



REPUBLIC OF ESTONIA  
MINISTRY OF FINANCE

# STRENGTHENING REGIONAL SPECIALISATION AND COMPETITIVENESS IN ESTONIA



Funded by  
the European Union

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## WHY THIS PROJECT?

This OECD and European Commission project supports the Estonian Government in piloting regional bodies to better plan and invest for inclusive prosperity.

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# BACKGROUND

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## **An ambitious strategic agenda meets regional disparities**

Estonia has set an ambitious agenda with its national strategic plan, [Estonia 2035](#), which emphasises inclusive growth and well-being. Estonia 2035 acknowledges the obstacles that the country faces, many which affect groups of Estonian residents differently. The plan notes unbalanced well-being outcomes, uneven quality of services, and disparities in economic indicators. For example, unemployment rates are two times higher in the most north-eastern part of the country (Ida-Viru County) compared to the county that includes the prosperous Tallinn (Harju County).





Regional disparities, such as those in Estonia, are common in OECD countries. Data shows that 70% of the OECD population now lives in countries where inter-regional inequalities are rising, with an impact on well-being. For example, unemployment rates differ by 11 percentage points across OECD regions. Economic disparities between OECD countries are narrowing, but territorial inequalities within countries cannot be ignored.

### **Experimental governance for regional development**

Estonia is no stranger to experimentation. Known for its experimentalist approaches to public governance, the country is now applying this approach to regional development. The country has established two pilot regional councils that will chart a path for development in Central and Southern Estonia.



# What the Project Delivers

The OECD and the European Commission will accompany Estonia as it tests this new approach to regional development planning and implementation in Central and Southern Estonia. The project delivers the following:



## Foresight

Complementing a mapping of foresight practices in Estonia, foresight workshops help actors explore potential futures for Estonian regions and understand applications for foresight techniques. These activities will culminate in a foresight recommendation report.



## Capacity building

Capacity building seminars for local and regional stakeholders, focused on the *how* of regional co-operation and planning for regional development.




## Action planning

Action plans with concrete and actionable steps for Estonian national and subnational authorities to strengthen their ability to implement regional development plans.



## Analysis

An OECD synthesis report analyses multi-level governance practices and co-ordination mechanisms in Estonia.



OECD Centre for Entrepreneurship,  
SMEs, Regions and Cities



The OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) provides comparative statistics, analysis and capacity building for local and national actors to work together to unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation, and support sound tourism policies.



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