ADDENDUM TO THE RECOVERY AND RESILIENCE PLAN

Contents

PART 1: INTRODUCTION TO THE ADDENDUM

1. General objective

Following the latest amendment of the Estonian RRP, the reforms and investments implemented by the Estonia continue to be affected by the rapid pace of technological change, including the widespread adoption of new tools such as artificial intelligence, which has rendered parts of the training content outdated. Furthermore, the needs and expectations of participants have evolved significantly, with a stronger preference for more flexible, tailored, and practical learning formats. As a result, participation interest in the existing training programmes has declined, limiting their intended impact and necessitating minor revisions.

2. Justification for the addendum

Article [21]: an amendment or submission of a new plan due to the plan, including relevant milestones and targets, being no longer achievable because of objective circumstances.

PART 2: DESCRIPTION OF ADDITIONAL AND MODIFIED REFORMS AND INVESTMENTS

Name of the modified component	
Investment/ reform CID reference	**Reform 1.4**
Investment/ reform name	**Skills reform for the digital transformation of businesses**
Type of change compared to CID	modified
Legal base of the change (select at least one)	☐ Article 14(2) – loan request ☐ Article 18(2) – update of the maximum financial contribution ☒ Article 21 – amendment due to objective circumstances ☐ [Article 21a – REPowerEU resources] ☐ [Article 21b – new transfers] ☐ None of the above, correction of clerical error
Elements modified (only for modified measures)	☐ Component / Measure description ☒Milestones and targets ☐ Estimated cost ☐ Green and digital tagging ☐ DNSH self-assessment

Description and justification of the change Within the RRF reform - Skills reform for the digital transformation of businesses measure, it has become evident that the participation in training activities target is currently not achievable. Compared to the period when the measure was originally designed, significant changes have occurred in both the economic environment and the ICT sector. The economic backdrop of 2023–2024 has been exceptionally challenging, leading companies to prioritise short-term operational continuity over staff development. Many firms, particularly in manufacturing and industry, responded by cutting jobs or freezing hiring; for example, manufacturing employment declined by approximately 6% from its 2022 peak by early 2024. Under these conditions, SMEs and larger employers alike have limited capacity to release employees for lengthy training programmes, even when the training itself is provided free of charge. Lowering the participation target therefore reflects a temporary but material absorption constraint and aligns expectations with what companies can realistically support under current economic stress. At the same time, developments in the ICT sector have diverged from earlier forecasts. According to OSKA ICT sector monitoring, the previously projected growth in demand for ICT specialists has not materialised to the expected extent, and demand has instead stabilised. This has reduced both individual and employer-driven interest in further training and large-scale retraining programmes. In practice, participation rates in the training programmes have remained below the procured training volume, pointing to saturation in the training market. Similar training opportunities targeting the same audience are currently offered in Estonia through multiple funding sources and measures (ESF/ERDF, Recovery and Resilience Facility, and Just Transition Fund measures), which further limits effective uptake. The rapid emergence and diffusion of AI has also influenced employer behaviour. While this has been flexibly considered during project implementation, many companies have begun adopting AI solutions based on their own company-specific needs. As a result, employers increasingly prefer their employees to participate in internal company-specific AI training and development activities tailored to their specific business context over external, standardised training programmes. Finally, completion rates in ICT training have been highly variable, with dropout rates ranging from 3% to 37%. The reasons for discontinuation vary: the ICT field is demanding, and participants have often underestimated the level of commitment required for long-term retraining programmes. These trainings were intentionally designed to include intensive and in-depth learning pathways, reflecting the programme's focus on meaningful and sustainable skill transitions into specialist roles rather than maximising completion figures alone. Maintaining a clear quality threshold with regard to training scope, duration and completion therefore remains essential, and a reduced participation target supports this objective. Due to the reasons outlined above, we propose as a solution to reduce the target goal from 2000 to 1818.		
Modified elements	**Current version**	**Amended version**
Component and / or measure description	-	-

Milestones and targets	**T13** **Name:** The participation in training activities **Quantitative indicator for T13**: Training certificates **Goal:** 2000 **Description of T13:** Number of certificates of graduation or certificates of participation issued for training activities supported under this measure capacity.	**T13** **Name:** The participation in training activities **Quantitative indicator for T13**: Number of confirmed participations **Goal:** 1818 **Description of T13:** Number of confirmed participations in training activities supported under this measure.
Estimated cost	-	-
Green and digital tagging	-	-
DNSH self-assessment)	-	-

CID reference for the affected Measures	**Component 1 (investment 1.5); Component 2 (investment 2.2; 2.3); Component 3 (reform 3.6); Component 6 (reform 6.1)**
Legal base of the change (select at least one)	Article 14(2) – loan request ☐ Article 18(2) – update of the maximum financial contribution ☒ Article 21 – amendment due to objective circumstances ☐ Article 21a – REPowerEU non-repayable financial support (ETS revenue) ☐ Article 21b (2) – BAR transfers ☒ None of the above, correction of clerical error
Elements modified (only for modified measures)	☐ Component / Measure description ☒Milestones and targets ☐ Estimated cost ☐ Green and digital tagging (potentially relevant, because there is a substantive change to the underlying measure) ☐ DNSH self-assessment

PART 3: COMPLEMENTARITY AND IMPLEMENTATION OF THE PLAN

1. **Consistency with other initiatives**
2. **Complementarity of funding**
3. **Effective implementation**
4. **Consultation process of stakeholders**
5. **Control and audit**
6. **Communication**

The previous indications remain unchanged.

PART 4: OVERALL COHERENCE AND IMPACT OF THE PLAN

1. **Coherence:**
2. **Gender equality and equal opportunities for all:**
3. **Strengthening economic, social and institutional resilience:**
4. **Comparison with the investment baseline:**

The previous indications remain unchanged.