



riigikontroll  
National Audit Office of Estonia

# Management of regional development by the example of South-East Estonia

*How has the decision of the Government of the Republic to pay special attention to the regional development of South-East Estonia been implemented?*

Report of the National Audit Office to  
the Riigikogu  
Tallinn, 23 April 2026

## Summary of audit results

### Did you know that...

A decision has been made at the level of the Government of the Republic to give special attention to the development of South-East Estonia and Ida-Viru County and the respective guidelines have been given to the Minister of Regional Affairs who coordinates regional development.

The last such decision dates back to early 2022.

The National Audit Office analysed how the special attention has been realised in the direction of South-East Estonia in the synergy of different policies and how well the adopted South-East Estonia Action Plan helps coordinate this.

**Special attention to the development of South-East Estonia exists more on paper than in reality. The South-East Estonia Action Plan was established by a directive of the Minister of Regional Affairs, with the approval of the Government of the Republic, but it is not a functioning tool for guiding the development of the region. The main expectation of the plan is to coordinate sectoral policies, but its status in relation to other national strategy papers, as well as its operational logic, does not support this. There are few examples where the South-East Estonia Action Plan has influenced the choices of ministries. There are also few specific measures for South-East Estonia. At the same time, South-East Estonia continues to lag behind in a number of demographic and economic development indicators, and the need to develop state-owned infrastructure (e.g. electricity and road networks) is in some places greater in South-East Estonia than elsewhere in Estonia.**

A number of important problems from a national perspective are listed in the South-East Estonia Action, but they are largely not covered by measures. The logic of the Action Plan is to match the actions and measures already developed in sectoral policies with the problems of South-East Estonia, rather than the other way around, i.e. to design an appropriate measure based on the problem. The Action Plan gives the public the misleading impression that the problems are being addressed and that some indicators are even improving, when in fact there is no link between the problems, actions and monitoring indicators, the number of measures is small, and even their impact on the monitoring indicators has not been identified.

In principle, the conclusion can also be extended to the Ida-Viru County Action Plan and the overall Regional Development Action Plan, as the status, structure and operational logic of all these documents are the same.

The Ministry of Regional Affairs and Agriculture is not satisfied with the low impact, but it has not discussed the situation with the Government of the Republic. However, options for new strategic management solutions for regional development (regional development agreements), which tackle some of the same challenges, have been sought. It is not clear what will become of the existing ones and there is a risk that the number of the state's strategy papers will continue to grow.

Giving special attention to the development of a particular region is a political choice, but it should not remain without practical substance and illusory. The same applies to regional development in general. In the opinion of the National Audit Office, the Minister of Regional Affairs

What does the National Audit Office recommend?

should initiate a discussion in the Government of the Republic on how to continue with the South-East Estonia Action Plan, as well as the Ida-Viru County Action Plan and the Regional Development Action Plan. There are two options on the broader scale. To make these plans work at the level of the Government of the Republic through binding agreements, so that problems are matched by measures, the impact of the measures can be monitored and, if necessary, the measures adjusted, or, if there is no political willingness for such a solution, the National Audit Office finds that it would be better to abandon these plans. There is no need for strategy papers of little impact that give the impression that problems are being addressed.

The Minister of Regional Affairs promised to follow the recommendation of the National Audit Office and to submit proposals for discussion of the topic in the Government of the Republic in November 2026.