



RAHANDUSMINISTEERIUM

THE REPUBLIC OF ESTONIA CONSOLIDATED ANNUAL REPORT OF THE STATE FOR 2021

Prepared by: Ministry of Finance
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Preface by the Minister of Finance

Dear reader of the consolidated annual report of the state for 2021!

2021 was a challenging year. We moved from crisis to crisis. The COVID-19 pandemic continued to ravage people's health and the global economy. Additionally, we were faced with a changed security situation and an energy crisis. The aim of the government in the health crisis was to keep society as open as possible. As the crisis spread to energy and security, the government's priority has been to make sure that our people feel safe and can cope. We had to react quickly and accurately to the changing situation.

In light of the so-called cluster crisis, it is the government's responsibility to ensure prudent public finances because sustainable financing of expenditure necessary for the state must be guaranteed.

Despite the difficult times, Estonian economy was in a good position in 2021. The GDP increased by 8.4 percent compared to 2020 and 5.2 percent compared to the pre-coronavirus 2019. At the end of 2021, it was Estonia's GDP that exceeded the pre-coronavirus crisis level the most among European Union countries

The average annual industrial production volume index increased by 6.8 percent compared to 2020 and by 3.7 percent compared to 2019. Construction volumes increased and private consumption growth exceeded 6.5 percent in 2021. Investments increased by 3.3 percent in 2021. We increased exports of goods and services, and the labour market, that had been seriously hit by the coronavirus crisis, recovered.

The current account deficit was 1.1 percent of GDP in the previous year. The upturn of domestic demand led to an increase in the balance of trade deficit to the level preceding the coronavirus crisis.

Due to the decreased tax revenue in the environment of expenditure and economic downturn related to the measures of the COVID-19 pandemic, the budgetary deficit for 2020 was 1.5 billion euros, i.e. 5.6 percent of GDP. The financial position of the state was therefore

not the best. However, public finance worries are not only related to the global COVID-19 pandemic, as the concerns started even before the crisis. In the preceding years of economic growth, budgetary costs were allowed to expand and we entered the crisis with a budget in a structural deficit. As such, the budgetary deficit during the crisis grew to be much larger than it should have without the preceding budgetary policy oversights.

The state budget for 2021 was planned with a budgetary deficit of 1.9 billion euros, i.e. 6.7 percent of GDP, in the general government sector, plus the supplementary budget. In reality, the deficit of the general government sector was 721 million euros, i.e. 2.4 of GDP, in 2021. The budgetary position improved significantly compared to 2020 as a result of the rapid economic recovery.

The debt of the general government sector increased by almost half a billion to 5.5 billion of GDP. However, due to the rapid economic growth, the debt burden fell from 19 percent in 2020 to 18.1 percent compared to GDP.

We have been on the right track, but we can see that economic growth is slowing. At the moment, it is especially important to keep a clear mind in planning state expenditure because in addition to the crisis, we continue to resolve the long-standing problem of the state spending beyond its means caused during the previous years of economic growth. The better we are able to keep prudent focus today, the faster we can get out of the challenging circumstances. There is plenty of pressure, and responsibility is great.

Happy reading and thinking along!

Keit Pentus-Rosimannus

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 report on the implementation of the state budget 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 authorities, 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 entries.

Information on public sector and general government sector and information on local authorities 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 2021 and have generally been adjusted until 30 April 2022, which is the latest deadline for amending the reports according to subsection 9 (4) of the Minister of Finance Regulation No. 105 "Public sector financial accounting and reporting guidelines" of 11 December 2003. 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 percent or greater, it is a public sector subtype of "state". If the local government's entity in the business entity is 50 percent or greater, it is a public sector subtype of "local government". The general government sector accounts for the largest share (in terms of staff and budget) of the public sector.

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 includes the funds of the state, the Health Insurance Fund, the Unemployment Insurance Fund, some foundations, and other entities (for example, AS Pensionikeskus).

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

Gross domestic product – is the total value of final goods and services produced in a particular territory (usually a country) during a year. Throughout the consolidated annual report of the state, the abbreviation GDP is used.

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

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 insurance funds.

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













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 Management report

1.1 Financial overview of the general government sector

1.1.1 Key financial indicators in 2021

Table 1. Key financial indicators

	2021	2020
 Annual growth of real GDP	8.3%	-3.0%
 Unemployment	6.2%	6.8%
 Inflation	4.6%	-0.4%
 Wage growth	6.9%	2.9%
 Revenue of the general government sector	EUR 12,259 million	EUR 10,811 million
 Expenditure of the general government sector	EUR 12,981 million	EUR 12,313 million
 Deficit of the general government sector ¹	EUR -721 million	EUR -1,502 million
 Nominal budgetary position of the general government sector	-2.4% of GDP	-5.6% of GDP
 Structural budgetary position of the general government sector	-3.8% of GDP	-3.2% of GDP
 Debt burden of the general government sector	18.1% of GDP	19.0% of GDP
 Consolidated financial reserves of the general government sector	10.4% of GDP	12.3% of GDP
 Accounting result of the general government sector	EUR -77 million	EUR -1,209 million

Source: Statistics Estonia

¹ Statistics Estonia, RR055: VALITSEMISSEKTORI TULUD JA KULUD SEKTORI JÄRGI (ESA 2010) | Year, Indicator, Revenue and expenditure, and Sector https://andmed.stat.ee/et/stat/majandus_rahandus_valitsemissektori-rahandus_valitsemissektori-tulud-kulud/RR055/table/tableViewLayout2

1.1.2 Important events

IMPORTANT EVENTS IN 2021

Restrictions of the coronavirus crisis

At the beginning of 2021, the first coronavirus vaccines arrived in Estonia, but before that, the number of infected people reached its highest level since the beginning of the pandemic. In the spring and autumn of 2021, the government imposed restrictions to prevent the spread of the coronavirus. In the spring, schools were diverted to distance learning, much of trade was closed, activities permitted indoors were limited, and an obligation to keep a safe distance between people was introduced. In the autumn, the obligation to wear a mask indoors together with the requirement to check the vaccination certificate was imposed. Thanks to the rapid testing started in schools in November, cross-Estonian distance learning was avoided.

Supplementary budget

The supplementary budget for 2021 was 641 million euros. It was used to pay wage subsidies in industries where the volume of work decreased due to the coronavirus restrictions, to pay sickness benefits from the second day of illness, to maintain mental health, to provide special welfare services and rehabilitation. The supplementary budget was also used to purchase medicinal products, organise vaccination, crisis management and support measures for the tourism sector, cultural organisers, and creative people. It also included compensations for those who suspended II pillar pension contributions, which had not been taken into account in the state budget for 2021.

II pillar pension reform

Participation in the II pillar pension system became voluntary. In 2021, about fifth of people who participated in the pension system decided to withdraw their money from II pillar pension funds. The majority of II pillar payments, i.e. 1.32 million euros, were disbursed in September 2021.

Next Generation EU grants

In 2021–2026, Estonia will receive grants in the amount of approximately 1.6 billion euros from the European Union temporary recovery package Next Generation EU², the majority of which will be distributed under the Recovery and Resilience Facility (RRF). To use the support, the Council of the European Union approved the Estonian Recovery Plan in October 2021. The temporary recovery package of Next Generation EU will be added to the 3.37 billion euros to be received from Cohesion Policy Funds in the European Union budgetary period of 2021–2027.

IMPORTANT EVENTS AFTER 2021

Easing of the coronavirus restrictions

The government lifted all the coronavirus restrictions in force in March 2022 when the average number of people hospitalised with symptomatic coronavirus in ten days remained below 25. Soon, the obligation to wear a mask in public places that remained in place at first was also abolished.

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 rearranging life in society according to the changing circumstances. From 27 February until the end of June, Estonia has received more than 43,000 Ukrainian war refugees.

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. After forgoing the use of Russian gas, it is necessary to find solutions to procure necessary energy at an affordable price. Estonia is planning to establish an LNG terminal in cooperation with neighbouring countries. At the same time, the price of diesel and petrol has risen to heights due to the disruption of fuel supplies from Russia.

Inflation

The war in Ukraine started by Russia has caused a rapid increase in the price of raw materials and energy and is causing further supply disruptions for companies. As a result, the increase in Estonian consumer prices reached 20 percent in May 2022, which is the fastest in the euro area. Government measures to compensate the high energy prices that somewhat helped to mitigate the price increase over the past six months came to an end in April. The rapid increase in the price of input is reaching the prices of various goods and services, making inflation broader. The increase in energy prices in Estonia is twice as fast as in the rest of the euro area. This can be explained by the high proportion of energy in consumption expenditure and the rapid transfer of exchange prices to household utility bills.

² The European Commission proposed the creation of a temporary recovery package in May 2020.

1.1.3 General macroeconomic development and impact on financial performance

The Estonian economy was generally in a good condition in 2021. The GDP increased by 8.4 percent compared to 2020 and 5.2 percent compared to the pre-coronavirus 2019. This 5.2% increase compared to 2019 was a faster recovery than any other European Union country.

In the comparison of areas of activity, information and communications increased GDP the most, but the added value generated by most other areas of activities also grew (see Figure 1). The increase in the share of the area of activity of information and communications in recent years reflects the shift in economy towards more complex services. The situation of the areas of activity most affected by the coronavirus crisis – accommodation and food services and wholesale and retail business – improved somewhat, but their added value remained below the level of 2019.

Production volume increased in the majority of areas of activity in the industrial sector. The average annual industrial production volume index increased by 6.8 percent compared to 2020 and 3.7 percent compared to 2019. Industrial companies considered insufficient demand in the first half of 2021 and labour shortage in the second half of the year to be the factors restricting the growth of production the most. By the beginning of 2022, a shortage of material and equipment became a significant obstacle.

Construction volumes increased. The average volume index of construction work carried out in Estonia and abroad by the construction sector in 2021 increased by 9.3 percent compared to 2020 and 2.7 percent compared to 2019. Building permits for new dwellings by surface area were issued 5.9 percent more than in 2020 and 14 percent more than in 2019. At the same time, fewer usage permits for dwellings were issued compared to the previous years. Demand for dwellings was high and the housing market was very active. Housing price increased rapidly – by as much as 20 percent in the fourth quarter of 2021 in the yearly comparison. Construction companies saw shortages of labour, materials and equipment as factors restricting construction activity the most in 2021.

Compared to other European Union countries, Estonian society was relatively open during the first two years of the virus crisis, so opportunities for consumption were also relatively good. After a 2.7 percent drop in 2020, **private consumption growth** was 6.5 percent in 2021, thus significantly exceeding the pre-crisis level. Commodity consumption was significantly higher compared to the pre-coronavirus times (eight percent), but consumption of services remained below the 2019 level by eight percent in 2021. This was due to less travel both domestically and abroad, although the government's restrictions on the movement of residents and the activities of service companies were the most lenient in Estonia in the European Union. The growth in commodity consumption was supported by the release of funds from the II pillar pension funds, which also helped to

compensate the higher energy prices at the end of the year.

Investments increased by 3.3 percent in 2021. A small company purchased and sold a large amount of intellectual property, which had a significant impact on the increase of investments across the business sector. Corporate investments in buildings, means of transport and plant/equipment increased by 13 percent but remained below the 2019 level by five percent. Housing investments decreased by six percent because the active residential construction slowed in 2020. This led to a shortage of new residential property and accelerated the price increase.

Estonia increased its market share in foreign markets in 2021 on the back of a rapid growth in **export of goods and services** (19.8 percent). Although the growth in export of goods slowed somewhat in the second half of last year, this was offset by the services sector. The strong external environment was marked by the continued recovery from the coronavirus crisis, the high level of orders, and the gradual easing of the coronavirus restrictions. This supported the upturn of trade in Estonia and in adjacent markets. The increase in the export of goods was broad and the export of the majority of groups of goods showed a double-digit growth. The increase in the export of services was driven by the recovery of transport services and the continued success story of the ICT sector where export turnover increased by as much as 80 percent last year.

The **current account** deficit was 1.1 percent of GDP in the previous year. The upturn of domestic demand led to an increase in the balance of trade deficit to the level preceding the coronavirus crisis.

2021 was characterised by an accelerated increase in the price of energy and raw materials brought about by the rapid recovery of global economy and the global supply difficulties caused by the combination of new waves of COVID and high demand. As a result of several unfavourable circumstances, the price of electricity increased significantly last year, thereby causing the housing costs of households to soar. Government mitigation measures helped to alleviate the impact of high energy prices on households somewhat during the autumn and winter months. Due to the vigorous economic recovery, the rise in consumer prices became broader in the second half of the year, promoted by the large-scale withdrawal of pension savings in autumn. As a result, the increase in consumer prices amounted to 4.6 percent as a total for the year. However, the vast majority of the price increase was imported, while the increase in the price of services reflecting domestic factors remained modest.

The labour market recovered strongly following the coronavirus crisis. This was manifested both in the increase in the number of employed people and the continuation of moderately rapid wage growth. However, different sources show the extent of labour market recovery differently – according to the Tax and Customs Board, the total level of the employed is five

thousand people higher than before the crisis, but according to the labour force survey, it is still below the pre-crisis level by 18 thousand people. There are also big differences by areas of activities – according to the statistics of the Tax and Customs Board, the number of jobs in information and communications and in health care has increased the most. At the same time, accommodation and food services, processing industry and mining industry have not fully recovered from the crisis. Along with the recovery of employment, wage growth has also become broad, amounting to 6.8 percent last year. The first months of

this year and the Russian invasion of Ukraine have not had a negative impact on the development of the labour market. Ukrainian war refugees who have arrived in Estonia have actively started looking for work, which offers some relief to the shortage of labour. Their opportunities for finding work are complicated by their lack of language proficiency and the need to take care of children.

A more detailed overview of the key financial indicators is presented in the spring economic forecast of the Ministry of Finance.³

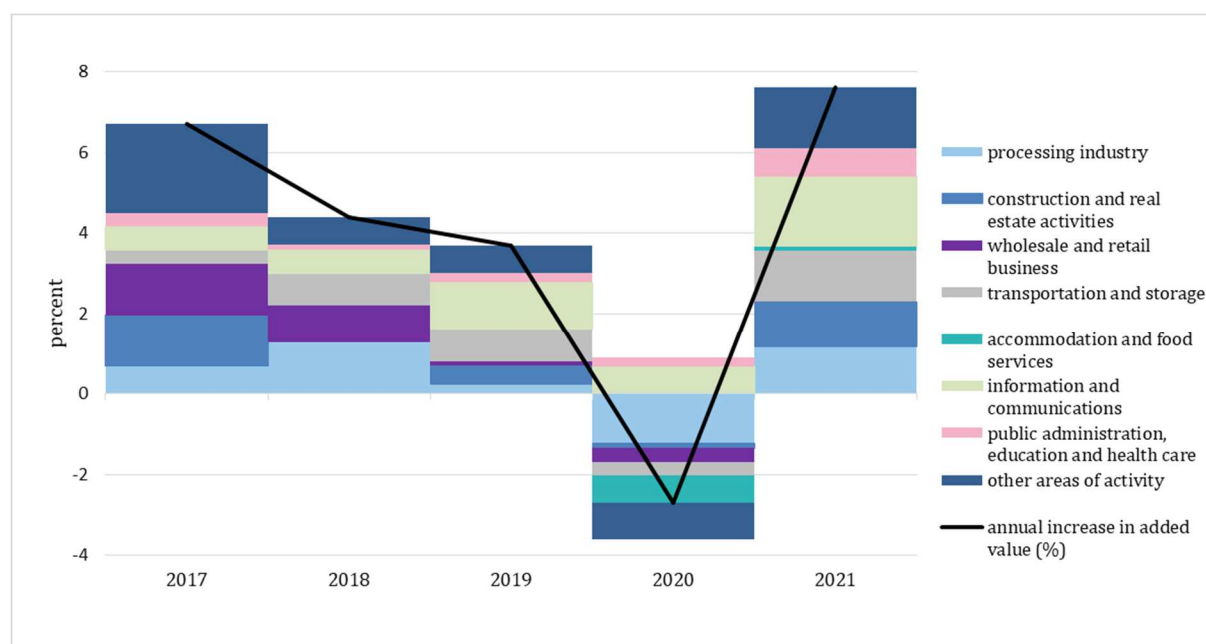


Figure 1. Contributions of areas of activity to the growth of added value. Source: Statistics Estonia

1.1.4 Overview and budgetary position of the general government sector and the public 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 sector⁴. Internationally, too, the assessment of the budgetary position and fiscal sustainability of countries 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 budgetary institutions, local authorities, social insurance funds (the Health Insurance Fund and the Unemployment

Insurance Fund), 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 the Bank of Estonia (together with the Estonian Financial Supervision and Resolution Authority) and foundations, non-profit associations and companies that produce goods and 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 2021, the consolidated expenditure of the public sector amounted to 14.5 billion euros⁵ (13.4 billion euros in 2020), of which expenditure of the general

³ <https://www.fin.ee/riigi-rahandus-ja-maksud/majandus-ja-rahandusprognosisid/rahandusministeeriumi-majandusprognosis>

⁴ <https://www.riigiteataja.ee/akt/121062016019?leiaKehtiv>

⁵ In consolidated expenditure, the items of all public sector entities have been aggregated item by item and individual balances have been eliminated.

government sector accounted for 85.6 percent and the expenditure of other public sector entities accounted for 14.4 percent (see Table 2).

Table 2. Total volume of public sector expenditure in 2021

PUBLIC SECTOR (total expenditure in 2021 14.5 billion euros)				
GENERAL GOVERNMENT SECTOR (86%)				Other public sector entities (14%)
State budgetary institutions (48%)	Local authorities (12%)	Social security funds (13%)	Other entities (13%)	

NUMBER OF PUBLIC AND GENERAL GOVERNMENT ENTITIES

In 2021, the public sector included 735 entities, of which 572 entities (78%) belonged to the general government sector. There were a total of 163 other public sector entities, 139 of those were companies, 23 foundations and non-profit associations, and one legal entity governed by public law (Bank of Estonia and the Estonian Financial Supervision and Resolution Authority), see Figure 2. Of the 572

general government entities, 162 were state agencies, 79 local authorities, 21 legal persons in public law, 41 companies and 269 foundations and non-profit associations, 198 of which are owned by local authorities. Local governments were merged as part of the local government reform in 2018, and the number of local governments decreased from 213 to 79 entities (see Figure 3).

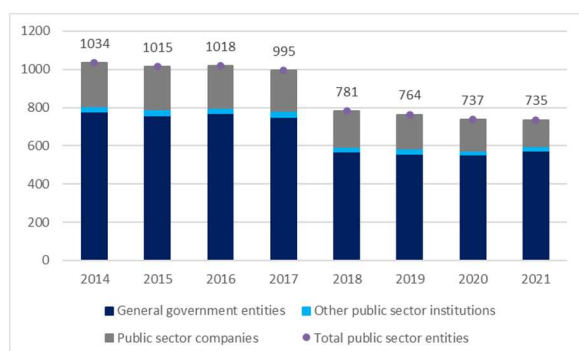


Figure 2. Number of public sector entities in 2014–2021

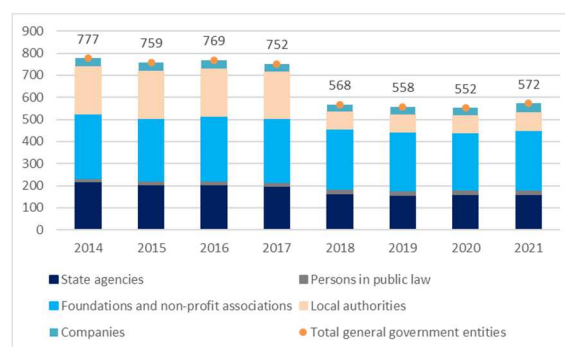


Figure 3. Number of general government entities in 2014–2021

STATISTICAL BUDGETARY POSITION OF THE GENERAL GOVERNMENT SECTOR

In 2021, the statistical budgetary position of the general government⁶ was in a deficit of 721 million euros (2.4 percent of GDP, see Figure 4). However, the budgetary position of 2021 improved significantly compared to 2020 as a result of the rapid economic recovery. Due to the decreased tax revenue in the environment of expenditure and economic downturn related to the measures of the COVID-19 pandemic, the budget deficit for 2020 was 1.5 billion euros (5.6 percent of GDP), see Table 3.

In 2021, the budgetary deficit of the central government⁷ was 742 million euros (1.2 billion euros in 2020). The decrease in the budgetary deficit of the central government compared to the previous year was affected by the higher-than-forecast receipt of tax revenue due to the improved economic environment and one-off tax revenue from the amount withdrawn from the II pension pillar. Due to increased investments and operating expenses, the budgetary position of local governments was in a deficit of 115 million euros in 2021 (surplus of 6 million euros in

2020). The budgetary position of social security funds was in surplus of 136 million euros in 2021 (deficit of 320 million in 2020). The budgetary position of the Health Insurance Fund improved in 2021 due to the increased receipt of social tax, and the budgetary position of the Unemployment Insurance Fund improved due to the reduced payment of temporary subsidies. During the emergency situation declared as a result of the COVID-19 pandemic, the Unemployment Insurance Fund paid temporary salary compensation subsidies in the amount of 256 million euros to 137,448 employees (22 percent of all employees⁸) from March to June 2020 and in the amount of 71 million euros to 41,024 employees (6 percent of all employees) in 2021.

⁶ In the broadest terms, the budgetary position is the difference between revenue and expenditure of the budget. A deficit occurs when expenditure exceeds revenue, and surplus occurs when revenue is higher than expenditure.

⁷ The central government is formed by state budgetary entities and foundations, non-profit associations and companies under their dominant influence that belong to the general government sector.

⁸ https://andmed.stat.ee/et/stat/majandus_rahvamajanduse-arvepidamine_lisanaitajad/RAL0011/table/tableViewLayout2

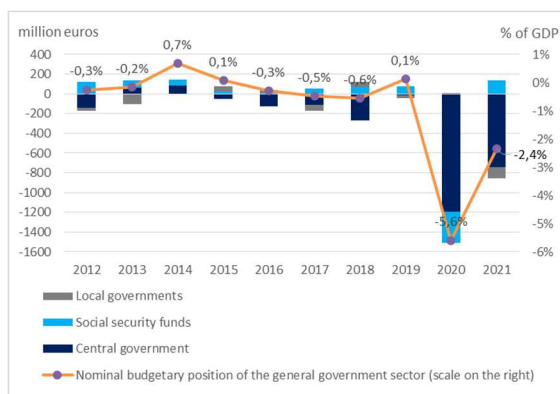


Figure 4. Budgetary surplus or deficit of the general government sector by subsectors as a proportion of GDP in 2012–2021

OPERATING RESULT 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 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 2021, the negative accounting result of the general government sector was 77.0 million euros and the statistical budgetary position was -721 million euros (see Table 3 and Figure 5).

Table 3. Adjustments of the operating result of the general government sector to calculate the surplus/deficit of the statistical budgetary position in 2021 and 2020 in millions of euros

	2021	2020
Operating result according to the annual accounts	-77.0	-1,208.6
Depreciation and change in value are eliminated	670.1	630.9
Change in fair value of biological assets is eliminated	-5.0	12.3
Acquisition of non-current assets (non-financial assets) is added, excl. prepayments	-1,206.1	-1,035.5
Derecognition of carrying amount of non-current assets (non-financial assets) sold is eliminated	8.3	10.1
Super dividends, profit/loss from the sale of shares, write-down and reversal of write-down are eliminated	-218.0	-95.5
Acquisition of holdings not estimated to yield dividend income in the future is recorded as expenditure	-10.0	-35.0
Contributions to special purpose investment funds financed by the EU funds are recorded as expenditure	0.0	0.0
Impact of the change in provisions is eliminated (except for guarantees)	184.6	156.2
Impact of the sale of emission allowance is adjusted	-106.3	0.4
Tax revenue is adjusted according to receipts (with a one-month shift)	11.9	-23.4
Change in inventories is added, except prepayments	-47.2	37.5
Other adjustments	73.7	48.6
General government deficit according to Statistics Estonia	-721.0	-1,502.0
General government deficit to GDP (%)	-2.4%	-5.6%

Source: Public Sector Financial Statements system of the Ministry of Finance and the Tax and Customs Board

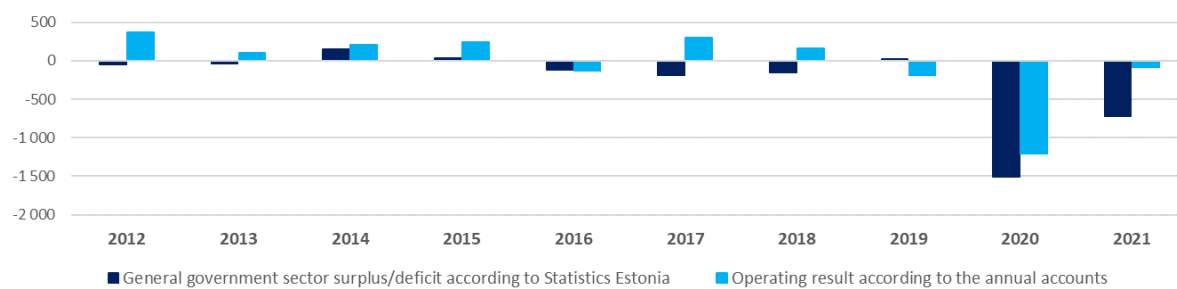


Figure 5. Comparison of the accounting result and statistical budgetary position of the general government sector in millions of euros, 2012–2021

1.1.5 Revenue of the general government sector

OVERVIEW OF THE REVENUE OF 2021

Revenue of the general government sector in 2021 amounted to 12.3 billion euros, equivalent to 40 percent of GDP, and increased by 16.2 percent (1.72 billion euros) in 2021.

In terms of taxes, the growth was driven by personal income tax (505 million euros, i.e. 30.4 percent), which was influenced by the income tax of people leaving the pension system. Value added tax also increased strongly (by 17.1 percent), supported by the recovery of economy from the coronavirus crisis. Consumption was boosted by funds withdrawn from the second pension pillar, savings accumulated during the coronavirus restrictions, and the price increase that accelerated at the end of the year.

The receipt of labour taxes was supported by the 9.4 percent increase in the wage fund, according to the

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

During the period 2012–2021, tax revenue accounted for an average of 80 percent of revenue. The proportion of other income has decreased over time from 26 percent in 2012 to 19 percent in 2021 (see Figure 6). In 2020, the growth of tax revenue slowed due to the coronavirus pandemic and related restrictions; however, in 2021, tax revenue increased by 15.6 percent.

In 2010–2021, social tax accounted for 35 percent of revenue on average, and value added tax and income tax each accounted for a quarter. The proportion of both of these three taxes (80 percent) has increased compared to the beginning of the period, reaching 87 percent of revenue due to the increase in the proportion of both income tax and value added tax. While 2021 was exceptional due to the income tax paid by those who withdrew their funds from the second pension pillar, social tax, value added tax and income tax accounted for 86 percent of tax revenue in 2020 (see Figure 7).

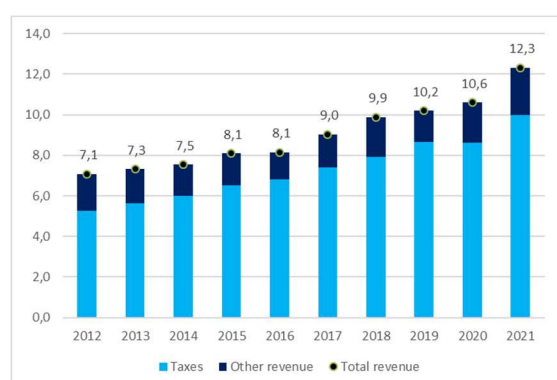


Figure 6. Structure of the revenue of the general government sector, in billions of euros

declarations of the Tax and Customs Board (without taking into account the temporary salary compensation subsidy by the Unemployment Insurance Fund). The wage fund increased foremost due to the growth in average wages (7.7 percent), the number of jobs increased by 1.5 percent. The increase in social tax amounted to ten percent.

Non-tax revenue increased the most from the sale of goods and services (by 129.1 million euros) and foreign grants (by 107.9 million euros). Dividend income decreased by 62.3 million euros compared to the previous year, mainly due to the decrease in the dividends of the State Forest Management Centre and AS Elering.

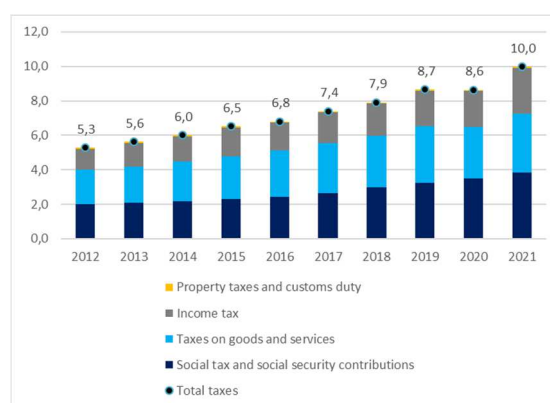


Figure 7. Tax revenue of the general government sector, in billions of euros

Among other income, grants received accounted for the largest share in 2012–2021, 49 percent on average (see Figure 8). The use of foreign aid is described in detail below.

The amount of foreign aid in 2010–2021 depended on the grant implementation cycle. This period is affected by the European Union budget periods of 2007–2013, 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 proportion of foreign aid in other income is 48 percent, ranging from 42 percent in 2014 to 57 percent in 2019 (see Figure 9).



Figure 8. Other income of the general government sector, in billions of euros

USE OF FOREIGN FUNDS

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 Funds⁹, Estonian Rural Development Plan¹⁰, and the Operational Programme for the European Maritime and Fisheries Fund. In the European Union budget period of 2014–2020, 4.8 billion euros were allocated to Estonia, which can be used until the end of 2023 (see Figure 10).

The volume of European Union grants from the Operational Programme for Cohesion Policy Funds is 3.7 billion euros, which together with co-financing by the state and self-financing by beneficiaries exceeds five billion euros. It includes 207 million euros of REACT-EU funds allocated in 2021 in order to tackle the consequences of COVID-19, boost economy, and respond to the energy crisis.

Important keywords in terms of the implementation of structural funds in 2021 were increasing the pace of payments and accelerating the use of funds as the COVID-19 crisis and related issues impacted the implementation of projects. Supply disruptions and labour shortages have made the situation in the construction market complicated and affect the completion of buildings financed by structural funds.

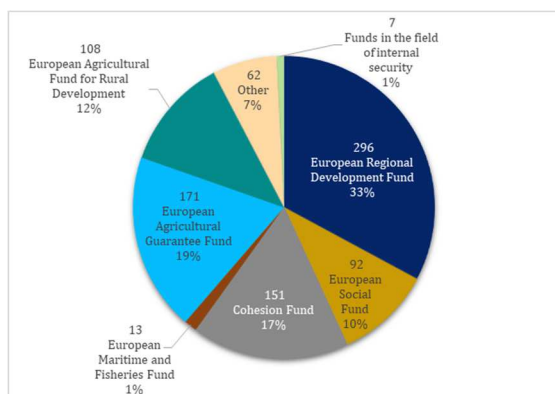


Figure 10. Distribution of expenditure of disbursed foreign aid by funds (in millions of euros, % of total volume)

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

¹⁰ Covers funds from the European Agricultural Fund for Rural Development (EAFRD).

¹¹ Abbreviation EMFF

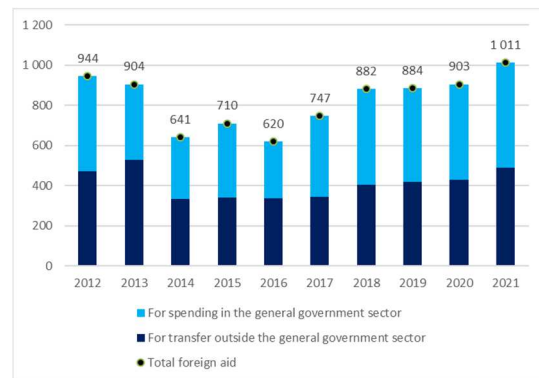


Figure 9. Foreign aid, in billions of euros

By the end of 2021, commitments were made from the European Union funds under the **Cohesion Policy Funds** of 2014–2020 in the amount of 3.6 billion euros, of which two billion had been disbursed. Within the year, 570 billion euros were directed into Estonian economy, which is a record throughout the years.

The **Estonian Rural Development Plan 2014–2020** focuses on six European Union priorities in rural development. The implementation of the measure “Emergency temporary support for agricultural producers and small and medium companies severely affected by the COVID-19 crisis”, which was included in the development plan in 2020, continued. Subsidies amounting to 524 thousand euros were paid to processors of agricultural products.

As at the end of 2021, commitments to European Union funds amounted to 871 million euros, of which 747 million euros have been disbursed.

In 2021, grants in the amount of 258.5 million euros for the period of transitioning to the common agricultural policy of the European Union for 2021–2022 were added to the Rural Development Plan, 63 million euros of which from the Recovery and Resilience Facility under the Estonian Recovery Plan.

The 2014–2020 operational programme of the **European Maritime and Fisheries Fund**¹¹ assembles six objectives. By the end of 2021, liabilities had been assumed out of the European Union funds in the amount of 119.4 million euros and 85.5 million euros had been disbursed. With the implementation of COVID-19 measures, grants were disbursed in the amount of 1.5 million euros in 2021.

The size of European Union grants in the **Internal Security Fund**¹² programme of the budget period 2014–2020 is 53.2 million euros, together with the co-financing by the state and self-financing by the beneficiary 66 million euros. The purpose of the Fund is to contribute to ensuring security in the European Union, to facilitate the legal movement of people through external border control and processing of Schengen visas.

The European Travel Information and Authorisation System was developed in 2021. The eligibility period for the use of the Fund expires in 2022. Due to the pandemic, the terms and conditions of using the grant were amended because both delivery times for equipment and activities requiring personal contact were delayed.

The volume of European Union grants in the **Asylum, Migration and Integration Fund** programme of the budget period 2014–2020 is 15.5 million euros, together with co-financing by the state 19.1 million euros. The Fund contributes to the effective management of migration flows and the implementation, strengthening and development of the common migration policy. In 2021, the latest public application rounds in the field of integration were carried out and the development of the Police and Border Guard Board's migration procedure was supported.

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** (see Figure 11). Preparations for the launch of grants¹³ will be completed in the third quarter of 2022.

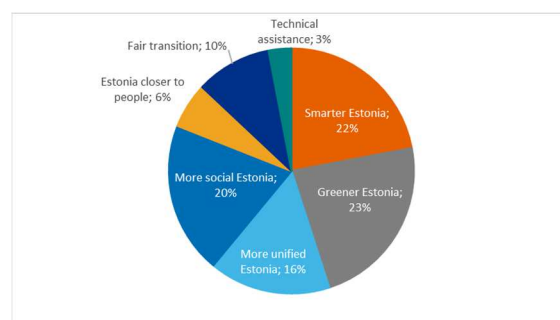


Figure 11. Distribution of grants between the objectives of the European Union Cohesion Policy Funds during the budget period 2021–2027

In addition to the European Union long-term budget, a temporary recovery package Next Generation EU was created, from which Estonia will receive further approximately 1.6 billion euros in grants. The majority of those will come from the Recovery and Resilience Facility¹⁴. In 2021, the Estonian Recovery Plan until 2026 was approved. Although the final volume of the Facility will be revealed in 2022, Estonia received 126 million euros as a prepayment in 2021.

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 2021 amounted to 17 billion euros, equivalent to 55 percent of GDP, of which state (unconsolidated) expenditure accounted for 9.5 billion, i.e. 56 percent (see Figure 12). (Unconsolidated) expenditure of local authorities amounted to 2.3 billion euros, expenditure of social security funds to 2.6 billion euros, and expenditure of other entities to 2.6 billion euros.



Figure 12. Unconsolidated expenditure of subsectors of the general government sector in 2012–2021, in billions of euros

OVERVIEW OF THE EXPENDITURE OF 2021

Expenditure of the general government sector accounted for 86 percent (88 percent in 2020) of the consolidated expenditure of the public sector in 2021. Expenditure of public agencies was the highest (65 percent) of the consolidated expenditure of the general government sector. The share of consolidated expenditure of state budget institutions in the total expenditure of the general government sector increased by 4.2 percent in 2021 compared to the previous year, reaching its highest level since 2012. At the same time, the share of the rest of the general

government sector has decreased by 4.4 percent. Both the supplementary budgets of 2020 and 2021 contributed to the rapid growth of subsidies disbursed by the state and thereby increased the share of the expenditure of state budget institutions in the expenditure of the general government sector.

¹² It comprises two financial instruments: Borders and Visas (ISFB) and police cooperation, preventing and combating crime, and crisis management (ISFP).

¹³ <https://rtk.ee/toetusfondid-ja-programmid/euroopa-liidu-valisvahendid/2021-2027-planeerimine>.

¹⁴ Find more on www.rkf.ee.

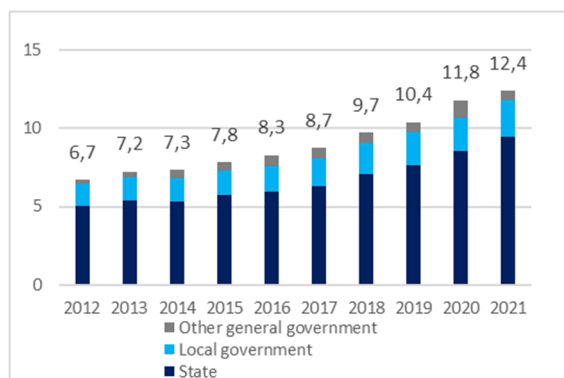


Figure 13. Expenditure of the general government sector without investments, in millions of euros

Consolidated expenditure of the general government sector without investments amounted to 12.4 billion euros in 2021 (11.81 billion euros in 2020), i.e. 4.98 percent (588.0 million euros) more than the year before (see Figure 13). The main reasons for the increase in the expenditure of the general government sector were the increase in grants awarded 257.7 million euros (4.3 percent), increase in management expenses 217.3 million euros (12.8 percent) and increase in labour costs 207.5 million euros (6.5 percent).

LARGEST EXPENSE, I.E. SUBSIDIES

Compared to other types of expenditure, the volume of subsidies granted increased the most during the year, amounting to 6.21 billion euros (5.96 billion in 2020) in the general government sector at the end of 2021. Subsidies for the unemployed and benefits for incapacity for work increased by 48.1 million euros (13.2 percent) over the year, other health insurance allowances by 34.9 million euros (10.9 percent), benefits for temporary incapacity for work by 31 million euros (16.2 percent), and pensions by 96.5 million euros (4.9 percent). A decision was made to temporarily pay the four percent of social tax normally paid to the second pillar funded pension as additional

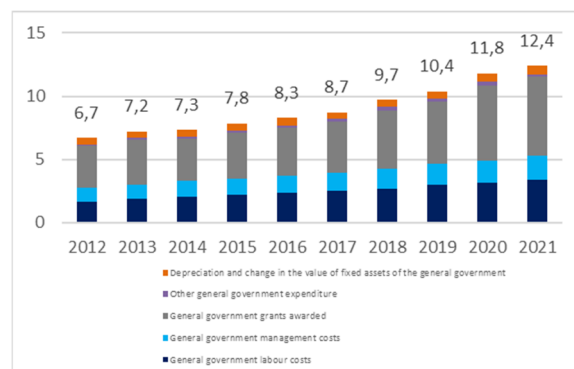


Figure 14. Structure of the expenditure of the general government sector, in millions of euros

The structure of the expenditure of the general government sector remained similar to 2020, and there were no significant changes compared to previous years either (see Figure 14). In 2021, like in previous years, the proportion of subsidies accounted for 50 percent of the total expenditure of the general government sector and the proportion of labour costs accounted for 27 percent. The main change occurred in the share of management expenses and other expenditure – the proportion of management expenses of the total expenditure increased by 1.1 percent to 15.4 percent, while the proportion of other expenditure decreased to 1.7 percent. The costs of vaccinations and testing to limit the spread of the coronavirus led to a rapid increase in management expenses at state budget institutions in 2021.

provision from the state budget for the period of suspension. The size of the provision was 147.5 million euros in 2020 and 205.5 million euros in 2021. Government grants allocated for the acquisition of non-current assets increased by 53.3 million euros. Unemployment insurance benefits decreased by 87.6 million euros (43.7 percent). In 2020, unemployment insurance benefits amounted to 200.6 million euros due to the temporary salary compensation subsidy measure resulting from the COVID-19 pandemic. An overview of grants received and awarded, including the distribution thereof by fields, can be found in section 4.6 of the annual accounts in Note c15.

EXPENDITURE¹⁵ OF THE GENERAL GOVERNMENT SECTOR BY AREAS OF ACTIVITY

Labour costs

Labour costs¹⁶ of the general government sector amounted to 3.385 billion euros in 2021 (see Figure 15) and accounted for 11.2 percent¹⁷ of GDP. Compared to the previous year, the proportion of GDP has decreased but, in the longer view, has remained at a slight growth trend since 2013.

In 2021, labour costs increased the most in the central government (7.2 percent), while the increase in social security funds was 6.0 percent and in local authorities¹⁸ 5.7 percent.

¹⁵ Excluding subsidies.

¹⁶ 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.

¹⁷ Source: Eurostat (last updated on 22 April 2022)

¹⁸ Includes entities under the dominant influence of entities in the general government sector.

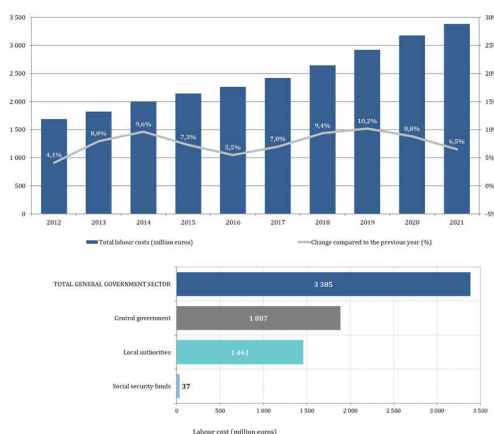


Figure 15. Change in the labour costs of the general government sector 2012–2021. Source: Public Sector Financial Statements system of the Ministry of Finance

The average gross monthly wage of the general government sector increased by 4.9 percent in 2021, being two percent lower than the increase in the Estonian average gross monthly wage (6.9 percent, see Figure 16). Within the general government sector, the growth was the fastest in the central government (5.4 percent). Increase in the average gross wage of local authorities was 4.3 percent and 3.1 percent in social security funds.

Over the past ten years, the increase in the average monthly gross wage of the general government sector per year has been two percent higher than the Estonian average. The gross monthly wage of the general government sector has increased by 94.1 percent over a decade, while the Estonian average gross monthly wage has increased by 74.5 percent.

The average gross monthly wage of the general government sector has increased from 847 euros to 1,644 euros during this period. In 2021, the Estonian average gross monthly wage was 1,548 euros. There are more employees with higher education in the

general government sector, which is why the wages are higher than the Estonian average gross monthly wage.

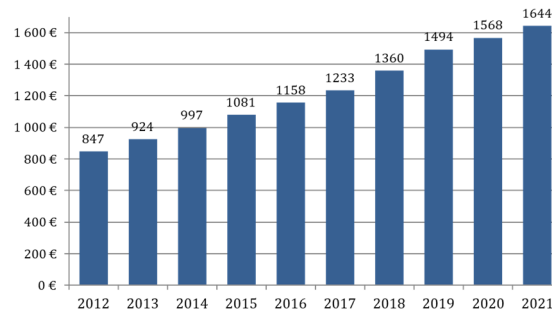


Figure 16. Change in the Estonian average gross monthly wage and average gross monthly wage of the general government sector in 2012–2021. Source: Public Sector Financial Statements system of the Ministry of Finance

In 2021, the general government sector employed 120,132 employees¹⁹, with the number growing statistically by 1,279 employees, i.e. 1.1%. Government sector employees were divided between the central government, local authorities, and social security funds (see Figure 17).

53 percent of all general government employees worked at the local government, 46 percent of the general government employees worked at the central government, and 1,142 employees, i.e. one percent of all the general government employees, worked at social security funds.

More detailed information about the numbers and average wage of the employees of the general government sector can be found in the annual report of the Civil Service for 2021: <https://www.fin.ee/riik-ja-omavalitsused-planeeringud/avalik-teenistus/personali-ja-palgastatistika>.

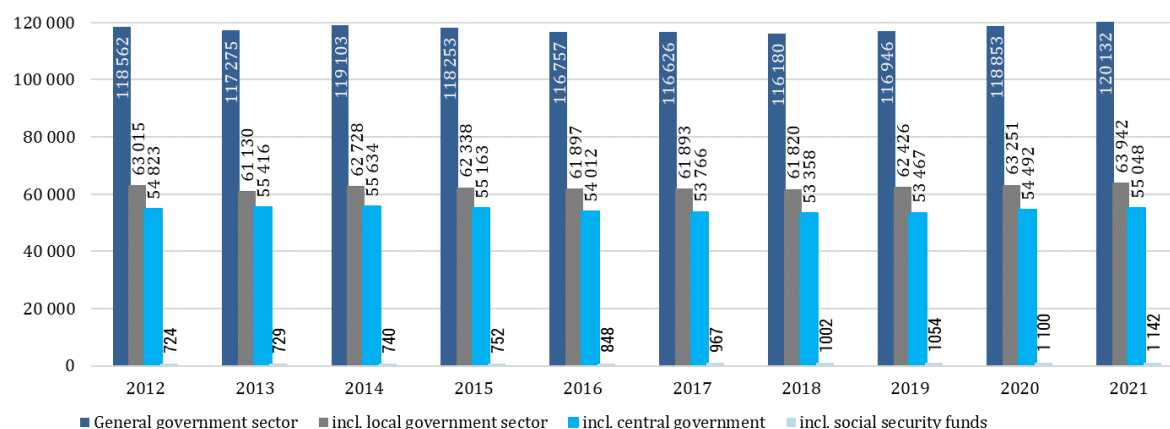


Figure 17. Number of employees in the general government sector in 2012–2021. Source: Public Sector Financial Statements system of the Ministry of Finance

¹⁹ The average number of employees reduced to full-time working hours per year has been taken as the number of employees throughout the chapter.

Management expenses

The volume of management expenses of the general government sector in 2021 was 1.91 billion euros (1.7 billion euros in 2020) and it increased by 12.8 percent in a year. The costs of medical supplies and services 53.9 million (20.1 percent), management cost of immovable property, buildings and premises 46.7 million (15.8 percent), social services 46.5 million (47.5 percent), and cost of communication, culture and

recreation 15.6 million euros (24.3 percent) increased the most in 2021. Expenditure on the acquisition of equipment and materials for defence purposes decreased the most in 2021, i.e. 14.4 million euros (12.3 percent). 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 SECTORS

When comparing 2021 to 2012, the share of investments of state budget institutions has fallen to less than half of the investments of the general government sector (see Figure 18). Investments of the general government sector increased by 227.5 million euros (21.9 percent) in 2021 compared to the previous year. A total of 1.27 billion euros were invested in 2021 (1.04 billion euros in 2020). 549.9 million euros of this (426.6 million euros in 2020) were invested by state agencies and 413.4 million euros (356.9 million euros in 2020) by local governments.

Investments of the general government sector increased the most in the field of transport (92.3 million euros, 28.3 percent) and national defence (45.6 million euros, 34.2 percent) and decreased by 3.3 million euros (84.6 percent) in the field of fuel and energy. An overview of the investments of the general

government sector by areas of activity can be found in the annual accounts section 4.6 in Note c10.

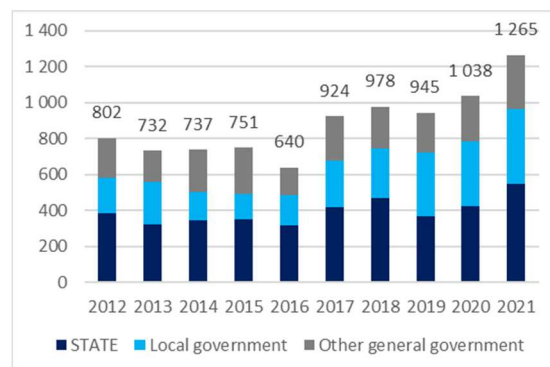


Figure 18. Investments of general government entities, in millions of euros

1.1.7 Balance sheet of the general government sector

STRUCTURE OF THE BALANCE SHEET

At the end of 2021, the consolidated assets of the general government sector amounted to 20.6 billion euros (67 percent of GDP), increasing by one billion, i.e. 5.5 percent, in a year (3.5 percent of GDP (see Figure 19)). Illiquidity non-financial assets (hereinafter other assets) that accounted for half of the total assets and amounted to 10.3 billion euros (33 percent of GDP) at the end of 2021 held the largest share of assets. Other assets increased by 700 million, i.e. 7.3 percent, in a year, mainly on account of tangible non-current assets. Holdings with a proportion of 21 percent accounted for the second largest share – 4.4 billion euros (14 percent of GDP) at the end of 2021. Receivables and prepayments (14 percent of total assets, i.e. 2.9 billion euros) and liquid assets (15 percent of total assets, i.e. 3.1 billion euros) followed.

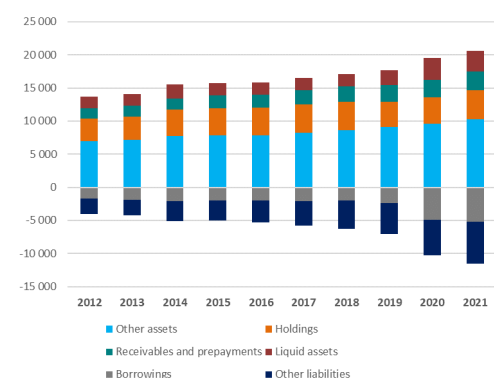


Figure 19. Balance sheet of the general government sector, 2012–2021

Liabilities of the general government sector amounted to 11.6 billion euros (38 percent of GDP) at the end of 2021, having increased by 1.3 billion euros, i.e. 12.3 percent, (4.1 percent of GDP) in a year. Liabilities were divided into two: borrowings (45 percent of liabilities) and other liabilities (55 percent of liabilities). Borrowings or loan liabilities amounted to 5.2 billion euros (17 percent of GDP) at the end of 2021, having increased by 272 million, i.e. 5.5 percent) in a year (see the subchapter “Debt liabilities of the general government sector”). Other liabilities amounted to 6.4 billion euros (21 percent of GDP) at the end of 2021. Other liabilities include provisions, prepayments received, trade payables, and payables to employees.

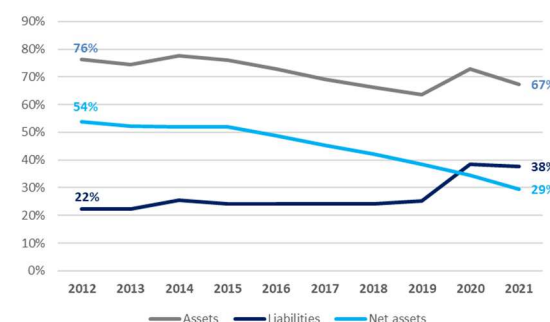


Figure 20. Proportion of assets, liabilities and net assets of the general government sector of GDP, 2012–2021

Net assets of the general government sector amounted to 9 billion euros (29 percent of GDP) at the end of

2021 (see Figure 20). It decreased by 200 million euros, i.e. two percent, in a year, but was significantly lower than the decrease in net assets in the amount of 1.4 billion, i.e. 13 percent, in 2020²⁰ (see part B of statement of changes in net assets of the general government sector). The decrease in net assets in 2021 was primarily caused by an actuarial loss of 168 million euros in pension provisions and a loss of 77

CURRENT ASSETS AND LIQUID ASSETS

Liquid assets accounted for 3.1 billion euros, i.e. 59 percent, of the current assets of the general government sector (5.3 billion euros) at the end of 2021. The State Treasury Department of the Ministry of Finance managed 68 percent of the liquid assets of the general government sector, being in charge of state financial reserves in the amount of 2.1 billion euros (see Figure 21). 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 2021, the current assets of the general government sector (5.3 billion euros) exceeded current liabilities (3.2 billion euros) by 1.7 times²¹. This indicates the generally good short-term financial capacity of the general government sector. At the end of 2020, the current ratio was 1.9. In the last ten

RECEIVABLES AND PREPAYMENTS

Short-term and long-term receivables and prepayments of the general government sector increased by 256 million euros, i.e. 9.8 percent, to 2.9 billion euros (9.4 percent of GDP (see Figure 22)) over the year. Tax, state fee and fine receivables accounted for 1.2 billion euros, i.e. 42 percent, of all receivables and prepayments, other short-term receivables and prepayments accounted for 747 million euros (26 percent), and other long-term receivables and prepayments accounted for 913 million euros (32 percent). Among other claims and prepayments, loans granted (875 million euros) and prepayments and receivables related to government grants in the amount of 603 million euros are the largest (see 4.6 Note c4).

Loans granted in the general government sector include 452 million euros (the same at the end of 2020) of loans of the Estonian state granted to Greece, Ireland and Portugal through the European Financial Stability Facility (see 4.6 Note a6). This amount is also recognised under government debt (see 4.6 Note a17). In the Greek programme, long-term interest

HOLDINGS

At the end of 2021, the general government sector had holdings in the amount of 4.4 billion euros (14 percent of GDP), which is 315 million euros, i.e. 7.7 percent, more than the previous year (see Figure 23).

million euros of the accounting year. The negative impact was mitigated by revaluations of investment property and tangible non-current assets in the amount of 22 million euros and the reclassification of state undertakings into the general government sector and adjustment of holdings in the amount of 23 million euros.

years, the ratio has remained between 1.7 (in 2021) and 2.9 (in 2015), with the average being 2.2.

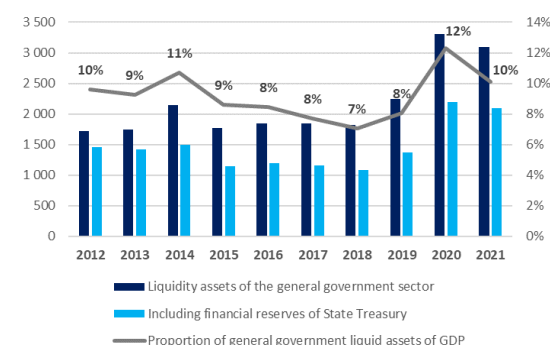


Figure 21. Liquid assets of the general government sector, including financial reserves held by the State Treasury, in millions of euros

receivables (see 4.6 Note a5) and interest payables (see 4.6 Note a15) in the amount of 39.5 million euros (34.5 million euros at the end of 2020) will be added. The largest lenders in the general government sector include KredEx, the Estonian Rural Development Foundation, and the Estonian Environmental Investment Centre.

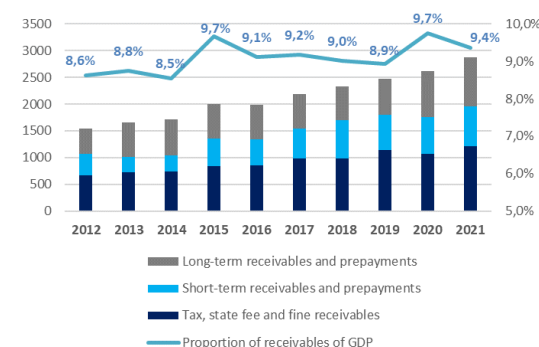


Figure 22. Receivables and prepayments of the general government sector, in millions of euros

State-owned subsidiaries and affiliated undertakings in the value of 3.7 billion euros accounted for the largest share (84 percent) of the general government holdings. State participation in them increased by 244

²⁰ In 2020, which was marked by the coronavirus pandemic and recession, the 1.4 billion euro decrease in net assets of the general government sector was caused by the 1.2 billion euro loss of the accounting year and the 204 million actuarial loss in pension provisions.

²¹ Current ratio (current assets/current liabilities)

million euros over the year (see 4.6 Note c6 and a9). Participation of local governments in subsidiaries and affiliated undertakings amounted to 342 million euros, increasing by 65 million euros in 2021 (see 4.6 Note c6 and b5). State participation in international organisations amounted to a total of 210 million euros (208 million euros in 2020). The largest was the participation in the European Stability Mechanism in the amount of 149 million euros (see 4.6 Note a3). In 2021, dividend income in the amount of 88 million euros, which was 62.3 million euros less than a year earlier, was received from subsidiaries and affiliated undertakings (see Figure 24).

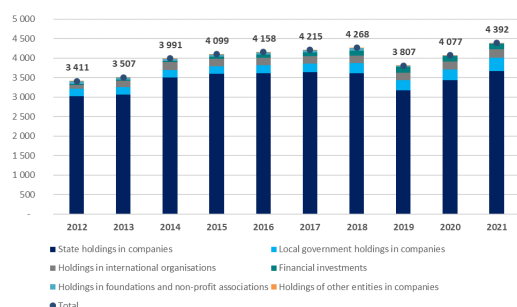


Figure 23. Overview of general government holdings in millions of euros, 2012–2021

OTHER ASSETS

Other assets amounting to 10.3 million euros at the end of 2021 (33 percent of GDP) accounted for half of the total assets of the general government sector. Other assets increased by 700 million euros over the year. Property, plant and equipment increased by 623 million euros to 9.6 billion euros over the year and accounted for 94 percent of other assets. In addition, other assets include inventories in the amount of 232 million euros, intangible non-current assets in the amount of 209 million euros, investment property in the amount of 204 million euros, and biological assets in the amount of 20 million euros.

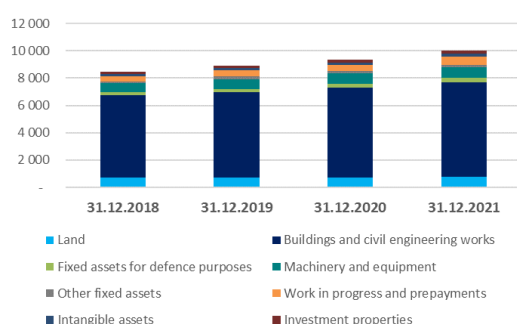


Figure 25. General government sector investment property, property, plant and equipment, and intangible non-current assets in millions of euros

The state owned 31 subsidiaries and affiliated undertakings²². Of these, seven are included in the general government sector, the largest of which were AS Riigi Kinnisvara and AS Eesti Liinirongid (see 4.6 Note a1 B2). The general government sector did not include 24 state subsidiaries and affiliated undertakings, the largest of which were Eesti Energia AS (group), State Forest Management Centre, and Elering AS (group). Consolidated overviews of holdings are published annually, providing more detailed information about the principal activities and financial position of state-owned foundations and companies.

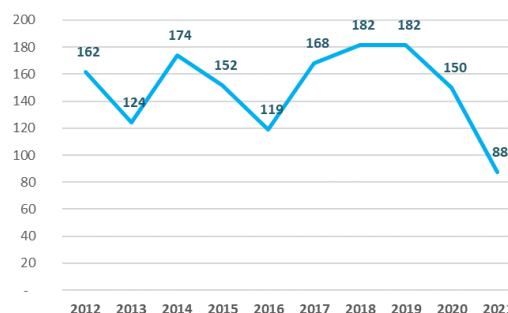


Figure 24. Dividends received from general government holdings in millions of euros, 2012–2021

Buildings and facilities with a value of 6.9 billion euros accounted for the largest share of non-current assets of the general government sector. Land amounted to 783 million euros and plant and equipment to 782 million euros (see 4.6 Notes c7, c8 and c9, and Figure 25).

General government authorities acquired non-current assets for 1.3 billion euros in 2021. This was 228 million euros more than in 2020. In 2021, investments were made the most in transport (418 million euros), education (206 million euros) and national defence (179 million euros) (see 4.6 Note c10 and Figure 26).

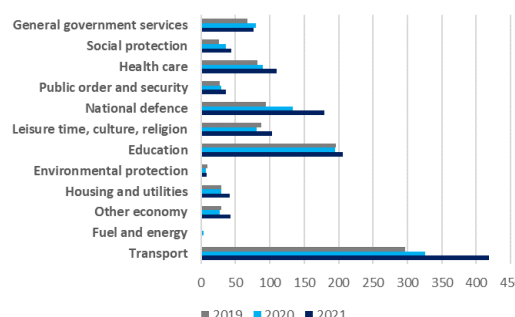


Figure 26. Acquisition of general government sector property, plant and equipment and intangible non-current assets and investment property by areas of activity in millions of euros in the last three years

²² Overview of the principles of state participation policy: <https://www.fin.ee/riigihanked-riigiabi-osalused-kinnisvara/riigi-osalused/ariuhingud>

OTHER LIABILITIES

General government sector liabilities are divided into two: loan liabilities²³ and other liabilities. Other liabilities include provisions, prepayments received, liabilities to suppliers and employees. Other liabilities increased by 996 million euros, i.e. 18.5 percent, over the year, amounting to 6.4 billion euros at the end of 2021 (see 4.6 Note c12 and c13). Provisions accounted for 61 percent and other payables 39 percent of other liabilities (see Figure 27).

At the end of 2021, the general government sector provisions amounted to 3.9 billion euros, which was 14.6 percent more than in 2020 (see 4.6 Note c13). 98 percent of provisions were for public sector pension liabilities (3.8 billion euros) and related to the government payment obligations of special pensions and the II pillar pension system (see Figure 28). Other provisions (76 million euros) consisted of guaranteed liabilities, loan securities, legal costs and environmental protection provisions.

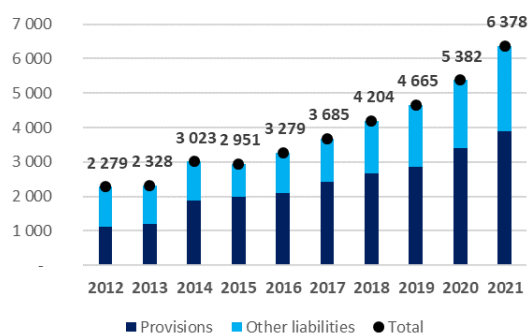


Figure 27. Structure of liabilities (excluding debt liabilities) in millions of euros

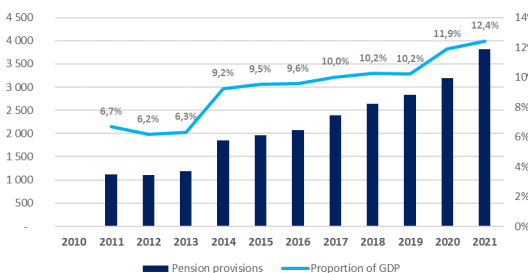


Figure 28. Pension provisions in millions of euros and proportion of GDP, 2012–2021

Pension provisions are calculated for the former and current state employees and their family members who have a statutory right for special pension or a pension increase exceeding 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 4.6 Note a16 A). As at the end of 2021, public sector

pension provisions were allocated to 30,319 people (30,657 people in 2020) in the total amount of 3.5 billion euros (3.2 billion euros in 2020).

Since actuarial profit and loss from pension provisions may differ significantly from year to year, they are recognised as changes in net assets. The loss for 2021 was 167.6 million euros (the loss for 2020 was 203.6 million euros). Factors affecting the size of provisions for special pensions include life expectancy, interest rates, number of pensioners and their accumulated pension rights.

The financial statements of the state do not recognise I pillar pension contributions earned by Estonian employees to be charged (state pension) as liabilities, so no dedicated provision has been formed for this liability. According to international accounting standards of the public sector, I 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 (see Figure 29) 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 (see Figure 30).

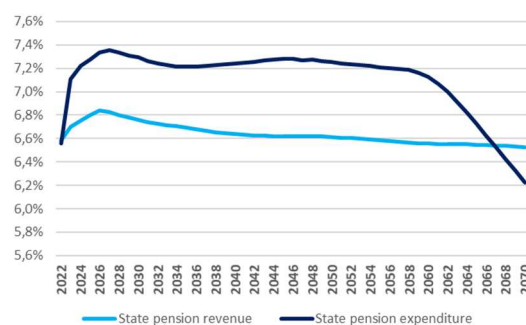


Figure 29. Long-term forecast of state pension revenue and expenditure as a proportion of GDP (2022–2070)

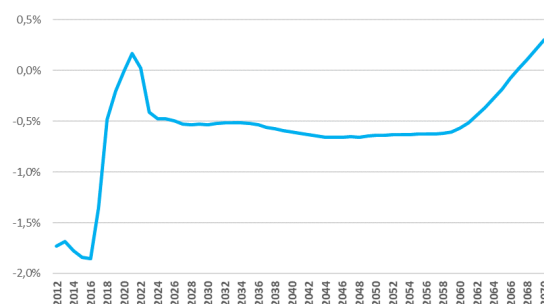


Figure 30. Actual and projected difference between state pension revenue and expenditure as a proportion of GDP (2012–2070)

²³ Loan liabilities are explained in more detail in the subchapter “Debt liabilities of the general government sector”.

1.1.8 Debt liabilities of the general government sector

DEBT LIABILITIES OF THE GENERAL GOVERNMENT SECTOR BY ENTITIES

The statistical debt liabilities of the general government sector as at the end of 2021 was 5.5 billion euros (18.1 percent of GDP), having increased by 437 million euros, i.e., 8.5 percent, compared to the previous year (see Figure 31).

Debt liabilities assumed for the state increased the most in 2021, by 281 million euros, i.e. 9 percent. At the end of 2021, the 3.5 billion euro debt portfolio of the Ministry of Finance accounted for 63 percent of the total debt of the general government sector. The conservative fiscal policy kept the debt liabilities of the state low for a very long time (on average, 530 million euros in 2012–2019). During the COVID-19 pandemic in 2020 and the resulting recession, these increased considerably, reaching 3.2 billion euros by the end of 2020.

Debt liabilities of the state also include the state guarantee for the loans granted by the European Financial Stability Facility²⁴ in the amount of 491 million euros, which accounted for 9 percent of the total general government debt in 2021. Compared to 2020, the liability related to the European Financial Stability Facility increased by 5 million euros. To date, Estonia has not made any payments related to the state guarantee for debt liabilities of the European Financial Stability Facility.

The debt liabilities of other central government entities in the general government sector increased by 119 million euros in 2021 and amounted to 653 million euros at the end of 2021. These debt liabilities account for 12 percent of the total general government debt. Debt liabilities of local governments increased by 31 million euros, i.e. four percent, over the year and amounted to 908 million euros at the end of 2021, accounting for 16 percent of the total general government debt. Social security funds had no debt liabilities.

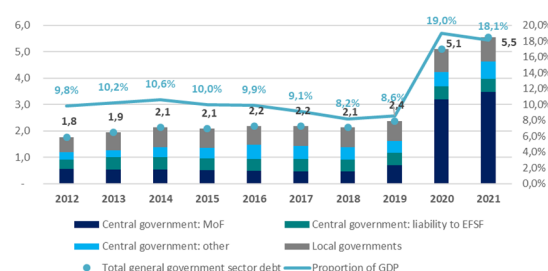


Figure 31. Breakdown of general government sector debt liabilities by entities, in billions of euros. Source: Statistics Estonia

STRUCTURE OF DEBT LIABILITIES OF THE GENERAL GOVERNMENT SECTOR

Bonds accounted for 38 percent, loans 59 percent and capital leases three percent of the debt liabilities of the general government sector at the end of 2021 (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 for the first time since 2002 and issued 1.5 billion euros of Eurobonds with a maturity in 2030 (see Figure 32). In addition, the Ministry of Finance has been using T-bills (balance 400 million euros at the end of 2021) and long-term loans from the Nordic Investment Bank, the European Investment Bank, the Council of Europe Development Bank and the European Commission (balance 1.6 billion euros at the end of 2021) to manage the government cash flow since 2019 (see 4.6 Note a17 and Table 4). All debt liabilities of the general government sector are in euros.

Debt liabilities of the general government sector have been for long time at a level similar to the financial reserves, but this trend changed in 2020 when the state's borrowing needs increased significantly (see Figure 33) as the COVID-19 epidemic broke out.

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 distributed over the years, except in 2030 when the 1.5 billion euro Eurobond issued in 2020 will be redeemed (see Figure 34). The low refinancing risk is also characterised by the weighted average repayment period of 7.4 years for the state's debt liabilities (see Figure 35). In comparison, the average repayment period for the debt liabilities of European Union states is 8.5 years, according to the European Commission.

²⁴ 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. As of 2011, Estonia provides guarantees for each bond issue of the European Financial Stability Facility according to its participation capacity to the extent of up to 1.99 billion euros.

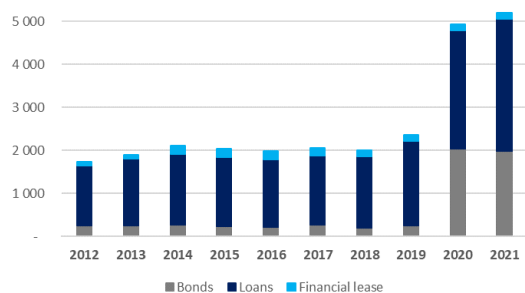


Figure 32. Debt liabilities of the general government sector on the basis of instruments in millions of euros

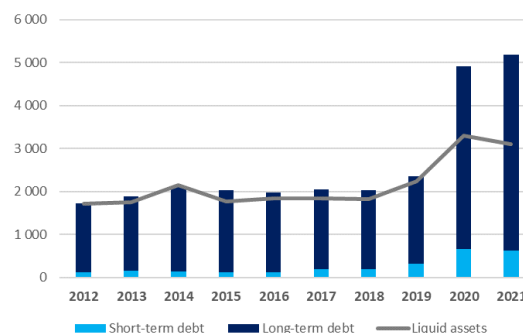


Figure 33. Comparison of liquid assets and long-term and short-term debt liabilities of the general government sector in millions of euros

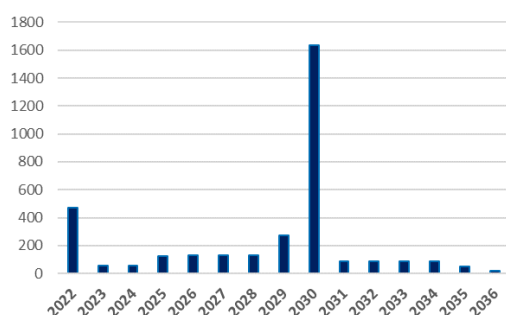


Figure 34. Debt liabilities' repayment profile of the Ministry of Finance in 2022–2036, in millions of euros

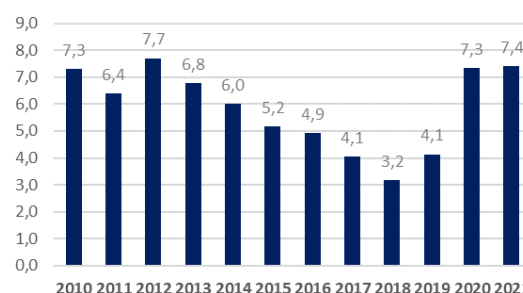


Figure 35. Weighted average repayment period of debt liabilities of the Ministry of Finance in 2012–2021, in years

Table 2. Comparison of the structure of debt liabilities of the Ministry of Finance in 2019, 2020 and 2021, in millions of euros

	31.12.2019	Proportion	31.12.2020	Proportion	31.12.2021	Proportion	Net change 2021/2020
Total debt liabilities	697	100%	3,200	100%	3,481	100%	281
Long-term loans	597	86%	1,275	40%	1,581	45%	306
Short-term bonds	100	14%	425	13%	400	11%	-25
Long-term bonds	0	0%	1,500	47%	1,500	43%	0
Weighted average interest rate	-0.03%		0.05%		0.03%		
Average term to maturity	4.1 years		7.3 years		7.4 years		

1.1.9 Contingent liabilities

Contingent liabilities of the general government sector (see 4.6 Note c27) have remained between 4.7 to 5.6 billion euros in the last decade, increasing by 83 million euros in 2021. The proportion of these liabilities of GDP has decreased year by year, accounting for 18 percent of GDP at the end of 2021 (see Figure 36).

The two largest liabilities – state guarantees (2 billion euros, 36 percent of contingent liabilities) and callable capital in international financial institutions (1.6 billion euros, 29 percent of contingent liabilities) accounted for 66 percent of contingent liabilities in

2021. Compared to 2020, these contingent liabilities did not change significantly. Guarantee for debt liabilities of the European Financial Stability Facility²⁵ accounts for 1.54 billion euros, i.e. 76 percent, and KredEx guarantees for business and housing loans and export guarantees account for 310.3 million euros, i.e. 15 percent, of state guarantees. Other smaller guarantees have been given to international financial institutions to guarantee loans or various projects (see 4.6 Note a30 B).

At the request of international financial institutions, the state must pay a total of 1.65 billion euros for its

²⁵ The European Financial Stability Facility 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. As of 2011, Estonia provides guarantees for each bond issue of the European Financial Stability Facility according to its participation capacity to the extent of up to 1.99 billion euros.

callable capital, the largest liability of which, 1.15 billion euros, is to the European Stability Mechanism. The callable capital of other financial institutions is significantly smaller: 188 million euros for the European Investment Bank, 129 million for the World Bank, 69 million euros for the Nord Investment Bank (see 4.6 Note a30 A).

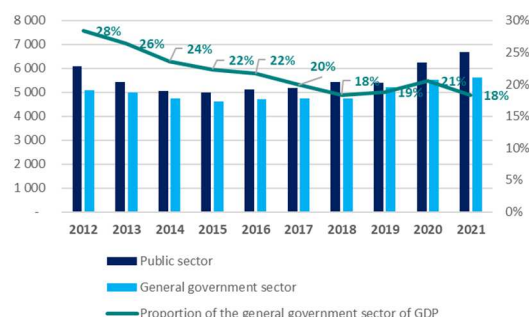


Figure 36. Total contingent liabilities of the public sector and the general government sector, in millions of euros

The remaining contingent liabilities are related to delivery contracts and investment liabilities (859 million, 15 percent of contingent liabilities), pending court cases (426 million, 8 percent of contingent liabilities) and liabilities arising from other contracts and securities (639 million in total, 11 percent of contingent liabilities) (see Figure 37).

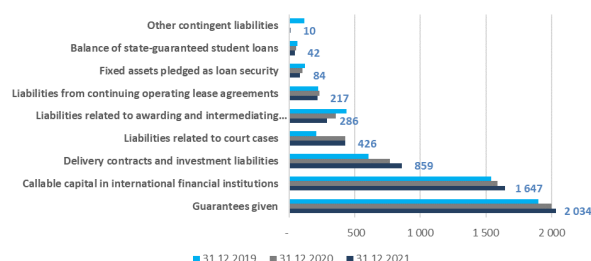


Figure 37. Contingent liabilities of the general government sector by type, in millions of euros

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 162 state agencies, 55 foundations, the Estonian Health Insurance Fund, the Estonian Unemployment Insurance Fund, and AS Pensionikeskus – have been brought under consolidated cash flow management (see 4.6 Notes a2 and a15). The State 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 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 can therefore postpone borrowing and use the available funds of the general government sector flexibly and efficiently, and the Health Insurance Fund, the Unemployment Insurance Fund and foundations do not have to deal with the administration of financial assets and cash flow management. 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 MANAGING THE STATE'S FINANCIAL RISKS

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 38). Financial risk management is based on the principles of asset-liability management, according to which the financial risks of financial assets and liabilities are as neutral as possible, i.e. risks are naturally hedged (see Table 5). The ratio of financial risks and expenditure related to

the assumption of the state's debt obligations 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. Liquidity²⁶, currency²⁷, interest²⁸, credit²⁹ and refinancing risk³⁰ are managed when investing public funds.

²⁶ **Liquidity risk** – risk that the State Treasury has insufficient liquid funds to meet the state's financial liabilities.

²⁷ **Currency risk** – risk that changes in exchange rates will affect the value of the state's financial assets and liabilities.

²⁸ **Interest risk** – risk that changes in interest rates will affect the value of investments and their revenue as well as expenses related to financial liabilities.

²⁹ **Credit risk** – risk of loss arising from improper performance of the obligations of the counterparty or the issuer.

³⁰ **Refinancing risk** – risk that the state will have to assume new debt obligations on unfavourable terms in order to repay the existing debt or that the state will be unable to assume new debt obligations from financial markets during a financial crisis or if the state's credit rating falls below investment grade.



Figure 38. Size of state financial reserves in millions of euros and their proportion of GDP

In order to ensure the timely fulfilment of the state's payment obligations, the minimum level of the liquidity reserve and short-term debt liabilities (overdraft, short-term credit limit and other 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 percent 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. The average modified duration of the liquidity reserve and loans granted by the State Treasury may be up to 0.45 years.

The interest rate risk of debt liabilities is measured using the average refixing period method. The maximum permitted average refixing period for debt liabilities of up to 600 million euros does not exceed half a year and, in the case of the part of the debt portfolio exceeding 600 million euros, the lowest permitted average refixing period is three years. As at the end of 2021, the average refixing period for debt liabilities was 4.75 years and 4.6 years at the end of 2020.

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 instruments of the liquidity reserve and the Stabilisation Reserve Fund may be invested in long-term (maturity over one year) securities and deposits with a credit rating of at least Aa3 (Moody's) or AA- (Standard & Poor's and Fitch) of the issuer, credit institution or foreign credit institution operating as a branch based on the activity licence issued by the Estonian Financial Supervision and Resolution Authority; for short-term investments (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). Additional restrictions are imposed on investments in credit institutions through which government settlements are conducted if the short-term rating of the respective credit institution is Prime-2 (Moody's), A-2 (S&P), F-2 (Fitch) or lower.

The funds of the liquidity reserve and Stabilisation Reserve Fund may not be invested in the European Financial Stabilisation Facility or the European Stabilisation 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 percent of the market value of the respective investment portfolio. In the Stabilisation Reserve Fund, the proportion of investments made in bonds and deposits of non-government issuers and credit institutions may not exceed 35 percent of the market value of the reserve.

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 short-term debt liabilities. This may not exceed 25 percent of the total amount of state budget expenditure and investments for the respective year. Where possible, repayments of long-term debt liabilities should be spread over the years so that the debt to be repaid within a year does not exceed 5 percent of the estimated GDP of that year.

Table 5. Main risk indicators of liquidity reserve, Stabilisation Reserve Fund and debt liabilities assumed by the Ministry of Foreign Affairs

	Debt liabilities assumed		Liquidity reserve		Stabilisation Reserve Fund	
	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021
Market value	3,200 million euros	3,481 million euros	1,763 million euros	1,671 million euros	432 million euros	430 million euros
Modified duration	4.51 years	4.59 years	0.04 years	0.22 years	0.65 years	0.88 years
Average term to maturity	7.44 years	7.4 years	–	–	–	–
Average interest refixing period	4.6 years	4.75 years	–	–	–	–
Currency	100% euro	100% euro	100% euro	99.9% euro and 0.08% 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 2021–2024.

The brief overview of the most important results of the Action Programme of the Government of the Republic

2021³¹ and the summary of the action plan of the long-term development strategy “Estonia 2035”³² give a picture of progress towards long-term goals. 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 2021 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 Action Programme of the Government of the Republic

The government led by Kaja Kallas took office on 26 January 2021. The government coalition included the Estonian Reform Party and the Estonian Centre Party.

The general objectives of the government were:

- principles of exiting from the COVID-19 pandemic;
- healthy and cared-for people;
- smart economy;
- green Estonia;
- educated and smart people;
- active and protected Estonia;
- balanced Estonia; and
- open and secure state governed by the rule of law.

The Action Programme of the Government of the Republic 2021–2023 was approved on 23 February 2021.

Principles of exiting from the COVID-19 pandemic

- The government approved the principles and action plan for exiting the coronavirus pandemic. The White Paper on Policymaking described the state's actions and principles to prevent the spread of the coronavirus and to mitigate its effects.
- As of 17 May 2021, free vaccination against COVID-19 was available in Estonia to all residents above the age of 16, from the end of June to all residents above the age of 12, and from the second half of December also to 5–11-year-olds.
- In order to keep schools open, regular testing of students, teachers and staff of general education schools with rapid antigen tests commenced from November 2021. From

December, testing was also expanded to vocational educational institutions.

Healthy and cared-for people

- The government approved the Public Health Development Plan 2020–2030 and the Green Paper on Mental Health.
- The government approved the inclusion of the project for the establishment of Tallinn Hospital in the Estonian Recovery Plan at the sitting of 17 June 2021.
- The Riigikogu passed the Act on State-Funded Family Mediation Services, which, in the event of parents separation, enables entering into agreements based on the well-being of the child.

Smart economy

- The government approved the Development Plan of Estonian Research and Development, Innovation and Entrepreneurship 2021–2035, which sets common goals for research and development, innovation and entrepreneurship.
- The government approved the development plan Estonian Digital Society 2030 in which the principles, objectives, development and lines of action in the fields of the digital state, cybersecurity and connectivity were agreed on.
- The government approved the 2021–2035 Development Plan of Transport and Mobility for the next 15 years, which aims to make the transport system safer and more sustainable and to pay more attention to the strategic development of mobility.

Green Estonia

- The government approved the preparation of the development plan of energy economy.

³¹ Overview of the implementation of the Government of the Republic Action Programme in 2021 <https://valitsus.ee/valitsuse-eesmargid-ja-tegevused/valitsemise-alused/tegevusprogramm>. With metric timelines: <https://tamm.stat.ee/>

³² Overview of the implementation of the action plan Estonia 2035 <https://valitsus.ee/strateegia-est-2035-arengukavad-ja-planeering/strateegia/materjalid>. With metric timelines: <https://tamm.stat.ee/>

The development plan focuses on increasing the production of local renewable energy and energy efficiency, while ensuring Estonia's energy security.

- The government approved the preparation of the development plan in the field of environment. The development plan integrates different sub-fields of the environment and ties the medium-term view of the environment into a whole.

Educated and smart people

- The government approved the Education Development Plan 2021–2035, the Youth Development Plan 2021–2035, Estonian Language Development Plan 2021–2035. An analysis and proposals for the principles of funding higher education were prepared.
- An action plan for Estonian-language education and an action plan to ensure the new generation of teachers and to enhance the value of the teaching profession were prepared.
- The government approved the Cultural Development Plan 2021–2030 and the Cohesive Estonia Development Plan 2021–2030, which provide directions for the development of a cultural and cohesive society.

Active and protected Estonia

- The government approved the National Defence Development Plan 2030.
- The government decided on the establishment of the Estonian Centre for International Development in order to implement international development cooperation and humanitarian aid projects and to create and concentrate the competence in this field.
- The government adopted the special plan for the Defence Forces central training area, i.e.

the largest training area used by the Defence Forces, which makes it possible to organise training based on capacity developments.

- The government approved Estonia's objectives and key activities in the European Union foreign and security policy.

Balanced Estonia

- The government approved the Estonian Agriculture and Fisheries Development Plan until 2030.
- As part of simplifying the transfer of land to local governments, the government agreed on the common principles of land policy and initiated the preparation of amendments to the State Assets Act and the Land Reform Act.
- A draft amendment of the Local Government Organisation Act, one of the central objectives of which is to increase the right of self-organisation of local governments, was sent for approval.

Open and secure state governed by the rule of law

- The government initiated the amendment of the Emergency Act, which brought crisis management policymaking under the Government Office and ensured the preparedness for formation and storage of central stock.
- The government approved the National Defence Development Plan 2020–2030, which recognises that caring behaviour and contribution of people, state agencies and companies alike are required to ensure security.
- The government approved the "Guidelines for Avoidance of Conflict of Interests for Ministers and Their Advisers" as well as "Generally Accepted Principles for Communicating with Lobbyists for Officials".

1.2.2 Long-term development strategy "Estonia 2035"

On 12 May 2021, the Riigikogu adopted the state's long-term development strategy "Estonia 2035", which is being implemented on the basis of the action plan "Estonia 2035" approved by the Government of the Republic and renewed annually.

The strategic objectives of the strategy "Estonia 2035" are:

- Estonia's people are smart, active and care about their health;
- Estonia's society is caring, cooperative and open-minded;
- Estonia's 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.

Basic principles

- Although the goal is for the Estonian population to not decrease, Estonia's population was 1,328,439 as of 1 January 2022, i.e. 1,629 people fewer than the year before.
- The rate of participation in cultural life is on a downward trend (it was 73.8 percent in 2021 and 84.4 percent in 2015).

- According to the OECD's Risks That Matter Survey, there was a decrease in people's worries about becoming ill or developing a disability. At the same time, the worry about losing a job and the ability to cover all expenses increased significantly. The main reason for the growing worry was the uncertainty in society caused by the COVID crisis.
- The gender equality index improved slightly, increasing to 61.6 value points in 2021. The 2035 target is 70.7 value points.
- The gender pay gap was 14.9 percent in 2021. The 2035 target level (5 percent) still requires effort.
- The greenhouse gas emissions in Estonia are declining. According to preliminary data, the greenhouse gas emissions were 12.82 million tonnes of CO₂ equivalent in 2020. At the same time, Estonia's economy continues to be carbon-intensive.

Estonia's people are smart, active and care about their health

- In 2020, the healthy life expectancy increased for both men and women. The indicator was 59.5 for women and 55.5 years for men. It is necessary to contribute to the reduction in the deterioration of health caused by men's lifestyle choices.
- The 2035 target is for the proportion of overweight residents to be lower than 50 percent. In 2020, the proportion of overweight residents was 51.6 percent. Support for an active lifestyle and healthy diet requires more attention.
- Adult participation in lifelong learning increased significantly before the COVID crisis. It decreased in 2020 but rose again to 18.4 percent in 2021. Support for adult learning is needed to reach the target set for 2035 (25 percent).
- Although the 2035 target is to have at least 80 percent of adults aged 25–64 with special or vocational education, the indicator has fallen to 73.5 percent in 2021.
- The level of education of people is the benchmark of society's development potential. In the last five years, the proportion of people aged 25–34 with tertiary education has remained close to 43 percent.

Estonia's society is caring, cooperative and open-minded

- The persistent relative poverty rate fell to the 2035 target (≤ 15.6 percent) already in 2019.

- The share of residents with a high care burden³³ increased to 2.3 percent in 2021. Development and funding of care services must be kept in focus to achieve the 2035 target (1.3 percent).
- Activity rate in the labour force among working-age people (15–74-year-olds) decreased to 71.1 percent in 2021 as young and middle-aged people transitioned from employment to inactive status rather than unemployment during the COVID crisis.

Estonia's economy is strong, innovative and responsible

- Private sector research and development costs exceeded one percent of GDP for the first time in 2020 (1.01 percent). 75 percent of the private sector research and development costs, however, were incurred by 32 companies and 72 percent by the information and communications and processing industry sector alone. To reach two percent of GDP by 2035, ways must be found to bring research to all companies.
- The number of researchers and engineers in the private sector reached 1.65 per one thousand residents in 2020. The number of researchers and engineers must double to achieve the 2035 target (4.53). The proportion of people with a Doctoral level degree in Estonia among people aged 25–64 has remained consistent at 0.9 percent (2035 target: 1.5 percent). Research careers should be made more attractive and given more stability.
- Estonia's goal is to exceed the European Union average in terms of labour productivity and reach 110% by 2035. Labour productivity increased to 80.8 percent of the European Union average in 2020. Further growth will require more research and development, digitisation of companies, and the implementation of green technologies.
- GDP per capita generated outside Harju County has increased from 52.5 percent (2019) to 53.4 percent (2020) in the European Union comparison. The rise reflects the smaller decline of Estonian economy and the fact that in many Estonian counties the economy has been more resilient to the crisis. The economic growth, however, is still uneven in regions and the share of the majority of the areas in Estonian economy is still declining.
- The rate of recycling material has risen to 17.3 percent. The share of used material must double to achieve the target level (30 percent).

³³ Indicates the share of people aged 16 or older among people of the same age who assist or care for a member of the household for at least 20 hours a week.

- Resource productivity remains at the same level, at 0.63 euros/kg in 2020. It is necessary to increase the production of products and provision of services with higher value added, support the resource efficiency of companies, and increase the share of renewable electricity.
- The share of renewable energy in the total final energy consumption has decreased to 30.1 percent. This, however, needs to increase significantly to reach the target (55 percent).

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants

- In 2020, the number of fatalities per 100,000 residents as a result of accidents, poisonings and traumas was 71 (58 in 2019). With that, we have distanced ourselves from the 2035 target level (31.7) and need to continue with large-scale prevention activities.
- The environmental trends index has improved to 71.88. Estonia also remained at the high rank of 10th in the Global Sustainable Development Index in 2021.
- The use of public transport decreased due to the COVID crisis, but still the greenhouse gas emissions in the transport sector have not decreased enough. Forecasts show that the existing measures cannot reduce the CO₂ emissions from transport to the 2035 target level.
- The proportion of people commuting to work by public transport, bicycle or on foot declined to 33.9 percent in 2021.
- The proportion of people who consider their home safe was 92 percent in 2020 (96 percent in 2018).
- Energy consumption of residential and non-residential buildings was 16.5 terawatt hours in 2019 and 2020, i.e. two terawatt hours more than the target set for 2035. Improving energy efficiency of buildings needs to continue.

Estonia is an innovative, reliable and people-centred country

- Confidence in state institutions grew. Compared to 2019, confidence in the Riigikogu increased from 40 to 44 percent, in the Government of the Republic from 43 to 46 percent and in local governments from 56 to 58 percent in 2020.
- In the Global Presence Index, Estonia rose from the 89th place in 2018 to the 85th place in 2020. The improvement of the position has come mainly from the growth of economic presence and the evolvement of military capability.
- The share of local government expenditure in the general government sector decreased from 25.5 percent to 23.3 percent in 2020. The revenue base of local governments decreased due to the COVID-19 pandemic as personal income tax receipts decreased. At the same time, the central government supported people's well-being and economy more extensively than before.

1.2.3 Welfare

Objective

Reduction of social inequality and poverty, better gender equality, and greater social inclusion.

Estonian people are a growing nation, and the well-being and quality of life of children and families have improved.

Strategic objectives of the strategy “Estonia 2035”

Estonia’s society is caring, cooperative and open-minded.

Estonia’s people are smart, active and care about their health.

Development plans of the area

Welfare Development Plan 2016–2023

Children and Families Development Plan 2012–2020

Programmes of the performance area

Labour market

Social security

Welfare

Gender equality

Children and families

Areas of government related to the performance area

Area of government of the Ministry of Social Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- Development of programmes supporting parental education aimed at parents of children of all ages to ensure the happiness and well-being of Estonian families and improving their availability across Estonia (parenting programme “Wonderful Years” and website “Wise Parent”). Various specialists working with children and families were also trained on parenting to support parental education through counselling, training as well as a helpline.

Challenges

- Changing the organisation of long-term care. 22 percent of Estonian residents, i.e. approximately 230,000 people, care for or assist a person with long-term health problems or mobility limitations, who are most often elderly relatives that need help to cope at home. More than 30,000 of them dedicate more than 40 hours a week for the purpose. 14 percent of the respondents caring for a member of their household feel that their care burden is too high or almost unbearably high.³⁴ At the same time, the care burden prevents people from participating in the labour market –14,600 Estonian people did not work or seek work because they were caring for their loved ones. This, in turn, means loss of revenue for the state, which ranges from 23.9 million euros to 130 million euros according to various estimates. The inactivity of people with care burden is mainly caused by the insufficient and uneven availability of services that prevent and alleviate care burden, but also because of the high level of co-payment. The results of the World Bank’s analysis show that in order to move towards a more efficient long-term care system, the long-term care expenditure in the public sector should increase to at least 2–2.5 percent of GDP. At the same time, we must contribute to preventive measures – rehabilitation, aids, community and home-based services.
- Improvement of the availability of support services for children with severe and profound disability³⁵
- Reducing the scarcity of social workers and updating the design and cost models of social protection policy to adapt to the aging population and to cope with the increase in the proportion of older people
- Ensuring the availability of high-quality mental health care based on the needs of the person

Detailed information on the implementation of the performance area can be found at: <https://www.sm.ee/asutus-ja-kontakt/majandusteave-ja-toetused/eelarve>

Table 6. Target levels of metrics in the welfare performance area and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for “Estonia 2035”
Employment rate among 20–64-year-olds	83.5%	81.3%	81.2%	82.9%	82.9%	–
– men	77.5%	76.9%	77.5%	75.8%	75.9%	–

³⁴ Survey of activity limitations and care needs in the population in 2020, Turu Uuringute AS

³⁵ With high need for care and assistance from 1 January 2023

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
- women - total Source: Statistics Estonia	80.5%	79.1%	79.3%	79.3%	79.4%	
Duration of working life in years - men - women - total Source: EUROSTAT	39.4 38.3 38.9	39.5 38.4 39.0	39.1 39.0 39.1	40.0 38.1 39.0	40.1 38.2 39.1	-
Absolute poverty rate - men - women - total Source: Statistics Estonia	2.9% 1.8% 2.3%	2.7% 1.8% 2.2%	No data available	3.5% 2.6% 3.0%	3.4% 2.5% 2.9%	-
Relative poverty rate - men - women - total Source: Statistics Estonia	18.9% 22.3% 20.7%	18.0% 22.9% 20.6%	No data available	14.8% 5.2% 15%	14.8% 15.2% 15.0%	-
Natural population growth Source: Statistics Estonia	-1,302	-2,602	-5,315	Positive	Positive	-
Total fertility rate Source: Statistics Estonia	1.66	1.58	No data available	1.65	1.65	-
Absolute poverty rate among children aged 0–17 Source: Statistics Estonia	2.5	2.7	No data available	3.4	3.2	-
Difference between average hourly wages of women and men, i.e. gender pay gap Source: Statistics Estonia	17.1%	15.6%	14.9%	19.3%	18.9%	5%

Table 7. Implementation of the budget of the welfare performance area (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-4,013,847	-4,096,560	-4,261,860	-4,240,434	-	-
Investments	-2,308	-141	-9,134	-6,121	-36	-818

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.4 Health

Objective

Estonian residents live long and are as healthy as possible throughout their lives and their health and well-being is maintained and supported through the design of the living environment and the health system in cooperation of the public, third and private sectors.

Strategic objectives of the strategy "Estonia 2035"

Estonia's society is caring, cooperative and open-minded.

Estonia's people are smart, active and care about their health.

Development plans of the area

Public Health Development Plan 2020–2030

Programmes of the performance area

Environment that supports health

Choices that support health

Human-centred health care

³⁶ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

Areas of government related to the performance area

Area of government of the Ministry of Social Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- Coping with the COVID-19 crisis, including earlier reimbursement of sick days and increasing the unemployment allowance and benefits as important measures to ensure the coping of people
- Allocation of additional funds from both the state budget and supplementary budgets for the development of and improving the availability of mental health services
- Agreeing on the concept of physical activity and cross-sectoral prevention

Challenges

- **Ensuring the sustainability of health care funding**, ensuring a new generation of health care professionals and other specialists, reducing inequalities in health care, ensuring accessible medical care close to home, continuing with the necessary investments in the health infrastructure and thereby prolonging the healthy life expectancy of people.
- **Improving crisis preparedness**. Society will continue to be affected by the COVID-19 virus, and it is necessary to improve the preparedness of responding to crises in a sustainable way, including in terms of activities not related to the normal provision of health services.

Detailed information on the implementation of the performance area can be found at: <https://www.sm.ee/asutus-ja-kontakt/majandusteave-ja-toetused/eelarve>

Table 8. Target levels of metrics in the health performance area and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Life expectancy (men) Source: Statistics Estonia	74.4	74.4	No data available	82.9	82.9	–
Life expectancy (women) Source: Statistics Estonia	82.8	82.8	No data available	79.3	79.4	–
Health life expectancy (men) Source: Statistics Estonia	54.1	55.5	No data available	38.1	38.2	63.0
Health life expectancy (women) Source: Statistics Estonia	57.6	59.5	No data available	40.0	40.1	64.5

Table 9. Implementation of the budget of the health performance area (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-1,751,468	-1,792,172	-2,059,009	-2,125,722	2,150,602	-1,991,283
Investments	-7,039	-4,539	-8,636	-4,838	– ³⁷	-1,511

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.5 Educated and active population

Objective

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 objectives of the strategy "Estonia 2035"

Estonia's people are smart, active and care about their health.

Development plans of the area

Education Development Plan 2021–2035

³⁷ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

Programmes of the performance area

Education and youth programme

Areas 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 mitigate the effects of the COVID-19 pandemic**, both teaching materials and organisation of studies were **adapted for better access to education** and a safer school environment was ensured through rapid tests. A lot of effort was put into avoiding total distance learning across Estonia in the 2021/2022 academic year. Rapid tests were administered in schools from November, which helped to keep schools predominantly open. Based on the feedback from schools, students and parents, this was the right approach. Survey data shows that by 2021, schools and students had adapted to the changed situation and coped better with the new forms of study than in the first year of the pandemic. Schoolmasters were offered additional support based on the need to even out the students' learning gaps. With the help of state support, hiring assistant teachers was made possible.
- **The popularity of the teaching profession is gradually increasing.** The competition for a student place of teacher training exceeds the average competition 1.2 times. Two framework documents were completed in 2021 to ensure the new generation of teachers – development trends for the new generation of teachers until 2026 and a more detailed action plan of 2022. The action plan provides for improving the quality of management of schools, more flexible opportunities for teachers to acquire qualifications and a review of the workload, supporting educators throughout their career, and improving the reputation of the teaching profession.
- **The proportion of young people with low level of education not in education or training is on a long-term downward trend.** The drop-out rate from general education schools remains low and, so far, the subsequent learning gaps have not had a significant impact. The drop-out rate from vocational and higher education has declined despite the pandemic. The proportion of graduates with nominal time is growing.
- **The proportion of graduates from science, exact science and engineering among all**

graduates of higher education has increased over ten years and the same trend continued last year. The number of graduates in the field of ICT is also growing rapidly.

Challenges

Major problems and challenges in the performance area that require strategic attention over the next four years:

- **In order for Ukrainian war refugees to continue their education**, opportunities must be offered to study in primary and general education, vocational and higher education as well as in hobby education and recreational activities. In doing so, it is important to pay attention to learning the Estonian language.
- **Ensuring high-quality learning of Estonian language and Estonian-language education, including transition to partially Estonian-language subject teaching in primary schools with a different language of instruction and supporting schools with Estonian language of instruction in teaching students of other native language.** To this end, teaching materials and teaching methods are being developed and teachers are being trained, supplementing their skills in teaching students of different ages and different cultural and educational backgrounds and supporting students of other native languages in acquiring Estonian as well as language learning and adaptation of newly arrived immigrants at all levels of education.
- **Continued mitigation of the effects of the COVID-19 crisis**, above all evening out the study gaps caused by the closure of schools and distance learning and addressing mental health problems.
- The education sector was significantly impacted by the restrictions imposed throughout the state due to the continued spread of the COVID-19 virus in the spring of 2021, which is why a decision was made to transition fully to distance learning. Distance learning created study gaps and the constantly changing situation and uncertainty affected the mental health of young people. Nevertheless, the sector was able to adapt to the pandemic and cope significantly better compared to 2020. General distance learning was no longer imposed as of autumn, and schools responded according to the situation of infection. The wide-spread rapid testing imposed from November brought significant relief, allowing the schools to be kept open as much as possible. The state offered support to educational institutions in various ways to cope with the situation and even out the study gaps. The last two years have

demanding rapid adaptation, acquisition of new skills, flexible coping with the rapidly changing situation and innovative solutions from all parties in the area of education. The crisis has thus been a kind of an accelerator for development to test out flexible ways of learning and assessment, to focus on the student and to design teaching based on the learner – as the development plan of education envisages.

- **The ageing teaching staff and the deepening shortage of teachers³⁸**, which leads to the challenge of **raising the attractiveness of the teaching profession and paying competitive wages**. Against the backdrop of the increase in the average wage of the state, a strong effort must be made to maintain and increase the ratio of the average wage of teachers to Estonia's average wage. In order to ensure learning based on the modern approach to learning, it is essential that there are enough qualified and motivated teachers in schools. It is important to create flexible opportunities for the new generation of teachers to take up the teaching profession.
- **In order to increase the security of profession of both teachers just starting out and teachers already working**, it is necessary to improve the quality of managing educational institutions. The development of a teacher's career model that supports the improvement of the teacher is also important. Particular attention must be paid to supporting new teachers by the heads of educational institutions.
- The slight increase in the activity support for higher education has not enabled higher education institutions to raise the wages of the teaching staff in the same magnitude as the overall wage growth in the state. It is important to **ensure adequate funding** in

order to ensure the sustainability of Estonian-language higher education, maintain the quality of studies and ensure the new generation of teaching staff. In the long-term perspective, it is necessary to address the issue of the sustainability of the funding model for the higher education system.

- **Ensuring adequate funding to ensure the quality of vocational education and compliance thereof with the labour market.**
- **The number of students in general education is changing differently across regions and this requires continued organisation of the school network** and motivating and financially supporting local governments.
- **The gender gap in discontinuing education and acquiring formal education continues to demand attention.**

In conclusion, more than half of the metrics of the overall objective of the performance area of educated and active population (education development plan) were unmet in 2021. On a positive note, the proportion of young people with low level of education not in education or training has been gradually declining since 2015 and has reached below 10 percent. The proportion of adults with professional and vocational education was at the target level in 2021, and adult participation in lifelong learning has returned to an upward trend following a decline caused by the COVID-19 crisis in 2020. The ratio of the wages of teachers to the state's average wage, which has not (despite the annual increase of the teachers' wage) increased in recent years due to the rapid increase in the average wage and has instead declined in 2021 compared to the previous year, remains a sore point.

Detailed information on the implementation of the performance area can be found at: <https://www.hm.ee/et/tegevused/arengukavad>

Table 10. Target levels of metrics in the performance area of educated and active population and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Proportion of people aged 18–24 with low level of education not in education or training (total) Source: Statistics Estonia	9.8%	7.5%	9.8%	9.8%	9.7%	7.5%
Proportion of people aged 18–24 with low level of education not in education or training (men) Source: Statistics Estonia	12.7%	9.2%	12%	12.7%	12.5%	9%
Proportion of people aged 18–24 with low level of education not in education or training (women) Source: Statistics Estonia	6.9%	5.8%	7.6%	6.9%	6.8%	6%
Proportion of adults (aged 25–64) with professional and vocational education	73.1%	74.1%	73.5%	73.5%	74%	80%

³⁸ According to OSKA, approximately 380 teachers at general education schools per year need replacement due to age. The situation is particularly critical with science and mathematics teachers.

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Source: Statistics Estonia						
Adult participation rate in lifelong learning in formal and non-formal education Source: Eurostat, Estonian labour force survey	20.2%	17.1%	18.4%	>20%	>20%	25%
Proportion of those employed in smart specialisation growth areas one year after graduation of all employed Source: Survey Success in the Labour Market	11.6%	12.9%	data of III quarter 2022	13%	13%	20%
Proportion of students with advanced skills³⁹: functional reading skills Source: PISA Survey ⁴⁰	-	-	-	-	15.4%	20%
Proportion of students with advanced skills: mathematical literacy Source: PISA Survey	-	-	-	-	17%	25%
Proportion of students with advanced skills: natural science literacy Source: PISA Survey	-	-	-	-	13.7%	20%
Average wage of a teacher at preschool child care institution, compared to the Estonian average wage Source: Accounting balance information system/Estonian Education Information System/Statistics Estonia	86%	85%	81%	Maintain the level	Maintain the level	100%
Average wage of a teacher at general education school, compared to the Estonian average wage Source: Accounting balance information system/Estonian Education Information System/Statistics Estonia	112%	112%	106%	Maintain the level	Maintain the level	120%
Average wage of a teacher at vocational educational institution, compared to the Estonian average wage Source: Accounting balance information system/Estonian Education Information System/Statistics Estonia	108%	110%	103%	Maintain the level	Maintain the level	120%

Table 11. Implementation of the budget of the performance area of educated and active population (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-497,322	577,721	650,869	-528,020	565,626	524,834
Investments	-29,586	-8,011	-74,711	-61,568	- ⁴¹	-56,609

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

³⁹ Achieved level 5–6 according to PISA Survey.

⁴⁰ There is no data for 2019–2021 because the survey is carried out every three years. As the 2021 survey was postponed due to the COVID pandemic, the latest data come from the 2018 survey.

⁴¹ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.6 Estonian language and identity

Objective

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 objectives of the strategy “Estonia 2035”

Estonia’s people are smart, active and care about their health.

Estonia’s society is caring, cooperative and open-minded.

Development plans of the area

Estonian Language Development Plan 2021–2035

Programmes of the performance area

Language programme

Areas of government related to the performance area

Area of government of the Ministry of Education and Research

OVERVIEW OF THE PERFORMANCE AREA

Estonian language has a solid position as a national language and an official language of the European Union. There are areas where balance is sought between the use of Estonian and English as an international language of affairs and communication. Jobs where the requirements for the proficiency of Estonian should be regulated have also been added to the labour market. To maintain and secure the position of the Estonian language, using Estonian as an official language, learning and researching the Estonian language will be popularised and encouraged, the Estonian language will be given importance as a carrier of identity, and compliance of the legal space with language developments in the society will be monitored.

Estonian linguistics and language technology are at an internationally high level, and language resources and language technology applications are accessible. In the case of research and scientific description of language, the lack of variable language data sets and corpora is a problem. In order to develop an up-to-date, accessible and diverse language infrastructure, support for linguistics and language technology will continue.

Proficiency in Estonian is necessary for successfully coping in the Estonian society. There are residents whose proficiency in Estonian is not sufficient to enable them to acquire education, participate in the labour market and social life without obstacles. Coordination of the field of Estonian language learning for adults requires systematic development. Estonian language learning as a whole lacks modern and comprehensive e-learning materials, and not enough additional in-service training courses have been offered so that both

language and subject teachers would be able to support the comprehensive development of the students’ language skills. Estonian language learning offered abroad to both compatriots at the level of native language and to others interested at the level of a foreign language needs to be expanded. Alongside proficiency in Estonian, proficiency in other languages is also important, but English dominates in the teaching of foreign languages, overshadowing other foreign languages that are also important to Estonia. Teaching of other important foreign languages requires special attention in order to ensure that there are enough skilled people sufficiently proficient in the languages.

Positive developments

- The significant development in the field of language is related to language technology. The public sector area-specific machine translation technology MTee has been developed, aimed at translating three areas – crisis information, law, and national defence. Translations are available in three language directions: Estonian-English-Estonian, Estonian-Russian-Estonian, and Estonian-German-Estonian. Unlike other translation systems, MTee is adapted to translate texts of specific areas. The narrower the area in which the machine translation model is trained, the better the quality of translation. In addition, MTee is the first Estonian-language machine translation technology that enables real-time translation of Estonian speech. A grammar check is also integrated into the model, which identifies possible grammar mistakes in the Estonian source text.
- Software that allows adding automatic subtitles in Estonian to live broadcasts was completed in 2021. At the beginning of 2022, the Estonian Public Broadcasting integrated subtitling software for certain types of live broadcasts, which enables watching broadcasts with Estonian subtitles. The introduction of subtitling software was also supported in 2021 on DuoMedia channels where the use of software is in the testing phase.
- The first year of operation of the Competence Centre for Natural Language Processing of the Institute of the Estonian Language has also been productive – cooperation between areas is more efficient than before and new development projects were initiated.
- Cooperation related to adult learning of Estonian as a second language through the Official Language Council gained momentum in the area of language learning. Cooperation in the area of mapping the current state of language learning needs and services and in planning improvements lived up. The training needs of educators were mapped. Agreements were entered into for activities

to be supported during the upcoming European Union Structural Funds period. Support for Estonian language learning abroad and activities promoting multilingualism continued.

Challenges

- **The central priority is to ensure the permanently solid status and good reputation of the Estonian language.** An action plan for the reputation building of the Estonian language will be developed, which will involve the wider public and young people in addition to language specialists. An analysis of the legal space of the area of language will be completed and regular supervision over compliance with the requirements established by the Language Act in all important areas of language use will be carried out. The principles of language and internationalisation of higher education, which ensure that the Estonian language functions as a language of higher education and research, will be developed in cooperation with institutions of higher education.
- Continuous work on the language infrastructure is important to make administration in Estonian possible in every field and every area of life. For this, the most important thing is to **develop an innovative, open and diverse language infrastructure and to continue the development of Estonian terminology in a coordinated manner.** The most important support activities of the area will be concentrated under the Competence Centre for Natural Language Processing established at the Institute of the Estonian Language, monitoring of the area will be increased, and thereby, the use of language technology tools will be promoted. An action plan for the development of the Estonian language technology area and widespread introduction of language technology tools will be implemented.
- **Diverse opportunities will be created for the development of the language infrastructure** to ensure its innovation and accessibility. Language resources will be concentrated into common systems that allow for the machine-readable processing of vocabularies, databases, and language corpora. At the same time, the dictionary and term base system Ekilex and the language portal Sõnaveeb will be developed. An action plan for Estonian terminology will be developed and a functioning Ekilex terminology network will be set up to speed up terminology advice and to encourage

cooperation between specialists, translators and (language) editors.

- **The central challenge of the field of language learning is high-quality Estonian-language education and activities supporting it.** Learning opportunities will be diversified and adapted according to the student's needs and background in the adult Estonian language learning as a second language. In cooperation with other ministries and institutions offering Estonian language learning, Estonian language learning for adults will be reorganised, in connection with which business analysis of the e-environment consolidating Estonian language learning activities for adults will be completed in 2022. The assessment of the proficiency of Estonian as a second language of adults will take a direction towards the development of electronic assessment tools. In 2022, developing the digitisation of Estonian language examinations and Estonian language e-learning opportunities will continue. In-service training of teachers of Estonian as a second language and of subject teachers will be supported. Adequate proficiency in Estonian among educators is a cornerstone of Estonian-language education and Estonian language learning.
- **The need to value multilingualism and proficiency in other languages is growing.** Proficiency in foreign languages among Estonian residents is a prerequisite for the sufficient linguistic capacity of the state. Meeting the recommendation of language learning of the Council of European Union is a challenge, one of the theses of which is to have a good level of proficiency in at least two foreign languages. In order to support multilingualism and foreign language learning, the principles of the sister publication of the European Union framework document on language learning are being disseminated in Estonia and language teachers, compilers of study materials, compilers and evaluators of tests are being trained. It is equally important to promote Estonian language learning abroad by supporting the activities of the World School, language learning in Estonian communities in general education and Sunday schools, societies, kindergartens, toddler groups and language courses, and teaching Estonian language and culture at foreign universities.

Detailed information on the implementation of the performance area can be found at: <https://www.hm.ee/et/tegevused/arengukavad>

Table 12. Target levels of metrics in the performance area of Estonian language and identity and the actual performance⁴²

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Functional reading skills in Estonian among Estonian residents aged 16–65 Source: PIAAC survey	–	–	The survey will be carried out in 2022–2023	To be specified based on the results of the PIAAC survey	–	To be specified based on the results of the PIAAC survey in 2024
Proportion of people using Estonian in the population Source: Estonian labour force survey (Statistics Estonia)	–	–	91% ⁴³	To be specified in 2022	–	>91%
Reputation of Estonian language in society: – among people with Estonian native language – proficiency in Estonian and reputation among people with other native or home languages Source: Study on the reputation of Estonian language	–	–	Study was not carried out	To be specified in 2022	–	To be specified in 2022
Number and referenceability of publications on Estonian linguistics with international distribution Source: Estonian Research Information System	–	–	–	Measured in 2022	–	To be specified in 2022
Number of multilingual term bases Source: term management environment Ekilex	–	70	80	–	–	100
Language technology support for Estonian language Source: Institute of the Estonian Language, Ministry of Education and Research	–	–	Partial	Partial	–	Comprehensive
Language learning environment of Estonian as a second language for adult learners Source: Ministry of Education and Research	–	–	None	None	–	Has been developed and is in active use
Self-assessed foreign language proficiency of Estonian residents Source: Study on the reputation of Estonian language	–	–	–	To be specified in 2022	–	To be specified in 2022

Table 13. Implementation of the budget of the performance area of Estonian language and identity (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-5,465	-5,861	-7,123	-5,907	-5,874	-5,830
Investments	-18	–	-649	-645	– ⁴⁴	–

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

⁴² As the Estonian Language Development Plan 2021–2035 was only approved in the autumn of 2021, the baseline of several metrics of the development plan is still being finalised and monitoring is just beginning.⁴³ Preliminary data⁴⁴ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.7 Environment

Objective

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

Strategic objectives of the strategy “Estonia 2035”

Estonia’s people are smart, active and care about their health.

Estonia’s society is caring, cooperative and open-minded.

Estonia’s 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.

Development plans of the area

Estonian Environmental Strategy until 2030

Estonian Forestry Development Plan until 2020

National Development Plan for the Use of Oil Shale 2016–2030

Climate Change Adaptation Development Plan until 2030

National Waste Management Plan 2014–2020

National Radiation Safety Development Plan 2018–2027

Programmes of the performance area

Programme for environmental protection and exploitation

Areas of government related to the performance area

Area of government of the Ministry of Environment

OVERVIEW OF THE PERFORMANCE AREA

The continuing challenge for the environmental performance area is to find a balance between achieving the goals of environmental protection and environmental use. At the fifth session of the United Nations Environment Assembly at the beginning of 2022, under the leadership of Estonia, the principle that **environment is a human right** was agreed on. Therefore, globally and within the European Union, it is increasingly necessary to respond to the long-term environmental and climate-related challenges: the accelerating green transition, sustainable use of resources, preservation of ecosystems, climate changes and adaptation to thereof. One of the metrics

of the performance area is the sum of total greenhouse gas emissions. **According to the data of the Estonian greenhouse gas inventory⁴⁵ for 2020, the total greenhouse gas emissions totalled 12.8 million tonnes of CO₂ equivalent.** The 2020 inventory data show a continuation of the downward trend in greenhouse gas emissions, but it must be taken into account that total emissions were lower than expected due to the pandemic. Compared to 1990, Estonia’s total greenhouse gas emissions have decreased by 65 percent.

The success of the performance area is also assessed based on resource productivity, but investments supported by the resource efficiency measure have not had a significant impact on economy and businesses due to the COVID-19 crisis. Whether or not the 2021 target was achieved will be revealed in early 2023.⁴⁶

The focus of the coming years will continue to be on the waste sector and its reform. In the coming years, it is important to reorganise waste management efficiently and innovatively, as a number of new obligations are being implemented for new types of waste. Material recycling must be ensured and mandatory targets for municipal waste and other types of waste must be achieved. Waste generation shows a downward trend by years, but the **2021 target for reducing waste generation was most likely not achieved.**⁴⁷ Various measures were implemented (for example, campaigns to raise awareness and boost waste collection were carried out, local governments were advised, instruction materials were prepared, support measures were established) and legislation was updated to achieve the target of waste reduction. At the same time, raising people’s awareness and changing their habits to be more environmentally sustainable is important. The updating of the National Waste Management Plan commenced, which is part of the strategy and action plan of circular economy, forming a systematic whole in the transition to circular economy.

Preparing for the launch and implementation of a new period of foreign aid is underway. Alternative and new sources of financing are being sought for the so-called classic environmental protection activities such as the protection of aquatic and marine environment and biodiversity. The preservation of biodiversity should be a central principle in all policy areas. The area of government of the Ministry of the Environment is working on the preservation and restoration of biodiversity on a daily basis. For example, the LIFE project For-Est&FarmLand and the website that centrally provides information on nature (<https://loodusveeb.ee/et>) were launched successfully last year. 11 protection rules were approved and species protection sites for 14 species were formed or updated. In addition, an analysis of the functioning of the green network with map data sets was completed. **One of the metrics of the**

⁴⁵ Estonian greenhouse gas inventory published in 2022 (<https://envir.ee/kliima/kliima/rahvusvaheline-aruandlus>)

⁴⁶ In 2020, the calculation methodology was changed: the level of 2019 was 0.65 €/kg and the level of 2020 was 0.63 €/kg.

⁴⁷ Waste statistics for 2021 are being collected and will be available in early 2023. 2020 level: 4,151 kg/person/year vs the planned 3,600 kg/person/year.

performance area is the proportion of habitat types included in the Habitats Directive in favourable condition. The target level of the metric is 57 percent, and results are measured every six years.

Protection of water is also under attention. There are 744 bodies of surface water and 31 bodies of groundwater in Estonia, the condition of which requires improvement. **According to the 2020 assessments of the condition of water bodies, 53 percent of bodies of surface water and 74 percent of bodies of groundwater are in a good condition.** In 2022, it is planned to approve water management plans to achieve the good condition of Estonian waters by 2027. The implementation of the plans must commence immediately. At the same time, it can be seen that the reduction of pollution and the implementation of measures to improve the condition of waters is hampered by a lack of resources. There is a shortage of both people and funds for surveys and research and development activities and for investments. Work on neutralising the residual pollution of the Kroodi Stream considered as the most polluted body of water in Estonia was completed in 2021, which contributes to the improvement of the condition of Estonian waters.

The key to achieving results in the field of environment lies in conscious citizens who consciously change their behaviour.

The next environmental awareness study is scheduled for 2022 in order to have a fresh benchmark for one metric of the performance area. **The environmental awareness index of Estonian residents in 2020 was in a growth trend compared to the previous years (47 percent).**

A number of national and international initiatives have been launched to improve the quality and availability of environmental data. The plan is to develop monitoring capabilities, upgrade monitoring equipment and find innovative ways to carry out environmental monitoring.

On 4 March 2022, Estonia in cooperation with the UN Environmental Programme launched the global environmental data alliance DEAL⁴⁸, which has received wide support from states and organisations. DEAL is an international cooperation platform that brings together states, technology companies and researchers to improve the availability of environmental data and strengthen environmental monitoring capability.

2021 was important in terms of the developments of the next 10–15 years as several development documents guiding the policies in the field will expire and new ones are being drawn up, the principles to be agreed therein will affect the entire area of environment. The Environmental Development Plan 2030 is also being prepared, in which the strategic objectives and activities of the area will be agreed upon in the medium-term and different sub-fields of environment will be integrated into one development document. The plan is to also submit the new forestry development plan to the Government of the Republic for approval in the autumn of 2022.

A thorough review and updating of the environmental permit process has commenced. The Ministry of the Environment has started the construction of a wooden reference building (Museum of Natural History and Environmental House).

One of the challenges of the last couple of years has been keeping experts and skilled professionals in the field. Many underfunded areas are in need of empowerment, and in connection with the processes of green transition in the state, expectations for services in the area of government of the Ministry of Environment (permit procedures, impact assessment, various approvals, etc.) are increasing.

Detailed information on the implementation of the performance area can be found at: <https://envir.ee/ministeerium-kontakt-uudised/ministeeriumi-tutvustus/tegevusplaneelarve>

Table 14. Target levels of metrics in the performance area of environment and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Proportion of habitat types included in the Habitats Directive in favourable condition Source: Ministry of the Environment	57%	57%	57%	>=52%	>=57%	–
Environmental awareness index Source: Ministry of the Environment	–	47	–	–	52	–
Summary total greenhouse gas emissions, million tonnes of CO₂ equivalent Source: Ministry of the Environment	14.3	12.8	–	16.4	13.3	8
Proportion of water bodies in good condition Source: Ministry of the Environment	55	53	–	81	81	–

⁴⁸ Data for the Environment Alliance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Waste generation, excl. oil shale industry (kg per person) Source: Ministry of the Environment	4,462	4,151	–	3,600	3,530	–
Resource productivity: ratio between GDP and domestic material consumption, euros/kg Source: EUROSTAT	0.65	0.63	–	0.54	0.68	0.9

Table 15. Implementation of the budget of the performance area of environment (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-166,206	-181,740	-372,604	-154,424	-165,201	-126,434
Investments	-4,984	-2,979	-7,273	-4,647	-49	-1,070

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.8 Research and development and entrepreneurship

Objective

The general objective of developing research and development and innovation is to create favourable conditions for the growth of productivity and the living standard, good education and culture, the sustainability and development of Estonia.

The general objective of entrepreneurship and innovation is to support an internationally competitive and reliable economic environment aimed at the development of Estonia and export where entrepreneurs have the opportunity to earn more income from products and services with high value added and thereby generate economic growth that reaches all the residents of Estonia.

Strategic objectives of the strategy "Estonia 2035"

Estonia's people are smart, active and care about their health.

Estonia's society is caring, cooperative and open-minded.

Estonia's 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.

Development plans of the area

Estonian Research and Development and Innovation Strategy 2014–2020 "Knowledge-Based Estonia"

Estonian Entrepreneurship Growth Strategy 2014–2020

Estonian National Tourism Development Plan 2014–2020

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

Programmes of the performance area

Research, development and innovation programme

Competitive business environment

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

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- The Ministry of Economic Affairs and Communications and the Ministry of Education and Research in cooperation developed the new **Estonian Research and Development, Innovation and Entrepreneurship Development Plan 2021–2035**, which sets a stronger focus on knowledge transfer, application of research results in society and cooperation between various parties.

⁴⁹ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

- Focus areas of research and development, innovation and entrepreneurship⁵⁰ where the cooperation between research and development and entrepreneurship has the biggest potential to provide solutions to the challenges faced by society are important in the application of research results. **Drawing up road maps for focus areas** commenced in 2021, in which researchers, entrepreneurs, ministries and other partners agree on how to develop the focus areas. Drawing up road maps is due to be completed in 2022.
- Estonia set a strategic goal of achieving a **research and development funding level of one percent of GDP** in the state budget, which was met for the first time in 2021 when the area was financed with 286.4 million euros.
- In 2021, the **focus was on the reform of Doctoral studies**, resulting in doctoral students becoming research staff. Since the autumn of 2022, doctoral students must be offered junior researcher positions at universities, or their Doctoral thesis can be done at an out-of-university institution or company as part of the knowledge transfer Doctoral program.
- **A thorough update of the Research and Development Organisation Act** began. In cooperation with target groups and partners, solutions were sought to meet the needs of changing the research and development system. The **changes** include regulation of open research and research ethics and organisation of the national management system and funding instruments.
- In 2021, the **coordination body of research and development and innovation was launched**, consisting of representatives of all ministries, the Estonian Research Agency, Enterprise Estonia, and the Government Office. The coordination body of research and development and innovation helps to manage research and development financed by ministries more efficiently at the operational level.
- **Studies of subsoil resources and concession models** important for Estonia were worked on. At the Estonian Geological Survey, preparations were made for mapping the spread of raw materials critical for the green transition, i.e. a report on marine geological data was prepared to support the planning of marine wind farms. A lot of geological information was assembled and systematised and new improved sets of geological-geophysical maps were completed.
- In order to make the Estonian tourism sector viable and adaptable in 2025 and to accelerate recovery from the crisis, the **Tourism Strategy 2022–2025** was prepared.
- More than 160 million euros of various **crisis support** were distributed to **undertakings in the tourism sector** in previous years. Furthermore, 21.6 million euro European Union REACT-EU grants were developed to increase the value added of tourism products and services and to develop digital solutions.
- In 2021, **Enterprise Estonia and KredEx merged** to better achieve the new strategic goals of implementing the innovation, green and digital transition.
- The **applied research and experimental development programme**, the main national support instrument for research and development-based innovation of companies, was launched.
- A 100 million euro **Green Fund measure** was developed. (Start-up) companies being founded and operating in different development stages (from foundation to achieving success in international markets) and sectors are financed through equity investments. The products, services and processes of companies supported through the Green Fund are characterised by research-intensive green technology.
- The funds of the **Estonian Recovery Plan** approved in 2021 contribute to bringing **public digital services** to a new development level, and innovative solutions to improve productivity and quality are being promoted in the **construction sector**.
- Implementation of the activities of the long-term analysis of construction prepared in 2020 comprising the strategic objectives of the construction sector, the aim of which is to support the raise of productivity in the construction sector to the European Union average level by 2030, commenced based on the action programme of the Government of the Republic.
- The preparation of the development plan for the Building Code and negotiations with parties in the field continued based on the analysis of the implementation practice of construction law prepared in 2020.
- **The launch of the LIFE IP BuildEST project was commenced with to implement the long-term reconstruction strategy**, in the

⁵⁰ Focus areas of research and development, innovation and entrepreneurship are the priority areas of research and development, innovation and entrepreneurship, which are further supported by the state. There are five focus areas: (1) digital solutions in all areas of life; (2) health technologies and services; (3) valorisation of local resources (wood, food, subsoil resources, secondary raw materials, and waste); (4) smart and sustainable energy solutions; (5) viable Estonian society, language and cultural space (language and culture, education, societal processes).

course of which the objectives of the long-term strategy of reconstructing Estonian buildings are being updated and carried out and green transition is addressed in terms of energy efficiency and climatic resistance of buildings.

Challenges

- **Low attractiveness of the research career and Doctoral studies.** Estonia needs several times more researchers and engineers than we have today, especially outside the academia, both in the private and public sector. Defending 300 Doctoral level degrees per year set as a target previously has not been achieved to date, so more attention needs to be paid to the new generation of researchers and engineers and to increasing the attractiveness of academic careers.
- **It is necessary to ensure a high level of basic capacity of the research system.** The characteristic of Estonia is the highly project-based research funding and large share of foreign financing sources, particularly in public sector research and development. Ensuring the high level and sustainable quality of the research system requires targeted and consistent support from the state, including support for research projects and research groups, research infrastructure, national and international cooperation. This is an indispensable prerequisite for achieving the social and economic application of research achievements. It is also necessary to
- **Research institutions and companies lack motivation and ability to collaborate. Research results are not sufficiently applied in the Estonian society.** Estonian research is at a good level but only few research results reach new products or services in companies or the public sector. Therefore, the state must find new ways and design an environment that favours cooperation between research institutions and companies both in setting up research tasks as well as applying research results.
- **The shortage of qualified labour** continues to be a major problem for entrepreneurs.
- **The COVID-19 pandemic led to a rapid global growth in e-commerce volumes.** Insufficient knowledge and skills as well as logistical problems remain the greatest obstacle to the development of e-commerce.

Detailed information on the implementation of the performance area can be found at: <https://www.hm.ee/et/tegevused/arengukava>

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

Table 16. Target levels of metrics in the performance area of research and development and entrepreneurship and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021 ⁵¹	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Level of research and development of GDP Source: Statistics Estonia	1.63%	1.79%	–	3.0%	3.0%	–
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 GDP⁵² Source: Statistics Estonia	0.89%	1.01%	–	2.0%	2.0%	2.0%
Ranking in the European Innovation Union Scoreboard Source: Innovation Union Scoreboard	11th place	9th place	–	10th place	10th place	–
Productivity per employed of the European Union average Source: Eurostat	77.9%	80.8%	84.8%	80%	80%	110%

⁵¹ The results of the three metrics for 2021 will be revealed with a delay.

⁵² Share of business sector research and development expenditure and share of non-profit private sector research and development expenditure of GDP, %

Table 17. Implementation of the budget of the performance area of research and development and entrepreneurship (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-297,788	-456,880	-515,168	-394,393	-528,858	-371,961
Investments	-4,266	-2,415	-4,660	-2,132	-53	-7,150

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.9 Agriculture and fishery

Objective

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 objectives of the strategy “Estonia 2035”

Estonia’s people are smart, active and care about their health.

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

Estonia’s 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.

Development plans of the area

Estonian Agriculture and Fisheries Development Plan until 2030

Programmes in the performance area

Programme “Agriculture, food and rural affairs”

Fisheries programme

Areas of government related to the performance area

Area of government of the Ministry of Rural Affairs

Area of government of the Ministry of Environment

OVERVIEW OF THE PERFORMANCE AREA

The agriculture and fisheries sector in cooperation with the food industry plays an important role in supplying Estonians with food. From the state’s perspective, it is very important to also supply oneself with the most important foodstuffs, as evidenced by the spread of the COVID-19 virus that started in the spring of 2020 and continued in 2021. The impact of the virus on the economy is multifaceted. The functioning of all links in both the agriculture and fisheries supply chain were affected by the difficulties in the HoReCa⁵⁴ sector. The drying up of export markets led to an oversupply of agricultural and fishery products. Consumer demand has decreased due to economic uncertainty. In the current market

situation, the proceeds from marketing of production are unable to cover production costs and the low market price has reduced producers’ incomes. Uncertainty in the economy persists, which is why the market situation is not improving rapidly.

A number of important support measures for the agricultural, rural and fisheries sectors were developed in 2021 to cope with the effects of the COVID-19 outbreak (for example, agricultural producers received emergency support in the amount of 15.8 million euros, dairy and pork producers 5.5 million euros and processors of fishing products 0.4 million euros).

The coronavirus pandemic, the anxious security situation in Europe, the spread of animal diseases, and international trade restrictions have forced greater attention to the vulnerability of international supply chains and security of food supply. In 2021, the Ministry of Rural Affairs proposed to include food security in the draft preparedness act as a vital service.

In 2021, 347 million euros of common agricultural policy grants were paid for the development of agriculture, food industry and rural affairs.

Preparations for the Common Agricultural Policy Strategic Plan 2023–2027 and the action plan for 2021–2027 of the European Maritime, Fisheries and Aquaculture Fund continued in 2021.

The vision document “Estonian Food 2022–2025” was approved in 2021. It helps to shape the directions of introducing and promoting the sale of Estonian food both in the domestic market and abroad, focusing on raising the awareness of consumers, valorisation of local food production, ensuring the competitiveness and vitality of food producers, and popularising food culture.

Export and import of agricultural products and foodstuffs were the highest ever. In 2021, agricultural products and foodstuffs were exported from Estonia at current prices to the value of 1.5 billion euros (nine percent of total export) and imported to Estonia to the value of 1.8 billion euros. Compared to 2020, export increased by 3.5 percent and import by 9.4 percent. The trade deficit was 306 million euros, which was 104 million euros higher than the year before. The trade deficit increased rapidly due to the increased import.

⁵³ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

⁵⁴ Catering and accommodation

In agriculture, the **introduction and continued use of environmentally sustainable management practices** is encouraged. Almost all of the agricultural land is linked to the compliance system. Grants are awarded in full to those applicants who comply with the requirements of environmental protection, ensuring animal welfare, protection of public, animal and plant health, and maintaining agricultural land in good condition. The proportion of environmentally managed land of agricultural land in use was 88.4 percent in 2021.

Food safety objectives support the objectives of food production, export, environment, and the Public Health Development Plan. **The food safety barometer, which measures the overall food safety situation in Estonia on an annual basis and compared to the previous year, was 99.33 in 2021.** The goal is to have a rating of at least 100. The food safety barometer indicated a slight deterioration in the food safety situation in 2021 compared to 2020. The overall situation has been affected the most by a four percent decline in compliance with food safety preventive measures compared to the year before.

From 1 February 2021, the area of activity of the Veterinary and Food Laboratory was expanded to ensure risk assessment in the area of food safety, notification of risks in the food chain and provision of scientific advice to the Ministry of Rural Affairs and the Agriculture and Food Board.

The **Action Plan for Reducing the Antibiotic Resistance of Microbes in the Field of Veterinary Medicine 2021–2026** was approved in 2021, with the aim to achieve responsible use of antibiotics in farm animals and pets.

High standards of plant health, animal health and welfare shape our living environment, are the basis for ethical and sustainable food production, and have a positive effect on public health, the environment and the competitiveness of the food sector.

Disease control programmes and preparedness plans have been developed to reduce the risk of epidemics and animal diseases. There was no swine fever found in domestic pigs in 2018–2020. In the summer of 2021, African swine fever was once again diagnosed in one domestic pig farm. At the beginning of 2021, avian flu initially began to spread in waterfowl in Estonia. Unfortunately, avian flu was also found in poultry.

In 2021, the government decided that the Ministry of Rural Affairs in cooperation with the Ministry of Research and Education and the Ministry of Economic Affairs and Communications would develop a new **Action Plan for Promoting Organic Economy 2023–2030**. In addition, funds were allocated to the Ministry of Rural Affairs as a result of state budget discussions to further contribute to children's health, shaping eating habits, organic farming and environmental knowledge and to support the provision of organic food in schools and kindergartens.

A third of the Estonian population lives in rural areas, and it is estimated that a third of the companies also operate there. Although Estonia's population grew for the fifth consecutive year in 2021, the number of residents in rural areas has stabilised after two years of growth. The share of young people aged 21–40 living in rural areas of the total number of young people in the same age group continues to decline at 27.5 percent in 2021. This is below the target set for 2030 in the Agriculture and Fisheries Development Plan (27.8 percent). In contrast, there has been an increase in the proportion of children born in rural areas over the past five years, although in Estonia as a whole, the number of births has been on a downward trend in the last three years. **In 2021, a decision was made to start issuing co-loans to purchase or renovate a home in rural areas.** It is a pilot project that will be implemented in two regions of Estonia – Southeast Estonia and Ida-Viru County.

186,000 people, i.e. 28.4 percent of the total employment participants, work in rural areas. This is four percent higher than the target set for 2030 in the Agriculture and Fisheries Development Plan (24.4 percent). In 2021, the employment rate of rural residents aged 20–64 increased by two percent to 78.4 percent.

The Estonian fisheries sector is competitive, with high-quality products and good preconditions for the production of fishing and aquaculture products. In order to meet the economic objectives of fishery, it is **important to create conditions for a viable and competitive sector of processing aquacultural, fishing and living aquatic resources**, with the greatest emphasis on increasing productivity and added value.

72,428 tonnes of fish were caught in 2021, which is about three percent less than the previous year. Compared to 2020, the ratio of catches to quotas remained relatively unchanged, but catch volumes decreased due to the decrease in quotas. The decrease in quotas is based on international and Estonian national scientific recommendations. The value of total catches at first buying-in prices was 56.5 million euros. The added value generated by the fishing industry in 2021 was 14.9 million euros. This is 10.4 percent less than the previous year, mainly due to the effects of the spread of COVID-19 and the increase in the price of production inputs.

The share of fish resources in good condition fell to 39 percent in 2020, 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, fishing efforts in coastal fishing must be reduced, etc.

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

Table 18. Target levels of metrics in the performance area of agriculture and fishery and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Value added in agriculture, forestry, fishery and food and beverage production per person employed, three-year moving average Source: Statistics Estonia	–	29,798	–	25,500	30,500
Export and import value ratio of agricultural produce and foodstuff Source: Statistics Estonia	–	0.88	0.83	0.79	0.80
Proportion of Estonian consumers who prefer buying local foodstuff Source: Estonian Institute of Economic Research	–	74% (2018)	–	75%	75%
Food safety barometer Source: Ministry of Rural Affairs	–	99.28	99.33	≥100	≥100
Greenhouse gas (GHG) emission per value of agricultural production, tonnes per thousand euros Source: Statistics Estonia, Estonian Environmental Research Centre	–	2.32	–	≤2.5	≤2.5
Employment rate of rural residents aged 20–64 Source: Statistics Estonia	–	76.1%	78.3%	77.8%	78.1%

Table 19. Implementation of the budget of the performance area of agriculture and fishery (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-372,338	-	-	-414,239	-	-
Investments	-3,351	-2,461	-6,496	-4,318	-55	-2,557

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.10 Transport

Objective

The objective of Estonian transport policy is to ensure safe, sustainable, fast and convenient mobility opportunities for residents and companies.

Strategic objectives of the strategy “Estonia 2035”

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.

Development plans of the area

Transport and Mobility Development Plan 2021–2035

Transport Development Plan 2014–2020

Programmes of the performance area

Transport competitiveness and mobility programme

Areas 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

- On 1 January 2021, the Transport Administration, which covers various modes of transport, was formed.
- REMIX56 software was introduced to plan the route network.
- Ferry route errors were successfully managed in cooperation with partners.
- Due to the continued spread of the COVID-19 virus, work processes were optimised and the necessary flexibility to make route changes was ensured.
- New requirements for procurements of bus transport were developed to introduce low-emission fuelled buses that meet the

⁵⁵ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

⁵⁶ <https://www.remix.com/>

requirements of accessibility and have bicycle transport capabilities.

- A project was launched to interwork bus and train timetables and to introduce new bus routes.
- In Saaremaa, on-demand transport was introduced as a pilot project to serve passengers who do not have the opportunity to use general public transport.
- In summer 2021, the mobility, planning, management and financing analysis in the Tallinn region was completed. The purpose of the analysis was to propose activities that could be implemented in the Tallinn region according to the model of the organisation of public transport in the Helsinki region.
- In November 2021, the Government of the Republic approved the Transport and Mobility Development Plan 2021–2035, which established strategic objectives for the development of sustainable mobility and CO₂- and energy efficient transport. The aim is to increase the use of sustainable mobility services (for example, bicycles and public transport).
- In 2022–2029, the plan is to develop transport connections that would reduce the time spent on travelling distances. For example, building 2+2 highways and straightening and electrifying railways to ensure a speed of up to 160 km/h for trains. Stage I of the procurement for the construction of Rail Baltica Ülemiste Joint Terminal is planned for the first half of 2022. The construction of various crossings (viaducts, bridges, ecoducts) will also continue in 2022.
- With the support of the Cohesion Policy Funds, it is planned to develop a safe traffic, accessible and sustainable urban space, supporting the establishment of footpaths and cycle tracks, parking lots and stopping points with multi-modal mobility and interconnection facilities.
- The development of the Old Port tram link has been agreed upon with the city of Tallinn, which the state supports with 26 million euros through the Recovery and Resilience Facility.
- Development of the Turba-Risti railway with a cost of 34 million euros

Challenges

- Improve the level of service of public transport.
- The development of public transport is underfunded in both cities and in county routes.

- Due to the COVID virus, the use of public transport decreased and the use of passenger cars increased.
- Remote working has changed people's mobility habits and needs.
- From 1 April 2022, as a follow-up to the mobility, connected planning, management and financing analysis in the Tallinn region, it is planned to introduce a new North Estonia 30-day joint ticket, which will allow using various modes of transport in Tallinn and Harju County with one ticket.
- Preparations for the implementation of the Cohesion Policy Funds of the European Union budget period 2021–2027 took place in 2021. There is still no partnership agreement with the European Commission, which prevents the use of European Union funds.
- Support measures of the European Union budget period 2021–2027 for the development of cycle tracks in the city centres of Tallinn, Tartu and Pärnu are being prepared. Development work will be supported with 40 million euros from the Cohesion Fund plus 30 percent of self-financing. A measure was planned in the same amount and under the same co-financing principles for the development of Tallinn tram roads in order to more vigorously support and guide the development of sustainable transport.
- Planning systems for public transport centres were developed to use demand-based social transport service.
- Enterprise Estonia supports Tallinn in the introduction of MaaS⁵⁷ to better integrate modes of public transport. Tallinn expects the MaaS operator to create an interface with the public transport ticketing system and at least one operator from the transport platform for e-scooters, rental cars and taxi service. Interfaces between systems must be made so that a scooter, vehicle or ticket can be booked and the service can be paid for using the MaaS platform so that planning, booking and paying for a trip is carried out in one environment. If possible, the city of Tartu will also be included in the project.
- As a result of the planned increase of passenger train speeds, it is necessary to analyse the safety of level crossing points and the needs and possibilities of making them multi-level.
- The operational programme of the technical specifications for interoperability relating to accessibility for persons with disabilities and

⁵⁷ Mobility as a service platform, MaaS

persons with reduced mobility⁵⁸ has undertaken to analyse the implementation of the requirements for accessibility for persons with disabilities and persons with reduced mobility on the Estonian rail network. Based on the results of the analysis, an action plan can be drawn up later to eliminate the identified shortcomings.

- The biggest challenge in the coming decade will be raising awareness and focusing attention on environmental conservation and preferring sustainable modes of mobility. For this, important investments must be made to build a sustainable infrastructure and new measures must be developed to reduce the environmental footprint of transport.
- The cut in road maintenance funding for 2024 and 2025 in the State Budget Strategy 2022–2025 is about 100 million euros. Even before the cut, funding for road maintenance was not sufficient. The continued critical underfunding of road maintenance will lead to a sharp deterioration in the condition of roads and high unemployment in the road maintenance sector. In the conditions of underfunding, it is also not possible to comply with the road safety and environmental requirements on the TEN-T⁵⁹

core network highway by 2030, which are mandatory for all Member States under Regulation (EU) No 1315/2013 of the European Parliament and of the Council. Due to the security situation that emerged in 2022 and the sanctions imposed on Russia and Belarus, a significant increase in prices for the construction and reconstruction work of the road maintenance plan is expected. This jeopardises the use of funds earmarked for the development of the highway in the European Union budget period 2021–2027 as there are not enough funds for co-financing.

- International flights will be launched from Pärnu Airport.
- In 2022, the Ministry of Economic Affairs and Communications in cooperation with the Ministry of the Environment is planning to propose to the Government of the Republic to support and launch a one million euro support measure for the development of electric vehicle charging infrastructures next to apartment buildings.

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

Table 20. Target levels of metrics in the transport performance area and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Transport system user satisfaction index⁶⁰ Source: World Economic Forum	55.7	–	–	–	–	–
Decrease in the number of traffic deaths by a half as an average of three years Source: Transport Administration	55.67	60	55	48	46	30
Decrease in the number of serious injuries in traffic by a half as an average of three years Source: Transport Administration	402	374	360	329	322	187
Reduction of CO₂ emissions from transport by 700 kt compared to 2018 Source: Ministry of the Environment	2,402.89	2,234.42	– ⁶¹	2,072 kt	2,051 kt	1,700 kt
Increase the number of cargo and passenger ships under the flag of Estonia (with gross tonnage of 500 and more) Source: Ministry of Economic Affairs and Communications	0	5	7	–	75	360

⁵⁸ [njp-prm-tsi-estonia.pdf\(europa.eu\)](https://njp-prm-tsi-estonia.pdf(europa.eu))

⁵⁹ Trans-European Networks

⁶⁰ The impact indicator for the implementation of the programme in 2021–2024 at the level of the performance area is the transport system user satisfaction index (based on the Transport Development Plan 2014–2020). In 2019, the Estonian index was 55.7. There are no data for 2020 and 2021. This international index does not adequately reflect the situation of transport infrastructure and services in Estonia, and these data are also not comparable over time or presented sustainably: <https://www.weforum.org/reports/the-global-competitiveness-report-2020>. As such, this metric is no longer used in the transport competitiveness and mobility programme for 2022–2025 and subsequent programmes.

⁶¹ The data is presented with a delay of two years, so the data for 2021 will be available in 2023.

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Increase the proportion of rail freight transport in tonne-kilometres compared to road transport Source: Statistics Estonia	31%	26%	29%	30%	27%	40%
Increase the number of year-round scheduled flights Source: AS Tallinna Lennujaam	28	15	32	20	23	40

Table 21. Implementation of the budget of the transport performance area (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-417,159	-472,163	-492,636	-431,638	-476,697	-616,553
Investments	-178,957	-222,428	-228,258	-205,644	-62	-175,584

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.11 Energy

Objective

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 objectives of the strategy "Estonia 2035"

Estonia's economy is strong, innovative and responsible.

Development plans of the area

National Energy Sector Development Plan until 2030

Programmes of the performance area

Energy

Areas of government related to the performance area

Area of government of the Ministry of Economic Affairs and Communications

OVERVIEW OF THE PERFORMANCE AREA

The "Estonia 2035" strategy prescribes ensuring energy security by 2050 through climate-neutral energy production. The proposal for the initiation of the National Energy Sector Development Plan until 2035 is also based on this objective⁶².

According to the objectives set out in the Energy Action Plan until 2050⁶⁴, the current **National Energy Sector Development Plan 2030** sets out as one long-term objective that the level of CO₂ emissions in the energy

sector has reduced more than 80 percent by 2050 compared to the level of 1990. As a result of the **National Energy Sector Development Plan 2030**, greenhouse gas emissions from the energy sector must decrease 70 percent by 2030 compared to 1990⁶⁵. **Compared to 1990, the greenhouse gas emissions from the energy sector decreased 68 percent by 2020⁶⁶. Emissions from the energy industry totalled 8.2 million tonnes of CO₂-eq/year⁶⁷ in 2019 and 9.4 million tonnes of CO₂-eq/year⁶⁸ in 2020.** The main reason for the decrease in the total greenhouse gas emissions was the decrease in emissions from oil shale power plants. The main reason for the change in the emissions from the energy sector (excl. transport) is the changes in the price of CO₂ in the emissions trading system. Forecasts of the energy sector (excl. trans) have changed significantly compared to 2015, being largely dependent on how many oil shale plants and with what volume are planned to be opened in the coming years. The forecast for greenhouse gas emissions from the energy sector for 2030 has improved by 31 percent⁶⁹.

Positive developments

The most important positive developments that contribute to the transition to climate-neutral energy production:

- **Renewable electricity subsidy for solar energy production⁷⁰ increased almost three times compared to the previous year.** Thanks to the subsidy, nearly 4 MW of solar stations with a production capacity of up to 4 GWh/y were added. No new wind farms were built as a result of the reverse

⁶² In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

⁶³ [Documents | Energy bee](#)

⁶⁴ [P7_TA-PROV\(2013\)0000 \(europa.eu\)](#)

⁶⁵ (10,5 million tonnes of CO₂-eq/year) table 1.1 [National Energy Sector Development Plan until 2030 \(mkm.ee\)](#)

⁶⁶ Source: Estonian Environmental Research Centre

⁶⁷ Website of the Ministry of the Environment: <https://envir.ee/media/3988/download>

⁶⁸ Source: Estonian Environmental Research Centre

⁶⁹ Overview of the implementation of the General Principles of Climate Policy until 2050, report I for the period 2017–2021

⁷⁰ [Renewable energy subsidy | Elering](#)

auction⁷¹. Development of support measures for the European Union budget period 2021–2027.

- Evaluation of the potential for the deployment of geothermal energy and a pilot project for building production facilities were carried out.
- National measures (renovation of buildings, development of public transport, investments in energy and resource efficiency of companies, and other measures to meet area-specific climate objectives) **have prevented the surge in final energy consumption** and thereby accelerated the transition to climate-neutral energy production. Energy efficiency measures have also made a significant contribution to reducing carbon emissions.
- In 2021, the National Energy Sector Development Plan until 2035 was launched, which aims to switch to climate-neutral energy production in order to ensure energy security. In recent years, a significant decrease in electricity production from oil shale and the resulting reduction in greenhouse gas emissions have contributed to meeting this target.

Challenges

- Synchronisation of the power network with the Central European frequency band in order to ensure energy security, development of the power network to meet the growing demands of distributed generation, storage, charging, etc., finding alternatives to natural gas, compensating high energy prices, ensuring 1,000 MW of controlled power under market conditions.

- The challenge for renewable energy is to reach significant growth in renewable electricity output as a result of reverse auctions, long-term renewable energy purchase contracts and building market-based renewable energy production capacities in circumstances where there are very limited areas suitable for wind farms on land and planning and impact assessment procedures can take years. **To achieve the national objectives (incl. transition to climate-neutral energy production), it is important to find areas suitable for renewable energy production in cooperation with ministries, local governments, developers, and others.**
- In terms of energy efficiency, the biggest challenges are the planned reconstruction of buildings and reducing the demand for transport fuels. It is important to improve the methodology of forecasting energy efficiency and collect data on the results of energy efficiency measures in order to monitor the energy efficiency obligations and assess energy efficiency⁷². **Under the climate package, the Energy Efficiency Directive is being amended, which plans to increase the energy efficiency obligation by nearly twice from 2024.** In order to meet the more ambitious energy efficiency obligation, additional measures must be planned to increase energy efficiency of buildings and means of transport in both public and private sector companies.

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

Table 22. Target levels of metrics in the energy performance area and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Availability of affordable fuel and energy compliant with environmental requirements to the consumer⁷³ Source: Transport Administration	BAB	BAB	ABB	ABB	ABB

⁷¹ [Results | Elering](#)

⁷² [Impact of measures financed by European Union Structural Funds on meeting the objectives of national energy management \(2021\) https://mkm.ee/energeetika-ja-maavarad/analuusid-ja-uuringud#energiatohusus](#)

⁷³ World Energy Council Energy Trilemma Index 2021 Country rankings <https://trilemma.worldenergy.org/>

Each letter in the index expresses the rating given to the country 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 a result from a position among the first 25% of countries, i.e. the best result in all categories would be expressed as AAA. The worst result is expressed by the letter “D” from a position among the last quarter of countries.

Table 23. Implementation of the budget of the energy performance area (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-41,632	-31,026	-186,304	-74,948	-55,049	-22,900
Investments	0	0	-1	-1	-74	-554

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.12 Information society

Objective

A well-functioning environment has been established in Estonia for a widespread use of ICT and development of smart solutions, having thereby increased the economy's competitiveness, the well-being of people and the effectiveness of governance.

Strategic objectives of the strategy "Estonia 2035"

Estonia's economy is strong, innovative and responsible.

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

Development plans of the area

Digital Society Development Plan 2030

Information Society Development Plan 2020

Programmes of the performance area

Development of e-governance and telecommunications

Cybersecurity

Areas 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

- In December 2021, a consent service was introduced at the first external party to allow access to the private sector to citizens' data held by the public sector.
- At the end of 2021, by the decision of the Cabinet of the Government of the Republic, the Information and Communication Technology Centre was established and the preliminary plan for transitioning to central services was approved.
- The Electronic Communications Act and the regulation of the Government of the Republic (regulation on the security of 5G and communications networks) were supplemented to ensure the security of communications networks. The statutes of

the Ministry of Economic Affairs and Communications were supplemented and the National Cybersecurity Department was established to improve the assurance of cybersecurity and enhance strategic management. Estonia ranked third in the UN ITU Global Cybersecurity Index, the highest to date.

Challenges

- Implementation of large-scale initiatives across the public sector. The aim is to expand the deployment of the consent service and to support the introduction thereof in state authorities. The development of the data tracker and consent service will continue according to the needs of the users and the necessary legal basis will be established. Consolidation of state IT services will be carried out, which will result in the transfer of the first users to the central service in 2022.
- Central coordination and strategic management of the decentralised system for ensuring cybersecurity. Cybersecurity monitoring methodology will be developed to enhance cybersecurity, national cybersecurity management will be developed and the Cybersecurity Act will be supplemented.
- An important challenge is the implementation of the first event services (entering into contract of marriage and the birth of a child among the first).
- In the first quarter of 2023, the plan is to complete the developments of the base platform of KrattAI (Bürokratt) and introduce KrattAI in the first three institutions.
- To improve connectivity, a support measure for access networks financed by the Recovery and Resilience Facility for rural areas will be launched. The plan is to also issue the first 5G frequencies in the 3.6 GHz frequency band.

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

⁷⁴ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

Table 24. Target levels of metrics in the performance area of information society and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Number of cyber incidents that significantly disrupt the social and economic functioning of society or force to abandon habitual digital solutions Source: CERT.ee	70 ⁷⁵	26	7	≤70	≤70	–
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 risk Source: Statistics Estonia	3.8%	– ⁷⁶	– ⁷⁷	3.10%	3.10%	–
Estonian residents feel safe online and trust the e-state: proportion of people using a secure electronic identity among residents with electronic identities Source: SK ID Solutions AS	69%	67%	68%	65%	65%	–
Proportion of using internet at 100 Mbit/s or higher speeds Source: Consumer Protection and Technical Regulatory Authority	18%	18%	26.4%	22%	24%	–
Satisfaction with e-services among 85% of population Source: Ministry of Economic Affairs and Communications	65%	78%	– ⁷⁸	70%	80%	90%
Satisfaction with e-services among 90% of entrepreneurs Source: Ministry of Economic Affairs and Communications	60%	79%	– ⁷⁹	75%	80%	–
Proportion of people using a secure electronic identity among residents with electronic identities Source: SK ID Solutions AS	69%	67%	68%	67%	69%	–
Proportion of people not using the Internet among Estonian residents aged 16–74 Source: Statistics Estonia	9.8%	10.9%	9%	8%	6%	–
Proportion of ICT specialists in the total employment Source: Statistics Estonia	6.9%	6.4%	7.1%	8%	8%	–

Table 25. Implementation of the budget of the performance area of information society (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-33,878	-60,712	-55,062	-44,349	-87,467	-56,323
Investments	-6,801	-4,564	-15,652	-9,614	– ⁸⁰	-2,867

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

⁷⁵ The big difference in the number for 2020 compared to 2019 is because the methodology changed, measurement criteria were reviewed and more relevant ones were agreed upon.

⁷⁶ Statistics will be collected by the fourth quarter of 2022.

⁷⁷ Statistics will be collected by the fourth quarter of 2022.

⁷⁸ The source of the satisfaction metric is the Services catalogue, which underwent a long-scale reform. Therefore, the status of 2021 cannot be extracted. The Services catalogue in the old format is closed and the new methodology will be developed in 2022.

⁷⁹ The source of the satisfaction metric is the Services catalogue, which underwent a long-scale reform. Therefore, the status of 2021 cannot be extracted. The Services catalogue in the old format is closed and the new methodology will be developed in 2022.

⁸⁰ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.13 Effective state

Objective

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

Strategic objectives of the strategy “Estonia 2035”

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

Development plans 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

OVERVIEW OF THE PERFORMANCE AREA

Activities in the performance area were influenced by the coronavirus that changed the way of life throughout the world, the energy crisis and the security situation that became tremulous in Europe, and the emergency situations and the recession caused by these factors. The most important challenges of governance continue to stem from demographic developments such as a decrease in population, aging and urbanisation, impact on the labour market and regional balance.

On 12 May 2021, the Riigikogu approved the national strategy “Estonia 2035” approved by the Government of the Republic, and the National Defence Development Plan and the Estonian European Union Policy 2024–2025 were completed. An expert group on green policy was established at the Government Office to support the activities of the green policy steering committee of the Government of the Republic. The coordination of crisis management was transferred from the Ministry of the Interior to the Government Office to improve the capacity of resolving crises and to increase situational awareness.

Several rating agencies have estimated that Estonian economy has coped with the crises well and the impact of restrictions is smaller compared to other European countries. Receipt of tax revenue increased by 16.7 percent compared to the previous year, and the budgetary forecast was met by 117.6 percent. In most economic sectors, the pre-crisis level was exceeded in

the first half of 2021, and the national tax arrears decreased by 38 million euros. 2021 ended with an 807 million euro budget deficit in the general government sector, which accounts for 2.7 percent of annual GDP. The budgetary deficit was 695 million euros smaller compared to the end of 2020.

A number of tax changes were prepared in 2021. The changes will come into force in 2022 and are related to the emergency situation (recovery of tax interests, the lowered excise duties will be extended), entry into force of European Union directives and national decisions (income tax exemption was introduced for people of retirement age to the extent of the average old-age pension). In addition to tax collection, the Tax and Customs Board focused on preventing crime at the border and enhancing the related cooperation with the Police and Border Guard Board and Finland. The Tax and Customs Board and the Finnish Tax Board commenced with real-time data exchange, which enhances tax control, saves resources and improves the quality of services offered.

The implementation of the state reform action plan continued, foremost by supporting the restructuring of state authorities, and two new state houses were completed. The challenge was shaping the personnel policy of the general government sector, reorganisation of housing in areas with declining populations, improving and maintaining the quality of public procurement, introducing new data sources, methods and ICT tools for statistical processing. Estonia's opinion on the draft state aid temporary framework of the European Commission developed in connection with the COVID-19 crisis was presented to the European Commission and applications for state aid authorisation were reviewed under the same framework.

The State Shared Service Centre started providing personnel and payroll service to 15 institutions and financing accounting service to 16 state foundations. The number of consumers of public procurement services and satisfaction with the service increased. Transfer of the state receivables management service to the Land Board from 2022 was prepared.

The development of cross-border cooperation, ensuring international competitiveness of Estonia's largest urban areas and improving the spatial planning system were still relevant in 2021. Active preparation of programmes of the European Union budget period 2021–2027 (Interreg Europe, Urbact, Espon, EU Cohesion Policy, etc.) took place in 2021. In the area of local government policy and financing, measures were developed to support local governments in coping with the coronavirus crisis, exiting the crisis and, at the end of the year, measures for alleviating the energy crisis were added. At the end of the year, the Act Amending the Planning Act was passed and a central spatial design training programme for 200 civil service employees was launched. Establishment of the plan for the maritime area, the inclusion process of which has received high praise, is in the final stages.

Several surveys and analyses confirm that the Estonian banking sector remains strong and is ready to support

Estonian entrepreneurs and households in times of crisis. Risks associated with the financing of Estonian banks have decreased, and financial services, including payment services, have been predominantly easily available in 2021. "Financially Smart Estonia", the financial literacy strategy among Estonian people for 2021–2030, was completed. The national risk assessment of money laundering and terrorist financing was completed in the spring of 2021, and the Government Anti-Money Laundering and Countering the Financing of Terrorism Committee approved an action plan in the summer to address the risks and other needs for action identified on the basis of the national risk assessment. On 1 January 2021, the Financial Intelligence Unit started operating as a separate governmental authority in the area of government of the Ministry of Finance.

The number of visitors to the virtual research hall of the National Archives multiplied unexpectedly in 2021 and the number of followers of social media channels increased. The number of archival builders was higher than estimated, especially in the form of county governments closed in 2017, the organisation of whose archives and transfer to the National Archives was completed. Thanks to six mass digitisation projects led by the National Archives together with

partners, the number of digital archival records also increased by 3 million paper archival documents, 15,000 digital images and about 150 film hours. Thanks to cooperation projects, several unique collections from the time of the restoration of independence and foreign Estonian materials from both the West and the East were added to the collections. 2021 can be considered a record year in the digitisation of cultural heritage, which improved the availability and usability of archival records online. Compared to 2020, the amount of digital resources increased by as much as 73 percent.

At the end of 2021, the Government of the Republic made the decision to finance the reconstruction of the National Library, and the National Archives will receive modern storage facilities in four years.

Detailed information on the implementation of the performance area can be found at: <https://www.fin.ee/ministeerium-uudised-ja-kontakt/organisatsioon/ministeeriumi-tutvustus>
<https://www.hm.ee/et/tegevused/arengukavad>
<https://riigikantselei.ee/asutus-uudised-ja-kontakt/majandus-ja-personaliteave>

Table 26. Target levels of metrics in the performance area of effective state and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Proportion of general government employees in the working-age population aged 20–64 (not increasing) Source: Statistics Estonia, Accounting balance information system	Did not increase 2017 vs 2018 (14.8% vs 14.8%)	Increased 2018 vs 2019 (14.8% vs 14.9%)	data will be available later	≤14.9	15.2%	15.2%
GDP per capita generated outside Harju County of the European Union average, < Source: Statistics Estonia	52%	54%	data will be available later	55%?	<56%	<59%
Proportion of general government expenditure of GDP (not increasing) Source: Eurostat	Increased 2017 vs 2018 (39.2% vs 39.4%)	Increased 2018 vs 2019 (39.4% vs 39.5%)	Did not increase 2020 vs 2021 (45.1% vs 42.3%)	≤39.0%	39.0%	39.0%

Table 27. Implementation of the budget of the performance area of effective state (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-262,327	-258,278	-460,547	-320,306	-289,869	-243,826
Investments	-11,793	-12,475	-26,990	-15,521	– ⁸¹	-7,594

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

⁸¹ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.14 State governed by the rule of law

Objective

The objective of the performance area is a legally certain, well-functioning country with a low crime rate and a high-quality justice system.

Strategic objectives of the strategy “Estonia 2035”

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

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.

Development plans of the area

Basic Principles for Legislative Policy until 2030

General Principles of Criminal Policy until 2030

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

Programmes 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

The Ministry of Justice focused on the digitisation of the legal arc in 2021. The information systems of the justice system were developed in such a way that the whole process would be digital throughout the life span. At the same time, several parts of the system still need to be developed, for example, the principle of single submission of data is not ensured, data exchange between different systems is slow and clumsy, etc. As part of the legal arc digitisation project, new working environments that ensure the digital availability of necessary information and data exchange both inside and outside the system will be improved and introduced. In 2022 and subsequent years, the developments of various systems (Prosecutor's Office, forensic examination, e-File, commercial register, land register, enforcement register, etc.) will continue. The introduction of information technology contributes to the enhancement of criminal proceedings, ensuring intellectual property rights, digitisation of the work processes of the prison service and courts, and modernisation of the court network and court registers.

Some focus was on more efficient first-line legal assistance and civil services. The availability of legal advice for Estonian people is necessary to ensure a

cohesive society. Quick, high-quality and timely legal advice will help to prevent a number of problems or prevent them from getting worse. In 2021, the Ministry of Justice announced a competition to find a state-supported legal adviser and awarded a contract to the winner. Preparations were made for the launch of the state's legal network project to be carried out in 2022 and 2023.

The competencies of the implementing agencies of the area of government of the Ministry of Justice, the area of internal security and court officers were increased. It is important to focus on the whole area, not just one link in the chain. For example, in order to increase the procedural capacity of cybercrime, it is important to focus on the institutions of the justice system – the Estonian Forensic Science Institute, the Prosecutor's Office and courts – alongside the police resource. In 2022 and subsequent years, the development of expertise and the introduction of modern working methods continue to be important. Particular attention needs to be paid to money laundering, drug and cybercrime procedures and using in-service training, contemporary methods and technological capabilities.

In addition to the above, the priorities of the Ministry of Justice include an effective business environment and prevention of violence. To ensure the first, legal policy is striving to make Estonia's legal environment modern, flexible, attractive, reducing bureaucracy, and competitive. According to the violence prevention agreement approved by the government in 2021, ways of reducing violent crimes and enhancing rehabilitation are sought and a reliable monitoring system of recidivism and the living situation will be developed.

Response to changes and needs taking place in society must be flexible and swift. Amendments to law changing the age limit of sexual self-determination from the former 14 to 16 years of age received great social interest. Discussion on the need for decriminalisation commenced and will continue this year. Significant judgments of the Court of Justice led to a discussion on how and under what conditions must communication data be collected and what purposes should it be used. The coronavirus crisis that began in 2020 continued in 2021, leading to the Government Office and ministries contributing to the development of legislation necessary to resolve the coronavirus crisis.

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

Table 28. Target levels of metrics in the performance area of state governed by the rule of law and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Rank in the Freedom in the World ranking	Status “free”	Status “free”	Status “free”	Status “free”	Status “free”

Source: https://freedomhouse.org/country/estonia/freedom-world/2021					
Position of Estonia's competitiveness Source: World Economic Forum	31	–	26	29	28
Number of people who feel safe in their neighbourhood after dark Source: Ministry of Justice	76%	74%	74%	>77%	>79%

Table 29. Implementation of the budget of the performance area of state governed by the rule of law (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-175,810	-174,590	-194,687	-182,457	-183,286	-168,158
Investments	-1,771	-295	-2,461	-1,642	-82	-211

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.15 Internal security

Objective

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 objectives of the strategy "Estonia 2035"

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.

Estonia's people are smart, active and care about their health.

Estonia's society is caring, cooperative and open-minded.

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

Development plans of the area

Internal Security Development Plan 2020–2030

Programmes of the performance area

Internal security programme

Areas of government related to the performance area

Area of government of the Ministry of the Interior

OVERVIEW OF THE PERFORMANCE AREA

In 2020, 92 percent of participants in the public poll on internal security found that Estonia is a safe country to live in. The next results will be available in the summer of 2022. It is natural that the negative developments in the European security situation in 2021 and the beginning of 2022 may affect the sense

of security of Estonian people and their opinion on the most important problems of the Estonian state.

Internal security was significantly influenced by the developments abroad, foremost by the Russian hybrid attacks on Poland, Lithuania and Latvia, including the smuggling of migrants and use of immigration as a hybrid attack tool. Also the situation in Afghanistan and the related migration flows. With the addition of the concentration of Russian forces in the border areas of Ukraine and the full-scale invasion and war against Ukraine that commenced in February 2022, the security situation in Europe is very tense.

The coronavirus pandemic continued in 2021. There were fewer hostile influencing activities towards Estonia, but a large proportion of hostile and terrorist messages moved into the online environment. Conspiracies, fake news and disinformation splitting society quickly spread online, increasing the workload of law enforcement agencies, particularly web constables.

The global outbreak of virus and the war in Europe has made public and state agencies more aware that we must be prepared for vastly different crises. Crises have shown that it is important to increase the preparedness of areas of government, local governments and residents to cope with crises. According to the survey conducted in 2021, 77 percent of local governments have achieved an advanced or exemplary level of crisis preparedness. According to the survey on the preparedness of residents for emergencies, the preparedness of people has improved slightly in some regions of Estonia in the course of a couple of years, but has remained at the same level as in 2019 where there are more people speaking Russian as their native language, e.g. in Ida-Viru County.

The work of responding authorities is facilitated by people's confidence in them. In 2021, 95 percent of respondents had confidence in the Rescue Board, 94 percent in the Emergency Response Centre and 86

⁸² In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

percent in the Police and Border Guard Board – these are the three agencies with the most confidence in them in Estonia.

In addition to responding authorities, the people's own role in keeping Estonia safe is important, both by volunteering and acting responsibly. There are more than 4,000 volunteers in the field of internal security. Volunteers were added to the ranks of rescuers and maritime rescuers and to assisting in providing the services of the state helpline 1247. The number of assistant police officers decreased by four percent, but the number of their working hours increased due to their more versatile engagement.

Risk behaviour, such as excessive use of alcohol and reckless smoking, **leads to many accidents and deaths from injury**. Slightly more people were killed in **fire and water accidents** than in 2020. The majority of those killed were men, more than half of whom were intoxicated. Nearly a tenth more people were injured in **traffic accidents** than in 2020, but there were slightly fewer fatalities. In 2021, there were almost 30 percent fewer traffic accidents with human casualties caused by drivers of power-driven vehicles under the influence of alcohol than in 2020. The number of fatalities in **manslaughter and murder** was twice as low as in 2020. For all crimes with fatalities, one of the factors was alcohol consumption. **A significant proportion of social and health problems are interrelated and preventable. Often, the initial sources of problems are the same, so prevention must be carried out across areas and in a targeted manner.**

Positive developments

- **To ensure adequate and motivated staff with good training, the minimum wage was raised for police officers** by 11.5 percent, for rescuers by 11.4 percent and for rescue leaders by 6.4 percent. Wages were adjusted based on the objective that the wages of police officers, rescuers and 112 operators would not deteriorate compared to the Estonian average wage and the wage position would improve the most for rescuers whose wage level is the lowest compared to the Estonian average wage.
- **Crisis preparedness was improved.** The division of roles was clarified, according to which the Government Office and the Government of the Republic will have a coordinating role in crisis management going forward, but each responsible authority will continue managing crisis resolution that they are responsible for. Crisis plans were specified and preparations were made within the area of government of the Ministry of the Interior to inform residents and authorities of threats in due time.
- **On the onshore part of the eastern border, construction work of the border infrastructure continued.** Of the construction works that commenced in 2020, 93 percent of the delay fence was completed on the 23.5 km section.

- **Targeted prevention activities were continued in order to reduce damage to life, health and property.** The Minister of Justice, the Minister of Finance, the Minister of Education and Research, the Minister of Culture, the Minister of Social Protection, the Minister of Health and Labour and the Minister of the Interior agreed on the principles of cross-sectoral prevention to improve the effectiveness of prevention.
- **The Traffic Act was amended**, giving local authorities the right to install traffic cameras on local roads in cooperation with the Police and Border Guard Board and the Transport Administration and thereby increase traffic safety. Half of the fine from the traffic camera will continue to be allocated to the budget of the local authority that installed the camera.

Challenges

- Ensuring a sufficient number of employees to secure the response capacity of internal security authorities and to cope with and prevent threats, accidents and crises. Providing fitting wages, maintaining the physical and mental health of employees, and training employees on a larger scale than today. In order to provide fitting wages, additional funds in the amount of 40 million euros in 2023 and 153 million euros in 2026 are required.
- **Improving crisis preparedness, including increasing civil protection.** Advising local governments by the Rescue Board on raising preparedness for crises. Creating better preconditions for residents to cope in crisis situations (for example, outreach activities, risk communication, drills, supporting citizens' initiatives and apartment associations). Preparing for an extensive evacuation and places of refuge, rapid threat notification system (installing sirens, SMS notification and other alternatives). Increasing the capacity of rescue efforts to respond to floods and collapses, eliminate storm damage, extinguish wildfires, improve demining and chemical rescue capacities. Development of volunteers in crisis roles. Increasing the continuity of the area of government of the Ministry of the Interior to provide critical services in crisis situations. International cooperation – mutual assistance and civil missions.
- **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 significant and important step for European security because this also makes the whole Schengen space even safer than before. The deadline for the construction of the land border has been brought closer by up to a year and a half, to 2025, but in order to achieve this objective, the increase in

construction prices must be taken into account. The current budget is based on the prices of 2020, but in the last year alone, the construction price index has increased by about 20%. There are also no resources for the construction of, for example, the Narva cordon and partly to secure part of the Narva River border.

- **Protecting the strategic autonomy of the state, preventing and countering hybrid threats and external influences.** In order to mitigate risks, for example, investments that other states want to make in Estonia etc. must be assessed.
- **Preventing disinformation and hostile influence activities.** A balance must be ensured between refuting misinformation and guaranteeing the freedom of speech, finding a legal solution that infringes on the freedom of speech the least so that it would be possible to remove illegal, criminal or terrorist content from the online space.
- **More effective fight against cybercrime.** The number of cybercrimes is growing over time and the possibilities of the digital world are increasingly being exploited for all types of crime. For example, more area experts and technological capability are needed to address this area.
- **Diversifying participation opportunities for the promotion of volunteering, ensuring a good level of training and equipment, adapting the legal space if necessary.** Alongside increasing the number of volunteers in the field of internal security, suitable participation opportunities should be offered to existing volunteers in order to keep them and increase their capability (for example, by upgrading the equipment available to volunteers). Supportive IT solutions are needed to simplify work processes and organise volunteering more efficiently.

- **Continuing with targeted prevention activities and empowering communities.** To this end, implementation of evidence-based or knowledge-based prevention programmes, training and informing non-governmental organisations and volunteer leaders. Appointing a coordinator with a cross-sectoral mandate and cooperation network responsible for prevention at the regional and community level. Clarifying the role of local governments in designing a safe living environment and increasing security.
- **Cultivation and preservation of ICT capability.** Several important information systems in the state are old and must be updated in order to continue with high-quality services. It is necessary to direct more money into strengthening information security because the changed security situation has also increased the need to protect our e-state.
- **Maintaining and improving technical preparedness.** Improving flight capability in the area of government of the Ministry of the Interior in order to ensure the preparedness of the Police and Border Guard to send help with multipurpose helicopters in 15 minutes by 2025 and round-the-clock availability of a multipurpose medical helicopter by 2026. Clear decisions are needed to cover the aforementioned fixed costs from the state budget.
- **Cooperation with different areas** to ensure the availability of the most suitable help to people even in situations where internal security authorities are not responsible, where the provision of assistance depends on the cooperation of different areas, or the division of roles is not clearly agreed between authorities.

Detailed information on the implementation of the performance area can be found at: <https://siseministeerium.ee/stak2030>

Table 30. Target levels of metrics in the performance area of internal security and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level in 2030
Proportion of people who consider Estonia to be a safe country Source: Ministry of the Interior, public poll on internal security	–	92%	–	≥92%	≥94%	≥94%
Proportion of residents involved in ensuring internal security Source: Ministry of the Interior, public poll on internal security	–	17%	–	>17%	≥20%	≥30%
Number of deaths from injury Source: Statistics Estonia	635	768	796	<670	<660	<520
Proportion of residents who consider the main concern of the state to be						
– crime	3%	1%	1%	≤3%	≤3%	≤3%
– immigration	12%	15%	8%	≤12%	≤12%	≤12%
– terrorism	1%	0%	0%	≤1%	≤1%	≤1%
Source: Standard Eurobarometer						

Reliability of internal security authorities:						
- Police and Border Guard Board	88%	91%	86%	≥89%	≥89%	≥89%
- Rescue Board	97%	95%	95%	≥97%	≥97%	≥97%
- Emergency Response Centre	94%	93%	94%	≥94%	≥94%	≥94%
Source: Reliability study of market research institutions						

Table 31. Implementation of the budget of the performance area of internal security (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-381,453	-	-	-397,923	-	-
Investments	-33,174	-24,535	-49,588	-30,677	- ⁸³	-26,253

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.16 Foreign policy

Objective

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 objectives of the strategy "Estonia 2035"

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.

Estonia's economy is strong, innovative and responsible.

Development plans of the area

Foreign Policy Development Plan 2030

Programmes of the performance area

Foreign policy programme

Development cooperation and humanitarian aid programme

Areas of government related to the performance area

Area of government of the Ministry of Foreign Affairs

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- As an elected member of the UN Security Council, Estonia successfully stood up for the interests of itself and its allies in 2020–2021. Both in 2021 and in the past, there was participation in NATO, the European Union, in regional formats and bilaterally, to secure and increase the unity of the Euro-Atlantic security space and the preparedness to

successfully resist both conventional and hybrid security threats.

- NATO has been updating its strategic concept since 2021. In 2021, the European Union drew up a Strategic Compass, which was adopted on 24 March 2022. Estonia has always stood to ensure that Estonia's interests are protected and the European Union Strategic Compass does not create an alternative security structure that duplicates NATO's capabilities.
- Europe's exceptionally swift and strong preparedness and response to Russia's escalation and the subsequent aggression in Ukraine. Europe's united and strong response to the hybrid attack on the border between Belarus and the European Union. NATO's firm and united response to Russia's ultimatum, attempting to change the foundations of the architecture of the Euro-Atlantic security space. Estonia's successful activities as an elected member of the UN Security Council. European Union and NATO's threat assessments and security policy will be closer than ever to the long-term strategic interests of Estonian foreign policy by the end of 2021.
- In 2021, the Estonian Climate Diplomacy Action Plan was drawn up and preparations were made for its implementation. In 2020, the position of a diplomatic representative with special powers on climate policy and in 2021 a separate structural unit were established at the Ministry of Foreign Affairs. In 2021, Estonia ran for a position of a non-permanent observer in the Arctic Council. The related campaign led to wide positive international media coverage for Estonia. Due to Russia's opposition, Estonia was not elected this time.
- In 2021, active participation in the Three Seas Initiative continued, the Investment

⁸³ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

Fund related to which promotes the development of major Eastern-European north-south transit and energy infrastructure projects. The Ministry of Foreign Affairs also supported the promotion of a secure smart network supporting the trusted connectivity framework, which enables flexible distribution of existing energy resources and speeding up the deployment of green energy. Work continued in international organisations, in regional formats (foremost the Nordic-Baltic cooperation format⁸⁴) and in bilateral formats, to promote cross-border free movement of data and data exchange between states, including mutual recognition of e-signatures.

- In 2021, work continued on opening foreign missions located in new growing markets. The focus was on South Korea, Singapore, and the United Arab Emirates. The quickly achieved business diplomatic successes in South Korea, both in terms of export as well as new foreign investments made in Estonia, deserve a highlight. Estonia's representation at Expo2020 in Dubai was at a high level in terms of its content. In cooperation with the Estonian Embassy in Singapore, the IT Minister of Singapore participated at Tallinn Digital Summit, after which a Memorandum of Mutual Understanding on Digital Cooperation between Estonia and Singapore was signed.

Challenges

- In 2021, the situation on the Arctic–Eastern Baltic Sea–Black Sea–Eastern Mediterranean axis, which serves as the eastern border of the Euro-Atlantic security space, continued to tense.
- Russia and NATO have consistently increased their military presence in the Arctic⁸⁵. Russia's long-term military investments in the region are characterised by the creation of the fifth Northern military command. In 2021, NATO's joint military exercise Cold Response 2022 taking place in Northern Norway was prepared with the participation of 27 countries (including Finland and Sweden)⁸⁶. China's longstanding geopolitical interests are linked to the region. China is self-identifying as a Near-Arctic State and has been an observer member of the Arctic Council since 2013.
- Russia has systematically and consistently taken escalating steps to reduce NATO's influence and oppose itself to the US and European allies. Russia's military

intervention in Georgia in 2008, the military conflict with Ukraine that began with the annexation of Crimea in 2014, and the full-scale war against Ukraine launched in 2022 testify to Russia's goal of bringing its neighbours back into Russia's sphere of influence by force.

- Flash deployment of large Russian troops (estimated up to a third of Russia's ground troops) to the Ukrainian border were repeatedly rehearsed in 2021. New military formations and modern armaments have been used to strengthen, above all, the Western military command bordering Finland, the Baltic States and Ukraine. Particularly high emphasis has been placed on increasing air descent capacity⁸⁷.
- Until the beginning of the previous decade, the European Union was guided by the prospect of greater liberalisation and unipolar⁸⁸ globalisation leading to openness in the economic sphere under the leadership of the United States. The deepening positioning of major powers to opposing sides and intensifying competition have led to a reality where the topics of security and economy are increasingly intertwined.
- Following the imposition of sanctions on Russia in connection with the annexation of Crimea in 2014, the role of instruments of influence based on the economic power of the European Union and the United States of America has constantly increased in the common foreign and security policy of the European Union. Russia, in turn, is intensively imposing countersanctions and seeks to influence European Union states through economic relations (foremost the dependence of European Union states on Russian natural gas and oil products). Western states need to think about how to reconcile long-term interests of foreign security and foreign economic policy in the implementation of sanctions. When designing sanctions policy, it is important to hedge foreign policy risks associated with the effects of sanctions. For example, simultaneous sanctioning of China, Iran and Russia could increase cooperation between these countries.
- In 2021, the climate and energy diplomacy dimension of the European Union green transition became important. The European Union aims to globally contribute to increasing and meeting national climate objectives by fulfilling its objective of climate neutrality. The European Union aims to ensure global leadership in the development

⁸⁴ NB8, i.e. Nordic-Baltic 8

⁸⁵ Sinikukka Saari, Jyri Lavikainen. 2022. Russia's Shifting Foreign and Security Policy in Northern Europe. Finnish Institute on Foreign Affairs

⁸⁶ The International Institute for Strategic Studies. 2022. Military Balance 2022. Routledge

⁸⁷ The International Institute for Strategic Studies. 2022. Military Balance 2022. Routledge

⁸⁸ Concentrating around a single centre of power

of green technologies⁸⁹ and, through renewable energy solutions, alleviate the deep dependence of the Union on fossil energy carriers imported mainly from Russia, North-Africa and the Middle-East⁹⁰.

Detailed information on the implementation of the performance area can be found at: <https://vm.ee/et/valispoliitika-tulemusvaldkonna-aruanne>

Table 32. Target levels of metrics in the performance area of foreign policy and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Regional security Source: Ministry of Foreign Affairs	Stable	Stable	Unstable ⁹¹	Stable	Stable	–
EU coherence/EU cohesion index (value)⁹² Source: European Council on Foreign Relations	7.0 (2018)	6.7 (2019)	to be specified ⁹³	6.8	6.8	–
Estonia's position in the global competitiveness ranking of the World Economic Forum Source: World Economic Forum	31	not published ⁹⁴	to be specified ⁹⁵	29	27	–
Estonia's presence and influence in the world (general position)⁹⁶ Source: Elcano Global Presence Report	89 (2018)	85 (2019)	85 (2020)	<= 89	<= 89	<= 89
Estonia's presence and influence in the world (position among countries with up to 5 million inhabitants) Source: Elcano Global Presence Report	12 (2018)	12 (2019)	11 (2020)	<= 12	<= 12	–
Proportion of development cooperation in GNP Source: OECD	0.15%	0.16%	0.17% ⁹⁷	0.19%	0.21%	–

Table 33. Implementation of the budget of the performance area of foreign policy (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-75,446	-83,580	-90,430	-76,082	-94,168	-83,308
Investments	-9,367	-10,284	-21,638	-17,197	– ⁹⁸	-3,054

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

⁸⁹ Council of the European Union. 2021. Council conclusions on Climate and Energy Diplomacy - Delivering on the external dimension of the European Green Deal

⁹⁰ Council of the European Union. 2021. Strategic Foresight Report 2021

⁹¹ Preliminary assessment

⁹² The European Council on Foreign Relations (ECFR) has published different results on the same period in different version of the report. The latest version at the time of drawing up the development plan, the ECFR Cohesion Monitor 2019, is mainly based on the data of 2017 and was published in April 2019 – Estonia's rank 6.8 and position 6 is referenced on slide 157:

https://ecfr.eu/archive/page/ECFR281_E_U_COHESION_MONITOR_2019.pdf. In December 2017, ECFR Cohesion Monitor 2018 was published, which also refers to the data of 2017 and where Estonia's position is 8 and the result 6.7 is referenced on slide 32: https://ecfr.eu/archive/page/-/ECFR238_EU_COHESION_MONITOR_2018.pdf. The statement of financial performance of 2020 and 2021 references the latest ECFR Cohesion Monitor 2020 version, which relies on the data of Cohesion Monitor 2018 (6.7 and position 8 are referenced as the results of 2016 compared to 2017) and which additionally includes outcomes for both 2018 (7.0) and 2019 (6.7): <https://ecfr.eu/special/eucohesionmonitor/>.

⁹³ The report for the period has not yet been published by the European Council on Foreign Relations (ECFR).

⁹⁴ In the COVID-19 situation, the World Economic Forum did not rank countries on the basis of competitiveness.

⁹⁵ The report for the period has not yet been published by the World Economic Forum.

⁹⁶ 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. Indicators and target levels of the latest Elcano report are referenced, which may differ from the results referenced in previous documents.

⁹⁷ Preliminary assessment

⁹⁸ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.17 Security and national defence

Objective

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 objectives of the strategy “Estonia 2035”

Estonia offers a safe and high-quality living environment that takes into account the needs of all its inhabitants.

Development plans of the area

National Defence Development Plan 2017–2026

National Defence Development Plan 2022–2031

Programmes of the performance area

Independent military defence capability

Participation in collective defence

Intelligence and early warning

Defence policy development and support activities

Areas of government related to the performance area

Area of government of the Ministry of Defence

OVERVIEW OF THE PERFORMANCE AREA

Positive developments

- **In 2021, Estonia was one of eight NATO countries whose defence spending was at least two percent of GDP.** Nearly three quarters of defence spending were directed directly to the establishment and maintenance of military capabilities. The target level for investment in basic procurement for the purposes of NATO has been agreed at 20 percent of defence spending, and Estonia invested 22 percent of defence spending. Similarly to Estonia, several NATO countries are increasing their defence spending in 2022.
- **Development of the Defence Forces.** In 2021, the modification of CV90 support armoured vehicles commenced, the deliveries of automatic weapons, long-range anti-tank missile systems and ammunition continued. Military defence launches and the first batch of new anti-tank grenade launchers, Carl Gustav M4, were delivered. Procurement of anti-ship missiles, various types of munitions for marine mines were prepared and carried out, the deliveries of which will take place in the coming years.

- Training for the use of mobile artillery K9, long-range anti-tank weapons, mobile marine tracking radars and military defence launches started for the first time.
- The impact of the COVID-19 crisis of the previous year on training and international exercises decreased significantly due to the high level of vaccination. Units formed of conscripts reached the required level of training and completed their cycle as planned. Due to the increased tension in the security situation at the end of 2021 and the war between Ukraine and the Russian Federation that began in the beginning of 2022, the international training events planned for 2022 have already been postponed. The resource of structures is largely linked to the events taking place in Ukraine, the impact of which is still too early to assess today. The war taking place has given a significant boost to activities related to defence plans.
- **The development of the infrastructure of the Defence Forces and the Defence League continued in 2021.** Several new buildings and facilities were completed. The most important completed projects included the construction of the barracks for active servicemen in Tapa and the reconstruction of Paldiski headquarters and barracks. In addition, shelters, storage facilities, a multiarena and a series of sport facilities were completed in various campuses. New roads were completed in the central training area and boundaries of the extended danger zone were marked. The Klooga shooting range was completed. In cooperation with allies, the first stage of the FIET project of the central training area was completed, and as part of which an engineer's practice area, two counter improvised explosive device (C-IED) training tracks and the Kukepalu infantry shooting range were built.
- **The presence of allies in Estonia is ensured through several cooperation initiatives.** From spring 2017, an allied combat battalion⁹⁹ is based in Tapa, led by the United Kingdom and including France, Denmark and Iceland on a rotating basis. NATO's air security mission¹⁰⁰ continued from the Ämari airbase on a round-the-clock basis, to which first Germany and then Italy with two consecutive rotations and Belgium since December contributed in 2021 in four-month rotations. NATO Force Integration Unit (NFIU) helps to support the reception and support of NATO units and the conduct of exercises on the Estonian territory.

⁹⁹ NATO Enhanced Forward Presence (eFP)

¹⁰⁰ NATO's Enhanced Air Policing (eAP)

- **International cooperation was active.** Estonia, Latvia and Denmark continued to work on defining a common level of ambition and achieving primary operational capacity of the multinational North Division staff, close cooperation with France on developments in Mali and consultations with allies regarding the activities of the Russian Federation towards Ukraine continued in 2021. Estonia swiftly responded to the refugee crisis caused by Belarus on the Polish, Lithuanian and Latvian borders, providing assistance to both Lithuania and Poland. With regard to the European Union, focus was mostly on the issues of the Strategic Compass, PESCO, the European Defence Fund, management capability of military operations, military mobility, and the European Peace Facility.
- Coordination of bilateral and multilateral aid projects and participation in crowdfunding projects continued foremost with regard to Ukraine and Georgia. The project of teaching English to Ukrainian servicemen at the Academy of the Defence Forces continued in 2021, and the first aid package to Ukraine was decided on in December, which also included weapons assistance. Together with Germany, a procurement was organised and a field hospital was built for Ukraine, which was handed over in 2022.
- In 2021, Estonia participated in **international military operations** of NATO, the European Union, the UN and the coalition of the willing of the United States and France in Africa, the Middle East, Iraq and the Mediterranean with 130 servicemen. A major change in the first half of the year was NATO's decision to terminate the operation Resolute Support Mission in Afghanistan to which Estonian servicemen contributed until the end of June. Estonia's participation in international military operations did not decrease significantly in the second half of the year as a result, because the infantry group participated in the NATO mission in Iraq (NMI). A total of 294 servicemen were prepared to operate in readiness units – NATO Response Force and NATO Readiness Initiative (NRF, NRI), the United Kingdom-led Joint Expeditionary Force (JEF) – and 50 servicemen were prepared to participate for the first time in potential operations of the UN, NATO, European Union or their member states. Estonia's largest participation in international military operations in 2021 was participation in the France-led military operation Barkhane and its special operations task force Takuba in Mali.
- **In the field of defence willingness**, the year was positive despite the impact of the COVID-

19 pandemic. The level of students participating in studies was maintained in national defence studies. The number of members of the Defence League remained at the same level compared to 2020. The creation and exhibiting of exhibitions depicting Estonian military history was more disrupted, with attendance nearly twice as low as in 2020.

Challenges

- The bigger challenges of military formation were caused by the impacts of the COVID-19 virus, resulting in some of the deliveries planned for 2021 being postponed to 2022. One of the most important of them is the partial delivery of naval mines. The delivery of the Ämari multiarena, Vilbusuu and Kertu shooting ranges was also postponed to the beginning of 2022. The construction of the infrastructure was also greatly influenced by an increase in construction prices.
- The greatest challenge in terms of defence preparedness will be the integration of learning outcomes from the war between Ukraine and the Russian Federation into the preparation of defence plans. Significant emphasis must be placed on increasing safeguards against fatalities and implementation of the respective methodologies and approaches in the preparation of defence plans.
- Bigger challenges associated with the extended presence of allies concern funding for infrastructure investments.
- The rising fuel price has increased operational expenditure related to allies, which affects Estonia's national contribution to NATO's eAP mission.
- Bigger challenges of defence willingness include achieving greater involvement of society in national defence and increasing society's support for national defence in all groups of society. Given the increase in the importance of land defence, increasing the number of active members of the Defence League and increasing the activity of servicemen will be a challenge.
- In terms of human assets, the challenge is to achieve the recruitment of 4,000 call-up selectees for conscript service by 2025 in order to achieve an annual increase in the number of active servicemen by 37 active servicemen and achieve greater participation of reservists in reserve service.

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

Table 34. Target levels of metrics in the performance area of security and national defence and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Units are manned, equipped, trained in accordance with the decisions of the National Defence Development Plan Source: Ministry of Defence	Yes, based on the National Defence Development Plan 2017–2026	Yes, based on the National Defence Development Plan 2017–2026	Yes, based on the National Defence Development Plan 2017–2026	Yes, based on the National Defence Development Plan 2017–2026	Yes, based on the National Defence Development Plan for 2017–2026
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	2.05%	2.35%	2.06% ¹⁰¹	>2.0%	>2.0%
Willingness of readiness to participate in defence activities Source: Public poll survey	58%	57.6%	57%	>50%	>50%
Number of active servicemen at the end of the year (at least) Source: Ministry of Defence	3,508	3,655	3,459	3,560	3,610

Table 35. Implementation of the budget of the performance area of security and national defence (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-500,292	-560,835	-550,511	-515,615	-519,852	-513,163
Investments	-131,413	-101,697	-150,622	-124,593	- ¹⁰²	-206,842

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.18 Culture and sports

Objective

The aim of cultural policy is 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.

The aim of sports policy: 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 objectives of the strategy “Estonia 2035”

Estonia’s people are smart, active and care about their health.

Estonia’s society is caring, cooperative and open-minded.

Estonia’s economy is strong, innovative and responsible.

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

- One of the indicators of the viability of our cultural space is the participation of Estonian

¹⁰¹ The actual level of defence spending according to the NATO method depends on the actual GDP of 2021 and the defence budget actually used, and it will be revealed in May 2022. The level allocated in planning the budget was 2.15 percent of GDP. The level of defence spending of GDP may change retroactively over a longer period, depending on the adjustment of GDP made by Statistics Estonia.

¹⁰² In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

residents in cultural life. According to the development plans Estonia 2035 and Culture 2030, the aim is that 80 percent of Estonian residents participate in cultural life. Among Estonian residents aged 15 and over, 84.4 percent participated in cultural life in the past 12 months in 2015, 78.7 percent in 2017, and 73.8 percent in 2020.

- Based on the results of the period 2014–2021, it can be highlighted in general terms that Estonian culture is viable and easily accessible. This is evidenced by the financing of culture, investments in cultural objects as well as the number of visitors to cultural events and cultural institutions (except in 2020 and 2021). Despite the small size of the Estonian linguistic and cultural space, our cultural landscape is diverse and of high-level, and culture is important to Estonian people.
- In the context of the COVID-19 outbreak, a number of rapid decisions and temporary policy changes were made to ensure the sustainability of the cultural sector. On the proposal of the Minister of Culture, 42 million euros were allocated to crisis relief measures in the area of culture and sports, supporting creative individuals, cultural organisers and institutions as well as sports associations, sports championship clubs, sports sites, coaches, and organisers of physical activity.
- In November 2021, the Government of the Republic approved the Cultural Development Plan 2021–2030, the general objective of which is a viable, developing and open Estonian culture, participation in which is a natural part of every person's life.
- To increase regional accessibility to participation in culture and both the new generation of professionals and informed audience, the **culture facilitator support measure** has been prepared and implemented since 2022 aimed at enabling children and young people to visit theatrical performances, movie screenings, museums or other cultural institutions or events as part of their curriculum.
- In 2021, preparations for the amendment of the Creative Persons and Artistic Associations Act began by conducting a survey. The intention to draft the act will be prepared in 2022.
- In 2021, amendments to the current regulation of public libraries were prepared. As one amendment, the services of the Estonian Library for the Blind of the Estonian Repository Library are planned to be merged with the services of the National Library of Estonia from 1 January 2023.
- In 2021, the implementation of the action plan Digitisation of Cultural Heritage 2018–2023 took place through various projects, through which the accessibility and usability

of cultural heritage will be improved and the long-term preservation of digital cultural heritage will be ensured. Today, about **38 percent of cultural heritage** is available digitally.

- In order to preserve the tradition of national song and dance festivals, the Centre of Estonian Folk Culture is granting support from 2021 to cover the labour costs of the instructors of song and dance festival groups so that people valuable to Estonia could commit to their crucial work.
- 2021 was historic for Estonian sports. A total of 191 medals – 55 gold, 57 silver and 79 bronze medals – were won at title competitions in adult, junior and youth classes. 23 medals were won from competitions in the Olympic programme. At the Tokyo Summer Olympic Games, a gold medal was won in fencing in women's team épée.
- In 2021, football arenas were completed in Haapsalu and Viljandi, as was Hiiumaa Sports Centre. The next stage of Kääriku Sports Centre was completed and the number of health sports centres with artificial snow production capability grew in Estonia.
- In 2021, the Government of the Republic approved the concept of physical activity, and it was agreed during the negotiations of the state budget 2022 that 600,000 euros would be allocated in 2022 for the implementation of the first steps of the reform of physical activity.
- In the coming years, together with sports organisations, it is necessary to bring the wages of coaches closer to the Estonian average wage, which the wages have been drifting away from in recent years, to value the work of coaches. In order to achieve the goal in the coming years, the labour costs of coaches must be increased in the state budget. In order to promote achievement sports, support for Team Estonia needs to be increased in the coming years.
- According to the national database of sports, there were 2,826 sports organisations, 470 sports schools, 184,337 organised amateurs and 3,990 coaches with the vocation of a coach in Estonia in 2021. Estonia has a good and functioning network and register of sports organisations that enables implementing data-based sports policy and one of the best professional qualification systems for coaches in Europe.

Challenges

- The global health crisis that began in the spring of 2020 significantly affected the whole cultural sphere of Estonia. Therefore, it will be necessary to restart the cultural and creative sector, prepare for new crises and support development in the coming years.

- Supporting the resumption of the cultural and creative sector.
- Improving the working conditions of creative persons and cultural workers.
- Greater valuation of the work of professionals, instructors and leaders in the area of culture.
- Improving the accessibility of culture across different target groups and areas and regionally.
- Increasing access for people with special needs to participation in cultural activities and consumption of cultural services.
- Ensuring long-term physical and digital preservation of cultural heritage.
- One of the four major goals of "Sports 2030" is that the vast majority of residents are physically active and engage in sports. According to the survey on health behaviour among Estonian adult population, the proportion of people engaged in physical activity was 44.8 percent in 2020, 40.2 percent in 2018, and 42 percent in 2016. Lack of physical activity among children was a problem. The World Health Organisation (WHO) recommends being physically active for at least 60 minutes per day. According to the data of the survey on physical activity in 2022, 75 percent of Estonian children are not physically active enough. They will very likely remain inactive as an adult.
- Hundreds of sporting events take place in Estonia every year, which, in addition to

enriching local life and providing entertainment, also have an impact on the economy of Estonia and the region.

- With the help of state aid, the sports industry coped without major negative impacts in 2021 under the constraints of the spread of the coronavirus. However, no definitive conclusions can be drawn on the basis of a year or two, because the impacts of COVID-19 can be long-term and many economic and sport-specific consequences can only be assessed after several years have passed. There are more than 3,000 organisations and more than 3,500 sports objects in the field of sports. All of them incurred and will continue to incur loss of income from both supporters and private persons due to the coronavirus. Uncertainty related to funding will continue to remain in the coming years. The situation in 2018 and 2019 when the number of participants in events of physical activity and spectators of sports competitions was higher than ever before is unlikely to return any time soon. For organisers, the keywords for the coming years include adapting to the new situation and finding new solutions. For private persons, on the other hand, restoring and maintaining their and their children's sports habits.

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

Table 36. Target levels of metrics in the performance area of culture and sports and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022	Target level for "Estonia 2035"
Participation of residents in cultural life, %¹⁰³ Source: Statistics Estonia	–	73.8%	–	–	–	80%
Proportion of people engaged in physical activity on a regular basis (twice a week for 30 min) of the 16–64 age group, %¹⁰⁴ Source: Institute for Health Development	–	44.8%	–	–	47%	–

Table 37. Implementation of the budget of the performance area of culture and sports (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-271,303	-268,666	-396,190	-305,915	-286,656	-261,299
Investments	-640	-23	-975	-750	– ¹⁰⁵	-23

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

¹⁰³ The survey on participation of Estonian residents in cultural life is carried out every three years. The last survey took place in 2020, the next is planned for 2023.

¹⁰⁴ The survey Health Behaviour Among Estonian Adult Population takes place at each even year.

¹⁰⁵ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

1.2.19 Population and cohesive society

Objective

Estonia is a cohesive and inclusive society

Strategic objectives of the strategy “Estonia 2035”

Estonia’s people are smart, active and care about their health.

Estonia’s society is caring, cooperative and open-minded.

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.

Development plans of the area

Cohesive Estonia Development Plan 2021–2030

Programmes of the performance area

Integration, incl. adaptation programme

Strong civil society

Smart population census

Financing of political parties

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

According to the population register, there were 1,339,417 residents living in Estonia on 1 January 2022, 1,133,129 of whom were citizens of the Republic of Estonia, 66,557 (five percent of residents) with unspecified citizenship, and 139,731 were citizens of other countries. The largest proportion of citizens of other countries whose place of residence is registered in Estonia were citizens of the Russian Federation and Ukraine, 83,695 and 12,577 people respectively.

According to registered migration data, 12,280 people arrived to settle in Estonia and 8,602 left to go abroad in 2021. Immigration increased by 1,890 people and emigration increased by 1,282 people compared to 2020. According to the data of the population register in January 2022, 121,181 Estonian citizens lived abroad.

Positive developments

- The precondition for coping with a multicultural society and the basis for a cohesive society is the common Estonian identity for which, inter alia, segregation in different resident groups needs to be reduced. According to the Estonian Integration Monitoring 2020, the majority (about 80 percent) of both Estonians as well

as other permanent residents of other nationalities carry strong or moderate national identity.

- Compatriots living outside Estonia also contribute to the development and continuation of Estonia. Estonian expat communities played an important role in the restoration of Estonian independence and in building up the state as well as in the preservation and development of the Estonian language and culture through joint activities. Even now, compatriots help to introduce Estonia to the world, strengthen economic and cultural ties and international relations. It is estimated that there are up to 200,000 people with Estonian roots living abroad, who make up approximately 15 percent of all Estonians. The number of returnees to Estonia has increased in recent years. Returnees who often come with children and families contribute to the development and continuation of the Estonian population. Therefore, purposeful activities of the state aimed at Estonians living abroad are important to ensure that ties with compatriot communities remain strong and the Estonian language and culture reach as many compatriots and friends of Estonia as possible.
- Although there were no major changes in the operating environment of non-governmental organisations in 2021, the participation of Estonian residents in charity improved significantly. In 2015–2020, donation to charity increased by 58 percent. Coronavirus restrictions continued to have a major negative impact on the sector, in adapting to which non-governmental organisations restructured their activities. There are 23,337 non-profit associations and 819 foundations in Estonia. 91 percent of non-profit associations use Estonian as their daily working language, 18 percent use Russian and 10 percent use English. Activities with a more significant impact that contributed to the development of the field were as follows: strategic partners for the area of civil society were selected for the period of 2021–2024; activities promoting capable and caring communities commenced (for example, co-creation programme); operating subsidies were awarded to religious associations, cooperation was developed, and various targeted training and outreach activities were organised.
- The population register is increasingly important to the state and the people. The number of queries made to the population register increased in 2021. 168 million queries, i.e. more than 40 million queries more than the year before, were made in 2021. As such, data of the population register is used to a higher degree, but this leads to

additional expectations for the infrastructure and other supporting activities that are necessary, for example, to make decisions regarding access to data and disclosure of data. In 2021, satisfaction with the e-services of the population register improved. No new services were added, but e-services were improved based on user feedback. Activities with a more significant impact that contributed to the development of the field were as follows: the final report of the RITA project Mobile Life was completed, listing solutions and policy recommendations to improve the accuracy of residence data and e-communication; population register data exchange with Finland commenced through X-Road and the population register was developed and new solutions for organising elections were implemented to organise elections in municipal councils in a new way (electronic lists).

Challenges

- Further development of integration and adaptation services (counselling, adaptation programme, language studies, etc.) for various immigration groups. It is important to ensure the availability of and access to effective services that support proactive adaptation and long-term integration as well as equal access to public services necessary for everyday matters and for functioning as a full-fledged member of society.
- The action plan ensures that the sense of unity with Estonia among Estonians living abroad remains high and they are interested in diverse participation in Estonian social life.
- The introduction of a community-centric approach needs to be addressed more than before. It is necessary to continue with the transformation of the county civil society counselling service, which will result in more support for local communities. This will improve the cooperation of local governments with local residents and

communities and increase the satisfaction of residents with local governments.

- The changes caused by the coronavirus have created the need to establish a fund to support novel and innovative initiatives in civil society.
- Support for social entrepreneurship and profit-generating non-governmental organisations needs to continue.
- Opportunities for involving private funds in donating must be created.
- In connection with the effects of the war in Ukraine, it is necessary to think through and prepare for the inclusion in society of refugees who have arrived, incl. the possibility to offer opportunities for volunteering to them.
- Updating the software of the population register because it is outdated and does not support the development of contemporary IT solutions; carry out the project "Development of a Modern Population Register".
- Participation in organising elections.
- It is necessary to contribute to making services related to population register data convenient, easily structured and logically connected.
- Preparation of the new Names Act and the Vital Statistics Registration Act.
- Creation of the population register data warehouse. Entering into contracts for the exchange of population register data with foreign countries and organising data exchange (for example, Finland, Latvia, Lithuania).

Detailed information on the implementation of the performance area can be found at: <https://siseministeerium.ee/sidest>

Table 38. Target levels of metrics in the performance area of population and cohesive society and the actual performance

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Proportion of people carrying strong or moderate national identity, Estonians Source: Estonian Integration Monitoring	–	78%	–	–	–
Proportion of people carrying strong or moderate national identity, other nationalities Source: Estonian Integration Monitoring	–	85%	–	–	–
Sense of unity with Estonia among Estonians living abroad Source: Survey related to Estonian expat communities and return	–	–	84%	84%	≥84%
Satisfaction with the engagement of residents in the local government Source: Satisfaction survey commissioned by the Ministry of Finance	–	38%	–	>38%	>38%

Metric	Performance in 2019	Performance in 2020	Performance in 2021	Target level in 2021	Target level in 2022
Recommended satisfaction index with the e-services of the population register	59	70	74	>72	>72
Source: Recommeny, population register					

Table 39. Implementation of the budget of the performance area of population and cohesive society (in thousands of euros)

	Implementation of the budget for 2020	Initial budget for 2021	Final budget for 2021	Implementation of the budget for 2021	Initial budget for 2022	State Budget Strategy 2023
Expenditure	-18,626	-28,852	-29,219	-24,948	-21,621	-18,565
Investments	-4	-542	-1,308	-833	-106	-522

Source: Report on the implementation of the state budget 2021, State Budget Act 2022, State Budget Strategy 2022–2025

1.2.20 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 the work of the Riigikogu, its management board, committees, parliamentary groups and members of the Riigikogu. Also providing assistance in relations of the Riigikogu with other institutions both domestically and internationally and organising matters concerning benefits related to office of members of the Riigikogu.

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

The task of the Chancellery of the Riigikogu is to serve 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, Chairman and Deputy Chairman 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, including determining nationwide voting and election results, resolving complaints 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 Riigikogu adopted 129 legislations on the 5th and 6th sessions of 2021.
- There were 73 sittings held during the spring session (from 11 January to 17 June) and 44 sittings during the autumn session (from 13 September to 17 December) of the 14th Riigikogu.
- Two extraordinary sessions (30 and 31 August) were held.
- 28 collective appeals were accepted.
- During the sittings of the Riigikogu, 20 important national issues were discussed.
- Members of government and other officials made presentations to the Riigikogu with 18 reports, presentations or overviews.
- Members of the 14th Riigikogu took oath of office on 16 occasions, other officials on one occasion.
- Political statements and speeches were made to the Riigikogu on eight occasions in 2020.
- Expression of no confidence and decisions on issues of confidence were made on two occasions.
- At the spring and autumn session of 2021, members of the Riigikogu submitted 44 interpellations to the Government of the Republic and its members (of which three were returned and one was withdrawn) and 76 written questions (one of which was returned). Members of the Riigikogu submitted 309 requests to the Board of the Riigikogu to ask questions from members of government during the question time.

¹⁰⁶ In the state budget for 2022, investments are not categorised activity-based, but at the level of government areas.

Parliamentary activities at committees of the Riigikogu

There are 11 standing committees and three select committees of the Riigikogu. Study committees and committees of investigation are formed as needed. In 2021, two study committees were operating at the 14th Riigikogu – Study Committee on the Development of Estonian Language Instruction and Study Committee to Solve the Demographic Crisis (from 11 January to 18 June).

The committees held 819 sittings during the year:

- 694 sittings took place in 2021 at standing committees;
- select committees held a total of 105 sittings;
- study committees of the 14th Riigikogu held 20 sittings.

Within the framework of the European Centre for Parliamentary Research and Documentation, 255 information requests were answered and ten video seminars took place.

Cooperation on parliamentarianism at international level

Foreign relations in 2021 were framed by the need to cope with the consequences of the pandemic. Virtual communication tools implemented in 2020 helped to establish and maintain international contacts. All in all, the volume of virtual foreign communication was large during the year, but many hybrid forms of events were also added.

The inauguration of Jüri Ratas, President of the Riigikogu was followed by numerous video meetings with colleagues and participation in an online conference of the Presidents of Parliament of European Union Member States on 10 May. On the initiative of the Riigikogu, the Parliamentary Forum of the Three Seas Initiative took place for the first time in history, which was attended by Presidents of Parliament of seven state parties, representative of the Three Seas Initiative Investment Fund and member of the US Congress.

Notification of the public

In 2021, adapting to the restrictions brought about by the COVID-19 pandemic was a challenge. Due to the dangerous spread of the virus, access to the festive flag hoisting in the Governor's Garden on 24 February was restricted for the first time for those interested, open day events were cancelled, and the number of tours to the Toompea Castle was limited. Despite everything, 116 tour groups visited the Riigikogu last year.

The major event of 2021 was the stately celebration of the 30th anniversary of the restoration of Estonia's independence on 20 August with the festive hoisting of the national flag to the Tall Hermann tower, ceremony of placing flowers on the memorial stone for 20 August, presentation of the first day cover in the White Hall, festive joint sitting of the 14th Riigikogu and the 20 August Club in the chamber of the Riigikogu, meeting of the 20 August Club in the White Hall, and the organisation of the anniversary concert "Naise

vaim ja vägi" (*Spirit and Force of a Woman*) in the Governor's Garden.

To celebrate 100 years since the 1st Riigikogu took office, the year commenced with a comprehensive overview exhibition "Riigikogu I koosseis: erakonnad, liikmed, tegevus" (*1st Riigikogu: Parties, Members, Activities*).

State Electoral Office

The main task of the State Electoral Office was to hold municipal council elections in October 2021. The election week was from 11 to 17 October, with election day on 17 October. E-voting took place from 11 to 16 October.

An electronic voter list was introduced at elections for the first time. For this purpose, the Information System Authority in cooperation with the State Electoral Office developed a new information system VIS (Election Information System).

To advise voters, the State Electoral Office in cooperation with the Emergency Response Centre opened an election helpline. The Information System Authority provided user support on technical issues in the voter application. In addition, volunteers from the Chancellery of the Riigikogu were involved as second-tier user support.

On 31 August, elections of the President of the Republic took place, organised by the National Electoral Committee with help from the State Electoral Office.

Foresight Centre

In 2021, the Foresight Centre worked on three research directions: the future of mobility, future of long-term care, and future-proof tax structure. In addition, a repeat survey on the future of platform work in Estonia was carried out.

- The report "The Future of Mobility. Development trends up to 2035" was completed in May.
- The survey "Platform Work in Estonia" was completed in June.
- The report "Future of Long-Term Care. Development trends up to 2035" was completed in October.
- The report "Future-Proof Tax Structure. Scenarios up to 2035" was completed in November.

In addition to the research projects, three brief reports were published, the trend report "Pikksilm" was published, and eight follow-up webinars were organised.

Online conferences "A Different Future" and "Does the Estonian Tax System Need Changing?" were organised to introduce the results of development monitoring.

Political Parties Financing Surveillance Committee

The Committee dealt with a number of breaches of the Political Parties Act and complaints received, the

majority of which were related to local government elections in 2021. Legal proceedings for the injunction to return the 1.02 million euro prohibited donation continued.

1.2.21 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 task of the Supreme Court as the highest court in Estonia is to contribute to the uniform application of laws and the formation of uniform judicial practice by reviewing court decisions. The role of the Supreme Court is also to contribute to ensuring the orderly functioning of administration of justice throughout the court system, in particular by organising and ensuring the work of self-governing assemblies of judges.

Once a year, the Chief Justice of the Supreme Court submits to the Riigikogu an overview of administration of the courts, administration of justice and uniform application of laws. In the presentation to the Riigikogu on 21 May 2021¹⁰⁷, the Chief Justice of the Supreme Court presented an overview of the Estonian court system in 2020 – what was the number of court cases, speed and effectiveness of proceedings during the pandemic. As a point of concern, the Chief Justice highlighted the additional need for resources for courts to cope with the increasing workload. The legislator's attention was also drawn to the fact that the rigidity and resource-intensiveness of criminal matters would need to continue to be reviewed. The unreasonably short time-limits of proceedings in laws that were impossible to adhere to during the pandemic should also be reviewed. Among the topics important for the court system, the assurance of independence of the Supreme Court and other constitutional institutions in the budgetary process, the openness of court proceedings, social guarantees of judges, court proceedings of constitutional review, and legal education were also highlighted.

Procedural statistics for 2021

Based on the statistics of court cases¹⁰⁸ in 2021, it can be said that the number of incoming cases remained almost at the same level as the year before. 2,685 procedural applications were submitted in 2021 (2,715 applications in 2020), including 2,473 applications for leave to appeal and 212 applications for state legal assistance or procedural assistance. There were 3,202 applications in total (3,169

A more detailed overview of the activities of the Chancellery of the Riigikogu in 2021 can be found at: <https://www.riigikogu.ee/riigikogu/riigikogu-kantselei/eelarve-ja-majandusaasta-aruanne/>

applications in 2020), including 2,963 applications for leave to appeal and 239 applications for state legal assistance or procedural assistance.

Availability of Supreme Court practice

Supreme Court judgments are published on the Supreme Court's website on the day of making the decision. The website has a search function for judgments¹⁰⁹ and an overview of the positions of the Supreme Court is provided together with keywords and annotations appended to the judgments. As of the end of 2021, preparing analyses of court practice¹¹⁰ and making them available on the website was suspended. Periodic reviews of the Supreme Court practice¹¹¹ will continue.

In 2021, the Supreme Court published an electronic Yearbook of Courts¹¹². One of the main topics of the Yearbook of Courts was the generational change of judges as more than half a hundred justices will have the right to retire in the next five years. It also addressed current legal issues – the so-called law of the fist, the coronavirus restrictions, and preliminary collection of evidence.

Court *en banc*

Court *en banc* is the largest representative body of judges, comprising all Estonian judges. At an *en banc* session, the Chief Justice of the Supreme Court and the Minister of Justice give an overview of the development of the legal and court system. Court *en banc* is chaired by the Chief Justice of the Supreme Court. Court *en banc* discusses problems of administration of justice and other issues concerning courts and the work of judges. Court *en banc* elects the members of the Disciplinary Chamber and judgeship examination committee from among judges of courts of first and second instance, members and alternate members of the Council for Administration of Courts, training committee and assistant judges' competition committee who are judges, and members of the judiciary ethics council. Court *en banc* also elects members and alternate members of the Ethics Tribunal and the Admissions and Aptitude Assessment Committee of the Estonian Bar Association, the Prosecutors' Competition and Disciplinary Committee, and the Court of Honour of the Chamber of Notaries.

¹⁰⁷ Presentation of the Chief Justice of the Supreme Court to the Riigikogu on 20 May. Available on the website:

https://www.riigikohus.ee/sites/default/files/elfinder/%C3%B5igusalaseld%20materjalid/avalikud%20esinemised/Ettekanne_Riigikogu_2021.pdf

¹⁰⁸ Detailed procedural statistics for 2021 and previous years by colleges is available on the website of the Supreme Court:

<https://www.riigikohus.ee/et/riigikohus/statistika>

¹⁰⁹ Search for judgments. Available on the website: <https://www.riigikohus.ee/et/lahendid?>

¹¹⁰ Analyses of court practice. Available on the website: <https://www.riigikohus.ee/et/kohtupraktika-analuusid-ja-ulevaated/kohtupraktika-analuusid>

¹¹¹ Reviews of practice. Available on the website: <https://www.riigikohus.ee/et/kohtupraktika-analuusid-ja-ulevaated/riigikohtupraktika-ulevaated>

¹¹² Yearbook of Courts. Available on the website: <https://aastaraamat.riigikohus.ee/>

The 21st court *en banc* took place in Tartu on 4 June 2021, the central theme of which was the openness of court proceedings. The discussions addressed the draft act on the openness of court proceedings, data protection law as well as declaring court proceedings closed and broadcasting thereof. In addition, accolades were awarded.

Serving the Judiciary Disciplinary Chamber, judgeship examination committee and the judiciary ethics council

In addition to organising a court *en banc*, the Supreme Court also serves the Judiciary Disciplinary Chamber, which discusses the disciplinary cases of judges. In 2021, disciplinary proceedings were initiated against one judge.

The Supreme Court also serves the judgeship examination committee, the tasks of which include carrying out competitions for filling vacant positions of judges of courts of first and second instance, organising judgeship examinations, and collecting opinions concerning judges with less than three years' length of service. The judgeship examination committee organises judgeship examinations twice a year – in spring and in autumn. 29 applications for admission to the examination were received in 2021, and five people taking the examination successfully passed the examination. Four competitions for judges were announced, seeking to fill 16 vacant positions of judges. As at the end of 2021, there were 33 judges with less than three years' length of service.

The Supreme Court serves the judiciary ethics council from 2019. The judiciary ethics council is an advisory body within the judiciary which judges can turn to for an opinion in matters concerning them. In addition, the judiciary ethics council may issue general ethical recommendations. The opinions and recommendations of the judiciary ethics council are not binding. In 2021, the judiciary ethics council was addressed on two occasions.

Training judges and court officers

The 2021 training calendar was full and the preparedness of all parties for hybrid and online training was high. In total, 55 training courses took place in 2021 with a duration of 59 days. Over the past three years, the number of training courses has remained stable. In 2021, a total of 720 more participants participated in training courses than in 2020 (2,568 and 1,938 people respectively). Online training courses with a large number of people were organised, and more law clerks as well as target groups from outside the court system were involved. In 2021,

judges attended training courses 1,084 times, which accounted for 40.8 percent of all participants.

In 2021, 19 recordings were added to the website of judiciary training, which were available for on-demand watching or listening. In 2021, Moodle's online course "Psychiatry in Court Proceedings" with a duration of 104 academic hours took place in cooperation with the University of Tartu, being the first of its kind in the practice of the Department of Legal Information and Training of the Supreme Court.

The Supreme Court continues to actively take part in the work of the European Judicial Training Network. Through the Supreme Court, judges of courts of first and second instance participated in foreign training courses a total of 51 times in 2021¹¹³.

The Supreme Court continued to carry out legal training for court officers pursuant to a contract entered into with the Ministry of Justice. The target group of legal training for court officers include secretaries for sittings, assistant advisers and assistant judges. Training courses on criminal and misdemeanour proceedings, civil proceeding, registry proceedings, developments in property law and land register law, and practical issues in the form of case law training took place in 2021 on a total of five training days.

In 2021, 15 judges participated in bar association training courses, but none of the judges attended training courses of the Prosecutor's Office. Both prosecutors and lawyers continue to have strong interest in judgeship training – prosecutors participated in judgeship training 97 times and lawyers 147 times.

Structural reorganisation

In 2021, an assessment of more resource-intensive work processes and functions supporting the principal activity were carried out and structural reorganisation commenced in areas supporting the principal activity. As a result of the reorganisation, the number of service positions of supporting areas will ultimately decrease by 11 positions and in the Supreme Court as a whole from 105 service positions to 94 and from 1 July 2022 to 91.5 service positions. The freed budgetary resources will be directed mainly to support the principal activity.

A more detailed overview of the activities of the Supreme Court in 2021 can be found at: <https://www.riigikogu.ee/riigikogu/riigikogu-kantselei/eelarve-ja-majandusaasta-aruanne/>

¹¹³ Each individual participation has been considered. For example, if a judge participated in three foreign training courses during the year, three participations have been counted.

1.2.22 National Audit Office

The principal activity of the National Audit Office is auditing. In 2021, the Audit Department of the National Audit Office completed 13 audits and overviews plus a number of memorandums. Audit managers and auditors have provided information about their work at the sittings of the committees of the Riigikogu, seminars, in the media and in social media.

The Audit Department focused on monitoring and auditing of the following areas: education, labour, social protection and health; infrastructure and major investments; internal security and national defence; information technology; local governments; environment and sustainable development; and accounting and regularity of transactions.

Several assignments related to supporting enterprises during the COVID-19 crisis were also carried out in 2021. The focus of the Audit Department is on health in 2022. The main findings on the issues and development trends of health are planned to be summarised in the overview of the use and preservation of state assets in 2021–2022.

In 2021, the Analysis Department of the National Audit Office completed three overviews and prepared in cooperation with the Audit Department a comprehensive analysis of the lessons learned from the coronavirus to submit to the Parliament as an annual report. The results of the work were presented at sittings of the committees of the Riigikogu and in the media.

The focus of the Analysis Department is on planning the use of European Union grants in 2022 and the problems related to the ability to make use of the funds received at the right time and in the right manner to accelerate the development of Estonian economy and society. It is also planned to address support of enterprises with taxpayer money and the risks associated with it.

The most extensive work in 2021 included:

Overview of use and preservation of state assets in 2020–2021 – The five lessons learned from the coronavirus crisis

In 2021, the Analysis Department in cooperation with the Audit Department prepared an overview of the use and preservation of state assets, which serves as an annual report of the National Audit Office to be submitted to the Riigikogu by law. This time, the focus was on lessons learned during the crisis caused by the coronavirus. The tasks and responsibilities of state agencies in a crisis have been, at times, divided unclearly and unrealistically.

Accuracy of annual accounts 2020 and regularity of transactions of the state

The National Audit Office published a commented opinion on the annual accounts of the state and there were no significant observations regarding the regularity of transactions, but serious problems were found in the process of preparing the state budget.

Detection of malignant tumours and referral of patient to treatment

A delay in cancer treatment leads to a decrease in the life expectancy of a cancer patient, but in Estonia, cancer is detected too late – for example, in 2018, only about 29% of cervical cancer, 35% of colorectal cancer and 49% of breast cancer was detected in the early stages of the disease. An effective method for early detection of cancer is screening that is carried out in Estonia and elsewhere with regard to some sites. Participation in screening is low in Estonia.

Supporting enterprises during the COVID-19 crisis

In 2021, the Audit Department completed three assignments on supporting enterprises during the coronavirus crisis – overview of supporting enterprises during the COVID-19 crisis; procedure for loan applications at the Rural Development Foundation; and crisis loan procedure for nationally important projects at KredEx.

County public transport

Based on the audit on county public transport, the National Audit Office concluded that the current organisation of county bus transport and the opportunity to travel free of charge has not contributed to the preference of public transport. Although the demand for county public transport has increased, the number of public transport users has not reached the quarter of those commuting to work set as a target.

Organisation of postal service

The National Audit Office analysed the provision of universal postal service in Estonia and found that the sending of letters has decreased fivefold in the last decade and the main postal service is sending parcels, for which parcel terminals are preferred to post offices.

Overview of state real estate policy

In the overview, the National Audit Office interviewed parties related to state real estate and found a number of inconsistencies in perceptions and expectations. In the opinion of users, state real estate development is rigid and costly and the state real estate policy does not motivate to seek cheaper or more flexible solutions.

Auditor General Janar Holm prepared and submitted to the Prime Minister two analyses on the COVID-19 crisis. In the first, dated 27 July 2021, the Auditor General gave an assessment of the current course of vaccination and made a number of proposals on how to accelerate the process. The Auditor General sent the second analysis to the Prime Minister on 1 October 2021, addressing mainly the experience of the second wave of the crisis and touching on foremost matters with a reach of the immediate management level of the government, rather than the subsequent level of the management chain.

Representatives of the National Audit Office participated in the sittings of the State Budget Control Select Committee 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.

In 2021, the work of the National Audit Office and the Auditor General were mentioned in 3,377 materials in the press.

The task of the Development and Administration Service is to support the principal activity of the National Audit Office, i.e. carrying out audits. The support includes quality and methodology support for audits, development of data analytics, staffing, international communication, use of information technology, building management and administration, financial management and accounting, and legal consultation.

Data analytics development projects primarily included the creation of so-called monitoring desktops for audit teams, a monitoring desktop was completed for public procurement and Rail Baltica, and a labour cost monitoring and audit desktop based on SAP BO was completed. The establishment of a data warehouse supporting the audits of the National Audit Office began at the end of the year, as the first step of which a real-time connection to databases was established for the preparation of the consolidated annual report of the state. Data analytics colloquiums

were launched to examine data analytics practice and projects of other state agencies.

In the field of international communication, the action plan of the EUROSAT IT Working Group was implemented. Two major events were organised based on the plan: ITWG virtual spring meeting and ITWG annual meeting in a hybrid form in Estonia. In coordinating the field of international communication, open e-courses of environmental audit (MOOC) were updated, and updated water MOOC and waste MOOC were carried out. Conventional international communication took place mainly virtually due to the coronavirus crisis.

In the operational programme of the strategy of the National Audit Office, ten development activities were planned for 2021, which were largely carried out alongside performing core tasks.

At the end of 2021, there were 82 people in employment or service relationship with the National Audit Office, 76 of whom were actively employed. Overall labour turnover during the year was 19.9 percent. The gender breakdown of the National Audit Office is constant: As at the end of 2021, there were 32 percent of men and 68 percent of women among employees.

1.2.23 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 2021, the President of the Republic proclaimed 96 (incl. 43 by President Alar Karis) laws and refused to proclaim one law. The head of state made three decisions on amendment of the composition of the Government of the Republic.

Appointment to office and granting of military ranks

The President made 19 (incl. two by President Alar Karis) decisions on appointment and removal of ambassadors extraordinary and plenipotentiary of the Republic of Estonia and three (incl. one by President Alar Karis) decisions on appointment and three (incl. one by President Alar Karis) decisions on removal of judges. The President of the Republic gave their consent to criminal prosecution of a judge by one decision. The President issued 18 (incl. six by President Alar Karis) decrees to grant military ranks to servicemen.

Awarding of decorations

The President of the Republic donated 152 national decorations for the anniversary of the Republic. In addition, state decorations were donated in connection with a state visit to the Republic of Austria (two decorations), the state visit of the Romanian President to the Republic of Estonia (11 decorations)

and the departure of foreign diplomats from Estonia (one decoration). In 2021, the President donated a total of 166 state decorations by four decisions. The President of the Republic made two decisions to withdraw decorations.

Pardon

The clemency committee reviewed materials on 52 convicted offenders, one of whom was granted a pardon. Three resolutions on granting a pardon were prepared.

National activities

In 2021, President of the Republic Kersti Kaljulaid and President of the Republic Alar Karis actively visited different regions of Estonia and met with the representatives of local governments and entrepreneurs as well as promoters and leaders of local life in different regions of Estonia. In addition to many shorter visits, President Kersti Kaljulaid undertook county visits to Lääne-Viru County, Ida-Viru County and Jõgeva County and a longer tour in Estonia to mark the end of her presidency. President Alar Karis took office in October and, in addition to several smaller visits, undertook county visits to Valga County and Ida-Viru County. During the year, the heads of state gave many different speeches, greetings, addresses and gave school lessons. In connection with the continued COVID-19 pandemic, many meetings and appearances took place online last year.

International communication

2021 was a challenging year, characterised by the vagueness and uncertainty resulting from the continued coronavirus pandemic also in the international dimension. Internal communication of

the President covered three main levels – immediate neighbourhood and regional cooperation; European and transatlantic allies; global based on Estonia's interests (foremost supporting business diplomacy, strengthening allied relations with more distant likeminded partners). The President of the Republic was on 26 foreign visits (Kajulaid 18, Karis eight). The most significant visits can be considered to be state visits to Austria and Kenya as well as official visits to Poland and Sweden. During the state visit to the Republic of Austria in May and the first state visit of the President of the Republic of Estonia to the Republic of Kenya, the President was accompanied by representative business delegations. An eight-member business delegation also accompanied the President to Poland during the official visit in the beginning of May, and the last foreign visit of the term of office of President Kajulaid was accompanied by a business delegation consisting of IT entrepreneurs. The first introductory visits of President Karis were to Latvia, Finland, Lithuania, and Poland. In November, President Karis was present at the Paris Peace Forum and the 75th anniversary of UNESCO in Paris as well as the meeting of 3B Presidents in Vilnius. Work visits to Brussels and New York took place in December. The centre of gravity of the visit to Brussels was on introductory meetings at EU institutions, and as part thereof, the head of state met with the President of the European Commission Ursula von der Leyen and President of the European Council Charles Michel. The visit to New York took place in connection with the end of Estonia's membership period in the UN Security

Council as an elected member (2020–2021). A meeting with the Secretary-General of the UN Antonio Guterres, Deputy Secretary-General for Human Rights of the UN Ilze Brands Kehris and President of the UN General Assembly Abdulla Shahid took place. The head of state also participated in a high-level public debate on climate and security. The programme of the visit also included a meeting with the local Estonian community. In 2021, President Kajulaid hosted three foreign heads of state and President Karis one foreign head of state. In June, Romanian President Iohannis made a state visit to Estonia and Kosovo President Osman was on an official visit to Estonia. As part of the Lennart Meri Conference, Latvian President Levits was in Tallinn in September, who also visited Estonia during a work visit in November.

Significant visits included work visits of the head of state to Riga, Vilnius and Madrid in connection with the centennial celebration of diplomatic relations and to Berlin to mark the 30th anniversary of the restoration of diplomatic relations. The visit to Sweden also marked the 100th anniversary of establishing and 30th anniversary of restoring diplomatic relations. During the year, the President of the Republic participated in several international conferences, but mostly virtually due to the coronavirus pandemic. There were also a series of regular video calls with colleagues, lectures and forums, all virtually. In 2021, 34 foreign ambassadors handed over their letters of credence to the President of the Republic (28 to Kajulaid, six to Karis).

1.2.24 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 task 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 tasks of the Estonian National Human Rights Institution (NHRI). The Chancellor of Justice stands for ensuring that all disabled people can exercise their fundamental rights and freedoms on an equal footing with others. The objective of this overview of activities is to provide information to the entity preparing the consolidated annual report of the state on the activities of the Office of the Chancellor of Justice in 2021. Once a year, the Chancellor of Justice submits to the Riigikogu an annual review of the performance of duties assigned to them by law. The overview is published on the website of the Chancellor of Justice at <https://www.oiguskantsler.ee/ylevaade2021/>.

The Chancellor of Justice submitted a written overview of the activities of 2020/2021 until 1 September 2021 to the Riigikogu during the autumn session of 2021 and also made a respective oral presentation:

<https://stenogrammid.riigikogu.ee/et/202109211000>.

Operating volumes for the whole accounting year in comparison with 2020 are as follows:

- Overseeing the constitutionality and legality of legislative acts – 108 (105 in 2020)
- Overseeing respect for fundamental rights and obligations – 229 (270 in 2020)
- Participation in court proceedings on constitutional supervision – 15 (7 in 2020)
- Refusing to accept an application – 1,960 (1,630 in 2020)
- Proceedings to initiate disciplinary proceedings against a judge – 27 (26 in 2020)
- Opinions on legislation and other documents – 22 (26 in 2020)
- Participation in the work of a collegial body – 0 (1 in 2020)
- Reviewing an appeal of a member of the Riigikogu – 15 (14 in 2020)

- Procedure for withdrawal of immunity – 1 (0 in 2020)
- Other activities arising from the law – 68 (93 in 2020)

TOTAL 2,445 (2,172 in 2020)

2,753 applications were submitted to the Chancellor of Justice in 2020 and 3,169 applications in 2021.

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

According to the decision of the European Commission, internal audits of the public sector in all countries in the European Union must comply with the [internal auditing standards](#) developed by the Institute of Internal Auditors (IIA). According to these, in addition to periodic regular assessment, the quality of the internal audit function must be assessed by an external independent specialist at least once every five years.

In Estonia, the standards of internal audit are established by the Auditors Activities Act. The rules for quality assessment are further provided in subsection (2) of section 11 "External assessment of internal audit unit" 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.* Both standards and the regulation stipulate that a periodic internal assessment of an internal audit unit should be carried out as needed, but in any case within 12 months preceding the planned external assessment.

The annual management reports of internal audit units of ministries show that the requirement for quality assessment has been largely ignored – in seven of the eleven ministries (63 percent) not a single external assessment of internal audit quality has been carried out in the last eight years. Two of the mandatory external assessment cycles have already been missed in two of the aforementioned. A further three ministries carried out the latest external assessment of quality in 2015–2016. Thus, only one ministry currently complies with the law in force, and even their quality assessments have been carried out to meet the requirements of European Union funds. Three ministries are planning their next assessment in 2022–2023.

Internal audit managers of ministries have outlined as the main reasons for not carrying out both internal and external quality assessments foremost the lack of budgetary resources to commission an external assessment, inexpedient use of resources for a small unit in carrying out the assessment (in five ministries, the internal audit unit covering the entire area of administration only has one to three employees) as well as lack of expectation from the management.

2 Consolidated and unconsolidated annual accounts of the state

2.1 Balance sheet

In millions of euros

	Consolidated			Unconsolidated			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Assets							
Current assets							
Cash	2,503.2	2,300.7	1,460.2	1,658.9	1,573.9	881.3	a2
Financial investments	461.6	645.5	518.4	448.3	644.0	500.8	a3
Tax, state fee and fine receivables	1,248.8	1,125.4	1,184.4	1,322.1	1,169.7	1,241.5	a4
Other claims and prepayments	1,294.7	1,097.8	966.9	1,228.5	775.9	619.2	a5
Derivatives	160.2	31.8	10.0	0.0	0.0	0.0	a18
Inventories	367.4	319.9	330.7	33.3	47.0	19.0	a7
Intangible current assets	208.6	85.3	76.0	0.0	0.0	0.0	a12
Biological assets	41.1	31.3	26.2	1.8	1.3	2.5	a14
Total current assets	6,285.6	5,637.7	4,572.8	4,692.9	4,211.8	3,264.3	
Non-current assets							
Ownership interest in foundations	0.0	0.0	0.0	441.7	442.9	366.8	a8
Ownership interest in subsidiaries and affiliated associates	67.5	60.4	57.9	4,169.9	3,881.8	3,657.0	a9
Financial investments	319.8	316.6	325.0	301.8	298.6	307.2	a3
Other claims and prepayments	925.1	867.1	694.0	1,089.2	1,533.3	708.0	a5
Derivatives	187.6	23.7	4.2	0.0	0.0	0.0	a18
Investment property	85.3	84.3	86.3	37.1	37.4	37.1	a10
Property, plant and equipment	10,318.1	9,885.4	9,669.6	3,334.0	3,082.9	2,926.8	a11
Intangible assets	305.9	279.8	244.0	150.4	125.6	105.2	a12
Biological assets	930.7	758.9	665.8	16.5	12.0	23.1	a14
Total non-current assets	13,140.0	12,276.2	11,746.8	9,540.6	9,414.5	8,131.2	
Total assets	19,425.6	17,913.9	16,319.6	14,233.5	13,626.3	11,395.5	

	Consolidated			Unconsolidated			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Liabilities and net assets							
Current liabilities							
Received prepayments of taxes, state fees and fines	622.8	523.2	551.7	638.6	534.7	563.0	a4
Trade payables	387.1	303.8	313.2	172.9	153.5	147.9	
Payables to employees	165.9	152.1	142.3	63.1	60.6	54.4	
Tax, state fee and fine liabilities	407.7	353.3	345.2	392.2	346.6	340.3	a4
Other liabilities and received prepayments	2,019.3	1,669.4	1,686.0	2,865.2	2,518.7	1,890.1	a15
Provisions	347.1	264.8	178.2	117.1	129.3	76.6	a16
Loan liabilities	718.6	879.9	466.9	472.9	497.7	172.6	a17
Derivatives	116.1	10.4	24.4	0.0	0.0	0.0	a18
Total current liabilities	4,784.6	4,156.9	3,707.9	4,722.0	4,241.1	3,244.9	
Non-current liabilities							
Provisions	3,787.8	3,289.3	2,817.2	3,701.4	3,215.6	2,764.2	a16
Loan liabilities	5,179.0	4,817.3	2,886.8	3,443.6	3,136.1	977.2	a17
Other liabilities and received prepayments	304.0	233.7	204.1	145.1	141.4	134.7	a15
Derivatives	37.8	4.4	6.0	0.0	0.0	0.0	a18
Total non-current liabilities	9,308.6	8,344.7	5,914.1	7,290.1	6,493.1	3,876.1	
Total liabilities	14,093.2	12,501.6	9,622.0	12,012.1	10,734.2	7,121.0	
Net assets							
Minority shareholding	283.5	134.5	133.7	0.0	0.0	0.0	
Net assets of the state							
Reserves	471.9	469.8	448.4	471.9	469.8	448.4	a20
Hedging reserve	211.5	34.1	-32.8	0.0	0.0	0.0	a18
Unrealised exchange rate differences	8.2	5.9	10.3	0.0	0.0	0.0	
Accumulated surplus or deficit	4,357.3	4,768.0	6,138.0	1,749.5	2,422.3	3,826.1	
Total net assets of the state	5,048.9	5,277.8	6,563.9	2,221.4	2,892.1	4,274.5	
Total net assets	5,332.4	5,412.3	6,697.6	2,221.4	2,892.1	4,274.5	
Total liabilities and net assets	19,425.6	17,913.9	16,319.6	14,233.5	13,626.3	11,395.5	

2.2 Statement of financial performance

In millions of euros

	Consolidated		Unconsolidated		Note
	2021	2020	2021	2020	
Income from operations					
Taxes and social security contributions	10,497.1	9,176.3	10,600.1	9,302.4	a4
Goods and services sold	3,173.9	2,492.0	401.9	308.5	a21
Grants received	1,034.2	967.8	984.0	881.0	a19
Other income	302.6	188.1	190.5	147.6	a22
Total income from operations	15,007.8	12,824.2	12,176.5	10,639.5	
Operating expenses					
Grants awarded	-6,686.6	-6,035.0	-7,049.4	-6,325.4	a19
Pass-through taxes, state fees, fines	-3,532.9	-3,358.5	-3,532.9	-3,358.5	a4
Change in doubtful tax, state fee and fine receivables	-39.4	-76.6	-39.4	-76.6	a4
Labour costs	-1,903.9	-1,797.3	-1,068.8	-1,006.5	a23
Management expenses	-2,076.4	-1,663.9	-811.3	-717.5	a24
Depreciation and change in value of non-current assets	-704.7	-665.5	-291.2	-274.6	a25
Other expenditure	-341.7	-311.5	-133.1	-94.4	a26
Total operating expenses	-15,285.6	-13,908.3	-12,926.1	-11,853.5	
Operating result	-277.8	-1,084.1	-749.6	-1,214.0	
Operating result from change in fair value of biological assets	181.6	98.2	4.9	-12.3	a14
Financial income and expenditure					a27
Profit/loss from financial investments	1.0	1.5	365.7	236.8	
Interest expense	-166.2	-157.9	-126.5	-111.8	
Income from deposits and securities	-1.0	-21.3	-4.4	-104.1	
Other financial income	5.7	25.5	3.6	21.6	
Other financial expenses	-0.5	-0.3	0.0	0.0	
Total financial income and expenditure	-161.0	-152.5	238.4	42.5	
Surplus or deficit of the reporting period	-257.2	-1,138.4	-506.3	-1,183.8	
Incl. the state’s share in surplus/deficit	-274.3	-1,147.3	-506.3	-1,183.8	
Incl. the share of minority shareholding in surplus/ deficit	17.1	8.9	0.0	0.0	

2.3 Cash flow statement

In millions of euros

	Consolidated		Unconsolidated		Note
	2021	2020	2021	2020	
Cash flow from principal activity					
Operating result	-277.8	-1,084.1	-749.6	-1,214.0	
Depreciation and change in the value of non-current assets	704.7	665.5	291.2	274.6	a25
Profit/loss from non-current assets sold	-38.4	-27.0	-31.3	-18.7	a22
Revenue from government grants received for the acquisition of non-current assets	-488.2	-480.1	-454.9	-417.8	a19
Expenditure on government grants awarded for the acquisition of non-current assets	448.6	359.2	557.3	437.3	a19
Other non-financial income and expenditure	11.7	79.8	-0.2	-0.1	
Total adjusted operating result	360.6	-486.7	-387.5	-938.7	
Net change in current assets	-591.2	-70.9	-234.2	-26.2	
Net change in liabilities	828.0	581.5	684.4	337.9	
Total cash flow from principal activity	597.4	23.9	62.7	-627.0	
Cash flow from investment activities					
Investments in non-current assets	-1,063.7	-888.8	-542.6	-423.4	a13, a17
Capital gains from non-current assets sold	50.7	31.4	33.9	20.5	a5, a10, a11, a14
Government grants received for the acquisition of non-current assets	452.7	455.4	415.8	391.7	a19
Government grants invested for acquisition of non-current assets	-404.6	-426.2	-459.1	-522.9	a19
Paid for acquisition of liquid financial investments	-679.7	-1,397.2	-679.2	-1,394.0	
Received from sale of liquid financial investments	862.4	1,271.4	860.9	1,264.7	
Paid upon acquisition of other financial investments	-8.5	-11.0	-31.6	-1,008.6	a3, a5
Paid for acquisition of holdings (minus the cash acquired)	-31.9	-4.4	-33.0	-264.9	a5, a8, a9
Received and granted from transfer, sale and liquidation of holdings and other financial investments	189.8	2.7	52.3	-91.2	a3, a8, a9
Dividends received	3.4	3.3	104.2	178.1	a9, a5
Dividends paid	-6.6	-10.0	0.0	0.0	a9A
Loans issued	-86.6	-273.0	-0.2	-0.3	a6
Repayments of loans received	46.7	33.2	15.1	14.0	a6
Financial income received	-3.6	18.0	-7.2	16.1	
Total cash flows from investment activities	-679.5	-1,195.2	-270.7	-1,637.8	
Cash flows from financing activities					
Received from assumption of loan liabilities	957.0	3,111.3	781.0	2,806.3	a17
Loans repaid	-791.2	-789.9	-499.7	-322.8	a17
Interest paid and other financial expenses	-34.3	-40.2	-0.8	0.1	
Change in deposits by customers	153.1	-269.4	12.5	473.8	a15
Total cash flows from financing activities	284.6	2,011.8	293.0	2,957.4	
Net cash flows	202.5	840.5	85.0	692.6	
Cash and cash equivalents at the beginning of the year	2,300.7	1,460.2	1,573.9	881.3	a2
Cash and cash equivalents at the end of the year	2,503.2	2,300.7	1,658.9	1,573.9	a2
Changes in cash and cash equivalents	202.5	840.5	85.0	692.6	

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	Unrealised exchange rate differences	Accumulated surplus or deficit	Total			
Balance as of 31.12.2019	414.4	34.0	-32.8	10.3	6,138.0	6,563.9	133.7	6,697.6	
Exchange rate differences attributable to foreign subsidiaries				-4.4		-4.4		-4.4	
Revaluation of risk hedging instruments			66.9			66.9		66.9	a18
Actuarial gains and losses in provisions for pensions					-203.6	-203.6		-203.6	a16
Revaluation of property, plant and equipment					6.1	6.1		6.1	a11
Surplus or deficit of the reporting period					-1,147.3	-1,147.3	8.9	-1,138.4	
Total surplus or deficit of the reporting period			66.9	-4.4	-1,344.8	-1,282.3	8.9	-1,273.4	
Acquisitions and sales of minority holding					-3.8	-3.8	1.9	-1.9	a9A
Dividends paid						0.0	-10.0	-10.0	a9A
Reallocation	17.5	3.9			-21.4	0.0		0.0	a20
Balance as of 31.12.2020	431.9	37.9	34.1	5.9	4,768.0	5,277.8	134.5	5,412.3	
Exchange rate differences attributable to foreign subsidiaries and impact of other comprehensive income of affiliated undertakings				2.3		2.3		2.3	
Revaluation of risk hedging instruments			177.4			177.4		177.4	a18
Actuarial gains and losses in provisions for pensions					-167.6	-167.6		-167.6	a16
Revaluation of property, plant and equipment					4.7	4.7		4.7	a11
Surplus or deficit of the reporting period					-274.3	-274.3	17.1	-257.2	
Total surplus or deficit of the reporting period	0.0	0.0	177.4	2.3	-437.2	-257.5	17.1	-240.4	
Acquisitions and sales of minority holding					27.7	27.7	138.5	166.2	a9A
Holdings consolidated for the first time					0.9	0.9		0.9	a8A
Dividends paid						0.0	-6.6	-6.6	a9A
Reallocation	-1.8	3.9			-2.1	0.0		0.0	a20
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	

B. Unconsolidated report

	Stabilisation Reserve Fund	Ownership Reform Reserve Fund	Accumulated surplus or deficit	Total	Note
Balance as of 31.12.2019	414.4	34.0	3,826.1	4,274.5	
Actuarial gains and losses in provisions for pensions			-203.6	-203.6	a16
Revaluation of property, plant and equipment			5.0	5.0	a11
Surplus or deficit of the reporting period			-1,183.8	-1,183.8	
Total surplus or deficit of the reporting period			-1,382.4	-1,382.4	
Reallocation	17.5	3.9	-21.4	0.0	a20
Balance as of 31.12.2020	431.9	37.9	2,422.3	2,892.1	
Actuarial gains and losses in provisions for pensions			-167.6	-167.6	a16
Revaluation of property, plant and equipment			3.2	3.2	a11
Surplus or deficit of the reporting period			-506.3	-506.3	
Total surplus or deficit of the reporting period			-670.7	-670.7	
Reallocation	-1.8	3.9	-2.1	0.0	a20
Balance as of 31.12.2021	430.1	41.8	1,749.5	2,221.4	

2.5 Report on the implementation of the state budget

In thousands of euros

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
(A) BUDGET OF REVENUES AND EXPENDITURES					
TOTAL STATE BUDGET REVENUE	11,253,072	11,253,072	12,432,446	10,767,804	1,179,374
Taxes and social security contributions	9,281,798	9,281,798	10,793,537	9,398,017	1,511,739
Incl. domestic VAT	167,065	167,065	207,191	190,077	40,126
Grants received	1,454,810	1,454,810	941,384	831,530	-513,426
State fees	81,916	81,916	89,115	74,902	7,199
Income from economic activities	162,099	162,099	312,807	233,605	150,708
Income from non-current assets and inventories sold	17,455	17,455	31,486	18,845	14,031
Fines and other fines to the extent of assets	15,911	15,911	17,654	15,693	1,743
Environmental charges	72,852	72,852	91,009	58,680	18,157
Other income from operations	47,537	47,537	43,676	39,907	-3,861
Interest and dividend income	118,694	118,694	111,777	96,624	-6,917
TOTAL STATE BUDGET EXPENDITURE	-12,667,151	-13,760,023	-12,782,985	-11,684,677	977,038
Incl. funds with limits	-3,473,349	-4,563,760	-3,835,745	-3,270,710	-728,015
Incl. depreciation and revaluation of non-current assets	-261,203	-261,203	-291,228	-274,594	-30,025
Incl. domestic VAT expense	-102,437	-107,094	-117,282	-113,788	-10,188
REVENUE LESS EXPENDITURE IN STATE BUDGET	-1,414,079	-2,506,951	-350,539	-916,873	-2,156,412
(B) BUDGET FOR INVESTMENTS	-462,993	-684,841	-584,734	-507,989	-103,550
Incl. funds with limits	-327,077	-464,615	-388,991	-358,798	75,624
Incl. domestic VAT expense	-64,613	-73,610	-89,891	-76,271	-16,281
TOTAL STATE BUDGET EXPENDITURE AND INVESTMENTS	-13,130,144	-14,444,864	-13,367,719	-12,192,666	1,080,588
REVENUE LESS EXPENDITURE AND INVESTMENTS IN STATE BUDGET	-1,877,072	-3,191,792	-935,273	-1,424,863	-2,259,962
REVENUE ADJUSTMENT IN STATE BUDGET POSITION			-109,671	-2,693	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Adjustment of revenue from the sale of emission allowances			-106,268	411	
Superdividends and non-monetary dividends			-6,433	-4,709	
Carrying amount of non-current assets sold			3,030	1,604	
TOTAL REVENUE IN STATE BUDGET POSITION			12,322,775	10,765,111	
EXPENDITURE ADJUSTMENT IN STATE BUDGET POSITION			169,334	65,641	
Depreciation			291,228	274,594	
Adjustment by payments of provisions			79,455	-783	
Adjustment by formation of provisions			-205,418	-147,302	
Adjustment by changes in inventories			13,761	-26,563	
Adjustment by exchange rate changes			308	695	
Holdings and financial investments recorded as expenditure in position calculation			-10,000	-35,000	
TOTAL EXPENDITURE IN STATE BUDGET POSITION			-12,613,651	-11,619,036	
TOTAL STATE BUDGET POSITION			-875,609	-1,361,915	
REVENUE ADJUSTMENT ACCORDING TO STATEMENT OF FINANCIAL PERFORMANCE			113,859	13,668	
Taxes and social security contributions			-16,865	34,633	
Doubtful taxes, state fees, fines			39,366	76,566	
Revenue from domestic taxes			-209,332	-192,330	
Non-monetary grants received and grants for financing transactions			42,639	49,471	
Result from change in fair value of biological assets			4,938	-12,281	
Result from sale and revaluation of holdings			255,099	58,746	
Result from sale and revaluation of financial investments			-4,401	-3,244	
Financial income from exchange rate change			141	31	
Interest income from discounting receivables			2,274	2,075	
TOTAL REVENUE IN STATEMENT OF FINANCIAL PERFORMANCE			12,546,305	10,781,472	
EXPENDITURE ADJUSTMENT ACCORDING TO STATEMENT OF FINANCIAL PERFORMANCE			-269,632	-280,596	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Transfer of taxes and social security contributions			-30,017	-2,685	
Doubtful taxes, state fees, fines			-39,366	-76,566	
Domestic tax expenses			209,332	192,330	
Value added tax expenses recorded in investments and financial transactions			-89,908	-76,288	
Adjustment by payment of provisions			158,677	72,535	
Adjustment by formation of provisions			-340,726	-262,433	
Interest expense from discounting provisions			-124,434	-110,574	
Non-monetary management expenses			-2,800	-6,859	
Non-monetary grants awarded			-10,389	-10,055	
TOTAL EXPENDITURE IN STATEMENT OF FINANCIAL PERFORMANCE			-13,052,617	-11,965,273	
TOTAL SURPLUS/DEFICIT			-506,312	-1,183,801	
(C) BUDGET FOR FINANCING TRANSACTIONS	17,515	40,585	477,922	1,659,577	518,507
Incl. funds with limits	-3,112	-61,212	-28,872	-1,041,439	32,340
Incl. domestic VAT expense	-15	-15	-17	-17	-2
(D) CASH FLOWS					
TOTAL CASH FLOWS FROM REVENUE			12,585,402	11,085,596	
Total state budget revenue			12,432,446	10,767,804	
Adjustment for receipt of revenue cash flow			152,956	317,792	
TOTAL CASH FLOWS FROM EXPENDITURE			-12,345,632	-11,552,981	
Total state budget expenditure			-12,782,985	-11,684,677	
Adjustment for repayment of expenditure cash flow			437,352	131,696	
CASH FLOWS FROM INVESTMENTS			-632,678	-499,617	
Total state budget investments			-584,734	-507,989	
Adjustment for investment cash flow			-47,944	8,372	
CASH FLOWS FROM FINANCING ACTIVITIES			477,922	1,659,577	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
TOTAL CASH FLOWS			85,014	692,575	
Part 1. THE RIIGIKOGU					
INCOME	0	0	138	116	138
EXPENDITURE	-23,514	-23,449	-22,216	-20,476	1,233
Incl. funds with limits	-14,732	-14,494	-13,125	-11,725	-1,370
INVESTMENTS	-635	-1,557	-471	-2,211	1,085
Incl. funds with limits	-635	-1,557	-471	-2,211	1,085
VALUE ADDED TAX EXPENSE	-651	-664	-874	-699	-210
ADJUSTMENTS			-134	-94	
Salary paid to members of the Riigikogu (provision for compensation at the end of employment)			-65	-29	
Interest expense on provision for compensation at the end of employment			-69	-65	
Part 2. OFFICE OF THE PRESIDENT OF THE REPUBLIC					
INCOME	28	28	143	448	115
EXPENDITURE	-4,599	-5,070	-4,651	-4,445	419
Incl. funds with limits	-3,965	-4,325	-3,938	-3,552	387
INVESTMENTS	-357	-434	-80	-53	355
Incl. funds with limits	-357	-434	-80	-53	355
VALUE ADDED TAX EXPENSE	-325	-329	-250	-309	79
ADJUSTMENTS			-836	-28	
Interest expense on provisions			-211	-222	
Adjustment by payment of special pension provisions			-624	194	
Part 3. NATIONAL AUDIT OFFICE					
INCOME	0	0	26	10	26
EXPENDITURE	-5,210	-5,807	-4,796	-4,553	1,011
Incl. funds with limits	-5,058	-5,629	-4,607	-4,392	1,022

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
INVESTMENTS	0	-188	-107	-33	81
Incl. funds with limits	0	-188	-107	-33	81
VALUE ADDED TAX EXPENSE	-229	-229	-251	-202	-21
Part 4. OFFICE OF THE CHANCELLOR OF JUSTICE					
EXPENDITURE	-2,949	-3,056	-2,908	-2,702	149
Incl. funds with limits	-2,835	-2,928	-2,802	-2,592	126
VALUE ADDED TAX EXPENSE	-108	-108	-98	-92	10
ADJUSTMENTS			-2	-5	
Interest expense on provisions			-2	-5	
Part 5. SUPREME COURT					
INCOME	220	220	267	228	47
EXPENDITURE	-5,411	-5,522	-5,146	-6,136	376
Incl. funds with limits	-3,471	-3,543	-3,177	-3,972	366
INVESTMENTS	0	0	0	-704	0
Incl. funds with limits	0	0	0	-704	0
VALUE ADDED TAX EXPENSE	-94	-94	-89	-343	5
ADJUSTMENTS			-685	-595	
National grants received			0	3	
Interest expense on pension provisions			-511	-443	
Public sector special pensions and pension increases			-174	-155	
Part 6. GOVERNMENT OF THE REPUBLIC					
INCOME	313,000	221,399	0	0	-221,399
EXPENDITURE	-2,630,115	-2,423,080	-2,390,967	-2,279,793	32,113
Incl. funds with limits	-644,478	-750,442	-570,060	-610,478	-180,382
EU national contribution	-337,120	-337,120	-366,805	-315,152	-29,685
Membership fees of international organisations (with limits)	-5,290	-4,709	-4,709	-5,209	0
Reserve fund of the Government of the Republic	-89,767	-180,313	0	0	180,313

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Support fund for local governments	-462,609	-478,609	-475,527	-513,029	3,082
Incl. funds with limits	-442,196	-458,196	-458,127	-498,117	69
Incl. compensation for expenses incurred due to performing state functions	-21,541	-21,541	-18,464	-16,039	3,077
Incl. funds with limits	-1,127	-1,127	-1,064	-1,127	63
Budget equalisation fund of local governments (with limits)	-107,225	-107,225	-107,225	-107,152	0
Transferable taxes to local governments	-1,315,104	-1,315,104	-1,436,702	-1,339,250	-121,598
Grants from EU funds	-313,000	0	0	0	0
Section 1. Area of administration of the GOVERNMENT OFFICE					
INCOME	1,006	1,006	1,349	1,217	343
EXPENDITURE	-15,714	-18,966	-16,506	-14,305	2,460
Incl. funds with limits	-13,905	-16,413	-13,831	-12,867	2,583
INVESTMENTS	-7,574	-5,283	-2,692	-2,254	2,590
Incl. funds with limits	-7,532	-5,148	-2,572	-2,135	2,576
VALUE ADDED TAX EXPENSE	-2,127	-2,132	-1,483	-2,923	649
Performance area: EFFECTIVE STATE					
Programme: Support for the Government of the Republic and the Prime Minister					
EXPENDITURE	-15,714	-18,966	-16,506	-14,305	2,460
Incl. funds with limits	-13,905	-16,413	-13,831	-12,867	2,583
INVESTMENTS	-7,574	-5,283	-2,692	-2,254	2,590
Incl. funds with limits	-7,532	-5,148	-2,572	-2,135	2,576
ADJUSTMENTS			192	180	
National grants received			216	211	
Foreign aid intermediated to state agencies			142	197	
Pass-through grants and co-financing provided to state agencies			-166	-228	
Non-monetary support			0	-1	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Section 2. Area of government of the MINISTRY OF EDUCATION AND RESEARCH					
INCOME	173,483	177,369	156,849	126,486	-20,521
EXPENDITURE	-799,368	-870,915	-730,612	-681,452	140,303
Incl. funds with limits	-597,055	-619,209	-580,711	-530,013	38,498
INVESTMENTS	-8,061	-76,496	-62,657	-29,748	13,839
Incl. funds with limits	-7,497	-25,376	-19,947	-14,469	5,429
FINANCING TRANSACTIONS	306	306	152	176	-154
Incl. funds with limits	-14	-14	-12	-15	2
VALUE ADDED TAX EXPENSE	-13,157	-22,856	-23,031	-14,103	-174
Performance area: EDUCATED AND ACTIVE POPULATION					
Education and youth programme					
EXPENDITURE	-577,721	-650,869	-528,020	-497,322	122,849
Incl. funds with limits	-440,308	-464,471	-438,643	-404,824	25,828
INVESTMENTS	-8,011	-74,711	-61,568	-29,586	13,144
Incl. funds with limits	-7,447	-23,806	-19,061	-14,409	4,745
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP					
Research, development and innovation programme					
Expenditure	-206,929	-202,438	-187,425	-170,013	15,012
Incl. funds with limits	-143,873	-140,261	-128,887	-112,489	11,374
Investments	0	-1,076	-400	-18	675
Incl. funds with limits	0	-906	-241	-2	665
Performance area: ESTONIAN LANGUAGE AND IDENTITY					
Language programme					
Expenditure	-5,861	-7,123	-5,907	-5,465	1,216
Incl. funds with limits	-5,154	-6,681	-5,513	-4,984	1,168
Investments	0	-649	-645	-18	4

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Incl. funds with limits	0	-614	-610	-8	4
Performance area: EFFECTIVE STATE					
Archiving programme					
Expenditure	-8,857	-10,486	-9,260	-8,652	1,225
Incl. funds with limits	-7,720	-7,796	-7,669	-7,717	128
Investments	-50	-60	-44	-127	16
Incl. funds with limits	-50	-50	-34	-50	16
ADJUSTMENTS			11,724	-4,379	
Income from gambling tax			2,874	2,970	
Non-monetary support received			3,547	174	
Difference between internal grants received and awarded			-6	0	
Co-financing of foreign aid received from other areas of government			370	618	
Result from the revaluation of biological assets			4,938	-12,281	
Result from revaluation of holdings			68	5,845	
Non-monetary support provided			-43	-1,688	
Expenditure capitalised as investments (increase in investments)			-13	-34	
Expenditure capitalised as investments (reduction in expenditure)			13	34	
Foreign aid awarded to other areas of government (recovery of income)			199	116	
Foreign aid and co-financing intermediated to other areas of government (recovery of expenditure)			-224	-132	
Doubtful receivables (reversed income)			16	14	
Doubtful receivables (reversed expenses)			-16	-14	
Section 3. Area of government of the MINISTRY OF JUSTICE					
INCOME	40,818	40,818	48,914	41,625	8,096
EXPENDITURE	-174,590	-194,687	-182,457	-175,810	12,230
Incl. funds with limits	-135,745	-144,336	-138,167	-135,804	6,169
INVESTMENTS	-295	-2,461	-1,642	-1,771	818

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Incl. funds with limits	-191	-1,137	-786	-361	351
FINANCING TRANSACTIONS	-3	-3	-2	-3	1
Incl. funds with limits	-3	-3	-2	-3	1
VALUE ADDED TAX EXPENSE	-9,545	-9,587	-9,611	-9,444	-23
Performance area: RULE OF LAW					
Programme: Reliable and effective legal space					
EXPENDITURE	-174,590	-194,687	-182,457	-175,810	12,230
Incl. funds with limits	-135,745	-144,336	-138,167	-135,804	6,169
INVESTMENTS	-295	-2,461	-1,642	-1,771	818
Incl. funds with limits	-191	-1,137	-786	-361	351
ADJUSTMENTS			-9,030	-8,471	
Foreign aid co-financing received from other state agencies			230	268	
Foreign aid intermediated to other areas of government (recovery of income)			29	0	
Foreign aid and co-financing intermediated to other areas of government			-34	0	
Public sector special pensions and pension increases			-3,554	-3,811	
Interest expense on pension provisions			-5,701	-4,929	
Doubtful receivables are recorded as reduction in income, reversed income			3	9	
Doubtful receivables are recorded as reduction in income, reversed expenses			-3	-9	
Expenditure adjustment from capitalised investments			2,203	2,060	
Increase in investments from capitalised expenses			-2,203	-2,060	
Section 4. Area of government of the MINISTRY OF DEFENCE					
INCOME	16,884	16,884	5,038	12,154	-11,846
EXPENDITURE	-560,835	-550,511	-515,615	-500,292	34,896
Incl. funds with limits	-483,589	-473,190	-427,116	-418,303	46,074

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
INVESTMENTS	-101,697	-150,622	-124,593	-131,413	26,028
Incl. funds with limits	-88,500	-148,184	-123,280	-125,860	24,904
VALUE ADDED TAX EXPENSE	-46,723	-46,761	-57,140	-63,614	-10,379
Performance area: SECURITY AND NATIONAL DEFENCE					
EXPENDITURE	-560,835	-550,511	-515,615	-500,292	34,896
Incl. funds with limits	-483,589	-473,190	-427,116	-418,303	46,074
INVESTMENTS	-101,697	-150,622	-124,593	-131,413	26,028
Incl. funds with limits	-88,500	-148,184	-123,280	-125,860	24,904
Programme: Independent military defence capabilities					
Expenditure	-399,551	-390,115	-363,403	-373,891	26,712
Incl. funds with limits	-325,756	-316,676	-280,578	-295,729	36,099
Investments	-82,262	-126,974	-109,515	-125,086	17,459
Incl. funds with limits	-81,267	-125,128	-108,327	-121,131	16,801
Programme: Participation in collective defence					
Expenditure	-47,042	-44,525	-46,179	-36,500	-1,654
Incl. funds with limits	-46,844	-43,962	-42,510	-35,098	1,451
Investments	-11,215	-6,891	-4,538	-3,106	2,352
Incl. funds with limits	-2,945	-6,563	-4,504	-2,925	2,059
Programme: Military intelligence and early warning					
Expenditure	-57,664	-55,237	-49,579	-45,109	5,658
Incl. funds with limits	-57,664	-55,237	-49,579	-45,109	5,658
Investments	0	-11,322	-6,964	0	4,358
Incl. funds with limits	0	-11,322	-6,964	0	4,358
Programme: Defence policy development and support activities					
Expenditure	-56,578	-60,634	-56,454	-44,791	4,180
Incl. funds with limits	-53,326	-57,315	-54,449	-42,368	2,867
Investments	-8,220	-5,434	-3,575	-3,220	1,859

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Incl. funds with limits	-4,289	-5,171	-3,485	-1,805	1,686
ADJUSTMENTS			-64,761	-39,648	
Public sector special pensions and pension increases			-40,910	-39,104	
Interest expense on pension provisions			-26,402	-24,122	
Non-monetary foreign aid received			11,606	29,899	
Non-monetary domestic grants received			96	43	
Non-monetary grants awarded			-6,352	-1,510	
Expenditure incurred with non-monetary support			-2,800	-4,853	
Section 5. Area of government of the MINISTRY OF THE ENVIRONMENT					
INCOME	284,658	284,675	482,810	381,104	198,135
EXPENDITURE	-187,543	-380,654	-160,665	-172,132	219,989
Incl. funds with limits	-79,978	-91,211	-79,068	-76,454	12,143
INVESTMENTS	-3,089	-7,829	-5,024	-5,085	2,805
Incl. funds with limits	-2,825	-3,563	-1,916	-2,175	1,646
FINANCING TRANSACTIONS	4,300	4,300	5,551	4,788	1,251
VALUE ADDED TAX EXPENSE	-3,337	-4,842	-5,189	-7,313	-348
Performance area: ENVIRONMENT					
Programme for environmental protection and exploitation					
Expenditure	-181,740	-372,604	-154,424	-166,206	218,181
Incl. funds with limits	-75,793	-86,214	-74,584	-72,448	11,630
Investments	-2,979	-7,273	-4,647	-4,984	2,626
Incl. funds with limits	-2,715	-3,452	-1,806	-2,175	1,646
Performance area: AGRICULTURE AND FISHERY					
Fisheries programme					
Expenditure	-5,803	-8,050	-6,242	-5,926	1,808
Incl. funds with limits	-4,185	-4,997	-4,484	-4,006	513

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Investments	-110	-556	-377	-101	180
Incl. funds with limits	-110	-110	-110	0	0
ADJUSTMENTS			205,642	97,996	
Environmental and pollution charges recorded as performance of the budget of the Government of the Republic			-16,754	-14,368	
Foreign aid co-financing received from other areas of government			881	848	
Foreign aid intermediated to other areas of government, recovery of income			52	0	
Foreign aid intermediated to other areas of government, recovery of expenditure			-52	0	
Doubtful environmental charges and income from economic activities, income reversal			89	1,027	
Doubtful environmental charges and income from economic activities, expense reversal			-89	-1,027	
Non-monetary grants awarded			-483	-441	
Revaluation of holdings			221,997	111,958	
Section 6. Area of government of the MINISTRY OF CULTURE					
INCOME	8,287	9,178	10,408	10,183	1,230
EXPENDITURE	-275,749	-404,936	-313,916	-279,088	91,020
Incl. funds with limits	-231,538	-309,854	-267,953	-236,749	41,900
INVESTMENTS	-23	-975	-750	-640	225
Incl. funds with limits	-23	-194	-92	-318	101
VALUE ADDED TAX EXPENSE	-817	-2,317	-2,861	-2,456	-544
Performance area: CULTURE AND SPORTS					
EXPENDITURE	-268,666	-396,190	-305,915	-271,303	90,276
Incl. funds with limits	-226,721	-303,929	-262,442	-230,254	41,488
INVESTMENTS	-23	-975	-750	-640	225
Incl. funds with limits	-23	-194	-92	-318	101

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Programme: Culture					
EXPENDITURE	-220,052	-327,298	-249,669	-225,072	77,629
Incl. funds with limits	-185,110	-242,923	-213,613	-190,508	29,310
INVESTMENTS	-23	-975	-750	-640	225
Incl. funds with limits	-23	-194	-92	-318	101
Programme: Sports					
Expenditure	-48,614	-68,892	-56,246	-46,231	12,646
Incl. funds with limits	-41,611	-61,007	-48,829	-39,746	12,178
Performance area: POPULATION AND COHESIVE SOCIETY					
Programme: Integration					
Expenditure	-7,082	-8,746	-8,001	-7,785	744
Incl. funds with limits	-4,818	-5,924	-5,512	-6,495	413
ADJUSTMENTS			34,150	32,214	
Tax revenue received			38,183	33,707	
Pass-through tax revenue, the difference between accrued and cash-based expenses			-2,932	-547	
Non-monetary government grants received			11	3	
Foreign aid intermediated to state agencies			203	0	
Foreign aid co-financing received from other areas of government			139	101	
Foreign aid and co-financing awarded to other areas of government			-239	0	
Doubtful accounts, reversed income			1	1	
Doubtful accounts, reversed expenses			-1	-1	
Revaluation of holdings			-1,214	-1,050	
Section 7. Area of government of the MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS					
INCOME	541,046	566,810	329,414	233,159	-237,396
EXPENDITURE	-813,851	-1,046,732	-757,903	-620,445	288,829
Incl. funds with limits	-338,112	-664,105	-441,338	-368,350	222,767

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
INVESTMENTS	-229,406	-247,496	-216,990	-190,006	30,505
Incl. funds with limits	-179,970	-196,560	-184,849	-161,756	11,710
TOTAL FINANCING TRANSACTIONS	-3,000	-59,600	-1,788	-850,195	57,812
Incl. funds with limits	-3,000	-59,600	-33,000	-834,320	26,600
VALUE ADDED TAX EXPENSE	-55,573	-52,924	-62,319	-47,826	-9,394
Performance area: RESEARCH AND DEVELOPMENT AND ENTREPRENEURSHIP					
EXPENDITURE	-249,951	-312,730	-206,968	-127,775	105,762
Incl. funds with limits	-60,426	-221,812	-116,268	-77,439	105,544
INVESTMENTS	-2,415	-3,584	-1,732	-4,248	1,852
Incl. funds with limits	-1,796	-2,129	-885	-4,024	1,244
Programme: Competitive business environment					
EXPENDITURE	-143,610	-187,292	-159,228	-105,037	28,064
Incl. funds with limits	-45,349	-124,169	-96,718	-65,671	27,451
INVESTMENTS	-2,085	-2,330	-749	-4,248	1,581
Incl. funds with limits	-1,466	-1,615	-636	-4,024	979
Programme: Construction					
Expenditure	-106,341	-125,438	-47,739	-22,737	77,698
Incl. funds with limits	-15,077	-97,643	-19,550	-11,768	78,093
Investments	-330	-1,254	-983	0	271
Incl. funds with limits	-330	-514	-249	0	265
Performance area: TRANSPORT					
Programme: Transport					
Expenditure	-472,163	-492,636	-431,638	-417,159	60,998
Incl. funds with limits	-251,664	-286,044	-251,907	-255,755	34,137
Investments	-222,428	-228,258	-205,644	-178,957	22,614
Incl. funds with limits	-174,426	-185,124	-178,062	-154,719	7,062

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Performance area: INFORMATION SOCIETY					
EXPENDITURE	-60,712	-55,062	-44,349	-33,878	10,713
Incl. funds with limits	-23,720	-40,236	-32,016	-20,854	8,220
INVESTMENTS	-4,564	-15,652	-9,614	-6,801	6,039
Incl. funds with limits	-3,748	-9,306	-5,902	-3,013	3,404
Programme: Development of e-governance and telecommunications					
EXPENDITURE	-54,583	-45,515	-37,539	-28,195	7,977
Incl. funds with limits	-19,420	-34,412	-27,750	-17,263	6,662
INVESTMENTS	-4,414	-12,728	-8,182	-5,983	4,547
Incl. funds with limits	-3,748	-6,784	-5,248	-2,799	1,535
Programme: Cybersecurity					
Expenditure	-6,129	-9,547	-6,811	-5,684	2,736
Incl. funds with limits	-4,300	-5,824	-4,266	-3,591	1,557
Investments	-150	-2,924	-1,432	-818	1,492
Incl. funds with limits	0	-2,522	-653	-214	1,869
Performance area: ENERGY					
Programme: ENERGY					
Expenditure	-31,026	-186,304	-74,948	-41,632	111,356
Incl. funds with limits	-2,303	-116,013	-41,147	-14,302	74,866
Investments	0	-1	-1	0	1
ADJUSTMENTS			31,857	-62,436	
Non-monetary government grants received			6,023	529	
Revaluation of holdings			28,696	-59,451	
Foreign aid intermediated to state agencies			16,318	8,774	
Foreign aid co-financing received from other state agencies			275	1,806	
Foreign aid intermediated to other areas of government			-16,318	-8,774	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Foreign aid co-financing to other areas of government			-2,541	-1,444	
Doubtful receivables, reversed income			1	4	
Doubtful receivables, reversed expenses			-1	-4	
Non-monetary government grants awarded			-571	-3,845	
Interest expense on other provisions			-26	-31	
Section 8. Area of government of the MINISTRY OF RURAL AFFAIRS					
INCOME	379,573	379,573	318,993	267,758	-60,580
EXPENDITURE	-436,956	-425,363	-407,997	-366,412	17,367
Incl. funds with limits	-55,632	-78,611	-69,110	-57,828	9,501
INVESTMENTS	-2,351	-5,940	-3,941	-3,250	1,998
Incl. funds with limits	-2,057	-2,476	-1,544	-2,044	932
TOTAL FINANCING TRANSACTIONS	0	0	-8,374	-200,051	-8,374
Incl. funds with limits	0	0	4,234	-200,000	4,234
VALUE ADDED TAX EXPENSE	-2,502	-3,518	-3,402	-2,678	116
Performance area: AGRICULTURE AND FISHING					
EXPENDITURE	-436,956	-425,363	-407,997	-366,412	17,367
Incl. funds with limits	-55,632	-78,611	-69,110	-57,828	9,501
INVESTMENTS	-2,351	-5,940	-3,941	-3,250	1,998
Incl. funds with limits	-2,057	-2,476	-1,544	-2,044	932
Programme: Agriculture, food and rural affairs					
EXPENDITURE	-408,557	-407,164	-391,843	-350,886	15,321
Incl. funds with limits	-53,530	-73,491	-65,678	-55,810	7,813
INVESTMENTS	-2,307	-5,302	-3,535	-3,167	1,767
Incl. funds with limits	-2,013	-2,417	-1,488	-2,037	929
Programme: Fisheries					
Expenditure	-28,400	-18,199	-16,153	-15,526	2,046
Incl. funds with limits	-2,102	-5,120	-3,432	-2,019	1,688

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Investments	-44	-638	-406	-83	232
Incl. funds with limits	-44	-59	-56	-7	3
ADJUSTMENTS			1,054	-1,613	
Foreign aid co-financing received from other state agencies			1,414	2,358	
Received for intermediation to other state agencies			2,034	2,865	
Doubtful sales receivables recognised as reduction in revenue			-1	78	
Doubtful sales receivables recognised as reduction in expenses			1	-78	
Foreign aid received and co-financing provided to other state agencies			-2,394	-3,608	
Non-monetary government grants awarded			-1	-2	
Section 9. Area of government of the MINISTRY OF FINANCE					
INCOME	9,395,940	9,396,059	10,893,406	9,566,542	1,497,347
EXPENDITURE	-233,707	-431,095	-294,540	-239,370	136,556
Incl. funds with limits	-129,851	-256,726	-202,331	-128,615	54,395
INVESTMENTS	-4,851	-21,647	-12,785	-9,412	8,862
Incl. funds with limits	-3,750	-11,411	-3,792	-4,722	7,619
TOTAL FINANCING TRANSACTIONS	-15,949	-15,949	469,889	2,230,487	453,940
Incl. funds with limits	-73	-73	-72	-7,081	0
VALUE ADDED TAX EXPENSE	-6,325	-7,899	-7,892	-7,207	7
Performance area: EFFECTIVE STATE					
EXPENDITURE	-233,707	-431,095	-294,540	-239,370	136,556
Incl. funds with limits	-129,851	-256,726	-202,331	-128,615	54,395
INVESTMENTS	-4,851	-21,647	-12,785	-9,412	8,862
Incl. funds with limits	-3,750	-11,411	-3,792	-4,722	7,619
Programme: Public finance					
EXPENDITURE	-74,288	-79,398	-68,755	-73,883	10,643
Incl. funds with limits	-54,739	-56,505	-53,969	-56,168	2,536
INVESTMENTS	-331	-7,438	-6,334	-2,609	1,104

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Incl. funds with limits	-331	-555	-178	-328	376
Programme: Administrative policy					
Expenditure	-63,918	-74,054	-61,728	-59,179	12,326
Incl. funds with limits	-41,976	-49,827	-40,037	-38,491	9,790
Investments	-4,520	-13,902	-6,143	-6,753	7,759
Incl. funds with limits	-3,419	-10,846	-3,603	-4,394	7,243
Programme: Regional policy					
EXPENDITURE	-90,169	-271,657	-160,409	-104,338	111,249
Incl. funds with limits	-27,811	-144,504	-104,823	-32,116	39,681
INVESTMENTS	0	-296	-296	0	0
Programme: Financial policy					
Expenditure	-5,332	-5,986	-3,648	-1,971	2,338
Incl. funds with limits	-5,325	-5,889	-3,502	-1,840	2,387
Investments	0	-11	-11	-50	0
Incl. funds with limits	0	-11	-11	0	0
ADJUSTMENTS			-4,198,394	-4,021,154	
Difference between accrued and cash tax revenue			-17,583	34,935	
Services sold in kind			893	901	
Non-monetary dividend income			6,433	0	
Non-monetary government grants received			87	979	
Government non-monetary grants awarded and management expense			-3,641	-4,223	
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			-4,182,955	-4,049,139	
Taxes, fines and late interests recognised as doubtful, recovery of revenue			38,517	73,426	
Taxes, fines and late interests recognised as doubtful, recovery of expenditure			-38,517	-73,426	

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Foreign aid intermediated to other areas of government, recovery of income			4,017	3,492	
Foreign aid co-financing received from other areas of government			1,386	648	
Foreign aid intermediated to other areas of government			-4,017	-3,492	
Foreign aid co-financing to other areas of government			-3,013	-5,255	
Labour costs capitalised into investments (increasing an investment)			-58	0	
Labour costs capitalised into investments (reduction of costs)			58	0	
Investments funded with capital lease liabilities			0	-44	
Financing transactions from capital lease liabilities incurred			0	44	
Section 10. Area of government of the MINISTRY OF THE INTERIOR					
INCOME	59,880	59,113	50,205	48,318	-8,908
EXPENDITURE	-423,127	-457,178	-414,870	-393,300	42,309
Incl. funds with limits	-378,215	-400,487	-373,328	-352,455	27,158
INVESTMENTS	-25,077	-50,896	-31,511	-33,185	19,385
Incl. funds with limits	-18,972	-36,750	-26,225	-25,697	10,525
VALUE ADDED TAX EXPENSE	-19,931	-19,575	-23,427	-23,044	-3,852
Performance area: POPULATION AND COHESIVE SOCIETY					
EXPENDITURE	-21,770	-20,473	-16,947	-10,841	3,526
Incl. funds with limits	-19,664	-18,487	-15,743	-10,816	2,743
INVESTMENTS	-542	-1,308	-833	-4	474
Incl. funds with limits	-541	-1,015	-791	-3	224
Programme: Strong civil society					
EXPENDITURE	-6,129	-6,855	-5,016	-10,841	1,839
Incl. funds with limits	-6,098	-6,836	-4,998	-10,816	1,838
INVESTMENTS	-3	-314	-235	-4	79
Incl. funds with limits	-3	-313	-235	-3	78
Programme: Sustainable Estonia and efficient population operations					

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
EXPENDITURE	-8,268	-7,325	-5,927	0	1,398
Incl. funds with limits	-7,307	-5,796	-5,111	0	686
INVESTMENTS	-534	-982	-594	0	388
Incl. funds with limits	-533	-692	-552	0	140
Programme: Global Estonian					
EXPENDITURE	-398	-132	-26	0	106
Incl. funds with limits	-395	-129	-26	0	104
INVESTMENTS	-2	-2	0	0	2
Incl. funds with limits	-2	-2	0	0	2
Programme: Effective adaptation and integration policy					
EXPENDITURE	-1,563	-748	-565	0	183
Incl. funds with limits	-450	-312	-196	0	116
INVESTMENTS	-4	-9	-4	0	5
Incl. funds with limits	-4	-8	-4	0	4
Programme: Financing of political parties					
EXPENDITURE	-5,413	-5,413	-5,413	0	0
Incl. funds with limits	-5,413	-5,413	-5,413	0	0
Performance area: INTERNAL SECURITY					
Programme: Internal security					
Expenditure	-401,356	-436,706	-397,923	-381,453	38,783
Incl. funds with limits	-358,551	-382,000	-357,585	-340,643	24,415
Investments	-24,535	-49,588	-30,677	-33,174	18,911
Incl. funds with limits	-18,431	-35,734	-25,434	-25,686	10,301
Performance area: FAMILY POLICY					
Programme for children and families					
Expenditure	0	0	0	-1,006	0
Incl. funds with limits	0	0	0	-995	0

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Investments	0	0	0	-8	0
Incl. funds with limits	0	0	0	-7	0
ADJUSTMENTS			-70,968	-65,643	
Non-monetary aid received			3,812	1,067	
Foreign aid co-financing received from other state agencies			1,322	2,022	
Foreign aid intermediated to other state agencies			24	332	
Foreign aid and co-financing awarded to other state agencies			-203	-426	
Difference between grants received and awarded			0	0	
Doubtful fines, reversed income			783	2,101	
Doubtful fines, reversed expenses			-783	-2,101	
Doubtful income from economic activities, reversed income			-5	1	
Doubtful income from economic activities, reversed expenses			5	-1	
Non-monetary government grants awarded and expenditure incurred with non-monetary support			-191	-350	
Labour costs capitalised into investments (increasing an investment)			-1,169	-1,101	
Labour costs capitalised into investments (reduction of expense)			1,169	1,101	
Adjustment by payment of special pensions and pension increases			363	210	
Public sector special pensions and pension increases			-45,689	-40,598	
Interest expense on pension provisions			-30,341	-27,914	
Adjustment by disbursement of provisions in the event of death or injuries			0	79	
Interest expense on other provisions			-65	-65	
Section 11. Area of government of the MINISTRY OF SOCIAL AFFAIRS					
INCOME	125,115	184,211	160,562	115,044	-23,649
EXPENDITURE	-5,888,731	-6,320,869	-6,366,156	-5,765,316	-45,287
Incl. funds with limits	-276,036	-644,280	-574,371	-244,651	69,910
INVESTMENTS	-4,680	-17,770	-10,959	-9,347	6,811

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Incl. funds with limits	-4,484	-10,963	-6,345	-6,891	4,618
FINANCING TRANSACTIONS	0	-1,500	0	0	1,500
Incl. funds with limits	0	-1,500	0	0	1,500
VALUE ADDED TAX EXPENSE	-5,224	-6,479	-8,273	-7,038	-1,795
Performance area: WELFARE					
EXPENDITURE	-4,096,560	-4,261,860	-4,240,434	-4,013,847	21,427
Incl. funds with limits	-84,033	-244,675	-226,257	-80,163	18,417
INVESTMENTS	-141	-9,134	-6,121	-2,308	3,013
Incl. funds with limits	-141	-7,231	-4,535	-920	2,696
Labour market programme					
EXPENDITURE	-760,409	-815,776	-823,641	-688,529	-7,865
Incl. funds with limits	-9,120	-66,995	-64,914	-8,241	2,081
INVESTMENTS	-71	-1,162	-868	-1,180	294
Incl. funds with limits	-71	-237	-84	-355	153
Social security programme					
EXPENDITURE	-2,459,699	-2,546,679	-2,554,086	-2,478,743	-7,407
Incl. funds with limits	-4,904	-91,033	-85,104	-5,263	5,929
INVESTMENTS	-70	-5,527	-3,208	-446	2,319
Incl. funds with limits	-70	-4,730	-2,588	-289	2,143
Welfare programme					
Expenditure	-85,770	-100,043	-88,683	-86,173	11,360
Incl. funds with limits	-51,718	-60,880	-54,313	-48,421	6,567
Investments	0	-2,105	-1,955	-561	150
Incl. funds with limits	0	-1,955	-1,804	-168	150
Gender equality programme					
EXPENDITURE	-1,945	-2,332	-1,609	-1,379	724
Incl. funds with limits	-1,243	-1,319	-890	-821	429

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
INVESTMENTS	0	-35	-35	-19	0
Incl. funds with limits	0	-27	-27	-11	0
Programme for children and families					
EXPENDITURE	-788,737	-797,030	-772,415	-759,023	24,616
Incl. funds with limits	-17,047	-24,447	-21,036	-17,416	3,411
INVESTMENTS	0	-305	-55	-101	250
Incl. funds with limits	0	-282	-32	-97	250
Performance area: HEALTH					
EXPENDITURE	-1,792,172	-2,059,009	-2,125,722	-1,751,468	-66,713
Incl. funds with limits	-192,003	-399,606	-348,113	-164,489	51,492
INVESTMENTS	-4,539	-8,636	-4,838	-7,039	3,798
Incl. funds with limits	-4,343	-3,732	-1,810	-5,971	1,922
Healthy environment programme					
EXPENDITURE	-6,643	-9,149	-7,079	-10,039	2,070
Incl. funds with limits	-4,745	-5,489	-4,622	-7,482	866
INVESTMENTS	0	-471	-157	-159	314
Incl. funds with limits	0	-46	-39	-10	7
Healthy choices programme					
Expenditure	-20,080	-25,419	-21,061	-17,728	4,357
Incl. funds with limits	-15,621	-18,122	-15,601	-13,222	2,521
Investments	0	-239	-183	-56	56
Incl. funds with limits	0	-221	-165	-52	56
Human-centred healthcare programme					
EXPENDITURE	-1,765,448	-2,024,441	-2,097,581	-1,723,702	-73,141
Incl. funds with limits	-171,637	-375,995	-327,890	-143,784	48,105
INVESTMENTS	-4,539	-7,926	-4,498	-6,824	3,428
Incl. funds with limits	-4,343	-3,465	-1,606	-5,909	1,859

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
ADJUSTMENTS			3,962,628	3,703,438	
Taxes and social security contributions			4,128,225	3,853,692	
Result from revaluation of holdings			0	296	
Pass-through tax revenue, the difference between accrued and cash expenses			-13,412	9,132	
Interest expense of provisions			-61,103	-52,775	
Foreign aid co-financing received from other state agencies			459	429	
Foreign aid and co-financing intermediated to other areas of government			-584	-651	
Foreign aid intermediated to other areas of government (recovery of income)			440	0	
Doubtful accounts, reversed income			4	4	
Doubtful accounts, reversed expenses			-4	-4	
Cost of suspending 4% payments of funded pension			-205,487	-147,500	
4% payments of funded pension in the expenditure of the budget, elimination			79,738	0	
Formation of pension provisions			-44,084	-31,236	
Disbursements of pension provisions, elimination from expenses			78,436	72,052	
Section 13. Area of government of the MINISTRY OF FOREIGN AFFAIRS					
INCOME	5,376	7,971	3,189	2,038	-4,782
EXPENDITURE	-83,579	-90,430	-76,082	-75,446	14,348
Incl. funds with limits	-79,360	-83,976	-70,711	-70,839	13,264
INVESTMENTS	-10,284	-21,638	-17,197	-9,367	4,441
Incl. funds with limits	-10,284	-20,674	-16,983	-9,367	3,692
FINANCING TRANSACTIONS	-22	-22	-19	-21	3
Incl. funds with limits	-22	-22	-19	-21	3
VALUE ADDED TAX EXPENSE	-395	-400	-1,000	-788	-600
Performance area: FOREIGN POLICY					

	Initial budget	Final budget	Implementation of the budget	Implementation of the budget for 2020	Implementation of the budget minus the final budget
Programme: Foreign policy					
EXPENDITURE	-68,578	-72,094	-62,512	-61,204	9,582
Incl. funds with limits	-64,496	-65,884	-57,284	-56,727	8,600
INVESTMENTS	-10,284	-21,638	-17,197	-9,367	4,441
Incl. funds with limits	-10,284	-20,674	-16,983	-9,367	3,692
Programme: Development cooperation and humanitarian aid					
EXPENDITURE	-15,002	-18,336	-13,570	-14,242	4,766
Incl. funds with limits	-14,864	-18,092	-13,427	-14,112	4,665
ADJUSTMENTS			0	3	
Foreign aid co-financing received from other state agencies			0	3	

Explanations to the implementation of the state budget 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, including the public sector financial accounting and reporting guidelines. The Estonian financial reporting standard is based on internationally acknowledged financial reporting standards, including 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. Pursuant to the State Budget Act, state accounting entities are also administrative subjects of the state budget concerning whom a report on the implementation of the state budget 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 annual accounts.

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 report on the implementation of the state budget, which has been rounded to the nearest thousand.

Material changes to accounting policies, methods of presentation and forecasts

The state makes payments to II pillar funded pension funds to the extent of 4%, i.e. double the amount, in addition to the amounts withheld to the extent of 2% from the wages of employees who have joined the funded pension scheme and paid to funded pension funds through the Tax and Customs Board. According to the Social Tax Act, 4% payments are made from social tax and are planned in the state budget and recognised in the state report as the expenditure of transfer of taxes. During the period from July 2020 to August 2021, the state suspended 4% payments to funds and will pay the amounts retroactively to those leaving the funded pension scheme at the time of final payments and to the rest in 2023 and 2024. Upon preparing the 2020 report, it was assumed that 4% payments would also be retroactively made from social tax and the respective provision was recognised under expenditure as the cost of transfer of social tax. In 2021, it turned out that funds were allocated from the state budget to pay the suspended part and no social tax funds were used for this purpose. For this reason, the expenditure of 2020 in the amount of 147.5 million euros (in double the amount based on 2% payment declared during the period from July to December) recognised in this report has been moved from the entry of pass-through taxes to the entry of grants awarded (see also Note a19 B2).

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 section in the balance sheet includes cash at hand, bank account balances (except 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 within 12 months after the balance sheet date. Long-term financial investments reflect securities unlikely to be sold within the nearest 12 months (except holdings where the reporting entity exercises controlling influence, given by voting right starting from 20% ownership interest) and securities with a fixed maturity of more than 12 months after the balance sheet date.

Financial investments (except 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 (e.g. the original cost less potential write-downs, if the value covered by the investment has dropped below the book value).

Financial investments into bonds and other debt instruments held to maturity 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% if their payment deadline is overdue by more than 180 days; receivables from physical persons have been written down by 100% 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 hedging instrument, the effective portion of the its 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 costs related to acquisition. In charging inventories to costs, 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.

Ownership interest in foundations and non-profit associations

The balance sheet of the reporting entity shows ownership interest 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. Ownership interest is recognised in the unconsolidated report at deemed cost (see explanation). In the consolidated reports, the foundations and non-profit associations under controlling influence have been consolidated line-by-line.

Ownership interest in subsidiaries and associates

A subsidiary is considered to be under controlling influence if the reporting entity owns more than 50% 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 a company where 20 to 50% of the voting shares are held. Holdings in the shares of subsidiaries and associates are recognised in the unconsolidated reports at deemed cost (see 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 ownership interest 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 ownership interest acquired after 31 December 2003, as cost. Deemed cost is written down if the share owned by the entity holding the ownership interest in the investee drops below the value of the ownership interest 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 ownership interest acquired are evaluated at fair value, except 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, expenses 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 potential write-downs).

Property, plant and equipment

Assets with an expected useful life longer than one year and cost starting from 5,000 euros are accounted for as property, plant and equipment. 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 tangible assets. All other entities do not capitalise their loan expenses but record these under interest charges as accrued. Reconstruction costs of the property, plant and equipment, which comply with the definition of property, plant and equipment, are added to the cost of property, plant and equipment.

Property, plant and equipment are recorded at cost, less accumulated depreciation and potential 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 5,000 euros are accounted for as intangible assets. Intangible assets are recorded at cost, less accumulated depreciation and potential write-downs due to impairment. The linear method is used for calculating depreciation of intangible 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 asset depending on their estimated realisation period. Emission allowances allocated free of charge by the state and unsold 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 a zero cost basis.

Biological assets used for activities not aimed at sale are recorded at cost, less depreciation and potential 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

Financial 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 payables, income and expenses are eliminated in the consolidated report).

(a) The reporting entity is the lessee

Financial 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 financial 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. Financial lease payments are divided into principal repayments that reduce the outstanding liability and interest charges.

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 financial lease are recognised in the balance sheet as a receivable in the amount of the net investment made in financial lease. Lease payments received from the lessee are divided into principal repayments of the financial 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 amortised 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 Member States of the European Union. Therefore, the part of the bonds issued by it corresponding to a Member State's quota is recorded as a debt obligation 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 charges 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).

Concession agreements for services

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 financial 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 a discount rate of 4%.

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 whose amount cannot be reliably estimated are disclosed in the notes to the annual report 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 are entitled to a special pension 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 salary 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 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).

Government grants

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 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.

Sale of emission allowance credits

Revenue from the sale of emission allowance credits is generally recognised at the transfer of ownership of the allowances. If the contract for the purchase and sale of allowances stipulates that the money received from the sale may only be used for the implementation of certain environmental protection projects, the receivable from the buyer is also recognised as a liability (deferred income) upon the transfer of ownership. The corresponding liability is recognised as revenue in the period where the expenditure for which the revenue is authorised is used.

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).

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 translated into euros according to the official exchange rates of the European Central Bank at the balance sheet date. Exchange gains and losses are recognised in the statement of financial performance as income and expenses for the period.

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 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 salaries by 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 as taxable persons. Excise duty on fuel is not eliminated either, because it is not indicated separately on the invoices submitted by fuel sellers. Other taxes, state fees and other charges within the group have been eliminated.

Post-balance sheet date events

The annual report reflects 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 report 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 report.

Report on the implementation of the state budget

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 report on the implementation of the state budget 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, including acquisition of property, plant and equipment and intangible assets. Financing transactions are comparable to entries 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. Revenues and expenditure in the state budget are recognised based on the accounting principles used in budgeting. Revenues and expenditure that were not budgeted or were budgeted differently from the accounting principles are recorded as adjustments of the state budget revenues and expenditure. The summary part of the report on the implementation of the state budget also presents the adjustment of state budget revenues and expenditures in order to find the budgetary position. The guidelines for the calculation of the budgetary position are established 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 have been described and the implementation of the state budget has been compared with other unconsolidated state reports and their notes in Note a31 explaining the report on the implementation of the state budget.

The report presents the initial and final budget. The initial budget reflects the State Budget Act 2021 passed by the Riigikogu at the end of 2020. The final budget includes the adjustments decided or revealed in 2021, i.e. changes on the basis of the State Budget Amendment Act, changes in the breakdown of the Government of the Republic and allocations from reserves, limits arising from carrying over the balances of 2020, actual income, actual economic income, etc. (see Note a31).

2.7 Notes (a1-a32)

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 31.12.2021	Liabilities 31.12.2021	Indicators of the statement of financial performance 2021			Assets 31.12.2020	Liabilities 31.12.2020	Indicators of the statement of financial performance 2020			Assets 31.12.2019	Liabilities 31.12.2019
			Income from operations	Operating expenses	Financial income and expenditure			Income from operations	Operating expenses	Financial income and expenditure		
Riigikogu	20.8	3.1	0.1	-23.2	-0.1	21.3	2.8	0.1	-21.2	-0.1	20.0	2.7
President of the Republic	4.0	7.4	0.1	-5.5	-0.2	4.0	5.8	0.4	-4.6	-0.2	4.0	6.0
National Audit Office	0.3	0.5	0.0	-5.1	0.0	0.2	0.4	0.0	-4.8	0.0	0.2	0.4
Chancellor of Justice	0.0	0.3	0.0	-3.0	0.0	0.0	0.2	0.0	-2.8	0.0	0.0	0.2
Supreme Court	7.4	14.4	0.3	-5.4	-0.5	7.6	13.4	0.2	-6.6	-0.4	7.3	12.4
Government Office	12.8	3.0	1.7	-18.2	0.0	10.3	3.7	1.6	-17.5	0.0	9.4	3.3
Ministry of Education and Research	497.6	186.4	168.5	-753.6	0.1	385.3	97.5	117.8	-697.1	5.9	376.4	78.5
Ministry of Justice	37.1	186.4	49.2	-193.4	-5.7	36.6	169.7	41.9	-187.0	-4.9	36.5	152.9
Ministry of Defence	894.3	820.3	16.7	-622.8	-26.4	790.7	739.9	42.1	-609.4	-24.2	714.9	678.2
Ministry of the Environment	1,902.3	83.8	447.9	-183.2	257.9	1,673.1	41.2	314.6	-195.2	180.3	1,566.5	41.8
Ministry of Culture	212.1	59.0	48.9	-319.9	-1.2	204.2	50.4	44.0	-282.1	-1.0	195.0	46.6
Ministry of Economic Affairs and Communications	3,815.6	287.3	304.8	-839.5	75.7	3,705.3	206.1	264.0	-682.3	-79.3	2,882.2	209.4
Ministry of Rural Affairs	573.6	318.1	330.9	-412.0	-10.2	555.3	288.1	290.3	-372.8	-17.2	360.2	273.7
Ministry of Finance	6,208.4	7,680.6	10,884.7	-6,906.6	40.4	6,075.7	7,216.2	9,614.8	-6,644.4	63.0	5,078.5	3,923.3

Area of government	Assets 31.12.2021	Liabilities 31.12.2021	Indicators of the statement of financial performance 2021			Assets 31.12.2020	Liabilities 31.12.2020	Indicators of the statement of financial performance 2020			Assets 31.12.2019	Liabilities 31.12.2019
			Income from operations	Operating expenses	Financial income and expenditure			Income from operations	Operating expenses	Financial income and expenditure		
Ministry of the Interior	263.6	902.6	55.6	-483.0	-30.4	250.4	831.7	53.3	-457.9	-28.0	232.3	764.8
Ministry of Social Affairs	500.7	2,303.3	4,289.5	-6,479.6	-61.1	469.5	1,898.6	3,969.1	-5,870.5	-52.5	359.1	1,486.7
Ministry of Foreign Affairs	147.9	7.0	3.2	-77.1	0.0	125.1	6.2	2.1	-76.2	-0.1	119.0	4.9
Eliminations	-865.0	-851.4	-4,420.7	4,405.0	0.1	-688.3	-837.7	-4,129.1	4,278.9	1.2	-566.0	-564.8
Total	14,233.5	12,012.1	12,181.4	-12,926.1	238.4	13,626.3	10,734.2	10,627.2	-11,853.5	42.5	11,395.5	7,121.0

In the table above, the change in the fair value of biological assets is also included in operating income. The report is comparable to the report on the implementation of the state budget (see 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% to 50% share of ownership are accounted for in the consolidated report using the equity method.

B1. State ownership interest in foundations

In millions of euros

Foundations consolidated with a 100% share of ownership interest

	Assets 31.12.2021	State equity capital 31.12.2021	Indicators of the statement of financial performance 2021					Assets 31.12.2020	State equity capital 31.12.2020	Indicators of the statement of financial performance 2020					Assets 31.12.2019	State equity capital 31.12.2019
			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
Total foundations	2,206.7	947.0	1,045.5	374.6	-1,022.1	-190.6	28.2	-2,253.6	916.8	949.5	326.9	-936.6	-171.8	13.1	1,282.9	832.6
Foundations included in the general government report	2,188.9	938.1	1,039.7	373.3	-1,016.1	-189.5	28.4	2,233.8	907.2	943.6	325.9	-930.6	-170.9	13.2	1,264.9	823.0
SA Eesti Koostöö Kogu	0.3	0.1	0.2	0.2	-0.2	0.0	0.1	0.1	0.1	0.3	0.2	-0.3	0.0	0.0	0.1	0.1
SA Vabariigi Presidendi Kultuurirahastu	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
SA Eesti Teadusagentuur	27.2	21.9	77.9	77.0	-70.1	-60.3	7.8	18.8	14.1	61.8	61.4	-54.9	-45.8	7.0	10.7	7.1
Hariduse Infotehnoloogia SA (liquidated in 2021)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	2.8	-8.1	-3.5	-5.0	15.9	14.1
SA Innove (liquidated in 2021)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0	9.0	-12.4	-4.5	-3.3	8.0	3.4
SA Kutsekoda	1.0	0.7	2.2	1.9	-2.4	-0.9	-0.3	1.1	1.0	2.8	2.5	-2.5	-0.7	0.3	0.9	0.7
Archimedes SA (liquidated in 2021)	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	53.2	0.1	20.8	8.6	-21.0	-15.8	-0.1	45.3	0.5
Spordikoolituse ja Teabe SA	0.3	0.1	9.9	9.8	-9.9	-9.2	0.0	0.2	0.1	8.4	8.2	-8.4	-7.7	-0.1	1.0	0.9
SA Teaduskeskus Ahhaa	8.9	8.2	3.1	1.0	-3.5	-0.1	-0.3	9.5	8.5	2.4	1.1	-2.7	0.0	-0.3	9.4	8.9

	Assets 31.12.2021	State equity capital 31.12.2021	Indicators of the statement of financial performance 2021					Assets 31.12.2020	State equity capital 31.12.2020	Indicators of the statement of financial performance 2020					Assets 31.12.2019	State equity capital 31.12.2019
			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
SA Euroopa Kool	1.4	0.5	5.2	3.1	-5.0	0.0	0.3	1.0	0.2	4.6	2.9	-4.5	0.0	0.0	0.9	0.1
SA Rahvusvaheline Kaitseuringute Keskus	1.7	1.4	2.5	1.9	-2.1	0.0	0.4	1.9	1.0	1.7	1.5	-1.5	0.0	0.2	1.0	0.8
SA CR14 (founded in 2020)	6.0	5.6	7.7	6.9	-3.2	0.0	4.5	1.2	1.2	0.0	0.0	-0.1	0.0	-0.1	0.0	0.0
Sakala Teatrimaja SA	0.5	0.4	0.3	0.2	-0.3	0.0	-0.1	0.5	0.4	0.3	0.2	-0.3	0.0	0.0	0.5	0.5
SA Eesti Filmi Instituut (group)	4.2	0.8	17.9	17.2	-17.7	-15.8	0.2	2.7	0.6	9.7	8.7	-9.6	-7.7	0.1	2.2	0.5
SA Virumaa Muuseumid	5.3	4.9	2.5	1.4	-2.6	0.0	-0.1	5.3	5.0	2.9	2.1	-2.4	0.0	0.5	4.9	4.6
Tartu Jaani Kirik SA	0.1	0.1	0.1	0.1	-0.1	0.0	0.0	0.1	0.1	0.1	0.0	-0.1	0.0	0.0	0.1	0.0
Eesti Laulu- ja Tantsupeo SA	1.6	1.5	1.8	1.7	-1.8	-0.6	0.0	1.6	1.5	1.9	1.9	-1.9	-1.2	-0.1	1.7	1.6
Unesco Eesti Rahvuslik Komisjon SA	0.0	0.0	0.1	0.1	-0.1	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	7.7	6.5	4.5	3.2	-4.4	0.0	0.1	7.3	6.4	4.3	3.2	-4.5	0.0	-0.2	7.9	6.6
SA Rakvere Teatrimaja	6.9	6.5	3.3	2.5	-3.1	0.0	0.2	6.7	6.3	3.3	2.3	-3.0	0.0	0.3	6.5	6.0
SA Vene Teater	7.8	5.8	3.0	2.5	-3.0	0.0	0.0	8.3	5.8	2.9	2.4	-2.9	0.0	0.0	8.7	5.7
SA Ugala Teater	12.1	11.8	3.0	2.1	-3.6	0.0	-0.6	12.6	12.4	3.3	2.2	-3.6	0.0	-0.3	13.0	12.7
SA Tehvandi Spordikeskus	30.8	29.6	8.1	6.2	-6.1	0.0	2.0	29.2	27.6	7.6	6.2	-4.9	0.0	2.7	25.7	24.9
SA Jõulumäe Tervisespordikeskus	3.5	3.1	1.4	1.1	-1.1	0.0	0.3	2.9	2.8	1.2	0.9	-1.1	0.0	0.1	2.8	2.8
SA Kultuurileht	0.8	0.4	3.7	3.1	-3.7	0.0	0.0	1.0	0.4	3.7	3.1	-3.7	0.0	0.0	0.8	0.4
SA Endla Teater	6.1	5.1	2.9	2.0	-3.5	0.0	-0.6	6.6	5.7	3.6	2.3	-3.5	0.0	0.1	6.6	5.7
SA Teater Vanemuine	17.2	15.3	10.6	9.2	-11.7	0.0	-1.1	18.2	16.4	10.6	9.0	-11.4	0.0	-0.8	19.4	17.2
SA Eesti Noorsooteater	0.4	0.1	3.7	3.4	-3.8	0.0	0.0	0.3	0.1	3.5	3.1	-3.5	0.0	0.0	0.4	0.1
SA Narva Muuseum	15.8	14.4	1.8	1.3	-2.4	0.0	-0.6	16.1	14.9	3.3	2.7	-2.3	-0.1	0.9	16.1	14.0
SA Haapsalu ja Läänemaa Muuseumid (group)	6.2	5.9	1.3	1.0	-1.6	0.0	-0.3	6.4	6.2	1.5	1.1	-1.7	0.0	-0.2	7.2	6.4
SA Eesti Tervishoiu Muuseum	1.0	1.0	1.2	1.1	-1.3	0.0	-0.1	1.1	1.0	1.1	1.0	-1.0	0.0	0.1	0.9	0.9
SA Eesti Vabaõhumuuseum	10.8	10.4	4.0	3.1	-3.6	0.0	0.3	10.5	10.0	3.5	2.9	-3.1	0.0	0.4	10.1	9.6
SA Eesti Kontsert	22.7	21.5	8.7	6.7	-7.8	0.0	0.9	22.0	20.7	9.7	8.3	-6.8	0.0	2.1	20.5	18.5
SA Eesti Riiklik Sümfooniaorkester	1.5	1.1	3.7	3.5	-3.7	0.0	0.1	1.3	1.0	3.7	3.5	-3.5	0.0	0.2	1.1	0.8
SA Hiiumaa Muuseumid	0.3	0.2	0.3	0.3	-0.4	0.0	0.0	0.3	0.3	0.3	0.3	-0.3	0.0	0.0	0.3	0.2
SA Eesti Filharmoonia Kammerkoor	0.4	0.3	1.4	1.1	-1.4	0.0	0.0	0.4	0.2	1.2	1.1	-1.2	0.0	0.0	0.4	0.2
SA Pärnu Muuseum	1.1	1.0	1.1	1.0	-1.1	0.0	0.0	1.1	0.9	1.6	1.6	-1.0	0.0	0.6	0.5	0.3
SA Eesti Kunstimuuseum	22.9	22.1	11.7	10.4	-11.4	0.0	0.3	22.3	21.8	11.6	10.5	-11.0	0.0	0.6	21.7	21.2
SA Eesti Meremuuseum	15.5	15.0	7.4	5.5	-7.8	0.0	-0.4	16.2	15.5	7.5	5.8	-7.4	0.0	0.1	16.2	15.4
SA Saaremaa Muuseum	13.6	13.6	1.7	1.2	-1.4	0.0	0.3	13.3	13.2	1.2	0.9	-1.0	0.0	0.2	13.0	13.0
SA Eesti Ajaloomuuseum	16.3	16.0	2.5	2.2	-3.8	0.0	-1.2	17.6	17.2	2.6	2.3	-3.7	0.0	-1.1	18.7	18.3
SA Eesti Spordi- ja Olümpiamuuseum (consolidated since 2021)	0.8	0.7	1.0	0.9	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ettevõtlike Arendamise SA	18.0	10.3	93.5	93.1	-93.5	-57.5	-0.1	23.6	10.4	67.3	67.0	-68.0	-41.1	-1.0	20.7	11.3

	Assets 31.12.2021	State equity capital 31.12.2021	Indicators of the statement of financial performance 2021					Assets 31.12.2020	State equity capital 31.12.2020	Indicators of the statement of financial performance 2020					Assets 31.12.2019	State equity capital 31.12.2019
			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state			Income from operations	Incl. grants awarded	Operating expenses	Incl. grants awarded	Surplus/deficit of the state		
Riigi Infokommunikatsiooni SA	10.7	9.4	6.3	2.8	-6.2	0.0	0.1	10.5	9.3	5.5	2.2	-5.6	0.0	-0.1	10.6	9.4
SA KredEx	952.5	132.3	26.3	19.9	-25.1	-17.5	4.5	968.8	127.8	17.2	12.0	-16.4	-8.4	1.2	203.3	126.6
SA Eesti Maaelumuuseumid	8.9	8.7	3.4	3.2	-2.3	0.0	1.2	8.0	6.4	4.9	4.7	-2.0	0.0	3.0	3.6	3.4
Maaelu Edendamise SA	312.5	143.9	6.8	1.2	-8.5	-3.8	0.3	309.6	143.6	5.2	1.1	-6.0	0.0	0.9	121.8	62.6
Keskkonnainvesteeringute Keskus SA	74.8	31.9	16.0	16.0	-20.4	-16.7	-4.1	89.0	36.0	17.2	17.2	-30.8	-27.0	-13.3	108.1	49.3
Integratsiooni SA	3.2	1.4	6.3	6.2	-6.0	-1.1	0.3	3.6	1.1	6.6	6.6	-6.0	-0.8	0.6	2.1	0.5
SA Erametsakeskus	1.4	1.2	4.5	4.2	-4.3	-2.8	0.2	1.2	1.0	3.5	3.5	-4.7	-3.0	-1.1	2.9	2.2
SA Kodanikuühiskonna Sihtkapital	1.6	0.1	1.8	1.7	-1.8	-1.4	0.0	1.0	0.1	1.7	1.7	-1.7	-1.3	0.0	0.8	0.1
Jõgeva Haigla SA	2.4	1.5	6.1	0.0	-6.1	0.0	0.0	2.2	1.4	5.5	0.0	-5.4	0.0	0.1	2.0	1.3
Eesti Puuetega Inimeste Fond SA	0.1	0.1	1.2	1.2	-1.2	-1.2	0.0	0.1	0.1	1.1	1.1	-1.1	-1.0	0.0	0.1	0.1
Tartu Ülikooli Kliinikum SA (group)	249.7	164.1	318.7	9.3	-313.4	-0.2	4.4	237.8	159.7	282.6	3.6	-274.3	-0.1	7.3	219.6	152.3
Põhja-Eesti Regionaalhaigla SA (group)	226.9	140.6	277.3	13.7	-271.0	0.0	5.9	221.7	134.7	259.7	11.4	-255.4	-1.2	4.1	216.4	130.6
Viljandi Haigla SA	30.3	26.1	36.7	2.8	-34.0	0.0	2.7	24.9	23.4	33.6	5.3	-28.2	0.0	5.4	20.2	18.1
Haapsalu Neuroloogiline Rehabilitatsioonikeskus SA	6.1	5.5	5.1	0.1	-4.7	0.0	0.4	6.0	5.1	4.5	0.1	-4.2	0.0	0.3	5.5	4.9
SA Eesti Tervishoiu Pildipank	4.9	4.8	1.6	0.0	-1.1	0.0	0.5	4.4	4.3	1.6	0.0	-1.2	0.0	0.5	4.0	3.9
SA Koeru Hooldekeskus	2.6	2.3	3.2	0.3	-3.1	0.0	0.1	2.5	2.1	3.1	0.5	-2.7	0.0	0.4	2.1	1.7
SA Eesti Rahvusvahelise Arengukoostöö Keskus (founded in 2021)	1.6	0.3	1.5	0.5	-1.5	-0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foundations excluded from the general government report	17.8	8.9	5.8	1.3	-6.0	-1.1	-0.2	19.8	9.6	5.9	1.0	-6.0	-0.9	-0.1	18.0	9.6
Eesti Akrediteerimiskeskus (liquidated in 2021)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.9	0.0	-0.8	0.0	0.1	0.4	0.3
SA Tallinna Teaduspark Tehnopol	17.8	8.9	5.8	1.3	-6.0	-1.1	-0.2	19.2	9.1	5.0	1.0	-5.2	-0.9	-0.2	17.6	9.3

B2. State ownership interest in subsidiaries and associates

In millions of euros

Undertaking	Share of ownership interest (%)	Assets 31.12.2021	State equity capital 31.12.2021	Indicators of the income statement 2021			Assets 31.12.2020	State equity capital 31.12.2020	Indicators of the income statement 2020			Assets 31.12.2019	State equity capital 31.12.2019
				Operating income	Operating expenses	State profit/loss			Operating income	Operating expenses	State profit/loss		
Total state subsidiaries		10,401.8	6,055.1	3,031.5	-2,480.2	462.6	9,313.1	5,484.9	2,318.0	-1,922.0	299.3	8,881.3	5,127.2
Total subsidiaries in the general government		1,215.5	845.4	288.4	-225.4	47.8	1,198.6	826.3	272.5	-205.6	48.2	1,203.0	818.7
A.L.A.R.A. AS	100	1.4	1.4	0.7	-0.6	0.1	1.3	1.3	0.5	-0.6	-0.1	1.4	1.4
AS Eesti Liinirongid	100	214.6	141.3	47.7	-48.8	-5.3	213.6	146.6	43.5	-44.5	-5.4	224.4	153.9
AS Eesti Varude Keskus	100	164.7	159.0	10.7	-9.7	0.9	156.0	155.4	15.9	-16.9	-1.1	158.2	156.9
OÜ Rail Baltic Estonia	100	39.9	30.5	23.8	-12.1	11.6	28.4	18.6	15.5	-3.6	12.0	8.0	6.6
TS Laevad OÜ (subsidiary of Tallinna Sadam AS)	67.03	108.3	22.7	30.8	-24.3	4.0	113.4	18.7	29.8	-21.5	5.0	122.2	13.7
Riigi Kinnisvara AS	100	636.9	444.1	145.0	-101.9	34.8	637.2	441.1	137.3	-91.5	34.7	643.7	444.7
AS Hoolekandeteenused (group)	100	49.7	46.4	29.7	-28.0	1.7	48.7	44.6	30.0	-27.0	3.1	45.1	41.5
Total non-government subsidiaries		9,186.3	5,209.7	2,743.1	-2,254.8	414.8	8,114.5	4,658.6	2,045.5	-1,716.4	251.1	7,678.3	4,308.5
State Forest Management Centre	100	1,695.3	1,671.5	406.7	-140.7	260.5	1,466.4	1,448.8	350.4	-154.5	181.3	1,362.3	1,337.2
Eesti Energia AS (group)	100	4,384.2	2,318.7	1,475.2	-1,329.7	104.4	3,686.2	2,007.2	907.2	-854.9	19.4	3,468.1	1,800.4
Elering AS (group)	100	1,182.9	382.1	208.1	-199.1	5.1	1,075.7	387.0	142.6	-110.0	25.3	1,024.4	388.3
Tallinna Sadam AS (group, together with TS Laevad OÜ)	67.03	629.5	254.8	111.9	-82.2	17.2	628.1	251.7	110.4	-74.9	19.1	625.5	252.7
Eesti Raudtee AS	100	374.4	176.1	55.7	-55.4	0.0	356.9	176.1	63.7	-56.3	7.1	342.6	159.0
AS Operail (group)	100	176.3	68.2	73.0	-75.5	-5.0	171.0	75.5	65.1	-58.5	2.7	145.2	60.4
Tallinna Lennujaam AS (group)	100	258.3	116.3	45.1	-42.7	2.3	230.5	94.0	36.3	-38.2	-2.0	226.1	95.5
Lennuliiklusteeninduse AS	100	38.2	18.5	17.8	-21.0	-3.5	35.9	11.9	15.7	-21.9	-6.5	40.7	18.4
Saarte Liinid AS	100	64.1	24.4	10.0	-8.6	1.4	65.2	23.0	9.0	-8.1	0.8	59.9	19.1
Eesti Post AS (group)	100	141.1	45.0	149.1	-133.1	13.1	134.5	34.3	135.6	-126.1	9.0	122.3	25.6
Eesti Loots AS	100	16.4	11.9	8.5	-7.8	0.7	16.2	11.3	8.1	-7.6	0.1	18.2	12.7
Teede Tehnokeskus AS	100	2.9	2.2	3.2	-3.0	0.2	3.0	2.3	3.5	-3.2	0.3	2.8	2.2
Metrosert AS	100	3.8	3.3	3.1	-3.1	0.0	3.7	3.3	2.6	-2.6	0.0	3.7	3.3
AS Eesti Teed (sold in 2021)	100	0.0	0.0	0.0	0.0	0.0	24.7	20.1	28.6	-25.6	2.3	25.7	21.3
KredEx Krediidikindlustus AS	100	39.7	21.2	2.0	-1.8	0.4	39.9	20.8	1.4	-2.0	-0.3	38.7	21.2
Nordic Aviation Group AS (group)	100	58.8	29.8	60.6	-59.4	1.2	59.1	28.6	61.5	-73.2	-8.2	52.5	18.6
Transpordi Varahaldus OÜ	100	78.4	35.6	9.1	-4.6	2.7	79.6	32.9	9.4	-19.4	-11.9	86.0	44.8
Eesti Keskkonnauuringute Keskus OÜ	100	8.0	6.9	9.6	-9.5	0.0	7.9	6.9	9.5	-9.7	-0.2	8.0	7.2
Eesti Loto AS	100	23.7	15.3	86.3	-69.8	13.9	20.1	15.1	77.6	-63.3	12.2	17.1	12.9
AS Vireen	100	7.8	5.9	3.1	-2.7	0.3	7.5	5.8	2.9	-2.2	0.5	6.0	5.6
Eesti Põllumajandusloomade Jõudluskontrolli AS	93.3	1.4	1.3	1.5	-1.4	0.1	1.3	1.2	1.6	-1.4	0.1	1.4	1.3

Undertaking	Share of ownership interest (%)	Assets 31.12.2021	State equity capital 31.12.2021	Indicators of the income statement 2021			Assets 31.12.2020	State equity capital 31.12.2020	Indicators of the income statement 2020			Assets 31.12.2019	State equity capital 31.12.2019
				Operating income	Operating expenses	State profit/loss			Operating income	Operating expenses	State profit/loss		
Eesti Vanglatööstus AS	100	1.1	0.7	3.5	-3.7	-0.2	1.1	0.8	2.8	-2.8	0.0	1.1	0.8
Total state associates		19.3	8.2	11.8	-11.5	0.0	20.5	9.0	11.3	-11.3	-0.1	22.1	9.5
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
AS Levira (group)	51	17.6	7.7	11.0	-10.7	0.0	18.8	8.4	10.5	-10.5	-0.1	20.4	9.0
Total associates of state subsidiaries		2,079.0	59.3	89.5	-114.4	2.1	1,763.5	51.3	124.9	-122.8	1.3	1,693.1	48.4
RB Rail AS (Latvia)	33.3	28.3	2.4	16.1	-16.3	-0.1	34.1	2.5	10.8	-10.9	0.1	13.0	2.4
Enefit Jordan B.V. (Jordan, Estonia)	65	0.3	0.0	0.0	-6.6	0.0	0.3	0.0	0.0	-5.5	0.0	0.3	0.0
Attarat Mining Co BV, Attarat Power Holding Co BV (group), Attarat Operation & Maintenance Co BV (Netherlands)	10	2,027.3	50.8	31.3	-53.0	0.4	1,699.8	42.8	74.9	-68.3	0.3	1,647.0	39.0
Orica Eesti OÜ (Estonia, Netherlands)	35	13.7	3.5	19.4	-15.1	1.5	12.5	3.5	5.7	-4.5	1.4	13.6	3.9
Insignificant holdings of Eesti Energia AS			0.6			0.1	2.7	0.5	5.4	-5.0	0.0	1.6	0.6
AS Green Marine	51	5.1	1.6	5.3	-4.4	0.4	4.6	1.1	3.1	-3.8	-0.5	5.3	1.6
Post11 OÜ	30	3.7	0.4	17.3	-18.9	-0.2	9.0	0.9	24.9	-24.7	0.0	11.8	0.9
Biolaborid OÜ	27.2	0.6	0.0	0.1	-0.1	0.0	0.5	0.0	0.1	-0.1	0.0	0.5	0.0

Note a2

Cash and cash equivalents

In millions of euros

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Cash	2.1	2.3	2.5	0.0	0.1	0.1
Cash in transit	2.0	3.1	1.2	0.2	0.1	0.1
Bank accounts in banks	754.4	2,010.9	1,107.0	7.3	1,341.3	694.3
Term deposits in banks	1,744.7	284.4	349.5	1,651.4	232.4	186.8
Total cash	2,503.2	2,300.7	1,460.2	1,658.9	1,573.9	881.3
Interest income of reporting period (see Note a27)	-4.3	-1.6	0.9	-4.8	-2.2	-0.1

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		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Unemployment Insurance Fund	552.6	599.9	880.6	552.6	599.9	880.6
Health Insurance Fund	355.9	202.2	181.8	355.9	202.2	181.8
Organisations not included in the public sector report	9.6	2.1	6.9	9.6	2.1	6.9
Public foundations (consolidated in the report using the line-by-line method)	0.0	0.0	0.0	0.6	0.6	8.9
Total	918.1	804.2	1,069.3	918.7	804.8	1,078.2

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		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Short-term financial investments						
Bonds in trading portfolio	461.6	644.6	516.5	448.3	630.1	500.8
Unlisted shares	0.0	0.9	1.9	0.0	13.9	0.0
Total short-term financial investments	461.6	645.5	518.4	448.3	644.0	500.8
Incl. recorded at fair value	461.6	644.6	516.5	448.3	630.1	500.8
Incl. recorded at the adjusted cost	0.0	0.9	1.9	0.0	13.9	0.0
Long-term financial investments						
Term deposits in banks	0.0	0.0	2.3	0.0	0.0	0.0
Ownership interest in international organisations	210.1	207.5	200.7	210.1	207.5	200.7
Venture capital fund holding	109.4	109.1	122.0	91.7	91.1	106.5
Unlisted shares	0.2	0.0	0.0	0.0	0.0	0.0
Other long-term financial investments	0.1	0.0	0.0	0.0	0.0	0.0
Total long-term financial investments	319.8	316.6	325.0	301.8	298.6	307.2
Incl. recorded at fair value	109.4	109.1	122.0	91.7	91.1	106.5
Incl. recorded at the adjusted cost	210.4	207.5	203.0	210.1	207.5	200.7
Interest income from bonds (see Note a27)	-3.1	-2.1	0.3	-3.2	-2.3	-0.3
Distribution of bonds according to issuer						
Euro area governments	270.6	266.7	261.3	268.0	264.4	259.6
Credit institutions	182.9	368.7	243.4	180.3	365.7	238.3

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
International organisations	0.0	0.0	3.9	0.0	0.0	2.9
Undertakings	8.1	9.2	7.9	0.0	0.0	0.0
Total bonds	461.6	644.6	516.5	448.3	630.1	500.8

The state (unconsolidated) sold its ownership interest in the subsidiary AS Eesti Teed, receiving 19.4 million euros from the sale; loss from the sale in the consolidated report is -0.7 million euros, profit from the sale in the unconsolidated report is 5.5 million euros.

The state (consolidated) sold its shares of Nord Pool AS, receiving 0.9 million euros from the sale, profit from the sale 0 euros.

Ownership interest in international organisations

	31.12.2021	31.12.2020	31.12.2019
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	0.9	0.9
European Financial Stability Facility (EFSF)	0.1	0.1	0.1
European Stability Mechanism (ESM)	148.8	148.8	148.8
International Bank for Reconstruction and Development (IBRD)	6.0	3.8	4.0
Three Seas Initiative Investment Fund	7.3	7.0	0.0
Total ownership interest in international organisations	210.1	207.5	200.7

The balance sheet includes cash contributions to the equity capital of international organisations.

An additional 1.9 million euros were paid to the IBRD group.

In 2020, Estonia joined the Three Seas Initiative Investment Fund founded in 2019 by the National Development Bank of Poland and the National Export-Import Bank of Romania. The investment sectors of the fund include infrastructure for transport, energy and digital services. In 2021, the state invested an additional 2.9 million euros (7.0 million euros in 2020) in the Fund, of which 2.6 million euros were returned to the state.

Revaluations of ownership interest totalled 0.4 million euros.

The contingent liabilities of the state from ownership interest in international organisations are presented in Note a30 A.

Venture capital fund holdings

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
SmartCap Venture Capital Fund	70.0	69.1	83.7	70.0	69.1	83.7
EstFund	21.7	22.0	22.8	21.7	22.0	22.8
Baltic Innovation Fund	17.7	18.0	15.5	0.0	0.0	0.0
Total venture capital fund holdings	109.4	109.1	122.0	91.7	91.1	106.5
Result of venture capital funds for the reporting period (see Note a27)	4.7	-14.3	4.3	0.6	-15.4	2.6

SmartCap Venture Capital Fund (formerly called Early Fund II) invests in venture capital funds that develop innovative Estonian enterprises with international growth potential, help to modernise Estonian economy and develop the local capital market. The profit of the Fund in 2021 was 0.9 million euros (14.6 million euro loss in 2020). EstFund, a sub-fund of the European Investment Fund, invests in early-stage entrepreneurs to provide venture capital. In 2021, the Fund earned a loss of 0.3 million euros (0.8 million euro loss in 2020).

SA KredEx investment in the Baltic Innovation Fund is added in the consolidated report. In 2021, SA KredEx invested a further 3.7 million euros in the Fund (4.0 million euros in 2020). An income of 4.1 million euros was calculated from the funds of the Fund (1.1 million euro income in 2020). 8.1 million euros were recovered from the Fund (2.6 million euros in 2020).

Note a4

Taxes, state fees, fines

In millions of euros

A. Tax, state fee and fine receivables

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Value added tax	462.6	408.2	379.7	482.1	417.1	386.0
Incl. in gross amount	597.0	535.6	491.3	616.5	544.5	497.6
Incl. doubtful receivables	-134.4	-127.4	-111.6	-134.4	-127.4	-111.6
Social tax	332.5	314.0	350.6	351.2	331.4	368.3
Incl. in gross amount	380.5	357.0	381.6	399.2	374.4	399.3
Incl. doubtful receivables	-48.0	-43.0	-31.0	-48.0	-43.0	-31.0
Personal income tax	219.7	193.6	173.6	230.0	203.1	182.8
Incl. in gross amount	241.6	214.0	189.9	251.9	223.5	199.1
Incl. doubtful receivables	-21.9	-20.4	-16.3	-21.9	-20.4	-16.3
Other taxes	194.2	175.3	241.2	206.8	180.0	257.4
Incl. in gross amount	230.6	211.0	270.4	243.2	215.7	286.6
Incl. doubtful receivables	-36.4	-35.7	-29.2	-36.4	-35.7	-29.2
Natural resource use and pollution charges	15.7	10.8	12.1	28.0	14.5	19.8
Incl. in gross amount	17.2	12.4	12.8	29.5	16.1	20.5
Incl. doubtful receivables	-1.5	-1.6	-0.7	-1.5	-1.6	-0.7
Fines	5.8	6.2	7.3	5.8	6.2	7.3
Incl. in gross amount	15.0	16.1	16.8	15.0	16.1	16.8
Incl. doubtful receivables	-9.2	-9.9	-9.5	-9.2	-9.9	-9.5
Consideration adjudicated based on court rulings	13.9	13.9	13.1	13.9	13.9	13.1
Incl. in gross amount	14.8	14.7	13.9	14.8	14.7	13.9
Incl. doubtful receivables	-0.9	-0.8	-0.8	-0.9	-0.8	-0.8
Tax penalties	4.3	3.4	6.8	4.3	3.5	6.8
Incl. in gross amount	50.0	46.7	41.8	50.0	46.8	41.8
Incl. doubtful receivables	-45.7	-43.3	-35.0	-45.7	-43.3	-35.0
Total tax, state fee and fine receivables	1,248.7	1,125.4	1,184.4	1,322.1	1,169.7	1,241.5
Incl. in gross amount	1,546.7	1,407.5	1,418.5	1,620.1	1,451.8	1,475.6
Incl. doubtful receivables	-298.0	-282.1	-234.1	-298.0	-282.1	-234.1

In 2021, tax receivables in the amount of 18.7 million euros (23.8 million euros in 2020) and tax penalties, fines and penalty payments in the amount of 3.2 million euros (3.0 million euros in 2020) 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		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Value added tax	165.9	131.4	121.4	171.0	136.0	127.4
Personal income tax	204.4	192.9	177.8	204.4	192.9	177.8
Other taxes, state fees, fines	7.0	3.5	62.7	7.0	3.6	62.7
Prepayment account balances	245.5	195.4	189.8	256.2	202.2	195.1
Total prepayments of taxes, state fees and fines received	622.8	523.2	551.7	638.6	534.7	563.0

C. Tax, state fee and fine liabilities

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Value added tax	11.3	4.8	2.8	0.0	0.0	0.0
Social tax	153.4	145.8	131.4	152.9	145.3	131.1
Personal income tax	141.0	130.7	119.9	140.4	130.3	119.6
Unemployment insurance premiums	23.0	21.2	19.7	23.0	21.2	19.7
Funded pension contributions	54.2	34.9	56.4	54.2	34.9	56.4
Other taxes	21.0	12.3	11.7	17.9	11.3	10.2
Natural resource use charges	3.8	3.6	3.3	3.8	3.6	3.3
Total tax, state fee and fine liabilities	407.7	353.3	345.2	392.2	346.6	340.3

The majority of liabilities are pass-through taxes and other charges.

Within the public sector, social tax is passed on to the Health Insurance Fund, personal income tax and land tax to local governments, unemployment insurance payments to the Unemployment Insurance Fund, 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. If employees pay 2% of salaries to the mandatory funded pension funds via the state, the state will add 4% as a pass-through of the social tax. From July 2020 to August 2021, the state suspended its social tax payments to mandatory funded pension funds and is going to pay them later. The corresponding expense for the suspended period is recognised as grants awarded (see Note a19 B2) and the liability is recognised as a provision (see Note a16 D).

D. Revenue and expenditure

	Revenue				Expenditure from pass-through income				Expenditure from doubtful receivables			
	Consolidated		Unconsolidated		Consolidated		Unconsolidated		Consolidated		Unconsolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Taxes and social security contributions	10,497.1	9,176.3	10,600.1	9,302.4	-3,514.7	-3,342.7	-3,514.7	-3,342.7	-32.8	-62.1	-32.8	-62.1
Taxes on goods and services	3,603.1	3,147.1	3,675.8	3,223.7	-38.6	-33.7	-38.6	-33.7	-16.2	-30.8	-16.2	-30.8
Value added tax	2,606.9	2,246.2	2,653.7	2,289.5	0.0	0.0	0.0	0.0	-16.1	-29.3	-16.1	-29.3
Fuel excise duty	503.2	434.5	506.1	438.7	0.0	0.0	0.0	0.0	0.0	-0.7	0.0	-0.7
Alcohol excise duty	222.9	212.5	222.9	212.5	-16.3	-15.5	-16.3	-15.5	0.0	0.0	0.0	0.0
Tobacco excise duty	243.9	231.3	243.9	231.3	0.0	0.0	0.0	0.0	-0.1	-0.8	-0.1	-0.8
Electricity excise duty	1.0	2.6	8.4	17.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excise duty on packaging	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Advertising tax in Tallinn	5.7	4.2	5.7	4.2	-5.7	-4.2	-5.7	-4.2	0.0	0.0	0.0	0.0
Gambling tax	19.1	15.4	34.7	29.4	-16.6	-14.0	-16.6	-14.0	0.0	0.0	0.0	0.0
Social tax and social security contributions	4,136.0	3,860.0	4,136.0	3,860.0	-2,003.7	-1,943.8	-2,003.7	-1,943.8	-10.8	-18.7	-10.8	-18.7
Social tax	3,725.7	3,465.3	3,725.7	3,465.3	-1,594.3	-1,549.9	-1,594.3	-1,549.9	-9.9	-17.2	-9.9	-17.2
Incl. for pension insurance	2,231.5	2,078.2	2,231.5	2,078.2	-105.4	-165.9	-105.4	-165.9	-6.0	-10.4	-6.0	-10.4
Incl. for health insurance	1,494.2	1,387.1	1,494.2	1,387.1	-1,488.9	-1,384.0	-1,488.9	-1,384.0	-3.9	-6.8	-3.9	-6.8
Unemployment insurance premiums	232.3	215.2	232.3	215.2	-231.7	-214.7	-231.7	-214.7	-0.6	-0.9	-0.6	-0.9
Funded pension contributions	178.0	179.5	178.0	179.5	-177.7	-179.2	-177.7	-179.2	-0.3	-0.6	-0.3	-0.6
Income tax	2,641.5	2,074.6	2,662.8	2,115.1	-1,365.2	-1,273.0	-1,365.2	-1,273.0	-5.7	-12.3	-5.7	-12.3
Personal income tax	-2,169.4	1,667.0	-2,169.4	1,667.0	-1,365.2	-1,273.0	-1,365.2	-1,273.0	-3.7	-6.3	-3.7	-6.3
Corporate income tax	472.1	407.6	493.4	448.1	0.0	0.0	0.0	0.0	-2.0	-6.0	-2.0	-6.0
Property taxes	53.1	53.1	62.0	62.0	-58.9	-58.9	-58.9	-58.9	-0.1	-0.3	-0.1	-0.3
Land tax	48.0	48.0	56.9	56.9	-58.9	-58.9	-58.9	-58.9	-0.1	-0.3	-0.1	-0.3
Heavy goods vehicle tax	5.1	5.1	5.1	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes on foreign trade	63.4	41.5	63.5	41.6	-48.3	-33.3	-48.3	-33.3	0.0	0.0	0.0	0.0
Customs duty	63.4	41.5	63.5	41.6	-48.3	-33.3	-48.3	-33.3	0.0	0.0	0.0	0.0
Tax penalties (see Note a22)	13.2	16.2	13.2	16.3	0.0	0.0	0.0	0.0	-5.4	-10.9	-5.4	-10.9
State fees (see Note a21)	88.8	74.5	89.1	74.9	-1.5	-1.4	-1.5	-1.4	0.0	0.0	0.0	0.0
On register entries	48.2	38.9	48.3	39.0	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	15.1	12.8	15.1	12.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
On court case procedures	7.6	7.1	7.6	7.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other state fees	17.9	15.7	18.1	15.9	-1.5	-1.4	-1.5	-1.4	0.0	0.0	0.0	0.0
Fines and other fines to the extent of asset (see Note a22)	19.1	18.5	18.6	18.1	0.0	0.0	0.0	0.0	-0.9	-2.4	-0.9	-2.4
Pollution charges (see Note a22)	22.7	20.4	36.4	26.8	-0.4	-0.4	-0.4	-0.4	0.0	0.0	0.0	0.0
Income from providing natural resources for use (see Note a22)	34.1	23.4	54.6	32.9	-16.3	-14.0	-16.3	-14.0	-0.1	-1.0	-0.1	-1.0

	Revenue				Expenditure from pass-through income				Expenditure from doubtful receivables			
	Consolidated		Unconsolidated		Consolidated		Unconsolidated		Consolidated		Unconsolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Road usage charges (see Note a22)	21.3	20.0	21.3	20.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Universal postal service charges (see Note a22)	0.1	0.1	0.9	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Receivables adjudicated based on a court ruling (see Note a22)	9.3	9.6	9.3	9.6	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	-0.2
Total taxes, state fees, fines	10,705.7	9,359.0	10,843.5	9,502.1	-3,532.9	-3,358.5	-3,532.9	-3,358.5	-39.4	-76.6	-39.4	-76.6

In comparative data, the social tax pass-through expenditure for 2020 has been retroactively reduced by 147.5 million euros and the expenditure of grants awarded has been increased by the same amount (see Note a19 B2).

Revenues from taxes, state fees and fines eliminated on consolidation

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Value added tax	254.0	233.5	207.2	190.1
Pollution charges	13.7	6.4	0.0	0.0
Revenue from providing natural resources for use	20.5	9.5	0.0	0.0
Corporate income tax	21.3	40.5	0.0	0.0
Land tax	11.0	11.1	2.1	2.2
Other revenues from taxes, state fees and fines	27.3	35.0	0.1	0.2
Total eliminated revenues from taxes, state fees and fines	347.8	336.0	209.4	192.5

Tax expense calculated on employee's salaries and fringe benefits (see Note a23) and the corresponding revenues 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 claims and prepayments

In millions of euros

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Short-term receivables and prepayments	1,294.7	1,097.8	966.9	1,228.5	775.9	619.2
Trade receivables	403.7	239.5	248.6	10.9	9.5	7.3
Incl. in gross amount	408.4	247.2	255.4	11.1	9.9	7.6
Incl. doubtful receivables	-4.7	-7.7	-6.8	-0.2	-0.4	-0.3
Interest receivables	2.4	1.5	2.0	1.1	0.4	1.0
Other accrued income	49.8	46.8	46.4	0.1	1.2	1.2
Loan receivables (see Note a6)	35.1	37.8	31.2	8.6	10.5	11.4
Outstanding government grants (see Note a19 A)	530.0	477.4	443.6	523.2	475.1	444.0
Other receivables	21.9	19.8	18.9	9.1	7.0	6.5
Security deposits	33.2	57.6	55.4	0.8	0.5	0.6
Prepayments and deferred taxes, state fees and fines	5.1	2.3	1.9	0.2	0.5	0.4
Government grant prepayments (see Note a19 B)	156.1	161.9	59.9	184.8	230.4	98.0
Recoveries from funds for specific purposes	0.0	0.0	0.0	450.7	0.0	0.0
Prepaid expenses	57.4	53.2	59.0	39.0	40.8	48.8
Long-term receivables and prepayments	925.1	867.1	694.0	1,089.2	1,533.3	708.0
Loan receivables (see Note a6)	865.3	813.0	647.5	519.3	529.8	540.4
Interest receivables (see Note a6)	39.5	34.5	30.6	39.5	34.5	30.6
Funds for specific purposes	0.0	0.0	0.0	462.6	914.4	88.0
Trade receivables	0.2	0.2	0.2	0.2	0.1	0.1
Outstanding government grants (see Note a19 A)	6.0	5.5	5.2	6.0	5.5	5.2
Other receivables	10.1	10.5	8.8	0.9	0.7	0.7
Prepaid expenses	4.0	3.4	1.7	60.7	48.3	43.0
Total receivables and prepayments	2,219.9	1,964.9	1,660.9	2,317.7	2,309.2	1,327.2

In the consolidated cash flow statement, income from non-current assets sold has been adjusted by an increase in receivables in the amount of 0.2 million euros (a decrease of 0.5 million euros in 2020).

In the unconsolidated cash flow statement, income from non-current assets sold has been adjusted by an increase in outstanding receivables in the amount of 0.3 million euros (a decrease of 0.2 million euros in 2020).

Dedicated funds are managed by the state through foundations and subsidiaries under its controlling influence mainly for granting and securing loans for the business sector. Until 2019, grants received from the European Union were directed to these funds. In 2020, the state started making additional contributions from state budget funds to help companies related to the spread of the coronavirus, incl. to grant loans and loan securities. In 2021, additional contributions were made on account of EU grants in the amount of 17.4 million euros (16.0 million euros in 2020) and from state budget funds in the amount of

9.4 million euros (985.6 million euros in 2020). 0.6 million euros of EU funds (14.2 million euros in 2020) and 29.6 million euros of state budget funds (91.2 million euros in 2020) were returned. At the end of 2021, the state demanded back an additional 450.7 million euros of the funds related to the spread of the coronavirus from the state budget funds, which remained unreturned by the end of the accounting year.

Dedicated funds

	Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019
Loan, security and export transaction funds managed by SA KredEx	300.0	750.1	25.0
Reinsurer's deposit managed by AS KredEx Krediidikindlustus	14.8	14.9	14.6
Rural development trust funds managed by Maaelu Edendamise SA	147.8	149.4	48.4
Total dedicated funds	462.6	914.4	88.0

Revenue and expenditure from dedicated funds (see Note a27)

	Unconsolidated	
	2021	2020
Loan, security and export transaction funds managed by SA KredEx	12.4	-65.2
Reinsurer's deposit managed by AS KredEx Krediidikindlustus	0.1	-0.2
Rural development trust funds managed by Maaelu Edendamise SA	-10.0	-19.1
Total revenue and expenditure from dedicated funds	2.5	-84.5

In 2021, the state transferred 4.2 million euros to dedicated funds managed by SA KredEx (881.5 million euros in 2020) and was returned 16.0 million euros in the same year (91.2 million euros in 2020). 450.7 million euros remained unreturned by the end of the reporting year. Doubtful loan receivables amounted to 15.6 million euros (-54.5 million euros in 2020) and provisions for the formation of guarantee liabilities and loan securities amounted to -11.6 million euros (-13.0 million euros in 2020) of the net result of these funds.

In 2021, the state transferred 22.6 million euros (120.1 million euros in 2020) to the funds managed by the Estonian Rural Development Foundation, of which 14.2 million euros were returned (0 euros in 2020). The net result of the funds included doubtful loan receivables in the amount of -8.3 million euros (-13.4 million euros in 2020) and provisions for the formation of guarantee liabilities and loan securities in the amount of -4.2 million euros (-6.7 million euros in 2020).

In the unconsolidated cash flow statement, investments in the dedicated funds are recognised in cash flows from investment activities under the entry "Paid upon acquisition of other financial investments".

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 31.12.2019	31.2	647.5	678.7	11.4	540.4	551.8
Incl. in gross amount	36.7	727.2	763.9	12.1	599.7	611.8
Incl. reduced by discounting	0.0	-21.2	-21.2	0.0	-21.2	-21.2
Incl. doubtful receivables	-5.5	-58.5	-64.0	-0.7	-38.1	-38.8
Loan movements in 2020	6.6	165.5	172.1	-0.9	-10.6	-11.5
Loans issued	0.1	272.9	273.0	0.1	0.2	0.3
Received	-27.3	-5.9	-33.2	-12.0	-2.0	-14.0
Doubtful receivables	-1.1	-68.6	-69.7	0.1	0.0	0.1
Increase from interest calculation	0.0	2.0	2.0	0.0	2.1	2.1
Reclassification	34.9	-34.9	0.0	10.9	-10.9	0.0
Balance as of 31.12.2020	37.8	813.0	850.8	10.5	529.8	540.3
Incl. in gross amount	45.0	954.8	999.8	11.1	587.0	598.1
Incl. reduced by discounting	0.0	-19.2	-19.2	0.0	-19.2	-19.2
Incl. doubtful receivables	-7.2	-122.6	-129.8	-0.6	-38.0	-38.6
Loan movements in 2021	-2.7	52.3	49.6	-1.9	-10.5	-12.4
Loans issued	0.1	86.5	86.6	0.1	0.1	0.2
Received	-37.9	-8.8	-46.7	-12.1	-3.0	-15.1
Doubtful receivables	-1.1	8.5	7.4	0.1	0.1	0.2
Increase from interest calculations	0.0	2.3	2.3	0.0	2.3	2.3

	Consolidated			Unconsolidated		
	Short-term part	Long-term part	Total	Short-term part	Long-term part	Total
Reclassification	36.2	-36.2	0.0	10.0	-10.0	0.0
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 in 2020	6.6	165.5	172.1	-0.9	-10.6	-11.5

Major (unconsolidated) receivables of the state:

- 1) Loans issued by the Estonian state through the EFSF in the total amount of 451.9 million euros (the same at the end of 2020) (programmes for supporting Greece, Ireland and Portugal). The corresponding amount is also recorded under government debt (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 39.5 million euros (34.5 million euros at the end of 2020);
- 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 land in a total amount of 32.2 million euros (35.4 million euros at the end of 2020);
- 3) outstanding student loan receivables purchased from banks in the amount of 0.2 million euros (0.3 million euros at the end of 2020). The balances of student loans in banks are recorded as a contingent liability of the state (see Note a30) as they may become receivables from the state in the event of non-payment;
- 4) loan granted to AS Estonian Air (bankrupt) in the amount of 37.0 million euros, assessed as a doubtful receivable (same at the end of 2020);
- 5) 38.7 million euros (46.5 million euros at the end of 2020) to the Environmental Investment Centre for co- financing needed for the implementation of water projects of local authorities;
- 6) 4.9 million euros to SA KredEx for on-lending to businesses (6.2 million euros at the end of 2020).

Major (consolidated) loan receivables of the state in addition to the (unconsolidated) loan receivables of the state listed in items 1 to 4:

- 7) loan receivables of SA KredEx in the amount of 209.4 million euros (165.7 million euros at the end of 2020);
- 8) loan receivables of the Rural Development Foundation in the amount of 144.2 million euros (132.7 million euros at the end of 2020);
- 9) loan receivables of the Environmental Investment Centre in the amount of 59.4 million euros (61.6 million euros at the end of 2020).

Note a7

Inventories

In millions of euros

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Mobilisation stockpile	1.3	1.3	1.3	1.3	1.3	1.3
State operation stockpile for emergencies	1.0	1.4	0.6	0.6	0.5	0.5
Stocks of liquid fuel	148.0	87.3	137.4	0.0	0.0	0.0
Other stocks of raw material and other material	126.8	130.4	91.7	28.5	42.0	15.4
Work-in-progress	44.6	55.0	54.1	0.0	0.0	0.0
Finished goods	33.1	30.7	33.3	1.4	1.7	1.8
Goods purchased for sale	4.3	1.7	1.8	0.0	0.0	0.0
Reclassified non-current assets for sale	6.6	10.3	10.4	0.0	0.0	0.0
Prepayments for inventories	1.7	1.8	0.1	1.5	1.5	0.0
Total inventories	367.4	319.9	330.7	33.3	47.0	19.0

Liquid fuel stocks are the state's strategic stocks held by AS Vedelkütusevaru Agentuur on the basis of the Liquid Fuel Stocks Act. Due to the change in the market price of fuel, the earlier write-down of liquid fuel stocks in the amount of 60.7 million euros (write-down of 49.0 million euros in 2020) was reversed in the state's consolidated report.

The state (consolidated and unconsolidated) wrote down protective equipment in the amount of 19.2 million euros acquired at the onset of the outbreak of COVID-19.

The cost of the write-downs and reversals is recognised under other expenditure (see Note a26).

Note a8

Ownership interest 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.

The state founded the Estonian Centre for International Development. It was merged with the Estonian Centre for Eastern Partnership, which previously operated in the private sector. By merging the latter, funds were received in the amount of 1.4 million euros and receivables and liabilities in the net amount of -1.2 million euros, which in total increased the state's net assets by 0.2 million euros.

For the first time, the Estonian Sports and Olympic Museum Foundation was consolidated under state holdings, whose assets and liabilities added a further 0.7 million euros to the state's net assets.

The liquidation of the Estonian Centre for Standardisation and Accreditation resulted in a loss and cash decreased by -0.4 million euros (see Note a27).

B. Unconsolidated report

	Included in the general government	Not included in the general government	Total
Balance as of 31.12.2019	358.4	8.4	366.8
Monetary contributions	80.0	0.0	80.0
Non-monetary contributions and payments	-8.8	0.0	-8.8
Write-downs and reversals of write-downs (see Note a27)	4.9	0.0	4.9
Balance as of 31.12.2020	434.5	8.4	442.9
Monetary payments	0.0	-0.1	-0.1
Non-monetary payments	-0.1	0.0	-0.1
Write-downs and reversals of write-downs (see Note a27)	-1.0	0.0	-1.0
Balance as of 31.12.2021	433.4	8.3	441.7

Movements in 2021:

Non-monetary payment was obtained from the liquidated Archimedes Foundation.

Monetary payments were obtained from the liquidated Estonian Centre for Standardisation and Accreditation.

Movements in 2020:

A monetary contribution in the amount of 80.0 million euros was made to the Estonian Rural Development Foundation for the alleviation of the negative effects arising from the spread of the COVID-19.

Upon establishment, a non-monetary contribution in the amount of 1.3 million euros was made to SA CR-14.

Non-monetary payments were received from the following foundations: Innove, Archimedes, Hariduse Infotehnoloogia SA, and Spordikoolituse ja Teabe SA.

Note a9

Ownership interest 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.

At the beginning of 2021, the state sold its ownership interest in AS Eesti Teed. 19.4 million euros were received from the sale, generating a loss from the sale of 0.7 million euros (see Note a3, a27).

In October 2021, the first public offering of Enefit Green AS shares took place in the Eesti Energia AS Group, from which 175.0 million euros were received. The minority shareholding was valued at 138.5 million euros. State participation in Enefit Green AS decreased from 100% to 77.17%. The difference between minority shareholding and the consideration received was recognised in the state's net assets in the amount of 36.5 million euros, reducing it by emission costs in the amount of 8.8 million euros, with the total impact on the increase of the state's net assets being 27.7 million euros.

As of August 2021, Imatra Elekter AS is a 100% subsidiary of Eesti Energia AS Group. 29.8 million euros were paid for the company's shares, and the negative goodwill in the amount of 1.9 million euros was recognised in revenues.

Assets, liabilities and net assets received upon the acquisition and removed upon sale

	Imatra Elekter AS acquired		AS Eesti Teed sold	
	Assets	Liabilities	Assets	Liabilities
Cash	5.7		7.0	
Receivables	0.5		2.6	

Inventories	0.0		1.8	
Investment property	0.0		0.1	
Property, plant and equipment	26.8		13.2	
Intangible assets	1.0		0.0	
Debts		2.3		2.3
Provisions		0.0		1.2
Loan liabilities		0.0		1.1
Net assets		31.7		20.1
Total	34.0	34.0	24.7	24.7

In 2021, Tallinna Sadam AS paid dividends to minority holding in the amount of 6.6 million euros (10.0 million euros in 2020).

At the end of 2020, Nordic Aviation Group concluded an agreement to repurchase a 49% minority holding in its subsidiary Regional Jet OÜ from Lot Polish Airlines as a non-monetary transaction where Nordic Aviation Group's receivables and liabilities with a minority holding were written-off in the amount of -1.9 million euros. Net assets belonging to the state decreased by 3.8 million euros and minority holding increased by 1.9 million euros.

In 2020, Eesti Energia Group acquired three solar parks in Poland for 1.9 million euros, which was considered an acquisition of assets because the criteria for a business association were not met. As of 31 December 2019, six subsidiaries had been acquired for the management of solar parks for 16.0 million euros, of which 1.6 million euros remained unpaid as a deposit. Tartu University Hospital sold its subsidiary OÜ Valga Apteek, receiving 0.1 million euros and the profit from the sale being 0.1 million euros.

Associates

	2021	2020
Balance at the beginning of the year	60.4	57.9
Dividends received	-3.4	-3.3
Profit/loss based on the equity method (see Note a27)	2.1	1.4
Monetary contributions	9.2	4.4
Effect of foreign exchange rate differences on the total profit of the associates directly reflected in the net asset reserves	-0.8	0.0
Balance at the end of the year	67.5	60.4

Monetary contributions in 2021 and 2020 were made by Eesti Energia AS to the Enefit Jordan B.V. Group.

B. Unconsolidated report

	Government subsidiaries	Non-government subsidiaries	Associates	Total
Balance as of 31.12.2019	487.3	3,163.1	6.6	3,657.0
Monetary contributions	3.0	181.9	0.0	184.9
Non-monetary contributions and payments	0.5	-0.5	0.0	0.0
Write-downs and reversals of write-downs (see Note a27)	-37.1	90.9	0.0	53.8
Reclassification	0.0	-13.9	0.0	-13.9
Balance as of 31.12.2020	453.7	3,421.5	6.6	3,881.8
Monetary contributions	3.0	30.0	0.0	33.0
Non-monetary contributions and payments	3.7	0.8	0.0	4.5
Write-downs and reversals of write-downs (see Note a27)	38.1	212.5	0.0	250.6
Balance as of 31.12.2021	498.5	3,664.8	6.6	4,169.9

Further clarifications on government holdings

In 2021, a monetary contribution of 3.0 million euros was made to OÜ Rail Baltic Estonia.

Assets in the amount of 2.7 million euros were transferred to AS Eesti Varude Keskus. Contributions in the form of property, plant and equipment were made to Riigi Kinnisvara AS in the amount of 1.0 million euros and to AS Hoolekandeteenused in the amount of 0.1 million euros. Riigi Kinnisvara AS made payments of property, plant and equipment to the state in the amount of 0.1 million euros.

The earlier write-down of the holding of AS Eesti Varude Keskus was cancelled in the amount of 38.1 million euros (in connection with the increase in the value of liquid fuel stock).

In 2020, a monetary contribution of 3.0 million euros was made to OÜ Rail Baltic Estonia.

Assets in the amount of 5.1 million euros were transferred to Riigi Kinnisvara AS and in the amount of 0.1 million euros to AS Hoolekandeteenused as non-monetary contributions. Assets in the amount of 4.7 million euros were received from Riigi Kinnisvara AS as a non-monetary payment.

Write-down of the holding of AS Vedelkütusevaru Agentuur accounts for 38.1 million euros of the write-downs of holdings and reversals in of write-downs in connection with the write-down of liquid fuel stock (see Note a7).

Further clarifications on non-government holdings

In 2021, additional monetary contributions were made to the following companies: 20.0 million euros to Tallinna Lennujaam AS, 10.0 million euros to Lennuliiklusteeninduse AS.

Contributions and payments were made to the State Forest Management Centre in the form of plots of land, with the holding increasing by 0.8 million euros.

Major write-downs of holdings and reversals of write-downs: State Forest Management Centre in connection with the change in the fair value of forest 222.0 million euros, Lennuliiklusteeninduse AS -3.5 million euros, AS Operail -7.2 million euros, AS Nordic Aviation Group 1.2 million euros.

At the beginning of 2021, the sales transaction of AS Eesti Teed was finalised. 19.4 million euros were received from the sale of the holding, with the profit of 5.5 million euros (see Note a3).

In 2020, additional monetary contributions were made to the following companies: Eesti Energia AS 125.0 million euros, Nordic Aviation Group AS 22.0 million euros, AS Operail 21.9 million euros, Eesti Raudtee AS 10.0 million euros, AS Saarte Liinid 3.0 million euros.

A non-monetary payment of 0.5 million euros was received from the State Forest Management Centre.

Major write-downs of holdings and reversals of write-downs in 2020: State Forest Management Centre in connection with the change in the fair value of forest 112.0 million euros, AS Nordic Aviation Group -12.0 million euros, AS Operail -6.8 million euros, Lennuliiklusteeninduse AS -2.3 million euros.

AS Eesti Teed was reclassified into short-term financial investments (see Note a3).

Dividend income from subsidiaries and associates

Payer of dividends	2021	2020
AS Tallinna Sadam	13.6	20.4
State Forest Management Centre	33.4	66.0
AS Elering	10.0	25.6
AS Eesti Loto	13.6	10.0
AS Operail	2.2	9.5
AS Eesti Teed (holding was sold in 2021)	0.0	3.4
AS Eesti Post	2.4	0.0
Other subsidiaries	0.6	2.3
Riigi Kinnisvara AS (general government sector)	34.0	40.0
AS Eesti Varude Keskus (general government sector)	0.0	0.4
AS Levira (associate)	0.8	0.5
Total income from dividends (see Note a27)	110.6	178.1

Riigi Kinnisvara AS paid dividends in kind with fixed assets in the amount of 6.4 million euros.

Note a10

Investment property

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Balance at the beginning of the period	84.3	86.3	37.4	37.1
Cost	109.4	110.0	40.9	40.5
Accumulated depreciation	-25.1	-23.7	-3.5	-3.4
Movements in the reporting period	1.0	-2.0	-0.3	0.3
Depreciation and write-downs (see Note a25)	-2.6	-2.6	-0.1	-0.1
Sales at selling price	-1.0	-2.8	-0.1	-0.1
Profit/loss from sales (see Note a22)	0.7	2.4	0.1	0.1
Acquisitions and improvements (see Note a13)	6.1	0.1	0.0	0.0
Non-monetary contributions transferred and received	0.0	0.0	0.0	0.4
Decrease related to loss of controlling influence	-0.1	0.0	0.0	0.0
Reclassification with property, plant and equipment and inventories	-2.1	0.9	-0.2	0.0
Balance at the end of the period	85.3	84.3	37.1	37.4
Cost	113.1	109.4	40.7	40.9
Accumulated depreciation	-27.8	-25.1	-3.6	-3.5
Incl. carrying amount of leased non-current assets	63.8	67.9	29.3	29.2
Incl. carrying amount of non-current assets pledged to cover loans	9.5	10.1	0.0	0.0
Income from constituting a right of superficies, user fees, lease and rent	18.6	17.9	6.3	5.8
Administrative expenses of investment property	-0.9	-0.7	-0.1	-0.1

Deferred lease income from continuing leases is disclosed 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	Plant and equipment	Other non-current assets	Work in progress and prepayments	Total
Balance as of 31.12.2019	819.6	4,932.7	233.0	3,074.2	103.2	506.9	9,669.6
Cost	819.6	7,903.8	637.9	5,397.9	174.8	506.9	15,440.9
Accumulated depreciation		-2,971.1	-404.9	-2,323.7	-71.6		-5,771.3
Total movements in 2020	11.9	141.5	48.0	-38.8	6.6	46.6	215.8
Acquisitions and improvements (see Note a13)	8.6	-10.3	7.3	65.6	6.9	739.2	817.3
Depreciation and write-downs (see Note a25)	-0.2	-313.8	-41.0	-243.9	-10.6	-3.7	-613.2
Sales at selling price	-23.6	-1.3	0.0	-3.1	0.0	0.0	-28.0
Profit from sales (see Note a22)	21.4	0.4	0.0	2.7	0.0	0.0	24.5
Non-monetary government grants received	0.3	16.2	9.3	0.9	0.1	0.0	26.8
Non-monetary government grants awarded	-0.7	-5.4	-1.2	-1.4	0.0	-2.3	-11.0
Reclassification	1.1	455.1	73.6	141.1	10.1	-686.7	-5.7
Currency recalculation spread	-0.2	0.0	0.0	-0.8	0.0	0.0	-1.0
Revaluation (see Statement of changes in net assets)	5.2	0.6	0.0	0.1	0.1	0.1	6.1
Balance as of 31.12.2020	831.5	5,074.2	281.0	3,035.4	109.8	553.5	9,885.4
Cost	831.5	8,241.5	722.6	5,571.1	187.5	553.5	16,107.7
Accumulated depreciation		-3,167.3	-441.6	-2,535.7	-77.7		-6,222.3
Average depreciation rate		4%	6%	4%	6%		
Carrying amount of non-current assets leased under capital lease	0.0	3.8	0.0	163.4	0.4	0.0	167.6
Carrying amount of leased non-current assets	157.0	22.8	0.0	66.6	0.3	0.0	246.7
Carrying amount of non-current assets pledged to cover loans	0.5	88.2	0.0	42.2	0.0	0.0	130.9
Total movements in 2021	24.4	229.5	48.5	17.1	7.8	105.6	432.9
Acquisitions and improvements (see Note a13)	7.6	24.5	7.0	79.3	4.1	925.2	1,047.7
Depreciation and write-downs (see Note a25)	0.0	-326.0	-51.3	-253.5	-12.2	-0.8	-643.8
Sales at selling price	-35.5	-7.9	0.0	-6.3	-0.1	0.0	-49.8
Profit from sales (see Note a22)	33.1	3.3	0.0	1.1	0.1	0.0	37.6
Non-monetary government grants received	2.1	-0.7	8.8	4.2	0.0	0.0	14.4
Non-monetary government grants awarded	-0.5	-2.0	0.0	-0.4	-0.2	-0.1	-3.2
Changes due to creation and loss of controlling influence	-0.6	10.6	0.0	2.4	0.5	1.3	14.2
Reclassification	13.6	527.7	84.0	190.2	15.6	-820.2	10.9
Revaluation (see Statement of changes in net assets)	4.6	0.0	0.0	0.1	0.0	0.0	4.7
Balance as at 31.12.2021	855.9	5,303.7	329.5	3,052.50	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
Average depreciation rate		4%	7%	4%	6%		
Carrying amount of non-current assets leased under capital lease	0.0	2.0	0.0	163.5	0.2	0.0	165.7
Carrying amount of leased non-current assets	167.5	20.2	0.0	55.7	0.3	0.0	243.7
Carrying amount of non-current assets pledged to cover loans	0.5	73.6	0.0	33.7	0.0	0.0	107.8

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 31.12.2019	169.2	2,087.4	233.0	209.5	23.8	203.9	2,926.8
Cost	169.2	3,370.3	637.9	550.9	55.3	203.9	4,987.5

	Land	Buildings and facilities	Defence related non-current assets	Plant and equipment	Other non-current assets	Work in progress and prepayments	Total
Accumulated depreciation		-1,282.9	-404.9	-341.4	-31.5		-2,060.7
Total movements in 2020	10.0	137.5	48.0	-0.6	1.2	-40.0	156.1
Acquisitions and improvements (see Note a13)	5.6	4.5	7.3	25.1	3.9	332.5	378.9
Depreciation and write-downs (see Note a25)	-0.2	-165.7	-41.0	-33.9	-4.1	-0.1	-245.0
Sales at selling price	-20.0	0.0	0.0	-0.1	0.0	0.0	-20.1
Profit from sales (see Note a22)	18.4	0.0	0.0	0.1	0.0	0.0	18.5
Non-monetary government grants received	0.3	16.2	9.3	0.8	0.1	0.0	26.7
Non-monetary government grants awarded	-0.7	-5.4	-1.2	-0.3	0.0	-2.3	-9.9
Non-monetary contributions and payments from net assets transferred and received	-2.1	5.1	0.0	-0.9	0.1	0.0	2.2
Reclassification	3.9	282.7	73.6	8.5	1.2	-370.1	-0.2
Revaluation (see Statement of changes in net assets)	4.8	0.1	0.0	0.1	0.0	0.0	5.0
Balance as of 31.12.2020	179.2	2,224.9	281.0	208.9	25.0	163.9	3,082.9
Cost	179.2	3,586.3	722.6	565.2	59.7	163.9	5,276.9
Accumulated depreciation		-1,361.4	-441.6	-356.3	-34.7		-2,194.0
Average depreciation rate		5%	6%	6%	7%		
Carrying amount of non-current assets leased under capital lease	0.0	0.2	0.0	0.1	0.2	0.0	0.5
Carrying amount of leased non-current assets	0.5	0.3	0.0	0.0	0.0	0.0	0.8
Total movements in 2021	15.9	64.5	48.5	1.5	0.9	119.8	251.1
Acquisitions and improvements (see Note a13)	6.5	3.9	7.0	25.4	2.2	446.6	491.6
Depreciation and write-downs (see Note a25)	0.0	-167.6	-51.3	-35.3	-3.9	-0.2	-258.3
Sales at selling price	-31.0	-3.0	0.0	-0.1	0.0	0.0	-34.1
Profit from sales (see Note a22)	29.4	1.7	0.0	0.0	0.0	0.0	31.1
Non-monetary government grants received	2.1	7.5	8.8	3.9	0.0	0.0	22.3
Non-monetary government grants awarded	-0.5	-7.5	0.0	-0.9	-0.2	-0.1	-9.2
Non-monetary contributions and payments from net assets transferred and received	5.8	-1.1	0.0	0.0	0.0	0.0	4.7
Reclassification	0.5	230.6	84.0	8.4	2.8	-326.5	-0.2
Revaluation (see Statement of changes in net assets)	3.1	0.0	0.0	0.1	0.0	0.0	3.2
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
Average depreciation rate		5%	7%	6%	6%		
Carrying amount of non-current assets leased under financial lease		0.2	0.0	0.0	0.2	0.0	0.4
Carrying amount of leased non-current assets	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 12.7 million euros (26.0 million euros in 2020). As non-monetary government grants, the state awarded assets outside the public sector for 0.6 million euros (1.3 million euros in 2020).

Deferred lease income from continuing lease agreements is presented in Note a30 D.

Note a12

Intangible assets

In millions of euros

A. Intangible assets

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Balance at the beginning of the period	279.8	244.0	125.6	105.2
Cost	625.4	558.2	359.6	320.3
Accumulated depreciation	-345.6	-314.2	-234.0	-215.1
Total movements	26.1	35.8	24.8	20.4
Acquisitions and improvements (see Note a13)	88.7	84.2	58.3	47.7
Depreciation and write-downs (see Note a25)	-58.3	-49.7	-32.8	-29.5
Reclassification	-6.0	0.5	0.5	0.2

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Exchange rate differences from currency revaluation	1.7	-1.9	0.0	0.0
Non-monetary contributions and payments from net assets transferred and received	0.0	0.0	0.0	2.0
Increase due to creation of controlling influence	1.2	3.0	0.0	0.0
Non-monetary government grants awarded	-1.2	-0.3	-1.2	0.0
Balance at the end of the period	305.9	279.8	150.4	125.6
Cost	695.5	625.4	406.2	359.6
Accumulated depreciation	-389.6	-345.6	-255.8	-234.0
Average depreciation rate	8.7%	8.4%	8.6%	8.7%

Computer software is registered as (unconsolidated) intangible assets in the state's financial statements.

In addition to computer software, the consolidated report includes, as important assets, contractual rights acquired Eesti Energia AS in the amount of 30.5 million euros (27.9 million euros at the end of 2020) and expenses for exploration of oil shale reserves for 2.3 million euros (2.2 million euros at the end of 2020).

State subsidiaries recognised goodwill generated upon the acquisition of subsidiaries in the total amount of 28.0 million euros (26.0 million euros at the end of 2020). As subsidiaries prepare their financial statements in accordance with International Financial Reporting Standards (IFRS), goodwill is not amortised.

B. Intangible current assets

	Consolidated	
	2021	2020
Balance at the beginning of the period	85.3	76.0
Acquisitions	206.9	104.8
Calculated to cover greenhouse gas emissions (see Note a16 C)	-74.9	-69.3
Sold and divested	-8.6	-26.2
Exchange rate differences from currency revaluation	-0.1	0.0
Balance at the end of the period	208.6	85.3

Emission allowance credits and certificates of origin purchased by the Eesti Energia AS group are recognised as intangible current assets.

Note a13

Investments by fields 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 assets	Total
In 2020 (see Notes a10, a11, a12)	0.1	8.6	-10.3	12.9	52.7	14.2	739.2	84.2	901.6
Transport	0.0	3.4	1.9	0.4	14.7	1.8	287.8	10.0	320.0
Fuel and energy	0.0	0.0	-18.6	0.7	3.7	0.1	170.3	19.0	175.2
Agriculture and forestry	0.0	2.9	0.1	0.5	0.8	0.1	22.3	3.2	29.9
Other	0.1	0.0	0.9	1.4	2.5	0.3	0.2	10.2	15.6
National defence	0.0	0.8	0.5	2.2	1.0	8.8	111.8	2.2	127.3
Health care	0.0	0.0	0.6	0.3	17.0	0.5	29.1	6.4	53.9
Education	0.0	1.4	1.6	0.3	1.7	0.6	29.6	2.8	38.0
Public order and security	0.0	0.0	0.4	2.9	8.7	1.0	5.6	10.4	29.0
Leisure time, culture, religion	0.0	0.1	0.5	0.0	0.4	0.7	10.9	1.3	13.9
General government services	0.0	0.0	1.6	2.1	0.3	0.3	58.9	13.0	76.2
Environmental protection	0.0	0.0	0.1	0.1	1.8	0.0	5.4	0.3	7.7
Social protection	0.0	0.0	0.1	2.0	0.1	0.0	7.3	5.4	14.9
In 2021 (see Notes a10, a11, a12)	6.1	7.6	24.5	13.3	66.0	11.1	925.2	88.7	1,142.5
Transport	0.0	3.8	11.4	0.3	22.7	0.5	257.5	10.8	307.0
Fuel and energy	0.0	0.3	8.0	1.0	3.6	0.3	311.9	10.5	335.6
Agriculture and forestry	0.0	0.7	0.0	0.0	1.2	0.2	19.7	3.6	25.4
Other	0.2	0.1	0.5	3.1	9.4	0.3	4.5	10.3	28.4

	Investment property	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible assets	Total
National defence	0.0	2.6	0.2	1.2	1.4	7.2	161.3	2.7	176.6
Health care	5.9	0.0	0.4	0.4	16.8	0.4	39.6	7.7	71.2
Education	0.0	0.0	3.0	0.5	1.5	0.7	54.2	3.1	63.0
Public order and security	0.0	0.0	0.1	3.7	7.6	0.6	11.7	11.6	35.3
Leisure time, culture, religion	0.0	0.0	0.2	0.1	0.2	0.6	8.4	1.2	10.7
General government services	0.0	0.1	0.7	2.3	0.1	0.3	50.4	17.9	71.8
Environmental protection	0.0	0.0	0.0	0.0	1.5	0.0	1.1	0.5	3.1
Social protection	0.0	0.0	0.0	0.7	0.0	0.0	4.9	8.8	14.4

In the cash flow statement, the acquisition of non-current assets has been adjusted by an increase in the outstanding debt to suppliers for non-current assets by 48.5 million euros (0.4 million euros in 2020).

B. Unconsolidated report

	Land	Buildings and facilities	Information and communication equipment	Plant and equipment	Other property, plant and equipment	Unfinished construction and prepayments	Intangible assets	Total
In 2020 (see Notes a10, a11, a12)	5.6	4.5	10.7	14.4	11.2	332.5	47.7	426.6
Transport	3.3	0.5	0.1	1.0	0.3	169.3	4.9	179.4
Agriculture and forestry	0.0	0.0	0.3	0.1	0.0	0.1	2.5	3.0
Other	0.0	0.1	0.9	0.3	0.1	3.9	5.4	10.7
National defence	0.9	0.5	2.1	1.0	8.8	111.8	2.2	127.3
Education	1.4	1.2	0.2	1.7	0.6	29.2	2.3	36.6
Public order and security	0.0	0.4	2.9	8.7	1.0	5.3	10.4	28.7
General government services	0.0	1.5	2.1	0.3	0.2	10.8	12.5	27.4
Leisure time, culture, religion	0.0	0.1	0.0	0.0	0.2	0.5	0.0	0.8
Environmental protection	0.0	0.1	0.1	0.5	0.0	1.6	0.3	2.6
Social protection	0.0	0.1	2.0	0.1	0.0	0.0	5.3	7.5
Health care	0.0	0.0	0.0	0.7	0.0	0.0	1.9	2.6
In 2021 (see Notes a10, a11, a12)	6.5	3.9	10.5	14.9	9.2	446.6	58.3	549.9
Transport	3.9	0.4	0.1	2.2	0.2	199.0	2.9	208.7
Agriculture and forestry	0.0	0.0	0.0	0.6	0.0	0.2	2.7	3.5
Other	0.0	0.2	2.0	0.6	0.0	0.5	7.4	10.7
National defence	2.6	0.2	1.2	1.4	7.2	161.4	2.7	176.7
Education	0.0	3.0	0.5	1.4	0.7	54.4	3.1	63.1
Public order and security	0.0	0.1	3.7	7.6	0.6	11.9	11.7	35.6
General government services	0.0	0.0	2.2	0.1	0.2	17.8	17.2	37.5
Leisure time, culture, religion	0.0	0.0	0.1	0.0	0.3	0.5	0.3	1.2
Environmental protection	0.0	0.0	0.0	0.5	0.0	0.9	0.5	1.9
Social protection	0.0	0.0	0.7	0.0	0.0	0.0	8.8	9.5
Health care	0.0	0.0	0.0	0.5	0.0	0.0	1.0	1.5

In the cash flow statement, the acquisition of non-current assets has been adjusted by an increase in the outstanding debt to suppliers for non-current assets by 7.3 million euros (3.2 million euros in 2020).

Note a14

Biological assets

In millions of euros

A. Classification of biological assets by types

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
State forest to be sold	962.6	781.2	683.4	18.1	13.2	25.4
Animals	0.2	0.2	0.2	0.2	0.1	0.1
Plants and plantations	9.0	8.8	8.4	0.0	0.0	0.1
Total biological assets	971.8	790.2	692.0	18.3	13.3	25.6
Incl. current assets	41.1	31.3	26.2	1.8	1.3	2.5
Incl. non-current assets	930.7	758.9	665.8	16.5	12.0	23.1

B. Movements in biological assets

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Balance at the beginning of the period	790.2	692.0	13.3	25.6
Total movements	181.6	98.2	5.0	-12.3
Sold at selling price	-0.1	-0.1	0.0	-0.1
Profit from the sale of biological assets	0.1	0.1	0.1	0.1
Result from change in fair value	181.6	98.2	4.9	-12.3
Balance at the end of the period	971.8	790.2	18.3	13.3

C. Volumes of state forest and indicators used to determine the fair value of state forest to be sold

	Unit of measure	Consolidated			Unconsolidated		
		31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Volume indicators							
Area under managed forests	thousand ha	730.3	734.2	737.7	7.4	7.4	7.8
Estimated volume of managed forests	thousand m³	113,389.8	114,494.1	116,115.9	1,561.9	1,561.9	1,683.5
Area under non-managed forests	thousand ha	326.4	315.2	300.3	1.0	1.0	0.5
Estimated volume of non-managed forests	thousand m³	68,633.6	65,432.0	61,322.9	238.7	238.7	111.1
Forecasts used to estimate forest value							
Average estimated annual timber sales volume	thousand m³	3,534.0	3,838.0	3,752.0	29.0	32.0	38.0
Average estimated timber sales price	EUR/m³	54.8	48.0	46.9	65.0	52.0	50.0
Average estimated forest management revenue per year	million euros	193.7	184.4	176.0	1.9	1.7	1.9
Average estimated annual expenditure on forest management	million euros	-162.8	-162.7	-160.2	-1.3	-1.3	-1.3
Discount rate	%	5.21	4.77	4.85	5.21	4.77	4.85
Inflation rate in the forestry sector	%	2.00	2.00	2.53	2.00	2.00	2.53

The primary manager of the state forest is the State Forest Management Centre (RMK). The unconsolidated report recognises the forest managed by Luua Forestry School.

RMK plans cutting in such a way that mature forest is cut as evenly as possible. The actual prescribed cut increased by 4.7% in 2021 compared to the previous year (an increase of 1.9% in 2020).

In 2021, RMK received a total of 7.3 thousand hectares of forest land from the state (11.4 thousand hectares in 2020). The increase in the area of non-managed forest land and the decrease in the area of managed forest land was due to placing new forest areas under strict protection.

Comparison of inputs used in assessing the value of RMK's forest with actual indicators

	Unit of measure	Actual 2021	Estimate average of 2022-2031	Actual 2020	Estimate average of 2021-2030
Annual sales volume	thousand m ³	3,835.1	3,505.0	4,022.5	3,806.0
Forest management income per unit	EUR/m ³	57.3	54.7	46.0	48.0
Forest management expenditure per unit	EUR/m ³	38.6	46.1	37.5	42.4
Inflation rate in the forestry sector	%	21.2	2.0	-14.1	2.0

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 RMK

	2021		2020	
	EUR/m ³	Volume (thousand m ³)	EUR/ m ³	Volume (thousand m ³)
Sale of cutting right	13.7	14.1	15.9	18.6
Sale of timber	59.2	3,540.9	46.8	3,748.8
Sale of slash	13.5	3.3	9.9	2.2
Sale of wood chips	31.9	276.8	33.5	252.8

Forest land area by principal tree species at RMK

In hectares

	2021			2020		
	Non-managed forest	Managed forest	Total area	Non-managed forest	Managed forest	Total area
Pine	155,699	271,971	427,670	150,305	275,498	425,803
Spruce	49,483	168,541	218,024	47,660	167,905	215,565
Birch	87,473	224,139	311,612	85,334	225,942	311,276
Aspen	15,187	27,425	42,612	13,997	27,068	41,065
Black alder	10,057	13,605	23,662	9,638	13,250	22,888
Grey alder	4,196	15,161	19,357	4,103	14,944	19,047
Others	3,376	2,016	5,392	3,254	2,160	5,414
Total	325,471	722,858	1,048,329	314,291	726,767	1,041,058

Forest stock by principal tree species at RMK

In thousands of m³

	2021			2020		
	Non-managed forest	Managed forest	Total	Non-managed forest	Managed forest	Total
Pine	33,398.8	50,364.5	83,763.2	31,897.8	50,986.3	82,884.1
Spruce	10,738.5	22,904.8	33,643.3	10,195.8	22,807.8	33,003.6
Birch	16,435.6	30,473.8	46,909.5	15,895.3	30,813.5	46,708.8
Aspen	4,216.1	3,697.4	7,913.5	3,782.0	3,900.0	7,682.0
Black alder	2,285.4	2,167.8	4,453.1	2,150.6	2,154.6	4,305.3
Grey alder	688.8	1,956.1	2,644.9	666.3	1,980.7	2,647.0
Others	631.8	263.5	895.3	605.4	289.3	894.8
Total	68,394.9	111,827.9	180,222.8	65,193.3	112,932.2	178,125.5

D. Mineral reserves

Mineral resource	Unit of measure	31.12.2021			31.12.2020		
		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 t	923.4	3.2	2,936.5	937.7	0.3	323.5
Limestone for cement	million m ³	56.6	2.8	155.6	56.7	2.6	148.4
Technological limestone	million m ³	23.8	2.8	65.3	23.9	2.6	62.6
Construction limestone	million m ³	111.0	2.6	286.4	128.5	2.5	316.1
Filler limestone	million m ³	10.0	1.0	10.4	4.5	1.0	4.5
High-quality construction limestone	million m ³	24.9	2.6	64.3	2.6	2.5	6.4
Low- quality construction limestone	million m ³	19.0	1.6	31.1	3.7	1.6	5.9
Technological dolomite	million m ³	12.3	3.3	41.0	12.4	3.3	41.3
Finishing dolomite	million m ³	2.5	3.0	7.4	2.5	3.0	7.6
Construction dolomite	million m ³	61.0	2.6	157.3	61.3	2.5	150.8
High- quality construction dolomite	million m ³	3.0	2.6	7.7	3.5	2.5	8.7
Low- quality construction dolomite	million m ³	11.2	1.6	17.6	6.1	1.5	9.0

Mineral resource	Unit of measure	31.12.2021			31.12.2020		
		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)
Filler dolomite	million m ³	11.0	1.0	11.4	11.0	1.0	10.9
Crystalline building block	million m ³	1,245.1	2.1	2,614.6	1,245.1	2.0	2,490.1
Cement clay	million m ³	14.9	0.9	13.0	14.9	0.8	12.4
Ceramic clay	million m ³	10.0	0.8	8.1	10.0	0.8	7.8
Ceramite clay	million m ³	8.1	0.9	7.4	8.1	0.9	7.0
Building gravel	million m ³	67.0	2.6	174.2	69.7	2.5	174.2
Filler gravel	million m ³	3.6	0.6	2.1	3.7	0.6	2.2
Technological sand	million m ³	6.0	2.3	14.0	6.1	2.2	13.3
Building sand	million m ³	276.1	1.7	463.9	271.9	1.6	435.1
Filler sand	million m ³	126.7	0.5	59.5	113.5	0.4	49.9
Sea mud (for treatment purposes)	thousand t	1,407.9		0.0	1,373.8		0.0
Lake mud (for fertilisation)	thousand t	170.9		0.0	170.9		0.0
Lake mud (for treatment purposes)	thousand t	1,128.6		0.0	1,128.6		0.0
Lake lime	thousand m ³	731.0		0.0	731.0		0.0
Poorly decomposed peat	million t	48.8	1.7	82.9	49.0	1.6	79.3
Well decomposed peat	million t	157.1	1.3	199.5	156.8	1.3	199.1
Total				7,431.5			4,566.4

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 2021, the state received income from the (consolidated) fees for mining rights of minerals in the amount of 24.7 million euros (14.4 million euros in 2020). The state (unconsolidated) earned 38.5 million euros of income (17.8 million euros in 2020).

Note a15

Other liabilities and received prepayments

In millions of euros

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Other short-term liabilities and received prepayments	2,019.3	1,669.4	1,686.0	2,865.2	2,518.7	1,890.1
Interest payable	6.3	6.8	7.0	0.7	0.8	0.0
Other accruals	43.9	50.3	56.2	2.3	0.1	0.4
Grant commitments (see Note a19 B)	241.7	204.7	204.9	299.0	226.8	221.7
Guarantee fees	40.3	29.1	28.1	32.0	22.0	20.5
Customer deposits	988.7	835.6	1,105.0	1,903.3	1,890.8	1,417.0
Grant repayment liabilities	10.5	8.6	11.3	10.5	8.6	11.3
Other liabilities	19.1	122.9	20.4	14.4	18.5	11.3
Funds from emission allowance trading	0.3	0.3	0.3	0.3	0.3	0.3
Prepayments received for grants (see Note a19 A)	602.0	399.8	240.1	595.6	349.3	206.7
Other deferred income	66.5	11.3	12.7	7.1	1.5	0.9
Long-term liabilities and received prepayments	304.0	233.7	204.1	145.1	141.4	134.7
Trade payables	5.2	0.9	0.6	0.0	0.0	0.0
Grant commitments (see Note a19 B)	0.0	0.0	0.0	58.6	62.3	65.8
Interest payable (see Note a17 B)	39.5	34.5	30.6	39.5	34.5	30.6
Other liabilities	29.8	39.2	27.1	0.6	0.5	0.0
Prepayments received for grants (see Note a19 A)	44.3	40.6	36.8	44.3	40.6	36.8
Other deferred income	185.2	118.5	109.0	2.1	3.5	1.5
Total other liabilities and received prepayments	2,323.4	1,903.1	1,890.1	3,010.3	2,660.1	2,024.8

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.

The increase of other short-term liabilities in the consolidated report in 2020 included, among others, 99.2 million euros of debt liabilities related to the emissions quota of CO₂ of the Eesti Energia Group, which were settled in 2021.

Among other long-term deferred income, the consolidated report recognises the congestion income of AS Elering in the amount of 176.6 million euros (112.4 million euros as of 31 December 2020). Under Article 16 of EU Regulation No 714/2009, congestion income may be used for building new cross-border transmission capacity. Congestion income is amortised over the useful life of the asset purchased (1.1 million euros in 2021, 0.4 million euros in 2020).

Note a16

Provisions

In millions of euros

	Consolidated			Unconsolidated		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Balance as of 31.12.2019	178.2	2,817.2	2,995.4	76.6	2,764.2	2,840.8
Pension provisions	74.0	2,761.3	2,835.3	73.7	2,760.0	2,833.7
Environmental protection provisions	72.6	20.2	92.8	0.1	0.3	0.4
Provisions for guarantee liabilities and loan securities	11.0	12.8	23.8	0.3	0.0	0.3
Provisions for legal costs	4.4	0.0	4.4	1.5	0.0	1.5
Other provisions	16.2	22.9	39.1	1.0	3.9	4.9
Movements in 2020	86.6	472.1	558.7	52.7	451.4	504.1
Formation	203.4	441.0	644.4	43.7	423.1	466.8
Expenditure	-197.1	0.0	-197.1	-73.3	0.0	-73.3
Interest expense	0.0	111.4	111.4	0.0	110.6	110.6
Reclassification	80.3	-80.3	0.0	82.3	-82.3	0.0
Balance as of 31.12.2020	264.8	3,289.3	3,554.1	129.3	3,215.6	3,344.9
Pension provisions	83.8	3,108.1	3,191.9	83.4	3,106.7	3,190.1
Environmental protection provisions	79.0	18.0	97.0	0.0	0.4	0.4
Provisions for guarantee liabilities and loan securities	11.8	32.6	44.4	0.9	0.0	0.9
Provisions for legal costs	2.8	4.0	6.8	1.5	0.0	1.5
State liability of the II pillar mandatory funded pension	42.9	104.6	147.5	42.9	104.6	147.5
Other provisions	44.5	22.0	66.5	0.6	3.9	4.5
Movements in 2021	82.3	498.5	580.8	-12.2	485.8	473.6
Formation	222.4	522.2	744.6	-0.1	508.3	508.2
Expenditure	-287.8	0.0	-287.8	-159.0	0.0	-159.0
Decrease related to loss of controlling influence	-0.5	-0.7	-1.2	0.0	0.0	0.0
Interest expense	0.0	125.2	125.2	0.0	124.4	124.4
Reclassification	148.2	-148.2	0.0	146.9	-146.9	0.0
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 II pillar mandatory 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

A. Public sector pension provisions

	At the beginning of the year	Disbursements	Interest expense	Formation	At the end of the year
Total in 2020	2,833.7	-72.5	110.5	318.4	3,190.1

	At the beginning of the year	Disbursements	Interest expense	Formation	At the end of the year
Pensions for police and border guard officials and rescue officers	1,203.8	-28.4	47.0	137.0	1,359.4
Pensions for servicemen	852.5	-14.4	33.6	99.4	971.1
Pensions for judges, prosecutors and the Chancellor of Justice	223.4	-4.7	8.7	24.8	252.2
Parliamentary pensions	93.3	-6.9	3.5	10.6	100.5
Special pensions for other officials	13.7	-0.7	0.5	0.1	13.6
Pension increases for pensioners under the Civil Service Act	242.9	-17.4	9.0	31.2	265.7
Pension increases for employees under the Civil Service Act	204.1	0.0	8.2	15.3	227.6
Total in 2021	3,190.1	-79.0	124.3	302.8	3,538.2
Pensions for police and border guard officials and rescue officers	1,359.4	-30.9	53.0	135.0	1,516.5
Pensions for servicemen	971.1	-15.7	38.2	95.3	1,088.9
Pensions for judges, prosecutors and the Chancellor of Justice	252.2	-5.1	9.7	16.6	273.4
Parliamentary pensions	100.5	-7.2	4.0	7.8	105.1
Special pensions for other officials	13.6	-0.7	0.4	2.2	15.5
Pension increases for pensioners under the Civil Service Act	265.7	-19.4	9.9	44.5	300.7
Pension increases for employees under the Civil Service Act	227.6	0.0	9.1	1.4	238.1

As of the end of 2021, public sector pension provisions were calculated for a total of 30,319 people (30,657 people at the end of 2020). 13,700 of them had retired (13,184 pensioners at the end of 2020).

As actuarial gains and losses on pension provisions may fluctuate significantly year by year, they are accounted for directly as a change in net assets. In 2021, a total loss of 167.6 million euros was recorded (loss of 203.6 million euros in 2020). Amounts accrued for the current period are recognised under labour costs (see Note a23).

In the consolidated report, pension provisions in the Eesti Energia Group are added.

B. Environmental protection provisions

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Balance at the beginning of the period	97.0	92.8	0.4	0.4
Formation	191.4	74.0	-0.1	0.1
Interest expense	0.5	0.5	0.0	0.0
Expenditure	-76.0	-70.3	0.0	-0.1
Balance at the end of the period	212.9	97.0	0.3	0.4

Environmental protection provisions have been formed mainly in the Eesti Energia group, including for closing the ash fields of mining areas and power plants and for purchasing emission allowances. Of the expenditure, 74.9 million euros are emission allowances expensed to cover greenhouse gas emissions (69.3 million euros in 2020, 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 SA KredEx, Maaelu Edendamise SA and AS KredEx Krediidikindlustus are reflected in the consolidated report. In 2021, the corresponding provisions were increased by 15.3 million euros (25.7 million euros in 2020) and disbursements were made for 0.5 million euros (5.1 million euros in 2020).

D. State liability of the II pillar funded pension

The state has undertaken to add an additional 4% to the 2% mandatory funded pension payments withheld from salaries, i.e. to increase the pension contributions by the double amount. The state suspended these payments starting from July 2020 to August 2021 and is going to pay its contribution to the people leaving the mandatory funded pension funds of the II pillar once they have the right to leave and to the rest in 2023 and 2024. By the end of 2020, a provision in the amount of 147.5 million euros was calculated based on the double amount of the 2% payments from July to December. Of this 42.9 million was recorded as a short-term provision. For the period from January to August 2021, a further provision in the amount of 205.5 million euros was calculated and 79.7 million euros were disbursed from the provision. At the end of 2021, the short-term part of the provision amounted to 22.9 million euros and the long-term part to 250.3 million euros.

E. Other provisions

AS Eesti Loto forms short-term provisions for the payment of the prize fund. In 2021, 40.9 million euros were paid out from provisions (39.2 million euros in 2020), new provisions were formed in the amount of 43.9 million euros (39.3 million euros in 2020), and the balance at the end of the year was 5.3 million euros (2.3 million euros by the end of 2020).

Other provisions also include various provisions, including 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 according to the remaining term

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	1,152.5	2,063.4	137.8	3,353.7
Up to 1 year	222.3	233.7	10.9	466.9
1 to 5 years	758.2	938.7	68.3	1,765.2
More than 5 years	172.0	891.0	58.6	1,121.6
Balance as of 31.12.2020	2,824.4	2,735.2	137.6	5,697.2
Up to 1 year	437.8	431.7	10.4	879.9
1 to 5 years	749.2	761.6	81.1	1,591.9
More than 5 years	1,637.4	1,541.9	46.1	3,225.4
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

A2. Movements in loan liabilities and interest expense

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	1,152.5	2,063.4	137.8	3,353.7
Received	2,056.6	1,054.7	10.1	3,121.4
Repayment	-394.6	-385.4	-9.9	-789.9
Depreciation of loan cost	9.9	-0.5	-0.4	9.0
Increase due to acquisition of controlling influence	0.0	3.0	0.0	3.0
Balance as of 31.12.2020	2,824.4	2,735.2	137.6	5,697.2
Received	401.8	555.2	27.1	984.1
Reclassification	0.0	-2.5	0.0	-2.5
Revaluations	0.0	-0.1	0.2	0.1
Repayment	-450.2	-328.2	-12.8	-791.2
Depreciation of loan cost	10.6	0.3	0.0	10.9
Changes due to acquisition and loss of controlling influence	0.0	0.1	-1.1	-1.0
Balance as of 31.12.2021	2,786.6	2,960.0	151.0	5,897.6
Interest cost in 2020	-31.5	-10.3	-6.8	-48.6
Average interest rate (%)	1.6%	0.4%	4.9%	1.1%
Interest cost in 2021	-27.8	-9.4	-6.0	-43.2
Average interest rate (%)	1.0%	0.3%	4.2%	0.7%

Subsidiaries that prepare their financial statements in accordance with the International Financial Reporting Standards capitalised interest expense on loans into the cost of non-current assets in the amount of 3.2 million euros (2.3 million euros in 2020) (see Note a27).

Assets acquired under financial 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.

B. Unconsolidated report

B1. Division of loan liabilities according to the remaining term

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	100.1	1,049.0	0.7	1,149.8
Up to 1 year	100.1	72.4	0.1	172.6
1 to 5 years	0.0	254.7	0.4	255.1
More than 5 years	0.0	721.9	0.2	722.1
Balance as of 31.12.2020	1,906.9	1,726.3	0.6	3,633.8
Up to 1 year	425.2	72.4	0.1	497.7
1 to 5 years	0.0	308.7	0.3	309.0

	Bonds	Loans	Financial lease	Total
More than 5 years	1,481.7	1,345.2	0.2	2,827.1
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

B2. Movements in loan liabilities and interest expense

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	100.1	1,049.0	0.7	1,149.8
Received	2,056.6	749.7	0.0	2,806.3
Depreciation of loan cost	0.5	0.0	0.0	0.5
Repayment	-250.3	-72.4	-0.1	-322.8
Balance as of 31.12.2020	1,906.9	1,726.3	0.6	3,633.8
Received	401.8	379.2	0.0	781.0
Depreciation of loan cost	1.3	0.1	0.0	1.4
Repayment	-425.9	-73.7	-0.1	-499.7
Balance as of 31.12.2021	1,884.1	2,031.9	0.5	3,916.5
Interest expense in 2020 (see Note a27)	-1.2	-0.3	0.0	-1.5
Average interest rate	0.1%	0.0%	0.0%	0.1%
Interest expense in 2021 (see Note a27)	-2.2	0.8	0.0	-1.4
Average interest rate	0.1%	0.0%	0.0%	0.0%

Among loans, the amount of loan liabilities corresponding to the share of the Estonian state arising from the EFSF framework agreement is 451.9 million euros (the same at the end of 2020), which were lent on the basis of the European Union support programme. Long-term interest payables in the amount of 39.5 million euros (34.5 million euros at the end of 2020) 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).

In March 2021, the state issued short-term bonds with a nominal value of 400.0 million euros, which had a one-year term and a weighted average yield of -0.441%. 401.8 million euros were received from the issue.

In May 2021, the state borrowed from the Council of Europe Development Bank (CEB) in the amount of 150.0 million euros at an interest rate of 3 months' Euribor + 0.23% and with maturity on 5 May 2036.

In May 2021, the state borrowed from the European Commission's instrument for temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) established to mitigate the COVID-19 crisis 140.0 million euros at an interest rate of 0% with maturity on 4 July 2029 and 90.0 million euros at an interest rate of 0.75% with maturity on 4 January 2047. The State Treasury received 229.2 million euros.

In March 2020, the state issued short-term government bonds for 200.0 million euros with a negative interest rate of -0.296%, of which 200.6 million euros were received by the State Treasury.

In April 2020, the state borrowed from the Nordic Investment Bank (NIB) 750.0 million euros with an interest rate of 3 months' Euribor + 0.32% and a maturity of up to 30 March 2035. The State Treasury received 749.7 million euros.

In May 2020, additional short-term government bonds were issued in the amount of 375.0 million euros, of which 150.0 million euros worth of bonds had a 6 months term and a negative interest rate of -0.177% and 225.0 million euros worth of bonds had a 12-month term and an interest rate of -0.141%. 375.45 million euros were received by the State Treasury.

In 2020, 10-year government bonds were issued in the amount of 1,500.0 million euros with an interest rate of 0.235%. The State Treasury received 1,480.59 million euros, reduced by transaction fees.

In both 2021 and 2020, 72.4 million euros were repaid to the European Investment Bank according to the schedule for loans taken for investment projects. The balance of the loans at the end of 2021 was 452.4 million euros (524.7 million euros at the end of 2020).

1.3 million euros were repaid to the NIB in 2021, with the balance of the loan at the end of 2021 being 748.7 million euros.

Note a18

Derivatives

In millions of euros

	Consolidated					
	31.12.2021		31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Forward and futures contracts for the purchase and sale of electricity – cash flow hedging instruments	193.7	2.5	7.3	0.3	0.6	0.2
Forward and futures contracts for the purchase and sale of electricity – trading derivatives through the statement of financial performance	87.3	4.3	11.8	2.0	0.2	8.0

	Consolidated					
	31.12.2021		31.12.2020		31.12.2019	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Futures contracts for the purchase and sale of emission allowances – trading derivatives through the statement of financial performance	0.0	0.0	0.0	0.0	0.1	0.2
Swap and futures contracts for the purchase and sale of gas – cash flow hedging instruments	12.5	0.0	2.4	0.0	0.0	0.0
Swap and futures contracts for the purchase and sale of gas – trading derivatives through the statement of financial performance	52.3	51.9	8.4	8.2	11.0	13.5
Swap and forward contracts for the sale of liquid fuel – cash flow hedging instruments	1.8	76.2	25.4	1.5	0.1	6.3
Swap and forward contracts for the sale of liquid fuel – trading derivatives through the statement of financial performance	0.0	18.8	0.1	2.2	2.2	2.0
Other derivatives	0.2	0.2	0.0	0.5	0.0	0.0
Interest rate swap contracts – cash flow hedging instruments	0.0	0.0	0.0	0.1	0.0	0.2
Interest rate swap contracts – through the statement of financial performance	0.0	0.0	0.1	0.0	0.0	0.0
Total derivatives	347.8	153.9	55.5	14.8	14.2	30.4
Incl. short-term part	160.2	116.1	31.8	10.4	10.0	24.4
Incl. long-term part	187.6	37.8	23.7	4.4	4.2	6.0

Hedging reserve

	2021	2020
Hedging reserve at the beginning of the period	34.1	-32.8
Change in market value of derivatives	231.6	69.2
Recognised in operating income	-3.1	-2.3
Recognised in operating expenses	-51.1	0.0
Hedging reserve at the end of the period	211.5	34.1

Note a19

Grants received and awarded

In millions of euros

A. Grants received

A1. Consolidated report

	Balance as of 31.12.2019		Calculated revenue 2020	Balance as of 31.12.2020		Calculated revenue 2021	Balance as of 31.12.2021	
	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	444.2	224.8	891.1	476.6	374.9	960.3	522.4	570.6
Other foreign aid	4.5	12.4	48.9	5.2	18.2	38.0	13.0	23.4
Domestic grants	0.1	39.7	27.8	1.1	47.3	35.9	0.6	52.3
Total grants received	448.8	276.9	967.8	482.9	440.4	1,034.2	536.0	646.3

Foreign grants received from European Union funds was recovered in the amount of 13.1 million euros (14.1 million euros in 2020), of which intermediated foreign aid was 11.9 million euros (13.1 million euros in 2020) (reflected as a decrease in revenue).

A1.1. Income from grants received according to business activity

	2021				2020			
	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	14.8	250.8	15.3	33.9	10.3	223.7	6.5	37.3
Transport	5.2	2.1	66.5	12.2	5.4	1.1	55.7	8.1

	2021				2020			
	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	Intermediated for acquisition of non-current assets
Housing	0.0	0.0	0.0	51.0	0.0	0.0	0.0	25.2
Other	10.2	27.8	55.6	39.0	8.1	14.3	87.9	42.8
Environmental protection	5.5	0.7	0.7	60.0	15.2	0.5	1.4	62.0
Education	27.9	49.2	48.5	21.3	28.4	38.4	16.4	43.6
Health care	44.3	9.3	17.4	15.0	38.5	0.4	4.2	13.3
Social protection	26.0	19.0	4.9	3.4	20.9	18.5	10.0	6.1
General government services	22.4	5.2	18.6	6.3	26.8	12.4	11.1	10.3
National defence	3.3	0.0	10.2	0.0	6.2	0.0	30.5	0.0
Leisure time, culture, religion	15.2	2.2	0.3	0.1	12.8	1.9	0.5	0.8
Public order and security	4.8	0.1	8.0	0.0	3.7	0.2	6.4	0.0
Total income from grants received	179.6	366.4	246.0	242.2	176.3	311.4	230.6	249.5

Intermediated grants in the amount of 608.6 million euros (a total of 560.9 million euros in 2020) 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 section 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 16.2 million euros (decrease of 1.0 million euros in 2020) and the decrease in prepayments received by 4.9 million euros (increase of 1.1 million euros in 2020). 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 31.12.2019		Calculated revenue in 2020	Balance as of 31.12.2020		Calculated revenue in 2021	Balance as of 31.12.2021	
	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	445.2	191.9	820.0	475.5	327.0	926.1	522.3	566.6
Other foreign aid	2.2	10.5	46.5	3.2	15.0	37.0	6.6	20.7
Domestic grants	1.8	41.1	14.5	1.9	47.9	20.9	0.3	52.6
Total grants received	449.2	243.5	881.0	480.6	389.9	984.0	529.2	639.9

A2.1. Income from grants received according to business activity

	2021				2020			
	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	Intermediated for acquisition of non-current assets	For operating expenses	Intermediated for operating expenses	For acquisition of non-current assets	Intermediated for acquisition of non-current assets
Agriculture	13.5	252.0	14.7	34.5	9.5	224.7	3.9	39.9
Transport	1.2	4.4	36.5	43.3	0.9	2.4	25.0	36.0
Housing	0.0	0.0	0.0	51.0	0.0	0.0	0.0	25.2
Other	5.8	30.7	8.4	52.6	5.0	15.8	2.4	68.9
Environmental protection	4.8	2.5	0.1	60.6	16.8	2.7	1.2	62.7
Education	17.6	57.8	48.6	21.2	13.1	44.8	15.9	44.1
Health care	39.2	9.4	0.3	31.6	29.0	0.4	0.0	18.7
General government services	17.7	9.1	17.9	7.0	22.8	16.7	10.3	10.5
Social protection	26.1	19.0	0.3	8.0	20.9	18.5	0.0	15.4
National defence	3.2	0.0	10.2	0.0	6.1	0.0	30.5	0.0
Leisure time, culture, religion	6.4	3.6	0.1	0.0	6.1	3.0	0.0	0.8
Public order and security	5.0	0.1	8.0	0.0	3.8	0.2	6.4	0.0
Total income from grants received	140.5	388.6	145.1	309.8	134.0	329.2	95.6	322.2

Intermediated grants in the amount of 698.4 million euros (a total of 651.4 million euros in 2020) 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 recognised as grants awarded, see section 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 receivable for the acquisition of non-current assets by 12.7 million euros (decrease of 1.4 million euros in 2020) and the decrease in prepayments received by 4.1 million euros (decrease of 0.8 million euros in 2020). 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 31.12.2019		Calculated expenditure 2020	Balance as of 31.12.2020		Calculated expenditure 2021	Balance as of 31.12.2021	
	Prepayments (Note a5)	Liabilities (Note a15)		Prepayments (Note a5)	Liabilities (Note a15)		Prepayments (Note a5)	Liabilities (Note a15)
From European Union funds	4.9	146.2	-547.4	27.8	140.5	-586.6	30.4	141.0
Other foreign aid	16.0	1.2	-13.5	4.3	0.9	-22.0	2.9	2.9
Domestic grants	39.0	57.5	-5,474.1	129.8	63.3	-6,078.0	122.8	97.8
Total grants awarded	59.9	204.9	-6,035.0	161.9	204.7	-6,686.6	156.1	241.7

B1.1. Grants awarded by activities

	2021			2020		
	Social benefits	For operating expenses	For acquisition of non- current assets	Social benefits	For operating expenses	For acquisition of non- current assets
Social protection	-3,118.9	-744.0	-7.8	-2,946.6	-658.1	-8.2
Education	-25.4	-793.4	-30.5	-25.7	-758.8	-52.1
Agriculture	-0.2	-353.0	-40.5	0.0	-260.3	-44.7
Transport	0.0	-101.6	-34.2	0.0	-144.9	-22.8
Housing	0.0	-0.1	-52.3	0.0	0.0	-25.2
Other	0.0	-114.3	-69.4	0.0	-75.8	-63.0
General government services	-0.1	-484.0	-100.1	-3.5	-466.8	-36.3
Environmental protection	0.0	-10.8	-70.8	0.0	-13.3	-76.0
Leisure time, culture, religion	-3.8	-165.3	-23.7	-1.1	-144.9	-14.6
National defence	-11.5	-52.2	-3.8	-10.7	-48.2	-1.7
Health care	-0.2	-249.7	-15.2	-0.2	-107.1	-14.5
Public order and security	0.0	-9.5	-0.3	0.0	-9.8	-0.1
Total expenditure of grants awarded	-3,160.1	-3,077.9	-448.6	-2,987.8	-2,688.0	-359.2

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 a11). In addition, an increase of 3.7 million euros in government grants for the acquisition of non-current assets (decrease of 8.9 million euros in 2020) and a decrease of 35.9 million euros in prepayments (increase of 69.4 million euros in 2020) have been taken into account.

B2. Unconsolidated report

	Balance as of 31.12.2019		Calculated expenditure 2020	Balance as of 31.12.2020		Calculated expenditure 2021	Balance as of 31.12.2021	
	Prepayments (Note a5)	Liabilities (Note a15)		Prepayments (Note a5)	Liabilities (Note a15)		Prepayments (Note a5)	Liabilities (Note a15)
From European Union funds	7.7	162.7	-630.4	11.2	159.0	-677.9	36.4	162.9
Other foreign aid	3.0	1.0	-5.1	4.7	1.8	-20.4	1.7	3.1
Domestic grants	87.3	123.8	-5,689.9	214.5	128.3	-6,351.1	146.7	191.6
Total grants awarded	98.0	287.5	-6,325.4	230.4	289.1	-7,049.4	184.8	357.6

B2.1. Expenditure of grants awarded by activities

	2021			2020		
	Social benefits	For operating expenses	For acquisition of non-current assets	Social benefits	For operating expenses	For acquisition of non-current assets
Social protection	-3,118.9	-744.5	-13.0	-2,946.6	-658.8	-19.1
Education	-25.3	-817.9	-30.4	-24.3	-782.1	-52.7
Agriculture	0.0	-351.8	-41.1	0.0	-258.4	-47.5
Transport	0.0	-173.5	-94.0	0.0	-215.0	-64.5
Housing	0.0	-2.5	-64.5	0.0	-0.5	-32.8
Other	0.0	-165.7	-74.9	0.0	-95.6	-67.7
General government services	-0.1	-490.6	-106.1	-3.5	-473.9	-47.3
Leisure time, culture, religion	-3.7	-238.5	-29.7	-0.9	-221.9	-20.6
Environmental protection	0.0	-31.0	-62.7	0.0	-29.5	-64.5
Health care	-0.1	-250.0	-33.3	-0.2	-107.0	-18.8
National defence	-11.5	-56.7	-7.3	-10.7	-49.4	-1.7
Public order and security	0.0	-9.8	-0.3	0.0	-9.8	-0.1
Total expenditure of grants awarded	-3,159.6	-3,332.5	-557.3	-2,986.2	-2,901.9	-437.3

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, a decrease of 1.6 million euros in government grants for the acquisition of non-current assets (decrease of 4.2 million euros in 2020) and a decrease of 89.4 million euros in prepayments (increase of 91.3 million euros in 2020) have been taken into account.

B2.2. Social benefits by benefit type

	2021	2020
Pensions	-2,054.4	-1,957.9
Support for pensioners living alone	-10.9	-10.4
Family allowance	-613.0	-606.0
Social tax and funded pension payments paid by the state in special cases	-123.9	-120.0
Additional 4% funds allocated to II pillar mandatory funded pension funds which were temporarily suspended	-205.5	-147.5
For disabled persons	-67.4	-75.7
Education allowance	-17.8	-17.8
Pension provisions for public sector employees (see Notes a16 A, a23)	-44.1	-34.0
Other support	-22.6	-16.9
Total social benefits	-3,159.6	-2,986.2

The state has undertaken to add an additional 4% to the withheld 2% to II pillar mandatory funded pension funds to, i.e. double the amount, from the salaries 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, 4% 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 these payments and is going to pay them retroactively to those leaving the mandatory funded pension scheme at the time of final payments and to the rest in 2023 and 2024. Upon preparing the 2020 report, it was assumed that 4% payments would also be retroactively made from social tax. In 2021, it turned out that funds were allocated from the state budget to recover the suspended part and no social tax funds were used for this purpose. For this reason, the expenditure of calculating a provision formed for this purpose in 2020 in the amount of 147.5 million euros (in double the amount based on 2% payment declared during the period from July to December) recognised in this report has been moved from the entry of pass-through taxes to the entry of social benefits. The same entry in the 2021 report recognises the expenditure of forming a 4% provision in the amount of 205.5 million euros accumulated from January to August.

B.2.3. Grants provided for operating costs and acquisition of non-current assets by recipient

	2021		2020	
	For operating expenses	For acquisition of non-current assets	For operating expenses	For acquisition of non-current assets
To local governments	-636.5	-176.2	-661.8	-124.8
To the Health Insurance Fund	-434.2	0.0	-265.7	-0.3
To the Unemployment Insurance Fund	-568.8	0.0	-452.1	0.0
To public universities	-257.7	-18.5	-229.4	-17.2

To other legal persons in public law	-102.3	-5.5	-105.2	-6.7
To other entities included in the general government	-417.1	-100.9	-372.6	-90.8
To other public sector entities not included in the general government	-68.8	-84.2	-38.9	-68.4
To private sector foundations and non-profit organisations	-136.7	-42.2	-131.0	-32.6
To private sector residents	-341.8	-129.6	311.0	-95.2
To non-residents	-368.6	-0.2	-334.2	-1.3
Total	-3,332.5	-557.3	-2,901.9	-437.3

Of the support awarded to non-residents, payments to the European Union budget totalled 321.9 million euros (278.3 million euros in 2020).

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.

In April 2020, the Riigikogu gave permission for the mobilisation of the Stabilisation Reserve Fund to manage the cash flows of the state in order to reduce the risks related to the COVID-19 pandemic and alleviate the crisis. However, no funds were withdrawn from the Stabilisation Reserve Fund in either accounting year.

	2021	2020
Balance at the beginning of the period	431.9	414.4
Financial income from reserve investment	-2.7	-1.4
Revenue from the profit of the Bank of Estonia (see Note a27)	0.9	18.9
Balance at the end of the period	430.1	431.9

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 operating result 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

	2021	2020
Total cash flows from principal activities	62.7	-627.0
Total cash flows from investment activities	-270.7	-1,637.8
Less cash flows from the investing liquid financial assets and funds of the Stabilisation Reserve Fund	-181.7	129.3
Repayments of long-term debt obligations, interest paid and other financial expenses	-500.5	-322.7
Total	-890.2	-2,458.2

B. Ownership reform reserve fund

The ownership reform reserve fund is formed based on the Use of Privatisation Proceeds Act.

	2021	2020
Balance at the beginning of the period	37.9	34.0
Income from privatisation of land	6.6	5.9
Compensation for expenses related to the organisation of privatisation	-2.7	-2.0
Balance at the end of the period	41.8	37.9

C. Liquidity reserve of the State Treasury

	31.12.2021	31.12.2020	31.12.2019
Liquidity reserve (liquid assets)	1,628.8	1,725.4	927.7
Demand deposits of customers in the State Treasury (liabilities)	1,895.1	1,888.7	1,413.3
Difference between liquidity reserve and demand deposits	-266.3	-163.3	-485.6

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	
	2021	2020	2021	2020
State fees (see Note a4)	88.8	74.5	89.1	74.9
Income from economic activities	3,085.1	2,417.5	312.8	233.6
Income from electricity sold	1,020.7	619.7	0.1	0.1
Income from health care	593.5	544.0	6.1	6.1
Income from transport services	243.4	235.0	2.2	1.8
Income from agriculture and forestry	231.0	196.7	8.3	7.6
Income from mining, processing industry and construction	280.2	199.9	0.0	0.0
Income from communication services	119.9	107.6	0.7	0.6
Income from heat energy sold	54.3	37.2	0.2	0.1
Lease and rent	34.0	29.5	0.7	0.4
Payments for the right of superficies and right of use	14.2	13.7	6.0	5.7
Income from educational activities	20.1	17.5	9.7	8.1
Income from cultural, sports and recreational activities	21.0	19.5	2.0	1.8
Sale of emission allowance credits	248.7	156.8	248.7	142.4
Sale of statistical transfers of renewable energy	7.6	37.5	7.6	37.5
Fairway dues	6.8	4.7	6.8	4.7
Guarantee fees, insurance premiums, contract fees	12.1	9.6	0.0	0.0
Interest income earned in principal activity on loans issued	7.2	3.9	0.0	0.0
Other goods and services sold	170.4	184.7	13.7	16.7
Total goods and services sold	3,173.9	2,492.0	401.9	308.5

Note a22

Other income

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Profit/loss from investment property sold (see Note a10)	0.7	2.4	0.1	0.1
Profit/loss from property, plant and equipment sold (see Note a11)	37.6	24.5	31.1	18.5
Profit/loss from biological assets sold (see Note a14)	0.1	0.1	0.1	0.1
Interest income on debt (incl. tax penalties, see Note a4)	15.9	16.6	14.5	14.9
Fines (see Note a4)	19.1	18.5	18.6	18.1
Pollution charges (see Note a4)	22.7	20.4	36.4	26.8
Income from providing natural resources for use (see Note a4)	34.1	23.4	54.6	32.9
Universal postal service charges (see Note a4)	0.1	0.1	0.9	1.0
Compensation awarded by court rulings (see Note a4)	9.3	9.6	9.3	9.6
Road usage charge (see Note a4)	21.3	20.0	21.3	20.1
Profit/loss from sale of inventories	7.1	20.4	0.2	0.1
Profit from revaluation of derivatives	93.8	18.6	0.0	0.0
Other income	40.8	13.5	3.4	5.4
Total other income	302.6	188.1	190.5	147.6

Note a23

Labour costs

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Wage expenditure				
Persons elected and appointed to a position	-21.2	-20.2	-21.2	-20.2
Officials	-401.5	-388.1	-401.5	-388.1
Members of supervisory boards and management boards	-15.0	-14.3	0.0	0.0
Employees	-907.1	-849.9	-290.4	-268.1
Total wages of full-time employees	-1,344.8	-1,272.5	-713.1	-676.4
Wages of temporary and external employees	-26.4	-23.1	-16.3	-12.2
Special pensions and pension increases	-91.2	-83.7	-91.2	-83.7
Total wage expenditure	-1,462.4	-1,379.3	-820.6	-772.3
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	362	353	362	353
Officials	16,581	16,529	16,581	16,529
Members of supervisory boards and management boards	229	241	0	0
Employees	39,499	39,642	13,416	13,215
Total average number of employees	56,671	56,765	30,359	30,097
Other labour costs				
Fringe benefits	-8.6	-7.5	-4.3	-3.6
Taxes and social security contributions	-456.8	-432.9	-247.3	-233.8
Capitalised production	23.9	22.4	3.4	3.2
Total other labour costs	-441.5	-418.0	-248.2	-234.2
Total labour costs	-1,903.9	-1,797.3	-1,068.8	-1,006.5

Provisions for special pensions and pension increases (see Note a16 A) are recognised as an expense in the labour expense group, except 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 operating result.

Labour costs by areas of activities are presented in Note a28.

Note a24

Management expenses

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Production costs	-811.3	-495.6	-0.5	-0.2
Medicines and medical services	-226.0	-182.5	-78.3	-45.3
Cost of managing property, buildings and premises	-150.9	-137.2	-161.1	-145.1
Cost of managing vehicles	-125.3	-126.7	-36.7	-34.4
Cost of managing facilities	-114.1	-118.1	-46.0	-54.4
Defence related equipment and materials	-95.6	-116.9	-95.6	-116.9
Information and communication technology expenses	-91.1	-82.8	-60.4	-53.5
Administration costs	-78.2	-67.4	-45.5	-38.2
Social services	-102.3	-58.2	-133.5	-87.4
Cost of managing fixtures and fittings	-37.0	-35.7	-21.3	-19.8
Communication, culture and leisure time expenses	-43.0	-34.5	-11.2	-9.4
Travel expenses (except training trips)	-38.1	-33.1	-36.0	-31.6
Change in provisions for security and guarantee losses	-15.8	-25.7	0.0	0.0
Research and development	-28.3	-25.0	-15.5	-15.3
Costs of organising teaching materials and trainings	-20.4	-20.4	-17.2	-16.2
Cost of managing work machinery and equipment	-19.5	-20.3	-4.4	-4.1

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Other special equipment and materials	-12.7	-19.8	-6.7	-6.2
Foodstuffs and catering services	-19.3	-18.2	-12.2	-11.4
Transport services	-10.4	-14.3	-3.4	-6.7
Employee training expenses (incl. training trips)	-13.3	-11.0	-7.7	-6.2
Special clothing and uniforms	-8.6	-6.0	-5.0	-4.6
Miscellaneous other economic costs	-15.2	-14.5	-13.1	-10.6
Total management expenses	-2,076.4	-1,663.9	-811.3	-717.5

Management expenses by areas of activities are presented in Note a28.

Note a25

Depreciation and change in the value of non-current assets

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
On investment property (see Note a10)	-2.6	-2.6	-0.1	-0.1
On property, plant and equipment (see Note a11)	-643.8	-613.2	-258.3	-245.0
On intangible assets (see Note a12)	-58.3	-49.7	-32.8	-29.5
Total depreciation and change in value of non-current assets	-704.7	-665.5	-291.2	-274.6

Depreciation and change in the value of non-current assets by functions are presented in Note a28.

Note a26

Other expenditure

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Expenditure related to state secret	-108.3	-88.2	-108.3	-88.2
Expenditure on doubtful loan receivables (see Note a6)	7.4	-69.7	0.2	0.1
Expenditure on other doubtful receivables	-0.9	-6.0	-1.4	-1.7
Write-down of inventory	41.1	-49.2	-19.4	-0.1
Expenditure on emission allowances	-192.0	-76.2	0.0	0.0
Other expenditure	-89.0	-22.2	-4.2	-4.5
Total other expenditure	-341.7	-311.5	-133.1	-94.4

Note a27

Financial income and expenditure

In million euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Profit/loss from financial investments	1.0	1.5	365.7	236.8
Operating result from foundations (see Note a8)	0.0	0.0	-1.0	4.9
Dividends from subsidiaries (see Note a9)	0.0	0.0	109.8	177.6
Dividends from associates (see Note a9)	0.0	0.0	0.8	0.5
Write-downs of holdings of subsidiaries and reversals of write-downs (see Note a9)	0.0	0.0	250.6	53.8
Operating result from the sale of holdings (see Note a3, a9)	-0.7	0.0	5.5	0.0
Other profit and loss from subsidiaries (see Note a8, a9)	-0.4	0.1	0.0	0.0
Operating result from associates (see Note a9)	2.1	1.4	0.0	0.0
Interest expense	-166.2	-157.9	-126.5	-111.8
On loan liabilities (see Note a17)	-40.0	-46.3	-1.4	-1.5
On derivatives	-0.1	-0.2	0.0	0.0
On discounted liabilities (incl. provisions, see Note a16)	-125.3	-111.5	-124.4	-110.6
On other liabilities	-0.8	0.1	-0.7	0.3

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Income from deposits and securities	-1.0	-21.3	-4.4	-104.1
Interest income from deposits (see Note a2)	-4.3	-1.6	-4.8	-2.2
Profit/loss from bonds (see Note a3)	-3.1	-2.1	-3.2	-2.3
Profit/loss from venture capital funds (see Note a3)	4.7	-14.3	0.6	-15.4
Profit/loss from dedicated funds (see Note a5)	0.0	0.0	2.5	-84.5
Other financial income and expense	1.7	-3.3	0.5	0.3
Other financial income	5.7	25.5	3.6	21.6
Interest income from loans	5.0	4.5	2.7	2.7
Revenue from the profit of the Bank of Estonia (see Note a20 A)	0.9	18.9	0.9	18.9
Other financial income	-0.2	2.1	0.0	0.0
Other financial expenses	-0.5	-0.3	0.0	0.0
Total financial income and expenditure	-161.0	-152.5	238.4	42.5

Note a28

Expenditure by activity

In millions of euros

A. Consolidated report

	2021					2020				
	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 services	167.0	104.3	53.1	3.4	327.8	158.2	96.2	48.9	3.4	306.7
National defence	129.9	173.0	76.2	49.8	428.9	122.6	189.2	68.9	45.6	426.3
Public order and security	313.6	73.9	23.5	61.2	472.2	310.7	69.4	21.4	46.2	447.7
Economy	480.0	1,169.5	471.1	250.6	2,371.2	463.7	858.4	448.3	259.4	2,029.8
Environmental protection	39.8	20.5	6.4	0.1	66.8	38.3	30.8	6.9	0.0	76.0
Health care	388.3	304.7	30.5	20.3	743.8	342.9	222.4	27.6	1.9	594.8
Leisure time, culture, religion	71.0	87.5	15.1	0.1	173.7	68.1	78.8	13.7	0.1	160.7
Education	169.6	64.0	21.6	-1.6	253.6	161.5	50.6	24.6	1.5	238.2
Social protection	144.7	79.0	7.2	124.5	355.4	131.3	68.1	5.2	111.6	316.2
Total expenditure	1,903.9	2,076.4	704.7	508.4	5,193.4	1,797.3	1,663.9	665.5	469.7	4,596.4

Other expenditure includes other operating expenses, interest expense and other financial expenses.

B. Unconsolidated report

	2021					2020				
	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 services	157.5	77.4	22.0	2.3	259.2	149.6	71.0	20.7	1.4	242.7
National defence	126.8	179.8	75.8	49.8	432.2	121.6	194.4	68.7	45.6	430.3
Public order and security	313.6	139.7	23.5	61.2	538.0	310.7	131.6	21.4	46.2	509.9
Economy	110.0	89.3	136.3	3.9	339.5	102.6	83.5	129.6	0.0	315.7
Environmental protection	31.5	18.4	4.5	0.1	54.5	30.1	29.8	5.1	0.0	65.0
Health care	26.6	124.1	0.8	19.4	170.9	21.3	58.2	0.9	0.0	80.4
Leisure time, culture, religion	15.8	15.4	3.6	0.0	34.8	14.4	13.7	3.0	0.0	31.1
Education	160.8	72.5	20.9	-1.6	252.6	142.5	52.4	23.1	1.5	219.5
Social protection	126.2	94.7	3.8	124.5	349.2	113.7	82.9	2.1	111.5	310.2
Total expenditure	1,068.8	811.3	291.2	259.6	2,430.9	1,006.5	717.5	274.6	206.2	2,204.8

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. Receivables and liabilities to other public sector entities and related entities

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Assets	1,183.2	617.3	312.9	6,724.1	5,902.4	4,465.0
Current assets	1,060.0	498.8	194.6	1,553.1	570.9	256.2
Cash and bank accounts	758.4	198.5	0.0	758.4	198.5	0.0
Tax, state fee and fine receivables	98.8	93.1	87.5	172.2	137.4	144.6
Other liabilities and prepayments	202.8	207.2	107.1	622.5	235.0	111.6
Non-current assets	123.2	118.5	118.3	5,171.0	5,331.5	4,208.8
Ownership interest in foundations	0.0	0.0	0.0	441.7	442.9	366.8
Ownership interest in subsidiaries and affiliated associates	65.0	60.4	57.9	4,169.9	3,881.8	3,657.0
Other liabilities and prepayments	58.2	58.1	60.4	559.4	1,006.8	185.0
Liabilities	1,413.3	1,261.9	1,480.9	2,495.4	2,440.5	1,914.7
Current liabilities	1,368.7	1,221.0	1,443.7	2,392.0	2,337.1	1,811.6
Received prepayments of taxes, state fees and fines	19.6	15.7	10.4	35.4	27.2	21.7
Trade payables	10.2	7.4	6.8	27.3	19.2	21.9
Deferred taxes	328.2	306.9	279.3	328.2	306.9	279.3
Other liabilities and received prepayments	1,010.7	891.0	1,147.2	2,000.4	1,982.9	1,488.4
Provisions	0.0	0.0	0.0	0.7	0.9	0.3
Non-current liabilities	44.6	40.9	37.2	103.4	103.4	103.1
Other liabilities and received prepayments	44.6	40.9	37.2	103.4	103.4	103.1

B. Income and expenditure from other public sector entities and related entities

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Income from operations	932.4	854.1	408.8	382.2
Taxes and social security contributions	221.3	197.0	324.3	323.1
Goods and services sold	664.9	616.2	10.0	9.8
Grants received	32.7	26.3	28.2	18.4
Other income	13.5	14.6	46.3	30.9
Operating expenses	-5,657.3	-5,093.3	-6,278.0	-5,608.0
Grants awarded	-2,403.9	-2,067.3	-2,876.2	-2,440.6
Pass-through taxes, state fees, fines	-3,200.0	-2,978.7	-3,200.0	-2,978.7
Labour costs	-0.1	-0.1	-0.1	-0.1
Management expenses	-54.3	-44.6	-203.1	-186.2
Other operating expenses	1.0	-2.6	1.4	-2.4
Operating result	-4,724.9	-4,239.2	-5,869.2	-5,225.8
Financial income and expenditure	0.9	18.1	366.8	169.1
Profit/loss from financial investments	2.2	1.2	365.7	236.8
Other financial income and expenses	-1.3	16.9	1.1	-67.7
Surplus or deficit for the reporting period	-4,724.0	-4,221.1	-5,502.4	-5,056.7

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Contingent liabilities	6,252.6	6,054.2	7,227.9	7,403.5
Unpaid ownership interest in international financial institutions (see Note a30 A)	1,647.0	1,588.2	1,647.0	1,588.2
Balance of student loans issued by banks (see Note a6)	42.0	52.4	42.0	52.4
Non-current assets pledged as loan security (see Notes a8, a9)	117.3	141.0	0.0	0.0
Current assets pledged as loan security	32.5	36.6	0.0	0.0
Contingent liabilities in connection with legal proceedings	425.0	504.1	425.8	427.1
Guarantees given (see Note a30 B)	2,109.9	2,078.6	1,695.8	1,673.7
Grant commitments (see Note a30 C)	548.0	649.9	1,770.2	2,013.3
Continuing operating lease liabilities (see Note a30 D)	69.1	81.8	1,090.1	1,008.7
Delivery contracts and investment liabilities (see Note a30 E)	1,261.8	921.6	450.6	533.7
Right of redemption of assets (see Note A30f)	0.0	0.0	106.4	106.4
Contingent claims	431.1	446.7	8.7	4.8
Continuing operating lease receivables (see Note a30 D)	431.1	446.7	8.7	4.8

A. Ownership interest in international financial institutions

	EBRD	EIB	NIB	CEB	IBRD	MIGA	ESM	3SIIF*	Total
As of 31.12.2020									
Bonds	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.3
Callable shares	23.8	187.8	68.9	11.3	127.2	0.0	1,153.2	0.0	1,572.2
Paid-in capital	0.0	0.0	0.0	0.0	2.7	0.0	0.0	13.0	15.7
Received from bonus issue	1.0	5.4	3.9	0.6	3.5	0.0	0.0	0.0	14.4
Total	24.8	193.2	72.8	11.9	133.6	0.1	1,153.2	13.0	1,602.6
As of 31.12.2021									
Bonds	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.3
Callable shares	23.8	187.8	68.9	11.3	128.6	0.9	1,153.2	12.7	1,587.2
Paid-in capital	0.0	0.0	0.0	0.0	3.6	0.0	55.9	0.0	59.5
Received from bonus issue	1.0	5.4	3.9	0.6	2.3	0.0	0.0	0.0	13.2
Total	24.8	193.2	72.8	11.9	134.7	1.0	1,209.1	12.7	1,660.2

*3SIIF: Three Seas Initiative Investment Fund (see 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	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
EFSF	Euro zone member states in funding difficulties	1,543.0	1,543.0	1,543.0	1,543.0
The European Commission	Member states to mitigate the risk of unemployment in an emergency situation	48.7	48.7	48.7	48.7
The European Commission	European Single Resolution Board	22.0	0.0	22.0	0.0
EIB	Project-based investment loans and securities	0.9	0.8	0.9	0.8
EIB	SA Põhja-Eesti Regionaalhaigla	52.2	52.2	52.2	52.2
CEB	SA KredEx	28.8	28.8	28.8	28.8
Banks, leasing companies, foreign companies	SA KredEx for providing loan security for business and housing loans, export guarantees	310.3	303.9	0.0	0.0
Estonian banks and leasing companies	Securing loans for rural entrepreneurs by Maaelu Edendamise SA	103.8	101.0	0.0	0.0
Other		0.2	0.2	0.2	0.2
Total		2,109.9	2,078.6	1,695.8	1,673.7

C. Grant liabilities

Agreements with recipients for the intermediation of foreign aid and for domestic grants

	Consolidated		Unconsolidated	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
From European Union funds	432.9	530.4	1,627.2	1,845.9
Other foreign aid	26.1	23.4	27.8	13.3
Domestic grants	89.0	96.1	115.2	154.1
Total	548.0	649.9	1,770.2	2,013.3

D. Continuing operating lease liabilities and receivables

	Consolidated		Unconsolidated	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Lease liabilities				
Up to 1 year	28.6	29.7	117.9	112.3
1 to 5 years	38.9	47.2	262.5	241.7
More than 5 years	1.6	4.9	709.7	654.7
Total	69.1	81.8	1,090.1	1,008.7
Lease claims				
Up to 1 year	31.8	32.2	0.5	0.7
1 to 5 years	58.8	68.1	1.8	0.8
More than 5 years	340.5	346.4	6.4	3.3
Total	431.1	446.7	8.7	4.8

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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Investment liabilities of Riigi Kinnisvara AS	77.8	96.5	0.0	0.0
Transport and transport infrastructure liabilities	376.5	563.2	212.4	391.6
For acquisition of defence-related non-current assets	222.7	118.8	222.7	118.8
Electricity production and provision liabilities	566.7	118.6	0.0	0.0
Other delivery contracts	18.1	24.5	15.5	23.3
Total delivery contracts and investment liabilities	1,261.8	921.6	450.6	533.7

F. Right of redemption of assets

The state has the right to buy out up to four ferries owned by state subsidiaries, notifying of the wish to purchase in September 2022 at the latest. The state has not yet decided whether or not to exercise this right. In the event of exercising the right, the ferries must be purchased no later than in 2026. The maximum estimated redemption cost is 106.4 million euros.

Note a31

Explanations to the implementation of the state budget

The report on the implementation of the state budget includes all state accounting entities included in the annual unconsolidated financial statements 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 2021 State Budget Act.

The state budgets for 2021 and 2020 are similar in structure, which is why the report also provides the data on the actual implementation of the budget for a comparable period. As of 2020, the state budget has been prepared for expenditures and investments of all areas of government according to key performance areas and programmes. The VAT expense is excluded from the expenditures and investments of programmes, instead it is recognised outside key performance areas and programmes as a consolidated entry for each area of government. Among non-monetary costs, only the depreciation of fixed assets has been budgeted for the expenditure of programmes. In addition to depreciation expenditure from non-monetary transactions, the write-off of the carrying amount of assets from the sale of fixed assets is also recognised in the implementation of the budget (reduces income). Other non-monetary revenues and expenditures recognised in the statement of financial performance that were not budgeted are included in the entries for adjustments in the report on the implementation of the state budget, not among the state budget revenues and expenditures.

The consolidated part of the report recognises the actual budgetary position separately. In order to account for this, the state budget revenues and expenditures have been adjusted in accordance with the rules of the European Standard of Accounts for calculating the budget position.

After the calculation of the budgetary position, the consolidated part contains items that need to be used for adjusting state budget revenues and expenditures in order to reach the revenues and expenditures recognised in the statement of financial performance, which were not taken into account in the state budget or were recognised differently from accounting policies.

In the parts and sections of the report, the revenues and expenditures included in the statement of financial performance have been included separately from the state budget revenues and expenses are recognised in the section 'Adjustments' of the report..

The report starts with a summary. The information is then presented by areas of government (divided into parts and sections). The budgets and budget implementations of all areas of government are broken down by their economic content into income, expenses, investments (acquisitions of tangible and intangible assets), and financing transactions (transactions with financial assets and liabilities subject to budgeting). Expenditure and investments are broken down by the key performance areas, and within performance areas, by the programmes. These include expenditure subject to limits and investments. The limits determined on the basis of the State Budget Act and the sub-acts established on the basis thereof, which may not be exceeded, are deemed to be expenditures and investments with a limit. In addition, the total volume of expenditure and investments includes the following resources:

- 1) estimated resources with the limits set on the basis of separate legislation or a contract, the amounts planned in the state budget may be exceeded (such as pensions);
- 2) revenues and expenditures made on their account, in which case the budget limit increases upon receipt of revenues regardless of the revenues planned in the state budget;
- 3) the cost of depreciation and change in the value of non-monetary assets.

The report is presented in thousands of euros. Revenues 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 summary, except for the revenue and expenditure from domestic tax which have been eliminated as adjustment in order to calculate the income and expenses recognised in the statement of financial performance. In data by areas 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, 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 revenues. 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 State Budget Act 2021 adopted by the Riigikogu on 9 December 2020. According to this, the volume of the state budget revenues was 11,253.1 million euros, the volume of expenditures was 12,667.2 million euros, the volume of investments was 463.0 million euros, and the volume of financing transactions was 17.5 million euros.

The final budget includes changes made to the budget during the year, incl. the transfer of the surplus budget from 2020 to the budget for 2021. The final budget carried over from 2020 amounted to 1,007.4 million euros, incl. 949.3 million euros for expenditures and investments and 58.1 million euros for financing transactions.

A. Budget carried over from 2020 to 2021

In thousands of euros

Area of government	Balances carried over by a directive of the Minister of Finance	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total	Changes after the approval of the annual report 2020
Government of the Republic	148,587	0	0	148,587	-31,809
The Riigikogu	2,067	1	0	2,068	0
President of the Republic	449	0	0	450	0
National Audit Office	759	0	0	759	0
Chancellor of Justice	93	14	0	107	0
Supreme Court	69	38	0	107	0
Government Office	1,420	61	0	1,482	0
Ministry of Education and Research	18,008	11,107	9,008	38,123	14
Ministry of Justice	3,923	6,917	1,821	12,660	0
Ministry of Defence	47,247	290	666	48,202	1,793

Area of government	Balances carried over by a directive of the Minister of Finance	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total	Changes after the approval of the annual report 2020
Ministry of the Environment	8,533	147,234	3,151	158,918	0
Ministry of Culture	23,215	44,788	376	68,379	0
Ministry of Economic Affairs and Communications	214,684	50,975	3,413	269,072	-810
Ministry of Rural Affairs	15,079	2,923	724	18,726	0
Ministry of Finance	99,260	48,244	1,959	149,464	0
Ministry of the Interior	18,521	2,600	17,555	38,676	0
Ministry of Social Affairs	25,034	10,331	2,030	37,395	0
Ministry of Foreign Affairs	13,891	265	46	14,202	0
Total	640,839	325,790	40,750	1,007,378	30,812

In the 2020 report, a total of 1,038.2 million euros were presented as the budget to be carried over to 2021. 148.6 million euros of the total balance of 180.4 million euros calculated at the end of 2020 were carried over to the reserves of the Government of the Republic in 2021. In 2021, the funds carried over were increased by 1.8 million euros on the basis of a directive of the Minister of Defence. The transfer of the budget dependent on revenue was adjusted by a total of -0.8 million euros in the area of government of the Ministry of Economic Affairs and Communications.

On 14 April 2021, the Riigikogu adopted the Supplementary Budget Act to mitigate the effects of the COVID-19 pandemic. It increased the expenditure of the state budget by 640.3 million euros and investments by 0.5 million euros.

On 24 November 2021, the Riigikogu adopted the Amendment Act to the State Budget Act 2021, which increased the budget for investments by 3.7 million euros and decreased the budget for expenditures in the same amount, redistributing it also between 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 special-purpose 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 income. The actual budget is generated 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). 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	11,253,072	-13,130,144	17,515
Supplementary Budget Act		-640,738	
Carried over from previous year (see Note a31 A)		-949,278	-58,100
Budgeted grants		1,454,810	
Grants actually received and bridge financing opened		-1,115,423	
Budgeted co-financing of foreign aid		92,037	
Co-financing of foreign aid actually used		-65,329	
Budgeted revenue from economic activities		38,770	
Actual revenue from economic activities		-48,656	
Budgeted revenue from the sale of emission allowances		47,847	
Actual revenue from sale of emission allowances		-124,599	
Budgeted pass-through taxes for support projects		15,921	
Tax revenue actually received for support projects		-16,378	
Other budgeted revenue and dependent expenditure		8,730	
Actual other revenue based on which expenditure limit was opened		-9,685	
Budgeted use of ownership reform reserve fund		2,000	
Actual allocation from ownership reform reserve fund		-4,748	
Final budget	11,253,072	-14,444,864	40,585

In the final budget, expenditure, investments and VAT expense increased by 1,314.7 million euros compared to the initial budget.

C. Comparison of the entries in the statement of financial performance and summary of the report on the implementation of the state budget

In thousands of euros

Entry	2021			2020		
	Implementa- tion of the budget	Statement of financial performance	Difference	Implementa- tion of the budget	Statement of financial performance	Difference
Revenue						
Taxes and social security contributions	10,793,537	10,600,133	-193,404	9,398,017	9,302,436	-95,581
Goods and services sold	401,923	401,923	0	308,507	308,507	0
State fees	89,115			74,902		
Income from economic activities	312,807			233,605		
Grants received	941,384	984,023	42,639	831,530	881,001	49,471
Other income	183,825	190,398	6,573	133,125	147,575	14,450
Income from non-current assets and inventories sold	31,486			18,845		
Fines and other fines to the extent of asset	17,654			15,693		
Environmental charges	91,009			58,680		
Other income from operations	43,676			39,907		
Interest and dividend income	111,777		-111,777	96,624		-96,624
Revenue not included in state budget revenue	113,859		-113,859	13,668		-13,668
Entries in the statement of financial performance entries not recorded as separate entries in the state budget						
Operating result from change in fair value of biological assets		4,938	4,938		-12,281	-12,281
Profit/loss from financial investments		365,743	365,743		236,802	236,802
Income from deposits and securities		-4,449	-4,449		-104,163	-104,163
Other financial income		3,596	3,596		21,594	21,594
Total revenue	12,546,305	12,546,305	0	10,781,472	10,781,472	0
Expenditure						
State budget expenditure	-12,782,985			-11,684,677		
Expenditure not included in the state budget expenditure	-269,632			-280,596		
Expenditure in the statement of financial performance						
Grants awarded		-7,049,443			-6,325,417	
Doubtful taxes, state fees, fines		-39,366			-76,566	
Pass-through taxes, state fees, fines		-3,532,927			-3,358,505	
Labour costs		-1,068,771			-1,006,500	
Management expenses		-811,299			-717,509	
Depreciation and change in the value of non-current assets		-291,228			-274,594	
Other expenditure		-133,113			-94,401	
Interest expense		-126,471			-111,782	
Total expenditure	-13,052,617	-13,052,617	0	-11,965,273	-11,965,273	0
Total operating result	-506,312	-506,312	0	-1,183,801	-1,183,801	0

In the budget, tax revenues and pass-through taxes are planned according to the rules for calculating the budgetary position: the position is considered to be tax revenues 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 also 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.

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 report on the implementation of the budget.

No non-monetary transactions other than depreciation of fixed assets and write-off of residual value have been planned as state budget revenues and expenditures. 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. In the state budget, no non-monetary financial revenue or gains/losses from the sale of financial investments are planned.

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 disbursements 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 adjustments section while withdrawing the disbursements of the provisions included in the budget expenditure.

This report has retroactively decreased the pass-through tax revenue and increased grants awarded by 147,500 thousand euros in the statement of financial performance 2020 (see accounting methods and valuation principles, changes to material accounting policies, methods of presentation and forecasts).

D. Classification of taxes into state budget revenues, state budget expenditure and adjustments

In thousands of euros

Tax revenue type	Final budget	Revenue in the statement of financial performance	Tax receipt	Difference between revenue and receipts in the statement of financial performance
Income tax	1,923,223	2,657,128	2,627,322	29,806
Social tax	3,392,513	3,715,747	3,692,981	22,766
Unemployment insurance premiums	213,742	231,715	229,933	1,782
Funded pension contributions	147,365	177,724	180,068	-2,345
Value added tax	2,519,211	2,637,660	2,816,342	-178,683
Excise duties	946,844	981,619	970,797	10,822
Heavy goods vehicle tax	5,000	5,047	5,092	-45
Customs duty	44,400	63,545	62,253	1,292
Land tax	59,000	56,818	59,303	-2,485
Gambling tax	30,500	34,646	33,010	1,636
Local taxes	0	5,691	5,712	-21
Total taxes	9,281,798	10,567,339	10,682,814	-115,474
Adjustment by one-month shift in receipts			110,723	
VAT received in January			-256,436	
Excise duty received in January			-83,653	
Social tax received in January			-317,721	
VAT received in January of next year			317,196	
Excise duty received in January of next year			94,274	
Social tax received in January of next year			357,063	
Total with adjustments	9,281,798	10,567,339	10,793,537	-226,198
Reversal of domestically eliminated tax revenue and expenditure in the statement of financial performance		209,332		
VAT expense on operating expenses		117,282		
VAT expense on acquisition of non-current assets		89,891		
VAT expense on financing transactions		17		
Land tax		2,105		
Heavy goods vehicle tax		3		
Excise duties		13		
Customs duty		21		
Total	9,281,798	10,776,672	10,793,537	-16,865
The budget and implementation of tax revenue included in the budget position				
Income tax	1,923,223	2,657,128	2,627,322	29,806
Social tax	3,392,513	3,715,747	3,732,323	-16,576
Unemployment insurance premiums	213,742	231,715	229,933	1,782
Funded pension contributions	147,365	177,724	180,068	-2,345
Value added tax	2,519,211	2,844,850	2,877,103	-32,252

Tax revenue type	Final budget	Revenue in the statement of financial performance	Tax receipt	Difference between revenue and receipts in the statement of financial performance
Excise duties	946,844	981,632	981,418	214
Heavy goods vehicle tax	5,000	5,050	5,092	-42
Customs duty	44,400	63,566	62,253	1,313
Land tax	59,000	58,923	59,303	-380
Gambling tax	30,500	34,646	33,010	1,636
Local taxes	0	5,691	5,712	-21
Total budget and implementation of tax revenue included in the budget position	9,281,798	10,776,672	10,793,537	-16,865

According to the calculation above, 10,793,537 thousand euros were considered tax revenue in state budget revenue and 16,865 thousand euros were considered tax revenue recognised outside the state budget revenue (total 10,776,672 thousand euros).

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 local governments	-1,241,211	-1,365,150	-1,354,992	-10,158
Social tax – to the registrar of funded pension	-108,800	-105,351	-83,686	-21,665
Unemployment insurance premium – to the Estonian Unemployment Insurance Fund	-215,000	-231,715	-229,899	-1,816
Funded pension contribution – to the registrar of funded pension	-127,500	-177,724	-180,103	2,380
Land tax – to local governments	-59,000	-58,925	-59,249	324
Local taxes	0	-5,694	-5,707	13
Social tax – to the Estonian Health Insurance Fund	-1,362,881	-1,488,911	-1,481,304	-7,607
Excise duties – to the Cultural Endowment of Estonia	-15,861	-16,331	-16,045	-286
Gambling tax – to the Cultural Endowment of Estonia	-14,579	-16,561	-14,997	-1,563
Customs duty – to the European Union	-35,520	-48,278	-43,296	-4,982
Total pass-through taxes	-3,180,353	-3,514,639	-3,469,279	-45,360
Adjustment by one-month shift in receipts			-15,344	
Health insurance part of social tax received in January			127,024	
Health insurance part of social tax received in January of next year			-142,320	
Excise duties received in January			1,250	
Excise duties received in January of next year			-1,297	
Total adjusted pass-through taxes	-3,180,353	-3,514,639	-3,484,623	-30,017
The budget and implementation of pass-through tax revenue included in the budget position				
Income tax – to local governments	-1,241,211	-1,365,150	-1,354,992	-10,158
Social tax – to the registrar of funded pension	-108,800	-105,351	-83,686	-21,665
Unemployment insurance premium – to the Estonian Unemployment Insurance Fund	-215,000	-231,715	-229,899	-1,816
Funded pension contribution – to the registrar of funded pension	-127,500	-177,724	-180,103	2,380
Land tax – to local governments	-59,000	-58,925	-59,249	324
Local taxes	0	-5,694	-5,707	13
Social tax – to the Estonian Health Insurance Fund	-1,362,881	-1,488,911	-1,496,600	7,689
Excise duties – to the Cultural Endowment of Estonia	-15,861	-16,331	-16,092	-239
Gambling tax – to the Cultural Endowment of Estonia	-14,579	-16,561	-14,997	-1,563
Customs duty – to the European Union	-35,520	-48,278	-43,296	-4,982
Total budget and implementation of pass-through tax revenue included in the budget position	-3,180,353	-3,514,639	-3,484,623	-30,017

According to the calculation above, 3,484,623 thousand euros were recognised as expenditure of pass-through taxes and 30,017 thousand euros as adjustments outside expenditure of state budget in the report on the implementation of the state budget, total expenditure of pass-through expenditure in the statement of financial performance 3,514,639 thousand euros.

In the data of the implementation of the state budget for 2020, this report takes into account the retroactive correction in the expenditure of pass-through social tax to the registrar of funded pension, which has been decreased by 147,500 thousand euros (see accounting methods and valuation principles, changes to material accounting policies, methods of presentation and forecasts). In the report of the previous year, -150,185 thousand euros were considered pass-through taxes recognised as adjustment. In this report, the amount is considered to be -2,685 thousand euros.

E. Comparison between the acquisition of non-current assets and report on implementation of state budget

In thousands of euros

Investments in acquisition of non-current assets	2021		2020	
	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 report on the implementation of the state budget	-584,734		-507,989	
Acquisition of property, plant and equipment (see Note a13)		-491,625		-378,879
Acquisition of intangible assets (see Note a13)		-58,359		-47,729
Change in prepayments		55,141		-5,111
Domestic VAT expense on acquisition of non-current assets		-89,891		-76,271
Total	-584,734	-584,734	-507,989	-507,989

The investments recognised in the state budget implementation report are comparable with the data on the unconsolidated acquisition of the state's non-current assets. 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, including construction works in progress in accordance with the instruments of the works 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 3,443 thousand euros (3,195 thousand euros in 2020) 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.

F. Financing transactions recognised as budget implementation

In thousands of euros

Type of financing transaction	2021	2020
Purchase of bonds	-679,229	-1,393,981
Sale of bonds	860,895	1,264,661
Contributions to ownership interest in state companies	-33,000	-264,920
Received from ownership interest sold	19,481	0
Contributions to ownership interest in international organisations	-4,835	-7,014
Proceeds from ownership interest in international organisations	2,593	0
Contributions to dedicated funds of state-owned foundations	-26,868	-1,001,526
Recoveries from dedicated funds	30,244	91,200
Loan issued (student loans, instalment receivables)	-205	-312
Repayments of loans issued	15,040	14,025
Received from government bonds issued	401,769	2,056,651
Redemption of government bonds	-425,920	-250,329
Loans received	379,241	749,700
Repayments of loans received	-73,672	-72,368
Financial lease liabilities assumed	0	44
Repayments of financial lease liabilities	-105	-105
Change in deposits	12,510	473,867
Domestic VAT expense on financing transactions	-17	-17
Total	477,922	1,659,577

Financing transactions received and paid are comparable to the corresponding entries in the government's unconsolidated cash flow statement for cash flows from investment activities and financing activities.

In the sections of the report on general government, all transactions in the table above are recorded as financing transactions, except change in deposits. 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 the Health Insurance Fund and the Unemployment Insurance Fund).

G. Revenue and expenditure adjustment in the state budget position

State budget revenue and expenditure is generally planned on the same principles as the budget position accounting rules, but there are 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 of the budgetary year was planned. Therefore, the total revenue from the sale of emission allowances has been decreased by 106,268 thousand euros (increased by 411 thousand euros in 2020) in the state budget position.

Income from dividends 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. In 2020, the superdividends amounted to 4,709 thousand euros. In 2021, the position has been adjusted by non-monetary dividend income received upon the transfer of fixed assets in the amount of 6,433 thousand euros.

In the case of provisions, the position takes into account only disbursements as expenditure and not the costs of the formation thereof. 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, the additional state contribution of 4% into the II pillar of mandatory funded pension funds are recorded as expenditure in the calculation of the budgetary position, the payments of which were suspended from July 2020 until August 2021 and which were covered by a provision in the state financial report as the exact time of such payment was unknown. Upon preparing the 2020 report, it was taken into account that this was not considered expenditure in the calculation of the budgetary position. It was later revealed that Statistics Estonia, in coordination with Eurostat, included this government commitment as expenditure in the budgetary position. As such, the budgetary position of 2020 has been amended and decreased by 147.5 million euros in this report.

The budgetary position is affected by the acquisition of tangible and intangible fixed assets, not at 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 budget 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).

Acquisitions of holdings and financial investments for which no dividends are planned in the future in the amount of 10,000 thousand euros (in 2020, in the total amount of 35,000 thousand euros) are considered expenditure in the budget position.

H. Budget carried over from 2021 to 2022

In thousands of euros

Area of government	Balances carried over by a directive of the Minister of Finance	Balances of economic activities, sale of emission allowances and domestic grants	Balances of foreign aid and co-financing	Total
Government of the Republic	185,981	0	0	185,981
The Riigikogu	2,207	48	0	2,256
President of the Republic	739	0	0	739
National Audit Office	1,008	0	0	1,008
Chancellor of Justice	126	14	0	140
Supreme Court	366	38	0	404
Government Office	5,067	0	2	5,069
Ministry of Education and Research	43,767	12,301	63,020	119,089
Ministry of Justice	6,401	5,372	1,521	13,293
Ministry of Defence	71,341	221	2,385	73,947
Ministry of the Environment	13,543	195,527	4,872	213,942
Ministry of Culture	39,802	48,411	595	88,808
Ministry of Economic Affairs and Communications	151,816	72,204	3,209	227,228
Ministry of Rural Affairs	8,780	3,194	887	12,861
Ministry of Finance	51,782	72,172	2,670	126,624
Ministry of the Interior	35,146	4,140	17,299	56,585
Ministry of Social Affairs	66,012	13,501	3,001	82,514
Ministry of Foreign Affairs	16,593	55	118	16,766
Total	700,478	427,198	99,579	1,227,255

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 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% 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%. 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 subsidies. 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 government entities (for example, the Environmental Investment Centre Foundation, the Cultural Endowment, etc.). Its use is also earmarked and subject to reporting verification. Of the revenue from the sale of emission allowances, 50% is invested in environmental protection projects in accordance with the Atmospheric Air Protection Act (section 161).

I. Movements in the reserve fund of the Government of the Republic

The reserve fund allocated to the Government of the Republic from the state budget is recorded in the initial budget under the expenditure 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

	The reserve of the Government of the Republic, except earmarked funds	Funds for specific purposes	Total reserve of the Government of the Republic
Initial budget	4,035	83,732	87,767
Carried over from 2020	101,162	47,425	148,587
Supplementary budget	56,821	174,600	231,421
Amendment Act to the State Budget Act	48,873	0	48,873
Allocated for agencies (see part J, K)	-180,366	-155,969	-336,335
Balance at the end of the year	30,525	149,788	180,313
Returned from agencies to the reserve (see part J, K)	9,734	10,305	20,038
Balance after return	40,259	160,093	200,351

J. Use of the Government of the Republic's reserve in 2021

In thousands of euros

Budget section	Order number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Chancellery of the Riigikogu	144	Development of the online reporting information system for the Political Parties Financing Surveillance Committee	0	17	17	0	0	0
Government Office	223	Updating the premises necessary for serving sittings and cabinet meetings, introducing the information system for meetings, and covering the costs of the research council	40	0	6	34	0	34
Government Office	1	Funding the work of the research council, research of the COVID-19 disease and media campaign	0	325	141	184	184	0
Government Office	316	Supporting the organisation of the World Cleanup Day	0	250	240	10	9	1
Ministry of Education and Research	304	Implementation of artificial intelligence in machine translation and covering the costs of adding automatic Estonian subtitles to live and recorded broadcasts	1,396	0	1,396	0	0	0
Ministry of Education and Research	460	Supporting private hobby education and activities and private general education across Estonia due to the restrictions to prevent the spread of the coronavirus	1,519	0	1,519	0	0	0
Ministry of Education and Research	18	Compensation for damage arising from COVID-19 restrictions to providers of youth private hobby education and activities	0	2,741	2,741	0	0	0
Ministry of Education and Research	30	Compensation for damage arising from COVID-19 restrictions to providers of youth private hobby education and activities in Harju and Ida-Viru counties	0	1,720	1,720	0	0	0
Ministry of Education and Research	369	Acquisition of COVID-19 rapid tests	0	7,502	7,502	0	0	0
Ministry of Justice	53	Representing the Republic of Estonia in the arbitration proceedings of the Permanent Court of Arbitration between ELA USA, Inc. and the Republic of Estonia	179	0	179	0	0	0
Ministry of Justice	82	Representing the Government of the Republic (complaint of the Estonian Authors' Society and others, complaint of Saare Wind Energy OÜ, and claim for damages of PAO Bank Sankt-Peterburg)	12	0	3	8	0	8
Ministry of Justice	249	Procurement of a computed tomography apparatus and automatic reference system for bullet and cartridges for the Estonian Forensic Science Institute	480	0	476	4	0	4
Ministry of Justice	307	Representing the Republic of Estonia in the arbitration proceedings ELA USA, Inc. vs. the Republic of Estonia	212	0	212	0	0	0
Ministry of Justice	437	Hepatitis C medication to ensure the treatment of imprisoned persons	536	0	536	0	0	0
Ministry of Justice	265	Covering the deficit of wages and salaries of health care professionals arising from a collective agreement	0	128	91	37	37	0
Ministry of Justice	306	Procedure expenses of the Permanent Court of Arbitration between ELA USA, Inc. and the Republic of Estonia	0	601	196	406	406	0
Ministry of Justice	404	Compensation for material damage and covering costs for legal assistance in the administrative matter no. 3-21-1661 (empty cartridge fee agreement)	0	2,852	2,852	0	0	0
Ministry of Justice	462	Labour costs of courts and the Prosecutor's Office	0	185	18	167	167	0
Ministry of Justice	469	Hepatitis C medication to ensure the treatment of imprisoned persons	0	350	0	350	350	0
Ministry of the Environment	275	Expenditure of implementing structural support	0	21	21	0	0	0

Budget section	Order number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Culture	461	Supporting culture and sports organisations in both Ida-Viru County and elsewhere in Estonia due to the restrictions to prevent the spread of the coronavirus	1,371	0	1,371	0	0	0
Ministry of Culture	17	Supporting cultural enterprises both in Ida-Viru County and elsewhere in Estonia due to the restrictions to prevent the spread of the coronavirus	3,853	0	3,574	279	0	279
Ministry of Culture	125	Supporting the organisation of Rally Estonia in 2021	0	2,500	2,396	104	0	104
Ministry of Culture	31	Supporting cultural enterprises of Harju and Ida-Viru counties	0	1,440	511	929	0	929
Ministry of Culture	336	Rewarding athletes and their coaches who successfully represented Estonia in 2021 title competitions	0	246	246	0	0	0
Ministry of Culture	443	Organising the 2023 Women's European Volleyball Championship pool tournament	0	650	0	650	650	0
Ministry of Economic Affairs and Communications	263	Payment of case-specific investment grants for local roads	4,700	0	4,413	287	0	287
Ministry of Economic Affairs and Communications	474	Financing the support measure for Estonian tourism enterprises	5,000	0	5,000	0	0	0
Ministry of Economic Affairs and Communications	19	Adopting a secure encrypted mobile communication solution	0	507	471	35	24	11
Ministry of Economic Affairs and Communications	207	Costs of providing icebreaking service	0	687	684	2	0	2
Ministry of Economic Affairs and Communications	217	Support of rail passenger transport	0	300	300	0	0	0
Ministry of Economic Affairs and Communications	287	Emergency costs of preventing cyber incidents	0	500	123	377	377	0
Ministry of Economic Affairs and Communications	329	Extraordinary costs of increasing the security of the national network	0	2,000	172	1,828	1,828	0
Ministry of Economic Affairs and Communications	377	Compensation for the cost of network service from October 2021 to March 2022 to electricity consumers and the accompanying VAT to the extent of 50%	0	88,250	33,568	54,682	54,682	0
Ministry of Economic Affairs and Communications	461	Compensation for the cost of consumed network service from December 2021 to March 2022 to gas consumers and the accompanying VAT	0	25,080	5,375	19,705	19,705	0
Ministry of Economic Affairs and Communications	21	Legal assistance services related to the COVID-19 crisis	0	30	30	0	0	0
Ministry of Rural Affairs	319	Supporting enterprises related to the processing of freshwater fish in difficulty due to the spread of COVID-19	0	1,821	469	1,352	0	1,352
Ministry of Rural Affairs	388	Emergency support for the agricultural sector	0	5,500	5,500	0	0	0
Ministry of Finance	95	Acquisition of personal protective equipment	970	0	94	875	0	875
Ministry of Finance	146	IT investments of the Tax and Customs Board	2,003	0	675	1,327	0	1,327
Ministry of Finance	202	Formation and storage of national central one month stock of personal protective equipment	13,046	0	11,695	1,352	0	1,352
Ministry of Finance	347	Restoration of the memorial for the fallen soldiers of Viljandi County in the War of Independence, located in Viljandi	500	0	99	401	0	401
Ministry of Finance	458	Financing support measures for entrepreneurs of the Ida-Viru County	54	0	17	36	0	36

Budget section	Order number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Finance	372	IT investments related to the amendments to the Income Tax Act	0	800	142	658	658	0
Ministry of Finance	333	Entry into the compromise agreement with FC Levadia	0	800	0	800	800	0
Ministry of Finance	438	Costs of organising vaccination	0	431	431	0	0	0
Ministry of the Interior	135	Replacement of the main rescue vehicle involved in an accident and restoration of the tank container	94	0	54	40	0	40
Ministry of the Interior	145	Critical investments necessary for issuing identity documents	204	0	148	56	0	56
Ministry of the Interior	390	Preventing the spread of the SARS-Cov-2 virus causing the COVID-19 disease and preparing for possible next waves	1,525	0	1,437	88	0	88
Ministry of the Interior	21	Covering the emergency costs of the Police and Border Guard Board related to pollution control	32	0	32	0	0	0
Ministry of the Interior	38	Free use of the crisis line 1247 of the Emergency Response Centre for residents for two weeks from 18 January 2021	0	35	35	0	0	0
Ministry of the Interior	99	Activities related to COVID-19 restrictions established for March	0	120	120	0	0	0
Ministry of the Interior	54	Supervision of the Police and Border Guard Board to prevent the spread of COVID-19 and free use of the crisis line of the Emergency Response Centre for two weeks from 1 February	0	35	35	0	0	0
Ministry of the Interior	121	Supervision of the restrictions related to the spread of the coronavirus by the Police and Border Guard Board until 17 January	0	113	113	0	0	0
Ministry of the Interior	143	Replacement of the main rescue vehicle involved in an accident and restoration of the tank container	0	367	0	367	367	0
Ministry of the Interior	284	Costs related to tasks aimed at preventing mass immigration, incl. to prevent epidemic spread of COVID-19	0	1,688	871	817	171	646
Ministry of the Interior	436	Provision of professional assistance to Lithuania by the police unit ESTPOL5	0	138	138	0	0	0
Ministry of the Interior	453	Protection of President Kersti Kaljulaid after the end of her term of office	0	75	38	37	37	0
Ministry of the Interior	467	Covering damage caused by the coronavirus to contract partners of the Police and Border Guard Board tasked with organising the entry of vehicles to a road border crossing point and administration of the database	0	179	0	179	179	0
Ministry of the Interior	468	Costs of eliminating environmental pollution in the building of the Estonian Internal Security Service	0	500	0	500	500	0
Ministry of Social Affairs	224	Covering the costs arising from amendments to the Family Benefits Act	14	0	14	0	0	0
Ministry of Social Affairs	258	Specification of transmission routes of the SARS-CoV-2 virus by genotyping	43	0	43	0	0	0
Ministry of Social Affairs	276	Boosting the capacity of the Health Board	266	0	266	0	0	0
Ministry of Social Affairs	297	Carrying out necessary communication activities to raise awareness of the Estonian close contact detection application (HOIA app)	20	0	1	19	0	19
Ministry of Social Affairs	385	Additional contribution to the European Commission Emergency Support Instrument (ESI) for the entry into pre-purchase contracts for COVID-19 vaccine	1,233	0	1,233	0	0	0
Ministry of Social Affairs	398	Organising the testing of the SARS-CoV-2 virus and antigens	2,893	0	2,795	98	0	98
Ministry of Social Affairs	444	Organising the testing of the SARS-CoV-2 virus and ensuring the cold chain of COVID-19 vaccine	1,192	0	1,190	2	0	2
Ministry of Social Affairs	29	Ensuring the supplies, cold chain and vaccination with COVID-19 vaccine, virus testing	0	15,684	14,733	952	952	0

Budget section	Order number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Social Affairs	37	Testing antibodies and antigens in top athletes using the PRC method for the SARS-CoV-2 virus	0	200	0	200	0	200
Ministry of Social Affairs	8	Support for self-employed persons in Ida-Viru and Harju counties	0	814	344	469	0	469
Ministry of Social Affairs	46	Support for self-employed persons in Ida-Viru and Harju counties	0	407	0	407	0	407
Ministry of Social Affairs	94	Purchase of the coronavirus medication Remdesivir	0	621	621	0	0	0
Ministry of Social Affairs	99	Crisis management expenses of the Health Board	0	386	386	0	0	0
Ministry of Social Affairs	112	Reimbursement of labour costs to nursing homes due to COVID-19 cases	0	259	259	0	0	0
Ministry of Social Affairs	265	Covering the deficit of wages and salaries of health care professionals arising from a collective agreement	0	1,661	1,660	0	0	0
Ministry of Social Affairs	285	Involvement of the Police and Border Guard Board to prevent the epidemic spread of COVID-19	0	698	554	143	143	0
Ministry of Social Affairs	297	Costs of outreach activities on vaccination against the COVID-19 disease	0	439	77	362	362	0
Ministry of Social Affairs	347	Costs of e-services necessary for the prevention of COVID-19	0	777	220	558	212	346
Ministry of Social Affairs	437	Costs of COVID-19 medication given to the use of hospitals	0	350	350	0	0	0
Ministry of Social Affairs	7	Replacement of vaccines and medications due to the incident at the cold storage of the Health Board	0	3,393	3,393	0	0	0
Ministry of Social Affairs	21	Legal assistance services related to the COVID-19 crisis	0	120	120	0	0	0
Ministry of Social Affairs	19	Reimbursement of the deficit of remuneration for COVID-19 vaccination to the Estonian Health Insurance Fund	0	3,026	3,026	0	0	0
Ministry of Foreign Affairs	7	Organising the Three Seas Initiative summit and business forum	951	0	715	236	0	236
Ministry of Foreign Affairs	330	Acquisition and transport of personal protective equipment for Maryland, USA, to mitigate the consequences of the COVID-19 pandemic	59	0	58	1	0	1
Ministry of Foreign Affairs	331	Relieving the situation of refugees left without a shelter as a result of the fire in the Moria refugee camp in Greece	50	0	50	0	0	0
Ministry of Foreign Affairs	334	Support to the Belorussian civil society and free press and for the provision of psychological care to victims of violence by the ruling regime of Belarus	55	0	55	0	0	0
Ministry of Foreign Affairs	443	Interfacing ministries and the Government Office with the SEC-SYS system of the Ministry of Foreign Affairs in order to ensure uniform transmission of the restricted information of the European Union within the country	142	0	16	126	0	126
Ministry of Foreign Affairs	36	Support for the Republic of Croatia to mitigate the consequences of an earthquake	0	50	50	0	0	0
Total			44,642	180,366	132,473	92,535	82,802	9,734

K. Use of the special purpose reserve in 2021

In thousands of euros

Budget section	Directive number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Education and Research	19	Accrual-based adjustment of the balance of prepayments of the liquidated Information Technology Foundation for Education	102	0	100	2	0	2
Ministry of Education and Research	95	Accrual-based adjustment of the balance of prepayments of the liquidated Information Technology Foundation for Education	0	1,091	1,091	0	0	0
Ministry of Education and Research	108	Implementation costs of the Recovery and Resilience Facility	0	19	14	5	5	0
Ministry of Education and Research	110	COVID-19 monitoring, sewage monitoring and KoroGeno-Est-2 and KoroGeno-Est-3 projects of the University of Tartu	0	2,500	0	2,500	2,500	0
Ministry of Education and Research	177	Reclaims of the European Commission	0	181	181	0	0	0
Ministry of Education and Research	62	Expensing the prepayments of the liquidated Information Technology Foundation for Education	0	71	71	0	0	0
Ministry of Education and Research	86	Reversal of the provision of legal costs, return to the reserve	0	0	-157	157	0	157
Ministry of Justice	15	ICT speech recognition system for transcribing the audio recordings of a court session (stage I) and additional ICT requirements	17	0	17	0	0	0
Ministry of Justice	16	Centennial celebration of the Estonian Constitution	50	0	34	15	0	15
Ministry of Justice	98	Additional needs regarding the maintenance of the existing ICT infrastructure and level of service	212	0	212	0	0	0
Ministry of Justice	105	Fixed IT costs	0	411	157	254	254	0
Ministry of Justice	111	Hepatitis C medication for the treatment of imprisoned persons	0	650	650	0	0	0
Ministry of Defence	113	Payment of VAT on import of goods received as foreign aid	0	1,279	1,279	0	0	0
Ministry of Defence	185	Ensuring the public order and traffic management at the 2021 Estonian leg of the FIA Racing World Cup	0	4	4	0	0	0
Ministry of the Environment	118	Implementation costs of the Recovery and Resilience Facility	0	38	38	0	0	0
Ministry of Culture	20	Implementation of the measure to support cultural and sporting events	275	0	145	130	0	130
Ministry of Culture	83	Ensuring the requirements of the ICT Cybersecurity Act	293	0	293	0	0	0
Ministry of Culture	151	Implementation of the measure to support cultural and sporting events	280	0	0	280	0	280
Ministry of Culture	51	Expenses related to the preparation and participation of the men's volleyball team at the European Championships	0	200	200	0	0	0
Ministry of Culture	66	Compliance with the requirements of the Cybersecurity Act by Estonian Public Broadcasting	0	2,379	1,166	1,213	1,213	0
Ministry of Culture	71	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	115	115	0	0	0
Ministry of Culture	86	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	594	594	0	0	0
Ministry of Culture	87	Covering the costs of organising the World Cup qualifier match between Estonia and the Czech Republic in Poland	0	140	140	0	0	0
Ministry of Culture	77	Finder's fee for a finding of cultural value	0	50	50	0	0	0

Budget section	Directive number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Culture	114	Supporting international cultural and sporting events	0	1,550	1,210	340	125	215
Ministry of Culture	116	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	875	875	0	0	0
Ministry of Culture	154	Supporting international cultural and sporting events	0	450	198	252	252	0
Ministry of Culture	159	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	119	119	0	0	0
Ministry of Culture	1	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	708	708	0	0	0
Ministry of Culture	2.31	Covering the costs of the support mechanism Film Estonia for films produced in Estonia	0	631	631	0	0	0
Ministry of Culture	41	Finder's fee for a finding of cultural value	0	83	83	0	0	0
Ministry of Culture	45	Costs of the project of reconstruction of Tallinn City Theatre	0	2,000	2,000	0	0	0
Ministry of Economic Affairs and Communications	152,184	Restoration of the seaworthiness of the icebreaker Tarmo	447	0	447	0	0	0
Ministry of Economic Affairs and Communications	219	Financing ICT projects	1,352	0	1,352	0	0	0
Ministry of Economic Affairs and Communications	10	Reconstruction of the Keri Lighthouse	1,986	0	251	1,736	0	1,736
Ministry of Economic Affairs and Communications	16	Ensuring cybersecurity and strategic security needs of a digital state	0	4,825	3,428	1,397	1,397	0
Ministry of Economic Affairs and Communications	83	Underwater surveys and electronic simulation model of the passenger ferry Estonia	0	1,600	441	1,159	1,159	0
Ministry of Economic Affairs and Communications	118	Implementation costs of the Recovery and Resilience Facility	0	131	51	80	80	0
Ministry of Economic Affairs and Communications	76	Financing the support measure for tourism enterprises	0	2,878	2,878	0	0	0
Ministry of Economic Affairs and Communications	177	Reclaims of the European Commission	0	223	223	0	0	0
Ministry of Economic Affairs and Communications	183	Ineligible VAT expense of grants	0	54	54	0	0	0
Ministry of Economic Affairs and Communications	189	Administrative expenses of the projects of Structural Funds	0	125	107	18	18	0
Ministry of Economic Affairs and Communications	69	Ineligible VAT of expenditure financed from the Recovery and Resilience Facility	0	7	7	0	0	0
Ministry of Economic Affairs and Communications	76	Reclaims of the European Commission	0	1,353	1,209	143	0	143
Ministry of Rural Affairs	108	Implementation costs of the Recovery and Resilience Facility	0	19	14	5	5	0
Ministry of Rural Affairs	132	Liabilities incurred upon the implementation of EU funds	0	413	413	0	0	0
Ministry of Rural Affairs	181	Disbursements of the European Fisheries Fund support for 2007–2013	0	547	547	0	0	0
Ministry of Finance	69, 48	Creating ICT data service capability	181	1,080	535	727	727	0
Ministry of Finance	147	Combating money laundering	919	0	191	728	0	728

Budget section	Directive number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Finance	13	Study related to the project of state houses and providing equipment for conference rooms	111	0	111	0	0	0
Ministry of Finance	108	Implementation costs of the Recovery and Resilience Facility	0	591	97	493	493	0
Ministry of Finance	133	Organising the storage of personal protective equipment	0	168	81	87	0	87
Ministry of Finance	177	Reclaims of the European Commission	0	3	3	0	0	0
Ministry of Finance	191	Support for increasing the coverage of COVID-19 vaccination for local governments	0	567	567	0	0	0
Ministry of Finance	183	Costs of implementing grants	0	105	0	105	105	0
Ministry of the Interior	54	Construction of the Eastern border	782	0	782	0	0	0
Ministry of the Interior	67	Narva College of the Estonian Academy of Security Sciences	4	0	4	0	0	0
Ministry of the Interior	66	Increasing the crisis capability of the Police and Border Guard Board	620	0	620	0	0	0
Ministry of the Interior	107	Development of the automatic biometric identification system	55	0	37	18	0	18
Ministry of the Interior	132	Construction of the Eastern border	3,375	0	3,375	0	0	0
Ministry of the Interior	172	Costs of preventing the spread of COVID-19	119	0	46	73	0	73
Ministry of the Interior	176	Costs of design works of the Narva Alexander Church	1	0	1	0	0	0
Ministry of the Interior	16	Developments related to the implementation of the e-residency programme	0	175	68	107	107	0
Ministry of the Interior	52	Costs of the construction of the state border	0	4,789	4,571	218	218	0
Ministry of the Interior	53	Design and emergency repairs of the Narva Alexander Church	0	320	243	77	77	0
Ministry of the Interior	47	Covering the costs related to the export of AFIS fingerprint and biometric data upon the implementation of the automatic biometric identification system for the Estonian Forensic Science Institute	0	102	48	54	54	0
Ministry of the Interior	65	Costs incurred for the implementation of language learning pursuant to an administrative contract to be entered into with the Integration Foundation	0	580	277	303	303	0
Ministry of the Interior	63	Implementation of the automatic biometric identification system in 2021	0	886	652	233	233	0
Ministry of the Interior	62	Renovation and construction of the main building of the Internal Security Service in 2021	0	158	158	0	0	0
Ministry of the Interior	97	Real estate developments for Rõuge volunteer rescuers	0	250	0	250	250	0
Ministry of the Interior	118	Implementation costs of the Recovery and Resilience Facility	0	19	0	19	19	0
Ministry of the Interior	129	Implementation of the automatic biometric identification system	0	3,057	2,331	726	726	0
Ministry of the Interior	136	Construction of the Estonian-Russian state border	0	2,285	2,024	262	262	0
Ministry of the Interior	148	Costs of the construction of the state border	0	3,227	1,239	1,987	1,987	0
Ministry of the Interior	177	Recoveries of the European Commission	0	0	0	0	0	0
Ministry of the Interior	185	Ensuring the public order and traffic management at the 2021 Estonian leg of the FIA Racing World Cup	0	148	148	0	0	0
Ministry of the Interior	60	Covering the costs arising from the adjustment of accounting policies of accounting for expenditure related to the preservation of seized and confiscated property	0	390	390	0	0	0
Ministry of the Interior	73	Provision of professional assistance to Lithuania by the police unit ESTPOL5	0	212	152	60	60	0
Ministry of Social Affairs	50	Supporting the construction of the family house of Maarja Küla	156	0	156	0	0	0

Budget section	Directive number	Purpose	Carried over from 2020	Allocated in 2021	Used in 2021	Balance	For agencies for the following year	Returned to the reserve
Ministry of Social Affairs	79	Developments and management of the area of ICT social protection and health and basic infrastructure	352	0	352	0	0	0
Ministry of Social Affairs	87	Infection guidelines for nursing homes; victim support and psycho-social crisis counselling; serological tests	241	0	241	0	0	0
Ministry of Social Affairs	101	Serological and epidemiological study in Saaremaa and development of COVID-19 treatment methods and tests to determine the SARS-CoV-2 virus	191	0	0	191	0	191
Ministry of Social Affairs	129	Developments of information systems in the area of social protection and health for the implementation of emergency measures and ensuring analytical data	459	0	459	0	0	0
Ministry of Social Affairs	144	Covering the costs of preparing for the II pension pillar reform	219	0	219	0	0	0
Ministry of Social Affairs	206	Compensation for the expenses of the Health Board due to testing for the SARSCoV-2 causing COVID-19	3,159	0	1,893	1,265	0	1,265
Ministry of Social Affairs	228	To the Health Board for the purchase of medical equipment for supporting respiratory function and oxygen therapy in patients with COVID-19	1,306	0	1,306	0	0	0
Ministry of Social Affairs	108	Implementation costs of the Recovery and Resilience Facility	0	38	29	8	8	0
Ministry of Social Affairs	128	ICT developments and administrative costs: developments of stage I of the II pillar pension reform, amendment to the calculation of parental benefit, critical minor developments, ensuring sustainability, ICT consolidation of the State Agency of Medicines, ensuring the sustainability of data management and data warehouses of the Health and Welfare Information Systems Centre, use of cloud technology	0	8,391	5,759	2,632	2,632	0
Ministry of Social Affairs	141	Compensation for mandatory funded pension payments	0	85,000	79,738	5,262	0	5,262
Ministry of Social Affairs	155	To general medical care providers to increase COVID-19 vaccination coverage and development activities of the Estonian Society of Family Doctors	0	5,000	4,700	300	300	0
Ministry of Social Affairs	174	Organising testing for coronavirus SARS-CoV-2	0	10,000	9,347	653	653	0
Ministry of Social Affairs	177	Reclaims of the European Commission	0	9	9	0	0	0
Ministry of Foreign Affairs	108	Implementation costs of the Recovery and Resilience Facility	0	19	18	1	1	0
Ministry of Foreign Affairs	193	Supporting the Victims of Communism Museum in Washington	0	89	88	1	0	1
Total			17,263	155,969	146,703	26,529	16,225	10,305

L. Use of the ownership reform reserve fund in 2021

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 2020	Allocated in 2021	Used in 2021	Balance	Carried over to the following year	Returned to the reserve
Ministry of the Environment	65	For land reform expenses	417	0	111	306	306	0
Ministry of the Environment	135	For returning unlawfully expropriated land	37	0	2	35	35	0
Ministry of the Environment	165, 265	For expenses related to land reform	373	0	148	225	225	0
Ministry of the Environment	16	For constituting a right of superficies	278	0	9	269	269	0
Ministry of the Environment	67	Municipalisation of state assets and land reform expenses	343	0	319	24	24	0
Ministry of the Environment	187	Preparations for assessing land	504	0	150	354	354	0
Ministry of the Environment	323	For organising address details	96	0	96	0	0	0
Ministry of the Environment	138	Preparation and carrying out regular assessing of land	0	448	155	293	293	0
Ministry of the Environment	455	Implementation of land reform and creating an environment and conditions necessary for the development of entrepreneurship	0	2,732	0	2,732	2,732	0
Ministry of Economic Affairs and Communications	101	Free exchange of licenses of road transport companies	30	0	4	26	0	26
Ministry of Economic Affairs and Communications	55	Applied research of recycling of debris from the demolition of apartment buildings in disuse	0	36	0	36	36	0
Ministry of Culture	226	Maintenance, repair, conservation and restoration of architectural monuments returned in the course of the ownership reform	732	0	725	8	8	0
Ministry of Culture	186	Maintenance, repair, conservation and restoration of architectural monuments returned in the course of the ownership reform	0	1,000	290	710	710	0
Ministry of Finance	10	To local government entities	9	0	0	9	9	0
Ministry of Finance	34, 456	For performing the duties of the ownership and land reform	100	102	95	107	107	0
Ministry of Finance	323	For organising address details	501	0	235	267	0	267
Ministry of Finance	108, 55, 456	For maintenance expenses of apartments relinquished to the state	60	140	70	130	130	0
Ministry of Finance	138, 456, 55	Return and compensation of unlawfully expropriated property	630	215	211	635	635	0
Ministry of Finance	292	Survey of social and legal impact of ownership reform reserve fund	102	0	50	52	52	0
Ministry of Finance	34	Return and compensation of unlawfully expropriated property	14	0	5	10	10	0
Ministry of Finance	279	Compensation for unlawfully expropriated property and for unused privatisation securities	415	0	84	330	330	0
Ministry of Finance	138	Preliminary analysis of information technology developments	0	75	71	4	4	0
Total			4,642	4,748	2,829	6,562	6,269	293

M. Comparison of the statement of financial performance of state accounting entities recorded in Note a1 with the state budget implementation report

2021

In thousands of euros

	Indicators of the statement of financial performance			Indicators of the report on the implementation of the state budget			Differences (implementation of the state budget less the statement of financial performance)		
	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense
The Riigikogu	138	-22,350	-874	138	-22,350	-874	0	0	0
President of the Republic	143	-5,487	-250	143	-5,487	-250	0	0	0
National Audit Office	26	-4,796	-251	26	-4,796	-251	0	0	0
Chancellor of Justice	0	-2,910	-98	0	-2,910	-98	0	0	0
Supreme Court	267	-5,831	-89	267	-5,831	-89	0	0	0
Government Office	1,708	-16,672	-1,483	1,708	-16,672	-1,483	0	0	0
Ministry of Education and Research	168,555	-730,582	-23,031	168,861	-730,882	-23,031	306	-300	0
Ministry of Justice	49,162	-189,533	-9,611	49,176	-189,547	-9,611	14	-14	0
Ministry of Defence	16,740	-592,079	-57,140	16,740	-592,079	-57,140	0	0	0
Ministry of the Environment	705,798	-178,011	-5,189	705,830	-178,043	-5,189	32	-32	0
Ministry of Culture	47,726	-317,082	-2,861	47,731	-317,088	-2,861	6	-6	0
Ministry of Economic Affairs and Communications	380,561	-777,194	-62,319	380,727	-777,359	-62,319	165	-165	0
Ministry of Rural Affairs	321,113	-409,062	-3,402	322,441	-410,391	-3,402	1,329	-1,329	0
Ministry of Finance	10,926,626	-6,900,309	-7,892	10,927,155	-6,900,838	-7,892	529	-529	0
Ministry of the Interior	55,558	-490,022	-23,427	56,141	-490,605	-23,427	583	-583	0
Ministry of Social Affairs	4,289,466	-6,532,433	-8,273	4,289,689	-6,532,656	-8,273	223	-223	0
Ministry of Foreign Affairs	3,189	-76,082	-1,000	3,189	-76,082	-1,000	0	0	0
Eliminations	-4,420,472	4,197,821	207,191	-4,423,657	4,201,001	207,191	-3,185	3,179	0
Total	12,546,305	-13,052,617	0	12,546,305	-13,052,617	0	0	0	0

2020

In thousands of euros

	Indicators of the statement of financial performance			Indicators of the report on the implementation of the state budget			Differences (implementation of the state budget less the statement of financial performance)		
	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense
The Riigikogu	116	-20,571	-699	116	-20,571	-699	0	0	0
President of the Republic	448	-4,473	-309	448	-4,473	-309	0	0	0
National Audit Office	10	-4,553	-202	10	-4,553	-202	0	0	0
Chancellor of Justice	0	-2,707	-92	0	-2,707	-92	0	0	0
Supreme Court	231	-6,734	-343	231	-6,734	-343	0	0	0
Government Office	1,626	-14,533	-2,923	1,626	-14,533	-2,923	0	0	0
Ministry of Education and Research	123,699	-683,010	-14,103	123,941	-683,253	-14,103	242	-242	0
Ministry of Justice	41,898	-182,494	-9,444	41,902	-182,498	-9,444	4	-4	0
Ministry of Defence	42,096	-569,882	-63,614	42,096	-569,882	-63,614	0	0	0

	Indicators of the statement of financial performance			Indicators of the report on the implementation of the state budget			Differences (implementation of the state budget less the statement of financial performance)		
	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense	Revenue	Expenditure	Value added tax expense
Ministry of the Environment	494,891	-187,922	-7,313	494,937	-187,969	-7,313	47	-47	0
Ministry of Culture	42,941	-279,631	-2,456	42,946	-279,636	-2,456	5	-5	0
Ministry of Economic Affairs and Communications	184,754	-634,476	-47,826	184,821	-634,543	-47,826	67	-67	0
Ministry of Rural Affairs	271,707	-368,749	-2,678	273,059	-370,101	-2,678	1,352	-1,352	0
Ministry of Finance	9,680,393	-6,639,799	-7,207	9,680,923	-6,640,329	-7,207	530	-530	0
Ministry of the Interior	53,329	-462,853	-23,044	53,841	-463,365	-23,044	512	-512	0
Ministry of Social Affairs	3,969,407	-5,916,240	-7,038	3,969,464	-5,916,298	-7,038	58	-58	0
Ministry of Foreign Affairs	2,041	-75,446	-788	2,041	-75,446	-788	0	0	0
Eliminations	-4,128,113	4,088,801	190,077	-4,130,931	4,091,618	190,077	-2,818	2,818	0
Total	10,781,472	-11,965,273	0	10,781,472	-11,965,273	0	0	0	0

Revenue includes Operating income, change in the value of biological assets and financial income. Operating and financial expenses are included in expenditure, however the VAT expense related to expenses and acquisitions of fixed assets is recognised separately based on the structure of the state budget. In the table above, the revenue and expenditure of the state budget as well as adjustments have been summarised as indicators of the report on the implementation of the state budget.

In the report on the implementation of the state budget, the revenue and expenditure within areas of government have not been eliminated because the budgets of expenditures that depend on the revenues of government agencies are created on the basis of these transactions. As a result, the revenue and expenditure are equally higher by this amount in the report on the implementation of the state budget.

Note a32

Subsequent events

On 24 February 2022, Russia began hostilities against the Ukrainian state. Due to the war, changes in the price of raw material for industrial goods and food as well as energy have continued their rise to record levels. Democratic countries in the world, incl. Member States of the European Union, have imposed sanctions against Russia and its ally Belarus and are looking for ways to suspend purchasing Russian energy products (foremost oil products and natural gas). Millions of people have fled the war in Ukraine. Estonia has accepted more than 41 thousand refugees.

In the sharply deteriorating circumstances, the Government of the Republic drew up three important plans strengthening Estonia's security: the plan to rapidly strengthen the state's military defence, activities strengthening internal security of the state, and the plan strengthening Estonian energy security.

On 3 March 2022, Ministers of the Interior of the European Union decided to launch a so-called Temporary Protection Directive (2001/55/EC) for Ukrainian war refugees, which provides for the provision of services intended for the primary needs of people fleeing the war who have received temporary protection.

Emergency needs for strengthening the security of the state and assisting war refugees led to the preparation of a supplementary budget, which the Riigikogu adopted on 19 May 2022. In the supplementary budget, revenue was estimated to increase by 240.9 million euros. 569.0 million euros were foreseen for additional expenditure, 21.0 million euros for investments, and 288.0 million euros for financing transactions.

The annual inflation in Estonia was 19% in April, which was the fastest increase in prices in the euro area according to Eurostat's rapid estimate. Prices increased by 7.5% in the whole of the euro area. Tax revenue of the state increased by 21.1%, including from value added tax by 22.5%, in the first four months compared to the same period last year.

State (unconsolidated) revenue and expenditure in the first four months of 2022 compared to the revenue and expenditure of the first four months of 2021

In millions of euros

	Unconsolidated	
	4 months of 2022	4 months of 2021
Taxes and social security contributions	3,710.3	3,064.7
Non-tax operating revenue	419.9	309.3
Grants awarded	-2,214.3	-2,075.9
Pass-through taxes, state fees, fines	-1,310.0	-1,099.8
Other operating expenses	-712.3	-663.3
Financial income and expenditure	6.4	-5.7
Operating result	-100.0	-470.7

Source: Public Sector Financial Statements system of Ministry of Finance

3 Information on local governments

3.1 Balance sheet

In millions of euros

	Consolidated			Unconsolidated			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Assets							
Current assets							
Cash	459.3	574.5	372.3	280.2	394.8	231.6	
Tax and fine receivables	145.7	135.5	124.3	145.7	135.5	124.3	b2
Other claims and prepayments	155.2	142.4	140.4	83.4	78.5	73.0	b3
Inventories	17.1	15.9	13.3	0.5	0.4	0.4	
Total current assets	777.3	868.3	650.3	509.8	609.2	429.3	
Non-current assets							
Ownership interest in foundations and non-profit associations	0.0	0.0	0.0	38.1	38.3	37.6	b4
Ownership interest in subsidiaries and affiliated associates	104.6	47.3	47.5	419.0	341.6	323.7	b5
Financial investments	7.6	7.3	7.2	4.6	4.2	3.9	
Other claims and prepayments	24.2	26.1	26.3	78.1	51.0	20.0	b3
Investment property	153.1	155.8	156.7	107.0	111.4	111.9	b6
Property, plant and equipment	5,440.4	5,088.6	4,829.6	3,608.7	3,373.5	3,202.1	b7
Intangible assets	8.0	8.5	8.1	2.3	2.9	2.9	
Biological assets	1.8	1.8	2.4	1.8	1.8	2.4	
Total non-current assets	5,739.7	5,335.4	5,077.8	4,259.6	3,924.7	3,704.5	
Total assets	6,517.0	6,203.7	5,728.1	4,769.4	4,533.9	4,133.8	

	Consolidated			Unconsolidated			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Liabilities and net assets							
Current liabilities							
Trade payables	156.0	112.5	123.2	89.4	67.6	82.8	
Payables to employees	140.9	132.9	122.1	99.3	93.7	88.1	
Deferred taxes	66.3	62.0	60.5	45.7	43.8	43.0	
Other liabilities and received prepayments	86.9	120.6	46.4	77.8	111.7	41.4	b9
Provisions	1.5	2.2	1.2	0.3	0.3	0.1	
Loan liabilities	140.6	135.1	128.7	105.5	111.6	94.6	b10
Derivatives	0.0	1.0	0.3	0.0	1.0	0.3	
Total current liabilities	592.2	566.3	482.4	418.0	429.7	350.3	
Non-current liabilities							
Loan liabilities	888.9	857.3	740.9	781.0	738.3	624.5	b10
Other liabilities and received prepayments	3.3	3.6	3.7	12.9	12.2	11.8	b9
Provisions	15.0	14.0	14.5	0.5	0.0	0.3	
Total non-current liabilities	907.2	874.9	759.1	794.4	750.5	636.6	
Total liabilities	1,499.4	1,441.2	1,241.5	1,212.4	1,180.2	986.9	
Net assets							
Minority shareholding	2.7	2.4	2.1	0.0	0.0	0.0	
Local governments net assets							
Reserves	0.4	0.4	0.4	0.4	0.4	0.4	
Hedging reserve	0.0	0.0	0.0	0.0	0.0	0.0	
Accumulated surplus or deficit	5,014.5	4,759.7	4,484.1	3,556.6	3,353.3	3,146.5	
Total net assets of local governments	5,014.9	4,760.1	4,484.5	3,557.0	3,353.7	3,146.9	
Total net assets	5,017.6	4,762.5	4,486.6	3,557.0	3,353.7	3,146.9	
Total liabilities and net assets	6,517.0	6,203.7	5,728.1	4,769.4	4,533.9	4,133.8	

3.2 Statement of financial performance

In millions of euros

	Consolidated		Unconsolidated		Note
	2021	2020	2021	2020	
Income from operations					
Tax revenue	1,440.9	1,346.4	1,440.9	1,346.4	b2
Grants received	977.2	947.5	851.1	810.8	b11
Goods and services sold	799.7	735.8	159.5	152.4	b12
Other income	49.6	31.8	46.5	27.2	b13
Total income from operations	3,267.4	3,061.5	2,498.0	2,336.8	
Operating expenses					
Labour costs	-1,517.1	-1,440.8	-1,093.4	-1,051.6	b14
Management expenses	-799.0	-695.9	-580.6	-503.6	b15
Grants awarded	-206.5	-190.8	-277.7	-261.6	b11
Depreciation and change in the value of non-current assets	-295.2	-283.9	-192.9	-186.4	b16
Other expenditure	-195.7	-173.9	-159.8	-137.1	b17
Total operating expenses	-3,013.5	-2,785.3	-2,304.4	-2,140.3	
Operating result	253.9	276.2	193.6	196.5	
Financial income and expenditure					
Profit/loss from financial investments	6.0	6.7	12.8	13.0	b4, b5
Interest expense	-10.9	-12.3	-8.6	-10.0	b10
Income from deposits and securities	0.7	0.4	0.4	0.3	
Other financial income	0.1	-0.7	0.6	0.6	
Total financial income and expenditure	-4.1	-5.9	5.2	3.9	
Corporate income tax	-0.6	-1.0	0.0	0.0	
Surplus or deficit for the reporting period	249.2	269.3	198.8	200.4	
Incl. local governments part of surplus/deficit	248.9	268.9	198.8	200.4	
Incl. the share of minority shareholding in surplus/deficit	0.3	0.4			

3.3 Cash flow statement

In millions of euros

	Consolidated		Unconsolidated		Note
	2021	2020	2021	2020	
Cash flow from principal activities					
Operating result	253.9	276.2	193.6	196.5	
Depreciation and change in the value of non-current assets	295.2	283.9	192.9	186.4	b16
VAT expense on acquisitions of non-current assets	81.8	71.8	74.9	64.2	b17
Profit/loss from non-current assets sold	-25.7	-11.8	-24.3	-9.6	b13
Government grants received for the acquisition of non-current assets	-248.1	-193.9	-193.3	-126.0	b11
Government grants awarded for the acquisition of non-current assets	14.8	14.1	32.7	36.4	b11
Total adjusted operating result	371.9	440.3	276.5	347.9	
Net change in current assets	-28.7	-15.7	-13.1	-14.4	
Net change in liabilities	36.3	14.8	27.5	4.1	
Total cash flows from principal activities	379.5	439.4	290.9	337.6	
Cash flows from investment activities					
Investments in non-current assets	-646.4	-563.8	-469.9	-426.0	b8
Capital gains from non-current assets sold	30.9	18.2	28.4	15.6	b6, b7
Government grants received for acquisition of non-current assets	160.1	205.2	131.7	178.2	
Government grants awarded for acquisition of non-current assets	-11.4	-13.1	-30.8	-31.8	
Paid upon the acquisition of holdings	-58.5	0.0	-72.6	-11.6	b4, b5
Received from the sale and liquidation of holdings	0.0	0.0	0.9	0.0	
Dividends received	7.2	6.9	11.1	12.3	
Paid upon the acquisition of financial investments	-0.2	0.0	0.0	0.0	
Received from the sale of financial investments	0.2	0.0	0.0	0.8	
Loans issued	-0.9	-0.7	-37.2	-35.3	
Repayments of loans received	2.5	2.2	5.8	1.8	
Interest received and other financial revenue	0.4	1.3	0.6	0.6	
Total cash flows from investment activities	-516.1	-343.8	-432.0	-295.4	
Cash flow from financing activities					
Loans received	178.4	251.2	155.8	229.6	b10
Loans repaid	-144.9	-131.9	-119.7	-99.2	b10
Income tax paid on dividends	-0.6	-1.0	0.0	0.0	
Interest paid and other financial expenses	-11.5	-11.7	-9.6	-9.4	b10
Total cash flows from financing activities	21.4	106.6	26.5	121.0	
Net cash flows					
Cash and cash equivalents at the beginning of the year	574.5	372.3	394.8	231.6	
Cash and cash equivalents at the end of the year	459.3	574.5	280.2	394.8	
Changes in cash and cash equivalents	-115.2	202.2	-114.6	163.2	

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	Hedging reserve	Accumulated surplus or deficit	Total			
Balance as of 31.12.2019	0.4	0.0	4,484.1	4,484.5	2.1	4,486.6	
Adjustment of the cost of holdings			0.2	0.2	-0.1	0.1	b4
Revaluation of investment property			0.0	0.0		0.0	b6
Revaluation of property, plant and equipment			6.5	6.5		6.5	b7
Surplus or deficit for the reporting period			268.9	268.9	0.4	269.3	
Total surplus or deficit of the reporting period	0.0	0.0	275.6	275.6	0.3	275.9	
Reallocation	0.0		0.0	0.0		0.0	
Balance as of 31.12.2020	0.4	0.0	4,759.7	4,760.1	2.4	4,762.5	
Revaluation of investment property			0.5	0.5		0.5	b6
Revaluation of property, plant and equipment			5.4	5.4		5.4	b7
Surplus or deficit of the reporting period			248.9	248.9	0.3	249.2	
Total surplus or deficit of the reporting period	0.0	0.0	254.8	254.8	0.3	255.1	
Balance as of 31.12.2021	0.4	0.0	5,014.5	5,014.9	2.7	5,017.6	

B. Unconsolidated report

	Cash reserve	Accumulated surplus or deficit	Total	Note
Balance as of 31.12.2019	0.4	3,146.5	3,146.9	
Revaluation of investment property		0.0	0.0	b6
Revaluation of property, plant and equipment		6.3	6.3	b7
Adjustment of the cost of holdings		0.1	0.1	
Surplus or deficit of the reporting period		200.4	200.4	
Surplus or deficit of the reporting period	0.0	206.8	206.8	
Reallocation	0.0	0.0	0.0	
Balance as of 31.12.2020	0.4	3,353.3	3,353.7	
Revaluation of investment property		0.5	0.5	b6
Revaluation of property, plant and equipment		5.3	5.3	b7
Adjustment of the cost of holdings		-1.3	-1.3	b5
Surplus or deficit of the reporting period		198.8	198.8	
Surplus or deficit of the reporting period	0.0	203.3	203.3	
Balance as of 31.12.2021	0.4	3,556.6	3,557.0	

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, 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 authorities 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 (373 entities, 364 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. Investments 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-b22)

Note b1

Entities consolidated in the report

In millions of euros

A. Local government units

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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	6,517.0	5,017.6	3,267.4	-3,013.5	248.9	6,203.7	4,762.5	3,061.5	-2,785.3	269.3	4,769.4	3,557.0	2,498.0	-2,304.4	198.8	4,533.9	3,353.7	2,336.8	-2,140.3	200.4
Eliminations	62.1	30.4	66.6	-68.0	-0.1	65.4	44.1	67.5	-62.8	9.4	8.9	9.6	-37.3	40.3	3.4	5.3	6.6	-37.6	40.1	8.2
Harju County	2,987.3	2,307.3	1,549.3	-1,404.9	143.0	2,825.0	2,159.6	1,428.9	-1,270.5	156.4	2,311.4	1,764.2	1,201.3	-1,088.8	118.0	2,195.6	1,642.4	1,101.3	-987.1	121.9
Anija Rural Municipality Government	33.6	28.1	13.2	-13.2	0.0	32.9	28.1	14.0	-12.2	1.8	17.1	12.2	11.8	-11.3	0.5	16.0	11.7	11.8	-10.8	1.0
Harku Rural Municipality Government	124.0	96.4	39.0	-35.3	3.8	118.5	92.3	36.1	-30.1	6.0	84.0	58.4	35.0	-30.3	4.8	77.6	53.4	29.9	-25.4	4.6
Jõelähtme Rural Municipality Government	36.6	25.6	17.5	-16.7	0.7	33.3	24.8	18.3	-14.6	3.6	25.2	16.7	14.2	-15.5	-1.4	25.6	18.0	16.3	-13.5	2.8
Keila Town Government	46.2	31.3	22.0	-21.3	0.6	42.0	30.7	21.2	-20.2	1.0	35.3	25.6	20.4	-19.5	0.5	35.2	25.1	19.4	-18.1	0.7
Kiili Rural Municipality Government	29.9	23.9	13.5	-12.0	1.4	29.0	22.5	12.3	-10.8	1.5	8.8	3.7	12.5	-11.3	1.2	8.3	2.5	11.3	-12.8	-1.6
Kose Rural Municipality Government	42.3	33.1	17.0	-16.7	0.2	41.1	33.0	17.7	-15.4	2.2	31.0	23.0	15.2	-15.2	-0.1	30.0	23.1	15.9	-14.1	1.9
Kuusalu Rural Municipality Government	24.8	14.6	13.8	-13.4	0.3	20.9	14.3	14.1	-12.1	2.0	17.0	8.2	12.7	-12.4	0.3	13.0	7.9	12.5	-11.2	1.3
Loksa Town Government	9.8	6.5	4.5	-4.7	-0.3	9.8	6.8	4.8	-4.7	0.3	7.3	4.4	4.2	-4.3	-0.2	7.1	4.6	4.5	-4.3	0.4

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Lääne-Harju Rural Municipality Government	71.4	52.3	32.7	-25.2	7.1	61.2	44.4	36.9	-23.5	13.0	36.7	20.9	23.2	-23.2	-0.2	34.1	21.1	22.5	-22.0	0.5
Maardu Town Government	64.0	54.2	25.1	-25.1	-0.1	63.1	54.3	25.0	-24.0	0.9	37.0	31.1	23.4	-23.4	0.1	35.0	30.9	23.1	-22.2	0.8
Raasiku Rural Municipality Government	30.1	23.6	11.2	-9.7	1.4	29.1	22.2	10.1	-8.4	1.6	24.9	19.0	10.8	-9.3	1.5	23.8	17.6	9.7	-8.0	1.7
Rae Rural Municipality Government	138.5	109.0	61.9	-52.9	8.8	134.4	99.1	49.6	-47.9	1.6	110.9	84.6	56.2	-48.3	7.8	108.8	75.8	44.1	-43.9	0.1
Saku Rural Municipality Government	87.8	68.7	34.3	-25.2	8.9	77.0	59.8	33.5	-22.9	10.5	46.2	32.5	26.3	-22.1	4.1	41.6	28.4	21.7	-19.8	1.8
Saue Rural Municipality Government	106.3	75.3	50.3	-46.6	3.6	100.0	71.4	46.2	-42.4	3.6	73.3	44.0	46.8	-45.3	1.1	69.1	42.6	42.1	-39.8	2.0
Tallinn City Government	2,011.5	1,567.5	1,142.1	-1,040.4	102.1	1,912.9	1,463.5	1,042.1	-938.9	102.4	1,658.0	1,310.8	842.1	-755.8	93.0	1,582.2	1,215.9	774.2	-682.5	100.3
Viimsi Rural Municipality Government	130.5	97.2	51.2	-46.5	4.5	119.8	92.4	47.0	-42.4	4.4	98.7	69.1	46.5	-41.6	5.0	88.2	63.8	42.3	-38.7	3.6
Hiiu County	61.3	46.9	24.7	-20.4	4.2	52.8	42.6	25.6	-18.7	6.8	46.4	32.5	22.8	-18.0	4.7	37.6	27.8	23.7	-17.2	6.3
Hiiumaa Rural Municipality Government	61.3	46.9	24.7	-20.4	4.2	52.8	42.6	25.6	-18.7	6.8	46.4	32.5	22.8	-18.0	4.7	37.6	27.8	23.7	-17.2	6.3
Ida-Viru County	628.5	496.0	328.1	-309.7	15.9	602.0	480.2	304.6	-288.1	13.5	387.3	279.7	219.2	-204.3	14.1	363.0	265.3	207.8	-197.3	4.1
Alutaguse Rural Municipality Government	46.8	43.9	16.3	-15.0	1.4	45.8	42.5	15.7	-14.1	1.5	38.0	36.0	13.2	-12.5	0.7	37.9	35.3	13.0	-12.4	0.7
Jõhvi Rural Municipality Government	66.5	56.4	21.9	-19.5	1.8	61.8	54.6	20.1	-18.7	0.8	42.8	32.8	21.2	-18.7	2.4	37.5	30.3	19.5	-18.0	1.5
Kohtla-Järve Town Government	143.5	91.0	117.7	-110.3	6.5	134.3	84.5	109.0	-98.5	9.4	53.6	16.9	53.3	-50.8	2.3	49.1	14.6	51.4	-48.0	3.2

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Lüganuse Rural Municipality Government	46.9	40.3	14.2	-14.9	-1.3	47.3	41.7	13.3	-14.5	-2.1	22.0	15.7	12.9	-13.8	-1.0	22.0	16.6	12.1	-13.4	-1.4
Narva City Government	226.6	184.1	112.4	-107.4	4.5	218.9	179.6	102.4	-100.5	1.4	159.3	123.0	79.9	-72.7	6.8	150.1	116.1	73.5	-70.0	3.2
Narva-Jõesuu Town Government	25.4	21.5	12.2	-10.7	1.5	23.8	20.0	9.6	-10.3	-0.6	15.9	12.3	10.2	-8.4	1.8	14.0	10.5	8.0	-8.3	-0.3
Sillamäe Town Government	53.3	40.9	23.1	-22.8	0.3	50.5	40.6	25.4	-22.8	2.6	40.7	28.9	19.9	-19.2	0.7	37.5	28.2	22.2	-19.3	-3.0
Toila Rural Municipality Government	19.5	17.9	10.3	-9.1	1.2	19.6	16.7	9.1	-8.7	0.5	15.0	14.1	8.6	-8.2	0.4	14.9	13.7	8.1	-7.9	0.2
Järva County	185.1	144.8	59.1	-59.6	-1.0	185.0	145.7	60.0	-56.7	3.3	123.4	87.3	53.2	-54.0	-0.7	122.4	87.8	54.4	-52.1	2.4
Järva Rural Municipality Government	42.7	32.4	19.4	-19.4	-0.2	42.8	32.6	18.0	-17.8	0.1	31.3	21.9	17.5	-17.6	-0.1	31.5	22.0	16.4	-16.4	0.1
Paide Town Government	84.1	69.8	20.5	-20.2	0.2	83.7	69.6	19.5	-19.3	0.3	40.8	29.4	16.8	-16.8	0.1	39.9	29.2	16.1	-16.3	-0.2
Türi Rural Municipality Government	58.3	42.6	19.2	-20.0	-1.0	58.5	43.5	22.5	-19.6	2.9	51.3	36.0	18.9	-19.6	-0.7	51.0	36.6	21.9	-19.4	2.5
Jõgeva County	135.0	102.2	56.8	-53.9	3.0	124.1	97.9	53.6	-51.3	1.4	89.1	60.6	49.0	-48.9	0.2	83.7	60.5	47.4	-45.9	1.4
Jõgeva Rural Municipality Government	56.3	41.0	24.6	-24.7	-0.2	53.3	41.3	23.7	-22.9	0.8	42.5	28.5	22.6	-23.0	-0.3	39.6	28.8	21.8	-21.1	0.7
Mustvee Rural Municipality Government	23.4	18.0	9.8	-10.2	-0.1	22.8	16.7	10.1	-9.8	0.4	15.1	10.0	8.9	-9.2	-0.3	16.3	10.4	9.2	-8.8	0.3
Põltsamaa Rural Municipality Government	55.3	43.2	22.4	-19.0	3.3	48.0	39.9	19.8	-18.6	0.2	31.5	22.1	17.5	-16.7	0.8	27.8	21.3	16.4	-16.0	0.4
Lääne County	116.3	89.1	46.4	-42.0	4.0	114.0	85.2	44.9	-41.2	3.2	76.7	54.7	40.0	-37.5	2.3	74.2	52.4	39.2	-35.9	3.2
Haapsalu City Government	77.3	59.6	30.3	-26.2	4.0	75.4	55.6	28.4	-26.0	2.4	47.5	33.1	24.5	-22.3	2.1	45.6	31.0	24.0	-21.7	2.2
Lääne-Nigula Rural Municipality Government	35.9	26.8	14.7	-14.7	-0.2	35.8	27.1	15.3	-14.3	0.5	26.1	18.9	14.1	-14.1	0.0	25.8	18.9	14.0	-13.3	0.7

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Vormsi Rural Municipality Government	3.1	2.7	1.4	-1.1	0.2	2.8	2.5	1.2	-0.9	0.3	3.1	2.7	1.4	-1.1	0.2	2.8	2.5	1.2	-0.9	0.3
Lääne-Viru County	288.0	232.0	118.2	-112.5	4.9	276.4	224.7	110.5	-105.1	4.7	216.5	166.9	107.6	-102.2	5.0	206.3	161.5	100.4	-95.6	4.5
Haljala Rural Municipality Government	28.1	24.9	9.1	-8.5	0.5	26.2	24.3	8.1	-7.6	0.4	21.4	18.4	8.5	-7.7	0.8	19.2	17.6	7.5	-6.8	0.7
Kadrina Rural Municipality Government	23.3	18.8	9.6	-9.5	0.0	23.7	18.8	9.4	-8.7	0.6	17.2	13.2	8.4	-8.2	0.1	17.3	13.0	8.0	-7.3	0.6
Rakvere Town Government	93.4	72.5	33.0	-28.3	4.2	88.1	67.9	29.1	-26.6	2.1	59.6	43.0	27.9	-24.3	3.5	55.3	39.5	24.3	-23.0	1.2
Rakvere Rural Municipality Government	15.0	13.7	10.9	-10.2	0.6	14.6	13.0	9.8	-9.5	0.3	15.0	13.7	10.9	-10.2	0.6	14.6	13.0	9.8	-9.5	0.3
Tapa Rural Municipality Government	53.0	40.0	20.3	-21.2	-1.1	51.6	41.0	19.4	-19.4	-0.1	37.6	25.1	18.2	-18.7	-0.6	35.6	25.7	17.7	-17.4	0.3
Vinni Rural Municipality Government	22.9	16.9	14.2	-12.6	1.9	18.5	13.5	12.9	-12.2	0.8	19.5	13.8	13.6	-12.0	1.6	16.9	12.2	12.3	-11.4	0.8
Viru-Nigula Rural Municipality Government	22.5	18.9	9.7	-10.2	-0.6	23.3	19.3	9.9	-9.9	-0.1	19.8	16.2	9.5	-10.0	-0.5	20.5	16.5	9.7	-9.7	0.0
Väike-Maarja Rural Municipality Government	29.8	26.3	11.4	-12.0	-0.6	30.4	26.9	11.9	-11.2	0.7	26.4	23.5	10.6	-11.1	-0.5	26.9	24.0	11.1	-10.5	0.6
Pärnu County	484.7	399.0	237.7	-219.1	17.6	469.7	380.2	225.0	-208.2	16.1	351.8	297.8	158.2	-140.1	17.8	334.9	279.0	150.5	-136.4	13.7
Häädemeeste Rural Municipality Government	18.4	12.2	9.3	-8.6	0.6	17.0	11.6	8.7	-8.5	0.2	16.9	11.1	8.8	-8.4	0.4	16.1	10.7	8.5	-8.3	0.2
Kihnu Rural Municipality Government	4.8	4.1	1.6	-1.6	0.0	4.8	4.1	1.8	-1.5	0.3	4.8	4.1	1.6	-1.6	0.0	4.8	4.1	1.8	-1.5	0.3

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Lääneranna Rural Municipality Government	34.3	26.9	9.7	-9.1	0.1	33.0	26.8	11.1	-9.5	1.2	22.2	15.0	9.1	-8.7	0.4	20.5	14.6	10.7	-9.1	1.5
Põhja-Pärnumaa Rural Municipality Government	31.5	24.7	15.3	-14.4	0.9	29.5	23.8	16.4	-13.8	2.6	24.5	18.3	14.6	-13.5	1.0	22.6	17.3	14.3	-13.1	1.2
Pärnu City Government	333.1	276.9	169.4	-156.5	12.6	325.4	263.3	157.8	-147.6	9.9	237.7	211.1	94.2	-81.7	12.4	227.8	197.8	88.0	-79.6	8.2
Saarde Rural Municipality Government	21.1	17.7	9.6	-8.7	0.8	20.0	16.8	8.2	-8.8	-0.6	15.8	12.9	8.0	-7.4	0.6	15.1	12.2	7.2	-7.5	-0.4
Tori Rural Municipality Government	41.5	36.5	22.8	-20.2	2.6	40.0	33.8	21.0	-18.5	2.5	29.9	25.3	21.9	-18.8	3.0	28.0	22.3	20.0	-17.3	2.7
Põlva County	116.5	94.3	49.2	-47.6	2.2	110.9	92.0	45.8	-44.0	2.0	80.0	63.6	42.0	-41.8	0.2	77.5	63.3	40.1	-38.4	1.5
Kanepi Rural Municipality Government	12.4	10.3	8.3	-7.8	0.9	11.2	9.3	7.9	-7.4	0.7	11.2	9.1	8.3	-7.8	0.5	10.4	8.6	7.9	-7.3	0.5
Põlva Rural Municipality Government	76.0	60.6	28.2	-27.4	0.8	72.9	59.7	25.3	-25.1	0.3	48.5	38.2	23.5	-24.0	-0.5	47.9	38.7	22.1	-21.7	0.3
Räpina Rural Municipality Government	28.1	23.4	12.7	-12.4	0.5	26.8	23.0	12.6	-11.5	1.0	20.3	16.3	10.2	-10.0	0.2	19.2	16.0	10.1	-9.4	0.7
Rapla County	172.3	137.9	75.7	-64.6	10.4	161.7	127.4	70.8	-61.0	9.0	108.6	79.3	61.7	-59.8	1.7	107.3	78.1	60.3	-57.7	2.0
Kehtna Rural Municipality Government	23.3	18.7	10.7	-10.4	0.3	23.6	18.4	11.7	-10.6	1.0	17.2	12.8	10.1	-9.4	0.7	17.2	12.7	11.0	-9.5	1.4
Kohila Rural Municipality Government	55.3	42.8	25.2	-15.1	10.0	44.0	32.8	20.9	-13.0	7.9	24.1	15.4	14.3	-14.0	0.3	22.9	15.1	13.6	-11.9	1.6
Märjamaa Rural Municipality Government	39.5	30.6	13.6	-14.7	-1.5	39.9	32.1	13.4	-14.1	-1.1	24.9	16.3	12.1	-13.1	-1.1	25.0	17.3	12.1	-15.3	-3.3
Rapla Rural Municipality Government	54.2	45.8	26.2	-24.4	1.6	54.2	44.1	24.8	-23.3	1.2	42.4	34.8	25.2	-23.3	1.8	42.2	33.0	23.6	-21.0	2.3
Saare County	186.9	146.2	92.8	-86.5	5.7	183.4	140.3	88.9	-85.8	2.8	132.3	101.2	63.3	-58.6	5.5	129.0	95.6	61.1	-59.3	1.7

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Muhu Rural Municipality Government	6.9	6.0	3.9	-3.3	0.5	6.8	5.4	3.2	-4.8	-1.5	6.9	6.0	3.9	-3.3	0.5	6.8	5.4	3.2	-4.8	-1.5
Ruhnu Rural Municipality Government	1.9	1.6	0.7	-0.5	0.2	1.6	1.5	0.7	-0.5	0.2	1.8	1.6	0.7	-0.5	0.2	1.6	1.4	0.7	-0.5	0.2
Saaremaa Rural Municipality Government	178.1	138.6	88.2	-82.7	5.0	175.0	133.4	85.0	-80.5	4.1	123.6	93.6	58.7	-54.8	4.8	120.6	88.8	57.2	-54.0	3.0
Tartu County	610.2	426.4	336.0	-316.9	20.8	577.8	405.7	313.8	-295.8	15.6	489.2	316.9	310.5	-299.5	11.7	469.2	305.2	289.8	-277.0	12.0
Elva Rural Municipality Government	55.8	39.8	31.0	-29.4	2.3	54.7	38.9	27.7	-25.9	2.3	29.3	14.4	28.0	-27.2	0.7	29.0	13.7	25.3	-26.0	-0.8
Kambja Rural Municipal Government	27.3	24.3	24.5	-20.4	4.1	24.8	19.9	21.3	-19.1	0.4	25.7	22.8	23.8	-19.8	4.0	23.6	18.8	20.6	-18.4	2.2
Kastre Rural Municipality Government	20.5	16.5	11.5	-10.7	0.9	18.7	14.2	11.1	-9.2	1.9	16.5	12.5	10.7	-9.9	0.7	16.2	11.8	10.3	-8.4	1.9
Luunja Rural Municipality Government	18.7	11.4	11.0	-8.9	2.1	13.4	9.3	9.6	-8.0	1.5	15.4	8.1	10.6	-10.6	-0.1	12.0	8.2	9.1	-8.1	1.2
Nõo Rural Municipality Government	20.5	16.2	8.8	-7.5	1.5	19.1	15.1	8.8	-7.1	1.9	16.2	11.9	8.3	-7.1	1.2	14.7	10.7	8.4	-6.7	1.7
Peipsiääre Rural Municipality Government	19.4	14.1	10.5	-10.5	0.1	17.9	13.8	10.0	-9.6	0.4	16.1	10.9	9.4	-9.4	-0.1	14.8	10.9	9.0	-8.7	0.2
Tartu City Government	401.2	276.5	214.3	-206.4	8.4	388.4	268.1	200.9	-195.5	4.1	339.5	224.2	196.6	-191.4	6.4	331.6	217.9	183.9	-180.9	2.3
Tartu Rural Municipality Government	46.8	27.6	24.4	-23.1	1.4	40.8	26.4	24.4	-21.4	3.1	30.5	12.1	23.1	-24.1	-1.1	27.3	13.2	23.2	-19.8	3.3
Viljandi County	180.5	131.3	93.7	-86.4	7.0	170.6	124.3	91.4	-80.7	10.2	146.9	100.3	87.4	-79.4	7.8	136.3	92.4	83.8	-74.2	9.4
Mulgi Rural Municipality Government	25.7	17.7	14.7	-14.0	0.6	24.3	17.2	14.6	-13.0	1.5	20.8	13.4	13.1	-12.6	0.5	19.4	12.9	12.9	-11.7	1.2

	Consolidated report										Unconsolidated report									
	31.12.2021		2021			31.12.2020		2020			31.12.2021		2021			31.12.2020		2020		
	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
Põhja-Sakala Rural Municipality Government	45.1	33.2	18.0	-17.4	0.5	43.6	32.7	19.3	-16.5	2.6	32.0	21.4	16.0	-15.3	0.7	30.3	20.7	17.3	-14.4	2.9
Viljandi Town Government	64.5	45.7	36.1	-31.8	4.2	60.2	41.4	34.9	-31.0	3.7	55.5	37.0	34.0	-29.5	4.4	51.2	32.5	32.3	-28.2	4.0
Viljandi Rural Municipality Government	45.2	34.7	24.9	-23.2	1.7	42.5	33.0	22.6	-20.2	2.4	38.6	28.5	24.3	-22.0	2.2	35.4	26.3	21.3	-19.9	1.3
Valga County	120.4	94.4	54.1	-52.3	2.0	117.5	92.3	55.7	-49.7	6.5	76.6	53.6	48.9	-47.6	1.2	74.1	52.5	48.6	-45.1	3.4
Otepää Rural Municipality Government	22.7	17.6	15.1	-13.5	1.6	21.2	15.9	13.5	-12.3	1.2	17.6	13.9	13.3	-11.5	1.8	16.1	12.1	11.4	-10.4	1.0
Tõrva Rural Municipality Government	27.1	20.8	12.0	-12.2	-0.2	25.2	21.0	10.6	-10.2	0.4	13.4	7.7	10.9	-12.4	-1.5	12.6	9.3	9.6	-10.1	-0.5
Valga Rural Municipality Government	70.6	56.0	27.0	-26.6	0.6	71.1	55.4	31.6	-27.2	4.9	45.6	32.0	24.7	-23.7	0.9	45.4	31.1	27.6	-24.6	2.9
Võru County	181.9	139.4	79.0	-69.1	9.3	167.4	120.3	74.5	-65.7	8.4	124.3	88.8	70.2	-64.2	5.9	117.5	83.3	66.0	-61.2	4.7
Antsla Rural Municipality Government	16.3	13.1	7.9	-6.7	1.6	15.2	11.4	7.0	-6.3	1.2	14.4	11.2	7.9	-6.7	1.1	13.8	10.0	7.0	-6.3	0.8
Rõuge Rural Municipality Government	24.4	17.6	11.3	-10.7	0.7	22.4	17.5	10.2	-9.7	0.5	24.0	17.3	11.1	-10.4	0.6	22.0	17.2	9.9	-9.5	0.4
Setomaa Rural Municipality Government	14.1	8.4	9.1	-9.3	-0.3	16.8	8.7	11.5	-10.2	1.2	13.8	8.2	8.9	-9.1	-0.2	16.4	8.4	11.1	-9.9	1.2
Võru Town Government	87.9	65.3	30.0	-23.4	4.9	74.3	48.7	26.3	-21.8	3.6	39.3	23.4	22.5	-20.0	2.3	34.1	21.1	19.4	-18.9	0.3
Võru Rural Municipality Government	39.2	35.0	20.7	-19.0	2.4	38.7	34.0	19.5	-17.7	1.9	32.8	28.7	19.8	-18.0	2.1	31.2	26.6	18.6	-16.6	2.0

B. Ownership interest 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%:

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Operating revenue	Operating expenses	Operating result	Assets	Net assets	Operating revenue	Operating expenses	Operating result
Total foundations and non-profit associations	387.2	318.1	375.8	-366.6	10.0	377.8	309.9	353.0	-328.8	23.1
Foundations and non-profit associations included in general government sector	364.9	300.8	358.1	-349.3	9.8	355.8	293.1	337.7	-313.4	23.2
SA Ida-Viru Keskaigla	66.7	51.1	64.0	-59.0	5.0	61.2	46.1	57.2	-50.1	7.1
SA Pärnu Haigla	42.9	29.2	59.6	-59.5	0.1	43.9	29.2	53.7	-51.3	2.3
SA Tallinna Lastehaigla	23.5	19.1	36.5	-36.5	0.0	23.2	19.1	33.0	-32.6	0.4
Narva Haigla SA	18.4	15.1	27.1	-27.3	-0.2	17.9	15.3	23.3	-22.8	0.5
SA Tallinna Kultuurikatel	18.1	17.6	1.1	-1.6	-0.5	18.6	18.1	0.8	-1.5	-0.7
Kiili Varahalduse SA	13.8	12.4	2.7	-2.4	0.4	13.6	12.1	5.0	-2.0	3.0
Kuressaare Haigla SA	13.1	10.2	17.9	-17.1	0.8	12.5	9.4	18.1	-16.5	1.6
Raadi SA	12.2	7.5	3.2	-1.0	2.1	7.4	5.4	0.5	-0.9	-0.4
SA Elva Kultuur	11.0	6.2	1.5	-1.2	0.2	11.4	6.0	3.3	-0.7	2.5
SA Ida-Viru Investeeringute Agentuur	8.7	8.6	0.7	-1.0	-0.3	9.0	8.9	1.0	-0.7	0.2
MTÜ Põhja-Eesti Ühistranspordikeskus	7.0	3.9	27.5	-27.4	0.1	6.7	3.8	23.5	-23.3	0.2
Veskimõldre Haridusmaja SA	7.0	6.4	1.1	-0.8	0.3	7.0	6.1	1.7	-0.2	1.5
MTÜ Rakvere Haigla	6.3	6.3	0.0	0.0	0.0	6.3	6.3	0.0	0.0	0.0
SA Paide Spordikeskus	6.0	3.6	0.4	-0.5	-0.2	6.4	3.8	0.9	-0.5	0.3
SA Hiiumaa Sadamad	5.3	5.2	0.3	-0.5	-0.2	5.5	5.4	1.1	-0.4	0.7
MTÜ Pärnumaa Ühistranspordikeskus	5.1	3.0	12.5	-12.6	-0.2	5.5	3.2	12.6	-12.2	0.4
Lääne-Saare Kultuurivara SA	4.6	4.5	0.1	-0.2	-0.1	4.7	4.7	0.1	-0.2	-0.1
SA Eesti Kaevandusmuuseum	4.5	3.8	1.3	-0.5	0.8	4.3	2.7	0.5	-0.5	-0.1
SA Märjamaa Valla Spordikeskus	4.4	4.2	0.3	-0.5	-0.1	4.5	4.4	2.6	-0.2	2.4
SA Võru Spordikeskus	3.7	2.4	0.7	-0.6	0.1	3.8	2.3	0.7	-0.7	0.0
SA Paide Haldus	3.6	3.5	1.2	-1.4	-0.2	4.0	3.7	1.0	-1.3	-0.3
SA Perekodu	3.5	3.2	1.7	-1.8	-0.1	3.6	3.3	2.0	-1.9	0.1
SA Narva-Jõesuu Hooldekodu	3.1	2.9	1.7	-1.7	0.0	3.1	3.0	1.5	-1.6	-0.1
SA Põltsamaa Tervis	3.1	1.9	1.6	-1.3	0.3	2.2	1.6	1.1	-1.1	0.0
Luunja Varahalduse SA	2.9	2.5	2.3	-0.6	1.7	1.1	0.9	1.1	-0.6	0.5
MTÜ Võrumaa Omavalitsuste Liit	2.9	2.9	0.0	0.0	0.0	2.9	2.9	0.0	0.0	0.0
Tallinna Ettevõtlusinkubaatorid SA	2.8	2.6	1.1	-1.1	0.1	2.6	2.5	1.2	-1.0	0.3
SA Anija Mõisa Haldus	2.7	2.7	0.3	-0.4	-0.1	2.8	2.7	1.4	-0.3	1.1
SA Tallinna Tehnika- ja Teaduskeskus	2.7	2.6	0.4	-0.4	0.0	2.8	2.6	0.4	-0.5	-0.1
SA Anija Valla Spordimaailm	2.2	2.2	0.4	-0.6	-0.2	2.4	2.4	0.4	-0.4	-0.1
MTÜ Lõuna-Eesti Erihooldusteenuste Keskus	2.1	0.9	1.7	-1.7	0.0	2.2	0.9	1.6	-1.7	-0.2
SA Alutaguse Hoolekeskus	2.1	2.0	1.3	-1.3	0.0	2.1	2.0	1.1	-1.2	0.0
SA Ajakeskus Wittenstein	2.0	1.9	1.5	-0.5	0.9	1.4	1.0	1.1	-0.4	0.7
Muhu Hoolekeskuse SA	1.9	1.8	0.6	-0.6	0.0	1.9	1.8	2.2	-0.5	1.7
SA Rapla Spordirajatised	1.9	1.8	0.4	-0.4	0.0	1.9	1.8	0.4	-0.4	0.0
SA Saadjärve	1.9	1.9	0.5	-0.5	0.0	1.9	1.9	0.4	-0.5	0.0
SA Lõhaveri Ravi- ja Hoolekeskus	1.8	1.7	1.1	-1.0	0.0	1.8	1.7	1.0	-1.0	0.0
MTÜ Kuressaare Campus	1.7	1.7	0.1	-0.2	-0.1	1.8	1.8	0.1	-0.2	-0.1
SA Haapsalu Hoolekandekeskus	1.7	1.6	1.0	-1.0	-0.1	1.7	1.6	0.9	-1.0	0.0
MTÜ Mulgi Elamuskeskus	1.5	1.3	0.9	0.0	0.8	0.6	0.6	0.4	-0.1	0.3
SA Elva Laste- ja Perekeskus	1.5	1.3	1.4	-1.5	-0.1	1.6	1.4	1.5	-1.4	0.1
Vastseliina Piiskopilinnuse SA	1.5	1.5	0.3	-0.3	0.0	1.6	1.5	0.3	-0.3	0.0
SA Kalevipoja Koda	1.4	1.4	0.1	-0.2	-0.1	1.6	1.5	0.3	-0.2	0.0
SA Mäetaguse Arengufond	1.4	1.4	0.0	-0.1	0.1	1.3	1.3	0.0	-0.3	-0.2
Harjumaa Omavalitsuste Liit	1.3	1.2	1.2	-1.1	0.1	1.1	1.1	1.3	-1.3	0.0
SA Mustvee Tervis	1.3	1.0	0.6	-0.7	-0.1	1.3	1.1	0.5	-0.6	-0.1
SA Otepää Tervisekeskus	1.3	1.1	1.3	-1.3	0.0	1.3	1.1	1.2	-1.3	0.0
SA Põltsamaa Sport	1.3	1.3	0.5	-0.6	-0.1	1.4	1.4	0.5	-0.6	-0.1

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Operating revenue	Operating expenses	Operating result	Assets	Net assets	Operating revenue	Operating expenses	Operating result
SA Sillamäe Haigla	1.3	1.2	1.2	-1.2	0.0	1.4	1.2	1.1	-1.1	0.1
SA Taheva Sanatoorium	1.2	1.0	1.3	-1.3	0.0	1.2	1.1	1.3	-1.3	0.0
MTÜ Eesti Linnade ja Valdade Liit	1.1	1.0	1.4	-1.4	0.0	1.1	1.0	1.3	-1.1	0.2
SA Luunja Jõesadam	1.1	1.1	0.7	-0.2	0.5	0.7	0.6	0.2	-0.2	0.0
SA Tartu Vaimse Tervise Hooldekeskus	1.1	0.8	2.0	-2.0	0.0	1.1	0.9	1.9	-1.9	-0.1
SA Valgehobusemäe Suusa- ja Puhkekeskus	1.1	1.0	0.6	-0.5	0.1	0.9	0.8	0.3	-0.3	0.0
MTÜ Tartumaa Jäätmearendus	1.0	1.0	0.0	-0.1	-0.1	1.1	1.1	0.0	-0.1	-0.1
SA Hooldekodu Härmalõng	1.0	1.0	0.8	-0.9	0.0	1.0	1.0	0.8	-0.8	0.0
SA Kuressaare Teater	1.0	1.0	0.6	-0.5	0.0	1.0	0.9	0.6	-0.6	0.0
SA Narva Linna Arendus	1.0	0.9	0.5	-0.6	-0.1	0.9	0.9	0.6	-0.5	0.1
Jõhvi Hooldekeskus SA	0.9	0.8	0.8	-0.8	-0.1	1.0	0.9	0.7	-0.7	0.0
SA Holstre-Polli Vabaajakeskus	0.9	0.9	0.2	-0.2	0.0	0.9	0.8	0.1	-0.2	-0.1
SA Peipsiveere Hooldusravikeskus	0.9	0.8	1.0	-1.0	0.0	0.9	0.8	1.0	-0.9	0.1
SA Ida-Viru Ettevõtluskeskus	0.8	0.1	1.3	-1.3	0.0	0.8	0.1	1.1	-1.0	0.0
SA Illuka Arengufond	0.8	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0
MTÜ Maakondlikud Arenduskeskused	0.7	0.5	2.9	-2.6	0.3	0.4	0.2	3.0	-2.9	0.2
Pannjärve Tervisespordikeskuse SA	0.7	0.6	0.3	-0.3	0.0	0.6	0.6	0.4	-0.3	0.1
SA Tartu 2024	0.7	0.6	1.7	-1.1	0.6	0.1	0.0	0.8	-0.7	0.0
SA Tartu Kultuurkapital	0.7	0.5	0.2	-0.2	0.0	0.7	0.5	0.3	-0.3	0.0
Tartumaa Ühistranspordikeskus MTÜ	0.7	0.1	5.1	-5.1	0.0	0.4	0.1	4.9	-4.9	0.0
MTÜ Järvamaa Ühistranspordi Keskus	0.6	0.5	1.8	-1.8	0.0	0.7	0.5	1.8	-1.9	0.0
SA Hiiumaa Arenduskeskus	0.6	0.4	0.6	-0.4	0.2	0.4	0.2	0.4	-0.4	0.1
SA Kuremaa Turismi- ja Arenduskeskus	0.6	0.6	0.4	-0.2	0.3	0.4	0.4	0.3	-0.1	0.2
Narva Linnaelamu SA	0.5	0.4	1.4	-1.5	0.0	0.5	0.4	1.5	-1.5	0.0
SA Aarike Hooldekeskus	0.5	0.4	0.6	-0.7	0.0	0.5	0.5	0.6	-0.6	0.0
SA Harju Ettevõtlus- ja Arenduskeskus	0.5	0.4	0.8	-0.7	0.1	0.4	0.3	0.8	-0.7	0.1
SA Sõmerpalu Hooldekodu	0.5	0.5	0.4	-0.4	0.0	0.5	0.5	0.4	-0.4	0.0
SA Valgamaa Arenguagentuur	0.5	0.4	0.7	-0.6	0.0	0.4	0.3	0.6	-0.6	0.0
Tõstamaa Mõis SA	0.5	0.4	0.1	-0.1	0.0	0.5	0.5	0.0	-0.1	0.0
MTÜ Valguskaabel	0.4	0.4	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0
SA A.H.Tammsaare Muuseum Vargamäel	0.4	0.4	0.2	-0.2	0.0	0.4	0.4	0.2	-0.2	0.0
SA Iisaku Kihelkonna Muuseum	0.4	0.4	0.2	-0.1	0.0	0.4	0.4	0.1	-0.1	0.0
SA Kilingi-Nõmme Tervise- ja Hoolduskeskus	0.4	0.3	0.9	-0.9	0.0	0.4	0.3	0.8	-0.8	0.0
SA Kiviõli Tervisekeskus	0.4	0.3	1.0	-1.1	0.0	0.5	0.4	1.0	-1.0	0.0
SA Lääneranna Hoolekanne	0.4	0.4	0.5	-0.4	0.1	0.4	0.3	0.4	-0.3	0.0
SA Pärnumaa Arenduskeskus	0.4	0.1	1.3	-1.3	0.0	0.3	0.1	0.8	-0.8	0.0
SA Rannarahva Muuseum	0.4	0.4	0.5	-0.6	0.0	0.5	0.4	0.5	-0.4	0.0
SA Tartu Perekodu Käopesa	0.4	0.3	0.8	-0.9	0.0	0.4	0.3	0.8	-0.8	0.1
SA Uderna Hooldekodu	0.4	0.4	0.5	-0.5	0.0	0.4	0.3	0.5	-0.5	0.0
SA Võru Kannel	0.4	0.3	0.7	-0.6	0.1	0.3	0.2	0.6	-0.6	0.1
SA Põhja-Läänemaa Turismi- ja Spordiobjektide Halduskeskus	0.3	0.2	0.1	-0.1	0.0	0.2	0.2	0.2	-0.1	0.1
Eesti Regionaalse ja Kohaliku Arengu SA	0.0	0.0	0.1	0.0	0.1	0.0	-0.1	0.0	0.0	0.0
MTÜ Ida-Virumaa Omavalitsuste Liit	0.3	0.3	0.5	-0.5	0.0	0.3	0.3	0.5	-0.4	0.1
MTÜ Kagu Ühistranspordikeskus	0.3	0.0	5.3	-5.3	0.0	0.1	0.0	4.9	-4.9	0.0
MTÜ Pärnumaa Omavalitsuste Liit	0.3	0.2	0.8	-3.4	-2.6	2.9	2.8	0.9	-0.9	0.0
MTÜ Setomaa Liit	0.3	0.2	0.4	-0.4	0.0	0.3	0.2	0.5	-0.5	0.0
MTÜ Virumaa Laste ja Perede Tugikeskus	0.3	0.2	0.6	-0.5	0.1	0.2	0.1	0.4	-0.4	0.0
SA Abja Haigla	0.3	0.1	1.0	-0.9	0.0	0.3	0.1	0.9	-0.8	0.1
SA Nõo Hooldekodu	0.3	0.2	0.5	-0.5	0.0	0.3	0.2	0.4	-0.4	0.0
SA Tartu Loomemajanduskeskus	0.3	0.1	0.6	-0.6	0.0	0.1	0.0	0.4	-1.0	-0.6
SA Tartu Ärinõuandla	0.3	0.4	0.5	-0.5	0.0	0.3	0.2	0.6	-0.6	0.0
Vaivara Kalmistud SA	0.3	0.3	0.5	-0.5	0.0	0.3	0.2	0.5	-0.4	0.0
Võrumaa Arenduskeskus SA	0.3	0.0	1.1	-1.1	0.0	0.2	0.0	1.0	-1.0	0.0
Huvitegevuse ja Noorsootöö SA	0.2	0.2	0.8	-0.7	0.0	0.2	0.1	0.7	-0.6	0.1

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Operating revenue	Operating expenses	Operating result	Assets	Net assets	Operating revenue	Operating expenses	Operating result
MTÜ Antsla Tervisekeskus	0.2	0.2	0.5	-0.5	0.0	0.2	0.2	0.4	-0.4	0.0
MTÜ Ida-Viru Ühistranspordikeskus	0.2	-1.5	3.7	-3.7	0.0	0.1	-1.5	3.6	-3.7	-0.1
MTÜ Jõgevamaa Ühistranspordikeskus	0.2	0.0	1.8	-1.8	0.0	0.0	0.0	1.9	-1.9	0.0
MTÜ Järvamaa Omavalitsuste Liit	0.2	0.2	0.3	-0.3	0.1	0.2	0.2	0.4	-0.3	0.1
MTÜ Lääne-Viru Omavalitsuste Liit	0.2	0.1	0.6	-0.5	0.0	0.1	0.1	0.7	-0.6	0.0
MTÜ Tartumaa Omavalitsuste Liit	0.2	0.2	0.6	-0.8	-0.2	0.4	0.3	0.7	-0.6	0.1
MTÜ Viljandimaa Omavalitsuste Liit	0.2	0.0	0.4	-0.4	0.0	0.1	0.1	0.5	-0.5	0.0
MTÜ Viljandimaa Ühistranspordikeskus	0.2	0.0	3.2	-3.1	0.0	0.1	0.0	3.1	-3.1	0.0
SA Hiiu Maakonna Hooldekeskus Tohvri	0.2	0.2	0.7	-0.7	0.0	0.2	0.2	0.6	-0.6	0.0
SA Läänemaa	0.2	0.2	0.5	-0.5	0.0	0.2	0.2	0.8	-0.8	0.0
SA Mooste Möis	0.2	0.1	0.2	-0.2	0.0	0.2	0.1	0.2	-0.1	0.0
SA Tartu Keskkonnahariduse Keskus	0.2	0.1	0.8	-0.8	0.0	0.3	0.1	0.8	-0.8	0.0
SA Tartumaa Turism	0.2	0.1	0.6	-0.6	0.0	0.3	0.1	0.5	-0.5	0.0
SA Tõrva Haigla	0.2	0.1	0.6	-0.6	0.0	0.1	0.1	0.5	-0.5	0.0
SA Veriora Noortekas	0.2	0.2	0.1	-0.1	0.0	0.2	0.2	0.1	-0.1	0.0
Türi Arengu SA	0.2	0.2	0.3	-0.3	0.0	0.2	0.2	0.4	-0.3	0.2
Valgamaa Ühistranspordikeskus MTÜ	0.2	0.0	2.0	-2.0	0.0	0.0	0.0	2.0	-2.0	0.0
Hooldekodu Saaremaa Valss SA	0.1	0.1	1.1	-1.1	0.0	0.1	0.0	1.0	-1.0	0.0
MTÜ Läänemaa Omavalitsuste Liit	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ Mulgi Kultuuri Instituut	0.1	0.1	0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
MTÜ Põlvamaa Omavalitsuste Liit	0.1	0.1	0.5	-0.4	0.0	0.1	0.1	0.5	-0.4	0.0
MTÜ Raplamaa Omavalitsuste Liit	0.1	0.1	0.4	-0.4	0.0	0.1	0.1	0.4	-0.4	0.0
MTÜ Valgamaa Omavalitsuste Liit	0.1	0.1	0.4	-0.4	0.0	0.1	0.1	0.4	-0.3	0.1
Põlvamaa Arenduskeskus SA	0.1	0.1	0.6	-0.5	0.0	0.1	0.1	0.6	-0.6	0.0
SA Eesti Piimandusmuuseum	0.1	0.1	0.2	-0.2	0.0	0.1	0.1	0.3	-0.2	0.1
SA Elva Teenused	0.1	-0.1	1.6	-1.6	0.0	0.1	0.0	1.4	-1.4	0.0
SA Haanjamaa Sport	0.1	0.0	0.2	-0.2	0.0	0.1	0.0	0.1	-0.1	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	0.4	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
SA Lääne-Viru Arenduskeskus	0.1	0.0	0.4	-0.3	0.0	0.1	0.0	0.4	-0.3	0.0
SA Padise Klooster	0.1	0.1	0.1	-0.2	0.0	0.1	0.1	0.1	-0.1	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	0.3	-0.3	0.0	0.1	0.0	0.4	-0.3	0.0
SA Rõngu Hooldekodu	0.1	0.1	0.7	-0.7	0.0	0.1	0.1	0.7	-0.7	0.0
SA Rõuge Jäähall	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.1
SA Saare Arenduskeskus	0.1	0.0	0.4	-0.4	0.0	0.1	0.0	0.4	-0.4	0.0
SA Tõstamaa Hooldekodu	0.1	0.1	0.5	-0.5	0.0	0.1	0.1	0.5	-0.4	0.0
SA Vara Sport	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
SA Õpilasmalev	0.1	0.0	-0.6	-0.7	0.0	0.1	0.0	0.7	-0.7	-0.1
Tilsi Perekodu SA	0.1	0.0	0.6	-0.6	0.0	0.1	0.0	0.5	-0.6	-0.1
Vaivara Sinimägede SA	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
Ääsmäe Kultuuri- ja Spordi SA	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-0.1	0.0
Other entities with total assets of less than 0.1 million euros (55 entities)	0.0	0.0	3.0	-3.5	-0.2	3.2	2.9	7.3	-7.2	-0.3
Non-government foundations	22.3	17.3	17.7	-17.3	0.2	22.0	16.8	15.3	-15.4	-0.1
SA Tartu Teaduspark	5.8	4.2	1.6	-1.6	-0.1	6.0	4.3	1.5	-1.6	-0.1
SA Tallinna Hambapolikliinik	4.8	3.7	9.1	-8.7	0.4	4.2	3.3	7.9	-7.5	0.4
SA Tallinna Lauluväljak	3.6	3.3	1.5	-1.2	0.2	3.4	3.0	0.8	-1.0	-0.2
SA Tartu Eluasemefond	2.5	2.0	0.2	-0.1	0.0	2.5	2.0	0.2	-0.1	0.0
MTÜ Lääne-Viru Jäätmekeskus	2.1	0.9	2.1	-2.3	-0.2	2.4	1.1	2.0	-2.1	-0.1
SA Kõue Varahaldus	1.5	1.5	0.3	-0.4	-0.1	1.6	1.5	0.3	-0.4	0.0
Kuressaare Hambapolikliinik SA	1.2	1.0	1.5	-1.5	0.0	1.2	1.0	1.4	-1.5	-0.1
MTÜ Võru Jäätmekeskus	0.5	0.4	0.8	-0.8	0	0.5	0.4	0.7	-0.7	0
MTÜ Raplamaa Jäätmeäitluskeskus	0.2	0.2	0.3	-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	0.0	0.0	0.0	0.0	0.0

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Operating revenue	Operating expenses	Operating result	Assets	Net assets	Operating revenue	Operating expenses	Operating result
Other entities with a balance sheet total of less than 0.1 million euros (4 entities)	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.2	-0.2	0.0

Government entities grouped together under the same entry: Haiba Lastekodu SA, Keila Hariduse SA, MTÜ Eesti Tervislike Omavalitsuste Võrgustik, MTÜ Kesk-Eesti Jäätmehoolduskeskus, MTÜ Keskkonnateenused, MTÜ Roheline Paik, MTÜ Saarte Geopark, MTÜ Südamaa Vabavald, MTÜ Võru Noortekeskus, MTÜ Võrumaa Tehnoloogiainkubaator, MTÜ Väikesaarte Liit, SA Alutagusemaa, SA Betti Alveri Muuseum, SA Hiiumaa Spordikool, SA Jaam, SA Jõgeva Linna Sotsiaalmaja, SA Jõhvi Lennuväli, SA Kadrina Spordikeskus, SA Kallaste Arendus, SA Kesk-Eesti Õppe- ja Kompetentsikeskus, SA Kukruse Polaarmõis, SA Kultuuri- ja Hariduskeskus Viimsi Artium, SA Loksa Kultuur, SA Lutreola, SA Maardu Teenused, SA Narva Linnaleht, SA Narva Sadam, SA Narva-Jõesuu Sadam, SA Orissaare Spordihoone, SA Piusa, SA Puiga Spordihoone, SA Põhja-Eesti Turism, SA Raplamaa Omavalitsuste Arengufond, SA Rõuge Energiakeskus, SA Rõuge Sport, SA Rõuge Valla Turism, SA Räpina Inkubatsioonikeskus, SA Räpina Kultuurkapital, SA Räpina Sadamad ja Puhkealad, SA Räpina Saun, SA Sõmerpalu Teenuskeskus, SA Tallinna Arengu- ja Koolituskeskus, SA Tallinna Televisioon, SA Turvaline Saaremaa, SA Viljandimaa Arenduskeskus, SA Viljandimaa Hoolekandekeskus, SA Voore Aktiviseerimiskeskus, SA Võru Pensionäride Päevakeskus, SA Vösu Kuurort, SA Ülenurme Areng, Tallinna Vee-ettevõtjate Järelevalve SA, Tallinna Vene Lütseum SA, Vääna Mõisakooli SA.

Non-government entities grouped together under the same entry: SA Keila Leht, Viru-Nigula Ühismajandi Vara- ja Töösakute Kompensatsiooni SA, SA Alatskivi Loss, MTÜ Helsinki-Tallinn Euregio.

C. Subsidiaries

The following companies are consolidated line-by-line in the consolidated report:

31.12.2021		31.12.2021		2021			31.12.2020		2020		
	Share of ownership interest (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Total subsidiaries		1,861.4	1,498.5	601.8	-549.7	50.7	1,730.4	1,421.5	558.7	-505.4	48.6
Government subsidiaries		475.1	300.0	382.6	-368.0	14.4	376.7	250.1	328.6	-320.9	6.1
Tallinna Linnatranspordi AS	100	231.9	131.1	93.0	-96.0	-3.3	196.3	132.9	82.4	-85.9	-4.4
Lääne-Tallinna Keskhaigla AS	100	66.0	54.3	92.1	-83.5	8.6	57.6	45.7	76.3	-72.0	4.3
Ida-Tallinna Keskhaigla AS	100	58.3	28.7	138.2	-133.3	4.8	52.0	23.9	128.0	-122.3	5.6
Viimsi Haldus OÜ	100	30.6	12.4	4.4	-4.5	-0.3	22.3	9.0	4.9	-3.9	0.8
AS Rakvere Haigla	100	14.1	10.9	17.9	-17	0.9	13.7	10.1	15.1	-14.7	0.4
Alutaguse Haldus OÜ	100	10.6	9.8	2.3	-1.7	0.6	0.0	0.0	0.0	0.0	0.0
Laagri Haridus- ja Spordikeskus OÜ	100	10.0	7.4	5.9	-4.7	1.3	9.1	6.1	3.4	-4.1	-0.8
Põltsamaa Vallavara OÜ	100	9.3	6.4	3.0	-0.7	2.3	0.0	0.0	0.0	0.0	0.0
AS Suure-Jaani Haldus	100	7.9	7.5	1.2	-1.3	-0.1	0.0	0.0	0.0	0.0	0.0
Järvamaa Haigla AS	100	6.6	4.9	9.4	-9.6	-0.2	6.7	5.1	9.2	-8.9	0.3
AS Narva-Jõesuu Kommunaal	100	6.4	6.1	1.2	-1.5	-0.3	0.0	0.0	0.0	0.0	0.0
Haapsalu Linnahooldus OÜ	100	4.2	3.6	1.2	-1.1	0.1	4.2	3.5	0.9	-1.0	-0.1
OÜ Saue Spordirajatised	100	4.0	3.9	0.3	-0.4	-0.2	4.1	4.1	0.3	-0.4	-0.2
Räpina Haigla AS (group)	100	2.3	2.3	1.6	-1.6	0.0	2.3	2.3	1.6	-1.5	0.0
Taristuhaldus OÜ	100	2.2	2.2	0.3	-0.4	-0.1	2.3	2.3	0.2	-0.3	-0.1
Tartu Valla Kommunaal OÜ	100	2.1	1.5	2.3	-2.2	0.1	0.0	0.0	0.0	0.0	0.0
OÜ Oru Kultuurisaal	100	1.4	1.4	0.1	0.0	0.1	1.4	1.3	0.0	0.0	0.0
Karjaküla Sotsiaalkeskus OÜ	100	1.0	0.8	0.6	-0.6	0.1	1.0	0.8	1.1	-0.6	0.5
Rannapere Pansionaat AS	100	0.9	0.7	1.1	-1.1	0.0	0.9	0.7	1.0	-1.0	0.0
Mustvee Linnavara OÜ	100	0.9	0.8	0.5	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
Valtu Spordimaja OÜ	100	0.7	0.7	0.3	-0.3	0.0	0.7	0.7	0.3	-0.3	0.0
Kuremaa Enveko OÜ	100	0.7	0.5	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	0.7	-0.7	0.0	0.4	0.3	0.6	-0.6	0.0
Märjamaa Haigla AS	100	0.5	0.4	1.1	-1.1	0.0	0.4	0.3	1.0	-1.0	0.0
OÜ Vigala Hooldekodu	100	0.5	0.5	0.4	-0.3	0.0	0.4	0.4	0.3	-0.3	0.0
OÜ Lääne-Nigula Hooldekodud	100	0.4	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Tallinna Linnahalli AS	100	0.3	0.1	0.5	-0.6	0.0	0.3	0.2	0.6	-0.7	-0.1
Elva Varahalduse OÜ	100	0.3	0.1	0.8	-0.8	0.0	0.0	0.0	0.0	0.0	0.0

31.12.2021		31.12.2021		2021			31.12.2020		2020		
	Share of ownership interest (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Tõrva Tervisekeskus OÜ	100	0.2	0.2	0.2	-0.3	0.0	0.3	0.2	0.2	-0.2	-0.1
Palu-Teenus OÜ	100	0.2	0.2	0.1	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Kadrina Hooldekodu OÜ	100	0.1	0.1	0.4	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
OÜ Tartu Linna Polikliinik	100	0.0	0.0	0.4	-0.5	0.0	0.1	0.0	0.7	-0.7	0.0
AS Käru Hooldusravi Keskus	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Digisaar OÜ	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total non-government subsidiaries		1,386.3	1,198.5	219.2	-181.7	36.3	1,353.7	1,171.4	230.1	-184.5	42.5
AS Tartu Veevärk	100	103.3	63.3	13.2	-10.6	2.5	96.1	61.3	13.0	-9.8	3.1
Järve Biopuhastus OÜ (group)	100	83.0	73.0	6.9	-8.7	-1.9	84.8	74.9	7.2	-9.3	-2.2
Strantum OÜ	100	64.5	58.5	6.1	-7.1	-1.0	65.5	59.4	7.9	-6.6	1.3
Pärnu Vesi AS	100	59.1	54.2	5.8	-5.9	-0.1	59.7	54.3	6.2	-6.1	0.0
Narva Vesi AS	100	58.5	55.9	4.3	-6.3	-2.0	60.4	58.0	4.5	-6.4	-1.9
AS Emajõe Veevärk	100	54.5	52.3	7.2	-4.5	2.7	50.0	45.9	5.6	-4.2	1.3
Saku Maja AS	100	48.6	43.0	8.8	-3.9	4.9	41.6	37.5	12.5	-3.8	8.7
Võru Vesi AS	100	44.7	39.3	7.2	-3.1	4.0	35.8	24.8	6.6	-2.5	4.0
AS Lahevesi	100	38.2	35.0	9.8	-2.3	7.5	30.5	27.0	14.2	-1.9	12.3
Viimsi Vesi AS	100	37.8	36.1	3.5	-3.6	-0.1	38.0	36.2	3.6	-3.6	0.0
Paide Vesi AS	100	36.8	34.0	2.2	-2.5	-0.3	37.0	33.9	2.2	-2.4	-0.3
Kohila Maja OÜ	100	35.4	31.6	10.9	-1.2	9.7	23.6	20.2	7.4	-1.1	6.2
Rakvere Vesi AS	100	33.5	29.9	3.0	-2.2	0.8	33.1	29.1	3.2	-2.2	1.0
Kuressaare Veevärk AS	100	31.8	30.3	3.0	-3.5	-0.5	31.1	29.6	2.8	-3.3	-0.6
AS Matsalu Veevärk	100	31.0	30.1	1.1	-2.0	-1.0	32.1	31.1	1.0	-2.0	-1.0
Elveso AS	100	29.4	25.8	6.8	-5.8	1.0	28.0	25.2	6.1	-4.6	1.5
Tallinna Soojus AS	100	26.1	25.6	3.1	-0.4	2.2	26.9	26.2	3.1	-0.5	2.1
Kovek AS	100	25.5	24.8	3.4	-2.5	1.0	25.3	22.9	3.8	-2.9	0.9
Põlva Vesi AS	100	24.9	20.6	3.2	-2.0	1.2	22.6	19.4	1.5	-2.0	-0.5
Tallinna Jäätmete Taaskasutuskeskus AS	100	24.4	11.0	15.1	-13.7	0.9	22.8	10.1	13.6	-11.8	0.9
AS Maardu Vesi	100	23.3	19.7	1.2	-1.0	0.1	23.7	19.7	1.2	-1.1	0.0
Valga Vesi AS	100	23.0	22.2	1.6	-2.2	-0.6	24.0	22.8	3.4	-1.9	1.5
Kuressaare Soojus AS	100	19.0	14.6	5.6	-4.5	1.1	18.1	13.3	4.7	-4.0	0.5
Haapsalu Veevärk AS	100	18.1	17.8	2.0	-2.3	-0.3	18.5	18.1	1.8	-2.3	-0.5
Keila Vesi AS	100	17.7	12.3	3.3	-3.2	0.1	13.4	12.2	2.6	-2.5	0.1
Tapa Vesi AS	100	17.4	16.8	1.2	-1.7	-0.5	18.1	17.2	1.3	-1.5	-0.3
Põltsamaa Vesi OÜ	100	16.6	15.6	1.4	-1.5	-0.1	16.6	15.6	1.2	-1.5	-0.4
OÜ Tõrva Veejõud	100	14.3	13.7	2.1	-0.8	1.3	13.1	12.3	1.6	-0.7	0.9
Estonia Spa Hotels AS	100	14.2	5.5	6.0	-5.7	0.2	14.2	5.3	5.8	-6.3	-0.6
Sillamäe Veevärk AS	100	14.0	11.8	1.4	-1.9	-0.4	14.5	12.2	1.4	-1.8	-0.5
Sindi Vesi OÜ	100	13.8	13.2	1.2	-1.6	-0.4	12.9	12.5	1.3	-1.5	-0.3
Mako AS	100	13.5	13.0	0.8	-0.9	-0.1	13.2	12.8	2.2	-0.8	1.4
Viljandi Veevärk AS	100	13.4	12.4	2.5	-2.6	-0.1	13.0	12.5	2.3	-2.6	-0.2
OÜ Velko AV	100	13.2	12.6	1.8	-2.0	-0.2	13.4	12.8	1.6	-1.8	-0.2
Jõgeva Veevärk OÜ	100	12.5	11.4	1.0	-1.0	-0.1	12.5	11.4	1.0	-1.1	-0.1
Loo Vesi OÜ	100	12.2	9.6	3.4	-1.3	2.1	8.1	7.2	2.1	-1.2	0.8
OÜ Kose Vesi	100	11.8	10.6	1.9	-1.5	0.4	11.5	10.2	1.7	-1.3	0.4
Kiili KVH OÜ	100	10.8	9.9	0.8	-0.9	-0.1	10.9	10.1	0.8	-0.9	0.0
Kärdla Veevärk AS	100	9.9	9.8	0.5	-0.9	-0.3	10.3	10.1	0.5	-0.8	-0.3
Ramsi VK OÜ	100	9.8	9.5	1.2	-1.6	-0.5	10.0	9.6	1.7	-0.6	1.1
OÜ Paikre	100	9.3	6.9	4.2	-4.1	0.2	9.7	6.7	4.5	-4.5	0.0
Kuusalu Soojus OÜ	100	8.8	7.4	1.2	-1.2	0.0	8.9	7.4	1.8	-1.1	0.7
AS Järva Haldus	100	8.7	7.9	1.2	-1.2	0.0	8.6	7.9	1.1	-1.1	-0.1
Saarde Kommunaal OÜ	100	8.5	8.2	1.2	-0.9	0.2	7.6	7.4	0.7	-0.9	-0.2
Haljala Soojus AS	100	8.1	7.9	0.7	-0.9	-0.2	8.4	8.1	0.7	-1.0	-0.2
AS Tallinna Tööstuspargid	100	8.0	7.8	1.5	-1.1	0.4	7.5	7.4	1.6	-1.2	0.3
Kadrina Kommunaal OÜ	100	8.0	0.7	0.5	-0.5	0.0	0.7	0.7	0.4	-0.4	0.0

31.12.2021		31.12.2021		2021			31.12.2020		2020		
	Share of ownership interest (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
Raven OÜ	100	7.4	6.8	0.4	-0.5	-0.1	7.5	6.9	0.4	-0.4	-0.1
Kehtna Vesi OÜ	100	7.3	7.0	0.5	-0.8	-0.3	7.6	7.0	0.6	-0.9	-0.3
Kadrina Soojus AS	100	6.7	6.1	0.8	-1.0	-0.2	7.0	6.3	0.9	-1.0	0.0
OÜ Kroodi Vesi	100	5.6	5.6	0.3	-0.4	-0.1	6.0	5.5	0.5	-0.6	-0.1
Türi Linnavara OÜ	100	5.5	5.1	0.2	-0.3	-0.1	5.8	5.2	0.5	-0.3	0.3
OÜ Pandivere Vesi	100	5.4	4.9	0.4	-0.5	-0.1	5.6	5.0	0.5	-0.5	0.0
Haapsalu Linna Spordibaasid OÜ	100	5.3	3.8	3.4	-1.4	2.0	4.9	1.8	1.4	-1.2	0.2
Rakvere Soojus AS	51	5.2	4.3	2.5	-2.2	0.3	4.5	4.0	2.0	-1.8	0.2
Väätša Prügila AS	100	5.0	2.9	2.8	-2.7	0.1	5.6	3.2	3.1	-3.1	0.0
Rapla Vesi AS	100	4.7	4.0	0.9	-0.8	0.1	2.9	2.1	1.0	-0.7	0.3
Aseri Kommunaal OÜ	100	4.5	4.4	0.2	-0.3	-0.1	4.6	4.5	0.2	-0.3	-0.1
Otepää Veevärk AS	100	4.3	3.5	0.8	-1.0	-0.2	4.6	3.6	1.1	-0.8	0.2
Põlva Soojus AS	100	4.0	3.2	1.6	-1.5	0.1	3.9	3.1	1.6	-1.2	0.3
Võhma ELKO AS	100	3.6	3.6	0.6	-0.7	0.0	3.7	3.6	0.6	-0.7	-0.1
Loksa Haljastus OÜ	100	3.3	2.9	0.3	-0.4	-0.1	3.5	3.0	0.3	-0.4	-0.1
Keila Tervisekeskus OÜ	100	3.1	2.9	1.0	-1.3	-0.3	3.3	3.2	0.9	-1.2	-0.4
AS Tartu Turg	100	3.0	1.1	0.8	-0.7	0.1	3.0	1.0	0.8	-0.7	0.1
OÜ OSK Grupp	100	2.9	2.5	1.5	-1.7	-0.1	3.0	2.7	1.5	-1.7	-0.2
Abja Elamu OÜ	100	2.8	2.5	0.6	-0.5	0.1	2.8	2.4	0.7	-0.4	0.4
AS Maardu Elamu	100	2.8	2.6	1.5	-1.5	-0.1	2.8	2.6	1.4	-1.5	0.0
Revekor AS	100	2.8	2.1	1.3	-1.3	0.0	2.7	2.1	1.5	-1.2	0.3
Vekanor AS	100	2.8	2.7	0.5	-0.5	0.0	1.8	1.7	0.7	-0.4	0.3
Iivakivi AS	100	2.7	2.6	0.5	-0.6	0.0	2.8	2.7	0.5	-0.6	-0.1
Rõuge Kommunaalteenus OÜ	100	2.7	2.6	0.4	-0.4	0.0	2.8	2.6	0.4	-0.4	0.0
OÜ Setomaa Haldus	100	2.4	2.4	0.5	-0.6	-0.1	2.5	2.5	0.5	-0.5	0.0
Kiviõli Soojus AS	100	2.3	2.1	1.7	-1.4	0.2	2.1	1.8	1.4	-1.3	0.1
OÜ Tartu Veekeskus	100	2.2	2.0	1.4	-1.4	0.0	2.2	1.9	1.5	-1.5	0.0
Elva Soojus OÜ	100	2.0	1.5	1.3	-0.7	0.6	0.9	0.9	0.6	-0.6	0.0
Vesoka OÜ	100	2.0	1.6	0.5	-0.2	0.3	0.7	0.6	0.2	-0.2	0.0
Maali Üürimaja OÜ	51	1.9	0.4	0.1	-0.1	-0.1	2.3	0.5	0.9	-0.4	0.4
Haapsalu Linnamajanduse AS	100	1.7	0.8	0.6	-0.4	0.1	1.6	0.7	1.1	-0.5	0.5
Vinni Spordikompleks AS	100	1.7	1.5	0.7	-0.7	0.1	1.8	1.5	0.7	-0.8	0.0
Vaks OÜ	100	1.6	1.4	0.2	-0.3	0.0	1.6	1.4	0.2	-0.2	0.0
Koksvere Maja OÜ	51	1.3	0.4	0.0	0.0	0.0	1.3	0.4	0.3	-0.1	0.1
OÜ Saaremaa Prügila	100	1.3	1.2	0.1	-0.1	0.0	1.3	1.2	0.1	-0.2	0.0
Tamsalu Kalor AS	100	1.3	1.1	0.7	-0.8	0.0	1.3	1.2	0.6	-0.7	-0.1
Lääne-Nigula Varahaldus AS	100	1.2	1.1	0.5	-0.6	-0.1	1.3	1.2	0.5	-0.8	-0.3
OÜ Maardu Linnavarahooldus	100	1.1	0.7	1.8	-1.8	0.0	1.1	0.7	1.8	-1.6	0.1
Kitsas 16 Kodu OÜ	51	1.0	0.3	0.5	-0.2	0.3	0.2	0.0	0.0	0.0	0.0
Kümblus OÜ	100	0.9	0.9	0.1	-0.2	0.0	1.0	1.0	0.1	-0.1	0.0
Lihula Soojus OÜ	100	0.9	0.7	0.2	-0.2	0.0	0.8	0.6	0.2	-0.2	0.0
OÜ MEHNTACK	100	0.8	0.7	0.7	-0.7	0.0	0.7	0.7	0.8	-0.7	0.1
Hiumaa Jäätmejaam OÜ	100	0.7	0.7	0.3	-0.4	0.0	0.7	0.7	0.3	-0.4	0.0
Häädemeeste VK AS	100	0.7	0.7	0.2	-0.2	0.0	0.7	0.7	0.1	-0.1	0.0
SuFe OÜ	100	0.7	0.6	0.1	-0.2	0.0	0.7	0.7	0.1	-0.2	0.0
Tallinna Perearstikeskus OÜ	100	0.7	0.5	2.1	-2.0	0.1	0.6	0.4	1.8	-1.8	0.0
Transservis-N AS	100	0.5	0.5	0.3	-0.3	0.0	0.5	0.5	0.3	-0.6	-0.3
Ülenurme Teed OÜ	100	0.5	0.3	0.9	-0.8	0.0	0.4	0.3	0.7	-0.7	0.0
Meke Sillamäe AS	100	0.4	0.2	0.9	-0.9	0.0	0.3	0.1	0.9	-0.9	0.0
OÜ Otepää Üürimajad	100	0.4	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Järvakandi Soojus OÜ	100	0.3	0.3	0.2	-0.2	0.0	0.4	0.3	0.2	-0.2	0.0
Olme OÜ	100	0.3	0.2	0.6	-0.6	0.1	0.2	0.1	0.4	-0.4	0.0
Kenadron OÜ	100	0.2	0.2	0.1	-0.1	0.0	0.2	0.2	0.1	-0.1	0.0
Kuressaare Bussijaam OÜ	100	0.2	0.1	0.1	-0.1	0.0	0.2	0.1	0.1	-0.1	0.0

31.12.2021		31.12.2021		2021			31.12.2020		2020		
	Share of ownership interest (%)	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss	Assets	Equity capital	Income from operations	Operating expenses	Profit/loss
OÜ Narva Jäätmekäitluskeskus	100	0.2	0.2	0.7	-0.6	0.1	0.1	0.1	0.6	-0.5	0.0
Väike-Maarja Tervisekeskus OÜ	100	0.2	0.2	0.4	-0.3	0.0	0.1	0.1	0.3	-0.3	0.1
Noarootsi Soojus OÜ	100	0.1	0.1	0.1	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
OÜ Sõnumitooja	100	0.1	0.0	0.2	-0.2	0.0	0.1	0.0	0.2	-0.1	0.0
Roela Soojus OÜ	100	0.1	0.1	0.2	-0.1	0.0	0.1	0.1	0.1	-0.1	0.0
Tamsalu Perearstid OÜ	100	0.1	0.0	0.4	-0.4	0.0	0.0	0.0	0.0	0.0	0.0
Other entities with total assets of less than 0.1 million euros (19 entities)		0.0	0.0	0.0	0.0	0.0	34.5	31.8	12.2	-12.1	0.1

Non-government entities grouped together under the same entry: Alutaguse Haldus OÜ, AS Narva-Jõesuu Kommunaal, AS Suure-Jaani Haldus, Elva Varahalduse OÜ, Kuremaa Enveko AS, Mustvee Linnavara OÜ, Orava Teenus OÜ, OÜ Raadi Arendus, OÜ Võru Valla Veevärk, Palu Teenus OÜ, Põltsamaa Vallavara OÜ, Saverna Teenus OÜ, Setomaa Perearst OÜ, Soval Teenus OÜ, Tartu Valla Kommunaal OÜ, Termaki Autopargi OÜ, Urvaste Valla Veevärk OÜ, Vastse-Kuuste Soojus OÜ, Vastseliina Hambaravi OÜ.

D. Local government ownership interest in associates

	Share of ownership interest (%)	Local government equity capital		
	31.12.2021	31.12.2021	31.12.2020	31.12.2019
Total		104.6	47.3	47.5
Tallinna Vesi AS	55.1	95.5	39.0	40.1
Keila Alushariduse OÜ	34.0	0.2	0.2	0.1
AS Lõuna-Eesti Haigla (group)	49.0	3.7	3.3	2.9
AS Valga Haigla (group)	49.0	3.2	2.9	2.4
AS Põlva Haigla	49.0	1.9	1.9	1.8
Other entities with equity capital less than 0.1 million euros		0.1	0.0	0.2

Grouped under the same entry: OÜ Küste, Anton Invest OÜ, OÜ Saatse Pansionaat, Ühismajandamise OÜ, Kihnu Põllumajanduse OÜ, Team Paldiski OÜ. Majority holding in hospitals is owned by the state.

Note b2

Taxes, state fees, fines

In millions of euros

A. Tax receivables

	31.12.2021	31.12.2020	31.12.2019
Taxes	141.8	131.8	120.9
Personal income tax	140.4	130.3	119.6
Land tax	0.6	0.8	0.4
Local taxes	0.8	0.7	0.9
Incl. in gross amount	1.4	1.3	1.4
Incl. doubtful receivables	-0.6	-0.6	-0.5
Natural resource use charges	3.8	3.6	3.3
Fines	0.1	0.1	0.1
Incl. in gross amount	0.4	0.4	0.4
Incl. doubtful receivables	-0.3	-0.3	-0.3
Total tax and fine receivables	145.7	135.5	124.3

B. Revenue from taxes, state fees and fines

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Tax revenue	1,440.9	1,346.4	1,440.9	1,346.4
Personal income tax	1,365.1	1,273.0	1,365.1	1,273.0

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Land tax	58.9	58.9	58.9	58.9
Local taxes	16.9	14.5	16.9	14.5
Parking charges	7.9	7.4	7.9	7.4
Advertising tax	6.8	5.2	6.8	5.2
Road and street closure fees	2.2	1.9	2.2	1.9
State fees (see Note b12)	2.3	2.2	2.3	2.3
Income from providing natural resources for use (see Note b13)	16.3	14.0	16.3	14.0
Fees for mining rights	12.9	10.8	12.9	10.8
Fees for the special use of water	3.4	3.2	3.4	3.2
Pollution charges (see Note b13)	0.4	0.0	0.4	0.0
Fines and other fines to the extent of asset (see Note b13)	2.3	1.7	2.0	1.6

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.

Note b3

Other claims and prepayments

In millions of euros

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Short-term receivables and prepayments	155.2	142.4	140.4	83.4	78.5	73.0
Trade receivables	70.1	56.3	59.7	16.6	13.9	13.4
Incl. in gross amount	74.8	61.2	64.6	19.2	16.4	15.8
Incl. doubtful receivables	-4.7	-4.9	-4.9	-2.6	-2.5	-2.4
Loan receivables	1.9	1.8	1.7	8.2	4.8	1.8
Outstanding government grants	50.7	54.9	55.3	39.6	39.9	41.8
Other receivables	8.7	8.9	5.2	1.8	2.6	1.4
Prepaid and deferred taxes	12.4	9.5	8.7	5.9	4.8	4.6
Prepaid expenses	11.4	11.0	9.8	11.3	12.5	10.0
Long-term receivables and prepayments	24.2	26.2	26.4	78.1	51.0	20.0
Loan receivables	21.6	23.3	24.9	73.2	45.2	14.7
Other claims and prepayments	2.6	2.9	1.5	4.9	5.8	5.3
Total receivables and prepayments	179.2	168.6	166.8	161.2	129.5	93.0

Note b4

Ownership interest in foundations and non-profit associations

In millions of euros

A. Consolidated report

A 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	Not included in the general government	Total
Balance as of 31.12.2019	33.9	3.7	37.6
Monetary contributions and payments	-1.0	0.0	-1.0
Non-monetary contributions and payments	0.4	0.0	0.4
Write-downs and reversals of write-downs	1.3	0.0	1.3
Balance as of 31.12.2020	34.6	3.7	38.3
Monetary contributions and payments	-0.4	0.0	-0.4
Non-monetary contributions and payments	-1.7	0.0	-1.7
Write-downs and reversals of write-downs	1.9	0.0	1.9
Balance as of 31.12.2021	34.4	3.7	38.1

Note b5

Ownership interest 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. A list of associates recognised using the equity method is provided in Note b1 D.

Associates

	2021	2020
Balance at the beginning of the period	47.3	47.5
Financial acquisitions	58.5	0.0
Dividends received	-7.2	-6.9
Profit by equity method	6.0	6.7

Tallinn City Government increased its holding in AS Tallinna Vesi from 34.7% to 51%, paying 58.5 million euros for it.

B. Unconsolidated report

	Government subsidiaries	Non-government subsidiaries I	Associates	Total
Balance as of 31.12.2019	63.1	238.8	21.8	323.7
Monetary contributions and payments	0.9	11.7	0.0	12.6
Non-monetary contributions and payments	-0.3	5.8	0.0	5.5
Reclassification	1.8	-0.1	-1.7	0.0
Adjustment of the cost of holdings	0.0	0.4	0.0	0.4
Write-downs and reversals of write-downs	-0.2	-0.4	0.0	-0.6
Balance as of 31.12.2020	65.3	256.2	20.1	341.6
Monetary contributions and payments	3.8	9.8	58.5	72.1
Non-monetary contributions and payments	0.0	6.8	0.0	6.8
Reclassification	8.5	-8.5	0.0	0.0
Adjustment of the cost of holdings	0.0	-1.3	0.0	-1.3
Write-downs and reversals of write-downs	-0.3	0.1	0.0	-0.2
Balance as of 31.12.2021	77.3	263.1	78.6	419.0

Dividends on holdings

	2021	2020
From subsidiaries	3.9	5.4
From associates	7.2	6.9
Total dividend income	11.1	12.3

Note b6

Investment property

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Balance at the beginning of the period	155.8	156.7	111.4	111.9
Cost	225.1	220.0	170.5	166.3
Accumulated depreciation	-69.3	-63.3	-59.1	-54.4
Total movements	-2.7	-0.9	-4.3	-0.5
Acquisitions and improvements (see Note b8)	5.2	1.5	4.9	0.8
Non-monetary government grants received and awarded	0.1	0.1	0.1	-0.1
Depreciation and write-down	-6.1	-5.8	-4.7	-4.5
Sales at selling price	-9.9	-6.6	-9.0	-4.8
Sales revenue	7.8	4.9	7.3	3.6
Non-monetary contributions and payments	0.0	0.0	0.0	0.3
Reclassification	-0.3	5.0	-3.5	4.2
Revaluation	0.5	0.0	0.5	0.0
Balance at the end of the period	153.1	155.8	107.0	111.4
Cost	225.3	225.1	167.4	170.5

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Accumulated depreciation	-72.2	-69.3	-60.4	-59.1
Incl. leased under operating lease, carrying amount	67.3	71.1	59.1	60.1
Incl. pledged, carrying amount	8.4	13.3	0.1	0.1
Revenue and expenditure				
Income from constituting a right of superficies, user fees, lease and rent	10.9	11.0	8.2	8.7
Administrative expenses of investment property	-4.1	-3.5	-3.3	-2.9

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 31.12.2019	497.8	3,804.9	259.0	45.0	222.9	4,829.6
Cost	497.8	6,200.0	566.8	89.0	222.9	7,576.5
Accumulated depreciation		-2,395.1	-307.8	-44.0		-2,746.9
Total movements in 2020	6.4	208.7	26.5	7.5	7.9	257.0
Acquisitions and improvements (see Note b8)	2.1	80.6	47.6	6.7	391.7	528.7
Non-monetary government grants received	1.0	9.1	1.6	0.4	0.0	12.1
Depreciation and write-downs	-0.1	-229.3	-37.9	-6.3	-1.5	-275.1
Sales at selling price	-6.5	-6.4	-0.6	0.0	0.0	-13.5
Sales revenue	6.2	0.3	0.4	0.0	0.0	6.9
Non-monetary government grants awarded	-0.3	-0.7	0.0	0.0	-0.1	-1.1
Revaluation	3.9	2.6	0.0	0.0	0.0	6.5
Increase due to creation of controlling influence	0.0	0.0	0.0	0.0	0.2	0.2
Reclassification	0.1	354.5	15.4	6.7	-382.4	-5.7
Balance as of 31.12.2020	504.2	4,015.6	285.5	52.5	230.8	5,088.6
Cost	504.2	6,588.2	618.0	99.8	230.8	8,041.0
Accumulated depreciation		-2,572.6	-332.5	-47.3		-2,952.4
Average depreciation rate (%)		3.6%	6.4%	6.7%		
Incl. leased under the financial lease terms, carrying amount		44.8	28.0	0.0		72.8
Incl. leased under operating lease, carrying amount	1.9	101.5	0.8	0.0	0.0	104.2
Incl. pledged, carrying amount	2.2	191.0	2.4	0.0	0.0	195.6
Total movements in 2021	16.6	251.4	36.0	1.3	46.5	351.8
Acquisitions and improvements (see Note b8)	2.2	63.9	57.5	6.3	494.5	624.4
Non-monetary government grants received	6.4	7.5	0.3	0.0	0.0	14.2
Depreciation and write-downs	-0.1	-234.3	-42.9	-7.2	-1.9	-286.4
Sales at selling price	-17.7	-2.6	-0.8	0.0	-0.1	-21.2
Sales revenue	16.9	0.4	0.6	0.0	0.0	17.9
Non-monetary government grants awarded	-0.2	-3.0	0.0	0.0	0.0	-3.2
Revaluation	3.3	2.1	0.0	0.0	0.0	5.4
Reclassification	5.8	417.4	21.3	2.2	-446.0	0.7
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
Average depreciation rate (%)		3.4%	6.6%	7.0%		
Incl. leased under capital lease terms, carrying amount		34.7	25.9	0.0		60.6
Incl. leased, carrying amount	1.5	124.3	1.2	0.3		127.3
Incl. pledged, carrying amount	3.6	182.1 73,763.4	1.3	0.0		187.0

B. Unconsolidated report

	Land	Buildings and facilities	Plant and equipment	Other non-current assets	Work in progress and prepayments	Total
Balance as of 31.12.2019	470.3	2,518.2	27.3	37.9	148.4	3,202.1
Cost	470.3	4,413.2	84.3	68.8	148.4	5,185.0
Accumulated depreciation		-1,895.0	-57.0	-30.9		-1,982.9
Total movements in 2020	6.1	167.4	4.4	6.2	-12.7	171.4
Acquisitions and improvements (see Note b8)	1.8	82.2	4.3	4.6	262.3	355.2
Non-monetary government grants received	1.1	9.4	0.0	0.4	0.0	10.9
Depreciation and write-downs	-0.1	-168.1	-6.1	-4.8	-1.2	-180.3
Sales at selling price	-6.1	-6.5	-0.2	0.0	0.0	-12.8
Sales revenue	5.8	0.0	0.2	0.0	0.0	6.0
Non-monetary government grants awarded	-0.3	-3.3	0.0	0.0	-0.1	-3.7
Non-monetary contributions and payments	-0.1	-5.6	0.0	0.0	-0.1	-5.8
Revaluation	3.9	2.4	0.0	0.0	0.0	6.3
Reclassification	0.1	256.9	6.2	6.0	-273.6	-4.4
Balance as of 31.12.2020	476.4	2,685.6	31.7	44.1	135.7	3,373.5
Cost	476.4	4,712.5	91.3	78.4	135.7	5,494.3
Accumulated depreciation		-2,026.9	-59.6	-34.3		-2,120.8
Average depreciation rate (%)		3.7%	6.9%	6.5%		
Incl. leased under the financial lease terms, carrying amount		47.1	1.2	0.0		48.3
Incl. leased under operating lease, carrying amount	2.1	98.5	0.5	0.0	0.0	101.1
Incl. pledged, carrying amount	0.1	8.2	0.0	0.0	0.0	8.3
Total movements in 2021	15.3	192.4	9.0	2.4	16.1	235.2
Acquisitions and improvements (see Note b8)	2.2	57.8	5.3	5.8	337.1	408.2
Non-monetary government grants received	6.4	8.4	0.0	0.0	0.0	14.8
Depreciation and write-downs	-0.1	-172.8	-7.0	-5.4	-1.9	-187.2
Sales at selling price	-17.2	-1.9	-0.3	0.0	-0.2	-19.6
Sales revenue	16.4	0.3	0.2	0.0	0.1	17.0
Non-monetary government grants awarded	-0.2	-1.3	0.0	0.0	-0.1	-1.6
Non-monetary contributions and payments	0.0	-5.1	0.0	0.1	0.0	-5.0
Revaluation	3.3	2.0	0.0	0.0	0.0	5.3
Reclassification	4.5	305.0	10.8	1.9	-318.9	3.3
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
Average depreciation rate (%)		3.5%	7.2%	6.6%		
Incl. leased under the financial lease terms, carrying amount		45.4	1.2	0.0		46.6
Incl. leased under operating lease, carrying amount	1.6	95.1	0.5	0.3		97.5
Incl. pledged, carrying amount	0.1	8.1	0.0	0.0		8.2

Note b8

Acquisition of property, plant and equipment and intangible assets and investment property by fields of activity

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Education	113.6	129.5	109.3	133.3
Transport	183.9	132.5	127.9	99.9
Other	38.3	24.9	18.6	12.0
Water supply	71.0	70.3	0.8	0.7
Other housing and utilities	51.4	41.4	37.5	28.1
Leisure time, culture, religion	91.6	65.4	82.9	55.1
Environmental protection	15.9	12.4	5.2	5.2
Health care	38.6	35.8	4.6	3.8
Social protection	22.8	15.2	22.0	13.6
General government services	4.5	4.8	4.4	4.8

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Public order and security	0.2	0.4	0.2	0.4
Total non-current assets acquired	631.8	532.6	413.4	356.9

In the consolidated cash flow statement, the acquisition of non-current assets has been adjusted by an increase in trade payables in the amount of 23.4 million euros (a decrease of 5.6 million euros in 2020).

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 7.5 million euros (a decrease of 10.5 million euros in 2020).

For non-cash transactions, the adjustments affecting the cash flow statement are also recognised in Notes b11 (acquisitions from capital leases) 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		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Other short-term liabilities and prepayments received	86.9	120.6	46.4	77.8	111.7	41.4
Interest payable	0.5	0.5	0.4	0.2	0.2	0.3
Other accruals	0.3	0.3	0.3	0.0	0.0	0.0
Government grant liabilities	2.5	3.1	2.4	4.3	5.4	4.8
Other liabilities	8.5	6.9	5.5	5.7	4.3	4.0
Prepayments for government grants	67.1	102.8	31.6	64.4	97.2	28.3
Other deferred income	8.0	7.0	6.2	3.2	4.6	4.0
Long-term liabilities and prepayments received	3.3	3.6	3.7	12.9	12.2	11.8
Government grant liabilities	0.0	0.0	0.0	12.1	11.6	11.0
Trade payables	1.8	1.9	2.3	0.4	0.1	0.2
Other liabilities	1.1	1.1	0.6	0.1	0.1	0.1
Deferred income	0.4	0.6	0.8	0.3	0.4	0.5
Total other liabilities and prepayments received	90.2	124.2	50.1	90.7	123.9	53.2

Note b10

Loan liabilities

In millions of euros

A. Consolidated report

A1. Loan liabilities by residual term

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	99.4	693.1	77.1	869.6
Up to 1 year	16.9	103.2	8.6	128.7
1 to 5 years	56.5	313.2	25.8	395.5
More than 5 years	26.0	276.7	42.7	345.4
Balance as of 31.12.2020	82.5	838.4	71.5	992.4
Up to 1 year	25.9	100.7	8.5	135.1
1 to 5 years	32.8	380.5	23.7	437.0
More than 5 years	23.8	357.2	39.3	420.3
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

A2. Movements in loan liabilities and interest expense

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	99.4	693.1	77.1	869.6
Received	0.0	251.2	3.5	254.7
Repayment	-16.9	-105.9	-9.1	-131.9
Balance as of 31.12.2020	82.5	838.4	71.5	992.4
Received	0.0	178.4	3.6	182.0
Repayment	-25.9	-109.8	-9.2	-144.9
Balance as of 31.12.2021	56.6	907.0	65.9	1,029.5
Interest expense in 2020	-0.9	-6.2	-4.0	-11.1
Average interest rate (%)	1.0%	0.8%	5.4%	1.2%
Interest expense in 2021	-0.8	-6.7	-3.9	-11.4
Average interest rate (%)	1.2%	0.8%	5.7%	1.1%

B. Unconsolidated report**B1. Loan liabilities by residual term**

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	93.2	570.6	55.3	719.1
Up to 1 year	13.7	78.4	2.5	94.6
1 to 5 years	53.5	253.2	9.7	316.4
More than 5 years	26.0	239.0	43.1	308.1
Balance as of 31.12.2020	79.4	717.4	53.1	849.9
Up to 1 year	23.9	85.2	2.5	111.6
1 to 5 years	31.7	317.4	10.0	359.1
More than 5 years	23.8	314.8	40.6	379.2
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

B2. Movements in loan liabilities and interest expense

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	93.2	570.6	55.3	719.1
Received	0.0	229.6	0.3	229.9
Non-monetary contributions and payments	0.0	0.1	0.0	0.1
Repayment	-13.8	-82.9	-2.5	-99.2
Balance as of 31.12.2020	79.4	717.4	53.1	849.9
Received	0.0	155.8	0.5	156.3
Repayment	-23.8	-93.3	-2.6	-119.7
Balance as of 31.12.2021	55.6	779.9	51.0	886.5
Interest expenditure in 2020	-0.9	-4.6	-3.8	-9.3
Average interest rate (%)	1.0%	0.7%	7.0%	1.2%
Interest expenditure in 2021	-0.8	-5.2	-3.6	-9.6
Average interest rate (%)	1.2%	0.7%	6.9%	1.1%

Non-current assets leased under financial lease and pledged as collateral 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 expenditure

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
On loan liabilities	-11.4	-11.1	-9.6	-9.3
On derivatives	1.0	-0.7	1.0	-0.7
On discounted liabilities	-0.5	-0.5	0.0	0.0
Total interest expenditure	-10.9	-12.3	-8.6	-10.0

Note b11**Grants received and awarded**

In millions of euros

A. Grants received

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Foreign aid	113.0	146.3	62.2	88.0
From European Union funds	106.8	140.6	56.2	82.9
Other foreign aid	6.2	5.7	6.0	5.1
Domestic grants	864.2	801.2	788.9	722.8
From state budget	830.1	766.9	764.1	708.3
From state foundations and companies	22.9	22.5	12.6	6.7
From other public sector entities	4.2	5.2	6.5	3.4
From private sector residents	7.0	6.6	5.7	4.4
Total grants received	977.2	947.5	851.1	810.8

Local governments receive most of the foreign aid through the state. In the consolidated report, 5.6 million euros was received directly from foreign partners (7.5 million euros in 2020), and in the unconsolidated report 4.5 million euros (6.5 million euros in 2020).

Grants received by areas of activity

	Consolidated				Unconsolidated			
	2021		2020		2021		2020	
	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	424.5	31.3	415.7	43.2	423.4	33.9	414.5	42.5
General government services	135.2	22.5	144.4	2.5	130.7	21.9	139.2	2.4
Housing and utilities	1.6	57.0	1.0	51.3	1.5	27.7	0.8	12.8
Transport	85.3	54.0	113.0	40.4	35.3	53.8	66.5	40.3
Other	11.6	13.6	12.1	11.8	3.2	10.2	4.1	6.5
Leisure time, culture, religion	15.9	36.3	15.5	18.4	11.9	32.7	11.6	16.6
Environmental protection	1.7	16.1	1.7	12.1	1.7	2.6	1.5	1.1
Social protection	50.2	9.0	46.3	3.2	49.3	8.8	46.2	2.6
Health care	2.8	8.3	3.7	10.8	0.6	1.7	0.2	1.0
Public order and security	0.3	0.0	0.2	0.2	0.2	0.0	0.2	0.2
Total grants received	729.1	248.1	753.6	193.9	657.8	193.3	684.8	126.0

In the consolidated report, 40.2 million euros (42.7 million euros in 2020) was received in kind for the acquisition of non-current assets (grants were transferred directly to suppliers) and 14.3 million euros as transferred assets (12.2 million euros in 2020) (see Notes b6, b7).

In the unconsolidated report, 10.4 million euros (5.3 million euros in 2020) was received in kind for the acquisition of non-current assets (grants were transferred directly to suppliers) and 14.9 million euros as transferred assets (11.0 million euros in 2020) (see Notes b6, b7).

Government grants received for acquisition of non-current assets have been adjusted by the change in received prepayments and receivables in the cash flow statement.

B. Grants awarded

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Family allowance	-15.3	-13.2	-15.7	-13.4
Subsistence benefit	-16.2	-16.0	-16.2	-16.1
Benefits for disabled people	-9.1	-9.4	-9.2	-9.5
Education allowances	-3.5	-3.5	-3.5	-3.5
Social tax paid on social benefits	-3.8	-3.5	-3.8	-3.5
Other social benefits	-23.1	-20.0	-22.9	-19.8
Government grants for operating expenses	-120.7	-111.1	-173.7	-159.4
Government grants awarded for acquisition of non-current assets	-14.8	-14.1	-32.7	-36.4
Total grants awarded	-206.5	-190.8	-277.7	-261.6

Grants awarded by activities

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Education	-14.7	-10.3	-25.3	-21.1
General government services	-2.4	-2.3	-5.1	-4.4
Housing and utilities	-7.4	-6.7	-11.1	-11.3
Transport	-65.8	-62.0	-98.3	-90.6
Other	-5.3	-4.7	-11.0	-8.9
Leisure time, culture, religion	-38.2	-33.8	-50.1	-48.9
Environmental protection	-1.6	-1.0	-4.4	-3.4
Social protection	-69.4	-68.6	-70.2	-71.2
Health care	-0.8	-0.6	-1.4	-0.9
Public order and security	-0.9	-0.8	-0.8	-0.9
Total grants awarded	-206.5	-190.8	-277.7	-261.6

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	
	2021	2020	2021	2020
State fees (see Note b2)	2.3	2.2	2.3	2.3
Income from economic activities	797.4	733.6	157.2	150.1
Revenue from health care	477.7	425.4	16.7	15.9
Income of hospitals	436.5	390.2	0.0	0.0
Other income from health care	41.2	35.2	16.7	15.9
Income from housing and utilities	137.9	130.1	27.7	25.5
Lease and rent	28.6	27.5	18.2	18.1
Income from utilities	93.2	85.3	7.4	5.4
Other income from housing and utilities	16.1	17.3	2.1	2.0
Income from educational activities	52.8	51.4	50.8	49.6
Income from catering service	10.3	9.3	10.0	9.1
Kindergarten attendance fees	27.8	27.2	27.8	27.2
Other income from educational activities	14.7	14.9	13.0	13.3
Other goods and services sold	129.0	126.7	62.0	59.1
Income from transport services	7.5	7.7	3.5	3.7
Income from culture and leisure time activities	20.8	21.0	14.3	14.7
Income from social assistance activities	49.7	45.1	31.0	26.4
Other goods and services sold	51.0	52.9	13.2	14.3
Total goods and services sold	799.7	735.8	159.5	152.4

Note b13

Other income

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Profit/loss from non-current assets sold (see b6, b7)	25.7	11.8	24.3	9.6
Income from providing natural resources for use (see Note b2)	16.3	14.0	16.3	14.0
Fines (see Note b2)	2.3	1.7	2.0	1.6
Pollution charges (see Note b2)	0.4	0.4	0.4	0.4
Interest income on debt	0.2	0.2	0.1	0.1
Other income	4.7	3.7	3.4	1.5
Total other income	49.6	31.8	46.5	27.2

In the cash flow statement, receipts from the sale of non-current assets have been adjusted by the change in receivables; the consolidated report shows an increase of 0.2 million euros (1.9 million euros in 2020); the unconsolidated report shows an increase of 0.2 million euros (2.0 million euros in 2020).

Note b14

Labour costs

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Wage expenditure				
Persons elected and appointed to a position	-12.0	-11.1	-12.0	-11.1
Officials	-66.2	-63.9	-66.2	-63.9
Members of supervisory boards and management boards	-10.3	-9.6	0.0	0.0
Employees	-1,021.0	-971.9	-719.9	-694.9
Total wages of full-time employees	-1,109.5	-1,056.5	-798.1	-769.9
Total wages of temporary and external employees	-25.7	-21.8	-18.6	-15.6
Total wage expenditure	-1,135.2	-1,078.3	-816.7	-785.5
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	189	186	189	186
Officials	3,025	3,008	3,025	3,008
Members of supervisory boards and management boards	281	273	0	0
Employees	62,711	62,308	47,482	47,071
Total average number of employees	66,206	65,775	50,696	50,265
Other labour costs				
Fringe benefits	-1.9	-1.3	-1.0	-0.7
Taxes and social security contributions	-380.8	-361.8	-275.8	-265.4
Capitalised production	0.8	0.6	0.1	0.0
Total other labour costs	-381.9	-362.5	-276.7	-266.1
Total labour costs	-1,517.1	-1,440.8	-1,093.4	-1,051.6

Labour costs by activities are presented in Note b18.

Note b15

Management expenses

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Cost of managing property, buildings and premises	-178.2	-149.9	-156.1	-132.3
Cost of managing facilities	-127.1	-105.4	-126.0	-104.2
Medical equipment and services	-109.6	-96.4	-8.2	-8.6
Foodstuff and catering services	-47.4	-43.1	-41.1	-36.5
Transport services	-18.2	-16.3	-21.2	-19.7
Costs of managing vehicles	-40.0	-36.1	-11.9	-10.7
Cost of teaching materials and trainings	-40.1	-35.8	-40.2	-35.9
Information and communication technology expenses	-38.8	-35.6	-30.7	-28.4
Cost of managing fixtures and fittings	-40.4	-35.0	-30.7	-24.9
Administration costs	-26.5	-25.8	-18.4	-17.6
Communication, culture and leisure time expenses	-32.0	-25.8	-28.3	-21.8
Social services	-29.1	-24.9	-39.3	-34.3
Production costs	-25.3	-22.4	-0.3	-0.3
Training costs of labour force	-8.4	-6.6	-6.7	-5.3
Research and development	-5.1	-4.9	-4.2	-3.8
Miscellaneous other management expenses	-32.8	-31.9	-17.3	-19.3
Total management expenses	-799.0	-695.9	-580.6	-503.6

Management expenses by activities are presented in Note b18.

Note b16

Depreciation of non-current assets

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Depreciation of investment property (see Note b6)	-6.1	-5.8	-4.7	-4.5
Depreciation of property, plant and equipment (see Note b7)	-286.4	-275.1	-187.2	-180.3
Depreciation of intangible assets	-2.7	-2.4	-1.0	-1.0
Profit/loss from revaluation of biological assets	0.0	-0.6	0.0	-0.6
Total depreciation of non-current assets	-295.2	-283.9	-192.9	-186.4

Depreciation of non-current assets by activities is presented in Note b18.

Note b17

Other expenditure

In millions of euros

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
VAT expense on operating expenses	-102.6	-90.1	-82.9	-71.6
VAT expense on acquisition of non-current assets	-81.8	-71.8	-74.9	-64.2
Other tax and fee expenses	-9.2	-10.1	-0.3	-0.2
Expenditure on doubtful receivables	-0.8	-0.9	-0.7	-0.7
Other expenditure	-1.3	-1.0	-1.0	-0.4
Total other expenditure	-195.7	-173.9	-159.8	-137.1

Note b18

Expenditure by activity

In millions of euros

A. Consolidated report

	2021					2020				
	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 services	123.5	37.8	17.9	16.7	195.9	114.5	35.1	16.8	17.3	183.7
Public order and security	4.5	1.6	0.1	0.4	6.6	3.9	1.5	0.1	0.4	5.9
Economy	88.1	123.7	101.9	39.3	353.0	88.4	109.8	92.6	34.5	325.3
Environmental protection	17.1	80.6	14.0	19.2	130.9	15.8	69.5	13.8	16.4	115.5
Housing and utilities	43.0	81.0	49.9	20.5	194.4	41.7	70.6	51.9	16.9	181.1
Health care	293.1	148.8	19.5	25.6	487.0	259.8	128.3	17.8	24.9	430.8
Leisure time, culture, religion	90.0	68.9	29.6	20.5	209.0	87.4	58.1	28.1	15.4	189.0
Education	769.9	201.3	56.2	54.9	1,082.3	747.9	173.3	56.6	53.2	1,031.0
Social protection	87.9	55.3	6.1	9.5	158.8	81.4	49.7	6.2	8.0	145.3
Total expenditure	1,517.1	799.0	295.2	206.6	2,817.9	1,440.8	695.9	283.9	187.0	2,607.6

B. Unconsolidated report

	2021					2020				
	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 services	119.4	35.9	17.7	16.4	189.4	110.9	33.9	16.9	17.2	178.9
Public order and security	4.4	1.8	0.1	0.4	6.7	3.9	1.7	0.1	0.4	6.1
Economy	19.0	73.9	70.9	37.6	201.4	20.5	66.0	66.3	30.7	183.5
Environmental protection	6.7	72.6	4.1	14.3	97.7	5.8	60.6	3.9	11.6	81.9
Housing and utilities	15.0	52.1	13.9	15.3	96.3	13.7	45.0	13.3	11.6	83.6
Health care	14.4	5.1	1.5	1.4	22.4	12.5	4.8	1.5	1.3	20.1
Leisure time, culture, religion	79.5	65.3	25.3	19.9	190.0	76.8	53.5	23.8	14.6	168.7
Education	763.4	213.5	54.3	54.7	1,085.9	741.8	183.7	55.3	53.0	1,033.8
Social protection	71.6	60.4	5.1	8.4	145.5	65.7	54.4	5.3	6.7	132.1
Total expenditure	1,093.4	580.6	192.9	168.4	2,035.3	1,051.6	503.6	186.4	147.1	1,888.7

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 and affiliated entities

	Consolidated			Unconsolidated		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Assets	252.8	233.3	218.8	282.4	241.1	194.1
Current assets	252.7	233.2	218.7	206.4	192.4	175.0
Tax, state fee and fine receivables	144.8	134.8	123.4	144.8	134.8	123.4
Other liabilities and prepayments	107.9	98.4	95.3	61.6	57.6	51.6
Non-current assets	0.1	0.1	0.1	76.0	48.7	19.1
Other claims and prepayments	0.1	0.1	0.1	76.0	48.7	19.1
Liabilities	206.8	239.7	166.4	214.2	203.1	134.8
Current liabilities	148.7	180.4	106.2	172.7	159.3	88.2
Trade payables	13.8	9.9	8.5	15.7	11.6	10.7
Deferred taxes	66.2	62.0	60.5	107.8	43.8	43.0
Other liabilities and received prepayments	62.9	101.2	29.8	45.7	99.1	29.4
Loan liabilities	5.8	7.3	7.4	3.5	4.8	5.1
Non-current liabilities	58.1	59.3	60.2	41.5	43.8	46.6
Loan liabilities	56.8	57.7	58.3	29.3	32.0	35.4
Other liabilities and received prepayments	1.3	1.6	1.9	12.2	11.8	11.2

B. Income and expenditure from other public sector entities

	Consolidated		Unconsolidated	
	2021	2020	2021	2020
Income from operations	2,884.5	2,703.2	2,326.9	2,181.2
Taxes and social security contributions	1,429.8	1,336.1	1,429.8	1,336.1
Goods and services sold	467.5	417.2	33.8	29.3
Grants received	964.6	933.2	840.8	799.8
Other income	22.6	16.7	22.5	16.0
Operating expenses	-283.1	-252.6	-190.1	-361.4
Grants awarded	-4.8	-6.1	-136.0	-132.9
Management expenses	-84.2	-73.5	104.0	-92.4
Other operating expenses	-194.1	-173.0	-158.1	-136.1
Operating result	2,601.4	2,450.6	2,136.8	1,819.8
Financial income and expenditure	5.5	6.2	13.2	13.3
Profit/loss from financial investments	6.0	6.8	12.8	13.1
Other financial income and expenses	-0.5	-0.6	0.4	0.2
Surplus or deficit of the reporting period	2,606.9	2,456.8	2,150.0	1,833.1

The consolidated report includes the transactions of the entities included in the group with the state and other legal persons in public law (except 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 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, 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, local governments have reported transactions with related parties:

	2021	2020
Receivables	0.1	0.0
Liabilities	0.3	0.1
Non-current assets acquired from related companies	0.2	0.2
Revenue from goods and services sold	0.1	0.0
Grants awarded to related foundations and non-profit associations	-0.8	-0.5
Economic costs from related foundations and non-profit association	-0.3	-0.1
Economic costs from related companies	-0.8	-0.7
Economic costs from related natural persons	-0.6	0.0

Note b21

Material contingent liabilities and receivables

In millions of euros

	Consolidated		Unconsolidated	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Contingent liabilities	850.7	752.7	433.4	345.7
Delivery contracts and investment liabilities for acquisition of non-current assets	286.9	198.9	263.5	175.2
Continuing operating lease liabilities	138.4	145.4	134.5	141.4
Grant and co-financing liabilities	8.6	4.4	5.3	5.3
Non-current assets pledged as loan security (see Note b6, b7)	195.4	208.9	8.3	8.4
Current assets pledged as loan security	24.3	22.7	0.0	0.0
Other contingent liabilities	197.1	172.4	21.8	15.4
Contingent claims	140.2	177.1	91.4	108.5
Continuing operating lease receivables	18.8	10.5	7.8	6.4
Receivables based on contracts signed for grants	121.4	166.6	83.6	102.1

The residual value of the assets leased and capital-leased are disclosed in Notes b6 and b7.

Other contingent liabilities include a liability to reimburse the residual value of assets in the amount of 181.1 million euros (164.0 million euros as of 31 December 2020) upon termination of the agreement with AS Tallinna Soojus in accordance with the lease and operator agreement of AS Tallinna Soojus.

4 Information on public sector and general government sector

4.1 Balance sheet

In millions of euros

	Public sector			General government			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Assets							
Current assets							
Cash	2,504.5	2,885.1	1,985.0	2,646.2	2,652.9	1,732.6	c2
Financial investments	-2,039.0	2,198.2	1,772.0	453.0	649.2	506.8	c3
Tax, state fee and fine receivables	1,153.0	1,035.4	1,100.4	1,210.8	1,068.3	1,146.4	
Other claims and prepayments	3,112.8	2,439.3	3,053.5	746.8	694.3	650.8	c4
Derivatives	160.2	31.8	10.0	0.0	0.0	0.0	
Inventories	393.1	347.1	356.7	231.6	188.7	198.5	
Intangible current assets	208.6	85.3	76.0	0.0	0.0	0.0	a12
Biological assets	41.6	31.6	26.5	1.8	1.3	2.5	c11
Total current assets	9,612.8	9,053.8	8,380.1	5,290.2	5,254.7	4,237.6	
Non-current assets							
Ownership interest in foundations and non-profit associations	0.0	0.0	0.0	18.9	19.0	19.0	c5
Ownership interest in subsidiaries and affiliated associates	163.7	100.0	98.6	4,024.4	3,715.9	3,439.9	c6
Financial investments	12,763.4	10,323.6	6,284.0	348.6	342.4	348.2	c3
Other claims and prepayments	903.4	843.8	665.1	913.2	852.1	677.0	c4
Derivatives	187.6	23.7	4.3	0.0	0.0	0.0	
Investment property	248.7	250.7	248.2	203.7	204.2	200.4	c7
Property, plant and equipment	16,360.5	15,581.6	15,116.3	9,590.4	8,967.7	8,569.2	c8
Intangible assets	344.9	316.5	276.8	208.7	178.4	152.7	c9
Biological assets	946.6	772.8	678.2	18.5	14.0	25.6	c11
Total non-current assets	31,918.8	28,212.7	23,371.5	15,326.4	14,293.7	13,432.0	
Total assets	41,531.6	37,266.5	31,751.6	20,616.6	19,548.4	17,669.6	

	Public sector			General government sector			Note
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019	
Liabilities and net assets							
Current liabilities							
Received prepayments of taxes, state fees and fines	603.8	508.0	541.5	615.8	517.3	549.9	
Trade payables	589.5	450.5	471.7	405.2	329.9	335.7	
Payables to employees	325.1	301.5	279.1	263.0	246.7	224.8	
Other liabilities and received prepayments	15,497.5	12,954.3	9,185.2	1,155.3	847.2	648.2	c12
Provisions	479.6	387.0	289.3	134.5	140.7	89.4	c13
Loan liabilities	948.8	1,020.6	597.5	624.7	656.9	322.1	c14
Derivatives	116.1	11.5	24.7	0.0	1.0	0.3	
Total current liabilities	18,560.4	15,633.4	11,389.0	3,198.5	2,739.7	2,170.4	
Non-current liabilities							
Provisions	3,803.2	3,303.6	2,831.9	3,753.0	3,252.7	2,777.3	c13
Loan liabilities	6,040.6	5,661.2	3,627.5	4,568.9	4,264.6	2,037.6	c14
Other liabilities and prepayments received	261.9	195.3	170.1	50.8	46.0	39.8	c12
Derivatives	37.8	4.4	6.0	0.0	0.0	0.0	
Total non-current liabilities	10,143.5	9,164.5	6,635.5	8,372.7	7,563.3	4,854.7	
Total liabilities	28,703.9	24,797.9	18,024.5	11,571.2	10,303.0	7,025.1	
Net assets							
Minority shareholding	277.3	128.8	128.7	11.2	9.2	6.7	
Net assets of public sector or general government							
Reserves	1,174.6	1,160.4	1,116.8	691.6	680.0	642.7	c16
Hedging reserve	211.5	34.1	-32.8	0.0	0.0	0.0	
Unrealised exchange rate differences	8.2	5.9	10.3	0.0	0.0	0.0	
Accumulated surplus or deficit	11,156.1	11,139.4	12,504.1	8,342.6	8,556.2	9,995.1	
Total net assets of the public sector or general government sector	12,550.4	12,339.8	13,598.4	9,034.2	9,236.2	10,637.8	
Total net assets	12,827.7	12,468.6	13,727.1	9,045.4	9,245.4	10,644.5	
Total liabilities and net assets	41,531.6	37,266.5	31,751.6	20,616.6	19,548.4	17,669.6	

4.2 Statement of financial performance

In millions of euros

	Public sector		General government sector		Note
	2021	2020	2021	2020	
Income from operations					
Taxes and social security contributions	10,290.4	8,995.3	10,344.7	9,074.2	c17
Goods and services sold	2,934.0	2,283.0	759.9	630.7	c18
Grants received	1,084.9	1,003.1	1,046.0	938.4	c15
Other income	323.5	195.0	227.4	180.2	c19
Total income from operations	14,632.8	12,476.4	12,378.0	10,823.5	
Operating expenses					
Grants awarded	-6,037.1	-5,818.2	-6,214.4	-5,956.7	c15
Labour costs	-3,800.7	-3,588.9	-3,384.7	-3,177.2	c20
Management expenses	-2,918.5	-2,394.7	-1,914.5	-1,697.2	c21
Depreciation and change in value of non-current assets	-1,048.7	-996.4	-670.1	-630.9	c22
Pass-through taxes, state fees, fines	-332.9	-379.8	-332.9	-379.8	c23
Doubtful taxes, state fees, fines	-39.2	-75.6	-39.4	-76.6	c23
Other expenditure	-345.3	-311.5	-70.3	-216.2	c23
Total operating expenses	-14,522.4	-13,565.1	-12,626.3	-12,134.6	
Operating result	110.4	-1,088.7	-248.3	-1,311.1	
Operating result from change in fair value of biological assets	183.9	100.3	5.0	-12.3	c11
Financial income and expenditure					c24
Profit/loss from financial investments	6.2	7.4	305.7	240.8	
Interest expense	-333.8	-322.9	-142.3	-129.3	
Income from deposits and securities	192.3	179.1	-2.8	-19.1	
Other financial income	4.3	6.1	5.8	23.3	
Other financial expenses	-0.5	-1.2	-0.1	-0.9	
Total financial income and expenditure	-131.5	-131.5	166.3	114.8	
Surplus or deficit of the reporting period	162.8	-1,119.9	-77.0	-1,208.6	
Incl. public sector's or general government's part of surplus/deficit	146.3	-1,128.2	-79.0	-1,211.1	
Incl. the share of minority shareholding surplus or deficit	16.5	8.3	2.0	2.5	

4.3 Cash flow statement

In millions of euros

	Public sector		General government sector		Note
	2021	2020	2021	2020	
Cash flow from principal activities					
Operating result	110.4	-1,088.7	-248.3	-1,311.1	
Depreciation and change in value of non-current assets	1,048.7	996.4	670.1	630.9	c22
Profit/loss from non-current assets sold	-59.9	-37.5	-54.1	-27.9	c19
Revenue from government grants received for acquisition of non-current assets	-493.7	-483.2	-457.4	-420.8	c15
Expenditure on government grants awarded for acquisition of non-current assets	192.9	149.6	290.0	236.7	c15
Other non-cash adjustments	16.7	88.3	-7.6	69.7	
Total adjusted operating result	815.1	-375.1	192.7	-822.5	
Net change in current assets	-577.0	-46.8	-245.0	50.3	
Net change in liabilities	85.0	624.3	661.21	408.9	
Total cash flows from principal activities	323.1	202.4	608.9	-363.3	
Cash flows from investment activities					
Investments in non-current assets	-1,705.6	-1,469.3	-1,216.5	-1,041.2	c10
Capital gains from non-current assets sold	77.8	50.1	62.4	37.9	
Government grants received for the acquisition of non-current assets	459.2	455.5	418.6	391.7	c15
Government grants invested for acquisition of non-current assets	-185.1	-156.4	-266.8	-239.7	c15
Paid upon the acquisition of financial investments	-600.1	-1,665.1	-695.1	-1,410.3	
Received from the sale of financial investments	922.8	1,305.2	876.6	1,273.1	
Paid upon the acquisition of holdings	-91.8	-4.3	-98.3	-193.4	c6
Dividends received	10.5	10.2	87.7	150.0	
Dividends paid, reductions from acquisition and loss of controlling influence and reclassification	-6.5	-10.1	0.0	0.0	
Received from the sale and liquidation of holdings and reclassification of holdings into the general government sector	179.6	0.1	22.8	0.1	
Loans issued	-83.2	-271.5	-85.0	-271.3	
Repayments of loans received	40.5	27.7	42.0	29.1	
Financial income received	190.8	207.1	-5.9	16.9	
Total cash flows from investment activities	-791.1	-1,520.8	-857.5	-1,257.1	
Cash flows from financing activities					
Loans received	1,227.5	3,355.9	950.5	3,047.2	c14
Loan repayments	-958.2	-925.0	-691.0	-488.8	c14
Interest paid and other financial expenses	-181.9	-212.4	-17.6	-17.7	
Total cash flows from financing activities	87.4	2,218.5	241.9	2,540.7	
Net cash flow					
Cash and cash equivalents at the beginning of the year	2,885.1	1,985.0	2,652.9	1,732.6	c2
Cash and cash equivalents at the end of the year	2,504.5	2,885.1	2,646.2	2,652.9	c2
Change in cash and cash equivalents	-380.6	900.1	-6.7	920.3	

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	Hedging reserve	Unrealised exchange rate differences	Accumulated surplus or deficit	Total			
Balance as of 31.12.2019	414.4	702.4	-32.8	10.3	12,504.1	13,598.4	128.7	13,727.1	
Revaluation of property, plant and equipment					12.8	12.8		12.8	c8
Actuarial gains and losses in provisions for pensions					-203.6	-203.6		-203.6	a16
Receipt of risk hedging instruments			66.9			66.9		66.9	a18
Exchange rate differences attributable to foreign subsidiaries				-4.4		-4.4		-4.4	
Surplus or deficit of the reporting period					-1,128.2	-1,128.2	8.3	-1,119.9	
Total surplus or deficit of the reporting period	0.0	0.0	66.9	-4.4	-1,319.0	-1,256.5	8.3	-1,248.2	
Purchase and sale of minority holdings					-3.8	-3.8	1.9	-1.9	a9A
Holdings consolidated for the first time					1.7	1.7		1.7	
Dividends paid						0.0	-10.1	-10.1	
Reallocation	17.5	26.1			-43.6	0.0		0.0	c16
Balance as of 31.12.2020	431.9	728.5	34.1	5.9	11,139.4	12,339.8	128.8	12,468.6	
Revaluation of investment property					3.9	3.9		3.9	c7
Revaluation of property, plant and equipment					20.0	20.0		20.0	c8
Actuarial gains and losses in provisions for pensions					-167.6	-167.6		-167.6	a16
Revaluation of risk hedging instruments			177.4			177.4		177.4	a18
Exchange rate differences attributable to foreign subsidiaries				2.3		2.3		2.3	
Surplus or deficit of the reporting period					146.3	146.3	16.5	162.8	
Total surplus or deficit of the reporting period	0.0	0.0	177.4	2.3	2.6	182.3	16.5	198.8	
Purchase and sale of minority holdings					27.7	27.7	138.5	166.2	a9A
Holdings consolidated for the first time					0.6	0.6		0.6	
Dividends paid						0.0	-6.5	-6.5	
Reallocation	-1.8	16.0			-14.2	0.0		0.0	c16
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	

B. General government sector

	Stabilisation Reserve Fund	Other reserves	Accumulated surplus or deficit	Total	Minority shareholding	Total	Note
Balance as of 31.12.2019	414.4	228.3	9,995.1	10,637.8	6.7	10,644.5	
Revaluation of property, plant and equipment			13.0	13.0		13.0	c8
Actuarial gains and losses in provisions for pensions			-203.6	-203.6		-203.6	a16
Surplus or deficit of the reporting period			-1,211.1	-1,211.1	2.5	-1,208.6	
Total surplus or deficit of the reporting period	0.0	0.0	-1,401.7	-1,401.7	2.5	-1,399.2	
Receipt and loss of controlling influence over holdings and reclassification			0.1	0.1		0.1	
Reallocation	17.5	19.8	-37.3	0.0		0.0	c16
Balance as of 31.12.2020	431.9	248.1	8,556.2	9,236.2	9.2	9,245.4	
Revaluation of investment property			3.8	3.8		3.8	c7
Revaluation of property, plant and equipment			18.1	18.1		18.1	c8
Actuarial gains and losses in provisions for pensions			-167.6	-167.6		-167.6	a16
Surplus or deficit of the reporting period			-79.0	-79.0	2.0	-77.0	
Total surplus or deficit of the reporting period	0.0	0.0	-224.7	-224.7	2.0	-222.7	
Reclassification and adjustment of holdings into the general government sector			22.7	22.7		22.7	
Reallocation	-1.8	13.4	-11.6	0.0		0.0	c16
Balance as of 31.12.2021	430.1	261.5	8,342.6	9,034.2	11.2	9,045.4	

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 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 (Government Finance Statistics) and by the European Union (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 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 report includes consolidated government agencies (see Note a1 A), local government units (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

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total	18,372.6	2,459.2	3,399.1	-3,248.5	185.8	15,204.4	2,273.9	2,928.1	-3,209.7	-234.9
Entities included in the general government sector	2,321.1	1,887.9	3,388.5	-3,219.9	167.0	2,149.6	1,720.6	2,918.8	-3,183.5	-265.0
Estonian Health Insurance Fund	544.2	391.9	1,931.2	-1,795.3	135.9	367.4	256.0	1,653.8	-1,637.3	16.7
Estonian Unemployment Insurance Fund	604.1	505.8	800.5	-809.5	-9.0	644.8	514.8	666.7	-990.8	-323.3
Estonian Academy of Arts (group)	34.5	28.9	12.7	-12.2	0.5	34.0	28.4	12.7	-11.2	1.5
Estonian Academy of Music and Theatre (group)	22.8	18.7	9.2	-9.1	0.1	23.7	18.5	10.1	-8.7	1.4
Estonian University of Life Sciences (group)	82.8	73.7	45.0	-40.2	4.9	77.7	68.8	40.2	-36.6	3.6
Tallinn University (group)	64.4	39.9	45.8	-46.8	-1.1	62.6	41.0	42.3	-43.1	-0.8
Tallinn University of Technology (group)	156.6	124.1	123.8	-118.9	4.8	168.3	119.3	117.2	-108.3	8.9
University of Tartu (group)	351.6	268.6	233.8	-224.6	9.2	338.2	259.4	204.0	-200.5	3.4
Estonian Academy of Sciences	7.2	6.8	2.5	-2.3	0.2	6.8	6.6	2.9	-2.1	0.8
National Institute of Chemical Physics and Biophysics	20.8	16.0	7.7	-8.0	-0.3	19.8	16.3	7.0	-7.0	-0.1
Estonian Public Broadcasting	41.6	32.2	43.5	-42.2	1.2	38.5	31.0	43.1	-38.8	4.2
National Library of Estonia	15.4	14.6	9.4	-9.4	0.0	15.1	14.5	10.6	-9.1	1.4
Estonian National Opera	11.0	9.5	13.7	-13.2	0.5	10.5	9.0	15.0	-13.8	1.2
Cultural Endowment of Estonia	20.8	18.2	33.2	-30.7	2.4	17.7	15.7	30.2	-29.1	1.2
Defence League	58.2	54.6	52.1	-49.7	2.3	54.5	52.3	41.4	-39.5	1.9
Guarantee Fund	280.6	280.6	16.5	-0.3	15.0	265.8	265.7	14.6	-0.3	13.3
Chamber of Notaries	2.7	2.3	1.5	-1.4	0.1	2.6	2.2	1.1	-1.3	-0.2
Estonian Auditors' Association (group)	0.9	0.9	0.6	-0.6	0.0	0.9	0.8	0.5	-0.6	-0.1
Estonian Bar Association	0.4	0.2	4.8	-4.8	0.0	0.5	0.2	4.9	-4.9	0.0
Estonian Chamber of Enforcement Officers and Trustees in Bankruptcy	0.5	0.4	1.0	-0.7	0.3	0.2	0.1	0.5	-0.5	0.0
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
Entities not included in the general government sector	16,051.5	571.3	10.6	-28.6	18.8	13,054.8	553.3	9.3	-26.2	30.1
Bank of Estonia and the Estonian Financial Supervision and Resolution Authority	16,051.5	571.3	10.6	-28.6	18.8	13,054.8	553.3	9.3	-26.2	30.1

Holdings of other legal persons in public law in foundations and non-profit associations

	31.12.2021		2021			31.12.2020		2020		
	Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Operating expenses	Operating expenses	Operating result
Total	23.9	20.8	18.1	-15.0	2.9	19.7	16.5	15.8	-13.1	2.3
Included in the general government sector	0.5	0.4	1.0	-0.8	0.2	0.4	0.2	0.9	-0.8	0.0
Eesti Kunstiakadeemia SA	0.3	0.2	0.3	-0.1	0.2	0.2	0.0	0.3	-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
MTÜ Eesti Maaülikooli Spordiklubi	0.1	0.1	0.5	-0.5	0.0	0.1	0.1	0.5	-0.5	0.0
SA Eesti Maaülikooli Joosep Tootsi Fond	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
SA Eesti Maaülikooli Mahekeskus	0.1	0.1	0.0	0.0	0.0	0.1	0.1	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 Välismaalaste Teenuskeskus	0.0	0.0	0.1	-0.1	0.0	0.0	0.0	0.1	-0.1	0.0
Not included in the general government sector	23.4	20.4	17.1	-14.2	2.7	19.3	16.3	14.9	-12.3	2.3
SA Järvselja Õppe- ja Katsemetskond	16.7	16.6	3.5	-0.9	2.6	14.1	14.0	3.1	-0.8	2.2
MTÜ TTÜ Üliõpilasküla	2.4	0.9	3.6	-3.6	0.0	2.6	0.9	3.6	-3.5	0.0
MTÜ Dormitorium	1.6	1.3	1.1	-1.0	0.0	0.0	0.0	0.2	-0.2	0.0
MTÜ Tallinna Ülikooli Spordiklubi	0.0	0.0	0.2	-0.2	0.0	0.0	0.0	0.2	-0.2	0.0
MTÜ Tartu Üliõpilasküla	1.6	0.9	3.8	-3.8	-0.1	1.6	0.9	3.3	-3.5	-0.1
MTÜ Tartu Ülikooli Akadeemiline Spordiklubi	0.6	0.4	3.1	-2.9	0.2	0.4	0.2	2.8	-2.5	0.2
MTÜ Tartu Üliõpilasmaja	0.4	0.3	0.4	-0.4	0.0	0.5	0.3	0.4	-0.4	0.0
MTÜ TTÜ Spordiklubi	0.1	0.0	1.2	-1.2	0.0	0.1	0.0	1.1	-1.0	0.0
MTÜ TTÜ Kultuurikeskus	0.0	0.0	0.2	-0.2	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 ownership interest (%)	31.12.2021		2021			31.12.2020		2020		
		Assets	Net assets	Income from operations	Operating expenses	Operating result	Assets	Net assets	Income from operations	Operating expenses	Operating result
Total		3.8	2.7	1.2	-1.1	0.2	3.9	2.5	1.0	-0.9	0.1
Not included in the general government sector		3.8	2.7	1.2	-1.1	0.2	3.9	2.5	1.0	-0.9	0.1
OÜ Muusa Majutus	100	3.4	2.4	0.5	-0.4	0.1	3.5	2.3	0.5	-0.3	0.1
OÜ Eerika Farm	100	0.4	0.3	0.7	-0.7	0.1	0.3	0.2	0.5	-0.6	0.0
E-Kyla Arendus OÜ	100	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
OÜ Torni Hostel	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	0.1	0.1	0.0	-0.1	-0.1	0.2	0.2	0.0	0.0	0.0

Note c2

Cash and cash equivalents

In millions of euros

	Public sector			General government		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Cash	18.3	16.0	14.8	1.3	1.0	1.3
Bank accounts in banks	2,182.0	2,523.5	1,589.2	2,423.7	2,357.8	1,482.1
Term deposits in banks	304.5	345.6	381.0	221.5	294.1	249.2
Total cash	2,504.8	2,885.1	1,985.0	2,646.5	2,652.9	1,732.6
Interest income from cash and cash equivalents (see Note c24)	38.3	34.7	2.4	-5.3	-2.9	-0.6

General government funds in the amount of 1,013.1 million euros were deposited at the Bank of Estonia as of 31 December 2021 (440.8 million euros as of 31 December 2020).

Note c3

Financial investments

In millions of euros

	Public sector			General government		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Short-term financial investments	2,038.7	2,198.2	1,772.0	453.0	649.2	506.8
Bonds at fair value	1,862.4	2,057.3	1,640.0	448.6	630.5	501.8
Held-to-maturity bonds at depreciated cost	4.1	4.7	5.0	4.1	4.7	5.0
Short-term loans against securities	0.0	0.0	24.2	0.0	0.0	0.0
Listed shares	172.2	136.2	102.8	0.1	0.1	0.0
Unlisted shares	0.0	0.0	0.0	0.0	13.9	0.0
Other short-term financial investments	0.3	0.0	0.0	0.2	0.0	0.0
Long-term financial investments	12,763.4	10,323.6	6,284.0	348.6	342.4	348.2
Term deposits in banks	1.6	1.8	4.2	1.6	1.8	1.9
Holding in investment funds at fair value	0.2	0.9	0.9	0.0	0.7	0.7
Other investments in equity instruments	4.5	4.1	3.8	4.5	4.1	3.8
Bonds at fair value	0.4	0.4	0.5	0.4	0.4	0.5
Held-to-maturity bonds at depreciated cost	21.7	18.7	18.4	21.7	18.7	18.5
Bonds held for monetary policy purposes	9,932.2	7,800.3	5,621.0	0.0	0.0	0.0
Ownership interest in international organisations	377.6	364.0	345.6	210.1	207.5	200.7
Holding in venture capital funds (see Note a3)	110.1	109.1	122.0	110.1	109.1	122.0
Listed shares	0.1	0.1	0.1	0.1	0.1	0.1
Unlisted shares	0.4	0.1	0.1	0.1	0.0	0.0
Other long-term financial investments	2,314.6	2,024.1	167.4	0.0	0.0	0.0
Total financial investments	14,802.1	12,521.8	8,056.0	801.6	991.6	855.0
Incl. recorded at fair value	2,145.4	2,304.0	1,866.3	559.3	740.9	625.1
Incl. recorded at adjusted cost	12,656.7	10,217.8	6,189.7	242.3	250.7	229.9
Income from bonds in reporting period (see Note c24)	138.4	177.3	111.1	-3.2	-2.2	-0.2

Bonds held for monetary policy purposes include the bonds acquired by the Bank of Estonia under the securities market programme of the national central banks in the Eurosystem, the covered bond purchase programme and the public sector purchase programme. As well as bonds acquired under the emergency purchase programme to mitigate the economic effects of the pandemic. 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. A provision has been formed to cover the risks materialised (see Note c13).

In addition to the state's ownership interest in international organisations (see Note a3), the respective ownership interest of the Bank of Estonia amount to 167.5 million euros (156.5 million euros as of 31 December 2020), including ownership interest in the European Central Bank in the amount of 93.5 million euros (91.8 million euros as of 31 December 2020) and ownership interest in the International Monetary Fund (IMF) in the amount of 73.8 million euros (64.5 million euros as of 31 December 2020).

Other long-term financial investments include foreign exchange reserves transferred by the Bank of Estonia to the European Central Bank in the amount of 113.7 million euros (113.6 million euros as of 31 December 2020), loans related to monetary policy operations to euro zone credit institutions in the amount of 1,881.5 million euros (1,881.5 million euros as of 31 December 2020) and the account of SDR, the unit of account of the IMF, in the amount of 319.4 million euros (29.0 million euros as of 31 December 2020). 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. In 2021, the IMF increased the issue of SDRs targeting all member states to increase the liquidity of global reserves and help weaker countries.

Note c4

Other claims and prepayments

In millions of euros

	Public sector			General government		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Short-term receivables and prepayments	3,112.8	2,439.3	3,053.5	746.8	694.3	650.8
Trade receivables	398.1	236.4	249.4	48.1	35.7	41.9
Incl. in gross amount	407.9	249.4	261.8	51.5	39.5	45.9
Incl. doubtful receivables	-9.8	-13.0	-12.4	-3.4	-3.8	-4.0
Interest receivables	47.9	51.4	59.7	2.2	1.2	1.8
Other accrued income	72.3	55.6	50.7	1.0	1.6	0.9
Loan receivables	31.0	30.8	25.5	32.6	33.4	27.7
Outstanding government grants (see Note c15 A)	539.0	487.2	456.0	532.3	483.6	452.8
Intra-Eurosystem claims	1,837.6	1,388.4	2,036.5	0.0	0.0	0.0
Other receivables	58.6	84.7	80.0	16.3	15.4	14.3
Prepaid government grants	55.9	43.2	28.8	64.8	74.0	54.6
Other prepaid expenses	72.4	61.6	66.9	49.5	49.4	56.8
Long-term receivables and prepayments	903.4	843.8	665.1	913.2	852.1	677.0
Loan receivables	839.2	787.0	616.4	841.9	788.3	619.6
Interest receivables (see Note a6)	39.5	34.5	30.6	39.5	34.5	30.6
Dedicated funds (see Note a5)	0.0	0.0	0.0	14.8	14.9	14.6
Outstanding government grants (see Note c15 A)	6.0	5.5	5.2	6.0	5.5	5.2
Other claims and prepayments	18.7	16.8	12.9	11.0	8.9	7.0
Total receivables and prepayments	4,016.2	3,283.1	3,718.6	1,660.0	1,546.4	1,327.8

Intra-Eurosystem claims are claims by the Bank of Estonia to the Eurosystem arising from the allocation of euro banknotes in the amount of 1,294.7 million euros (1,384.8 million euros as of 31 December 2020), net claims arising from settlements with central banks of the Eurosystem in the amount of 554.8 million euros (0 euros as at 31 December 2020) and claims arising from the allocation of profit of the European Central Bank in the amount of -11.9 million euros (3.6 million euros as of 31 December 2020).

Note c5

Ownership interest 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

	31.12.2021	31.12.2020	31.12.2019
State ownership interest (see Note a8)	8.3	8.4	8.4
Local government ownership interest (see Note b4)	3.7	3.7	3.7
Ownership interest of other legal persons in public law	6.9	6.9	6.9
Total ownership interest in foundations and non-profit associations	18.9	19.0	19.0

Note c6

Ownership interest in subsidiaries and associates

In millions of euros

	Public sector			General government sector		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
State ownership interest (see Note a9)	67.5	60.4	57.9	3,671.4	3,427.7	3,169.7
Ownership interest of state foundations and companies in the general government sector	0.0	0.0	0.0	9.0	9.0	9.1
Local government ownership interest (see Note b5)	104.6	47.3	47.5	341.6	276.3	260.6
Local government foundation ownership interest	0.0	0.0	0.0	0.0	0.0	5.4
Ownership interest of other legal persons in public law	0.5	0.4	0.3	2.4	2.4	2.2
Eliminations between sectors	-8.9	-8.1	-7.1	0.0	0.5	-7.1
Total ownership interest in subsidiaries and associates	163.7	100.0	98.6	4,024.4	3,715.9	3,439.9

Movements in ownership interest

	Public sector	General government		
	Associates	Subsidiaries	Associates	Total
Balance as of 31.12.2019	98.6	3,410.7	29.2	3,439.9
Monetary contributions and payments	4.3	193.4	0.0	193.4
Sales at selling price	-0.1	-0.1	0.0	-0.1
Profit from sales (see Note c24)	0.1	0.1	0.0	0.1
Non-monetary contributions and payments	0.0	5.3	0.0	5.3
Reclassification	0.0	-13.4	0.0	-13.4
Dividends received	-10.2	0.0	0.0	0.0
Profit/loss based on the equity method (see Note c24)	7.3	0.0	0.0	0.0
Write-downs and reversals of write-downs (see Note c24)	0.0	90.6	0.1	90.7
Balance as of 31.12.2020	100.0	3,686.6	29.3	3,715.9
Monetary contributions and payments	67.7	39.8	58.5	98.3
Non-monetary contributions and payments	0.0	7.5	0.0	7.5
Reclassification	-0.8	-9.8	0.0	-9.8
Dividends received	-10.5	0.0	0.0	0.0
Profit/loss based on the equity method (see Note c24)	7.3	0.0	0.0	0.0
Write-downs and reversals of write-downs (see Note c24)	0.0	212.7	-0.2	212.5
Balance as of 31.12.2021	163.7	3,936.8	87.6	4,024.4

Dividends on holdings

	Public sector		General government	
	2021	2020	2021	2020
From subsidiaries	0.0	0.0	79.8	142.6
From associates	10.5	10.2	7.9	7.4
Total dividend income from ownership interest	10.5	10.2	87.7	150.0

Note c7

Investment property

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Balance at the beginning of the period	250.7	248.2	204.2	200.4
Cost	347.5	337.1	277.9	268.3
Accumulated depreciation	-96.8	-88.9	-73.7	-67.9
Total movements	-2.0	2.5	-0.5	3.8
Acquisitions and improvements	7.8	1.6	7.6	0.9
Depreciation and write-downs	-9.0	-8.7	-6.6	-6.3
Sales at selling price	-10.4	-9.5	-9.1	-5.6
Sales revenue	8.0	7.4	7.2	4.3
Reclassification	-2.3	11.7	-3.5	10.5
Government grants received and awarded	0.1	0.0	0.1	0.0
Changes due to acquisition and loss of controlling influence	-0.1	0.0	0.0	0.0
Revaluation	3.9	0.0	3.8	0.0
Balance at the end of the period	248.7	250.7	203.7	204.2
Cost	351.5	347.5	280.2	277.9
Accumulated depreciation	-102.8	-96.8	-76.5	-73.7
Incl. leased under operating lease, carrying amount	132.2	144.2	104.8	113.3
Incl. pledged to cover loans, carrying amount	17.0	22.7	2.5	8.5
Revenue and expenditure				
Income from lease and rent, right of superficies and usufruct	29.7	29.1	16.3	16.1
Administrative expenses of investment property	-4.2	-3.6	-4.0	-3.5

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 31.12.2019	1,344.5	9,217.5	236.3	3,387.2	185.1	745.7	15,116.3
Cost	1,344.5	14,831.6	644.0	6,186.6	328.3	745.7	24,080.7
Accumulated depreciation		-5,614.1	-407.7	-2,799.4	-143.2		-8,964.4
Total movements in 2020	17.1	348.5	47.6	-14.8	15.5	51.4	465.3
Acquisitions and improvements	9.1	74.3	7.3	124.0	16.4	1,150.6	1,381.7
Depreciation and write-downs	-0.3	-566.9	-41.4	-296.7	-18.7	-5.4	-929.4
Sales at selling price	-29.0	-7.7	0.0	-3.8	0.0	0.0	-40.5
Sales revenue	26.5	0.3	0.0	3.2	0.0	0.0	30.0
Non-monetary government grants received	0.3	17.2	9.3	1.3	0.5	0.0	28.6
Non-monetary government grants awarded	-0.1	-0.2	-1.2	0.0	0.0	-0.1	-1.6
Exchange rate differences from currency revaluation	-0.2	0.0	0.0	-0.8	0.0	0.0	-1.0
Reclassification	1.6	827.4	73.6	158.7	17.2	-1,094.0	-15.5
Changes from acquisition and loss of controlling influence	0.0	0.0	0.0	0.0	0.0	0.2	0.2
Revaluation (see Statement of changes in net assets)	9.2	4.1	0.0	-0.7	0.1	0.1	12.8
Balance as of 31.12.2020	1,361.6	9,566.0	283.9	3,372.4	200.6	797.1	15,581.6
Cost	1,361.6	15,574.7	728.7	6,418.0	353.8	797.1	25,233.9
Accumulated depreciation		-6,008.7	-444.8	-3,045.6	-153.2		-9,652.3
Average depreciation rate		3.7%	6.0%	4.7%	5.5%		
Leased under the financial lease, carrying amount		46.6	0.0	192.1	0.6		239.3
Leased under operating lease, carrying amount	159.0	120.5	0.0	67.4	0.3	0.0	347.2

	Land	Buildings and facilities	Defence related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Pledged to cover loans, carrying amount	3.2	212.3	0.0	43.4	0.0	0.0	258.9
Total movements in 2021	40.4	477.3	51.8	52.6	9.9	146.9	778.9
Acquisitions and improvements	8.1	90.8	7.0	148.4	12.5	1,436.9	1,703.7
Depreciation and write-downs	-0.1	-586.2	-52.2	-309.7	-21.2	-2.7	-972.1
Sales at selling price	-46.8	-10.4	0.0	-9.9	-0.1	0.0	-67.2
Sales revenue	43.7	3.6	0.0	4.4	0.1	0.0	51.8
Non-monetary government grants received	0.7	2.7	13.0	4.4	0.1	0.0	20.9
Non-monetary government grants awarded	0.0	-0.2	0.0	-0.4	-0.2	0.0	-0.8
Reclassification	21.8	961.3	84.0	212.8	18.3	-1,289.9	8.3
Changes due to acquisition and loss of controlling influence	-0.6	10.7	0.0	2.4	0.5	1.3	14.3
Revaluation (see Statement of changes in net assets)	13.6	5.0	0.0	0.2	-0.1	1.3	20.0
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
Average depreciation rate		3.7%	6.8%	4.7%	5.7%		
Leased under the financial lease, carrying amount		34.8	0.0	189.9	0.3		225.0
Leased under operating lease, carrying amount	169.1	140.6	0.0	56.9	0.5		367.1
Pledged to cover loans, carrying amount	3.7	185.3	0.0	34.2	0.0		223.2

B. General government

	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 31.12.2019	736.6	6,233.5	236.4	732.4	173.7	456.6	8,569.2
Cost	736.6	10,120.6	644.1	1,623.6	286.4	456.6	13,867.9
Accumulated depreciation		-3,887.1	-407.7	-891.2	-112.7		-5,298.7
Total movements in 2020	14.3	313.6	47.5	19.3	14.5	-10.7	398.5
Acquisitions and improvements	6.2	86.6	7.3	96.4	13.1	761.4	971.0
Depreciation and write-downs	-0.3	-423.0	-41.5	-100.8	-16.0	-1.6	-583.2
Sales at selling price	-25.1	-6.5	0.0	-0.6	0.0	0.0	-32.2
Sales revenue	23.3	-0.3	0.0	0.5	0.0	0.0	23.5
Non-monetary contributions and payments	0.4	-5.6	0.0	0.0	-0.1	0.0	-5.3
Non-monetary government grants received	0.3	16.9	9.3	1.3	0.6	0.0	28.4
Non-monetary government grants awarded	-0.1	-0.4	-1.2	0.0	0.0	0.0	-1.7
Reclassification	0.8	641.8	73.6	22.4	16.9	-770.6	-15.1
Revaluation	8.8	4.1	0.0	0.1	0.0	0.0	13.0
Increase due to first-time recording	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Balance as of 31.12.2020	750.9	6,547.1	283.9	751.7	188.2	445.9	8,967.7
Cost	750.9	10,716.5	728.7	1,696.8	312.2	445.9	14,651.0
Accumulated depreciation		-4,169.4	-444.8	-945.1	-124.0		-5,683.3
Average depreciation rate		4.1%	6.0%	6.1%	5.3%		
Leased under the financial lease, carrying amount	0.0	45.5	0.0	100.2	0.6	0.0	146.3
Leased under operating lease, carrying amount	2.4	101.0	0.0	0.5	0.0	0.0	103.9
Pledged to cover loans, carrying amount	1.0	89.9	0.0	0.9	0.0	0.0	91.8
Total movements in 2021	31.8	336.4	51.7	30.5	9.4	162.9	622.7
Acquisitions and improvements	7.2	68.5	7.1	108.4	10.8	978.7	1,180.7
Depreciation and write-downs	0.0	-439.4	-52.2	-105.3	-18.1	-2.1	-617.1
Sales at selling price	-43.0	-6.7	0.0	-3.5	0.0	0.0	-53.2
Sales revenue	40.4	3.1	0.0	3.3	0.0	0.0	46.8
Non-monetary contributions and payments	-0.4	-6.5	0.0	0.6	0.0	0.0	-6.3
Non-monetary government grants received	0.7	3.7	12.9	4.4	0.1	0.0	21.8

	Land	Buildings and facilities	Defence related non-current assets	Plant and equipment	Other non-current assets	Work-in-progress and prepayments	Total
Non-monetary government grants awarded	0.0	-0.4	0.0	-0.4	-0.2	0.0	-1.0
Reclassification	13.6	709.4	83.9	22.9	16.1	-813.7	32.2
Changes due to acquisition and loss of controlling influence	0.0	0.0	0.0	0.0	0.7	0.0	0.7
Revaluation	13.3	4.7	0.0	0.1	0.0	0.0	18.1
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
Average depreciation rate		4.0%	6.8%	6.3%	5.5%		
Leased under the financial lease, carrying amount		35.3	0.0	97.0	0.3		132.6
Leased under operating lease, carrying amount	1.9	101.6	0.0	0.5	0.3		104.3
Pledged to cover loans, carrying amount	0.8	80.2	0.0	0.3	0.0		81.3

Note c9

Intangible assets

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Balance at the beginning of the period	316.5	276.8	178.4	152.7
Cost	703.5	632.9	469.8	424.0
Accumulated depreciation	-387.0	-356.1	-291.4	-271.3
Total movements	28.4	39.7	30.3	25.7
Acquisitions and improvements	100.1	95.6	77.0	65.9
Depreciation and write-downs	-67.6	-57.7	-46.4	-40.8
Reclassification	-5.9	0.7	0.7	0.6
Revaluation	1.7	-1.9	0.0	0.0
Received upon the acquisition of controlling influence	1.2	0.0	0.0	0.0
Non-monetary government grants awarded	-1.1	3.0	-1.0	0.0
Balance at the end of the period	344.9	316.5	208.7	178.4
Cost	780.9	703.5	528.9	469.8
Accumulated depreciation	-436.0	-387.0	-320.2	-291.4
Average depreciation rate (%)	9.1%	8.6%	9.3%	9.1%

Note c10

Acquisition of property, plant and equipment and intangible assets and investment property by fields of activity

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Transport	491.1	452.1	418.4	326.1
Fuel and energy	341.5	180.5	0.6	3.9
Other	82.6	66.9	43.0	26.9
Housing and utilities	122.4	111.8	41.5	29.3
Environmental protection	19.0	20.2	8.2	6.5
Education	203.3	194.2	205.6	195.1
Leisure time, culture, religion	106.6	83.8	103.5	81.2
National defence	178.7	133.1	178.8	133.2
Public order and security	35.6	29.5	35.8	29.6
Health care	109.6	89.7	109.6	89.7
Social protection	43.3	36.3	43.6	36.5
General government services	77.9	80.8	76.7	79.8
Total non-current assets acquired	1,811.6	1,478.9	1,265.3	1,037.8

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 71.8 million euros (a decrease of 6.6 million euros in 2020).

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 38.7 million euros (a decrease of 6.2 million euros in 2020).

In the cash flow statement, the acquisition of non-current assets has also been adjusted by incurring financial lease liabilities (see Note c14) and capitalised interest expense (see Note c24).

Note c11

Biological assets

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Balance at the beginning of the period	804.4	704.7	15.3	28.1
Sales at selling price	-0.2	-0.1	-0.1	-0.1
Sales revenue	0.1	0.1	0.1	0.1
Reclassification	0.0	0.0	0.0	0.1
Change in fair value	183.9	100.3	5.0	-12.3
Loss from write-down	0.0	-0.6	0.0	-0.6
Balance at the end of the period	988.2	804.4	20.3	15.3
Incl. current assets	41.6	31.6	1.8	1.3
Incl. non-current assets	946.6	772.8	18.5	14.0

Growing forest ready for cutting accounts for 978.5 million euros of the public sector's biological assets at the end of the reporting period (795.0 million euros as of 31 December 2020), including 32.5 million euros recognised as a short-term part (22.9 million euros as of 31 December 2020). The majority of it is made up by growing forest ready for cutting (see Note a14).

Growing forest ready for cutting amounts to 19.8 million euros of the general government sector's biological assets at the end of the reporting period (14.9 million euros as of 31 December 2020), including 1.8 million euros recognised as a short-term part (1.3 million euros as of 31 December 2020).

Note c12

Other liabilities and prepayments received

In millions of euros

	Public sector			General government		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Other short-term liabilities and prepayments received	15,497.5	12,954.3	9,185.2	1,155.3	847.2	648.2
Tax, state fee and fine liabilities	79.5	46.4	65.9	64.0	39.7	61.1
Interest payable	42.2	22.3	23.3	0.9	1.1	0.4
Other accruals	72.3	62.1	57.2	2.7	10.0	0.8
Grant liabilities	235.1	235.9	196.5	278.0	252.1	208.5
Bank notes in circulation	4,000.0	3,715.4	3,361.1	0.0	0.0	0.0
Customer deposits	10,250.1	8,227.4	5,108.3	76.5	31.8	40.5
Security deposits	45.5	34.0	32.6	38.2	27.9	26.5
Other liabilities	32.1	34.3	32.9	26.4	28.7	23.5
Prepayments for government grants (see Note c15)	650.4	446.0	277.4	645.7	439.1	275.4
Other deferred income	90.3	130.5	30.0	22.9	16.8	11.5
Long-term liabilities and prepayments received	261.8	195.3	170.1	50.8	46.0	39.8
Trade payables	5.8	1.4	1.5	2.7	1.2	1.5
Interest payables (see Note a17)	39.5	34.5	30.6	39.5	34.5	30.6
Other liabilities	30.9	40.3	27.7	1.7	6.6	5.2
Other deferred income	185.6	119.1	110.3	6.9	3.7	2.5
Total other liabilities and prepayments received	15,759.3	13,149.6	9,355.3	1,206.1	893.2	688.0

Since joining the Eurosystem, the Bank of Estonia 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 ownership interest 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 2021, customer deposits in bank accounts of Estonian banks opened in the Bank of Estonia to cover the mandatory reserve amounted to 9,651.6 million euros (6,954.0 million euros as of 31 December 2020), the counterpart of the units of account of the International Monetary Fund (IMF) amounted to 365.1 million euros (73.0 million euros as of 31 December 2020), net liabilities from settlements with euro area national central banks through an account opened in the European settlement system Target2 amounted to 0 euros (1,006.2 million euros as of 31 December 2020).

Note c13

Provisions

In millions of euros

	Public sector			General government		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Balance as of 31.12.2019	289.3	2,831.9	3,121.2	89.4	2,777.3	2,866.7
Pension provisions	74.0	2,761.3	2,835.3	73.7	2,760.3	2,834.0
Environmental protection provisions	72.9	34.2	107.1	0.1	0.4	0.5
For legal costs	3.7	0.3	4.0	3.7	0.3	4.0
Provisions for guarantee liabilities and loan securities	93.1	12.8	105.9	8.7	12.2	20.9
Other provisions	45.6	23.3	68.9	3.2	4.1	7.3
Total movements in 2020	97.7	471.7	569.4	51.3	475.4	526.7
Formation of provisions	146.2	440.5	586.7	52.3	443.3	495.6
Disbursements	-129.0	-0.2	-129.2	-79.5	0.0	-79.5
Interest on discounted provisions	0.0	111.9	111.9	0.0	110.6	110.6
Increase due to creation of controlling influence	0.0	0.0	0.0	0.0	0.0	0.0
Reclassification	80.5	-80.5	0.0	78.5	-78.5	0.0
Balance as of 31.12.2020	387.0	3,303.6	3,690.6	140.7	3,252.7	3,393.4
Pension provisions	83.8	3,106.8	3,190.6	83.3	3,105.7	3,189.0
Environmental protection provisions	79.5	31.8	111.3	0.0	0.4	0.4
For legal costs	1.6	4.0	5.6	1.5	4.0	5.5
Provisions for guarantee liabilities and loan securities	104.8	32.6	137.4	8.2	32.2	40.4
Other provisions	117.4	128.4	245.8	47.7	110.4	158.1
Total movements in 2021	92.6	499.6	592.2	-6.2	500.3	494.1
Formation of provisions	233.9	522.8	756.7	8.3	522.8	531.1
Disbursements	-288.9	0.0	-288.9	-161.4	0.0	-161.4
Interest on discounted provisions	0.0	125.6	125.6	0.0	124.4	124.4
Increase due to creation of controlling influence	-0.5	-0.7	-1.2	0.0	0.0	0.0
Reclassification	148.1	-148.1	0.0	146.9	-146.9	0.0
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

In the public sector, the provisions for guarantee liabilities and loan securities include the provision by the Bank of Estonia for risks related to financial investments in the amount of 103.6 million euros (92.6 million euros as at 31 December 2020), and other provisions include the provision for risks related to monetary policy operations in the amount of 27.9 million euros (28.1 million euros as of 31 December 2020).

Note c14**Loan liabilities**

In millions of euros

A. Public sector**Loan liabilities by residual term**

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	1,252.0	2,759.5	213.5	4,225.0
Up to 1 year	239.3	338.6	19.6	597.5
1 to 5 years	814.7	1,268.4	94.3	2,177.4
More than 5 years	198.0	1,152.5	99.6	1,450.1
Balance as of 31.12.2020	2,906.9	3,567.2	207.7	6,681.8
Up to 1 year	463.6	537.9	19.1	1,020.6
1 to 5 years	782.1	1,152.8	105.1	2,040.0
More than 5 years	1,661.2	1,876.5	83.5	3,621.2
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

Movements in loan liabilities

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	1,252.0	2,759.5	213.5	4,225.0
Received	2,056.7	1,299.2	13.9	13.9
Reclassification	0.0	3.0	0.0	0.0
Conversion into minority holding	-411.7	-494.0	-19.3	-19.3
Depreciation of loan cost	9.9	-0.5	-0.4	-0.4
Balance as of 31.12.2020	2,906.9	3,567.2	207.7	6,681.8
Received	401.8	825.7	31.0	1,258.5
Revaluations	0.1	-0.1	0.2	0.2
Reclassification	-0.2	-2.7	0.1	-2.8
Changes due to acquisition and loss of controlling influence	0.0	0.1	-1.1	-1.0
Repayment	-476.0	-460.0	-22.2	-958.2
Depreciation of loan cost	10.6	0.3	0.0	10.9
Balance as of 31.12.2021	2,843.2	3,930.5	215.7	6,989.4
Interest cost in 2020 (see Note c24)	-32.4	-16.2	-10.8	-59.4
Average interest rate	1.6%	0.5%	5.1%	1.1%
Interest cost in 2021 (see Note c24)	-28.6	-15.8	-9.9	-54.3
Average interest rate	1.0%	0.4%	4.7%	0.8%

B. General government**Loan liabilities by residual term**

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	248.0	1,966.1	145.6	2,359.7
Up to 1 year	117.0	192.9	12.2	322.1
1 to 5 years	56.5	645.9	40.1	742.5
More than 5 years	74.5	1,127.3	93.3	1,295.1
Balance as of 31.12.2020	2,037.9	2,747.9	135.7	4,921.5
Up to 1 year	451.1	194.2	11.6	656.9
1 to 5 years	32.9	753.7	38.4	825.0
More than 5 years	1,553.9	1,800.0	85.7	3,439.6
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

Movements in loan liabilities

	Bonds	Loans	Financial lease	Total
Balance as of 31.12.2019	248.0	1,966.1	145.6	2,359.7
Received	2,056.7	990.5	2.8	3,050.0
Non-monetary contributions and payments in holdings	0.0	0.1	0.0	0.1
Depreciation of loan cost	0.5	0.0	0.0	0.5
Repayment	-267.3	-208.8	-12.7	-488.8
Balance as of 31.12.2020	2,037.9	2,747.9	135.7	4,921.5
Received	401.8	548.7	10.1	960.6
Reclassification to the general government sector	0.0	0.6	0.5	1.1
Depreciation of loan cost	1.3	0.1	0.0	1.4
Repayment	-451.8	-226.6	-12.6	-691.0
Balance as of 31.12.2021	1,989.2	3,070.7	133.7	5,193.6
Interest cost in 2020 (see Note c24)	-2.9	-6.8	-9.2	-18.9
Average interest rate	0.3%	0.3%	6.5%	0.5%
Interest cost in 2021 (see Note c24)	-3.8	-5.9	-8.1	-17.8
Average interest rate	0.3%	0.3%	5.8%	0.5%

For information on loan collaterals, pledged assets and assets leased under financial 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 31.12.2019		Calculated revenue 2020	Balance as of 31.12.2020		Calculated revenue 2021	Balance as of 31.12.2021	
	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	452.5	250.1	902.4	484.4	404.9	985.8	528.8	602.9
Other foreign aid	8.1	25.4	65.2	7.5	37.4	65.0	15.7	43.7
Domestic grants	0.6	1.9	35.5	0.8	3.7	34.1	0.5	3.8
Total grants received	461.2	277.4	1,003.1	492.7	446.0	1,084.9	545.0	650.4

Revenue from grants received by area of business activity

	2021				2020			
	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating the acquisition of non- current assets	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating the acquisition of non- current assets
Agriculture	18.3	247.3	16.5	32.9	13.2	220.8	8.5	35.4
Transport	3.7	2.1	74.3	6.0	2.5	1.1	61.2	1.3
Other	28.2	11.7	65.3	29.9	19.7	5.9	111.1	21.7
Education	89.5	24.9	66.0	0.3	76.5	19.4	59.9	0.3
Housing and utilities	0.2	0.0	18.4	34.6	0.2	0.0	9.9	16.0
Environmental protection	6.1	0.9	35.2	25.6	15.8	0.6	39.6	24.2
General government services	41.5	3.3	24.8	0.2	44.0	10.5	21.4	0.3
Health care	40.5	0.1	24.8	7.7	29.2	0.0	14.2	3.7
Social protection	42.2	1.5	6.8	1.5	36.3	2.1	14.2	1.9
Leisure time, culture, religion	10.0	1.6	0.3	0.3	8.8	1.6	0.6	0.9
National defence	10.5	0.0	14.3	0.0	6.3	0.0	30.5	0.0
Public order and security	7.0	0.1	8.0	0.0	5.3	0.1	6.4	0.0

	2021				2020			
	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating the acquisition of non-current assets	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating the acquisition of non-current assets
Total grants received	297.7	293.5	354.7	139.0	257.8	262.1	377.5	105.7

During the reporting period, 13.3 million euros of foreign aid (14.1 million euros in 2020) was recovered due to violation of the requirements, including 7.6 million euros of foreign aid intermediated outside the public sector (9.8 million euros in 2020) (recognised as a reduction in revenue).

Intermediated grants in the amount of 432.5 million euros (a total of 367.8 million euros in 2020) 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 has been adjusted by non-monetary government grants (see Note c8). In addition, cash flows from investment activities have been adjusted by a decrease in government grants prepayments received of non-current assets by 3.9 million euros (a decrease of 2.3 million euros in 2020) and an increase in receivables by 17.4 million euros (a decrease of 3.2 million euros in 2020).

A2. General government sector

	Balance as of 31.12.2019		Calculated revenue 2020	Balance as of 31.12.2020		Calculated revenue 2021	Balance as of 31.12.2021	
	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	451.5	249.5	840.1	482.9	401.1	952.2	528.2	600.1
Other foreign aid	5.8	23.9	63.3	5.3	34.6	59.1	9.6	41.8
Domestic grants	0.7	2.0	35.0	0.9	3.4	34.7	0.5	3.8
Total grants received	458.0	275.4	938.4	489.1	439.1	1,046.0	538.3	645.7

Income from grants received by area of activity

	2021				2020			
	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating acquisition of non-current assets	Income for operating expenses	Income for intermediating operating expenses	Income for acquisition of non-current assets	Income for intermediating acquisition of non-current assets
Agriculture	18.0	247.4	16.5	32.9	13.2	220.8	8.2	35.7
Transport	3.6	2.1	49.3	26.0	2.3	1.1	41.1	18.7
Other	26.8	11.0	33.7	30.3	18.6	5.1	50.6	22.8
Education	89.3	25.2	66.0	0.3	76.5	19.5	59.9	0.3
Environmental protection	4.5	2.5	0.2	60.6	13.7	2.6	1.4	62.4
Housing and utilities	0.2	0.0	16.9	36.0	0.1	0.0	7.2	18.4
Social protection	42.2	1.5	6.9	1.4	36.3	2.1	14.2	1.9
Health care	40.5	0.1	24.8	7.7	29.3	0.0	14.2	3.7
Leisure time, culture, religion	9.8	1.6	0.3	0.3	8.5	1.6	0.6	0.9
General government services	41.5	3.3	24.8	0.2	43.9	10.7	21.4	0.3
National defence	10.5	0.0	14.3	0.0	6.3	0.0	30.5	0.0
Public order and security	6.9	0.1	8.0	0.0	5.2	0.2	6.4	0.0
Total grants received	293.8	294.8	261.7	195.7	253.9	263.7	255.7	165.1

Pass-through income in the amount of 490.5 million euros (428.8 million euros in 2020) 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 (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 a decrease in government grants prepayments received for acquisition of non-current assets by 3.0 million euros (a decrease of 4.1 million euros in 2020) and an increase in receivables by 13.9 million euros (a decrease of 3.4 million euros in 2020).

B. Grants awarded

	Public sector		General government	
	2021	2020	2021	2020
Pensions	-2,054.4	-1,957.9	-2,054.4	-1,957.9
Compensation for temporary incapacity for work	-222.9	-191.9	-222.9	-191.9
Compensation of medicines and medical devices	-193.3	-188.2	-193.3	-188.2
Other health insurance benefits	-350.5	-316.4	-356.3	-321.4
Unemployment insurance benefits	-113.0	-200.6	-113.0	-200.6
Family allowances	-628.2	-619.2	-628.2	-619.2
Subsistence benefit	-27.1	-26.3	-27.1	-26.3
Benefits for the unemployed	-45.7	-28.6	-45.7	-28.6
Benefits for disabled people	-76.5	-85.3	-76.5	-85.3
Work ability allowance	-367.4	-336.4	-367.4	-336.4
Education allowance	-49.1	-51.3	-49.0	-51.3
Social tax and funded pension paid in special cases	-214.5	-200.1	-214.5	-200.1
4% temporarily paid to the II pillar of mandatory funded pension funds, which was decided to be paid not from social tax but as an additional provision from the state budget for the period of suspension	-205.5	-147.5	-205.5	-147.5
Formation of public sector pension provisions	-44.1	-34.0	-44.1	-34.0
Other social benefits	-54.9	-45.7	-54.6	-45.6
Government grants for operating expenses	-1,197.1	-1,239.2	-1,271.9	-1,285.7
Government grants awarded for acquisition of non-current assets	-192.9	-149.6	-290.0	-236.7
Total grants awarded	-6,037.1	-5,818.2	-6,214.4	-5,956.7

The entry for social benefits granted in 2020 was amended retroactively, increasing it by the expenditure of contributions to II pillar mandatory funded pension suspended temporarily in the amount of 147.5 million euros (see Note a19 B2). The entry for the expense of transferred taxes, state fees and fines was decreased in the same amount (see Note c17). 202.5 million euros were spent for the same purpose in 2021.

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 public sector cash flow statement takes into account an increase of 7.2 million euros in government grants for the acquisition of non-current assets (decrease of 6.4 million euros in 2020) and a decrease of 1.3 million euros in prepayments paid (increase of 2.0 million euros in 2020).

Moreover, the general government cash flow statement takes into account an increase of 2.6 million euros in government grants for the acquisition of non-current assets (decrease of 2.0 million euros in 2020) and a decrease of 18.6 million euros in prepayments (increase of 2.7 million euros in 2020).

Grants awarded for operating costs and acquisition of non-current assets by areas of activity

	Public sector				General government			
	2021		2020		2021		2020	
	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	-292.2	-39.1	-255.5	-42.2	-292.3	-39.1	-255.5	-42.6
Transport	-81.8	-8.3	-93.7	-1.9	-106.1	-50.1	-120.3	-25.6
Other	-95.3	-53.5	-65.2	-39.7	-130.8	-60.5	-68.7	-45.5
Education	-90.7	-0.5	-91.3	-0.5	-93.8	-0.5	-94.0	-0.5
Environmental protection	-7.6	-28.4	-8.6	-26.0	-15.4	-71.6	-16.1	-78.5
Housing and utilities	-3.4	-38.3	-3.1	-19.6	-4.0	-40.9	-4.0	-24.0
Social protection	-108.6	-2.4	-266.5	-3.0	-111.0	-2.3	-270.7	-3.0
Health care	-3.5	-8.0	-2.9	-3.8	-3.6	-8.0	-3.0	-3.8
Leisure time, culture, religion	-144.6	-10.2	-119.7	-9.5	-146.4	-12.4	-121.2	-10.0
General government services	-351.7	-2.3	-320.7	-2.0	-350.8	-2.7	-320.1	-2.0
National defence	-13.4	-1.5	-7.5	-1.3	-13.4	-1.5	-7.6	-1.3
Public order and security	-4.3	-0.4	-4.5	-0.1	-4.3	-0.4	-4.5	0.1
Total grants awarded	-1,197.1	-192.9	-1,239.2	-149.6	-1,271.9	-290.0	-1,285.7	-236.7

Grants to non-residents, including membership fees, amounted to 453.7 million euros in the public sector (350.6 million euros in 2020), of which 340.6 million euros (311.6 million euros in 2020) was meant for the general government services provided by the public sector.

Grants to non-residents, including membership fees, amounted to 452.1 million euros in the general government (394.0 million euros in 2020), of which 339.6 million euros (310.8 million euros in 2020) was meant for the general government services.

Note c16

Reserves

In millions of euros

	Balance as of 31.12.201 9	Formation/decrea se 2020	Balance as of 31.12.202 0	Formation/decrea se 2021	Balance as of 31.12.202 1
Stabilisation Reserve Fund (see Note a20)	414.4	17.5	431.9	-1.8	430.1
Other state reserves (see Note a20)	34.0	3.9	37.9	3.9	41.8
Local government reserves	0.4	0.0	0.4	0.0	0.4
Reserve capital and risk reserve of the Health Insurance Fund	107.3	10.5	117.8	9.5	127.3
Reserve capital of the Unemployment Insurance Fund	86.6	5.4	92.0	0.0	92.0
Total general government reserves	642.7	37.3	680.0	11.6	691.6
Reserve capital of the Bank of Estonia	474.1	6.3	480.4	2.6	483.0
Total public sector reserves	1,116.8	43.6	1,160.4	14.2	1,174.6

The reserve capital of the Health Insurance Fund must form at least 6% of the budget and the risk reserve at least 2% of the size of the health insurance budget.

The reserve capital of the Unemployment Insurance Fund must form at least 10% of the size of its assets.

Pursuant to the Bank of Estonia Act, at least 25% of the annual profit is directed to the increase of the reserve capital every year.

Note c17

Taxes and social security contributions

In millions of euros

	Public sector		General government		Expenditure on pass-throughs (see Note c23)		Expenditure on doubtful receivables (see Note c23)	
	2021	2020	2021	2020	2021	2020	2021	2020
Social tax and social security contributions	4,136.0	3,860.0	4,136.0	3,860.0	-283.1	-345.1	-10.8	-18.7
Social tax for pension insurance	2,231.5	2,078.2	2,231.5	2,078.2	-105.4	-165.9	-6.0	-10.4
Social tax for health insurance	1,494.2	1,387.1	1,494.2	1,387.1	0.0	0.0	-3.9	-6.8
Unemployment insurance premiums	232.3	215.2	232.3	215.2	0.0	0.0	-0.6	-0.9
Funded pension contributions	178.0	179.5	178.0	179.5	-177.7	-179.2	-0.3	-0.6
Taxes on goods and services	3,398.8	2,968.2	3,429.6	3,006.7	0.0	0.0	-16.2	-30.8
Value added tax	2,391.7	2,057.2	2,396.4	2,062.3	0.0	0.0	-16.1	-29.3
Excise duty	971.2	881.1	981.7	900.6	0.0	0.0	-0.1	-1.5
Incl. on alcohol	222.9	212.5	222.9	212.5	0.0	0.0	0.0	0.0
Incl. on tobacco	243.9	231.3	243.9	231.3	0.0	0.0	-0.1	-0.8
Incl. on fuel	503.1	434.3	506.1	438.7	0.0	0.0	0.0	-0.7
Incl. on electricity	0.9	2.6	8.4	17.7	0.0	0.0	0.0	0.0
Incl. other excise duties	0.4	0.4	0.4	0.4	0.0	0.0	0.0	0.0
Gambling tax	19.1	15.5	34.7	29.4	0.0	0.0	0.0	0.0
Parking charges	7.8	7.3	7.8	7.3	0.0	0.0	0.0	0.0
Advertising tax	6.8	5.2	6.8	5.2	0.0	0.0	0.0	0.0
Road and street closure fees	2.2	1.9	2.2	1.9	0.0	0.0	0.0	0.0
Income tax	2,639.9	2,073.3	2,654.5	2,104.8	0.0	0.0	-5.7	-12.3
Personal income tax	-2,169.4	1,667.0	-2,169.4	1,667.0	0.0	0.0	-3.7	-6.3
Corporate income tax	470.5	406.3	485.1	437.8	0.0	0.0	-2.0	-6.0
Property tax	52.3	52.3	61.1	61.1	0.0	0.0	-0.1	-0.3
Land tax	47.2	47.2	56.0	56.0	0.0	0.0	-0.1	-0.3
Heavy goods vehicle tax	5.1	5.1	5.1	5.1	0.0	0.0	0.0	0.0

	Public sector		General government		Expenditure on pass-throughs (see Note c23)		Expenditure on doubtful receivables (see Note c23)	
	2021	2020	2021	2020	2021	2020	2021	2020
Customs duty	63.4	41.5	63.5	41.6	-48.3	-33.3	0.0	0.0
Total taxes	10,290.4	8,995.3	10,344.7	9,074.2	-331.4	-378.4	-32.8	-62.1

Social security contributions are passed on to funded pension funds, gambling tax to the Red Cross and customs duties to the European Commission.

The expenditure of pass-through social tax has been retroactively decreased by 147.5 million euros, which was calculated into the II pension pillar as the state's 4% liability in 2020 for the period from July to December. Ordinarily, the 4% is paid from social tax. The state suspended the payments and will make the disbursements later. It was revealed in 2021 that it would be paid as an additional provision, not from social tax. The expenditure of 2020 in the amount of 147.5 million euros has been retroactively recognised in the entry for grants awarded in the 2021 report (see also Note c15 B).

Note c18

Goods and services sold

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
State fees	90.6	76.2	90.9	76.7
Income from economic activities	2,843.4	2,206.8	669.0	554.0
Income from sale of electricity	979.5	592.7	6.1	4.1
Income from transport services	248.7	232.4	33.5	31.1
Income from agriculture and forestry	232.6	198.1	8.6	8.0
Income from mining, processing industry and construction	273.9	199.9	0.1	0.2
Income from heat energy sold	71.7	52.2	4.9	3.4
Income from educational activities	95.0	89.2	97.2	91.3
Income from communication services	118.0	105.6	0.0	0.3
Lease and rent	59.9	55.4	29.1	28.0
Income from health care	73.4	61.1	63.5	52.9
Income from water and sewerage services	65.1	62.5	1.9	1.2
Income from culture and arts	28.8	28.4	28.2	27.9
Income from social assistance activities	41.8	40.3	41.8	40.3
Income from sports and recreational activities	15.9	15.4	11.9	11.4
Sale of emission allowance credits	248.8	157.1	248.7	142.4
Sale of statistical transfers of renewable energy	7.6	35.0	7.6	35.0
Sale of rights	19.5	21.8	10.7	13.4
Other goods and services sold	263.2	259.7	75.2	63.1
Total goods and services sold	2,934.0	2,283.0	759.9	630.7

Note c19

Other income

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Profit/loss from non-current assets sold (see Notes c7, c8, c11)	59.9	37.5	54.1	27.9
Interest income from deferred taxes	13.1	16.2	13.2	16.2
Compensation awarded by court rulings	9.4	9.7	9.4	9.7
Fines and other fines to the extent of asset	21.4	20.2	21.2	19.9
Income from providing natural resources for use	31.4	20.8	54.5	32.8
Pollution charges	17.6	13.1	36.3	26.7
Road usage charges	21.1	19.9	21.3	20.1
Profit/loss from sale of inventories	5.7	20.4	4.5	17.1
Profit from revaluation of derivatives	93.8	18.6	0.0	0.0
Other income	50.1	18.6	12.9	9.8
Total other income	323.5	195.0	227.4	180.2

Note c20**Labour costs**

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Wage expenditure				
Persons elected and appointed to a position	-33.2	-31.3	-33.2	-31.3
Officials	-473.8	-457.6	-473.8	-457.6
Members of supervisory boards and management boards	-29.1	-27.0	-14.7	-13.3
Employees	-2,186.7	-2,060.9	-1,877.8	-1,757.6
Total wages of full-time employees	-2,722.8	-2,576.8	-2,399.5	-2,259.8
Wages of temporary and external employees	-67.4	-59.5	-63.2	-54.4
Special pensions and pension increases (see Note a23)	-91.2	-83.7	-91.2	-83.7
Total wage expenditure	-2,881.4	-2,720.0	-2,553.9	-2,397.9
Average number of employees (in full-time equivalents)				
Persons elected and appointed to a position	551	539	551	539
Officials	19,836	19,753	19,836	19,753
Members of supervisory boards and management boards	563	562	320	324
Employees	112,795	112,318	99,425	98,237
Total average number of employees	133,744	133,172	120,132	118,853
Other labour costs				
Fringe benefits	-12.1	-10.2	-9.2	-7.5
Taxes and social security contributions	-933.0	-882.9	-827.7	-777.7
Capitalised production	25.8	24.2	6.1	5.9
Total other labour costs	-919.3	-868.9	-830.8	-779.3
Total labour costs	-3,800.7	-3,588.9	-3,384.7	-3,177.2

Labour costs by areas of activity are presented in Note c25.

Note c21**Management expenses**

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Production costs	-831.4	-513.5	-6.7	-1.6
Cost of managing property, buildings and premises	-317.4	-284.0	-342.1	-295.4
Medical equipment and services	-325.4	-271.6	-322.4	-268.5
Costs of managing facilities	-224.9	-202.1	-190.0	-177.2
Cost of managing vehicles	-168.7	-166.2	-96.6	-86.0
Information and communication technology expenses	-145.1	-132.9	-120.9	-109.7
Defence-related equipment and materials	-102.7	-117.1	-102.7	-117.1
Administration costs	-119.5	-107.5	-98.5	-88.1
Cost of managing work machinery, equipment and fixtures and fittings	-111.3	-105.2	-91.3	-82.5
Social services	-144.1	-96.2	-144.3	-97.8
Communication, culture and leisure time expenses	-88.1	-70.9	-79.9	-64.3
Foodstuffs and catering services	-67.5	-62.0	-66.5	-60.8
Cost of teaching materials and trainings	-65.0	-60.5	-65.3	-60.9
Transport services	-26.8	-28.5	-20.8	-22.0
Travel expenses	-41.6	-36.0	-40.6	-35.0
Other special equipment and materials	-24.1	-29.3	-19.9	-25.8
Change in provisions for security and guarantee losses	-15.8	-25.7	-14.9	-24.3
Research and development	-30.0	-25.1	-27.6	-23.8
Staff training expenses	-22.5	-18.2	-19.0	-14.8
Special clothing and uniforms	-13.1	-11.9	-11.9	-10.7
Miscellaneous other management expenses	-33.5	-30.3	-32.6	-30.9
Total management expenses	-2,918.5	-2,394.7	-1,914.5	-1,697.2

Management expenses by areas of activity are presented in Note c25.

Note c22

Depreciation and revaluation of non-current assets

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Depreciation of investment property (see Note c7)	-9.0	-8.7	-6.6	-6.3
Depreciation of property, plant and equipment (see Note c8)	-972.1	-929.4	-617.1	-583.2
Depreciation of intangible assets (see Note c9)	-67.6	-57.7	-46.4	-40.8
Loss from write-down of biological assets	0.0	-0.6	0.0	-0.6
Total depreciation and revaluation of non-current assets	-1,048.7	-996.4	-670.1	-630.9

Depreciation and change in value by areas of activity are presented in Note c25.

Note c23

Other expenditure

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Expenditure on doubtful tax, state fee and fine receivables	-39.2	-75.6	-39.4	-76.6
Tax receivables (see Note c17)	-32.8	-62.1	-32.8	-62.1
Interest receivables on deferred taxes	-5.3	-10.9	-5.5	-10.9
Receivables adjudicated based on court rulings	-0.2	-0.2	-0.2	-0.2
Fine receivables	-0.9	-2.4	-0.9	-2.4
Natural resource use and pollution charges	0.0	0.0	0.0	-1.0
Expenditure on passing on taxes, state fees and fines	-332.9	-379.8	-332.9	-379.8
Transfer of tax revenue (see Note c17)	-331.4	-378.4	-331.4	-378.4
Pass-through state fees	-1.5	-1.4	-1.5	-1.4
Other expenditure	-345.3	-311.5	-70.3	-216.2
Expenditure on doubtful loan receivables	7.4	-69.7	7.6	-69.7
Expenditure on other doubtful receivables	-3.2	-5.1	-3.6	-0.9
Expenditure related to state secrets	-108.3	-88.2	-108.3	-88.2
Expenditure on emission allowances	-192.0	-76.2	0.0	0.0
Write-down of inventory	41.1	-50.5	41.1	-49.1
Other expenditure	-90.3	-21.8	-7.1	-8.3

Note c24

Financial income and expenditure

In millions of euros

	Public sector		General government	
	2021	2020	2021	2020
Operating result from ownership interest (see Note c6)	6.2	7.4	305.7	240.8
By equity method	7.3	7.3	0.0	0.0
Profit/loss from sale and liquidation	-1.1	0.1	5.5	0.1
Income from dividends	0.0	0.0	87.7	150.0
Write-downs and reversals of write-downs	0.0	0.0	212.5	90.7
Interest expense	-333.8	-322.9	-142.3	-129.3
On loan liabilities (see Note c14)	-54.3	-59.4	-17.8	-18.9
Capitalised interest expense	3.2	2.3	0.0	0.0
On derivatives	1.0	-0.9	1.1	-0.7
On discounted liabilities	-125.8	-112.0	-124.5	-110.6
Other liabilities	-157.9	-152.9	-1.1	0.9
Income from deposits and securities	192.3	179.1	-2.8	-19.1
Interest income from cash and cash equivalents (see Note c2)	2.9	3.0	-5.3	-2.9
Interest income from bonds (see Note c3)	138.4	177.3	-3.2	-2.2
Interest income of the Bank of Estonia on intra-Eurosystem balances	35.4	31.7	0.0	0.0
Profit from sale and revaluation of shares	17.4	-12.9	5.5	-14.4

	Public sector		General government	
	2021	2020	2021	2020
Net financial income of the Bank of Estonia	-12.7	-9.9	0.0	0.0
Other income from deposits and securities	10.9	-10.1	0.2	0.4
Other financial income	4.3	6.1	5.8	23.3
Income from profit of Bank of Estonia	0.0	0.0	0.9	18.9
Interest income from loans	2.3	1.8	2.5	2.2
Interest income on discounted receivables	2.4	2.1	2.4	2.2
Other financial income	-0.4	2.2	0.0	0.0
Other financial expenses	-0.5	-1.2	-0.1	-0.9
Total financial income and expenditure	-131.5	-131.5	166.3	114.8

The public sector entry 'Interest income from bonds' reflects, among other things, the interest income of the Bank of Estonia from various securities, transactions with derivatives and intra-Eurosystem balances of 141.5 million euros (179.3 million euros in 2020).

Note c25

Expenditure by areas of activity

In millions of euros

A. Public sector

	2021					2020				
	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 services	313.3	147.1	73.3	169.0	702.7	293.4	135.3	68.2	166.2	663.1
National defence	154.6	189.2	79.4	49.9	473.1	146.8	197.6	71.6	45.6	461.6
Public order and security	319.2	75.3	23.7	61.2	479.4	315.8	70.8	21.6	46.2	454.4
Economy	569.0	1,280.3	573.2	251.1	2,673.6	552.8	948.6	541.0	262.1	2,304.5
Environmental protection	56.9	90.5	20.4	0.8	168.6	54.1	89.4	20.7	-0.4	163.8
Housing and utilities	43.8	62.6	50.0	1.1	157.5	42.4	55.7	52.0	0.7	150.8
Health care	690.1	437.8	50.2	20.7	1,198.8	610.9	339.9	45.7	2.7	999.2
Leisure time, culture, religion	202.4	166.0	49.0	0.4	417.8	196.6	145.6	46.4	0.4	389.0
Education	1,190.6	313.0	111.4	0.5	1,615.5	1,136.9	270.5	113.7	0.2	1,521.3
Social protection	260.8	156.7	18.1	124.9	560.5	239.2	141.3	15.5	111.9	507.9
Total expenditure	3,800.7	2,918.5	1,048.7	679.6	8,447.5	3,588.9	2,394.7	996.4	635.6	7,615.6

B. General government

	2021					2020				
	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 services	295.8	160.1	71.6	12.3	539.8	277.5	142.0	66.3	12.3	498.1
National defence	154.6	197.8	79.5	49.9	481.8	146.8	203.1	71.6	45.6	467.1
Public order and security	319.2	77.9	23.7	61.2	482.0	315.8	73.7	21.6	46.2	457.3
Economy	227.9	274.3	244.1	-57.8	688.5	214.9	261.7	229.0	126.7	832.3
Environmental protection	41.7	83.8	8.9	0.1	134.5	39.0	84.5	9.3	0.0	132.8
Housing and utilities	18.8	55.1	15.8	0.6	90.3	15.4	46.1	14.0	0.4	75.9
Health care	681.0	444.2	49.9	20.7	1,195.8	602.8	345.0	45.5	2.7	996.0
Leisure time, culture, religion	195.0	123.8	47.5	0.4	366.7	189.8	105.6	44.8	0.4	340.6
Education	1,189.8	337.0	111.0	0.4	1,638.2	1,136.0	289.3	113.3	0.2	1,538.8
Social protection	260.9	160.5	18.1	124.9	564.4	239.2	146.2	15.5	111.9	512.8
Total expenditure	3,384.7	1,914.5	670.1	212.7	6,182.0	3,177.2	1,697.2	630.9	346.4	5,851.7

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 social protection expenditure (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		
	31.12.2021	31.12.2020	31.12.2019	31.12.2021	31.12.2020	31.12.2019
Assets	9.0	8.4	6.2	1,143.6	566.4	361.2
Current assets	8.9	8.2	6.1	1,091.8	515.5	311.6
Cash and bank accounts	0.0	0.0	0.0	1,013.1	440.8	229.0
Tax, state fee and fine receivables	2.2	2.4	2.5	60.1	35.3	48.6
Other liabilities and prepayments	6.7	5.8	3.6	18.6	39.4	34.0
Non-current assets	0.1	0.2	0.1	51.8	50.9	49.6
Other liabilities and prepayments	0.1	0.2	0.1	51.8	50.9	49.6
Liabilities	6.1	4.2	3.5	156.2	131.5	143.7
Current liabilities	5.8	4.0	3.2	87.3	51.3	47.7
Trade payables	2.6	3.3	2.5	25.1	17.4	18.5
Prepayments of taxes, state fees and fines received	0.7	0.5	0.2	12.7	9.8	8.6
Other liabilities and prepayments received	2.5	0.2	0.5	43.9	18.0	13.8
Loan liabilities	0.0	0.0	0.0	5.6	6.1	6.8
Non-current liabilities	0.3	0.2	0.3	68.9	80.2	96.0
Other liabilities and prepayments received	0.3	0.2	0.3	0.2	0.3	0.3
Loan liabilities	0.0	0.0	0.0	68.7	79.9	95.7

B. Income and expenditure from other public sector entities and related entities

	Public sector		General government	
	2021	2020	2021	2020
Income from operations	25.6	30.0	115.9	126.4
Taxes and social security contributions	3.5	5.7	57.8	84.7
Goods and services sold	19.4	21.7	10.8	10.6
Grants received	0.1	0.1	1.5	0.3
Other income	2.6	2.5	45.8	30.8
Operating expenses	-24.9	-26.0	-335.3	-286.6
Grants awarded	-6.5	-7.1	-187.9	-149.7
Management expenses	-18.2	-18.8	-147.2	-135.9
Other operating expenses	-0.2	-0.1	-0.2	-1.0
Operating result	0.7	4.0	-219.4	-160.2
Financial income and expenditure	7.4	7.1	302.7	256.7
Profit/loss from financial investments	7.4	7.1	305.8	241.1
Other financial income and expenses	0.0	0.0	-3.1	15.6
Surplus or deficit for the reporting period	8.1	11.1	83.3	96.5

The public sector report includes the transactions of 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Contingent liabilities	6,688.1	6,252.3	5,604.9	5,522.0
Delivery contracts and investment liabilities	1,606.0	1,118.9	859.0	767.4
Liabilities in connection with ownership interest in international financial institutions (see Note a30 A)	1,647.0	1,592.2	1,647.0	1,588.2
Balance of student loans issued by banks (see Note a6)	42.0	52.4	42.0	52.4
Non-current assets pledged as loan security (see Note c7, c8)	240.2	281.6	83.8	100.3
Current assets pledged as loan security	44.6	48.1	0.0	0.0
Guarantees given (also see Note a30 B)	2,033.8	1,998.5	2,034.2	1,998.6
Liabilities from continuing operating lease agreements	222.5	239.5	216.5	228.7
Grant award and pass-through liabilities (based on contracts signed)	234.2	247.2	286.2	353.5
Liabilities related to court cases	426.1	503.5	426.1	426.5
Other contingent liabilities	191.7	170.4	10.1	6.4
Contingent claims	447.8	455.2	38.2	30.3
Receivables from continuing operating lease agreements	447.8	455.2	38.2	30.3

The carrying amounts of the assets leased under operating lease and assets leased under financial 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 2021 consists of the management report and the consolidated and unconsolidated financial statements of the state. Furthermore, it presents additional information on the entities of the local governments and the public sector and the general government.

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 2021 consolidated annual report of the state.

The audit report of the National Audit Office is presented to the Government of the Republic together with the consolidated annual report.

/signed digitally/

Keit Pentus-Rosimannus

Minister of Finance

Minister of Finance in the role of the Minister of Public Administration