as labour costs, similarly to other financial statements, although they are planned as labour costs in the budget. In 2023, the adjustments of the area of government of the Ministry of Culture still reflects non-current assets in the amount of 1,100 thousand euros acquired as a result of swap, which is also included in investments in the consolidated part of the state budget.

For the difference between the investments of the Ministry of Defence and the investments reported in the aggregated part of the implementation of the state budget, see Note a31 M.

F. Financing transactions recognised as budget implementation

In thousands of euros

Type of financing transaction	2023	2022
Purchase of bonds	-1,576,046	-1,514,944
Sale of bonds	2,061,620	350,411
Contributions to venture capital funds	-102,910	-149,000
Contributions to holdings in state foundations	-100,800	0
Contributions to holdings in state companies	-68,000	-148,000
Contributions to holdings in international organisations	-62,301	-5,044
Contributions to the dedicated funds of state foundations	-25,091	-25,083
Recoveries from the dedicated funds of state	143,596	479,083
Loans issued	-60	-20,119
Repayments of loans issued	11,315	16,533
Received from government bonds issued	1,321,354	1,496,089
Redemption of government bonds	-652,688	-552,105
Loans received	210,000	170,000

Type of financing transaction	2023	2022
Repayments of loans received	-67,973	-73,369
Repayments of finance lease liabilities	-83	-97
Change in deposits	231,450	-162,015
Change in provision for the second pillar payments received from insurance funds	-679	9,876
Domestic VAT expense	-17	-17
Total	1,322,688	-127,802

Financing transactions received and paid are generally comparable to the corresponding items in the government's unconsolidated cash flow statement for cash flows from investment and financing activities.

In the parts of the report of the areas of government, all the transactions in the table above are recorded as financial transactions, except for the change in deposits and the provision for the second pillar withdrawals from insurance funds. The change in deposits mainly occurs in the area of government of the Ministry of Finance as the State Treasury holds deposits of various central and general government entities (incl. funds of Tervisekassa and Eesti Töötukassa).

G. Revenue and expenditure adjustment in the state's budgetary position

State budget revenue and expenditure are generally planned according to the same principles as the rules for calculating the budgetary position, but with some exceptions.

Revenue from the sale of emission allowances is taken into account in the budgetary position with a one-year time shift. In the state budget, the revenue for the budget year is planned. Therefore, the total revenue from the sale of emission allowances has been decreased by 26,010 thousand euros (decreased by 85,636 thousand euros in 2022) in the position.

Dividend income may be taken into account in the position to the maximum extent of the dividend payer's operating profit for the previous period, from which income tax expense paid to the state on dividends is deducted. The effect of one-off revenue and expenditure still included in operating profit must be removed. Any dividend income in excess of this is considered a super dividend. The 2022 position was adjusted by super dividends in the amount of 532 thousand euros.

In the case of provisions, the position takes into account only disbursements as expenditure and not the costs of their formation. Therefore, the costs of forming the provisions that were calculated in the state budget have been withdrawn in the calculation of the position on the same principle as accounting and the disbursements of the same provisions have been recorded as expenditure. As an exception, for the purpose of calculating the budgetary position, the provision of additional state contribution of four per cent into the second pillar of mandatory funded pension funds and the calculation of the return on suspended contributions to pension beneficiaries are considered as expenditure (see Note a16, Part D).

The budgetary position is affected by the acquisition of property, plant and equipment and intangible non-current assets, not by their subsequent registering as expenditure. Therefore, the depreciation of non-current assets and the carrying amount of non-current assets sold have been deducted in the calculation of the budgetary position.

The budgetary position is further influenced by the acquisition of inventories at the time of the acquisition, not at their subsequent registering as expenditure. In the state budget, inventories are treated as expenditure on a similar basis to accounting (not upon acquisition) when inventories are taken into use. An exception is defence-related inventories, which are recognised in the state budget and also in the accounts as an expense at their acquisition on the basis of their recurring movement in and out of storage.

H. Budget carried over from 2023 to 2024

In thousands of euros

Area of government	Fixed balances carried over by directive	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total
Government of the Republic	189,273	0	0	189,273
<i>Riigikogu</i>	2,642	1	74	2,717
President of the Republic	564	0	0	564

Area of government	Fixed balances carried over by directive	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total
National Audit Office	744	0	0	744
Chancellor of Justice	180	7	0	187
Supreme Court	187	19	0	206
Government Office	1,870	0	2	1,872
Ministry of Education and Research	91,490	15,575	61,528	168,594
Ministry of Justice	15,174	2,809	1,183	19,166
Ministry of Defence	66,988	269	95,336	162,593
Ministry of Climate	68,233	421,041	96,631	585,905
Ministry of Culture	49,156	45,999	602	95,757
Ministry of Economic Affairs and Communications	71,845	5,114	1,807	78,766
Ministry of Regional Affairs and Agriculture	33,345	5,997	1,524	40,867
Ministry of Finance	34,676	43,060	3,350	81,086
Ministry of the Interior	70 039	6,658	4,530	81,227
Ministry of Social Affairs	36,979	8,158	2,117	47,255
Ministry of Foreign Affairs	16,640	11,146	8,727	36,513
Total	750,025	565,853	277,412	1,593,290

At the time of the closure of the annual accounts, the decree on the budget to be transferred to the Government has not been approved. By a directive of the minister of the area of government or a head of a constitutional institution and in the case of the Government Office, a directive of the State Secretary, the remaining budget funds with limits are carried over for covering expenses, investments, financing transactions according to the transfer rules established on the basis of the State Budget Act. Budget balances with limits may be carried over to the extent of 100 per cent only once (to the following year) if they are needed for the same purpose (planned in the previous year).

The balance accrued for revenue-dependent expenditure and investments is transferred by 100 per cent. This includes the balances of prepayments received for foreign aid and related co-financing, for which the issuer of the aid has determined the intended use of the amounts granted. The table above makes a distinction of the balances of revenue from economic activities, funds allocated from the sale of emission allowances to support projects, and domestic grants. Every state agency has the right to use the revenue received from economic activities to carry out its activities at its own discretion. Domestic grants are mainly received from other general government sector entities (for example, the Cultural Endowment, etc.). Their use is also earmarked and subject to reporting verification. Of the revenue from the sale of emission allowances, 50 per cent is invested in environmental protection projects in accordance with the Atmospheric Air Protection Act (section 161).

The budget carried over to 2024 does not include in the aggregate part of the budget implementation report the balances arising from reductions in expenditure and acquisitions of non-current assets under the area of government of the Ministry of Defence. Taking into account that such expenditure and acquisitions of non-current assets will occur in 2024, the transferred budget should be higher by 189,871 thousand euros, including an increase in the established balances of 165,599 thousand euros, and an increase in the external aid balances of 24,272 thousand euros (see also Note a31 M).

I. Movements in the reserve of the Government of the Republic

The reserve allocated to the Government of the Republic by the state budget is reflected in the initial budget under the item 'Reserves of the Government of the Republic'. The reserve allocated to agencies is recorded as an increase in the final budget of the agencies and a decrease in the final budget of the Government of the Republic. The budget of the Government of the Republic partly consists of earmarked funds, the allocation of which to agencies for activities approved by the Government of the Republic has been decided by a directive of the Minister of Finance.

In thousands of euros

	Reserve of the Government of the Republic, except for earmarked funds	Earmarked funds	Total reserve of the Government of the Republic
Initial budget	127,787	89,316	217,103
Carried over from 2022	154,612	24,511	179,123
State Budget Amendment Act	-7,121	-2,430	-9,551
Reallocation by decision of the Government of the Republic	-71,578	71,578	0
Allocated for agencies (see Part J, K)	-51,033	-98,031	-149,064
Returned from earmarked reserve to the reserve of the Government of the Republic	308	-308	0
Balance at the end of the year	152,975	84,636	237,611
Returned from agencies to the reserve (see Part J, K)	4,943	4,813	9,756
Balance after return	157,918	89,449	247,367

J. Use of the reserve of the Government of the Republic in 2023

In thousands of euros

Budget section	Order number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Government Office	334	Co-ordinating the work of the Scientific Council and green policy	13	0	13	0	0	0
Ministry of Education and Research	128	Reimbursement of the expenditure of designing a new elementary school building as a result of the reorganisation of Narva Kesklinna Gymnasium, and additional expenditure of running Kohtla-Järve School	21	0	21	0	0	0
Ministry of Education and Research	70	Construction of sports hall at Valga Priimetsa School	0	469	469	0	0	0
Ministry of Justice	90	ELA USA, Inc., payment of the costs of legal proceedings No 2018-42	0	150	76	74	74	0
Ministry of Defence	69	Strengthening emergency preparedness	1,358	0	1,358	0	0	0
Ministry of Defence	360	Soviet monument removal from public spaces	780	0	735	45	0	45
Ministry of Defence	52	Soviet monument removal from public spaces	0	1,421	160	1,261	1,261	0
Ministry of Climate	52	January–March 2022 compensation to electricity and gas consumers for electricity and network services and natural gas costs	0	80	0	80	0	80
Ministry of Climate	93	Subsidies for household consumers of district heating and for non-household consumers of gas incl. VAT, February to March	0	60	0	60	0	60
Ministry of Climate	198	Acquisition of a pilot boat	0	759	759	0	0	0
Ministry of Climate	225	Operating expenses and small investments for the provision of pilot services	0	4,155	3,641	514	514	0
Ministry of Climate	240	Expenditure on icebreaking services and small investments for vessels to ensure winter navigation	0	2,379	1,546	833	833	0
Ministry of Culture	92	Strengthening support for private Russian-language media outlets in Estonia	17	0	0	17	0	17
Ministry of Culture	205	Expenses of Film Estonia	1	0	0	1	0	1
Ministry of Culture	348	Conservation of a medieval shipwreck from Lootsi street and construction of a conservation hall in the Seaplane Harbour	475	0	475	0	0	0
Ministry of Economic Affairs and Communications	52	January–March 2022 compensation to electricity and gas consumers for electricity and network services and natural gas costs	80	-80	0	0	0	0
Ministry of Economic Affairs and Communications	93	Subsidies for household consumers of district heating and for non-household consumers of gas incl. VAT, February to March	60	-60	0	0	0	0

Budget section	Order number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Economic Affairs and Communications	194	Fulfilling the functions resulting from the EU sanctions against Russia and Belarus, legal costs	81	0	28	53	0	53
Ministry of Economic Affairs and Communications	63	Compensation to commercial transport operators for the free transport of preschool children and disabled persons	2,326	-1,887	439	0	0	0
Ministry of Economic Affairs and Communications	77	Expenditure of electricity, gas, and district heating plus VAT, January to March 2023	0	23,414	23,414	0	0	0
Ministry of Regional Affairs and Agriculture	116	Covering the costs of emergency aid for local governments for Ukrainian refugees	0	2,640	834	1,806	0	1,806
Ministry of Regional Affairs and Agriculture	243	Ensuring the functioning of public transport	0	18,287	16,028	2,259	2259	0
Ministry of Regional Affairs and Agriculture	63	Compensation to commercial transport operators for the free transport of preschool children and disabled persons	0	1,887	1,887	0	0	0
Ministry of Finance	116	Covering the costs of emergency aid for local governments for Ukrainian refugees	2,833	-2,640	193	0	0	0
Ministry of Finance	22	Increasing the tax-free income of natural persons in the e-Tax Board	57	0	57	0	0	0
Ministry of Social Affairs	63	Primary costs related to the reception in Estonia of persons who fled from Ukraine	26	0	0	26	0	26
Ministry of Social Affairs	102	COVID-19 crisis related testing, ICT and legal services, investments	3,750	0	896	2,854	0	2,854
Ministry of Foreign Affairs	68	Increasing Estonia's national security capacity	1,669	0	1,669	0	0	0
Ministry of Foreign Affairs	148	Expenses of experts from the International Criminal Court	73	0	73	0	0	0
Total			13,621	51,033	54,771	9,884	4,941	4,943

K. Use of the earmarked fund reserve in 2023

In thousands of euros

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Chancellery of the <i>Riigikogu</i>	81	Election software investments and strengthening information security	102	0	102	0	0	0
Office of the President	35	ICT development and management	51	0	51	0	0	0
Office of the President	35	Compensating for IT shortages	0	160	116	44	44	0
Government Office	95	Compensating for IT shortages	25	0	25	0	0	0
Government Office	197	Compensating for IT shortages	0	52	25	27	27	0
Ministry of Education and Research	36	Supporting and implementing education in Estonian	610	0	442	168	0	168
Ministry of Education and Research	176	Ineligible expenditure for EU external aid	0	14	14	0	0	0
Ministry of Education and Research	86	Reversal of provisions for legal costs, return to reserve	0	0	-166	166	0	166
Ministry of Education and Research	177	EU grant recoveries, repayment to the reserve	0	0	-2	2	0	2
Ministry of Education and Research	198	Energy efficiency works at Porkuni School, Nõo Upper Secondary School of Sciences, and Joint Gymnasium of Läänemaa	0	43	41	2	0	0
Ministry of Justice	58	Expenses of the Estonian special representative sent to the USA to enhance the fight against money laundering	66	0	66	0	0	0
Ministry of Justice	70.217	Ensuring information security and maintaining critical information systems (compensating for IT shortages)	561	0	561	0	0	0
Ministry of Justice	71	Additional funding of the Estonian Competition Authority due to the amendment of the Competition Act	45	0	32	13	0	13
Ministry of Justice	162	Ensuring cyber security and enhancing information security capabilities	0	422	0	422	422	0
Ministry of Defence	23	Ensuring cyber security (compensating for IT shortages)	290	0	59	231	0	231
Ministry of Defence	24	Establishment of a research strand on electronic warfare	988	0	924	64	0	64

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Defence	49	Building the capacity of a cyber training ground	0	1,350	1,144	206	206	0
Ministry of Defence	103	Compensating for IT shortages	0	500	48	452	452	0
Ministry of Defence	149	Auditing ICT services	0	20	0	20	20	0
Ministry of Climate	77	Compensating for IT shortages	1,992	0	1,992	0	0	0
Ministry of Climate	132	Disclosure of spatial data	0	0	0	0	0	0
Ministry of Climate	112	Disclosure of aeronautical data according to EU Directive 2019/1024	479	0	397	82	0	82
Ministry of Climate	71	Compensating for ICT shortages	0	2,623	1,613	1,010	1,010	0
Ministry of Climate	79	Disclosing environmental status and the INSPIRE data	0	417	52	365	365	0
Ministry of Climate	164	Research and development survey of the subsoil resources	0	2,090	209	1,881	1,881	0
Ministry of Climate	171	Ensuring the balance of the revenue and expenditure of AS Eesti Raudtee	0	25,859	25,857	2	0	2
Ministry of Climate	176	Ineligible expenditure for EU external aid	0	4	4	0	0	0
Ministry of Climate	177	Research partnerships with universities for the transposition of the EU 2030 climate targets	0	182	0	182	182	0
Ministry of Climate	183	One-off expenses of the reorganisation of ministries	0	443	443	0	0	0
Ministry of Climate	64	Compensating for IT shortages	0	124	115	9	0	9
Ministry of Climate	173	Keri lighthouse phase I reconstruction works	0	656	656	0	0	0
Ministry of Climate	195	Energy efficiency work	0	17	17	0	0	0
Ministry of Culture	30	Organising the 2023 Women's European Volleyball Championship pool tournament	848	0	848	0	0	0
Ministry of Culture	66	Replacement of the MuIS and Legacy information systems (compensating for IT shortages)	39	0	0	39	0	39
Ministry of Culture	220	Construction of Tallinn City Theatre	3,043	0	3,043	0	0	0
Ministry of Culture	70	Piloting a research and development programme on Estonian culture	0	1,300	0	1,300	1,300	0
Ministry of Culture	96	Language training and other support for Ukrainian war refugees	0	4,657	103	4,554	3,054	1,500
Ministry of Culture	97	Supporting international cultural and sporting events	0	2,000	2,000	0	0	0

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Culture	102	Compliance with the requirements of the Cyber Security Act by the Estonian Public Broadcasting	0	820	820	0	0	0
Ministry of Culture	115	Energy efficiency works in the building of the Estonian Sports and Olympic Museum	0	20	0	20	20	0
Ministry of Culture	143	Supporting international cultural and sporting events	0	97	97	0	0	0
Ministry of Culture	182	Supporting international cultural and sporting events	0	103	99	4	0	4
Ministry of Culture	184	Compensating for IT shortages	0	130	0	130	130	0
Ministry of Culture	188	Fee for the discovery of an archaeological find	0	92	85	7	7	0
Ministry of Culture	192	Compensating for IT shortages and IT costs of the National Library of Estonia	0	282	282	0	0	0
Ministry of Economic Affairs and Communications	41	Compensating for IT shortages	587	0	587	0	0	0
Ministry of Economic Affairs and Communications	64	Compensating for IT shortages	716	-124	433	159	0	159
Ministry of Economic Affairs and Communications	135	Compensating for IT shortages	1,303	0	1,275	28	0	28
Ministry of Economic Affairs and Communications	101	Underwater investigations related to the preliminary assessment of the passenger ferry <i>Estonia</i>	1,314	0	1,160	154	0	154
Ministry of Economic Affairs and Communications	162	Organising the central services of the digital state and developing national cyber security	645	0	555	90	0	90
Ministry of Economic Affairs and Communications	173	Keri lighthouse phase I reconstruction works	1,007	-656	351	0	0	0
Ministry of Economic Affairs and Communications	233	Replacement of ICT equipment in public buildings	40	0	40	0	0	0
Ministry of Economic Affairs and Communications	234.33	Administrative expenses of the completed projects of the Structural Funds	309	0	309	0	0	0
Ministry of Economic Affairs and Communications	75	ICT equipment for public buildings	0	981	448	532	532	0

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Economic Affairs and Communications	77	Compensating for IT shortages	0	8,981	7,557	1,424	1,424	0
Ministry of Economic Affairs and Communications	148	Management of software for computer workstations within the area of government of the Ministry of Justice	0	364	39	325	325	0
Ministry of Economic Affairs and Communications	176	Ineligible expenditure for EU external aid	0	366	366	0	0	0
Ministry of Economic Affairs and Communications	179	Compensating for IT shortages	0	525	241	284	283	1
Ministry of Economic Affairs and Communications	185	Implementation of ICT projects	0	3,623	600	3,023	3,023	0
Ministry of Regional Affairs and Agriculture	219	Research and development to ensure food safety and reduce the environmental burden of food production	2,935	0	2,935	0	0	0
Ministry of Regional Affairs and Agriculture	78	Compensating for IT shortages	186	0	186	0	0	0
Ministry of Regional Affairs and Agriculture	62	Compensating for ICT shortages	0	237	187	50	50	0
Ministry of Regional Affairs and Agriculture	80	Modernising crop fertilisation standards	0	456	197	259	259	0
Ministry of Regional Affairs and Agriculture	131	European Agricultural Fund for Rural Development repayments	0	687	687	0	0	0
Ministry of Regional Affairs and Agriculture	132	Allowing pets accompanying Ukrainian war refugees into the state	0	50	50	0	0	0
Ministry of Regional Affairs and Agriculture	195	Reimbursement of the costs of emergency aid and coverage of costs for accommodation of Ukrainian war refugees to the local governments	0	3,560	3,560	0	0	0
Ministry of Regional Affairs and Agriculture	153	Expenditure and management expenses of emergency aid to local governments for war refugees from Ukraine	0	1,183	0	1,183	0	1,183
Ministry of Regional Affairs and Agriculture	163	Expenses of emergency aid and accommodation for war refugees from Ukraine in local governments	0	248	94	154	0	154

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Regional Affairs and Agriculture	168	Implementing the Key Data Directive	0	80	80	0	0	0
Ministry of Regional Affairs and Agriculture	170	Signing the framework agreement on the transposition of the EU 2030 climate targets with universities	0	73	0	73	73	0
Ministry of Regional Affairs and Agriculture	176	Ineligible expenditure for EU external aid	0	210	210	0	0	0
Ministry of Regional Affairs and Agriculture	189	Financial adjustment made in the context of the audit of area aid conformity	0	1,254	1,254	0	0	0
Ministry of Regional Affairs and Agriculture	199	Energy efficiency work	0	36	35	2	2	0
Ministry of Finance	42	Compensating for IT shortages	1,731	0	1,731	0	0	0
Ministry of Finance	195	Reimbursement of the costs of emergency aid and coverage of costs for accommodation of Ukrainian war refugees to the local governments	3,675	-3,560	114	0	0	0
Ministry of Finance	232	Restoration of the War of Independence Memorial in Viljandi, Estonia	112	0	112	0	0	0
Ministry of Finance	7	Reimbursement of expenses of population actions for Ukrainian refugees to local governments	200	0	200	0	0	0
Ministry of Finance	20	Compensating for IT shortages	0	2,964	1,875	1,089	1,089	0
Ministry of Finance	52	Energy efficiency assessment of public sector buildings	0	30	28	2	2	0
Ministry of Finance	64	Compensating for IT shortages	0	192	192	0	0	0
Ministry of Finance	111	Energy efficiency assessment of public sector buildings	0	300	0	300	300	0
Ministry of Finance	114	IT investments accompanying the implementation of amendments to the Income Tax Act	0	400	303	97	97	0
Ministry of Finance	176	Ineligible expenditure for EU external aid	0	0	0	0	0	0
Ministry of Finance	196	ICT cyber security investments	0	178	178	0	0	0
Ministry of the Interior	27	Information security and critical information systems maintenance activities	648	0	648	0	0	0

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of the Interior	53	Establishment of the Remote Sensing Research and Development Centre and development of the Internal Security and Safety Research Centre of the Estonian Academy of Defence	778	0	778	0	0	0
Ministry of the Interior	54	Construction of the Estonian state border	543	0	543	0	0	0
Ministry of the Interior	96	Strengthening information security	369	0	369	0	0	0
Ministry of the Interior	160	Detailed analysis of uID	150	0	150	0	0	0
Ministry of the Interior	208	Construction of the Estonian state border	2,000	0	2,000	0	0	0
Ministry of the Interior	4	Conservation and emergency repairs of the Narva Alexander Church	328	0	220	107	0	107
Ministry of the Interior	15	Implementation of the automatic biometric identification system	409	0	409	0	0	0
Ministry of the Interior	34	Construction of the state border	0	10,424	9,971	453	453	0
Ministry of the Interior	135	Ensuring cyber security	0	490	177	313	313	0
Ministry of the Interior	136	Ensuring state-secret security	0	7,343	7,343	0	0	0
Ministry of the Interior	138	Implementation of the automatic biometric identification system	0	505	383	123	123	0
Ministry of the Interior	166	Construction of the state border	0	2,827	1,044	1,783	1,783	0
Ministry of the Interior	174	Calls related to the crisis in Ukraine in the Ukraine call centre and state helpline 1247	0	35	33	2	2	0
Ministry of the Interior	191	VAT expense of foreign aid	0	65	65	0	0	0
Ministry of the Interior	194	Implementation of the automatic biometric identification system	0	1,010	51	958	958	0
Ministry of Social Affairs	43	Setting up and running the system of vaccine coverage, incl. the payment of reimbursements	924	0	487	437	0	437
Ministry of Social Affairs	161	Preparing for health emergencies and national defence	302	0	302	0	0	0
Ministry of Social Affairs	158	Ensuring the sustainability of ICT services	1,866	0	1,866	0	0	0
Ministry of Social Affairs	181	Creating remote working and nationwide recruitment jobs	52	0	20	32	0	32
Ministry of Social Affairs	188	Price increase relief allowance for families with children, pensioners, and recipients of incapacity benefit	222	0	36	186	0	186
Ministry of Social Affairs	66	1 million genomes in the Digital Europe programme	0	100	77	23	23	0
Ministry of Social Affairs	69	Preparing for emergencies and national defence in health care sector	0	1,220	521	699	699	0

Budget section	Directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	For agencies for the following year	Returned to the reserve
Ministry of Social Affairs	133	Compensating for IT shortages and ensuring the sustainability of ICT services	0	3,457	2,995	461	461	0
Ministry of Social Affairs	152	Framework research partnership agreement for the transposition of the climate targets	0	73	0	73	73	0
Ministry of Social Affairs	176	Ineligible expenditure for EU external aid	0	1	1	0	0	0
Ministry of Social Affairs	181	Medicine against COVID-19	0	1,935	1,935	0	0	0
Ministry of Foreign Affairs	28	Applied research in Russia, Asia and the Arctic	589	0	589	1	0	1
Ministry of Foreign Affairs	105	Additional ICT needs	455	0	455	0	0	0
Ministry of Foreign Affairs	50	Applied research in Russia, Asia and the Arctic	0	1,083	278	804	804	0
Ministry of Foreign Affairs	154	Compensating for ICT shortages	0	350	0	350	350	0
Total			33,534	98,031	104,126	27,439	22,624	4,813

L. Use of the ownership reform reserve fund in 2023

In thousands of euros

Funds are allocated from the ownership reform reserve fund of the Government of the Republic in accordance with the regulation established on the basis of the Use of Privatisation Proceeds Act.

Budget section	Order/directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	Carried over to the following year	Returned to the reserve
Ministry of Climate	65	For land reform expenses	180	-180	0	0	0	0
Ministry of Climate	135	Returning unlawfully expropriated land	34	-34	0	0	0	0
Ministry of Climate	165,265	For expenses related to land reform	119	-109	10	0	0	0
Ministry of Climate	16	Constituting the right of superficies	260	-258	2	0	0	0
Ministry of Climate	187	Preparations for assessing land	129	0	31	98	98	0
Ministry of Climate	138	Preparing and carrying out the regular land assessment	4	0	0	4	0	4

Budget section	Order/directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	Carried over to the following year	Returned to the reserve
Ministry of Climate	455	Implementing land reform and creating an environment and conditions necessary for the development of entrepreneurship	2,192	-1,757	435	0	0	0
Ministry of Climate	55	Applied research of recycling of debris from the demolition of apartment buildings in disuse	0	14	14	0	0	0
Ministry of Economic Affairs and Communications	55	Applied research of recycling of debris from the demolition of apartment buildings in disuse	14	-14	0	0	0	0
Ministry of Culture	186	Maintenance, repair, conservation, and restoration of architectural monuments returned in the course of the ownership reform	165	0	0	165	165	0
Ministry of Culture	454	Maintenance and repair of architectural monuments returned in the course of the ownership reform	800	0	330	470	470	0
Ministry of Culture	349	Maintenance and repair of architectural monuments returned in the course of the ownership reform	3,000	0	564	2,436	2,436	0
Ministry of Culture	275	Maintenance and repair of architectural monuments returned in the course of the ownership reform	0	3,000	0	3,000	3,000	0
Ministry of Regional Affairs and Agriculture	65	Land reform expenses	0	180	0	180	180	0
Ministry of Regional Affairs and Agriculture	135	Returning unlawfully expropriated land	0	34	0	34	34	0
Ministry of Regional Affairs and Agriculture	165	Land reform expenses	0	109	6	103	103	0
Ministry of Regional Affairs and Agriculture	455	Implementing land reform and creating an environment and conditions necessary for the development of entrepreneurship	0	1,757	472	1,285	1,285	0
Ministry of Regional Affairs and Agriculture	16	Constituting the right of superficies	0	258	1	257	257	0
Ministry of Finance	10	To local governments	6	0	0	6	6	0
Ministry of Finance	34,456,62	Performing the functions of the ownership and land reform	9	66	35	40	40	0
Ministry of Finance	108, 55, 456, 96	For maintenance expenses of apartments relinquished to the state	727	0	10	717	717	0
Ministry of Finance	138, 456, 55	Return and compensation of unlawfully expropriated property	396	0	162	234	0	234

Budget section	Order/directive number	Purpose	Carried over from 2022	Allocated and reclassified 2023	Used in 2023	Balance	Carried over to the following year	Returned to the reserve
Ministry of Finance	34	Return and compensation of unlawfully expropriated property	5	0	5	0	0	0
Ministry of Finance	279	Compensation for unlawfully expropriated property and for unused privatisation securities	317	0	14	304	304	0
Ministry of Finance	45	IT development and maintenance of information systems related to the regular land assessment	1,765	0	1,461	304	304	0
Ministry of Finance	96	Launch of a national grant measure for local governments for housing restructuring	3,000	0	0	3,000	3,000	0
Ministry of Finance	362	Carrying out the regular land assessment and taking the results into use	95	0	46	50	50	0
Total			13,218	3,066	3,597	12,687	12,449	238

M. Comparison of the statement of financial performance of state accounting entities recorded in Note a1 with the state budget implementation report

2023

	Indicators of the statement of financial performance				Indicators of the state budget implementation report			
	Income from operations	Operating expenses	Financial income and expenses	Operating result	Revenue	Expenditure	Adjustments	Operating result
<i>Riigikogu</i>	205	-31,509	0	-31,304	205	-31,038	-471	-31,304
President of the Republic	168	-5,490	-299	-5,621	149	-5,823	53	-5,621
National Audit Office	0	-5,783	-2	-5,785	0	-5,770	-16	-5,785
Chancellor of Justice	5	-3,292	-1	-3,289	5	-3,264	-29	-3,289
Supreme Court	367	-7,045	-550	-7,228	360	-6,978	-611	-7,228
Government Office	1,282	-18,198	-3	-16,919	982	-17,976	75	-16,919
Ministry of Education and Research	170,957	-948,318	-1	-777,362	170,729	-948,661	571	-777,362
Ministry of Justice	54,499	-221,654	-6,271	-173,426	53,881	-222,662	-4,644	-173,426
Ministry of Defence	73,382	-1,085,256	-28,510	-1,040,385	44,066	-1,038,849	-45,602	1,040,385
Ministry of Climate	728,051	-518,702	30,692	240,042	802,313	-503,078	-59,193	240,042
Ministry of Culture	49,258	-360,830	-506	-312,078	10,209	-363,883	41,596	-312,078
Ministry of Economic Affairs and Communications	519,850	-1,103,940	25,903	-558,187	383,023	-1,087,384	146,174	-558,187
Ministry of Regional Affairs and Agriculture	376,286	-857,542	3,939	-477,318	375,813	-562,950	-290,181	-477,318
Ministry of Finance	12,947,521	-7,940,941	12,392	5,018,972	13,055,029	-375,360	-7,660,698	5,018,972
Ministry of the Interior	62,257	-677,538	-45,039	-660,321	60,425	-559,115	-161,630	-660,321
Ministry of Social Affairs	5,077,167	-7,167,562	-79,900	-2,170,295	162,825	-7,469,996	5,136,877	2,170,295
Ministry of Foreign Affairs	5,648	-114,917	-52	-109,320	5,585	-114,917	11	-109,320
Eliminations	-5,485,992	5,621,805	0	135,813	-190,641	-2,579,043	2,905,497	135,813
Total	14,580,911	-15,446,713	-88,209	-954,011	14,934,959	-15,896,750	7,780	-954,011

2022

In thousands of euros

	Indicators of the statement of financial performance				Indicators of the state budget implementation report			
	Income from operations	Operating expenses	Financial income and expenses	Operating result	Revenue	Expenditure	Adjustments	Operating result
<i>Riigikogu</i>	101	-23,798	-74	-23,771	58	-23,790	-39	-23,771
President of the Republic	169	-5,218	-271	-5,320	149	-5,526	57	-5,320
National Audit Office	49	-5,422	0	-5,374	49	-5,422	0	-5,374
Chancellor of Justice	0	-3,068	11	-3,057	0	-3,068	11	-3,057
Supreme Court	428	-6,009	-552	-6,132	428	-5,959	-602	-6,132
Government Office	1,372	-17,806	-3	-16,437	1,082	-17,597	78	-16,437
Ministry of Education and Research	192,901	-851,825	11	-658,913	179,623	-851,627	13,091	-658,913

	Indicators of the statement of financial performance				Indicators of the state budget implementation report			
	Income from operations	Operating expenses	Financial income and expenses	Operating result	Revenue	Expenditure	Adjustments	Operating result
Ministry of Justice	59,513	-198,751	-5,967	-145,205	58,594	-197,559	-6,240	-145,205
Ministry of Defence	14,916	-733,654	-28,974	-747,712	7,544	-690,689	-64,567	-747,712
Ministry of Climate	581,178	-150,846	238,246	668,578	657,064	-135,520	147,034	668,578
Ministry of Culture	50,850	-328,416	-2,081	-279,647	11,557	-328,830	37,626	-279,647
Ministry of Economic Affairs and Communications	422,402	-1,034,721	7,768	-604,551	433,755	-1,015,849	-22,456	-604,551
Ministry of Regional Affairs and Agriculture	341,487	-438,075	3,474	-93,115	344,224	-437,023	-316	-93,115
Ministry of Finance	12,115,588	-7,487,600	64,824	4,692,812	12,106,927	-285,991	-7,128,125	4,692,812
Ministry of the Interior	76,181	-585,069	-33,245	-542,133	59,447	-518,121	-83,459	-542,133
Ministry of Social Affairs	4,728,532	-6,811,598	-68,873	-2,151,940	155,513	-6,854,701	4,547,249	-2,151,940
Ministry of Foreign Affairs	7,618	-95,379	104	-87,657	7,722	-95,379	0	-87,657
Eliminations	-4,926,389	4,942,716	0	16,327	-27,176	-2,441,106	2,484,608	16,327
Total	13,666,895	-13,834,537	174,396	6,753	13,996,560	-13,913,756	-76,050	6,753

The state budget and the state budget implementation generally follow the same accounting principles as the accounts, but there are also differences. Differences in the state budget revenue and expenditure compared to the statement of financial performance are reflected in the sections of the state budget implementation report on the areas of government of the constitutional institutions, the Government of the Republic, the Government Office, and the ministries as adjustments similar to those presented in the consolidated part of the report. The differences in accounting policies are described in Part C of this Note 'Comparison of the items in the statement of financial performance and the consolidated part of the state budget implementation report'.

The figures for the area of government of the Ministry of Defence published for 2023 differ from those calculated in the consolidated state report, incl. differences in the figures reported in both the statement of financial performance and the state budget implementation. The Ministry of Defence proceeded from the moment of acquisition of ownership of the costs and acquisitions of non-current assets related to defence inventories and assets, however, in the preparation of the consolidated report of the state, it has been found that in certain cases, as of 31 December 2023, the benefits and risks related to inventories and assets had not yet been transferred to the area of government of the Ministry of Defence, therefore, expenditure and acquisitions (investments) of non-current assets are reflected in the corresponding amounts in 2024.

In the statement of financial performance and the state budget implementation report, the revenue (grants received) of the area of government of the Ministry of Defence are 24,272 thousand euros higher and the expenditure by 167,175 thousand euros higher than those reflected in the statement of financial performance and the state budget implementation report. Investments are 22,696 thousand euros higher than those recorded in the consolidated part of the implementation of the state budget. The total acquisitions of non-current assets, together with the change in prepayments, are 14,965 thousand euros higher in the data of the area of government of the Ministry of Defence than the amounts recorded as acquisitions of non-current assets of the state. See also explanations in Note a1 A.

3 Information on local governments

3.1 Balance sheet

In millions of euros

	Consolidated			Unconsolidated			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Assets							
Current assets							
Cash	457.1	432.6	459.3	241.4	241.1	280.2	
Financial investments	6.8	7.3	0.0	6.7	7.0	0.0	
Tax and fine receivables	167.9	157.7	145.7	167.9	157.7	145.7	b2
Other receivables and prepayments	194.6	172.5	155.2	124.8	109.2	83.4	b3
Inventories	18.5	17.9	17.1	0.6	0.5	0.5	
Total current assets	844.9	788.0	777.3	541.4	515.5	509.8	
Non-current assets							
Holdings in foundations and non-profit associations	0.0	0.0	0.0	39.0	38.0	38.1	b4
Holdings in subsidiaries and associates	188.0	99.6	104.6	517.3	434.8	419.0	b5
Financial investments	2.5	3.1	7.6	0.0	0.0	4.6	
Other receivables and prepayments	4.8	22.5	24.2	59.4	71.8	78.1	b3
Investment property	155.2	155.9	153.1	104.6	104.2	107.0	b6
Property, plant and equipment	5,854.0	5,654.0	5,440.4	3,952.2	3,773.4	3,608.7	b7
Intangible non-current assets	9.0	9.1	8.0	2.8	2.9	2.3	
Biological assets	1.8	1.8	1.8	1.8	1.8	1.8	
Total non-current assets	6,215.3	5,946.0	5,739.7	4,677.1	4,426.9	4,259.6	
Total assets	7,060.2	6,734.0	6,517.0	5,218.5	4,942.4	4,769.4	

	Consolidated			Unconsolidated			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Liabilities and net assets							
Current liabilities							
Trade payables	165.6	172.6	156.0	121.0	119.8	89.4	
Payables to employees	186.9	156.9	140.9	134.6	111.7	99.3	
Deferred taxes	82.8	72.4	66.3	59.7	51.0	45.7	
Other liabilities and prepayments received	71.8	54.4	86.9	59.6	47.0	77.8	b9
Provisions	2.2	1.5	1.5	0.4	0.6	0.3	
Loan liabilities	150.9	147.4	140.6	126.4	120.8	105.5	b10
Total current liabilities	660.2	605.2	592.2	501.7	450.9	418.0	
Non-current liabilities							
Loan liabilities	1,122.9	972.8	888.9	1,002.0	849.5	781.0	b10
Other liabilities and prepayments received	5.7	3.2	3.3	12.3	11.4	12.9	b9
Provisions	12.0	13.4	15.0	0.0	0.1	0.5	
Total non-current liabilities	1,140.6	989.4	907.2	1,014.3	861.0	794.4	
Total liabilities	1,800.8	1,594.6	1,499.4	1,516.0	1,311.9	1,212.4	
Net assets							
Minority shareholding	2.8	3.1	2.7	0.0	0.0	0.0	
Local governments							
Net assets							
Reserves	0.4	0.4	0.4	0.4	0.4	0.4	
Accumulated surplus or deficit	5,256.2	5,135.9	5,014.5	3,702.1	3,630.1	3,556.6	
Total net assets of local governments	5,256.6	5,136.3	5,014.9	3,702.5	3,630.5	3,557.0	
Total net assets	5,259.4	5,139.4	5,017.6	3,702.5	3,630.5	3,557.0	
Total liabilities and net assets	7,060.2	6,734.0	6,517.0	5,218.5	4,942.4	4,769.4	

3.2 Statement of financial performance

In millions of euros

	Consolidated		Unconsolidated		Note
	2023	2022	2023	2022	
Income from operations					
Tax revenue	1,776.7	1,615.6	1,776.7	1,615.6	b2
Grants received	1,130.0	995.4	993.5	876.3	b11
Goods and services sold	994.3	883.3	212.5	196.8	b12
Other income	36.5	37.2	31.1	33.5	b13
Total income from operations	3,937.5	3,531.5	3,013.8	2,722.2	
Operating expenses					
Labour costs	-1,963.5	-1,661.2	-1,434.1	-1,201.6	b14
Management expenses	-999.8	-940.4	-730.1	-671.9	b15
Grants awarded	-312.1	-272.6	-420.8	-412.8	b11
Depreciation and change in value of non-current assets	-365.6	-323.9	-243.4	-212.0	b16
Other expenditure	-216.9	-205.1	-172.0	-162.7	b17
Total operating expenses	-3,857.9	-3,403.2	-3,000.4	-2,661.0	
Operating result	79.6	128.3	13.4	61.2	
Financial income and expenses					
Profit/loss from holdings	72.2	2.9	84.5	14.8	b4, b5
Interest expense	-45.2	-14.5	-38.4	-13.1	b10
Income from deposits and securities	7.0	3.0	4.7	2.7	
Other financial income	0.3	0.0	2.7	1.0	
Total financial income and expenses	34.3	-8.6	53.5	5.4	
Corporate income tax	-1.5	-0.6	0.0	0.0	
Surplus or deficit of the reporting period	112.4	119.1	66.9	66.6	
Incl. the share of local governments of surplus/deficit	112.8	118.6	66.9	66.6	
Incl. the share of minority shareholding of surplus/deficit	-0.4	0.5			

3.3 Cash flow statement

In millions of euros

	Consolidated		Unconsolidated		Note
	2023	2022	2023	2022	
Cash flow from principal activities					
Operating result	79.6	128.3	13.4	61.2	
Depreciation and change in value of non-current assets	365.6	323.9	243.4	212.0	b16
VAT expense on acquisitions of non-current assets	73.7	73.4	63.6	64.9	b17
Profit/loss from non-current assets sold	-11.4	-12.5	-10.2	-11.5	b13
Government grants received for the acquisition of non-current assets	-177.9	-171.5	-135.9	-135.5	b11
Government grants awarded for the acquisition of non-current assets	13.9	11.9	45.0	72.1	b11
Total adjusted operating result	343.5	353.5	219.3	263.2	
Net change in current assets	-10.8	-34.6	-3.9	-31.6	
Net change in liabilities	43.0	52.8	34.4	42.2	
Total cash flows from principal activities	375.7	371.7	249.8	273.8	
Cash flows from investment activities					
Investments in non-current assets	-616.8	-602.0	-473.7	-415.7	b8
Capital gains from non-current assets sold	16.6	18.3	15.4	17.2	b6, b7
Government grants received for the acquisition of non-current assets	150.2	114.5	115.3	90.1	
Government grants awarded for acquisition of non-current assets	-13.0	-8.3	-45.1	-74.6	
Paid upon the acquisition of holdings and loss of controlling influence	-3.0	0.0	-8.5	-13.1	b4, b5
Received from the sale and liquidation of holdings	0.7	2.5	0.3	3.5	b4, b5
Dividends received	3.6	7.2	10.7	10.7	b5
Paid upon the acquisition of financial investments	-0.5	-0.7	0.0	0.0	
Received from the sale of financial investments	1.2	0.4	0.0	0.4	
Loans issued	-0.6	-0.6	-0.1	-4.3	
Repayments of loans received	1.9	2.2	13.3	8.4	
Interest received and other financial revenue	7.2	0.5	7.5	1.2	
Total cash flows from investment activities	-452.5	-466.0	-364.9	-376.2	
Cash flows from financing activities					
Loan liabilities received	309.3	217.5	294.3	188.9	b10
Repayments of loan liabilities	-163.2	-136.6	-141.7	-114.9	b10
Income tax paid on dividends	-1.5	-0.6	0.0	0.0	
Interest paid and other financial expenses	-43.3	-12.7	-37.2	-10.7	b10
Total cash flows from financing activities	101.3	67.6	115.4	63.3	
Net cash flows					
Cash and cash equivalents at the beginning of the period	432.6	459.3	241.1	280.2	
Cash and cash equivalents at the end of the period	457.1	432.6	241.4	241.1	
Change in cash and cash equivalents	24.5	-26.7	0.3	-39.1	

3.4 Statement of changes in net assets

In millions of euros

A. Consolidated report

	Net assets of local governments			Minority shareholding	Total	Note
	Cash reserve	Accumulated surplus or deficit	Total			
Balance as of 31/12/2021	0.4	5,014.5	5,014.9	2.7	5,017.6	
Adjustment of the cost of holdings		0.0	0.0	-0.1	-0.1	
Revaluation of investment property		0.4	0.4		0.4	b6
Revaluation of property, plant and equipment		6.6	6.6		6.6	b7
Surplus or deficit of the reporting period		118.6	118.6	0.5	119.1	
Total surplus or deficit of the reporting period	0.0	125.6	125.6	0.4	126.0	
Reclassification of SA Tartu Teaduspark to central government		-4.2	-4.2	0.0	-4.2	
Balance as of 31/12/2022	0.4	5,135.9	5,136.3	3.1	5,139.4	
Revaluation of investment property		1.6	1.6		1.6	b6
Revaluation of property, plant and equipment		3.6	3.6		3.6	b7
Surplus or deficit of the reporting period		112.8	112.8	-0.4	112.4	
Total surplus or deficit of the reporting period	0.0	118.0	118.0	-0.4	117.6	
Holdings consolidated for the first time		0.2	0.2	0.1	0.3	
Receiving holdings from other general government sector entities		2.1	2.1		2.1	
Balance as of 31/12/2023	0.4	5,256.2	5,256.6	2.8	5,259.4	

B. Unconsolidated report

	Cash reserve	Accumulated surplus or deficit	Total	Note
Balance as of 31/12/2021	0.4	3,556.6	3,557.0	
Revaluation of investment property		0.4	0.4	b6
Revaluation of property, plant and equipment		6.5	6.5	b7
Surplus or deficit of the reporting period		66.6	66.6	
Total surplus or deficit of the reporting period	0.0	73.5	73.5	
Balance as of 31/12/2022	0.4	3,630.1	3,630.5	
Revaluation of investment property		1.6	1.6	b6
Revaluation of property, plant and equipment		3.3	3.3	b7
Surplus or deficit of the reporting period		66.9	66.9	
Total surplus or deficit of the reporting period	0.0	71.8	71.8	
Adjustment of the cost of holdings		0.2	0.2	
Balance as of 31/12/2023	0.4	3,702.1	3,702.5	

3.5 Accounting methods and valuation principles

This additional information provides an overview of the financial position and results of local governments.

The list of local governments and the entities under their controlling influence and key financial indicators are provided in Note b1 to the report.

As of October 2017, there are 79 local governments in Estonia, and all of these are included in this report.

The consolidated report also includes foundations, non-profit associations and subsidiaries under the controlling influence of the local governments (341 entities; 344 entities in the comparable period).

The report is based on the data provided by the reporting entities in accordance with the public sector financial accounting and reporting guidelines. Reporting entities use accounting principles similar to those of the state (see 2.6. Accounting methods and valuation principles).

In the unconsolidated report, the data of local governments are presented on a consolidated line-by-line basis, with receivables, liabilities, revenue and expenditure between them eliminated. Holdings in foundations, non-profit associations and companies under controlling and significant influence are recognised at deemed cost.

In the consolidated report, the data of local governments are added to the data of the entities under their controlling influence on a line-by-line basis, and the assets, liabilities, net assets, revenue and expenditure between the entities covered by the report have been eliminated.

The report is presented in millions of euros.

3.6 Notes (b1-b21)

Note b1

Entities consolidated in the report

In millions of euros

A. Local governments

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total	7,060.2	5,259.4	3,937.5	-3,857.9	112.4	6,734.0	5,039.4	3,531.5	-3,402.2	119.1	5,218.5	3,702.5	3,013.8	-3,000.4	66.9	4,942.4	3,630.5	2,722.2	-2,661.0	66.6
Eliminations	64.1	80.1	91.4	-88.9	4.4	58.2	-74.3	79.4	-79.0	3.6	9.0	10.8	-48.1	48.2	0.2	19.1	10.9	-42.3	42.6	0.5
Harju County	3,371.8	2,501.6	1,908.3	-1,826.0	136.9	3,141.1	2,412.6	1,696.2	-1,594.0	99.0	2,621.2	1,919.6	1,498.3	-1,466.9	101.8	2,421.5	1,815.8	1,341.9	-1,304.3	45.8
Anija Rural Municipality Government	32.5	-24.8	15.1	-16.3	-1.6	35.1	27.8	14.8	-15.2	-0.5	18.9	11.4	13.7	-14.6	-1.1	19.2	12.5	13.3	-13.1	0.2
Harku Rural Municipality Government	131.0	103.2	48.1	-45.6	1.7	127.2	101.5	44.1	-38.9	5.0	92.9	67.2	43.1	-39.9	2.4	88.5	64.8	39.9	-33.4	6.3
Jõelähtme Rural Municipality Government	40.2	24.0	20.4	-21.8	-1.8	37.1	25.9	18.9	-18.5	0.3	28.9	15.4	18.6	-19.8	-1.5	25.6	16.9	17.0	-16.7	0.2
Keila Town Government	48.7	31.7	28.1	-27.3	0.3	46.7	31.4	24.5	-24.4	0.0	37.7	26.2	25.9	-25.1	0.4	35.7	25.8	22.7	-22.1	0.2
Kiili Rural Municipality Government	31.1	24.4	17.0	-17.2	-0.3	30.3	24.7	15.0	-14.1	0.8	7.1	1.3	15.8	-19.2	-3.5	9.6	4.8	13.9	-12.8	1.1
Kose Rural Municipality Government	44.6	31.3	21.5	-22.6	-1.5	42.2	32.8	18.4	-18.6	-0.3	33.3	21.2	19.9	-20.9	-1.4	30.6	22.6	16.8	-17.0	-0.4
Kuusalu Rural Municipality Government	23.7	13.6	15.5	-15.6	-0.5	24.5	14.0	14.2	-14.6	-0.6	16.4	7.5	14.5	-14.4	-0.3	17.0	7.7	13.2	-13.5	-0.4

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Loksa Town Government	10.2	6.1	5.7	-5.7	-0.1	10.1	6.2	5.3	-5.6	-0.3	8.1	4.4	5.5	-5.3	0.1	7.8	4.2	5.0	-5.2	-0.2
Lääne-Harju Rural Municipality Government	71.4	55.0	32.6	-32.7	-0.6	71.5	55.6	32.7	-29.2	3.3	37.9	22.9	29.0	-29.8	-1.3	38.7	24.2	30.0	-26.5	3.3
Maardu Town Government	61.2	52.8	30.9	-31.8	-1.2	63.4	54.0	28.3	-28.4	-0.2	35.4	30.1	29.4	-30.4	-1.1	36.9	31.2	26.6	-26.5	0.1
Raasiku Rural Municipality Government	33.2	25.7	12.4	-12.1	-0.1	31.8	24.4	11.9	-11.1	0.8	23.3	20.1	12.4	-12.1	0.1	26.7	20.0	11.5	-10.5	0.9
Rae Rural Municipality Government	148.2	102.6	68.6	-73.8	-6.0	139.8	108.6	62.2	-62.6	-0.7	116.8	76.7	62.2	-69.1	-7.2	111.4	83.9	55.4	-56.8	-1.1
Saku Rural Municipality Government	98.0	64.9	34.1	-37.2	-3.9	91.2	68.8	31.5	-31.3	0.0	57.8	29.5	29.9	-32.1	-2.8	50.4	32.2	26.9	-27.0	-0.2
Saue Rural Municipality Government	121.5	74.6	60.7	-61.3	-2.0	118.0	76.6	56.5	-55.0	1.1	80.8	35.8	57.5	-61.7	-5.8	80.8	41.6	52.3	-54.4	-2.5
Tallinn City Government	2,337.3	1,817.0	1,433.5	-1,342.8	153.7	2,134.8	1,661.7	1,261.5	-1,171.6	89.1	1,912.8	1,478.1	1,063.2	-1,016.5	123.9	1,736.1	1,352.6	946.0	-919.0	36.8
Viimsi Rural Municipality Government	139.0	99.5	64.1	-62.2	0.8	137.4	98.6	56.4	-54.9	1.2	108.9	71.8	57.7	-56.0	0.9	106.5	70.8	51.4	-49.8	1.5
Hiiu County	64.6	48.1	26.5	-26.1	-0.2	65.6	48.2	25.7	-24.2	1.3	47.2	31.2	23.1	-24.5	-1.9	49.1	33.1	22.4	-21.6	0.6
Hiiumaa Rural Municipality Government	64.6	48.1	26.5	-26.1	-0.2	65.6	48.2	25.7	-24.2	1.3	47.2	31.2	23.1	-24.5	-1.9	49.1	33.1	22.4	-21.6	0.6
Ida-Viru County	660.4	519.0	389.5	-374.9	8.7	643.1	509.8	358.6	-342.0	13.3	424.6	311.7	258.7	-244.6	10.9	407.1	300.2	243.4	-221.6	20.5
Alutaguse Rural Municipality Government	46.8	44.2	18.4	-18.3	0.1	46.6	43.9	16.6	-16.7	0.0	38.2	36.5	14.5	-14.4	0.1	38.1	36.2	13.4	-13.2	0.2

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Jõhvi Rural Municipality Government	65.3	53.8	23.8	-25.4	-2.7	69.0	56.5	23.0	-22.1	0.1	43.1	31.7	22.9	-24.6	-2.0	46.1	33.7	22.4	-21.4	0.9
Kohtla-Järve Town Government	149.5	94.2	133.5	-128.6	2.7	147.5	91.5	120.5	-119.0	0.4	55.8	19.6	59.4	-56.1	2.1	55.8	17.5	54.5	-53.5	0.6
Lüganuse Rural Municipality Government	43.4	37.3	17.8	-18.7	-1.8	45.1	39.1	15.5	-16.2	-1.6	19.4	13.8	14.9	-15.8	-1.2	20.6	14.9	13.2	-13.9	-0.8
Narva City Government	256.4	208.0	146.2	-132.5	12.6	232.4	195.3	132.2	-120.5	11.2	194.6	152.5	105.1	-90.6	13.5	169.8	138.8	96.3	-79.9	15.9
Narva-Jõesuu Town Government	24.7	22.2	13.6	-13.6	-0.1	25.0	22.3	13.5	-12.7	0.8	16.0	14.0	10.6	-10.5	0.1	16.2	13.9	11.3	-9.7	1.5
Sillamäe Town Government	55.6	41.5	25.8	-26.6	-1.3	58.1	42.8	26.9	-24.9	1.9	43.9	30.5	21.8	-22.5	-1.0	46.2	31.5	23.6	-20.9	2.6
Toila Rural Municipality Government	18.7	17.8	10.4	-11.2	-0.8	19.4	18.4	10.4	-9.9	0.5	13.6	13.1	9.5	-10.1	-0.7	14.3	13.7	8.7	-9.1	-0.4
Järva County	180.9	143.5	67.0	-70.3	-4.1	184.4	145.6	64.2	-64.6	0.8	120.3	86.2	60.9	-63.3	-3.3	124.4	89.5	57.6	-58.3	2.5
Järva Rural Municipality Government	41.3	31.8	21.6	-22.8	-1.5	43.3	32.2	21.0	-21.3	-0.2	29.2	20.6	19.6	-20.7	-1.3	32.2	21.9	19.4	-19.3	0.1
Paide Town Government	85.4	71.0	23.1	-24.0	-1.1	85.2	71.1	22.6	-21.9	1.3	42.7	30.5	19.4	-19.6	-0.4	42.1	30.9	18.0	-18.0	1.6
Türi Rural Municipality Government	54.2	40.7	22.3	-23.5	-1.5	55.9	42.3	20.6	-21.4	-0.3	48.4	35.1	21.9	-23.0	-1.6	50.1	36.7	20.2	-21.0	0.8
Jõgeva County	139.7	101.5	63.2	-65.3	-3.1	144.0	104.5	63.0	-60.4	2.2	86.9	54.1	54.1	-57.2	-4.2	92.0	58.2	52.8	-53.5	-2.5
Jõgeva Rural Municipality Government	56.4	37.9	27.6	-29.4	-2.3	58.7	40.0	27.8	-28.6	-1.0	42.8	25.3	24.8	-26.6	-2.4	45.2	27.7	25.6	-26.3	-0.8

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Mustvee Rural Municipality Government	23.3	17.7	11.5	-11.5	0.0	23.1	17.8	10.3	-10.6	-0.3	14.4	9.7	10.2	-10.2	-0.2	14.9	9.9	9.3	-9.4	-0.2
Põltsamaa Rural Municipality Government	60.0	45.9	24.1	-24.4	-0.8	62.2	46.7	24.9	-21.2	3.5	29.7	19.1	19.1	-20.4	-1.6	31.9	20.6	17.9	-17.8	-1.5
Lääne County	116.8	83.6	49.5	-51.5	-3.1	118.8	86.7	46.9	-48.5	-2.0	80.8	52.7	43.9	-45.6	-1.2	80.7	53.8	41.9	-42.4	-0.9
Haapsalu City Government	76.6	56.2	30.5	-32.1	-2.1	78.8	58.4	29.5	-30.5	-0.9	50.4	32.8	26.0	-27.1	-0.2	50.3	33.0	25.3	-25.2	-0.1
Lääne-Nigula Rural Municipality Government	36.8	24.5	17.5	-18.0	-1.1	37.0	25.6	16.2	-16.9	-1.1	27.0	17.0	16.4	-17.1	-1.1	27.4	18.1	15.4	-16.1	-0.8
Vormsi Rural Municipality Government	3.4	2.9	1.5	-1.4	0.1	3.0	2.7	1.2	-1.1	0.0	3.4	2.9	1.5	-1.4	0.1	3.0	2.7	1.2	-1.1	0.0
Lääne-Viru County	288.3	227.4	134.8	-137.0	-3.9	289.5	230.0	121.8	-123.4	-2.3	217.8	162.5	122.1	-124.9	-4.1	219.4	166.4	111.7	-111.8	-0.6
Haljala Rural Municipality Government	30.6	24.6	9.1	-10.1	-1.2	33.0	25.4	10.3	-9.7	0.5	24.7	18.8	8.5	-9.1	-0.8	26.6	19.3	9.6	-8.8	0.8
Kadrina Rural Municipality Government	22.5	18.0	11.1	-11.3	-0.3	22.2	18.3	9.7	-10.1	-0.5	16.8	12.7	10.0	-10.1	-0.2	16.3	12.9	8.7	-9.0	-0.3
Rakvere Town Government	92.6	74.0	36.1	-34.8	0.5	90.4	73.2	32.6	-31.6	0.8	57.8	43.4	29.5	-29.6	-0.4	56.8	43.7	27.8	-26.8	0.9
Rakvere Rural Municipality Government	17.4	13.5	12.5	-12.6	-0.1	16.1	13.6	11.0	-11.1	-0.1	17.4	13.5	12.5	-12.6	-0.1	16.1	13.6	11.0	-11.1	-0.1
Tapa Rural Municipality Government	49.7	37.3	24.0	-25.5	-2.0	52.1	39.3	21.8	-22.4	-0.8	35.5	23.5	21.5	-22.7	-1.5	37.4	25.1	19.7	-19.7	-0.1

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Vinni Rural Municipality Government	23.5	17.3	15.5	-15.9	-0.3	23.0	17.0	13.8	-13.9	-0.1	19.2	13.1	14.8	-15.4	-0.8	19.4	13.9	13.2	-13.0	0.1
Viru-Nigula Rural Municipality Government	22.7	19.1	13.2	-12.2	0.9	21.9	18.2	10.2	-10.9	-0.8	20.1	16.5	13.0	-11.9	1.0	19.2	15.6	10.1	-10.7	-0.7
Väike-Maarja Rural Municipality Government	29.3	23.6	13.3	-14.6	-1.4	30.8	25.0	12.4	-13.7	-1.3	26.3	21.0	12.3	-13.5	-1.3	27.6	22.3	11.6	-12.7	-1.2
Pärnu County	505.8	408.5	296.5	-288.3	5.6	486.3	402.1	258.9	-254.7	2.9	365.2	302.9	191.1	-190.4	0.2	354.3	302.0	170.2	-165.8	4.1
Häädemeeste Rural Municipality Government	21.6	13.8	12.1	-11.1	0.8	19.9	12.9	10.4	-9.7	0.7	17.3	11.6	11.1	-10.7	0.2	17.4	11.4	9.7	-9.4	0.3
Kihnu Rural Municipality Government	4.1	3.7	1.6	-1.9	-0.4	4.5	4.0	1.7	-1.8	-0.1	4.1	3.7	1.6	-1.9	-0.4	4.5	4.0	1.7	-1.8	-0.1
Lääneranna Rural Municipality Government	33.4	26.6	11.4	-10.8	-0.1	34.4	26.7	10.3	-9.9	-0.3	21.6	15.5	10.8	-10.2	0.5	22.0	15.0	9.3	-9.3	0.0
Põhja-Pärnumaa Rural Municipality Government	29.5	22.6	18.3	-19.5	-1.4	30.6	24.0	15.7	-16.5	-0.8	23.9	17.2	17.8	-18.5	-0.9	24.4	18.1	15.3	-15.5	-0.3
Pärnu City Government	344.5	288.9	213.1	-205.3	6.9	332.8	281.8	188.1	-182.7	4.9	241.8	217.4	112.8	-112.5	0.8	238.0	216.4	103.9	-98.6	5.3
Saarde Rural Municipality Government	22.0	17.4	11.3	-11.0	0.2	20.7	17.0	9.2	-9.9	-0.7	17.1	12.7	9.9	-9.6	0.2	15.8	12.3	7.9	-8.4	-0.6
Tori Rural Municipality Government	50.7	35.5	28.7	-28.7	-0.4	43.4	35.7	23.5	-24.2	-0.8	39.4	24.8	27.1	-27.0	-0.2	32.2	24.8	22.4	-22.8	-0.5
Põlva County	119.2	90.2	56.4	-60.3	-4.1	119.8	94.3	53.2	-52.8	0.3	82.2	59.6	48.5	-53.2	-5.4	85.4	65.0	47.1	-45.6	1.2

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Kanepi Rural Municipality Government	13.1	9.2	9.7	-10.7	-1.1	12.8	10.3	9.4	-9.2	0.3	12.0	8.2	9.7	-10.7	-1.1	11.8	9.3	9.4	-9.2	0.1
Põlva Rural Municipality Government	79.2	60.1	32.7	-34.2	-1.6	79.1	61.6	30.7	-29.7	0.9	50.8	37.5	27.7	-29.6	-2.3	52.8	39.8	27.1	-25.4	1.5
Räpina Rural Municipality Government	26.9	20.9	14.0	-15.4	-1.4	27.9	22.4	13.1	-13.9	-0.9	19.4	13.9	11.1	-12.9	-2.0	20.8	15.9	10.6	-11.0	-0.4
Rapla County	179.7	132.5	79.8	-82.4	-4.3	174.0	136.9	72.8	-72.6	-1.0	118.7	76.0	74.7	-75.7	-2.2	111.7	78.1	65.6	-67.6	-1.2
Kehtna Rural Municipality Government	23.4	18.7	13.0	-12.9	0.1	23.5	18.6	11.4	-11.3	-0.1	19.2	14.8	12.2	-11.6	0.4	18.9	14.3	10.7	-10.3	1.5
Kohila Rural Municipality Government	56.8	41.5	17.8	-19.5	-2.2	58.1	43.8	19.0	-18.0	1.0	26.0	13.3	16.8	-17.5	-1.1	26.5	14.4	15.5	-16.4	-1.0
Märjamaa Rural Municipality Government	38.5	27.9	17.4	-18.1	-1.4	38.7	29.3	15.6	-16.2	-1.3	24.2	13.9	15.5	-16.1	-0.9	23.9	14.8	13.9	-15.2	-1.4
Rapla Rural Municipality Government	61.0	44.4	31.6	-31.9	-0.8	53.7	45.2	26.8	-27.1	-0.6	49.3	34.0	30.2	-30.5	-0.6	42.4	34.6	25.5	-25.7	-0.3
Saare County	196.7	149.9	108.6	-108.4	-0.6	191.1	150.6	103.9	-99.1	4.3	139.7	103.1	74.2	-73.8	-0.2	134.3	103.3	70.1	-67.5	2.2
Muhu Rural Municipality Government	7.2	6.4	4.3	-4.2	0.1	7.1	6.3	4.0	-3.6	0.3	7.2	6.4	4.3	-4.2	0.1	7.1	6.3	4.0	-3.6	0.3
Ruhnu Rural Municipality Government	2.2	2.1	0.8	-0.7	0.2	2.0	2.0	0.9	-0.6	0.3	2.1	2.0	0.8	-0.7	0.2	1.9	1.8	0.9	-0.6	0.3
Saaremaa Rural Municipality Government	187.3	141.4	103.5	-103.5	-0.9	182.0	142.3	99.0	-94.9	3.7	130.4	94.7	69.1	-68.9	-0.5	125.3	95.2	65.2	-63.3	1.6
Tartu County	669.4	404.9	412.3	-428.1	-20.7	629.6	424.7	360.3	-360.2	-1.4	545.3	293.1	379.0	-399.2	-24.6	508.4	316.5	334.3	-333.6	-0.3

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Elva Rural Municipality Government	55.2	36.5	33.2	-35.4	-2.2	54.8	39.0	30.5	-31.0	-0.6	30.6	12.9	30.2	-32.4	-1.5	29.1	14.5	27.7	-27.6	0.1
Kambja Rural Municipal Government	35.6	26.9	31.1	-30.9	0.2	31.9	26.7	27.4	-25.0	2.3	33.8	25.2	30.0	-29.8	0.1	30.2	25.1	26.5	-24.2	2.3
Kastre Rural Municipality Government	24.7	16.9	14.9	-14.8	0.0	22.6	16.7	12.6	-12.5	0.0	20.4	12.6	13.9	-13.7	0.0	18.4	12.6	11.7	-11.6	0.0
Luunja Rural Municipality Government	22.2	11.4	12.8	-13.4	-0.9	21.0	12.3	11.5	-10.4	1.0	18.1	7.3	12.3	-13.4	-1.4	17.4	8.8	11.2	-10.5	0.7
Nõo Rural Municipality Government	21.4	15.6	9.6	-10.2	-0.7	20.8	16.4	8.7	-8.5	0.2	17.1	11.4	9.0	-9.7	-0.8	16.6	12.1	8.3	-8.0	0.2
Peipsiääre Rural Municipality Government	19.0	12.9	11.9	-12.7	-0.9	19.8	13.8	11.3	-11.4	-0.2	15.6	9.7	10.4	-11.1	-0.9	16.4	10.6	10.0	-10.2	-0.2
Tartu City Government	440.0	256.6	267.1	-279.2	-15.8	410.8	271.3	230.8	-235.2	-5.2	373.3	200.6	242.3	-259.1	-20.4	348.1	219.8	212.8	-216.5	-4.4
Tartu Rural Municipality Government	51.3	28.1	31.7	-31.5	-0.4	47.9	28.5	27.5	-26.2	1.1	36.4	13.4	30.9	-30.0	0.3	32.2	13.0	26.1	-25.0	1.0
Viljandi County	184.8	126.3	104.2	-106.0	-3.4	180.1	129.8	93.0	-94.9	-2.5	152.3	96.4	96.7	-98.0	-2.9	137.4	99.2	86.6	-87.3	-1.1
Mulgi Rural Municipality Government	26.1	17.0	16.9	-16.9	-0.3	25.6	17.3	15.2	-15.5	-0.5	21.3	12.8	14.9	-14.9	-0.3	20.8	13.1	13.5	-13.8	-0.3
Põhja-Sakala Rural Municipality Government	43.0	32.7	20.5	-20.0	0.2	43.9	32.5	18.4	-18.9	-0.7	31.0	21.9	18.2	-17.4	0.5	21.6	21.4	16.4	-16.3	0.0
Viljandi Town Government	66.2	42.4	39.6	-40.5	-1.5	62.5	43.9	33.3	-35.0	-1.9	57.7	34.1	37.1	-37.9	-1.4	54.0	35.5	31.1	-32.5	-1.6

	Consolidated report										Unconsolidated report									
	31/12/2023		2023			31/12/2022		2022			31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Viljandi Rural Municipality Government	49.5	34.2	27.2	-28.6	-1.8	48.1	36.1	26.1	-25.5	0.6	42.3	27.6	26.5	-27.8	-1.7	41.0	29.2	25.6	-24.7	0.8
Valga County	122.0	96.0	62.3	-61.9	0.8	123.4	95.6	57.4	-56.3	0.4	76.1	54.4	56.0	-55.6	-0.1	76.5	54.5	50.2	-49.6	0.4
Otepää Rural Municipality Government	20.2	16.2	15.2	-16.3	-0.8	24.4	17.4	15.0	-15.1	-0.6	15.9	13.1	13.9	-13.8	0.0	16.4	13.1	12.2	-13.1	-0.9
Tõrva Rural Municipality Government	28.9	20.9	13.6	-13.3	0.1	26.8	20.8	12.2	-12.5	-0.4	12.5	6.5	11.6	-12.7	-1.2	13.0	7.7	10.7	-11.1	-0.4
Valga Rural Municipality Government	72.9	58.9	33.5	-32.3	1.5	72.2	57.4	30.2	-28.7	1.4	47.7	34.8	30.5	-29.1	1.1	47.1	33.7	27.3	-25.4	1.7
Võru County	196.0	146.3	87.2	-82.5	3.5	185.0	142.3	76.2	-75.5	0.2	131.2	88.2	80.6	-75.7	3.9	121.1	84.0	68.7	-73.1	-4.6
Antsla Rural Municipality Government	18.5	14.1	9.1	-8.5	0.5	16.8	13.6	7.6	-7.3	0.4	16.4	12.0	9.1	-8.5	0.5	14.7	11.5	7.6	-7.3	0.3
Rõuge Rural Municipality Government	25.8	16.5	11.6	-11.9	-0.6	24.4	16.7	10.6	-11.6	-0.8	24.9	15.7	10.8	-11.2	-0.7	23.7	16.0	9.9	-11.1	-1.2
Setomaa Rural Municipality Government	11.4	7.4	7.7	-8.1	-0.6	12.3	8.0	8.8	-9.2	-0.5	11.0	7.1	7.3	-7.9	-0.7	12.2	7.8	8.6	-8.9	-0.3
Võru Town Government	96.6	69.1	31.8	-30.7	0.6	91.4	68.3	29.0	-26.5	0.5	42.3	21.2	27.5	-26.0	1.0	37.7	20.2	23.4	-26.4	-3.2
Võru Rural Municipality Government	43.7	39.2	27.0	-23.3	3.6	40.1	35.7	20.2	-20.9	0.6	36.6	32.2	25.9	-22.1	3.8	32.8	28.5	19.2	-19.4	-0.2

B. Holdings in foundations and non-profit associations

In the consolidated annual report, the following foundations and non-profit associations have been consolidated line-by-line with a holding rate of 100%:

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total foundations and non-profit associations	452.9	351.3	499.9	-471.1	27.6	416.1	326.1	429.0	-416.6	11.6
Foundations and non-profit associations included in the general government sector	442.9	344.9	482.8	-454.1	27.6	398.9	312.9	410.7	-398.4	11.6
SA Ida-Viru Keskhaigla	72.3	53.3	73.5	-71.8	1.4	69.4	51.9	65.5	-64.7	0.8
SA Pärnu Haigla	51.2	34.4	77.7	-72.2	5.4	43.4	29.0	64.3	-64.5	-0.2
SA Tallinna Lastehaigla	29.5	23.7	46.9	-43.8	3.2	24.8	20.5	40.1	-38.7	1.4
Narva Haigla SA	19.2	15.2	34.9	-33.8	1.1	16.9	13.4	30.1	-31.8	-1.7
Kiili Varahalduse SA	17.5	15.8	6.7	-3.2	3.5	13.7	12.3	2.6	-2.7	-0.1
SA Tallinna Kultuurikatel	17.3	16.8	1.6	-2.0	-0.4	17.7	17.2	1.6	-1.9	-0.4
Veskimõldre Haridusmaja SA	15.4	13.6	4.7	-0.7	4.0	10.3	9.6	3.7	-0.6	3.2
Kuressaare Haigla SA	15.2	12.1	21.9	-21.4	0.5	14.5	11.7	20.6	-19.1	1.4
Raadi SA	10.7	7.1	0.8	-1.1	-0.5	11.9	7.6	1.2	-1.1	0.1
SA Tallinna Haigla Arendus	9.2	5.2	5.2	-3.3	1.9	3.7	3.2	4.4	-1.2	3.2
SA Elva Kultuur	8.8	5.4	1.1	-1.3	-0.4	9.8	5.7	1.0	-1.4	-0.5
MTÜ Põhja-Eesti Ühistranspordikeskus	8.7	4.5	38.5	-38.3	0.2	7.9	4.3	33.4	-33.0	0.4
SA Ida-Viru Investeeringute Agentuur	8.6	8.6	1.0	-1.1	-0.1	9.2	8.7	1.0	-0.9	0.1
SA Hiiumaa Sadamad	6.9	6.7	1.0	-0.7	0.4	7.5	6.4	1.9	-0.7	1.2
MTÜ Rakvere Haigla	6.4	6.4	0.0	0.0	0.0	6.3	6.3	0.0	0.0	0.0
SA Paide Spordikeskus	5.4	3.4	0.5	-0.7	-0.2	5.9	3.6	0.7	-0.6	0.1
SA Märjamaa Valla Spordikeskus	4.8	4.7	0.4	-0.6	-0.2	5.1	4.9	1.2	-0.5	0.7
MTÜ Pärnumaa Ühistranspordikeskus	4.5	2.8	15.1	-15.1	0.0	4.8	2.8	14.2	-14.4	-0.2
SA Põltsamaa Tervis	4.4	2.3	2.5	-2.3	0.1	4.4	2.1	2.1	-1.8	0.3
Lääne-Saare Kultuurivara SA	4.3	4.2	0.1	-0.3	-0.2	4.4	4.4	0.1	-0.3	-0.1
SA Eesti Kaevandusmuuseum	4.1	4.0	0.4	-0.6	-0.2	4.3	4.2	1.0	-0.6	0.4
SA Tallinna Lauulväljak	4.0	3.7	1.8	-1.4	0.3	0.0	0.0	0.0	0.0	0.0
SA Võru Spordikeskus	3.5	2.6	0.8	-0.7	0.1	3.6	2.5	0.8	-0.7	0.1
SA Perekodu	3.5	3.1	2.5	-2.5	0.0	3.4	3.0	1.9	-2.1	-0.2
Luunja Varahalduse SA	3.1	3.0	1.2	-0.9	0.2	3.1	2.8	1.0	-0.7	0.3
Tallinna Ettevõtlusinkubaatorid SA	3.1	2.9	1.3	-1.3	0.1	3.0	2.8	1.3	-1.2	0.1
MTÜ Mulgi Elamuskeskus	3.1	2.5	0.6	-0.4	0.2	2.9	2.3	1.1	-0.1	1.0
SA Paide Haldus	3.0	3.0	1.2	-1.5	-0.3	3.4	3.3	1.2	-1.4	-0.2
MTÜ Võrumaa Omavalitsuste Liit	3.0	2.9	0.2	-0.2	0.0	3.0	2.9	0.1	-0.1	0.0
SA Narva-Jõesuu Hooldekodu	2.9	2.5	2.6	-2.6	0.0	2.8	2.5	1.9	-2.3	-0.4
SA Tallinna Tehnika- ja Teaduskeskus	2.7	2.6	0.6	-0.6	0.0	2.6	2.6	0.4	-0.4	0.0
SA Anija Mõisa Haldus	2.6	2.5	0.4	-0.5	0.0	2.6	2.6	0.3	-0.4	-1.0
SA Tartu Eluasemefond	2.5	2.1	0.2	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
SA Tartu 2024	2.3	2.1	5.0	-3.9	1.1	1.0	1.0	3.1	-2.7	0.3
SA Alutaguse Hoolekeskus	2.2	2.0	1.8	-1.7	0.1	2.1	1.9	1.4	-1.4	0.0
SA Ajakeskus Wittenstein	2.1	2.0	0.7	-0.9	-0.1	2.4	2.2	1.0	-0.8	0.2
MTÜ Lõuna-Eesti Erihooldusteenuste Keskus	2.1	1.1	2.0	-1.8	0.1	2.1	0.9	1.8	-1.8	0.0
SA Anija Valla Spordimaailm	2.0	1.9	0.5	-0.7	-0.1	2.1	2.1	0.5	-0.6	-0.1
MTÜ Ida-Viru Ühistranspordikeskus	2.0	0.0	9.3	-7.7	1.5	0.6	-1.5	6.8	-6.8	0.0

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Muhu Hooldekeskuse SA	1.9	1.8	0.7	-0.7	0.0	1.9	1.8	0.6	-0.6	0.0
SA Hiiu Maakonna Hooldekeskus Tohvri	1.9	1.8	2.9	-1.2	1.7	0.2	0.1	0.9	-0.9	-0.1
SA Rapla Spordirajatised	1.8	1.7	0.4	-0.5	0.0	1.8	1.8	0.4	-0.4	0.0
SA Lõhavere Ravi- ja Hooldekeskus	1.8	1.7	1.3	-1.3	0.1	1.7	1.7	1.1	-1.2	-0.1
SA Saadjärve	1.7	1.6	0.5	-0.6	-0.1	1.8	1.7	0.4	-0.6	-0.1
Harjumaa Omavalitsuste Liit	1.6	1.5	1.5	-1.2	0.3	1.3	1.2	1.2	-1.1	0.0
SA Sillamäe Haigla	1.6	1.4	1.8	-1.5	0.2	1.3	1.1	1.2	-1.2	-0.1
SA Mustvee Tervis	1.6	1.0	0.9	-1.0	-0.1	1.2	1.0	0.8	-0.8	0.0
MTÜ Kuressaare Campus	1.5	1.5	0.1	-0.2	-0.1	1.6	1.6	0.1	-0.2	-0.1
SA Narva Linna Arendus	1.5	1.0	0.7	-0.8	0	1.1	1.1	0.9	-0.7	0.2
SA Mäetaguse Arengufond	1.4	1.4	0.0	0.0	0.0	1.5	1.5	0.0	0.0	0.1
Vastseliina Piiskopilinnuse SA	1.4	1.4	0.4	-0.4	0.0	1.4	1.4	0.3	-0.4	-0.1
SA Otepää Tervisekeskus	1.4	1.1	1.6	-1.6	0.0	1.3	1.1	1.4	-1.4	0.0
SA Luunja Jõesadam	1.4	1.4	0.5	-0.2	0.3	1.3	1.1	0.2	-0.2	0.0
MTÜ Pärnumaa Omavalitsuste Liit	1.4	1.3	2.2	-1.2	1.0	0.9	0.3	1.1	-1.1	0.1
Pannjärve Tervisespordikeskuse SA	1.4	1.0	0.9	-0.5	0.4	0.8	0.7	0.4	-0.4	0.0
MTÜ Ida-Virumaa Omavalitsuste Liit	1.4	0.2	0.6	-0.7	0.0	0.4	0.2	0.7	-0.7	0.0
SA Lääneranna Hoolekanne	1.3	0.6	0.7	-0.7	-0.1	1.4	0.7	0.9	-0.6	0.3
SA Võru Kannel	1.3	1.3	1.0	-1.0	0.0	1.3	1.3	1.7	-0.8	0.9
SA Kalevipoja Koda	1.2	1.1	0.1	-0.3	-0.1	1.3	1.3	0.1	-0.3	-0.1
SA Põltsamaa Sport	1.2	1.1	0.6	-0.6	-0.1	1.2	1.2	0.5	-0.6	-0.1
SA Taheva Sanatoorium	1.2	1.1	1.3	-1.2	0.1	1.2	1.0	1.2	-1.1	0.0
SA Valgehobusemäe Suusa- ja Puhkekeskus	1.2	1.0	0.6	-0.5	0.0	1.1	1.0	0.5	-0.4	0.1
SA Holstre-Polli Spordikeskus	1.1	0.9	0.4	-0.4	0.0	0.9	0.9	0.1	0.0	0.1
MTÜ Kagu Ühistranspordikeskus	1.1	0.1	7.6	-7.6	0.0	0.6	0.0	5.9	-5.9	0.0
SA Põhja-Läänemaa Turismi- ja Spordiobjektide Halduskeskus	1.1	0.9	0.7	-0.1	0.6	0.4	0.3	0.2	-0.1	0.0
Kuressaare Hambapolikliinik SA	1.0	0.8	1.6	-1.8	-0.2	0.0	0.0	0.0	0.0	0.0
SA Tartu Vaimse Tervise Hooldekeskus	1.0	0.8	2.5	-2.4	0.0	1.0	0.8	2.1	-2.2	-0.1
SA Hooldekodu Härmalõng	1.0	0.9	1.2	-1.2	0.0	1.0	0.9	0.9	-1.0	-0.1
SA Peipsiveere Hooldusravikeskus	1.0	0.8	1.4	-1.4	0.0	1.0	0.9	1.2	-1.1	0.1
Jõhvi Hooldekeskus SA	1.0	0.8	1.1	-1.0	0.1	0.9	0.8	0.7	-0.8	0.0
SA Kuressaare Teater	0.9	0.8	0.7	-0.8	-0.1	1.0	0.9	0.6	-0.6	0.0
Kuremaa Elamuskeskus SA	0.9	0.8	0.7	-0.6	0.1	0.6	0.6	0.2	-0.2	0.0
SA Harju Ettevõtlus- ja Arenduskeskus	0.9	0.4	1.2	-1.2	0.0	0.6	0.4	0.9	-0.9	0.1
MTÜ Jõgevamaa Ühistranspordikeskus	0.9	0.0	3.1	-3.1	0.0	0.3	0.0	2.2	-2.2	0.0
MTÜ Lääne-Viru Omavalitsuste Liit	0.9	0.8	1.6	-1.1	0.6	0.2	0.2	0.8	-0.8	0.1
MTÜ Tartumaa Jäätmearendus	0.8	0.8	0.0	-0.1	-0.1	0.9	0.9	0.0	-0.1	-0.1
MTÜ Eesti Linnade ja Valdade Liit	0.7	0.6	1.6	-2.2	-0.6	1.3	1.1	1.7	-1.5	0.2
SA Ida-Viru Ettevõtluskeskus	0.7	0.1	2.4	-2.4	0.0	0.9	0.1	1.8	-1.9	0.0
MTÜ Järvamaa Ühistranspordi Keskus	0.7	0.5	2.4	-2.4	0.0	0.8	0.5	2.4	-2.4	0.0
SA Kilingi-Nõmme Tervise- ja Hoolduskeskus	0.7	0.6	1.3	-1.1	0.2	0.5	0.4	1.0	-0.9	0.1
SA Uderna Hooldekodu	0.7	0.5	0.7	-0.6	0.1	0.4	0.4	0.6	-0.5	0.0
SA Hiiumaa Arenduskeskus	0.6	0.4	1.1	-1.1	0.0	0.6	0.4	0.8	-0.8	0.0
Tartumaa Ühistranspordikeskus MTÜ	0.6	0.0	7.8	-7.8	-0.1	0.5	0.1	6.3	-6.3	0.0

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
SA Tartu Kultuurkapital	0.6	0.4	0.2	-0.3	-0.1	0.7	0.5	0.3	-0.3	0.0
SA Aarike Hooldekeskus	0.5	0.5	1.0	-1.0	0.0	0.5	0.4	0.7	-0.7	0.0
SA Sõmerpalu Hooldekodu	0.5	0.5	0.6	-0.5	0.0	0.5	0.5	0.4	-0.4	0.0
SA Valgamaa Arenguagentuur	0.5	0.4	0.9	-0.8	0.0	0.5	0.4	0.9	-0.9	0.0
Tõstamaa Mõis SA	0.5	0.4	0.1	-0.1	0.0	0.4	0.4	0.0	0.0	0.0
SA Iisaku Kihelkonna Muuseum	0.5	0.4	0.2	-0.1	0.0	0.4	0.4	0.2	-0.1	0.0
SA Kiviõli Tervisekeskus	0.5	0.3	1.5	-1.5	0.0	0.4	0.3	1.1	-1.1	0.0
SA Rannarahva Muuseum	0.5	0.4	0.7	-0.6	0.1	0.4	0.4	0.5	-0.5	0.0
SA Järvamaa	0.5	0.4	1.4	-1.0	0.4	0.1	0.0	0.7	-0.7	0.0
SA Rápina Inkubatsioonikeskus	0.5	0.5	0.7	-0.2	0.5	0.0	0.0	0.2	-0.2	0.0
SA A.H.Tammsaare Muuseum Vargamäel	0.4	0.4	0.2	-0.2	0.0	0.5	0.4	0.2	-0.2	0.0
Narva Linnaelamu SA	0.4	0.2	1.4	-1.4	0.0	0.4	0.2	1.8	-1.9	-0.1
SA Pärnumaa Arenduskeskus	0.4	0.2	1.0	-0.9	0.0	0.3	0.2	0.8	-0.8	0.0
MTÜ Virumaa Laste ja Perede Tugikeskus	0.4	0.3	0.7	-0.6	0.1	0.3	0.2	0.7	-0.6	0.0
SA Abja Haigla	0.4	0.2	1.3	-1.2	0.0	0.3	0.1	1.1	-1.1	0.0
SA Mooste Mõis	0.4	0.4	0.2	-0.2	0.1	0.3	0.3	0.3	-0.2	0.1
Hooldekodu Saaremaa Valss SA	0.4	0.3	1.7	-1.5	0.2	0.2	0.1	1.3	-1.2	0.1
SA Illuka Arengufond	0.3	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0
MTÜ Valguskaabel	0.3	0.3	0.0	-0.1	-0.1	0.4	0.4	0.0	-0.1	0.0
MTÜ Setomaa Liit	0.3	0.2	0.4	-0.4	0.0	0.3	0.2	0.3	-0.3	0.0
SA Nõo Hooldekodu	0.3	0.2	0.6	-0.6	0.0	0.3	0.2	0.5	-0.5	0.0
SA Tartu Loomemajanduskeskus	0.3	0.1	1.0	-1.0	0.0	0.3	0.1	0.8	-0.8	0.0
Vaivara Kalmistud SA	0.3	0.3	0.5	-0.5	0.0	0.3	0.3	0.5	-0.5	0.0
SA Tartu Keskkonnahariduse Keskus	0.3	0.2	1.1	-1.1	0.0	0.3	0.2	0.9	-0.9	0.0
Valgamaa Ühistranspordikeskus MTÜ	0.3	0.0	3.0	-3.0	0.0	0.3	0.0	2.5	-2.5	0.0
SA Haanjamaa Sport	0.3	0.2	0.2	-0.2	0.0	0.3	0.2	0.4	-0.2	0.2
SA Tartumaa Turism	0.3	0.2	1.0	-0.9	0.1	0.2	0.1	0.5	-0.5	0.0
SA Elva Teenused	0.3	0.0	2.3	-2.2	0.1	0.2	-0.1	1.8	-1.8	0.0
SA Kultuuri- ja hariduskeskus Viimsi Artium	0.3	0.2	1.9	-1.8	0.1	0.2	0.0	1.4	-1.4	0.0
SA Valga Isamaalise Kasvatuse Püsiekspositsioon	0.3	0.3	0.4	-0.3	0.1	0.2	0.1	0.4	-0.3	0.1
SA Viljandimaa Arenduskeskus	0.3	0.0	0.8	-0.8	0.0	0.0	0.0	0.5	-0.5	0.0
MTÜ Maakondlikud Arenduskeskused	0.2	0.2	2.2	-2.7	-0.5	1.0	0.7	3.0	-2.8	0.2
SA Tartu Perekodu Käopesa	0.2	0.1	1.1	-1.2	0.0	0.4	0.1	1.0	-1.2	-0.2
MTÜ Viljandimaa Ühistranspordikeskus	0.2	0.0	4.2	-4.2	0.0	0.3	0.0	3.7	-3.7	0.0
SA Tartu Ärinoandla	0.2	0.1	0.5	-0.6	0.0	0.2	0.2	0.6	-0.6	-0.1
Võrumaa Arenduskeskus SA	0.2	0.1	1.5	-1.4	0.1	0.2	0.0	1.4	-1.5	0.0
Huvitegevuse ja Noorsootöö SA	0.2	0.1	1.0	-1.0	0.0	0.2	0.1	0.8	-0.8	0.0
MTÜ Antsla Tervisekeskus	0.2	0.1	0.6	-0.6	0.0	0.2	0.2	0.5	-0.5	0.0
SA Läänemaa	0.2	0.1	0.8	-0.8	0.0	0.2	0.1	0.5	-0.6	0.0
Türi Arengu SA	0.2	0.2	0.4	-0.4	0.0	0.2	0.2	0.3	-0.4	0.0
SA Tõstamaa Hooldekodu	0.2	0.2	0.7	-0.6	0.0	0.2	0.1	0.6	-0.5	0.1
MTÜ Raplamaa Omavalitsuste Liit	0.2	0.1	0.5	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
SA Rõngu Hooldekodu	0.2	0.1	1.0	-0.9	0.1	0.1	0.1	0.8	-0.8	0.0

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Vaivara Sinimägede SA	0.2	0.1	0.3	-0.2	0.1	0.1	0.1	0.1	-0.1	0.0
MTÜ Tartumaa Omavalitsuste Liit	0.1	0.0	0.7	-0.8	-0.1	0.1	0.1	0.6	-0.7	0.0
MTÜ Viljandimaa Omavalitsuste Liit	0.1	0.1	0.5	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
SA Veriora Noortekas	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
Pakri Saarte Arenduse SA	0.1	-0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
MTÜ Mulgi Kultuuri Instituut	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
Põlvamaa Arenduskeskus SA	0.1	0.1	0.8	-0.8	0.0	0.1	0.1	0.7	-0.7	0.0
SA Eesti Piimandusmuuseum	0.1	0.1	0.3	-0.3	0.0	0.1	0.1	0.2	-0.3	0.0
SA Juuru ja Hageri Kihelkonna Muuseum	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
SA Jõgevamaa Arendus- ja Ettevõtluskeskus	0.1	0.0	0.7	-0.7	0.0	0.1	0.0	0.6	-0.6	0.0
SA Põlva Sport	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
SA RAEK	0.1	0.0	0.5	-0.5	0.0	0.1	0.0	0.5	-0.5	0.0
SA Rõuge Jäähall	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
SA Saare Arenduskeskus	0.1	0.1	0.5	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
Ääsmäe Kultuuri- ja Spordi SA	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	0.0	0.0
MTÜ Eesti Jäätmehoolduskeskus	0.1	0.0	0.6	-0.7	0.0	0.1	0.0	0.2	-0.2	0.0
SA Õpilasmalev	0.1	0.1	0.8	-0.8	0.0	0.0	0.0	0.8	-0.8	0.0
SA Kadrina Spordikeskus	0.1	0.0	0.4	-0.4	0.0	0.1	0.0	0.3	-0.3	0.0
Other entities with total assets of less than 0.1 million euros (45 entities)	0.0	0.0	5.1	-5.5	-0.5	3.9	3.1	7.5	-7.8	-0.3
Non-government foundations	10.0	6.4	17.1	-17.0	0.0	17.2	13.2	18.3	-18.2	0.0
SA Tallinna Hambapolikliinik	6.0	3.8	12.5	-12.5	0.0	5.7	4.0	11.1	-10.8	0.3
MTÜ Lääne-Viru Jäätmekeskus	1.8	0.7	2.4	-2.3	0.1	1.6	0.6	2.2	-2.5	-0.3
SA Kõue Varahaldus	1.4	1.3	0.4	-0.4	-0.1	1.5	1.4	0.4	-0.4	-0.1
MTÜ Võru Jäätmekeskus	0.5	0.4	1.1	-1.0	0	0.5	0.4	0.8	-0.8	0
MTÜ Raplamaa Jäätmekäitluskeskus	0.2	0.1	0.4	-0.4	0.0	0.2	0.2	0.3	-0.3	0.0
SA Piusa	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
SA Tallinna Lauluväljak	0.0	0.0	0.0	0.0	0.0	3.9	3.4	1.5	-1.4	0.1
SA Tartu Eluasemefond	0.0	0.0	0.0	0.0	0.0	2.5	2.1	0.2	-0.1	0.0
Kuressaare Hambapolikliinik SA	0.0	0.0	0.0	0.0	0.0	1.1	1.0	1.5	-1.6	0.0
SA Alatskivi Loss	0.0	0.0	0.1	-0.2	0.0	0.1	0.0	0.1	-0.1	0.0
SA Keila Leht	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.1	-0.1	0.0

Government entities grouped together under the same item: Haiba Lastekodu SA, MTÜ Eesti Terviseke Omavalitsuste Võrgustik, MTÜ Järvamaa Omavalitsuste Liit, MTÜ Läänemaa Omavalitsuste Liit, MTÜ Põlvamaa Omavalitsuste Liit, MTÜ Rakvere Noorte Sport, MTÜ Roheline Paik, MTÜ Saarte Geopark, MTÜ Súdamaa Vabavald, MTÜ Valgamaa Omavalitsuste Liit, MTÜ Võru Noortekeskus, MTÜ Väikesaarte Liit, SA Alatskivi Tervisekeskus, SA Alutagusemaa, SA Elva Laste- ja Perekeskus, SA Haapsalu Hoolekandekeskus, SA Holstre-Polli Vabaajakeskus, SA Jõhvi Lennuväli, SA Kallaste Arendus, SA Kesk-Eesti Õppe- ja Kompetentsikeskus, SA Kukruse Polaarmõis, SA Lokska Kultuur, SA Maardu Teenused, SA Narva Sadam, SA Narva-Jõesuu Sadam, SA Padise Klooster, SA Raplamaa Omavalitsuste Arengufond, SA Rõuge Energiakeskus, SA Rõuge Sport, SA Rõuge Valla Turism, SA Rápina Kultuurkapital, SA Rápina Sadamad ja Puhkealad, SA Sõmerpalu Teenuskeskus, SA Turvaline Saaremaa, SA Tõrva Haigla, SA Vara Sport, SA Võru Pensionäride Päevakeskus, SA Võsu Kuurort, SA Ülenurme Areng, Tallinna Vee-ettevõtjate Järelevalve SA, Tallinna Vene Lütseum SA, Tilsa Perekodu SA, Vääna Mõisakooli SA.

C. Subsidiaries

The following companies are consolidated line-by-line in the consolidated report:

	31/12/2023	31/12/2023		2023			31/12/2022		2022		
	Share of holdings (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Total subsidiaries		1,907.1	1,577.4	707.8	-670.2	30.5	1,910.5	1,559.4	681.8	-626.5	53.0
Government subsidiaries		732.7	570.4	515.5	-480.3	32.9	562.1	394.4	476.0	-418.5	57.8
Tallinna Linnatranspordi AS	100	267.1	196.0	136.4	-116.8	18.2	259.7	177.9	170.6	-123.3	46.7
Lääne-Tallinna Keskaigla AS	100	84.4	69.2	116.9	-108.0	9.1	72.7	60.1	95.7	-90.0	5.8
Ida-Tallinna Keskaigla AS	100	69.5	37.7	164.5	-156.7	7.4	67.7	30.3	143.1	-141.4	1.6
OÜ Strantum	100	63.6	58.0	7.5	-8.0	-0.6	0.0	0.0	0.0	0.0	0.0
AS Lahevesi	100	37.2	35.8	3.9	-3.2	0.7	0.0	0.0	0.0	0.0	0.0
Viimsi Haldus OÜ	100	33.1	17.8	5.4	-5.5	-0.4	35.0	17.2	4.8	-4.3	0.2
AS Matsalu Veevärk	100	27.1	26.2	1.2	-2.5	-1.3	28.5	27.5	0.9	-2.3	-1.4
OÜ Tapa Vesi	100	16.1	15.7	1.2	-1.7	-0.5	0.0	0.0	0.0	0.0	0.0
Põltsamaa Vallavara OÜ	100	14.8	11.4	1.8	-1.1	0.5	15.1	10.9	4.1	-1.1	4.5
AS Rakvere Haigla	100	14.6	11.6	20.6	-20.8	-0.3	14.7	11.8	19.2	-18.3	0.9
AS Põhja-Sakala Haldus	100	10.4	10.1	2.1	-2.4	-0.4	7.5	7.1	1.2	-1.6	-0.4
Alutaguse Haldus OÜ	100	9.6	9.2	1.8	-2.1	-0.3	10.1	9.5	1.9	-2.1	-0.3
Laagri Haridus- ja Spordikeskus OÜ	100	9.3	7.5	6.5	-6.6	-0.1	9.8	7.6	5.8	-5.5	0.2
Järvamaa Haigla AS	100	8.8	5.8	13.4	-13.1	0.3	8.6	5.4	11.0	-10.6	0.4
OÜ Saarde Kommunaal	100	8.0	7.9	0.8	-1.1	-0.2	0.0	0.0	0.0	0.0	0.0
AS Narva-Jõesuu Kommunaal	100	5.8	5.5	1.5	-1.8	-0.3	6.0	5.8	1.5	-1.8	-0.3
OÜ Kroodi Vesi	100	5.2	5.2	0.2	-0.5	-0.3	0.0	0.0	0.0	0.0	0.0
Haapsalu Linnahooldus OÜ	100	4.1	3.6	1.3	-1.2	0.1	4.1	3.5	1.2	-1.2	-0.1
OÜ Saue Spordirajatised	100	3.7	3.7	0.4	-0.6	-0.1	3.9	3.8	0.4	-0.5	-0.1
Tõrva Tervisekeskus OÜ	100	3.2	1.9	2.1	-0.9	1.2	0.7	0.7	0.2	-0.2	0.0
OÜ Keila Tervisekeskus	100	3.1	2.5	1.2	-1.4	-0.2	0.0	0.0	0.0	0.0	0.0
AS Maardu Elamu	100	3.0	2.8	2.1	-2.0	0.2	0.0	0.0	0.0	0.0	0.0
OÜ Rõuge Kommunaalteenus	100	2.9	2.7	0.7	-0.5	0.2	0.0	0.0	0.0	0.0	0.0
OÜ Mulgi Vallahaldus	100	2.7	2.4	0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
OÜ OSK Grupp	100	2.6	2.2	1.8	-2.0	-0.1	0.0	0.0	0.0	0.0	0.0
OÜ Setomaa Haldus	100	2.6	2.4	0.7	-0.5	0.2	2.3	2.3	0.6	-0.7	-0.1
Räpina Haigla AS (group)	100	2.4	2.3	2.0	-1.9	0.1	2.3	2.2	1.7	-1.8	-0.1
Taristuhaldus OÜ	100	2.0	2.0	0.3	-0.4	-0.1	2.1	2.1	0.3	-0.4	-0.1
Tartu Valla Kommunaal OÜ	100	1.8	1.4	2.1	-2.3	-0.2	2.1	1.7	2.8	-2.6	0.1
Maali Üürimaja OÜ	51	1.7	0.2	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0
OÜ Oru Kultuurisaal	100	1.6	1.6	0.1	-0.1	0.0	1.5	1.5	0.1	-0.1	0.0
Mustvee Haldus OÜ	100	1.3	1.1	0.7	-0.5	0.2	0.9	0.8	0.5	-0.5	0.0
OÜ Tallinna Perearstikeskus	100	1.2	0.9	3.0	-2.7	0.3	0.0	0.0	0.0	0.0	0.0
Rannapere Pansionaat AS	100	1.1	0.9	1.4	-1.4	0.1	1.0	0.8	1.3	-1.2	0.1
Karjaküla Sotsiaalkeskus OÜ	100	1.0	0.9	0.8	-0.7	0.0	0.9	0.8	0.6	-0.6	0.0
Valtu Spordimaja OÜ	100	0.8	0.8	0.4	-0.4	-0.1	0.8	0.7	0.4	-0.4	0.0

	31/12/2023	31/12/2023		2023			31/12/2022		2022		
	Share of holdings (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
OÜ Lääne-Nigula Hooldekodud	100	0.8	0.2	0.0	0.0	0.0	0.9	0.2	0.2	0.0	0.2
Kadrina Kommunaal OÜ	100	0.7	0.7	0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Kuremaa Enveko OÜ	100	0.7	0.5	0.9	-1.0	-0.1	0.8	0.5	1.3	-1.4	0.0
Märjamaa Haigla AS	100	0.6	0.4	1.5	-1.4	0.0	0.5	0.4	1.2	-1.2	0.0
Ülenurme Teed OÜ	100	0.5	0.3	1.1	-1.1	0.0	0.0	0.0	0.0	0.0	0.0
Jõgeva Sotsiaalkeskus Elukaar OÜ	100	0.5	0.4	0.9	-0.9	0.0	0.5	0.4	0.8	-0.8	0.0
OÜ Vigala Hooldekodu	100	0.5	0.5	0.5	-0.4	0.1	0.5	0.4	0.4	-0.4	0.0
Olme OÜ	100	0.4	0.2	0.7	-0.7	0.0	0.0	0.0	0.0	0.0	0.0
Väike-Maarja Tervisekeskus OÜ	100	0.2	0.1	0.5	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Elva Varahalduse OÜ	100	0.2	0.2	0.8	-0.8	0.0	0.3	0.1	0.8	-0.8	0.0
OÜ Otepää Kommunaal	100	0.2	0.0	0.4	-0.4	0.0	0.1	0.0	0.2	-0.4	-0.2
Urvaste Valla Veevärk OÜ	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vastseliina Hambaravi OÜ	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tallinna Linnahalli AS	100	0.0	0.0	0.0	-0.3	-0.3	0.5	0.4	1.0	-0.7	0.3
Kadrina Hooldekodu OÜ	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	-0.1	0.0
Luunja Sport OÜ	100	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.1	-0.1	0.0
Digisaar OÜ	100	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.1
Total non-government subsidiaries		1,174.4	1,007.0	192.3	-189.9	-2.4	1,348.4	1,165.0	205.8	-208.0	-4.8
AS Tartu Veevärk	100	107.2	66.9	15.6	-12.6	2.9	104.3	64.0	13.3	-12.6	0.7
Järve Biopuhastus OÜ (group)	100	81.5	68.7	9.1	-10.6	-2.0	82.6	70.7	7.5	-9.7	-2.4
AS Emajõe Veevärk	100	57.5	55.4	7	-5.7	1.3	55.6	52.8	5.3	-5.1	0.2
Pärnu Vesi AS	100	57.4	53.5	7.9	-7.8	0.0	57.8	53.4	6.2	-6.9	-0.7
Narva Vesi AS	100	53.0	51.5	5.2	-7.1	-1.9	55.8	53.4	4.4	-7.5	-3.1
Võru Vesi AS	100	47.8	42.2	3.6	-3.9	-0.5	46.5	41.9	5.1	-3.6	1.5
Saku Maja AS	100	47.4	42.6	5.2	-6.2	-1.1	48.1	43.7	5.9	-5.6	0.2
Viimsi Vesi AS	100	37.7	35.8	4.2	-4.0	0.1	37.2	35.4	3.3	-4.0	-0.7
Paide Vesi AS	100	37.1	35.0	2.8	-2.9	-0.2	38.0	35.2	3.5	-2.8	0.6
Kohila Maja OÜ	100	35.6	33.0	1.0	-2.0	-1.1	36.2	34.0	3.6	-1.6	1.9
Rakvere Vesi AS	100	34.1	30.6	3.9	-2.7	1.0	33.2	29.5	2.4	-2.7	-0.3
Kuressaare Veevärk AS	100	33.2	30.6	2.9	-4.0	-1.1	32.5	31.0	3.1	-4.1	-1.0
Elveso AS	100	33.0	27.4	8.4	-6.8	1.7	30.9	26.2	8.7	-7.7	0.9
Kovek AS	100	26.7	26.3	2.7	-2.8	-0.1	26.8	25.0	3.0	-2.7	0.3
Põlva Vesi AS	100	25.2	20.3	2.5	-2.2	0.1	23.7	20.1	1.6	-2.2	-0.7
Tallinna Jäätmete Taaskasutuskeskus AS	100	23.0	9.9	14.6	-14.4	0.1	25.0	9.8	13.9	-14.6	-1.2
Valga Vesi AS	100	22.3	21.3	2.0	-2.4	-0.5	23.0	21.7	2.0	-2.5	-0.5
AS Maardu Vesi	100	22.2	19.4	1.0	-1.1	-0.2	22.9	19.7	1.2	-1.2	0.0
Kuressaare Soojus AS	100	20.2	17.3	6.9	-6.1	0.8	20.2	16.6	7.1	-5.1	2.0
Raven OÜ	100	18.2	17.3	1.0	-1.4	-0.4	7.7	7.0	0.4	-0.6	-0.1
Põltsamaa Vesi OÜ	100	17.6	16.3	2.0	-1.9	0.1	17.4	16.1	2.2	-1.7	0.5
Haapsalu Veevärk AS	100	17.2	16.4	2.1	-2.6	-0.5	17.4	17.0	1.8	-2.6	-0.8
Keila Vesi AS	100	17.1	12.0	3.4	-3.3	-0.1	17.6	12.1	3.5	-3.6	-0.2
Estonia Spa Hotels AS	100	15.1	6.5	10.5	-9.2	0.8	15.1	6.4	9.3	-8.1	1.1
OÜ Tõrva Veejõud	100	14.5	13.7	1.2	-1.0	0.1	14.3	13.6	1.1	-1.1	0.0
Sindi Vesi OÜ	100	14.4	13.8	1.7	-1.8	-0.2	13.9	13.4	1.3	-1.6	-0.3

	31/12/2023	31/12/2023		2023			31/12/2022		2022		
	Share of holdings (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Viljandi Veevärk AS	100	13.7	13.5	3.2	-3.2	0.0	13.8	13.4	2.6	-3.0	-0.3
Loo Vesi OÜ	100	13.4	10.8	2.0	-2.2	-0.3	13.1	10.6	2.0	-1.8	0.1
Sillamäe Veevärk AS	100	12.6	10.6	1.6	-2.1	-0.5	13.3	11.1	1.4	-2.1	-0.7
Mako AS	100	12.3	12.0	0.5	-1.0	-0.5	12.7	12.5	0.5	-1.0	-0.5
Jõgeva Veevärk OÜ	100	12.2	11.4	1.3	-1.2	0.0	12.4	11.3	1.0	-1.2	-0.2
OÜ Kose Vesi	100	12.2	11.0	2.0	-2.0	0.0	12.4	11.0	1.9	-1.7	0.1
Ramsi VK OÜ	100	10.5	9.3	0.6	-0.8	-0.2	9.8	9.2	0.5	-0.8	-0.3
Kiili KVH OÜ	100	10.2	9.5	0.9	-1.1	-0.2	10.6	9.7	0.8	-1.0	-0.2
OÜ Paikre	100	9.5	7.4	4.9	-4.4	0.5	9.0	6.8	4.7	-4.6	0.1
AS Tallinna Arendused	100	9.3	9.0	2.3	-1.5	0.8	8.2	8.1	1.6	-1.3	0.2
Kärdla Veevärk AS	100	9.2	9.2	0.7	-0.9	-0.2	9.5	9.4	0.6	-1.0	-0.4
Kuusalu Soojus OÜ	100	8.3	7.1	1.3	-1.4	-0.2	8.5	7.3	1.2	-1.3	-0.2
AS Järva Haldus	100	8.2	7.4	1.5	-1.6	-0.2	8.4	7.6	1.1	-1.5	-0.4
Kehtna Vesi OÜ	100	7.8	7.6	0.5	-0.9	-0.3	7.0	6.7	0.4	-0.8	-0.4
Haljala Soojus AS	100	7.4	7.2	0.8	-1.1	-0.4	7.9	7.6	0.8	-1.1	-0.3
Kadrina Soojus AS	100	6.3	5.8	1.0	-1.1	-0.1	6.5	5.9	0.9	-1.0	-0.2
OÜ Tartu Veekeskus	100	6.0	3.3	2.7	-2.3	0.3	5.6	3.1	1.8	-2.0	-0.2
Häädemeeste VK AS	100	5.6	3.5	1.2	-0.5	0.6	1.9	1.1	0.6	-0.2	0.5
Rakvere Soojus AS	51	5.5	4.8	3.2	-3.0	0.2	5.2	4.6	2.9	-2.6	0.3
Rapla Vesi AS	100	5.5	4.2	1.2	-1.0	0.2	4.7	4.1	1.1	-1.0	0.1
Türi Linnavara OÜ	100	5.2	5.0	0.2	-0.3	-0.1	5.4	5.1	0.2	-0.3	0.0
OÜ Pandivere Vesi	100	5.1	4.7	0.6	-0.6	-0.1	5.2	4.7	0.5	-0.6	-0.1
Haapsalu Linna Spordibaasid OÜ	100	4.8	3.7	2.1	-2.1	0.0	5.0	3.7	1.9	-2.0	-0.2
Aseri Kommunaal OÜ	100	4.3	4.2	0.2	-0.3	-0.1	4.4	4.3	0.2	-0.3	-0.1
Otepää Veevärk AS	100	4.2	3.4	1.0	-1.3	-0.3	4.5	3.5	1.2	-1.1	0.0
Põlva Soojus AS	100	3.9	3.0	2.6	-2.6	0.0	4.0	3.1	1.9	-2.0	-0.1
Vekanor AS	100	3.4	3.1	0.7	-0.7	0.0	3.6	3.1	1.2	-0.7	0.4
Loksa Haljastus OÜ	100	2.9	2.6	0.3	-0.5	-0.2	3.1	2.8	0.3	-0.4	-0.1
OÜ Võru Tervisekeskus	100	2.9	2.9	0.1	-0.2	-0.1	3.0	2.9	3.0	-0.1	2.9
AS Tartu Turg	100	2.7	1.1	1.0	-0.9	0.1	2.7	1.0	0.9	-1.0	-0.1
SA Koeru Hooldekeskus	100	2.6	2.1	1.4	-1.4	0	0.0	0.0	0.0	0.0	0.0
Iivakivi AS	100	2.5	2.4	0.5	-0.6	-0.1	2.6	2.5	0.5	-0.6	-0.1
Kiviõli Soojus AS	100	2.5	2.1	2.1	-2.1	0.0	2.4	2.1	1.6	-1.5	0.0
Revekor AS	100	2.3	1.8	1.7	-1.7	0.0	2.5	1.8	1.5	-1.8	-0.3
OÜ Velko AV	100	2.1	1.9	1.2	-1.3	-0.1	12.9	12.2	1.7	-2.1	-0.4
Elva Soojus OÜ	100	2.0	1.4	1.1	-1.1	0.0	2.1	1.4	0.9	-1.0	-0.1
OÜ MEHNTACK	100	2.0	1.8	1.0	-1.0	0.0	0.7	0.6	0.9	-1.0	-0.1
Vinni Spordikompleks AS	100	1.7	1.5	1.2	-0.9	0.2	1.7	1.2	0.8	-1.0	-0.2
Kitsas 16 Kodu OÜ	51	1.7	0.1	0.1	-0.1	-0.1	1.7	0.2	0.5	-0.4	-0.1
Haapsalu Linnamajanduse AS	100	1.6	0.8	0.5	-0.5	0.0	1.7	0.8	0.4	-0.4	0.0
Vaks OÜ	100	1.5	1.3	0.3	-0.3	0.0	1.5	1.3	0.3	-0.3	0.0
Koksvere Maja OÜ	51	1.2	0.3	0.0	0.0	0.0	1.2	0.3	0.0	0.0	0.0
OÜ Maardu Linnavarahooldus	100	1.2	0.8	2.1	-2.0	0.2	1.2	0.6	2.0	-2.0	0.0
OÜ Saaremaa Prügila	100	1.1	1.1	0.1	-0.2	0.0	1.2	1.2	0.1	-0.2	0.0
Tamsalu Kalor AS	100	1.1	1.0	0.9	-0.9	0.0	1.2	1.0	0.7	-0.8	-0.1

	31/12/2023	31/12/2023		2023			31/12/2022		2022		
	Share of holdings (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Lääne-Nigula Varahaldus AS	100	0.9	0.8	0.7	-1.0	-0.3	1.2	1.0	0.7	-0.8	-0.2
Lihula Soojus OÜ	100	0.8	0.7	0.2	-0.2	0.0	0.8	0.7	0.2	-0.2	0.0
Hiumaa Jäätmejaam OÜ	100	0.6	0.5	0.3	-0.4	-0.1	0.7	0.6	0.3	-0.4	0.0
SuFe OÜ	100	0.6	0.6	0.2	-0.3	0.0	0.6	0.6	0.2	-0.2	0.0
Transservis-N AS	100	0.6	0.5	0.3	-0.3	0.0	0.6	0.5	0.4	-0.3	0.1
Meke Sillamäe AS	100	0.5	0.2	1.1	-1.1	0.0	0.4	0.2	1.0	-1.0	0.0
Voka Vara OÜ	52	0.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Järvakandi Soojus OÜ	100	0.4	0.3	0.2	-0.2	0.0	0.4	0.3	0.2	-0.2	0.0
OÜ Narva Jäätmekäitluskeskus	100	0.3	0.2	0.8	-0.8	0.0	0.3	0.2	0.7	-0.7	0.0
Kenadron OÜ	100	0.2	0.1	0.1	-0.1	0.0	0.2	0.2	0.1	-0.1	0.0
Mulgi Perearstikeskus OÜ	100	0.2	0.1	0.5	-0.4	0.1	0.1	0.0	0.2	-0.2	0.0
Lääne-Nigula Perearstikeskus OÜ	100	0.1	0.1	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Kuressaare Bussijaam OÜ	100	0.1	0.1	0.2	-0.2	0.0	0.1	0.1	0.2	-0.2	0.0
Roela Soojus OÜ	100	0.1	0.1	0.2	-0.2	0.0	0.1	0.1	0.2	-0.2	0.0
Tamsalu Perearstid OÜ	100	0.1	0.1	0.6	-0.5	0.0	0.1	0.0	0.5	-0.5	0.0
Jõgeva Valla Perearstikeskus OÜ	100	0.1	0.0	0.3	-0.3	0.0	0.0	0.0	0.1	-0.1	0.0
Subsidiaries grouped together under the same item (30 entities)		0.0	0.0	1.7	-0.4	0.0	183.1	168.3	28.5	-28.8	-0.9

Non-government entities grouped together under the same item (mainly reclassified to government from 2023):

AS Lahevesi, AS Maardu Elamu, Esku Maja OÜ, Kadrina Kommunaal OÜ, Karjamõisa Maja OÜ, Keila Tervisekeskus OÜ, Kümblus OÜ, Lehe 5 Kodu OÜ, Maali Üürimaja OÜ, Mulgi Varahaldus OÜ, Noarrootsi Soojus OÜ, Olem OÜ, OÜ Kroodi Vesi, OÜ OSK Grupp, OÜ Otepää Üürimajad, OÜ Pürolüüsitehas, OÜ Sõnumitooja, Rõuge Kommunaalteenus OÜ, Saarde Kommunaal OÜ, Sadama Üürimaja OÜ, Setomaa Perearst OÜ, Strantum OÜ, Tallinna Perearstikeskus OÜ, Tallinna Soojus AS, Tapa Vesi AS, Vesoka OÜ, Võhma ELKO AS, Väike-Maarja Tervisekeskus OÜ, Väätsa Prügila AS, Ülenurme Teed OÜ.

D. Local government holdings in associates

	Share of holdings (%)	Local government equity capital		
		31/12/2023	31/12/2022	31/12/2021
Total		188.0	99.6	104.6
Tallinna Vesi AS	55.1	89.5	89.5	95.5
AS Utilitas Tallinn Soojus	33.3	85.9	0.0	0.0
Keila Alushariduse OÜ	34.0	0.2	0.2	0.2
AS Lõuna-Eesti Haigla (group)	49.0	5.3	4.0	3.7
AS Valga Haigla (group)	49.0	3.9	3.3	3.2
AS Põlva Haigla	49.0	2.5	1.9	1.9
Väätsa Prügila AS	20.6	0.6	0.6	0.0
Other entities with equity capital less than 0.1 million euros		0.1	0.1	0.1

Grouped together under the same item: OÜ Kuste, OÜ Saatse Pansionaat, Kihnu Põllumajanduse OÜ, Kihnu Majanduse OÜ, Team Paldiski OÜ, Pärnu Päikesepark 1 OÜ, Pärnu Päikesepark 2 OÜ, Pärnu Päikesepark 3 OÜ, Pärnu Päikesepark 4 OÜ, OÜ

Aiasaaduste Väärinduskeskus. Majority holding in hospitals is owned by the state. In 2023, Tallinn City Government acquired 33.3% of the shares of AS Utilitas Tallinna Soojus with a non-monetary contribution of 100% with the shares of AS Tallinna Soojus (see Note b5).

Note b2

Taxes, state fees, fines

In millions of euros

A. Tax receivables

	31/12/2023	31/12/2022	31/12/2021
Taxes	164.0	154.0	141.8
Personal income tax	162.8	152.7	140.4
Land tax	0.3	0.4	0.6
Local taxes	0.9	0.9	0.8
Incl. in gross amount	1.5	1.5	1.4
Incl. doubtful receivables	-0.6	-0.6	-0.6
Natural resource use charges	3.7	3.6	3.8
Fines	0.2	0.1	0.1
Incl. in gross amount	0.3	0.4	0.4
Incl. doubtful receivables	-0.1	-0.3	-0.3
Total tax and fine receivables	167.9	157.7	145.7

B. Revenue from taxes, state fees and fines

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Tax revenue	1,776.7	1,615.6	1,776.7	1,615.6
Personal income tax	1,698.7	1,537.9	1,698.7	1,537.9
Land tax	59.1	58.9	59.1	58.9
Local taxes	18.9	18.8	18.9	18.8
Parking charges	8.9	9.0	8.9	9.0
Advertising tax	7.7	7.5	7.7	7.5
Road and street closure fees	2.3	2.3	2.3	2.3
State fees (see Note b12)	2.1	2.2	2.1	2.3
Income from providing natural resources for use (see Note b13)	14.4	15.4	14.4	15.4
Fees for mining rights	10.0	10.8	10.0	10.8
Fees for the special use of water	4.4	4.6	4.4	4.6
Pollution charges (see Note b13)	0.4	0.5	0.4	0.5
Fines and other fines to the extent of asset (see Note b13)	3.8	2.2	2.5	2.0
Total revenue from taxes, state fees and fines	1,797.4	1,635.9	1,796.1	1,635.8

The Tax and Customs Board is the collector and transferor of personal income tax, land tax, income from providing natural resources for use, and pollution charges. Local taxes, fees and fines imposed on the basis of the law are generally collected by local governments themselves. Tax receivables collected through an intermediary are recorded on the basis of the notifications submitted by the intermediary in the amounts likely to be received.

Note b3**Other receivables and prepayments**

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term receivables and prepayments	194.6	172.5	155.2	124.8	109.2	83.4
Trade receivables	75.6	74.4	70.1	18.0	19.2	16.6
Incl. in gross amount	80.9	79.5	74.8	21.8	22.8	19.2
Incl. doubtful receivables	-5.3	-5.1	-4.7	-3.8	-3.6	-2.6
Loan receivables	0.2	1.9	1.9	7.3	8.4	8.2
Outstanding government grants	77.4	64.7	50.7	60.6	53.9	39.6
Other receivables	11.8	10.8	8.7	2.8	3.1	1.8
Prepaid and deferred taxes	19.2	11.4	12.4	14.6	6.8	5.9
Prepaid expenses	10.4	9.3	11.4	21.5	17.8	11.3
Long-term receivables and prepayments	4.8	22.5	24.2	59.4	71.8	78.1
Loan receivables	2.4	20.0	21.6	55.4	67.4	73.2
Other receivables and prepayments	2.4	2.5	2.6	4.0	4.4	4.9
Total receivables and prepayments	199.4	195.0	179.4	184.2	181.0	161.5

Note b4**Holdings in foundations and non-profit associations**

In millions of euros

A. Consolidated report

The list of foundations and non-profit associations consolidated line-by-line is presented in Note b1 B.

B. Unconsolidated report

	Included in the general government sector	Not included in the general government sector	Total
Balance as of 31/12/2021	34.4	3.7	38.1
Non-monetary contributions and payments	-0.1	0.0	-0.1
Balance as of 31/12/2022	34.3	3.7	38.0
Reclassification	1.6	-1.6	0.0
Monetary contributions and payments	-0.1	0.0	-0.1
Non-monetary contributions and payments	-1.5	0.0	-1.5
Write-downs and reversals of write-downs	2.6	0.0	2.6
Balance as of 31/12/2023	36.9	2.1	39.0

Note b5

Holdings in subsidiaries and associates

In millions of euros

A. Consolidated report

The list of subsidiaries consolidated line-by-line is provided in Note b1 C. The list of associates recognised using the equity method is provided in Note b1 D.

In 2023, the City of Tallinn participated in the establishment of the new company, AS Utilitas Tallinna Soojus, giving more than 100% of the shares of its subsidiary AS Tallinna Soojus as a non-monetary contribution and receiving 33.34% of the shares of AS Utilitas Tallinna Soojus. The value of the contribution was estimated at 77.8 million euros. Due to the transformation of the subsidiary into an associate, financial lease receivables decreased by 18.0 million euros, property, plant and equipment by 0.9 million euros, cash by 3.0 million euros and liabilities by 1.9 million euros, and profit on the transaction by 57.8 million euros.

In 2022, the majority holding of AS Väätsa Prügila was sold, 3.5 million euros were received from the sale, the profit in the consolidated report was 1.3 million euros.

Associates

	2023	2022
Balance at the beginning of the period	99.6	104.6
Dividends received	-3.6	-7.2
Profit by equity method	14.2	1.6
Non-monetary contributions and revaluation	77.8	0.6
Balance at the end of the period	188.0	99.6

B. Unconsolidated report

	Government subsidiaries	Non-government subsidiaries	Associates	Total
Balance as of 31/12/2021	77.3	263.1	78.6	419.0
Monetary contributions and payments	4.9	8.2	0.0	13.1
Non-monetary contributions and payments	-0.8	2.9	0.0	2.1
Sold at selling price	0.0	-3.5	0.0	-3.5
Profit/loss from sales	1.1	3.4	0.0	4.5
Reclassification	3.9	-4.0	0.1	0.0
Write-downs and reversals of write-downs	0.0	-0.4	0.0	-0.4
Balance as of 31/12/2022	86.4	269.7	78.7	434.8
Monetary contributions and payments	2.1	6.4	0.0	8.5
Non-monetary contributions and payments	0.0	-74.7	77.7	3.0
Profit on revaluation of non-monetary contribution	0.0	71.6	0.0	71.6
Proceeds from sales	0.0	-0.2	0.0	-0.2
Profit from sales	0.0	0.2	0.0	0.2
Reclassification	41.3	-41.3	0.0	0.0
Write-downs and reversals of write-downs	-0.6	0.0	0.0	-0.6
Balance as of 31/12/2023	129.2	231.7	156.4	517.3

The City of Tallinn established a new company, AS Utilitas Tallinna Soojus, together with OÜ Utilitas. The city acquired 33.34% of the company by making a non-monetary contribution in the form of shares in AS Tallinna Soojus, valued at 77.8 million euros. The value of the shares in the city's unconsolidated balance sheet before the transaction was 6.2 million euros, the profit from the revaluation of the contribution was 71.6 million euros.

Dividends on holdings

	2023	2022
From subsidiaries	7.1	3.5
From associates	3.6	7.2
Total dividend income	10.7	10.7

Note b6**Investment property**

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Balance at the beginning of the period	155.9	153.1	104.2	107.0
Cost	230.8	225.3	166.9	167.4
Accumulated depreciation	-74.9	-72.2	-62.7	-60.4
Total movements	-0.7	2.8	0.4	-2.8
Acquisitions and improvements (see Note b8)	2.1	0.9	2.1	0.7
Non-monetary government grants received and awarded	0.1	0.1	0.1	0.1
Depreciation and write-downs	-7.9	-6.4	-6.1	-4.7
Sales at selling price	-5.4	-7.8	-4.7	-7.1
Profit from sales	3.0	5.9	2.4	5.4
Changes due to creation and loss of controlling influence	0.3	0.0	0.0	0.0
Non-monetary contributions and payments	0.0	0.0	0.0	0.5
Reclassification	5.5	9.7	5.0	1.9
Revaluation	1.6	0.4	1.6	0.4
Balance at the end of the period	155.2	155.9	104.6	104.2
Cost	234.0	230.8	169.3	166.9
Accumulated depreciation	-78.8	-74.9	-64.7	-62.7
Incl. leased under operating lease, carrying amount	64.7	63.6	57.6	57.6
Incl. pledged, carrying amount	6.7	7.6	0.1	0.3
Revenue and expenditure				
Income from constituting the right of superficies, user fees, lease and rent	15.1	12.6	12.2	10.6
Administrative expenses of investment property	-5.0	-5.0	-3.9	-4.1

Note b7

Property, plant and equipment

In millions of euros

A. Consolidated report

	Land	Buildings and facilities	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	520.8	4,267.0	321.5	53.8	277.3	5,440.4
Cost	520.8	7,034.1	673.1	106.6	277.3	8,611.9
Accumulated depreciation		-2,767.1	-351.6	-52.8		-3,171.5
Total movements 2022	7.5	185.9	30.5	1.5	-11.8	213.6
Acquisitions and improvements (see Note b8)	2.7	84.1	39.4	6.8	403.9	536.9
Non-monetary government grants received	4.1	3.2	0.3	0.1	0.3	8.0
Depreciation and write-downs	-2.5	-254.0	-48.7	-8.7	-1.2	-315.1
Sales at selling price	-4.7	-3.8	-0.7	0.0	0.0	-9.2
Profit from sales	4.3	1.8	0.5	0.0	0.0	6.6
Changes due to creation and loss of controlling influence	0.0	-2.8	-0.5	0.0	0.1	-3.2
Non-monetary government grants awarded	-0.1	-1.2	0.0	-0.1	0.0	-1.4
Revaluation	4.2	2.4	0.0	0.0	0.0	6.6
Reclassification	-0.5	356.2	40.2	3.4	-414.9	-15.6
Balance as of 31/12/2022	528.3	4,452.9	352.0	55.3	265.5	5,654.0
Cost	528.3	7,426.7	726.3	114.0	265.5	9,060.8
Accumulated depreciation		-2,973.8	-374.3	-58.7		-3,406.8
Average depreciation rate (%)		3.5%	7.0%	7.9%		
Incl. leased under the finance lease terms, carrying amount	0.0	41.5	21.2	0.8	0.0	63.5
Incl. leased under operating lease, carrying amount	3.1	128.9	1.2	0.2	0.0	133.4
Incl. pledged, carrying amount	3.5	189.5	1.8	0.0	0.0	194.8
Total movements 2023	5.1	169.2	-1.5	0.0	27.2	200.0
Acquisitions and improvements (see Note b8)	3.4	75.3	30.5	4.2	445.9	559.3
Non-monetary government grants received	2.3	2.5	1.1	0.1	0.0	6.0
Depreciation and write-downs	0.0	-283.0	-56.6	-12.5	-3.2	-355.3
Sales at selling price	-6.9	-3.3	-0.8	0.0	0.0	-11.0
Profit from sales	6.4	1.5	0.5	0.0	0.0	8.4
Changes due to creation and loss of controlling influence	-1.1	0.0	0.0	0.0	-4.2	-5.3
Non-monetary contributions and payments	0.0	1.8	0.0	0.0	0.0	1.8
Non-monetary government grants awarded	0.0	-0.3	0.0	0.0	-0.1	-0.4
Revaluation	2.4	1.2	0.0	0.0	0.0	3.6
Reclassification	-1.4	373.5	23.8	8.2	-411.2	-7.1
Balance as of 31/12/2023	533.4	4,622.1	350.5	55.3	292.7	5,854.0
Cost	533.4	7,789.9	729.4	107.5	292.7	9,452.9
Accumulated depreciation		-3,167.8	-378.9	-52.2		-3,598.9
Average depreciation rate (%)		3.7%	7.8%	11.3%		

	Land	Buildings and facilities	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Incl. leased under the finance lease terms, carrying amount	0.0	43.8	19.2	0.0	0.0	63.0
Incl. leased under operating lease, carrying amount	2.7	112.7	1.0	0.2	0.0	116.6
Incl. pledged, carrying amount	5.8	194.6	1.5	0.0	0.0	201.9

B. Unconsolidated report

	Land	Buildings and facilities	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	491.7	2,878.0	40.7	46.5	151.8	3,608.7
Cost	491.7	5,048.4	104.2	85.3	151.8	5,881.4
Accumulated depreciation		-2,170.4	-63.5	-38.8		-2,272.7
Total movements 2022	7.6	107.9	8.7	0.9	39.6	164.7
Acquisitions and improvements (see Note b8)	2.7	74.8	7.3	5.0	279.4	369.2
Non-monetary government grants received	4.2	3.2	0.0	0.1	0.3	7.8
Depreciation and write-downs	-2.6	-187.9	-7.8	-7.2	-1.0	-206.5
Sales at selling price	-4.7	-3.8	-0.3	0.0	0.0	-8.8
Profit from sales	4.2	1.7	0.2	0.0	0.0	6.1
Non-monetary government grants awarded	-0.2	-4.6	-0.1	-0.2	0.0	-5.1
Non-monetary contributions and payments	-0.1	-2.4	0.0	0.0	0.0	-2.5
Revaluation	4.2	2.3	0.0	0.0	0.0	6.5
Reclassification	-0.1	224.6	9.4	3.2	-239.1	-2.0
Balance as of 31/12/2022	499.3	2,985.9	49.4	47.4	191.4	3,773.4
Cost	499.3	5,311.0	117.5	91.1	191.4	6,210.3
Accumulated depreciation		-2,325.1	-68.1	-43.7		-2,436.9
Average depreciation rate (%)		3.6%	7.0%	8.2%		
Incl. leased under the finance lease terms, carrying amount	0.0	52.0	1.2	0.8	0.0	54.0
Incl. leased under operating lease, carrying amount	4.9	101.6	0.5	0.3	0.0	107.3
Incl. pledged, carrying amount	0.1	7.2	0.0	0.0	0.0	7.3
Total movements 2023	7.2	124.1	5.9	-0.3	41.9	178.8
Acquisitions and improvements (see Note b8)	3.1	67.6	7.8	3.2	337.9	419.6
Non-monetary government grants received	2.3	1.9	0.1	0.0	0.0	4.3
Depreciation and write-downs	0.0	-212.9	-11.4	-10.5	-1.7	-236.5
Sales at selling price	-6.6	-3.7	-0.3	0.0	0.0	-10.6
Profit from sales	6.1	1.4	0.3	0.0	0.0	7.8
Non-monetary government grants awarded	0.0	-2.7	0.0	0.0	-0.2	-2.9
Non-monetary contributions and payments	-0.1	-1.0	0.0	0.0	0.0	-1.1
Revaluation	2.2	1.1	0.0	0.0	0.0	3.3
Reclassification	0.2	272.4	9.4	7.0	-294.1	-5.1
Balance as of 31/12/2023	506.5	3,110.0	55.3	47.1	233.3	3,952.2

	Land	Buildings and facilities	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Cost	506.5	5,569.8	119.4	85.9	233.3	6,514.9
Accumulated depreciation		-2,459.8	-64.1	-38.8		-2,562.7
Average depreciation rate (%)		3.9%	9.6%	11.9%		
Incl. leased under the finance lease terms, carrying amount	0.0	53.9	1.5	0.0	0.0	55.4
Incl. leased under operating lease, carrying amount	4.6	89.5	0.4	0.3	0.0	94.8
Incl. pledged, carrying amount	2.5	11.6	0.0	0.0	0.0	14.1

Note b8

Acquisition of property, plant and equipment and intangible non-current assets and investment property by area of activity

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Education	154.1	147.0	145.6	138.7
Transport	139.3	126.0	125.8	91.3
Other	26.3	37.4	16.4	17.3
Water supply	33.2	36.3	1.0	1.5
Other housing and utilities	29.6	36.8	21.8	24.3
Leisure time, culture, religion	92.5	67.3	87.0	58.8
Environmental protection	18.8	14.4	9.2	6.8
Health care	54.7	44.9	2.5	4.1
Social protection	6.8	15.1	6.2	13.2
General government sector services	6.9	15.0	5.5	14.6
Public order and security	1.2	0.5	1.2	0.5
Total non-current assets acquired	563.4	540.7	422.2	371.1

In the consolidated cash flow statement, the acquisition of non-current assets has been adjusted for an increase in trade payables by 4.0 million euros (a decrease of 12.7 million euros in 2022).

In the unconsolidated cash flow statement, the acquisition of non-current assets has been adjusted by an increase in trade payables in the amount of 4.9 million euros (an increase of 7.4 million euros in 2022).

For non-monetary transactions, the adjustments affecting the cash flow statement are also recognised in Notes b11 (acquisitions from finance lease transactions) and b12 (acquisitions through government grants where the cash was transferred directly to the supplier).

In the cash flow statement, acquisition of non-current assets includes VAT expense on acquisitions of non-current assets (see Note b17).

Note b9**Other liabilities and prepayments received**

In millions of euros

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Other short-term liabilities and prepayments received	71.8	54.4	86.9	59.6	47.0	77.8
Interest payable	3.3	1.8	0.5	2.3	1.1	0.2
Other accruals	0.5	0.4	0.3	0.0	0.1	0.0
Government grant liabilities	6.4	3.7	2.5	10.2	6.7	4.3
Other liabilities	8.7	6.9	8.5	5.8	4.6	5.7
Prepayments for government grants	44.6	33.3	67.1	39.1	31.7	64.4
Other deferred income	8.3	8.3	8.0	2.2	2.8	3.2
Non-current liabilities and prepayments received	5.7	3.2	3.3	12.3	11.4	12.9
Government grant liabilities	0.0	0.0	0.0	8.7	10.6	12.1
Trade payables	3.5	1.7	1.8	2.5	0.4	0.4
Other liabilities	0.8	0.9	1.1	0.0	0.0	0.1
Deferred income	1.4	0.6	0.4	1.1	0.4	0.3
Total other liabilities and prepayments received	77.5	57.6	90.2	71.9	58.4	90.7

Note b10**Loan liabilities**

In millions of euros

A. Consolidated report**A1. Loan liabilities by residual term**

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	56.6	907.0	65.9	1,029.5
Up to 1 year	10.7	121.5	8.4	140.6
1 to 5 years	24.4	419.4	19.9	463.7
More than 5 years	21.5	366.1	37.6	425.2
Balance as of 31/12/2022	45.9	1,006.8	67.5	1,120.2
Up to 1 year	10.1	129.2	8.1	147.4
1 to 5 years	16.5	489.5	17.8	523.8
More than 5 years	19.3	388.1	41.6	449.0
Balance as of 31/12/2023	35.8	1,168.5	69.5	1,273.8
Up to 1 year	9.9	132.1	8.9	150.9
1 to 5 years	7.5	573.7	16.9	598.1
More than 5 years	18.4	462.7	43.7	524.8

A2. Movements in loan liabilities and interest expense

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	56.6	907.0	65.9	1,029.5
Received	0.0	217.5	11.1	228.6
Repayment	-10.7	-116.5	-9.4	-136.6
Reclassification	0.0	-1.3	0.0	-1.3
Change due to acquisition and loss of controlling influence	0.0	0.1	-0.1	0.0
Balance as of 31/12/2022	45.9	1,006.8	67.5	1,120.2
Received	0.0	309.3	11.2	320.5
Repayment	-10.1	-143.9	-9.2	-163.2
Change due to acquisition and loss of controlling influence	0.0	-3.7	0.0	-3.7
Balance as of 31/12/2023	35.8	1,168.5	69.5	1,273.8
Interest expense 2022	-0.8	-10.3	-2.9	-14.0
Average interest rate (%)	1.6%	1.1%	4.3%	1.3%
Interest expense 2023	-1.5	-41.3	-2.0	-44.8
Average interest rate (%)	3.7%	3.8%	2.9%	3.7%

B. Unconsolidated report

B1. Loan liabilities by residual term

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	55.6	779.9	51.0	886.5
Up to 1 year	9.9	93.1	2.5	105.5
1 to 5 years	24.2	361.1	10.2	395.5
More than 5 years	21.5	325.7	38.3	385.5
Balance as of 31/12/2022	45.7	866.9	57.7	970.3
Up to 1 year	9.9	107.6	3.3	120.8
1 to 5 years	16.5	413.3	11.7	441.5
More than 5 years	19.3	346.0	42.7	408.0
Balance as of 31/12/2023	35.8	1,033.1	59.5	1,128.4
Up to 1 year	9.9	112.9	3.6	126.4
1 to 5 years	7.5	488.5	11.3	507.3
More than 5 years	18.4	431.7	44.6	494.7

B2. Movements in loan liabilities and interest expense

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	55.6	779.9	51.0	886.5
Received	0.0	188.9	9.8	198.7
Repayment	-9.9	-101.9	-3.1	-114.9
Balance as of 31/12/2022	45.7	866.9	57.7	970.3
Received	0.0	294.3	5.5	299.8

	Bonds	Loans	Finance lease	Total
Repayment	-9.9	-128.1	-3.7	-141.7
Balance as of 31/12/2023	35.8	1,033.1	59.5	1,128.4
Interest expense 2022	-0.8	-8.1	-2.7	-11.6
Average interest rate (%)	1.6%	1.0%	5.0%	1.2%
Interest expense 2023	-1.5	-35.3	-1.6	-38.4
Average interest rate (%)	3.7%	3.7%	2.7%	3.7%

Non-current assets leased under finance lease and pledged as security for loans are recognised in Notes b6 and b7. Information on mortgages established and current assets pledged to secure loans is provided in Note b21.

C. Interest expense

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
On loan liabilities	-44.8	-14.0	-38.4	-11.6
On discounted liabilities	-0.4	-0.5	0.0	-1.5
Total interest expense	-45.2	-14.5	-38.4	-13.1

Note b11

Grants received and awarded

In millions of euros

A. Grants received

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Foreign aid	125.2	111.8	89.2	78.2
From European Union funds	118.7	103.2	83.9	71.1
Other foreign aid	6.5	8.6	5.3	7.1
Domestic grants	1,004.8	883.6	904.3	798.1
From state budget	984.9	859.0	889.0	781.2
From state foundations and companies	6.5	11.8	3.5	5.6
From other public sector entities	5.5	4.5	6.5	4.5
From private sector residents	7.9	8.3	5.3	6.8
Total grants received	1,130.0	995.4	993.5	876.3

Local governments receive most of the foreign aid through the state. In the consolidated report, 6.8 million euros were received directly from foreign partners (5.8 million euros in 2022), and in the unconsolidated report 5.4 million euros (4.4 million euros in 2022).

Grants received by area of activity

	Consolidated				Unconsolidated			
	2023		2022		2023		2022	
	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets
Education	549.7	38.4	476.8	34.7	548.3	38.5	475.6	33.5
Transport	106.2	54.5	98.6	36.6	36.6	54.3	38.5	36.6
General government sector services	128.0	2.2	120.7	11.8	122.8	1.1	115.3	11.7
Social protection	125.6	1.6	93.9	6.1	124.6	1.6	93.0	5.2
Leisure time, culture, religion	18.4	19.8	14.2	21.6	13.1	17.6	10.7	19.3
Health care	2.9	27.0	2.3	12.1	0.6	0.7	0.3	1.3
Other	14.0	10.3	11.9	14.7	3.8	8.5	3.0	10.2
Housing and utilities	1.0	17.5	2.2	26.7	1.5	8.6	1.2	14.8
Environmental protection	4.2	5.3	3.0	6.9	4.2	3.7	2.9	2.6
National defence	1.5	0.7	0.0	0.0	1.5	0.7	0.0	0.0
Public order and security	0.6	0.6	0.3	0.3	0.6	0.6	0.3	0.3

In the consolidated report, 5.1 million euros (13.7 million euros in 2022) were received on the non-monetary basis for the acquisition of non-current assets (grants were transferred directly to suppliers) and 6.3 million euros as transferred assets (8.1 million euros in 2022) (see Notes b6, b7).

In the unconsolidated report, 1.7 million euros (3.1 million euros in 2022) were received on the non-monetary basis for the acquisition of non-current assets (grants were transferred directly to suppliers) and 4.5 million euros as transferred assets (7.9 million euros in 2022) (see Notes b6, b7).

Government grants received for acquisition of non-current assets have been adjusted by the change in prepayments received and receivables in the cash flow statement.

B. Grants awarded

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Family allowances	-18.9	-18.3	-19.2	-18.6
Subsistence benefit	-45.6	-54.8	-45.6	-54.8
Benefits for disabled people	-8.7	-8.9	-8.8	-9.2
Education allowance	-4.3	-3.9	-4.3	-3.9
Social tax paid on social benefits	-4.1	-3.7	-4.1	-3.7
Social welfare services and benefits for the elderly	-42.7	-2.7	-51.1	-2.7
Other social benefits	-13.2	-26.8	-13.0	-26.6
Government grants for operating expenses	-160.7	-141.6	-229.7	-221.2
Government grants awarded for acquisition of non-current assets	-13.9	-11.9	-45.0	-72.1
Total grants awarded	-312.1	-272.6	-420.8	-412.8

Grants awarded by area of activity

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Social protection	-135.1	-117.0	-146.7	-118.3
Transport	-90.3	-80.2	-137.3	-174.4
Leisure time, culture, religion	-43.3	-39.3	-54.9	-51.1
Education	-22.1	-17.0	-39.8	-29.7
Housing and utilities	-7.7	-8.6	-12.0	-11.8
Other	-4.6	-4.2	-10.2	-8.3
Environmental protection	-4.4	-1.8	-5.5	-3.3
General government sector services	-3.1	-2.9	-6.8	-6.3
Health care	-0.9	-0.8	-7.0	-8.8
Public order and security	-0.6	-0.8	-0.6	-0.8
Total grants awarded	-312.1	-272.6	-420.8	-412.8

In the cash flow statement, government grants awarded for the acquisition of non-current assets have been reduced by non-monetary government grants (see Notes b6, b7). Changes in prepayments and liabilities of government grants awarded for acquisition of non-current assets have also been taken into account.

Note b12

Goods and services sold

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Revenue from health care	573.0	508.3	17.8	16.8
Income of hospitals	530.3	465.2	0.0	0.0
Other income from health care	42.7	43.1	17.8	16.8
Income from housing and utilities	169.2	152.6	37.5	35.7
Lease and rent	37.0	33.3	25.0	22.5
Income from utilities	116.8	103.0	10.0	10.8
Other income from housing and utilities	15.4	16.3	2.5	2.4
Income from educational activities	74.5	64.4	71.1	62.1
Income from catering service	16.8	12.9	16.2	12.5
Kindergarten attendance fees	34.7	32.2	34.7	32.2
Other income from educational activities	23.0	19.3	20.2	17.4
Other goods and services sold	175.5	155.8	84.0	79.9
Income from transport services	12.4	10.8	5.5	4.8
Income from culture and leisure time activities	37.6	31.7	25.7	22.0
Income from social assistance activities	61.2	59.7	38.6	39.0
Other goods and services sold	64.3	53.6	14.2	14.1
Total goods and services sold	994.3	883.3	212.5	196.8

Note b13

Other income

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Profit/loss from non-current assets sold (see b6, b7)	11.4	12.5	10.2	11.5
Income from providing natural resources for use (see Note b2)	14.4	15.4	14.4	15.4
Fines (see Note b2)	3.8	2.2	2.5	2.0
Pollution charges (see Note b2)	0.4	0.5	0.4	0.5
Interest income on debt	0.2	0.2	0.1	0.2
Other income	6.3	6.4	3.5	3.9
Total other revenue	36.5	37.2	31.1	33.5

In the cash flow statement, receipts from the sale of non-current assets have been adjusted for changes in receivables, in the consolidated report a decrease of 0.3 million euros (a decrease of 1.3 million euros in 2022), in the unconsolidated report 0 euros (a decrease of 1.3 million euros in 2022).

Note b14

Labour costs

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Expenditure of salaries and wages				
Persons elected and appointed to a position	-15.1	-14.7	-15.1	-14.7
Officials	-83.3	-73.1	-83.3	-73.1
Members of supervisory boards and management boards	-11.6	-10.7	0.0	0.0
Employees	-1,326.7	-1,116.6	-950.5	-790.3
Total salaries and wages of full-time employees	-1,436.7	-1,215.1	-1,048.9	-878.1
Total salaries and wages of temporary and external employees	-31.2	-27.6	-21.9	-19.6
Total expenditure of salaries and wages	-1,467.9	-1,242.7	-1,070.8	-897.7
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	248	232	248	232
Officials	3,063	3,023	3,063	3,023
Members of supervisory boards and management boards	303	312	0	0
Employees	63,553	63,290	48,121	48,000
Total average number of employees	67,167	66,857	51,432	51,255
Other labour costs				
Fringe benefits	-3.1	-2.8	-1.7	-1.4
Taxes and social security contributions	-493.4	-416.7	-361.7	-302.6
Capitalised production	0.9	1.0	0.1	0.1
Total other labour costs	-495.6	-418.5	-363.3	-303.9
Total labour costs	-1,963.5	-1,661.2	-1,434.1	-1,201.6

Labour costs by area of activity are presented in Note b18.

Note b15

Management expenses

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Management expenses of property, buildings and premises	-225.4	-227.7	-195.2	-192.1
Management expenses of facilities	-163.9	-145.7	-160.2	-140.9
Medical supplies and services	-121.6	-111.4	-7.4	-7.9
Foodstuffs and catering services	-65.2	-54.5	-56.9	-47.0
Cost of teaching materials and training	-51.3	-46.5	-51.8	-46.5
Management expenses of work machinery, equipment and fixtures and fittings	-50.9	-46.9	-29.3	-28.8
Communication, culture and leisure time expenses	-49.3	-41.1	-42.1	-35.3
Management expenses of vehicles	-45.7	-58.8	-14.2	-13.8
Information and communication technology expenses	-44.8	-39.2	-33.8	-30.3
Production costs	-33.6	-34.0	-0.4	-0.4
Transport services	-33.1	-24.9	-35.3	-29.1
Social services	-32.0	-33.5	-42.1	-44.5
Administration costs	-31.0	-28.3	-21.6	-19.6
Training costs of labour force	-14.7	-12.3	-11.7	-9.9
Research and development	-6.3	-5.6	-4.9	-4.3
Other miscellaneous management expenses	-31.0	-30.0	-23.2	-21.5
Total management expenses	-999.8	-940.4	-730.1	-671.9

Management expenses by area of activity are presented in Note b18.

Note b16

Depreciation of non-current assets

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Depreciation of investment property (see Note b6)	-7.9	-6.4	-6.1	-4.7
Depreciation of property, plant and equipment (see Note b7)	-355.3	-315.1	-236.5	-206.5
Depreciation of intangible non-current assets	-2.4	-2.4	-0.8	-0.8
Total depreciation of non-current assets	-365.6	-323.9	-243.4	-212.0

Depreciation of non-current assets by area of activity is presented in Note b18.

Note b17**Other expenditure**

In millions of euros

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
VAT expense on operating expenses	-130.9	-119.8	-105.0	-96.2
VAT expense on acquisition of non-current assets	-73.7	-73.2	-63.6	-64.6
Other tax and state fee expenses	-8.7	-9.7	-0.7	-0.3
Expenditure on doubtful receivables	-1.4	-1.3	-1.1	-1.2
Other expenditure	-2.2	-1.1	-1.6	-0.4
Total other expenditure	-216.9	-205.1	-172.0	-162.7

Note b18**Expenditure by area of activity**

In millions of euros

A. Consolidated report

	2023					2022				
	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total
General government sector services	137.1	42.8	16.3	47.8	244.0	131.2	39.8	17.7	21.3	210.0
Public order and security	5.6	2.6	0.4	0.8	9.4	4.7	2.0	0.1	0.5	7.3
Economy	117.8	159.1	125.9	44.8	447.6	99.8	154.6	108.7	33.5	396.6
Environmental protection	21.2	115.0	16.0	25.6	177.8	19.1	96.8	14.2	23.0	153.1
Housing and utilities	56.1	96.3	60.5	19.2	232.1	48.8	100.1	54.2	19.0	222.1
Health care	363.7	174.2	27.5	34.7	600.1	313.1	160.8	23.7	30.0	527.6
Leisure time, culture, religion	111.5	87.3	41.2	20.9	260.9	98.9	82.0	33.7	17.7	232.3
Education	1,029.5	257.5	70.6	61.3	1,418.9	845.4	239.4	65.3	65.2	1,215.3
Social protection	121.0	65.0	7.2	7.0	200.2	100.2	64.9	6.3	9.4	180.8
Total expenditure	1,963.5	999.8	365.6	262.1	3,591.0	1,661.2	940.4	323.9	219.6	3,145.1

B. Unconsolidated report

	2023					2022				
	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total	Labour costs	Management expenses	Depreciation and change in value	Other expenditure	Total
General government sector services	132.1	40.2	16.2	47.2	235.7	126.9	37.2	17.6	20.8	202.5
Public order and security	5.6	2.9	0.2	0.8	9.5	4.7	2.2	0.1	0.5	7.5
Economy	31.6	96.1	91.1	41.5	260.3	22.6	80.1	75.3	31.5	209.5
Environmental protection	8.7	104.2	5.5	21.6	140.0	7.8	87.3	4.3	17.6	117.0
Housing and utilities	22.2	57.5	18.5	12.4	110.6	18.0	58.5	14.8	13.4	104.7
Health care	16.1	5.5	1.9	1.0	24.5	14.1	5.2	2.3	1.1	22.7
Leisure time, culture, religion	97.7	80.4	35.4	19.8	233.3	87.0	76.2	28.6	16.9	208.7
Education	1,020.4	275.0	68.6	60.8	1,424.8	837.8	255.1	63.7	66.2	1,222.8
Social protection	99.7	68.3	6.0	5.3	179.3	82.7	70.1	5.3	7.8	165.9
Total expenditure	1,434.1	730.1	243.4	210.4	2,618.0	1,201.6	671.9	212.0	175.8	2,261.3

Other expenditure includes other operating expenses, interest expense and other financial expenses.

Note b19

Transactions with public sector entities and related entities

In millions of euros

A. Receivables and liabilities with other public sector entities and related entities

	Consolidated			Unconsolidated		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Assets	311.8	279.9	252.8	328.4	314.4	282.4
Current assets	311.7	279.8	252.7	270.8	244.7	206.4
Tax, state fee and fine receivables	166.9	156.7	144.8	166.9	156.7	144.8
Other receivables and prepayments	144.8	123.1	107.9	103.9	88.0	61.6
Non-current assets	0.1	0.1	0.1	57.6	69.7	76.0
Other receivables and prepayments	0.1	0.1	0.1	57.6	69.7	76.0
Liabilities	190.0	178.8	206.8	151.0	139.2	214.2
Current liabilities	142.8	124.4	148.7	118.6	101.4	172.7
Trade payables	15.3	21.1	13.8	18.2	22.0	15.7
Deferred taxes	82.8	72.4	66.2	59.7	51.0	107.8
Other liabilities and prepayments received	37.9	23.8	62.9	37.1	24.6	45.7
Loan liabilities	6.8	7.1	5.8	3.6	3.8	3.5
Non-current liabilities	47.2	54.4	58.1	32.4	37.8	41.5
Loan liabilities	46.1	53.1	56.8	23.3	26.8	29.3
Other liabilities and prepayments received	1.1	1.3	1.3	9.1	11.0	12.2

B. Income and expenditure from other public sector entities

	Consolidated		Unconsolidated	
	2023	2022	2023	2022
Income from operations	3,457.5	3,100.7	2,802.0	2,525.9
Taxes and social security contributions	1,764.1	1,603.2	1,764.1	1,603.2
Goods and services sold	562.2	499.3	39.7	40.9
Grants received	1,115.5	981.2	982.7	865.0
Other income	15.7	17.0	15.5	16.8
Operating expenses	-333.6	-333.1	-502.8	-519.1
Grants awarded	-11.5	-6.4	-204.5	-220.7
Management expenses	-107.9	-123.5	-129.4	-137.4
Other operating expenses	-214.2	-203.2	-168.9	-161.0
Operating result	3,123.9	2,767.6	2,299.2	2,006.8
Financial income and expenses	11.8	0.7	14.1	13.9
Profit/loss from holdings	14.2	1.6	12.7	13.7
Other financial income and expenses	-2.4	-0.9	1.4	0.2
Surplus or deficit of the reporting period	3,135.7	2,768.3	2,313.3	2,020.7

The consolidated report includes the transactions of the entities included in the group with the state and other legal persons in public law (except for local governments) with the companies, foundations and non-profit associations under their controlling influence, as well as with all public sector associates (companies and foundations under significant influence).

The unconsolidated report includes the transactions of the entities included in the group with the companies, foundations and non-profit associations under their controlling influence, as well as with the state and other legal persons in public law (except for local governments) and the companies, foundations and non-profit associations under their controlling influence and with all public sector associates (companies and foundations under significant influence).

Note b20**Transactions with other related parties that are subject to disclosure**

In millions of euros

In accordance with the public sector financial accounting and reporting guidelines, the annual report discloses information on transactions that do not comply with legislation or the general requirements for internal documents of an accounting entity or with market conditions; and discloses information about transactions made with the members of the accounting entity's senior and executive management, their close family members and the foundations, non-profit associations and companies under their controlling influence.

Accordingly, the local governments have reported transactions with related parties:

	2023	2022
Receivables	0.0	0.4
Liabilities	0.1	0.2
Non-current assets acquired from companies	0.0	0.1
Revenue from goods and services sold	0.2	0.2
Grants awarded to foundations and non-profit associations	-1.2	-1.4
Management costs from foundations and non-profit association	-0.3	-0.4
Management costs from companies	-0.3	-0.6
Management costs from natural persons	-0.7	-0.7

Note b21**Material contingent liabilities and receivables**

In millions of euros

	Consolidated		Unconsolidated	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Contingent liabilities	680.0	1,002.6	433.4	544.3
Delivery contracts and investment liabilities for acquisition of non-current assets	278.3	415.3	261.4	374.8
Continuing operating lease liabilities	147.6	145.3	141.8	141.0
Grant and co-financing liabilities	13.6	7.4	4.1	1.6
Non-current assets pledged as loan security (see Note b6, b7)	208.6	202.4	14.2	7.6
Current assets pledged as loan security	24.1	25.4	0.0	0.0
Other contingent liabilities	7.8	206.8	11.9	19.3
Contingent receivables	131.0	108.4	56.1	59.5
Continuing operating lease receivables	20.4	16.4	12.2	7.3
Receivables based on contracts signed for grants	110.6	92.0	43.9	52.2

The residual value of assets leased under operating lease and under the terms of finance lease is shown in Notes b6 and b7.

4 Information on the public sector and general government sector

4.1 Balance sheet

In millions of euros

	Public sector			General government sector			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Assets							
Current assets							
Cash	3,004.1	2,734.5	2,504.5	2,303.5	2,138.5	2,646.2	c2
Financial investments	3,563.4	3,811.1	2,039.0	1,377.4	1,864.2	453.0	c3
Tax, state fee and fine receivables	1,352.0	1,285.5	1,153.0	1,402.3	1,339.0	1,210.8	
Other receivables and prepayments	3,056.4	2,716.0	3,112.8	1,397.3	1,064.5	746.8	c4
Derivatives	59.7	199.8	160.2	0.0	0.0	0.0	
Inventories	693.7	771.9	393.1	441.9	432.2	231.6	
Intangible current assets	216.5	444.1	208.6	0.0	0.0	0.0	a12
Biological assets	69.6	62.6	41.6	3.1	3.1	1.8	c11
Total current assets	12,015.4	12,025.5	9,612.8	6,925.5	6,841.5	5,290.2	
Non-current assets							
Holdings in foundations and non-profit associations	0.0	0.0	0.0	17.3	19.0	18.9	c5
Holdings in subsidiaries and associates	267.6	180.4	163.7	4,005.6	4,183.8	4,024.4	c6
Financial investments	11,882.9	12,314.2	12,763.4	731.4	518.1	348.6	c3
Other receivables and prepayments	756.5	913.1	903.4	784.5	931.5	913.2	c4
Derivatives	257.8	496.5	187.6	0.0	0.0	0.0	
Investment property	267.0	252.5	248.7	205.7	202.2	203.7	c7
Property, plant and equipment	17,830.5	17,064.2	16,360.5	11,379.2	10,085.9	9,590.4	c8
Intangible non-current assets	429.9	374.9	344.9	291.8	242.8	208.7	c9
Biological assets	2,424.6	2,188.9	946.6	30.9	30.6	18.5	c11
Total non-current assets	34,116.8	33,784.7	31,918.8	17,446.4	16,213.9	15,326.4	
Total assets	46,132.2	45,810.2	41,531.6	24,371.9	23,055.4	20,616.6	

	Public sector			General government sector			Note
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021	
Liabilities and net assets							
Current liabilities							
Prepayments of taxes, state fees and fines received	636.9	682.7	603.8	642.5	695.2	615.8	
Trade payables	793.1	745.0	589.5	521.5	504.1	405.2	
Payables to employees	423.7	364.8	325.1	351.5	292.1	263.0	
Other liabilities and prepayments received	15,480.2	15,315.1	15,497.5	1,901.6	1,593.3	1,155.3	c12
Provisions	478.4	888.0	479.6	154.2	406.2	134.5	c13
Loan liabilities	1,458.5	1,768.3	948.8	755.5	583.3	624.7	c14
Derivatives	67.8	169.1	116.1	0.0	0.0	0.0	
Total current liabilities	19,338.6	19,933.0	18,560.4	4,326.8	4,074.2	3,198.5	
Non-current liabilities							
Provisions	4,636.4	4,124.8	3,803.2	4,577.5	4,075.2	3,753.0	c13
Loan liabilities	8,186.6	6,559.4	6,040.6	6,627.6	5,729.7	4,568.9	c14
Other liabilities and prepayments received	83.0	76.8	85.3	51.7	44.7	50.8	c12
Derivatives	16.6	32.1	37.8	0.0	0.0	0.0	
Total non-current liabilities	12,922.6	10,793.1	9,966.9	11,256.8	9,849.6	8,372.7	
Total liabilities	32,261.2	30 726.1	28,527.3	15,583.6	13,923.8	11,571.2	
Net assets							
Minority shareholding	294.6	295.8	277.3	16.6	13.9	11.2	
Net assets of public sector or general government sector							
Reserves	1,228.8	1,189.7	1,174.6	743.0	703.9	691.6	c16
Hedging reserve	141.6	698.4	211.5	0.0	0.0	0.0	a18
Other reserves	13.3	12.5	8.2	0.0	0.0	0.0	
Accumulated surplus or deficit	12,192.7	12,887.7	11,332.7	8,028.7	8,413.8	8,342.6	
Total net assets of the public sector or general government sector	13,576.4	14,788.3	12,727.0	8,771.7	9,117.7	9,034.2	
Total net assets	13,871.0	15,084.1	13,004.3	8,788.3	9,131.6	9,045.4	
Total liabilities and net assets	46,132.2	45,810.2	41,531.6	24,371.9	23,055.4	20,616.6	

4.2 Statement of financial performance

In millions of euros

	Public sector		General government sector		Note
	2023	2022	2023	2022	
Income from operations					
Taxes and social security contributions	12,193.4	11,423.6	12,281.8	11,494.3	c17
Goods and services sold	4,048.1	4,254.2	1,066.8	963.5	c18
Grants received	1,429.5	1,236.2	1,363.1	1,150.2	c15
Other income	448.2	676.8	254.4	310.2	c19
Total income from operations	18,119.2	17,590.8	14,966.1	13,918.2	
Operating expenses					
Grants awarded	-6,873.7	-6,060.7	-6,945.3	-6,257.2	c15
Labour costs	-4,938.8	-4,170.2	-4,444.8	-3,698.1	c20
Management expenses	-3,787.6	-3,811.4	-2,379.9	-2,244.7	c21
Depreciation and change in value of non-current assets	-1,870.8	-1,114.6	-850.8	-730.0	c22
Pass-through taxes, state fees, fines	-512.5	-517.6	-512.5	-517.6	c23
Doubtful taxes, state fees, fines	-39.6	-35.2	-39.6	-34.2	c23
Other expenditure	-628.6	-941.4	-176.2	-148.6	c23
Total operating expenses	-18,651.6	-16,651.1	-15,349.1	-13,630.4	
Operating result	-532.4	939.7	-383.0	287.8	
Surplus/deficit from change in fair value of biological assets	242.9	1,263.5	0.5	13.4	c11
Financial income and expenses					c24
Profit/loss from financial investments	71.8	33.1	234.3	321.7	
Interest expense	-706.0	-510.9	-333.1	-176.9	
Income from deposits and securities	486.9	260.6	81.6	-8.3	
Other financial income	27.7	4.2	3.2	6.0	
Other financial expenses	-0.4	-0.5	-0.3	-0.5	
Total financial income and expenses	-120.0	-213.5	-14.3	142.0	
Surplus or deficit of the reporting period	-409.5	1,989.7	-396.8	443.2	
Incl. the share of public or general government sector surplus/deficit	-427.6	1,954.9	-399.3	440.5	
Incl. the share of minority shareholding of surplus/deficit	18.1	34.8	2.5	2.7	

4.3 Cash flow statement

In millions of euros

	Public sector		General government sector		Note
	2023	2022	2023	2022	
Cash flow from principal activities					
Operating result	-532.4	939.7	-383.0	287.8	
Depreciation and change in value of non-current assets	1,870.8	1,114.6	850.8	730.0	c22
Profit/loss from non-current assets sold	-39.0	-71.8	-37.5	-64.7	c19
Revenue from government grants received for acquisition of non-current assets	-801.1	-606.8	-757.4	-545.8	c15
Expenditure on government grants awarded for acquisition of non-current assets	235.0	191.3	260.2	263.7	c15
Other non-monetary adjustments	-288.7	182.8	-2.3	-6.4	
Total adjusted operating result	444.6	1,749.8	-69.2	664.6	
Net change in current assets	-303.4	-840.5	-167.1	-470.0	
Net change in liabilities	84.5	943.0	-55.1	590.4	
Total cash flows from principal activities	225.7	1,852.3	-291.4	785.0	
Cash flows from investment activities					
Investments in non-current assets	-2,580.0	-1,915.0	-1,624.9	-1,194.4	c10
Capital gains from non-current assets sold	52.9	84.8	51.3	72.0	
Government grants received for the acquisition of non-current assets	796.3	456.1	754.8	386.9	c15
Government grants invested for acquisition of non-current assets	-245.5	-177.7	-286.4	-229.8	c15
Paid upon the acquisition of financial investments	-2,579.7	-3,628.8	-2,257.8	-2,092.1	
Received from the sale of financial investments	3,264.5	2,290.0	2,536.2	497.2	
Paid upon the acquisition of holdings	-3.3	-14.1	-6.5	-8.4	c6
Dividends received	6.3	9.7	202.5	166.6	c6
Dividends paid, reductions from acquisition and loss of controlling influence and reclassification	-19.2	-17.6	0.0	0.0	
Received from the sale and liquidation of holdings and reclassification of holdings into the general government sector	29.4	27.9	41.1	3.5	
Loans issued	-34.2	-31.8	-29.2	-34.3	
Repayments of loans received	150.3	58.2	149.7	51.0	
Financial income received	450.6	182.4	67.0	2.8	
Total cash flows from investment activities	-711.6	-2,675.9	-402.2	-2,379.0	
Cash flows from financing activities					
Loan liabilities received	3,397.1	2,468.9	1,932.3	1,900.2	c14
Repayments of loan liabilities	-2,109.3	-1,115.0	-924.8	-795.0	c14
Interest paid and other financial expenses	-532.3	-300.3	-148.9	-18.9	
Total cash flows from financing activities	755.5	1,053.6	858.6	1,086.3	
Net cash flows					
Cash and cash equivalents at the beginning of the period	2,734.5	2,504.5	2,138.5	2,646.2	c2
Cash and cash equivalents at the end of the period	3,004.1	2,734.5	2,303.5	2,138.5	c2
Change in cash and cash equivalents	269.6	230.0	165.0	-507.7	

4.4 Statement of changes in net assets

In millions of euros

A. Public sector

	Net assets of the public sector						Minority shareholding	Total	Note
	Stabilisation Reserve Fund	Other reserves (see Note c16)	Hedging reserve	Other reserves	Accumulated surplus or deficit	Total			
Balance as of 31/12/2021	430.1	744.5	211.5	8.2	11,156.1	12,550.4	277.3	12,827.7	
Change of accounting principle					176.6	176.6		176.6	a15
Adjusted balance as of 31/12/2021	430.1	744.5	211.5	8.2	11,332.7	12,727.0	277.3	13,004.3	
Revaluation of investment property					0.6	0.6		0.6	c7
Revaluation of property, plant and equipment					9.3	9.3		9.3	c8
Actuarial gains and losses in provisions for pensions					-394.7	-394.7		-394.7	a16
Revaluation of risk hedging instruments			486.9			486.9	3.4	490.3	a18
Exchange rate differences attributable to foreign subsidiaries and impact of other comprehensive income of associates				4.3		4.3		4.3	
Surplus or deficit of the reporting period					1,954.9	1,954.9	34.8	1,989.7	
Total surplus or deficit of the reporting period	0.0	0.0	486.9	4.3	1,570.1	2,061.3	38.2	2,099.5	
Purchase and sale of minority holdings						0.0	-2.1	-2.1	a9A
Dividends paid						0.0	-17.6	-17.6	
Reallocation	-6.2	21.3			-15.1	0.0		0.0	c16
Balance as of 31/12/2022	423.9	765.8	698.4	12.5	12,887.7	14,788.3	295.8	15,084.1	
Revaluation of investment property					1.7	1.7		1.7	c7
Revaluation of property, plant and equipment					5.8	5.8		5.8	c8
Actuarial gains and losses in provisions for pensions					-237.3	-237.3		-237.3	a16
Revaluation of risk hedging instruments			-556.8			-556.8	-0.6	-557.4	a18
Exchange rate differences attributable to foreign subsidiaries and impact of other comprehensive income of associates				0.8		0.8	0.3	1.1	
Surplus or deficit of the reporting period					-427.6	-427.6	18.1	-409.5	

	Net assets of the public sector						Minority shareholding	Total	Note
	Stabilisation Reserve Fund	Other reserves (see Note c16)	Hedging reserve	Other reserves	Accumulated surplus or deficit	Total			
Total surplus or deficit of the reporting period	0.0	0.0	-556.8	0.8	-657.4	-1,213.4	17.8	-1,195.6	
Dividends paid						0.0	-19.2	-19.2	
Holdings consolidated for the first time					1.5	1.5	0.2	1.7	
Reallocation	16.3	22.8			-39.1	0.0		0.0	c16
Balance as of 31/12/2023	440.2	788.6	141.6	13.3	12,192.7	13,576.4	294.6	13,871.0	

B. General government sector

	Stabilisation Reserve Fund	Other reserves	Accumulated surplus or deficit	Total	Minority shareholding	Total	Note
Balance as of 31/12/2021	430.1	261.5	8,342.6	9,034.2	11.2	9,045.4	
Revaluation of investment property			0.6	0.6		0.6	c7
Revaluation of property, plant and equipment			8.4	8.4		8.4	c8
Actuarial gains and losses in provisions for pensions			-394.7	-394.7		-394.7	a16
Surplus or deficit of the reporting period			440.5	440.5	2.7	443.2	
Total surplus or deficit of the reporting period	0.0	0.0	54.8	54.8	2.7	57.5	
Reclassification and adjustment of holdings into the general government sector			28.7	28.7		28.7	
Reallocation	-6.2	18.5	-12.3	0.0		0.0	c16
Balance as of 31/12/2022	423.9	280.0	8,413.8	9,117.7	13.9	9,131.6	
Revaluation of investment property			1.7	1.7		1.7	c7
Revaluation of property, plant and equipment			5.5	5.5		5.5	c8
Actuarial gains and losses in provisions for pensions			-237.3	-237.3		-237.3	a16
Surplus or deficit of the reporting period			-399.3	-399.3	2.5	-396.8	
Total surplus or deficit of the reporting period	0.0	0.0	-629.4	-629.4	2.5	-626.9	
Reclassification and adjustment of holdings into the general government sector			283.4	283.4	0.2	283.6	
Reallocation	16.3	22.8	-39.1	0.0		0.0	c16
Balance as of 31/12/2023	440.2	302.8	8,028.7	8,771.7	16.6	8,788.3	

4.5 Accounting methods and valuation principles

The public sector report includes the state, local governments, other legal persons in public law and persons under their direct or indirect controlling influence (entities listed in Notes a1, b1 and c1).

The general government sector report includes the state (unconsolidated report), local governments (unconsolidated report) and other legal persons in public law belonging to the general government sector (see Note c1 A, unconsolidated data). Furthermore, the general government sector includes foundations, non-profit associations and companies under the controlling influence of all the aforementioned legal persons in public law which receive more than half of their revenue in the form of grants from other general government sector entities and are not sufficiently free to make commercial decisions under market conditions. In defining the general government sector, the principles established by the International Monetary Fund GFS (Government Finance Statistics) and by the European Union ESA (the European System of Accounts) are applied.

The report is based on the reports submitted by the entities presented in Notes a1, b1 and c1 in accordance with the public sector financial accounting and reporting guidelines (see 2.6. Accounting methods and valuation principles). Receivables, liabilities, income and expenses between the reported entities have been eliminated.

The report is presented in millions of euros.

4.6 Notes (c1-c27)

Note c1

Entities consolidated in the report

In millions of euros

The public sector report consolidates all reporting entities, including the state, local governments, other legal persons in public law and entities under the controlling influence of all the above persons (see Notes a1, b1 and c1).

The general government sector report includes consolidated government agencies (see Note a1 A), local governments (unconsolidated, see Note b1 A), other legal persons in public law belonging to the general government sector (unconsolidated, see Note c1 A), general government foundations, non-profit associations and subsidiaries under the controlling influence of the state, local governments and other legal persons in public law (see Notes a1 B, b1 B, b1 C, c1 B).

This Note contains data on legal persons that are not included in the reports of the state or local governments but are consolidated in the public sector or in the general government sector in addition to the state and local governments.

A. Other legal persons in public law

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total	17,347.8	2,981.8	3,937.1	-3,771.9	304.3	17,528.6	2,672.9	3,570.3	-3,352.3	186.0
Included in the general government sector	2,880.2	2,407.1	3,925.2	-3,736.3	241.7	2,632.9	2,160.8	3,559.2	-3,318.6	244.3
Tervisekassa	842.8	699.6	2,244.0	-2,147.5	115.5	727.9	579.7	2,049.9	-1,891.5	159.9
Eesti Töötukassa	703.6	568.8	857.9	-850.4	29.3	661.9	539.6	788.9	-757.2	33.7
Estonian Academy of Arts	36.4	29.9	18.2	-17.5	0.7	34.8	29.1	15.7	-15.8	-0.1
Estonian Academy of Music and Theatre	21.0	19.3	12.8	-12.2	0.7	20.7	18.6	10.7	-10.7	0.0
Estonian University of Life Sciences	82.5	71.6	43.9	-50.3	-6.1	87.8	77.7	49.3	-45.4	4.0
Tallinn University	73.5	52.9	64.4	-56.3	8.0	68.3	44.9	54.1	-50.2	3.8
Tallinn University of Technology	164.7	129.2	141.1	-140.0	2.6	174.0	126.6	127.8	-125.5	2.5
University of Tartu	364.6	273.4	277.4	-274.5	4.5	352.5	268.9	247.9	-247.7	0.3
Estonian Academy of Sciences	7.2	6.7	3.4	-3.5	0.0	7.1	6.7	2.7	-2.8	-0.1
National Institute of Chemical Physics and Biophysics	20.5	15.8	7.7	-7.7	0.2	20.3	15.6	7.8	-8.2	-0.4
Estonian Public Broadcasting	39.8	34.3	50.2	-49.5	0.9	40.9	33.3	47.3	-46.2	1.1
National Library of Estonia	61.6	55.6	41.6	-16.6	25.1	33.2	30.5	32.0	-16.0	15.9
Estonian National Opera	11.0	8.7	17.2	-17.2	0.0	10.6	8.7	14.6	-15.4	-0.8
Cultural Endowment of Estonia	44.5	40.5	41.4	-27.4	14.6	29.6	25.9	39.3	-31.5	7.7
Defence League	60.2	55.5	56.1	-55.8	0.5	62.3	55.0	46.9	-46.5	0.3
Guarantee Fund	341.6	341.5	38.4	-0.3	45.3	296.3	296.2	16.5	-0.3	16.4
Chamber of Notaries	2.3	2.1	1.6	-1.8	-0.2	2.6	2.3	1.5	-1.5	0.0
Estonian Auditors' Association	0.9	0.9	0.7	-0.7	0.0	0.9	0.8	0.7	-0.7	0.0
Estonian Bar Association	0.8	0.3	6.1	-6.0	0.1	0.6	0.2	4.7	-4.7	0.0
Estonian Chamber of Enforcement Officers and Trustees in Bankruptcy	0.7	0.5	1.1	-1.1	0.0	0.6	0.5	0.9	-0.8	0.1
Chamber of Estonian Patent Attorneys	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Not included in the general government sector	14,467.6	574.7	11.9	-35.6	62.6	14,895.7	512.1	11.1	-33.7	-58.3
Eesti Pank and Finantsinspektsioon	14,467.6	574.7	11.9	-35.6	62.6	14,895.7	512.1	11.1	-33.7	-58.3

Holdings of other legal persons in public law in foundations and non-profit associations

	31/12/2023		2023			31/12/2022		2022		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Operating expenses	Operating expenses	Operating result
Total	29.3	24.3	18.2	-22.2	-4.0	33.6	28.4	23.7	-20.3	3.7
Included in the general government sector	2.1	0.9	8.3	-8.1	0.2	0.7	0.5	1.2	-1.1	0.0
Eesti Kunstiakadeemia SA	0.3	0.2	0.2	-0.2	0.0	0.3	0.2	0.2	-0.2	0.0
SA Eesti Muusika- ja Teatriakadeemia Fond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SA Eesti Maaülikooli Joosep Tootsi Fond	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.1	-0.1	0.0
SA Eesti Maaülikooli Mahekeskus	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
SA Artur Nilsoni Fond	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ Eesti Maaülikooli Spordiklubi	0.2	0.1	0.6	-0.6	0.0	0.1	0.1	0.6	-0.5	0.0
SA Tallinna Ülikooli Rahastu	0.2	0.1	0.1	-0.1	0.0	0.2	0.1	0.1	-0.1	0.0
MTÜ Tallinna Ülikooli Spordiklubi	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ TTÜ Spordiklubi	0.1	-0.2	1.5	-1.5	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ TTÜ Kultuurikeskus	0.0	0.0	0.3	-0.3	0.0	0.0	0.0	0.0	0.0	0.0
Läänemaa Elukeskkonna Tuleviku-uuringute SA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ Tartu Ülikooli Üliõpilasmaja	0.4	0.2	0.8	-0.8	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	0.8	0.4	4.1	-3.9	0.2	0.0	0.0	0.0	0.0	0.0
MTÜ Tartu Välismaalaste Teenuskeskus	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.1	-0.1	0.0
Rektorite Nõukogu	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Not included in the general government sector	27.2	23.4	9.9	-14.1	-4.2	32.9	27.9	22.5	-19.2	3.7
SA Tartu Teaduspark	5.4	4.1	2.2	-2.0	0.1	5.6	4.0	1.6	-1.8	-0.2
SA Järvelja Õppe- ja Katsemetskond	15.4	15.3	-3.6	-1.4	-5.0	20.4	20.3	4.6	-1.0	3.7
MTÜ Dormitorium	1.7	1.4	1.4	-1.4	0.1	1.6	1.3	1.4	-1.4	0.0
MTÜ Tallinna Ülikooli Spordiklubi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.2	0.0
MTÜ Tartu Üliõpilasküla	2.4	1.6	5.1	-4.6	0.5	2.0	1.1	4.7	-4.5	0.2
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	0.0	0.0	0.0	0.0	0.0	0.6	0.2	3.3	-3.5	0.0
MTÜ Tartu Üliõpilasmaja	0.0	0.0	0.0	0.0	0.0	0.4	0.2	0.7	-0.8	0.0
MTÜ TTÜ Üliõpilasküla	2.3	1.0	4.8	-4.7	0.1	2.3	1.0	4.4	-4.3	0.1
MTÜ TTÜ Spordiklubi	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	1.4	-1.5	-0.1
MTÜ TTÜ Kultuurikeskus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	-0.2	0.0

B. Holdings of other legal persons in public law in subsidiaries

	Share of holdings (%)	31/12/2023		2023			31/12/2022		2022		
		Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total		4.5	3.6	1.4	-1.3	0.0	4.2	3.3	1.5	-2.2	0.1
Not included in the general government sector		4.5	3.6	1.4	-1.3	0.0	4.2	3.3	1.5	-2.2	0.1
OÜ Muusa Majutus	100	3.3	2.7	0.6	-0.4	0.1	3.4	2.6	0.6	-0.4	0.1
OÜ Eerika Farm	100	0.6	0.4	0.8	-0.8	0.0	0.5	0.4	0.9	-0.8	0.1
E-Kyla Arendus OÜ	100	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OÜ Tornihostel	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
E-dok OÜ	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
UniTartu Ventures OÜ	100	0.5	0.5	0.0	-0.1	-0.1	0.3	0.3	0.0	-1.0	-0.1

Note c2

Cash and cash equivalents

In millions of euros

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Cash	18.8	19.6	18.3	2.1	2.0	1.3
Bank accounts in banks	1,656.1	1,819.6	2,182.0	1,329.1	1,390.3	2,423.7
Term deposits in banks	1,329.2	895.3	304.5	972.3	746.2	221.5
Total cash	3,004.1	2,734.5	2,504.8	2,303.5	2,138.5	2,646.5
Interest income from cash and cash equivalents (see Note c24)	146.4	8.9	2.9	49.5	1.2	-5.3

The general government sector funds in the amount of 170.4 million euros were deposited with Eesti Pank as of 31 December 2023 (454.7 million euros as of 31 December 2022).

Note c3

Financial investments

In millions of euros

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term financial investments	3,563.4	3,811.1	2,039.0	1,377.4	1,864.2	453.0
Bonds at fair value	2,931.1	3,188.6	1,862.4	1,125.6	1,598.8	448.6
Held-to-maturity bonds at depreciated cost	245.0	258.1	4.1	245.0	258.1	4.1
Short-term loans against securities	143.2	178.4	0.0	0.0	0.0	0.0
Listed shares	244.1	185.8	172.2	6.8	7.1	0.1

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Other short-term financial investments	0.0	0.2	0.3	0.0	0.2	0.2
Long-term financial investments	11,882.9	12,314.2	12,763.4	731.4	518.1	348.6
Term deposits in banks	1.6	1.6	1.6	1.6	1.6	1.6
Holding in investment funds at fair value	0.1	0.1	0.2	0.0	0.0	0.0
Other investments in equity instruments	0.0	0.0	4.5	0.0	0.0	4.5
Bonds at fair value	0.6	0.4	0.4	0.6	0.4	0.4
Held-to-maturity bonds at depreciated cost	95.6	35.7	21.7	95.6	35.7	21.7
Bonds held for monetary policy purposes	10,456.8	10,987.8	9,932.2	0.0	0.0	0.0
Holdings in international organisations	452.8	388.1	377.6	277.4	215.3	210.1
Holding in venture capital funds (see Note a3)	352.4	260.5	109.4	352.4	260.5	109.4
Listed shares	0.1	0.1	0.1	0.1	0.1	0.1
Unlisted shares	1.9	0.8	0.4	0.1	0.1	0.1
Other long-term financial investments	521.0	639.1	2,315.3	3.6	4.4	0.7
Total financial investments	15,446.3	16,125.3	14,802.4	2,108.8	2,382.3	801.6
Incl. recorded at fair value	3,528.4	3,635.5	2,144.7	1,485.5	1,866.9	558.6
Incl. recorded at adjusted cost	11,917.9	12,489.8	12,657.7	623.3	515.4	243.0
Income from bonds in the reporting period (see Note c24)	72.5	154.5	138.4	35.4	-10.4	-3.2

Bonds held for monetary policy purposes include bonds purchased by Eesti Pank under the euro area public sector securities purchase programme, the emergency asset purchase plan to mitigate the economic impact of the pandemic and bonds acquired under the covered bond purchase programme. The bonds are recorded at depreciated cost. The risks materialised are managed between euro area central banks in proportion to their holdings in the European Central Bank. The market value of these bonds as of 31 December 2023 was 9,377.5 million euros (9,434.3 million euros as of 31 December 2022). As a result of the impairment test for corporate securities, the European Central Bank considered it appropriate to create a provision for the credit risks of monetary policy operations in 2023. Eesti Pank increased the provision for financial risks by 87.2 million euros in 2023.

In addition to the state's holdings in international organisations (see Note a3), the respective holdings of Eesti Pank amount to 175.4 million euros (172.8 million euros as of 31 December 2022), including holdings in the European Central Bank in the amount of 95.3 million euros (the same as of 31 December 2022) and holdings in the International Monetary Fund (IMF) in the amount of 79.9 million euros (77.3 million euros as of 31 December 2022).

Other long-term financial investments include foreign exchange reserves transferred by Eesti Pank to the European Central Bank in the amount of 113.7 million euros (the same as of 31 December 2022), loans related to monetary policy operations to euro zone credit institutions in the amount of 0 million euros (150.0 million euros as of 31 December 2022) and the account of SDR, the unit of account of the IMF, in the amount of 361.2 million euros (371.7 million euros as of 31 December 2022) and the IMF concessional lending fund for low-income countries 42.5 million euros (0 euros as of 31 December 2022). Loans to euro area credit institutions related to monetary policy operations are distributed by euro area central banks in proportion to their holdings in the European Central Bank.

Note c4

Other receivables and prepayments

In millions of euros

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term receivables and prepayments	3,056.4	2,716.0	3,112.8	1,397.3	1,064.5	746.8
Trade receivables	448.6	497.3	398.1	85.8	66.4	48.1
Incl. in gross amount	463.8	514.1	407.9	90.8	71.6	51.5
Incl. doubtful receivables	-15.2	-16.8	-9.8	-5.0	-5.2	-3.4
Interest receivables	108.4	76.7	47.9	20.5	9.3	2.2
Other accrued income	23.8	55.1	72.3	1.3	1.2	1.0
Loan receivables	66.3	68.6	31.0	65.4	70.8	32.6
Outstanding government grants (see Note c15)	893.0	724.4	539.0	889.6	723.8	532.3
Intra-Eurosystem receivables	934.5	1,004.9	1,837.6	0.0	0.0	0.0
Paid security deposits	187.5	46.3	33.3	1.2	1.3	1.1
Other receivables	68.1	57.2	25.3	23.2	16.2	15.2
Prepaid government grants	74.9	77.1	55.9	78.6	88.4	64.8
Other prepaid expenses	251.3	108.4	72.4	231.7	87.1	49.5
Long-term receivables and prepayments	756.5	913.1	903.4	784.5	931.5	913.2
Loan receivables	646.2	783.5	839.2	674.1	794.6	841.9
Interest receivables (see Note a6)	34.1	30.3	39.5	34.1	30.3	39.5
Dedicated funds (see Note a5)	0.0	0.0	0.0	15.0	14.8	14.8
Outstanding government grants (see Note c15)	6.0	6.0	6.0	6.0	6.0	6.0
Other receivables and prepayments	70.2	93.3	18.7	55.3	85.8	11.0
Total receivables and prepayments	3,812.9	3,629.1	4,016.2	2,181.8	1,996.1	1,660.0

Intra-Eurosystem receivables comprise the receivables of Eesti Pank to the European Central Bank related to the distribution of euro banknotes amounting to 858.8 million euros (1,004.9 million euros as of 31 December 2022) and other intra-Eurosystem receivables amounting to 75.7 million euros (0 euros as of 31 December 2022).

Note c5

Holdings in foundations and non-profit associations

A. Public sector

In the public sector report, foundations and non-profit associations (see Notes a1 B1, b1 B, c1 B) are consolidated line-by-line.

B. General government sector

	31/12/2023	31/12/2022	31/12/2021
State holdings (see Note a8)	8.3	8.3	8.3
Local government holdings(see Note b4)	2.1	3.7	3.7
Holdings of other legal persons in public law	6.9	7.0	6.9
Total holdings in foundations and non-profit associations	17.3	19.0	18.9

Note c6

Holdings in subsidiaries and associates

In millions of euros

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
State holdings (see Note a9)	90.7	89.4	67.5	3,603.4	3,823.8	3,671.4
Holdings of state foundations and companies in the general government sector	0.0	0.0	0.0	8.9	9.0	9.0
Local government holdings (see Note b5)	188.0	99.6	104.6	388.0	348.4	341.6
Holdings of other legal persons in public law	0.7	0.6	0.5	5.3	2.8	2.4
Eliminations between sectors	-11.8	-9.2	-8.9	0.0	-0.2	0.0
Total holdings in subsidiaries and associates	267.6	180.4	163.7	4,005.6	4,183.8	4,024.4

Movements in holdings

	Public sector	General government sector		
	Associates	Subsidiaries	Associates	Total
Balance as of 31/12/2021	163.7	3,936.8	87.6	4,024.4
Monetary contributions and payments	14.1	8.4	0.0	8.4
Non-monetary contributions and payments	0.0	3.3	0.0	3.3
Received from sales	-0.7	-3.5	0.0	-3.5
Profit/loss on sale of holdings	0.6	3.4	0.0	3.4
Reclassification	0.6	-3.9	0.0	-3.9
Dividends received	-9.7	0.0	0.0	0.0
Profit/loss based on the equity method (see Note c24)	4.2	0.0	0.0	0.0
Effect of foreign exchange rate differences on the total profit of the associates directly reflected in the net asset reserves	7.6	0.0	0.0	0.0
Write-downs and reversals of write-downs (see Note c24)	0.0	151.6	0.1	151.7
Balance as of 31/12/2022	180.4	4,096.1	87.7	4,183.8
Monetary contributions and payments	3.3	6.5	0.0	6.5
Non-monetary contributions and payments	77.8	-79.8	77.8	-2.0
Profit on revaluation of non-monetary contribution (see Note b5 B)	0.0	71.6	0.0	71.6
Received from sales	0.2	0.2	0.0	0.2
Profit/loss on sale of holdings	-0.2	-0.2	0.0	-0.2
Reclassification of the general government sector	0.0	-214.3	0.0	-214.3
Dividends received	-6.3	0.0	0.0	0.0

	Public sector	General government sector		
	Associates	Subsidiaries	Associates	Total
Profit/loss based on the equity method (see Note c24)	12.9	0.0	0.0	0.0
Effect of foreign exchange rate differences on the total profit of the associates directly reflected in the net asset reserves	-0.5	0.0	0.0	0.0
Write-downs and reversals of write-downs (see Note c24)	0.0	-39.9	-0.1	-40.0
Balance as of 31/12/2023	267.6	3,840.2	165.4	4,005.6

As of the beginning of 2023, two state and 18 local government companies were reclassified to the general government sector, with total net assets of 214.3 million euros.

Dividends on holdings

	Public sector		General government sector	
	2023	2022	2023	2022
From subsidiaries	0.0	0.0	198.1	158.7
From associates	6.3	9.7	4.4	7.9
Total dividend income from holdings	6.3	9.7	202.5	166.6

Note c7

Investment property

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Balance at the beginning of the period	252.5	248.7	202.2	203.7
Cost	361.5	351.5	281.9	280.2
Accumulated depreciation	-109.0	-102.8	-79.7	-76.5
Total movements	14.5	3.8	3.5	-1.5
Acquisitions and improvements	3.5	0.9	2.1	0.8
Depreciation and write-downs	-10.8	-9.2	-8.3	-6.6
Sales at selling price	-5.6	-12.3	-5.5	-7.9
Profit from sales	3.2	10.3	3.1	6.0
Reclassification	22.0	13.4	10.3	5.1
Government grants received and awarded	0.2	0.1	0.1	0.1
Non-monetary contributions received and transferred	0.0	0.0	0.0	0.4
Changes due to acquisition and loss of controlling influence	0.3	0.0	0.0	0.0
Revaluation	1.7	0.6	1.7	0.6
Balance at the end of the period	267.0	252.5	205.7	202.2
Cost	380.6	361.5	287.8	281.9
Accumulated depreciation	-113.6	-109.0	-82.1	-79.7
Incl. leased under operating lease, carrying amount	138.2	134.8	112.5	110.4
Incl. pledged to cover loans, carrying amount	14.2	15.4	4.0	4.8
Revenue and expenditure				
Income from lease and rent, right of superficies and usufruct	40.7	32.4	26.5	18.4
Administrative expenses of investment property	-6.0	-5.3	-5.3	-5.3

Note c8

Property, plant and equipment

In millions of euros

A. Public sector

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	1,402.0	10,043.3	335.7	3,425.0	210.5	944.0	16,360.5
Cost	1,402.0	16,516.3	815.9	6,662.1	385.3	944.0	26,725.6
Accumulated depreciation		-6,473.0	-480.2	-3,237.1	-174.8		-10,365.1
Total movements 2022	23.4	317.9	48.1	-106.5	1.9	418.9	703.7
Acquisitions and improvements	19.5	94.3	5.1	151.3	14.5	1,532.7	1,817.4
Depreciation and write-downs	-2.7	-620.2	-51.2	-327.9	-23.2	-4.1	-1,029.3
Sales at selling price	-53.7	-10.2	0.0	-8.3	0.0	0.0	-72.2
Profit from sales	50.8	7.1	0.0	3.5	0.0	0.0	61.4
Non-monetary government grants received	1.8	2.5	5.3	6.0	0.3	0.0	15.9
Non-monetary government grants awarded	0.0	-0.8	-1.5	-0.2	0.0	0.0	-2.5
Reclassification	0.3	847.1	90.4	69.6	10.0	-1,110.5	-93.1
Changes due to acquisition and loss of controlling influence	0.0	-2.8	0.0	-0.5	0.0	0.1	-3.2
Revaluation	7.4	0.9	0.0	0.0	0.3	0.7	9.3
Balance as of 31/12/2022	1,425.4	10,361.2	383.8	3,318.5	212.4	1,362.9	17,064.2
Cost	1,425.4	17,236.3	898.8	6,736.7	400.6	1,362.9	28,060.7
Accumulated depreciation		-6,875.1	-515.0	-3,418.2	-188.2		-10,996.5
Average depreciation rate		3.7%	6.0%	4.9%	5.9%		
Leased under the finance lease, carrying amount		43.9	0.0	134.0	0.9		178.8
Leased under operating lease, carrying amount	174.4	160.5	0.0	5.9	0.5		341.3
Pledged to cover loans, carrying amount	3.7	173.7	0.0	54.5	0.0		231.9
Total movements 2023	3.5	426.5	57.4	-405.3	0.8	683.4	766.3
Acquisitions and improvements	23.8	138.8	4.6	186.5	13.2	2,216.4	2,583.3
Depreciation and write-downs	-0.1	-801.4	-71.2	-857.3	-31.3	-10.8	-1,772.1
Sales at selling price	-40.6	-3.2	0.0	-3.1	0.0	0.0	-46.9
Profit from sales	32.2	1.5	0.0	1.9	0.0	0.0	35.6
Non-monetary government grants received	0.5	8.8	11.6	9.5	0.2	0.0	30.6
Non-monetary government grants awarded	0.0	-0.3	-1.2	0.0	0.0	-0.1	-1.6
Reclassification	-15.2	1,080.6	113.6	274.2	18.8	-1,518.0	-46.0
Changes due to acquisition and loss of controlling influence	-1.1	0.0	0.0	-17.7	-0.1	-4.6	-23.5
Exchange rate differences from currency revaluation	-0.1	0.0	0.0	0.7	0.0	0.5	1.1

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Revaluation	4.1	1.7	0.0	0.0	0.0	0.0	5.8
Balance as of 31/12/2023	1,428.9	10,787.7	441.2	2,913.2	213.2	2,046.3	17,830.5
Cost	1,428.9	18,242.0	1,009.1	6,870.6	387.9	2,046.3	29,984.8
Accumulated depreciation		-7,454.3	-567.9	-3,957.4	-174.7		-12,154.3
Average depreciation rate		4.5%	7.5%	12.6%	7.9%		
Leased under the finance lease, carrying amount		54.3	0.0	131.6	0.1		186.0
Leased under operating lease, carrying amount	171.2	131.0	0.0	11.2	0.3		313.7
Pledged to cover loans, carrying amount	5.8	207.8	0.0	44.1	0.0		257.7

B. General government sector

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Balance as of 31/12/2021	782.7	6,883.5	335.6	782.2	197.6	608.8	9,590.4
Cost	782.7	11,382.4	815.9	1,784.8	341.2	608.8	15,715.8
Accumulated depreciation		-4,498.9	-480.3	-1,002.6	-143.6		-6,125.4
Total movements 2022	14.4	250.2	48.2	35.5	1.7	145.5	495.5
Acquisitions and improvements	11.2	87.0	5.1	104.0	11.4	914.5	1,133.2
Depreciation and write-downs	-2.6	-474.5	-51.2	-116.8	-20.0	-3.4	-668.5
Sales at selling price	-53.9	-8.6	0.0	-1.5	0.0	0.0	-64.0
Profit from sales	51.2	6.1	0.0	1.3	0.0	0.0	58.6
Non-monetary contributions and payments	-0.3	-3.2	0.0	0.0	0.0	0.0	-3.5
Non-monetary government grants received	1.9	2.4	5.3	6.0	0.3	0.0	15.9
Non-monetary government grants awarded	0.0	-3.4	-1.5	-0.2	-0.2	0.0	-5.3
Reclassification	0.1	643.5	90.5	42.6	9.9	-766.0	20.6
Changes due to acquisition and loss of controlling influence	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Revaluation	6.8	0.9	0.0	0.1	0.3	0.3	8.4
Balance as of 31/12/2022	797.1	7,133.7	383.8	817.7	199.3	754.3	10,085.9
Cost	797.1	11,936.3	898.8	1,873.1	354.5	754.3	16,614.1
Accumulated depreciation		-4,802.6	-515.0	-1,055.4	-155.2		-6,528.2
Average depreciation rate		4.1%	6.0%	6.5%	5.7%		
Leased under the finance lease, carrying amount		42.1	0.0	89.7	0.9		132.7
Leased under operating lease, carrying amount	3.5	116.6	0.0	0.5	0.3		120.9
Pledged to cover loans, carrying amount	1.0	75.8	0.0	0.0	0.0		76.8
Total movements 2023	13.1	893.6	57.4	45.3	2.5	281.4	1,293.3
Acquisitions and improvements	19.8	121.1	4.6	113.0	10.6	1,302.8	1,571.9

	Land	Buildings and facilities	Defence-related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Depreciation and write-downs	-0.1	-529.6	-71.2	-144.9	-27.8	-3.3	-776.9
Sales at selling price	-40.6	-4.0	0.0	-0.8	0.0	0.0	-45.4
Profit from sales	32.2	1.5	0.0	0.5	0.0	0.0	34.2
Non-monetary contributions and payments	-3.6	1.0	0.0	7.7	0.1	0.0	5.2
Non-monetary government grants received	0.5	9.0	11.6	9.5	0.2	0.0	30.8
Non-monetary government grants awarded	0.0	-0.3	-1.2	0.0	0.0	-0.2	-1.7
Reclassification	0.9	1,293.5	113.6	60.2	19.4	-1,017.9	469.7
Revaluation	4.0	1.4	0.0	0.1	0.0	0.0	5.5
Balance as of 31/12/2023	810.2	8,027.3	441.2	863.0	201.8	1,035.7	11,379.2
Cost	810.2	13,438.8	1,009.1	1,946.5	347.0	1,035.7	18,587.3
Accumulated depreciation		-5,411.5	-567.9	-1,083.5	-145.2		-7,208.1
Average depreciation rate		4.2%	7.5%	7.6%	7.9%		
Leased under the finance lease, carrying amount		43.0	0.0	86.3	0.1		129.4
Leased under operating lease, carrying amount	3.1	107.0	0.0	0.4	0.3		110.8
Pledged to cover loans, carrying amount	3.3	88.7	0.0	0.0	0.0		92.0

Note c9

Intangible non-current assets

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Balance at the beginning of the period	374.9	344.9	242.8	208.7
Cost	863.4	780.9	604.6	528.9
Accumulated depreciation	-488.5	-436.0	-361.8	-320.2
Total movements	55.0	30.0	49.0	34.1
Acquisitions and improvements	145.1	113.3	110.8	88.2
Depreciation and write-downs	-87.9	-76.1	-65.6	-54.9
Reclassification	-1.4	-7.0	3.8	0.8
Exchange rate differences from currency revaluation	-0.8	1.2	0.0	0.0
Changes due to acquisition and loss of controlling influence	0.0	-1.4	0.0	0.0
Balance at the end of the period	429.9	374.9	291.8	242.8
Cost	971.3	863.4	700.9	604.6
Accumulated depreciation	-541.4	-488.5	-409.1	-361.8
Average depreciation rate (%)	9.6%	9.3%	10.0%	9.7%

Note c10

Acquisition of property, plant and equipment and intangible non-current assets and investment property by area of activity

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Transport	476.2	407.2	426.8	351.6
Fuel and energy	899.9	527.3	32.6	0.3
Other	139.1	120.3	54.4	53.9
Housing and utilities	62.6	72.7	26.7	26.9
Environmental protection	21.5	17.9	12.5	10.2
Education	256.4	238.6	257.1	238.3
Leisure time, culture, religion	135.6	102.9	133.9	99.0
National defence	377.7	125.1	379.2	125.1
Public order and security	56.3	44.8	56.5	44.8
Health care	155.7	131.6	155.3	129.8
Social protection	30.1	42.1	30.0	42.1
General government sector services	120.8	101.1	119.8	100.2
Total non-current assets acquired	2,731.9	1,931.6	1,684.8	1,222.2

In the cash flow statement of the public sector, the acquisition of non-current assets has been adjusted by an increase in trade payables in the amount of 85.9 million euros (decrease of 15.6 million euros in 2022).

In the cash flow statement of the general government sector, the acquisition of non-current assets has been adjusted by an increase in trade payables in the amount of 48.5 million euros (increase of 16.9 million euros in 2022).

In the cash flow statement, the acquisition of non-current assets has also been adjusted by incurring finance lease liabilities (see Note c14) and capitalised interest expense (see Note c24).

Note c11

Biological assets

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Balance at the beginning of the period	2,251.5	988.2	33.7	20.3
Sales at selling price	-0.4	-0.3	-0.4	-0.1
Profit from sales	0.2	0.1	0.2	0.1
Change in fair value	242.9	1,263.5	0.5	13.4
Balance at the end of the period	2,494.2	2,251.5	34.0	33.7
Incl. current assets	69.6	62.6	3.1	3.1
Incl. non-current assets	2,424.6	2,188.9	30.9	30.6

Growing forest ready for cutting accounts for 2,483.8 million euros of the biological assets of the public sector as of the end of the reporting period (2,242.2 million euros as of 31 December 2022), including 59.8 million euros recognised as a short-term part (53.9 million euros as of 31 December 2022). The majority of it is made up by growing forest ready for cutting (see Note a14).

Growing forest ready for cutting amounts to 33.5 million euros of the biological assets of the general government sector as of the end of the reporting period (30.2 million euros as of 31 December 2022), including 3.1 million euros recognised as a short-term part (the same as of 31 December 2022).

Note c12

Other liabilities and prepayments received

In millions of euros

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Other short-term liabilities and prepayments received	15,480.2	15,315.1	15,497.5	1,901.6	1,593.3	1,155.3
Tax, state fee and fine liabilities	86.2	83.2	79.5	65.6	66.3	64.0
Interest payable	95.6	55.1	42.2	32.8	17.9	0.9
Other accruals	21.7	33.3	72.3	1.5	0.8	2.7
Grant liabilities	309.3	276.9	235.1	320.8	324.6	278.0
Banknotes in circulation	4,027.8	4,071.6	4,000.0	0.0	0.0	0.0
Customer deposits	9,429.6	9,601.9	10,250.1	86.2	108.8	76.5
Security deposits	41.3	45.4	45.5	31.0	36.8	38.2
Liabilities on sale of assets (see Note a15)	9.2	54.0	0.0	0.0	0.0	0.0
Other liabilities	96.4	39.0	32.1	37.9	32.2	26.4
Prepayments received for government grants (see Note c15)	1,319.1	991.3	650.4	1,308.7	982.8	645.7
Other deferred income	44.0	63.4	90.3	17.1	23.1	22.9
Long-term liabilities and prepayments received	83.0	76.8	85.3	51.7	44.7	50.8
Trade payables	11.4	6.8	5.8	5.9	3.6	2.7
Interest payables (see Note a17)	34.1	30.3	39.5	34.1	30.3	39.5
Other liabilities	25.5	26.2	31.0	1.4	1.5	1.7
Other deferred income	12.0	13.5	9.0	10.3	9.3	6.9
Total other liabilities and prepayments received	15,563.2	15,391.9	15,582.8	1,953.3	1,638.0	1,206.1

Since joining the Eurosystem, Eesti Pank recognises euro banknotes in circulation according to the basis for allocation of euro banknotes to the national central banks in the Eurosystem, which is the holdings of each national central bank in the European Central Bank. The difference between the value of the banknotes actually issued by a central bank and the value resulting from the allocation of banknotes gives rise to remunerated intra-Eurosystem balances (see Note c4).

As of 31 December 2023, customer deposits in bank accounts of Estonian banks opened with Eesti Pank, including those to cover the mandatory reserve, overnight deposits and funds that are not freely available, amounted to 8,973.1 million euros (7,514.2 million euros as of 31 December 2022), the counterpart of the units of account of the International Monetary Fund (IMF) amounted to 359.2 million euros (369.8 million euros as of 31 December 2022), net liabilities from settlements with euro area national central banks through an account opened in the European settlement system Target2 amounted to 0 million euros (1,516.3 million euros as of 31 December 2022).

Note c13

Provisions

In millions of euros

	Public sector			General government sector		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Balance as of 31/12/2021	479.6	3,803.2	4,282.8	134.5	3,753.0	3,887.5
Pension provisions	114.8	3,697.9	3,812.7	114.4	3,697.1	3,811.5
Environmental protection provisions	195.9	31.7	227.6	0.0	0.3	0.3
For legal costs	2.2	4.1	6.3	1.3	4.1	5.4
Provisions for guarantee liabilities and loan securities	116.3	46.0	162.3	10.5	46.0	56.5
Other provisions	50.4	23.5	73.9	8.3	5.5	13.8
Total movements 2022	408.4	321.6	730.0	271.7	322.2	593.9
Formation of provisions	431.3	536.3	967.6	40.6	535.5	576.1
Disbursements and uses	-375.2	-0.1	-375.3	-120.2	0.0	-120.2
Interest on discounted provisions	0.0	139.4	139.4	0.0	138.0	138.0
Change due to acquisition and loss of controlling influence	0.0	-1.7	-1.7	0.0	0.0	0.0
Reclassification	352.3	-352.3	0.0	351.3	-351.3	0.0
Balance as of 31/12/2022	888.0	4,124.8	5,012.8	406.2	4,075.2	4,481.4
Pension provisions	381.6	4,023.5	4,405.1	381.3	4,023.0	4,404.3
Environmental protection provisions	431.5	26.8	458.3	0.0	0.3	0.3
For legal costs	3.2	4.0	7.2	3.2	4.0	7.2
Provisions for guarantee liabilities and loan securities	15.9	44.1	60.0	9.4	44.1	53.5
Other provisions	55.8	26.4	82.2	12.3	3.8	16.1
Total movements 2023	-409.6	511.6	102.0	-252.0	502.3	250.3
Formation of provisions	331.0	484.0	815.0	6.4	474.4	480.8
Disbursements and uses	-874.7	-0.7	-875.4	-391.4	0.0	-391.4
Interest on discounted provisions	0.0	162.4	162.4	0.0	160.7	160.7
Reclassification	134.1	-134.1	0.0	133.0	-132.8	0.2
Balance as of 31/12/2023	478.4	4,636.4	5,114.8	154.2	4,577.5	4,731.7
Pension provisions	137.2	4,517.0	4,654.2	136.0	4,516.5	4,652.5
Environmental protection provisions	206.6	27.8	234.4	0.0	0.3	0.3
For legal costs	2.3	4.6	6.9	2.1	4.5	6.6
Provisions for guarantee liabilities and loan securities	99.3	48.5	147.8	6.9	48.5	55.4
Other provisions	33.0	38.5	71.5	9.2	7.7	16.9

In the public sector, the provisions for guarantee liabilities and loan securities include the provision by Eesti Pank for risks related to financial investments in the amount of 90.9 million euros (3.66 million euros as of 31 December 2022).

Note c14**Loan liabilities**

In millions of euros

A. Public sector**Loan liabilities by residual term**

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	2,843.2	3,930.5	215.7	6,989.4
Up to 1 year	418.8	499.6	30.4	948.8
1 to 5 years	807.8	1,311.9	88.1	2,207.8
More than 5 years	1,616.6	2,119.0	97.2	3,832.8
Balance as of 31/12/2022	3,782.1	4,363.4	182.2	8,327.7
Up to 1 year	1,085.2	661.6	21.5	1,768.3
1 to 5 years	150.5	1,532.6	76.2	1,759.3
More than 5 years	2,546.4	2,169.2	84.5	4,800.1
Balance as of 31/12/2023	3,727.8	5,748.4	168.9	9,645.1
Up to 1 year	529.8	903.4	25.3	1,458.5
1 to 5 years	133.9	2,354.7	65.7	2,554.3
More than 5 years	3,064.1	2,490.3	77.9	5,632.3

Movements in loan liabilities

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	2,843.2	3,930.5	215.7	6,989.4
Received	1,496.1	972.8	24.9	2,493.8
Revaluations	0.2	-0.1	0.0	0.1
Reclassification	0.0	-27.5	-26.5	-54.0
Changes due to acquisition and loss of controlling influence	0.0	0.1	-0.1	0.0
Repayment	-570.5	-512.5	-32.0	-1,115.0
Depreciation of loan cost	13.1	0.1	0.2	13.4
Balance as of 31/12/2022	3,782.1	4,363.4	182.2	8,327.7
Received	1,321.4	2,075.7	32.4	3,429.5
Revaluations	0.0	0.5	0.1	0.6
Reclassification	0.0	0.0	-4.4	-4.4
Changes due to acquisition and loss of controlling influence	0.0	-3.3	0.0	-3.3
Offset against loan receivables (see Note a17)	0.0	-4.8	0.0	-4.8
Repayment	-1,392.2	-675.0	-42.1	-2,109.3
Depreciation of loan cost	16.5	-8.1	0.7	9.1
Balance as of 31/12/2023	3,727.8	5,748.4	168.9	9,645.1
Interest expense in 2022 (see Note c24)	-39.5	-27.5	-9.0	-76.0
Average interest rate	1.2%	0.7%	4.5%	1.0%
Interest expense in 2023 (see Note c24)	-91.2	-165.2	-7.9	-264.3
Average interest rate	2.4%	3.3%	4.5%	2.9%

B. General government sector

Loan liabilities by residual term

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	1,989.2	3,070.7	133.7	5,193.6
Up to 1 year	411.2	201.5	12.0	624.7
1 to 5 years	24.4	832.5	37.2	894.1
More than 5 years	1,553.6	2,036.7	84.5	3,674.8
Balance as of 31/12/2022	2,925.9	3,261.4	125.7	6,313.0
Up to 1 year	359.8	211.5	12.0	583.3
1 to 5 years	16.5	1,022.3	35.2	1,074.0
More than 5 years	2,549.6	2,027.6	78.5	4,655.7
Balance as of 31/12/2023	3,593.8	3,665.6	123.7	7,383.1
Up to 1 year	522.1	219.9	13.5	755.5
1 to 5 years	7.7	1,288.1	35.8	1,331.6
More than 5 years	3,064.0	2,157.6	74.4	5,296.0

Movements in loan liabilities

	Bonds	Loans	Finance lease	Total
Balance as of 31/12/2021	1,989.2	3,070.7	133.7	5,193.6
Received	1,496.1	404.1	10.9	1,911.1
Reclassification	0.0	0.0	-0.3	-0.3
Changes due to acquisition and loss of controlling influence	0.0	0.1	0.0	0.1
Depreciation of loan cost	3.4	0.1	0.0	3.5
Repayment	-562.8	-213.6	-18.6	-795.0
Balance as of 31/12/2022	2,925.9	3,261.4	125.7	6,313.0
Received	1,321.4	610.9	10.9	1,943.2
Reclassification	0.0	46.0	1.1	47.1
Depreciation of loan cost	9.3	0.1	0.0	9.4
Offset against loan receivables (see Note a17)	0.0	-4.8	0.0	-4.8
Repayment	-662.8	-248.0	-14.0	-924.8
Balance as of 31/12/2023	3,593.8	3,665.6	123.7	7,383.1
Interest expense in 2022 (see Note c24)	-13.6	-17.6	-6.9	-38.1
Average interest rate	0.6%	0.6%	5.3%	0.7%
Interest expense in 2023 (see Note c24)	-67.9	-98.5	-5.7	-172.1
Average interest rate	2.1%	2.8%	4.6%	2.5%

For information on loan securities, pledged assets and assets leased under finance lease, see Notes c27, c7, c8.

Note c15

Grants received and awarded

In millions of euros

A. Grants received

A.1. Public sector

	Balance as of 31/12/2021			Calculated revenue 2022	Balance as of 31/12/2022			Calculated revenue 2023	Balance as of 31/12/2023	
	Receivables (see Note a3)	Prepayments received (see Note a15)			Receivables (see Note a3)	Prepayments received (see Note a15)			Receivables (see Note a3)	Prepayments received (see Note a15)
From European Union funds	528.8	602.9	1,119.0		713.5	919.2	1,274.6	875.4	1,154.0	
Other foreign aid	15.7	43.7	62.6		16.6	69.1	79.1	23.2	161.3	
Domestic grants	0.5	3.8	54.6		0.3	3.0	75.8	0.4	3.8	
Total grants received	545.0	650.4	1,236.2		730.4	991.3	1,429.5	899.0	1,319.1	

Income from grants received by area of activity

	2023				2022			
	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for inter-mediating acquisition of non-current assets	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for inter-mediating acquisition of non-current assets
Agriculture	13.3	234.1	9.7	57.4	18.5	257.3	2.7	48.6
Transport	6.0	0.1	182.6	12.3	3.7	-1.0	116.0	0.4
Other	67.0	15.7	177.1	44.9	54.6	15.2	127.0	38.9
Education	99.4	26.9	81.9	0.5	107.8	21.3	79.5	0.3
Housing and utilities	0.2	0.0	3.7	36.7	0.2	0.1	12.2	44.7
Environmental protection	21.7	2.0	5.8	10.5	12.4	0.9	13.0	11.7
General government sector services	71.1	4.8	28.6	2.1	44.7	4.1	36.9	0.8
Health care	5.8	0.2	97.0	1.1	18.1	0.1	45.3	2.0
Social protection	28.1	2.1	4.2	4.3	46.6	1.8	7.1	2.8
Leisure time, culture, religion	6.2	2.3	0.6	0.7	7.2	1.3	0.1	0.3
National defence	9.7	0.2	35.6	0.0	5.6	0.2	5.6	0.0
Public order and security	11.4	0.1	3.6	0.2	8.6	0.1	10.9	0.0
Total grants received	339.9	288.5	630.4	170.7	328.0	301.4	456.3	150.5

During the reporting period, 35.3 million euros of foreign aid (9.9 million euros in 2022) were recovered due to violation of the requirements, including 2.9 million euros of foreign aid intermediated outside the public sector (4.8 million euros in 2022) (recognised as a reduction in revenue).

Intermediated grants in the amount of 459.2 million euros (451.9 million euros in 2022) reflect grants received from European Union funds and other foreign aid which the public sector did not use for its operating expenses or for acquisition of non-current assets but passed on to beneficiaries outside the public sector (also recorded as grants awarded, see section B).

In the cash flow statement, government grants received for the acquisition of non-current assets have been adjusted by non-monetary government grants (see Note c8). In addition, cash flows from investment activities have been adjusted by an increase in the government grant prepayments received of non-current assets by 182.8 million euros (increase of 59.2 million euros in 2022) and an increase in receivables by 156.8 million euros (increase of 193.6 million euros in 2022).

A2. General government sector

	Balance as of 31/12/2021		Calculated revenue 2022	Balance as of 31/12/2022		Calculated revenue 2023	Balance as of 31/12/2023	
	Receivables (see Note a3)	Prepayments received (see Note a15)		Receivables (see Note a3)	Prepayments received (see Note a15)		Receivables (see Note a3)	Prepayments received (see Note a15)
From European Union funds	528.2	600.1	1,055.3	712.9	914.7	1,229.6	875.1	1,148.8
Other foreign aid	9.6	41.8	63.0	16.6	65.3	78.7	20.2	156.1
Domestic grants	0.5	3.8	31.9	0.3	2.8	54.8	0.3	3.8
Total grants received	538.3	645.7	1,150.2	729.8	982.8	1,363.1	895.6	1,308.7

Income from grants received by area of activity

	2023				2022			
	Income for operating expenses	Income for inter-mediating operating expenses	Income for acquisition of non-current assets	Income for inter-mediating acquisition of non-current assets	Income for operating expenses	Income for inter-mediating operating expenses	Income for acquisition of non-current assets	Income for inter-mediating acquisition of non-current assets
Agriculture	13.0	234.2	9.7	57.4	18.3	257.4	2.7	48.6
Transport	5.8	0.1	173.0	13.0	3.3	-0.9	87.3	28.9
Other	44.3	15.9	141.4	45.3	30.9	14.3	65.8	39.2
Education	99.2	27.1	81.9	0.5	107.7	21.6	79.5	0.3
Environmental protection	19.7	4.0	0.0	16.6	10.6	2.6	0.3	24.4
Housing and utilities	0.1	0.0	3.8	36.8	0.2	0.1	10.9	46.0
Social protection	28.1	2.1	4.2	4.3	46.6	1.8	7.1	2.8
Health care	5.8	0.2	96.9	1.2	18.1	0.1	45.4	1.9
Leisure time, culture, religion	6.4	2.3	0.6	0.7	7.1	1.3	0.1	0.3
General government sector services	71.2	4.8	27.7	3.0	44.7	4.1	37.0	0.8
National defence	9.7	0.2	35.6	0.0	5.6	0.2	5.6	0.0
Public order and security	11.4	0.1	3.6	0.2	8.6	0.1	10.9	0.0
Total grants received	314.7	291.0	578.4	179.0	301.7	302.7	352.6	193.2

Pass-through income in the amount of 470.0 million euros (495.9 million euros in 2022) reflects grants received from European Union funds and other foreign aid and revenue from the sale of emission allowances, which the state did not use for its operating expenses or for acquisition of non-current assets but passed on to beneficiaries outside the general government sector (also recorded as government grants awarded, see section B).

In the cash flow statement, government grants received for the acquisition of non-current assets have been adjusted by non-monetary government grants (see Note c8). In addition, cash flows from investment activities have been adjusted by an increase in the government grant prepayments received of non-current assets by 182.4 million euros (increase of 56.6 million euros in 2022) and an increase in receivables by 154.1 million euros (increase of 199.5 million euros in 2022).

B. Grants awarded

	Public sector		General government sector	
	2023	2022	2023	2022
Pensions	-2,544.8	-2,186.2	-2,544.8	-2,186.2
Compensation for temporary incapacity for work	-155.2	-183.0	-155.2	-183.0
Compensation of medicines and medical devices	-237.6	-225.6	-237.6	-225.6
Other health insurance benefits	-467.2	-387.0	-471.5	-393.5
Unemployment insurance benefits	-179.0	-136.8	-179.0	-136.8
Family allowances	-877.7	-715.8	-877.7	-715.8

	Public sector		General government sector	
	2023	2022	2023	2022
Subsistence benefit	-58.4	-74.1	-58.4	-74.1
Benefits for the unemployed	-59.9	-52.7	-59.9	-52.7
Benefits for disabled people	-84.5	-71.5	-84.5	-71.5
Work ability allowance	-427.1	-391.9	-427.1	-391.9
Social welfare services and benefits for the elderly	-41.8		-41.8	-2.8
Education allowance	-53.1	-51.1	-53.1	-50.9
Social tax and funded pension paid in special cases	-165.8	-165.8	-165.8	-165.8
Four per cent temporarily payable to the second pillar of mandatory funded pension fund and the rate of return calculated on it	0.0	-21.6	0.0	-21.6
Formation of public sector pension provisions	-67.7	-42.9	-67.7	-42.9
Other social benefits	-48.2	-60.7	-48.2	-57.6
Government grants for operating expenses	-1,170.7	-1,102.7	-1,212.8	-1,220.8
Government grants awarded for acquisition of non-current assets	-235.0	-191.3	-260.2	-263.7
Total grants awarded	-6,873.7	-6,060.7	-6,945.3	-6,257.2

In the cash flow statement, government grants awarded for the acquisition of non-current assets have been adjusted by non-monetary government grants (see Note c8).

In addition, the cash flow statement of the public sector takes into account a decrease of 6.9 million euros in government grant liabilities for the acquisition of non-current assets (increase of 8.2 million euros in 2022) and an increase of 5.2 million euros in prepayments paid (decrease of 2.9 million euros in 2022).

Moreover, the cash flow statement of the general government sector takes into account a decrease of 26.3 million euros in government grant liabilities for the acquisition of non-current assets (increase of 28.8 million euros in 2022) and an increase of 1.6 million euros in prepayments (increase of 0.2 million euros in 2022).

Grants awarded for operating expenses and acquisition of non-current assets by area of activity

	Public sector				General government sector			
	2023		2022		2023		2022	
	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets
Agriculture	-266.7	-67.1	-294.4	-56.9	-267.7	-67.1	-294.4	-56.9
Transport	-110.7	-14.7	-98.5	-1.1	-121.2	-15.5	-128.2	-36.3
Other	-108.4	-47.8	-103.5	-40.8	-135.7	-58.7	-179.1	-54.0
Education	-106.7	-0.7	-95.8	-0.4	-107.1	-0.7	-99.1	-0.5
Environmental protection	-9.9	-14.7	-8.4	-14.2	-12.9	-24.9	-15.8	-31.0
Housing and utilities	-4.2	-64.5	-3.3	-57.1	-3.4	-65.7	-3.9	-60.3
Social protection	-22.8	-4.3	-24.8	-2.9	-22.8	-4.4	-24.8	-2.9
Health care	-8.7	-1.4	-4.1	-2.0	-8.9	-1.4	-4.2	-4.9
Leisure time, culture, religion	-139.4	-6.9	-130.6	-8.8	-140.9	-7.8	-132.9	-9.2
General government sector services	-375.7	-9.9	-324.7	-4.8	-374.7	-11.0	-323.7	-5.3
National defence	-11.7	-1.2	-10.3	-1.5	-11.7	-1.2	-10.3	-1.5
Public order and security	-5.8	-1.8	-4.3	-0.8	-5.8	-1.8	-4.4	-0.9
Total grants awarded	-1,170.7	-235.0	-1,102.7	-191.3	-1,212.8	-260.2	-1,220.8	-263.7

Grants to non-residents, including membership fees, amounted to 544.7 million euros in the public sector (435.2 million euros in 2022), of which 369.5 million euros (313.5 million euros in 2022) were meant for the area of activity of the general government sector services in the public sector.

Grants to non-residents, including membership fees, amounted to 543.2 million euros in the general government sector (433.6 million euros in 2022), of which 368.4 million euros (312.5 million euros in 2022) were meant for the area of activity of the general government sector services.

Note c16

Reserves

In millions of euros

	Balance as of 31/12/2021	Formation/decrease 2022	Balance as of 31/12/2022	Formation/decrease 2023	Balance as of 31/12/2023
Stabilisation Reserve Fund (see Note a20)	430.1	-6.2	423.9	16.3	440.2
Other state reserves (see Note a20)	41.8	8.6	50.4	1.0	51.4
Local government reserves	0.4	0.0	0.4	0.0	0.4
Legal reserve and risk reserve of Tervisekassa	127.3	9.9	137.2	21.8	159.0
Legal reserve of Eesti Töötukassa	92.0	0.0	92.0	0.0	92.0
Total general government sector reserves	691.6	12.3	703.9	39.1	743.0
Legal reserve of Eesti Pank	483.0	2.8	485.8	0.0	485.8
Total public sector reserves	1,174.6	15.1	1,189.7	39.1	1,228.8

The legal reserve of Tervisekassa must form at least 6% of the budget and the risk reserve at least 2% of the size of the health insurance budget.

The legal reserve of Eesti Töötukassa must form at least 10% of the size of its assets.

Based on the Bank of Estonia Act, at least 25% of the annual profit is directed to the increase of the legal reserve every year.

Note c17

Taxes and social security contributions

In millions of euros

	Public sector		General government sector		Expenditure on pass-throughs (see Note c23)		Expenditure on doubtful receivables (see Note c23)	
	2023	2022	2023	2022	2023	2022	2023	2022
Social tax and social security contributions	5,071.9	4,582.5	5,071.9	4,582.5	-481.0	-451.0	-10.8	-10.5
Social tax for pension insurance	2,796.0	2,518.7	2,796.0	2,518.7	-309.4	-288.6	-6.2	-6.1
Social tax for health insurance	1,811.2	1,637.5	1,811.2	1,637.5	0.0	0.0	-4.0	-3.9
Unemployment insurance premiums	293.0	264.0	293.0	264.0	0.0	0.0	-0.5	-0.5
Funded pension contributions	171.7	162.3	171.7	162.3	-171.6	-162.4	-0.1	0.0
Taxes on goods and services	3,936.0	3,807.6	3,966.5	3,838.6	0.0	0.0	-13.8	-12.8
VAT	2,879.3	2,773.3	2,884.1	2,778.4	0.0	0.0	-14.2	-12.3
Excise duty	1,005.1	985.0	1,015.0	995.2	0.0	0.0	0.4	-0.5

	Public sector		General government sector		Expenditure on pass-throughs (see Note c23)		Expenditure on doubtful receivables (see Note c23)	
	2023	2022	2023	2022	2023	2022	2023	2022
On alcohol	262.4	241.4	262.4	241.4	0.0	0.0	0.0	-0.2
On tobacco	251.4	245.4	251.4	245.4	0.0	0.0	0.4	-0.3
On fuel	490.2	497.0	493.3	500.2	0.0	0.0	0.0	0.0
On electricity	0.9	0.9	7.7	7.9	0.0	0.0	0.0	0.0
Other excise duties	0.2	0.3	0.2	0.3	0.0	0.0	0.0	0.0
Gambling tax	32.7	30.6	48.5	46.2	0.0	0.0	0.0	0.0
Parking charges	8.9	9.0	8.9	9.0	0.0	0.0	0.0	0.0
Advertising tax	7.7	7.5	7.7	7.5	0.0	0.0	0.0	0.0
Road and street closure fees	2.3	2.2	2.3	2.3	0.0	0.0	0.0	0.0
Income tax	3,092.4	2,897.2	3,141.9	2,928.2	0.0	0.0	-7.4	-5.5
Personal income tax	2,388.3	2,308.5	2,388.3	2,308.5	0.0	0.0	-5.2	-3.4
Corporate income tax	704.1	588.7	753.6	619.7	0.0	0.0	-2.2	-2.1
Property tax	52.5	52.3	60.9	61.0	0.0	0.0	-0.1	-0.1
Land tax	47.6	47.2	56.0	55.9	0.0	0.0	-0.1	-0.1
Heavy goods vehicle tax	4.9	5.1	4.9	5.1	0.0	0.0	0.0	0.0
Customs duty	40.6	84.0	40.6	84.0	-30.0	-65.0	0.0	0.0
Total taxes	12,193.4	11,423.6	12,281.8	11,494.3	-511.0	-516.0	-32.1	-28.9

Social security contributions are passed on to funded pension funds and customs duties to the European Commission.

Note c18

Goods and services sold

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
State fees	88.1	93.1	88.6	93.5
Income from economic activities	3,960.0	4,161.1	978.2	870.0
Income from sale of electricity	1,613.4	1,838.4	8.4	9.9
Income from transport services	301.8	292.2	60.4	44.4
Income from agriculture and forestry	315.3	313.6	9.2	9.1
Income from mining, processing industry and construction	212.4	221.6	0.2	0.1
Income from heat energy sold	76.7	85.1	8.0	6.5
Income from educational activities	121.8	110.5	124.4	113.2
Income from communication services	119.3	105.2	2.5	0.9
Lease and rent	75.3	71.5	38.8	34.9
Income from health care	95.5	83.7	85.5	69.8

	Public sector		General government sector	
	2023	2022	2023	2022
Income from water and sewerage services	80.0	67.9	9.3	2.8
Income from culture and arts	58.4	45.8	57.3	44.9
Income from social assistance activities	50.2	46.9	50.1	46.9
Income from sports and recreational activities	27.6	23.3	23.6	17.5
Sale of emission allowance credits	360.3	334.5	360.0	334.3
Sale of rights	28.1	44.5	18.6	35.2
Other goods and services sold	423.9	476.4	121.9	99.6
Total goods and services sold	4,048.1	4,254.2	1,066.8	963.5

Note c19

Other income

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Profit/loss from non-current assets sold (see Notes c7, c8, c11)	39.0	71.8	37.5	64.7
Interest income from deferred taxes	18.7	16.2	19.1	16.3
Compensation awarded by court judgments	10.7	9.6	10.6	9.6
Fines and other fines to the extent of asset	30.6	35.1	31.3	26.2
Income from providing natural resources for use	37.7	51.5	69.4	110.1
Pollution charges	19.2	19.5	34.0	41.1
Road usage charges	20.8	21.4	20.9	21.5
Profit/loss from sale of inventories	10.4	8.1	8.7	7.2
Profit from revaluation of derivatives	225.7	426.1	0.0	0.0
Other income	35.4	17.5	22.9	13.5
Total other income	448.2	676.8	254.4	310.2

Note c20

Labour costs

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Expenditure of salaries and wages				
Persons elected and appointed to a position	-42.2	-37.0	-42.2	-37.0
Officials	-589.0	-514.6	-589.0	-514.6
Members of supervisory boards and management boards	-33.5	-31.2	-19.2	-15.8

	Public sector		General government sector	
	2023	2022	2023	2022
Employees	-2,842.2	-2,403.7	-2,470.0	-2,049.3
Total salaries and wages of full-time employees	-3,506.9	-2,986.5	-3,120.4	-2,616.7
Salaries and wages of temporary and external employees	-85.0	-73.5	-79.5	-70.5
Special pensions and pension increases (see Note a23)	-161.9	-99.7	-161.9	-99.7
Total expenditure of salaries and wages	-3,753.8	-3,159.7	-3,361.8	-2,786.9
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	611	588	611	588
Officials	19,525	19,274	19,525	19,274
Members of supervisory boards and management boards	613	601	388	332
Employees	116,895	114,610	103,450	100,361
Total average number of employees	137,644	135,073	123,974	120,555
Other labour costs				
Fringe benefits	-22.7	-19.4	-17.0	-14.4
Taxes and social security contributions	-1,205.4	-1,025.7	-1,078.9	-904.5
Capitalised production	43.1	34.6	12.9	7.7
Total other labour costs	-1,185.0	-1,010.5	-1,083.0	-911.2
Total labour costs	-4,938.8	-4,170.2	-4,444.8	-3,698.1

Labour costs by area of activity are presented in Note c25.

Note c21

Management expenses

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Production costs	-1,148.7	-1,365.1	-9.2	-4.5
Management expenses of property, buildings and premises	-396.7	-386.0	-433.4	-438.5
Medical supplies and services	-284.7	-291.9	-280.7	-288.3
Management expenses of facilities	-281.8	-248.4	-226.8	-212.4
Management expenses of vehicles	-241.7	-227.6	-118.7	-127.8
Defence-related equipment and materials	-210.6	-166.4	-210.8	-166.5
Information and communication technology expenses	-194.2	-159.1	-162.9	-130.9
Administration costs	-149.7	-136.5	-119.7	-109.8
Management expenses of work machinery, equipment and fixtures and fittings	-149.0	-123.3	-124.2	-95.2
Communication, culture and leisure time expenses	-132.5	-116.2	-123.6	-107.6
Social services	-121.7	-180.6	-121.8	-180.8
Foodstuffs and catering services	-93.1	-77.3	-91.5	-75.5
Cost of teaching materials and training	-89.1	-78.1	-89.4	-78.8

	Public sector		General government sector	
	2023	2022	2023	2022
Travel expenses	-73.8	-61.0	-69.7	-58.1
Staff training expenses	-41.4	-34.5	-34.3	-29.5
Other special equipment and materials	-41.1	-38.0	-38.1	-32.4
Transport services	-39.4	-38.1	-32.5	-31.2
Research and development	-30.4	-28.2	-26.5	-25.6
Special clothing and uniforms	-14.6	-12.1	-13.5	-10.8
Change in provisions for security and guarantee losses	-5.6	-0.3	-5.1	0.5
Other miscellaneous management expenses	-47.8	-42.7	-47.5	-41.0
Total management expenses	-3,787.6	-3,811.4	-2,379.9	-2,244.7

Management expenses by area of activity are presented in Note c25.

Note c22

Depreciation and change in value of non-current assets

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Depreciation of investment property (see Note c7)	-10.8	-9.2	-8.3	-6.6
Depreciation of property, plant and equipment (see Note c8)	-1,772.1	-1,029.3	-776.9	-668.5
Depreciation of intangible non-current assets (see Note c9)	-87.9	-76.1	-65.6	-54.9
Total depreciation and change in value of non-current assets	-1,870.8	-1,114.6	-850.8	-730.0

Depreciation and change in value by area of activity are presented in Note c25.

Note c23

Other expenditure

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Expenditure on doubtful tax, state fee and fine receivables	-39.6	-35.2	-39.6	-34.2
Tax receivables (see Note c17)	-32.1	-28.9	-32.1	-28.9
Interest receivables on deferred taxes	-5.2	-4.9	-5.2	-4.9
Receivables adjudicated based on court judgment	-0.5	-0.3	-0.5	-0.3
Fine receivables	-1.3	-1.0	-1.3	-1.0
Natural resource use and pollution charges	-0.5	-0.1	-0.5	0.9
Expenditure on passing on taxes, state fees and fines	-512.5	-517.6	-512.5	-517.6

	Public sector		General government sector	
	2023	2022	2023	2022
Transfer of tax revenue (see Note c17)	-511.0	-516.0	-511.0	-516.0
Pass-through state fees	-1.5	-1.6	-1.5	-1.6
Other expenditure	-628.6	-941.4	-176.2	-148.6
Expenditure on doubtful loan receivables	-2.4	6.4	-2.3	6.5
Expenditure on other doubtful receivables	-2.5	-11.1	-1.7	-3.6
Expenditure related to state secrets	-133.3	-143.5	-133.3	-143.5
Expenditure on emission allowances	-205.4	-428.7	0.0	0.0
Write-down of inventories	-47.1	-3.4	-30.4	-2.4
Loss from revaluation of derivatives	-218.9	-349.8	0.0	0.0
Other expenditure	-19.0	-11.3	-8.5	-5.6

Note c24

Financial income and expenses

In millions of euros

	Public sector		General government sector	
	2023	2022	2023	2022
Operating result from holdings (see Note c6)	71.8	33.1	234.3	321.7
By equity method	12.9	4.2	0.0	0.0
Profit/loss from sale and liquidation	58.9	28.9	71.8	3.4
Dividend income	0.0	0.0	202.5	166.6
Write-downs and reversals of write-downs	0.0	0.0	-40.0	151.7
Interest expense	-706.0	-510.9	-333.1	-176.9
On loan liabilities (see Note c14)	-264.2	-76.0	-172.1	-38.1
Capitalised interest expense	33.6	7.3	0.5	0.0
On discounted liabilities	-162.4	-139.4	-160.7	-138.0
Interest expense of Eesti Pank on intra-Eurosystem balances	-311.8	-52.5	0.0	0.0
On other liabilities	-1.2	-250.3	-0.8	-0.8
Income from deposits and securities	486.9	260.6	81.6	-8.3
Interest income from cash and cash equivalents (see Note c2)	69.5	8.9	49.5	1.2
Interest income from bonds (see Note c3)	49.3	154.5	46.7	-10.4
Interest income of Eesti Pank on intra-Eurosystem balances	76.9	37.0	0.0	0.0
Profit from sale and revaluation of shares	-11.8	17.7	-14.7	0.4
Net financial income of Eesti Pank	287.3	30.5	0.0	0.0
Other income from deposits and securities	15.7	12.0	0.1	0.5
Other financial income	27.7	4.2	3.2	6.0
Income from profit of Eesti Pank	0.0	0.0	0.0	0.9
Interest income from loans	0.3	2.2	1.4	2.5

	Public sector		General government sector	
	2023	2022	2023	2022
Interest income on discounted receivables	1.8	2.1	1.9	2.2
Other financial income	25.6	-0.1	-0.1	0.4
Other financial expenses	-0.4	-0.5	-0.3	-0.5
Total financial income and expenses	-120.0	-213.5	-14.3	142.0

The public sector item 'Interest income from bonds' reflects, among other things, the interest income of Eesti Pank from various securities and derivative transactions totalling 1.4 million euros (166.3 million euros in 2022).

The public sector item 'Interest expense' on other liabilities includes, inter alia, the interest expense of Eesti Pank on various financing transactions, including transactions with derivatives, totalling 0.3 million euros (249.3 million euros in 2022).

Note c25

Expenditure by area of activity

In millions of euros

A. Public sector

	2023					2022				
	Labour costs	Management expenses	Depreciation	Other expenditure	Total	Labour costs	Management expenses	Depreciation	Other expenditure	Total
General government sector services	376.1	188.1	85.6	470.2	1,120.0	340.0	174.1	80.7	335.5	930.3
National defence	197.5	324.2	103.2	64.7	689.6	165.7	265.9	79.1	51.4	562.1
Public order and security	413.7	94.0	29.6	68.9	606.2	349.9	83.5	24.4	91.6	549.4
Economy	746.0	1,775.7	1,286.7	525.9	4,334.3	644.4	1,925.2	593.2	826.9	3,989.7
Environmental protection	69.0	134.2	21.3	1.8	226.3	62.4	111.3	20.7	1.0	195.4
Housing and utilities	57.6	75.1	60.6	1.9	195.2	50.2	70.3	54.5	1.1	176.1
Health care	857.1	402.7	66.1	37.4	1,363.3	734.8	404.3	58.8	4.5	1,202.4
Leisure time, culture, religion	250.5	207.3	61.1	0.6	519.5	219.6	185.5	60.1	0.4	465.6
Education	1,580.1	405.1	132.4	1.9	2,119.5	1,308.7	370.2	122.3	0.9	1,802.1
Social protection	391.2	181.2	24.2	161.7	758.3	294.5	221.1	20.8	139.5	675.9
Total expenditure	4,938.8	3,787.6	1,870.8	1,335.0	11,932.2	4,170.2	3,811.4	1,114.6	1,452.8	10,549.0

B. General government sector

	2023					2022				
	Labour costs	Management expenses	Depreciation	Other expenditure	Total	Labour costs	Management expenses	Depreciation	Other expenditure	Total

General government sector services	353.9	198.5	83.9	158.3	794.6	320.3	188.2	78.9	33.9	621.3
National defence	197.5	334.6	103.2	64.7	700.0	165.8	278.4	79.1	51.5	574.8
Public order and security	413.7	95.8	29.6	68.9	608.0	350.0	86.0	24.4	91.6	552.0
Economy	327.1	363.6	317.3	14.9	1,022.9	255.1	323.8	260.5	3.4	842.8
Environmental protection	58.0	125.5	12.1	0.7	196.3	45.9	104.4	9.9	0.1	160.3
Housing and utilities	30.3	64.5	23.7	0.7	119.2	23.1	63.9	17.9	0.4	105.3
Health care	848.0	412.1	65.6	37.4	1,363.1	724.1	417.3	58.5	4.4	1,204.3
Leisure time, culture, religion	245.4	164.7	59.3	0.4	469.8	211.3	148.5	58.2	0.3	418.3
Education	1,579.7	435.5	131.9	1.9	2,149.0	1,308.0	408.4	121.8	0.9	1,839.1
Social protection	391.2	185.1	24.2	161.7	762.2	294.5	225.8	20.8	139.5	680.6
Total expenditure	4,444.8	2,379.9	850.8	509.6	8,185.1	3,698.1	2,244.7	730.0	326.0	6,998.8

Other expenditure includes other operating expenses, interest expense and other financial expenses. The change in public service pension provisions affecting labour costs is reflected under the area of activity of social protection (see Note a23).

Note c26

Transactions with public sector entities and related entities

In millions of euros

A. Receivables and liabilities with other public sector entities and related entities

	Public sector			General government sector		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Assets	4.8	5.8	9.0	291.4	587.0	1,143.6
Current assets	4.7	5.7	8.9	243.7	535.5	1,091.8
Cash and bank accounts	0.0	0.0	0.0	170.4	454.7	1,013.1
Tax, state fee and fine receivables	3.1	2.8	2.2	53.5	56.3	60.1
Other receivables and prepayments	1.6	2.9	6.7	19.8	24.5	18.6
Non-current assets	0.1	0.1	0.1	47.7	51.5	51.8
Other receivables and prepayments	0.1	0.1	0.1	47.7	51.5	51.8
Liabilities	8.8	5.7	6.1	90.0	159.0	156.2
Current liabilities	8.5	5.4	5.8	45.8	99.3	87.3
Trade payables	6.9	4.4	2.6	22.4	32.1	25.1
Prepayments of taxes, state fees and fines received	0.6	0.3	0.7	6.2	12.8	12.7
Other liabilities and prepayments received	1.0	0.7	2.5	12.8	49.0	43.9
Loan liabilities	0.0	0.0	0.0	4.4	5.4	5.6
Non-current liabilities	0.3	0.3	0.3	44.2	59.7	68.9
Other liabilities and prepayments received	0.3	0.3	0.3	0.0	0.0	0.2
Loan liabilities	0.0	0.0	0.0	44.2	59.7	68.7

B. Income and expenditure from other public sector entities and related entities

	Public sector		General government sector	
	2023	2022	2023	2022
Income from operations	18.7	22.6	165.5	172.9
Taxes and social security contributions	3.9	3.4	92.3	74.2
Goods and services sold	10.7	16.2	17.5	12.4
Grants received	0.1	0.1	0.6	0.7
Other income	4.0	2.9	55.1	85.6
Operating expenses	-32.0	-27.7	-258.2	-380.3
Grants awarded	-11.3	-8.0	-100.4	-210.0
Management expenses	-20.8	-19.4	-157.8	-171.3
Other operating expenses	0.1	-0.3	0.0	1.0
Operating result	-13.3	-5.1	-92.7	-207.4
Financial income and expenses	9.9	4.8	170.2	319.9
Profit/loss from financial investments	13.0	4.8	162.6	321.7
Other financial income and expenses	-3.1	0.0	7.6	-1.8
Surplus or deficit of the reporting period	-3.4	-0.3	77.5	112.5

The public sector report includes the transactions of the public sector entities with related entities (companies and foundations under significant influence).

The general government sector report includes the transactions of general government entities with subsidiaries, non-government foundations and non-profit associations, the State Forest Management Centre and companies and foundations under significant influence.

Note c27

Material contingent liabilities and assets

In millions of euros

	Public sector		General government sector	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Contingent liabilities	7,937.1	7,200.4	6,895.5	6,085.6
Delivery contracts and investment liabilities	2,645.6	2,263.8	1,833.1	1,537.9
Liabilities in connection with holdings in international financial institutions (see Note a30 A)	2,035.9	1,655.1	2,035.3	1,655.1
Balance of student loans issued by banks (see Note a6)	34.5	36.5	34.5	36.5
Non-current assets pledged as loan security (see Note c7, c8)	271.9	247.3	96.0	81.6
Current assets pledged as loan security	39.4	21.4	0.0	0.0
Guarantees given (see also Note a30 B)	1,982.3	2,019.2	1,979.9	2,020.6
Liabilities from continuing operating lease agreements	247.8	248.9	233.3	218.4
Grant award and pass-through liabilities (based on contracts signed)	305.3	196.6	358.1	223.9

	Public sector		General government sector	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Liabilities related to court cases	370.2	304.6	321.2	301.7
Other contingent liabilities	4.2	207.0	4.1	9.9
Contingent receivables	423.4	416.1	39.0	40.9
Receivables from continuing operating lease agreements	423.4	416.1	39.0	40.9

The carrying amounts of the assets leased under operating lease and assets leased under finance lease are disclosed in Notes c7 and c8.

Signature to the consolidated annual report

The consolidated annual report of the state for the financial year that ended on 31 December 2023 consists of the management report and the consolidated and unconsolidated annual accounts of the state. Furthermore, it presents additional information on the entities of the local governments and the public sector and general government sector.

The consolidated annual report of the state was prepared by the Ministry of Finance and audited by the National Audit Office. As a result of the audit, the National Audit Office has prepared an audit report on the state's annual accounts for 2023.

The audit report of the National Audit Office is presented to the Government of the Republic together with the consolidated annual report.

/signed digitally/

Kristen Michal

Minister of Climate in his capacity as the Minister of Finance