

Policy Brief from Impact Day 2025, Tallinn.

Executive Statement

Impact Day 2025, the largest sustainability festival in the Baltics and Nordics, gathered over 150 speakers, 40 exhibitors, and participants from other countries. The theme 'From Why to How' marked a shift from awareness to execution. Organizations no longer need to be convinced of sustainability's importance; they need frameworks to act upon it.

This policy brief proposes the Estonian Sustainability Innovation Accelerator (ESIA), a program designed to enable small and medium-sized enterprises (SMEs) to embed sustainability into core operations. Through funding, mentorship, and recognition, the ESIA will help businesses transition from compliance-based environmental actions to innovation-driven sustainability.

Key Messages

- SMEs understand sustainability but face barriers to implementation.
- Estonia can extend its digital leadership into sustainability leadership through innovative policy.
- The ESIA bridges finance, mentorship, and visibility for systemic change.
- Immediate policy action supports Estonia's EU 2035 climate neutrality goals.



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1. Problem Definition

While Estonia excels in digital transformation, the SME sector struggles with sustainability integration. Larger corporations meet EU standards due to resources and global partnerships, but smaller enterprises face financial, regulatory, and information barriers. This slows progress toward climate neutrality and weakens Estonia's competitiveness in the EU's green economy.

Key issues:

- Limited funding mechanisms dedicated to SME sustainability pilots.
- Gaps in knowledge transfer between universities and startups.
- Few mentorship models that connect policy with implementation.
- Lack of incentive frameworks for circular innovation.

2. Research Evidence and Insights

At Impact Day 2025, discussions emphasized that innovation flourishes when public and private sectors collaborate. Panels showcased successful circular economy pilots where SMEs reduced waste and energy use through local partnerships. The event demonstrated the importance of mentorship and policy-enabled experimentation.

Supporting evidence:

- The European Commission (2024): Only 23% of SMEs have active sustainability action plans.
- Estonia 2035 Strategy: Calls for active SME involvement in the climate neutrality roadmap.

- Impact Day 2025 survey: 67% of participants lacked structured funding or mentoring support for sustainability transitions.

3. Policy Recommendation: The Estonian Sustainability Innovation Accelerator (ESIA)

Objective: Support SMEs in embedding sustainability through pilot projects, knowledge exchange, and national recognition.

Key Components

1. Grants & Mentorship – €5,000–€100,000 micro-grants for 6–12-month pilot projects with expert mentors.
2. Fast-Track Permitting – Simplify approvals for renewable energy, recycling, and eco-design projects.
3. Impact Tracking – Require KPIs such as carbon reduction, material reuse, or resource savings.
4. Recognition & Scaling – Showcase pilot results annually at Impact Day, creating a public model of success.
5. Cluster Collaboration – Build local hubs linking academia, industry, and government.

Why This Policy is Innovative

- Focuses on measurable outcomes instead of awareness campaigns.
- Integrates mentorship, data, and funding in one model.
- Leverages Estonia’s strong digital infrastructure for impact tracking.
- Encourages collaboration and replicability across the EU.

Target Groups

- SMEs in the energy, construction, and manufacturing sectors.
- Local governments supporting green transitions.
- Universities and investors fostering sustainable innovation.

Plain Message

Help small businesses make sustainability work through funding, mentorship, and recognition, moving from *why we should act to how we make it happen*.

Conclusion

This policy brief transforms sustainability from an abstract goal to a practical business innovation strategy. By linking financial support, expert guidance, and recognition, the Estonian Sustainability Innovation Accelerator will drive real change across sectors and strengthen Estonia's role as a leader in sustainability within the EU.

References

1. Impact Day 2025 Official Website – <https://impactday.eu>
2. Adven Group (2025). 'From Why to How: Embedding Sustainability in Business.'
3. European Commission (2024). SME Sustainability Report.
4. Estonia 2035 Strategy Document.
5. Sustainability Content Agency (2025). 'Impact Day 2025 in Tallinn: From Ideas to Action.'