



Factsheet on 2014-2020 Rural Development Programme for ESTONIA

The Estonian Rural Development Programme (RDP) was formally adopted by the European Commission 13 February 2015. It outlines Estonia's priorities for using € 993 million of public funding (€ 823 million from the EU budget and € 169 million of national funding).

The main priority is environmental protection regarding water, soil, and biodiversity. Around 70% of farmland will be under agri-environmental commitments. Improving the competitiveness of agriculture remains important: 4% of farms will receive investment support and 3% of farmers will be helped to set up or take over a farm.

Knowledge transfer and advice is given high priority, with more than 4 000 farmers receiving training. The RDP will help to diversify the rural economy. This should, in turn, create 225 jobs in rural areas.

Support for [Rural Development](#) (RD) is the 2nd Pillar of the [Common Agricultural Policy](#). It provides Member States with an envelope of EU funding for multi-annual, co-funded programmes, at either the national or regional level. In total, 118 programmes are foreseen in all 28 Member States. The new [RD Regulation](#) for the 2014-2020 period addresses six economic, environmental and social priorities. Programmes contain clear targets setting out what is to be achieved. To better coordinate actions and maximise synergies with the other European Structural & Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

1. SITUATION AND KEY CHALLENGES

Estonia has an area of 45 000 km² of which 50% is forest and 21% is farmland. The population is 1.3 million – of which one third lives in rural areas.

The share of agriculture in the economy is around 2%. In 2013, there were 19 000 farms. The 1 000 largest farms account for three quarters of the agricultural land. 20% of farms are traditional family farms, providing full-time work for one or two people. More than two-thirds of the farms are so small that there is no full-time work. Around 25% of farms do not produce any products – they simply maintain the land in good agricultural and environmental condition.

Drainage systems have been installed on more than half the agricultural land. Without drainage, the soil would be waterlogged and farming would be impossible. It is necessary to keep the drainage systems in good condition.

Because of its varying landscapes and diverse habitats (including semi-natural habitats), Estonia has many areas of high nature value. Natura 2000 areas cover 16.5% of the country and total some 55 000 ha of farmland. Eutrofication has not been a problem because of the relatively low share of agricultural land, except Central Estonia where

farming is more intensive. Central Estonia has been designated as a Nitrate Vulnerable Area. The state of the agri-environment is good, but intensification and concentration of farming can lead to environmental pollution, the loss of biodiversity and the spread of animal and plant diseases.

2. HOW THE ESTONIAN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the Estonian RDP will fund action under all Rural Development Priorities, particularly Priority 4 "Restoring, preserving and enhancing ecosystems related to agriculture and forestry". Under this priority, the programme foresees a number of activities to avoid the deterioration of the agri-environment and to maintain the current status of soils, water and biodiversity.

Knowledge transfer and innovation

The programme has allocated 3.9% of funds for measures related to training, advice and cooperation. It will support 15 co-operation projects and train 4 000 people.

Competitiveness of agri sector and sustainable forestry

28% of the funds will be used to strengthen the competitiveness of farming. It is expected that over 4% of farms will receive investment support in the coming years and nearly 3% of farms will receive support for the setting up of young farmers.

To keep farmland well drained, there is a specific measure to develop and maintain drainage systems (around 5% of the budget).

Forestry measures are combined into one measure. Private owners of forests may apply for support to activities addressing the viability and economic value of forests, as well as prevention of forest damage.

Food chain organisation, including processing and marketing of agricultural products, animal welfare

The programme will support investments in the processing and marketing of agricultural products.

Regarding the relative strength of different actors in the food supply chain, the programme will improve the situation of the food processing sector. It will encourage short supply chains. Furthermore, the programme will strengthen cooperation between those dealing with producing, processing, and marketing food. It is expected that nearly 2% of farms will be better integrated within the food chain.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

This is the most important priority - 37% of the budget has been earmarked to it. A number of activities will be undertaken to avoid a deterioration of the agri-environment. The list of environmental measures has doubled. For the first time, it includes a water protection measure for the Nitrate Vulnerable Area, a soil protection measure, support for a large number of local plant varieties, support for environmentally-friendly horticulture and activities related to farmland birds and bees. Support for the maintenance of semi-natural habitats will cover 2.6% of farmland. Support is foreseen for organic farming which will cover around 14% of farmland.

Support for maintenance of semi-natural habitats is planned for 2.6% of agricultural land. Organic farming support is foreseen for around 14% of agricultural land.

Resource efficiency and climate

When selecting investment projects, resource efficiency will be emphasised as will projects for the production of bioenergy.

Social inclusion and local development in rural areas

Estonia will continue its successful implementation of the Leader-approach with 99% of the rural population covered by local development strategies. These will continue to be carried out by Local Action Groups. Around 9 % of the budget is earmarked for 26 Local Action Groups. The groups set their priorities independently of government, but it is expected that village development will be a priority as no specific village development measure is foreseen.

The 5 **most important RDP measures** in budgetary terms with over half of the RDP budget allocated (total public funding):

- 18% (€ 182 million) for support for environmentally friendly management;
- 16% (€ 163 million) for investments into improving the performance of agricultural holdings;
- 9% (€ 90 million) for LEADER local development;
- 8% (€ 78 million) for organic farming;
- 7% (€ 67 million) for investments into processing and marketing of agricultural products.

Annex 1: Indicative public support for the Estonian Rural Development Programme

Target	Measure	Million € total public	%
Priority1: Knowledge transfer and innovation¹			
1A: Fostering innovation, knowledge base, and cooperation 3.9% of the RDP expenditure	01 knowledge		
	02 advise		
	16 cooperation		
1B: Strengthening links (with research etc.) 15 cooperation operations	16 cooperation		
1C: Training 4000 training participants	01 knowledge		
Priority 2: Competitiveness		283.5	28.6
2A: Farm performance 4.1% farms with RDP support	total	260.3	26.2
	01 knowledge	1.6	0.2
	02 advisory	5.0	0.5
	04 investments	212.0	21.4
	06 farm development	30.0	3.0
2B: Generational renewal 2.8% farms with RDP support	total	23.2	2.3
	01 knowledge	0.7	0.1
	02 advise	0.4	0.0
	06 farm development	22.1	2.2
Priority 3: Food chain		105.0	10.6
3A: Integrating primary producers 1.8% farms integrated	total	104.9	10.6
	01 knowledge	3.2	0.3
	02 advise	0.05	0.0
	03 quality schemes	1.0	0.1
	04 investments	50.0	5.0
	09 producer groups	6.0	0.6
	14 animal welfare	40.6	4.1
16 cooperation	4.0	0.4	
3B: Risk management 80 farmers advised	02 advise	0.1	0.0
Priority 4: Ecosystems management²		365.6 (336.6 agriculture; 29.0 forestry)	36.8

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.

4A Biodiversity 70.3% utilised agricultural area under contract 2.5% utilised forest area under contract	01 knowledge	4.6	0.5
	02 advise	0.7	0.1
	04 investments	2.5	0.2
4B Water management 63.9% utilised agricultural areas under contract	08 forest	1.0	0.1
	10 environment	244.9	24.7
	11 Organic	77.7	7.8
4C Soil erosion and management 71% utilised agricultural areas under contract	12 Natura	32.7	3.3
	16 cooperation	1.5	0.2
Priority 5: Resource efficiency and climate		23.8	2.4
5A Water efficiency 200 farmers advised	02 advise	0.3	0.0
5B Energy efficiency € 20 million investment	total	8.7	0.9
	01 knowledge	0.6	0.1
	02 advise	0.1	0.0
	04 investments	8.0	0.8
5C Renewable energy € 18 million investment	total	14.0	1.4
	01 knowledge	0.5	0.1
	02 advise	0.01	0.0
	06 farm development	3.0	0.3
	08 forest	9.0	0.9
	16 cooperation	1.5	0.2
5D Reducing GHG and NH ₃ 49.6% utilised agricultural areas under contract	total	0.3	0.0
	01 knowledge	0.3	0.0
	02 advise	0.01	0.0
5E Carbon conservation 14.8% utilised agricultural and forest areas under contract	total	0.5	0.1
	01 knowledge	0.5	0.1
	02 advise	0.01	0.0
Priority 6: Social inclusion and local development		176.0	17.7
6A Diversification 225 jobs created	total	86.0	8.7
	02 advise	2.0	0.2
	04 investments	17.0	1.7
	06 farm development	67.0	6.7
6B LEADER 60% rural population involved in the local strategy 280 jobs created	19 LEADER	90.0	9.1
Technical Assistance	20 assistance	38.9	3.9
Total public expenditure		992.8	100