

ESTONIA

Estonian Rural Development Plan 2007–2013

(The text of this summary sheet was finalised in September 2010 in accordance with the version of the RDP that was current at this time)

Relevant Contact Details

Address: Lai tn 39/41, 15056 Tallinn, Estonia

Telephone number: +372 625 6101

E-mail: pm@agri.ee

Managing Authority Website:

<http://www.agri.ee/>

Other useful links:

Rural Development Programme (RDP):

http://www.agri.ee/public/juurkataloog/MAK/RDP_2007-2013.pdf

National Strategy Plan (NSP):

http://www.agri.ee/public/juurkataloog/MAAELU/MAS/MAS_2007-2013_15_07_10_konsol.pdf



Climate Change and Renewable Energy issues in 2007-2013 RDP

Climate change (CC) is fundamental to the context for agriculture and policy making. EU agriculture must play an important role in mitigating this phenomenon by curbing greenhouse gas (GHG) emissions; at the same time it needs to adapt to the expected climatic adversities which will have serious consequences on production processes. Rural development offers a range of possibilities to support farming practices and investments that can contribute to climate change *mitigation* efforts (including the increase of the use of *Renewable Energy* (RE) resources) and additionally effect *adaptation* benefits. CC challenges have been well recognized in the baseline analysis of the 2007-2013 EU Rural Development Programmes (RDP) and addressed in their strategies. Following the Health Check (HC) of the Common Agricultural Policy (CAP), the 'new challenges' of the RD policy include 'climate change' and 'renewable energy' for which an additional budget of approximately 1 billion EUR¹ have been made available for Member States (MS) to spend on this issues². As a consequence, the operations related to these new EU priorities have been further strengthened in the RDPs.

Introduction - overview of Estonian RDP

All the three dimensions of climate change (mitigation, adaptation and the potential for renewable energies) are addressed to some extent by the baseline analysis provided in the Estonian RDP. These three aspects have been considered and correspondingly addressed in the RDP strategy and within the implemented measures. Climate change is more substantially

¹ 19.8% of the total additional funds released.

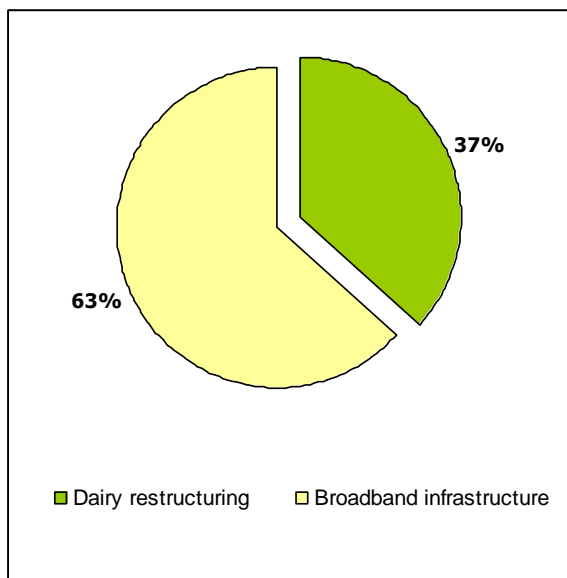
² The budget allocated to the 'new challenges' includes the funds released by the HC of the CAP (including voluntary modulation and transfers according to Art. 136 of Regulation (EC) No. 73/2009) and the European Economic Recovery Package (EERP).

addressed in the baseline analysis than in the strategy, where emphasis is put on renewable energies.

Following the CAP Health Check and adoption of the European Economic Recovery Package (EERP), the revised RDP for Estonia gives additional information concerning the “new challenges”, however this does not include climate change which was covered by the programme already in force. Since long-term trends in climate change are increasingly shaping the future of agriculture and forestry in Estonia, the original RDP 2007-2013 contained a number of measures in axes 1, 2 and 3 which included actions contributing to climate change issues. Therefore, no additional funding was allocated to climate change or renewable energies in the HC revisions to the RDP (see below).

Instead the revised RDP allocates the additional funds to a) increasing coverage of broadband internet connections in rural areas; b) restructuring the dairy sector, and; c) supporting the conservation of biodiversity (by promoting organic farming).

Allocation of the additional resources per type of priority



The overall budget of the Estonian RDP in terms of total public expenditure amounts to €924,863,847 of which €714,658,855 of EAFRD contribution. This includes an additional allocation of €9,078,000 (EAFRD contribution) as a result of the new challenges raised by the HC and the adoption of the European Economic Recovery Plan (EERP).

Following these changes, additional financial support to the RDP objectives related to dairy restructuring (extra €3,326,179, 37%, of the new EAFRD funds allocated to the programme) and broadband infrastructure (extra €5.751.821, 63%) has been enhanced for the period 2010-2013. These new financial supports should be considered in addition to the initial RDP which was already addressing CC and RE.

Full details of the overall RDP budget allocation can be found in the RDP fiche for Estonia that is available at:

http://enrd.ec.europa.eu/rural-development-policy/country-information/rural-development-policy-fiches/en/rural-development-policy-fiches_home_en.cfm

Mitigation

Activities aimed at reducing agricultural greenhouse gas emissions

The strategy and RDP make relatively little reference to activities for reducing agricultural greenhouse gas (GHG) emissions. The only explicit reference is in sub-measure III (investments into the production of bio-energy) of **measure 121** (modernization of agricultural holdings) which supports investments in new processes and technologies that are aimed at addressing environmental and climate change challenges, including reducing GHG emissions from livestock production through investments in manure and slurry treatment facilities.

Measure 214 (agri-environment payments) has a variety of sub-measures which are relevant to reducing agricultural GHG emissions. Whilst, there is no explicit reference to the mitigation of climate change in the objectives of any of these sub-measures the direct positive impact of measure 214 upon climate change is mentioned in the RDP ex ante evaluation. Relevant sub-measures include restrictions on the use of mineral fertilizers, better planning of nutrient management, development of organic farming, introduction of crop rotations, use of winter cover crops etc.

Measure 221 (first afforestation of agricultural land): “Establishment of Protection Forest” which focuses upon taking agricultural land which is vulnerable to erosion out of production to create buffer zones around water bodies. The main objective of this action is to reduce soil erosion and improve water quality, but it also has the potential to make some contribution to the uptake of CO₂, but this is not mentioned in the RDP.

Measures 111 (vocational training and information actions) **and 114** (use of advisory services) are potentially relevant to climate change, but make no specific reference to CC objectives or mitigation activities. However, participation in **measure 111** is statutory for all measure 214 payments so there is a direct link between the training of farmers and the uptake of actions which are relevant to climate change mitigation – but this is not explicitly stated.

Adaptation

Prevention of, and coping with, potential impacts of climate change on agriculture

The strategy and RDP put relatively little emphasis upon adaptation to climate change. For example, preventive actions against the adverse effects of climate-related extreme events, restoration of agricultural production potential damaged by weather extremes and flood management measures, such as water overflow areas, flood-tolerant crops and land use changes for watershed management, are not mentioned or promoted in the programme.

The key exception to this is **measure 125** (infrastructure related to the development and adaptation of agriculture and forestry) which makes explicit reference to the importance of taking “possible further climatic changes” into account when thinking about the future of water management in agriculture. The measure is clear that climate change may lead to an “unfavourable hydrological regime” for agriculture and private forestry which includes periods of both flooding and drought. Improvements in both drainage and irrigation systems are therefore eligible for support under the measure in order to allow for the “two-way regulation of this hydrological regime”.

Axis 2 is primarily related to the promotion of environmentally-friendly agricultural and forestry production, including the sustainable management of Natura 2000 areas. The maintenance of biological and landscape diversity is an important basis for coping with the anticipated impact of climate change and **measure 214** (agri-environmental support) gives particular attention to supporting organic farming; maintaining traditional landscapes, and; conserving biological diversity (including growing local crop varieties and keeping animals of local endangered breeds) and semi-natural habitats through a range of relevant measures. However, there is no explicit reference to adaptation to climate change in the objectives of any of these sub-measures.

Measures 111 (vocational training and information actions) and 114 (use of advisory services) are potentially relevant to the challenge of supporting farmers to adapt to climate change, but make no specific reference to CC objectives. However (as already noted above), participation in **measure 111** is statutory for all measure 214 payments so there is a direct link between the training of farmers and the uptake of actions which are relevant to climate change adaptation.

Main RDP measures which contribute to address CC mitigation/adaptation issues

Axis/Measure	Description	Type of operation	Potential effects
Axis 1			
121	Modernisation of agricultural holdings	Investments in new environmental technologies particular in relation to improvements in manure/slurry storage and treatment (including bio-energy production)	Reduce emission of GHG on farm level, especially methane emissions especially in areas with high livestock density
125	Infrastructure related to the development and adaptation of agriculture and forestry	Improvements in drainage and irrigation systems	Adaptation of agricultural land to cope with the potential for future periods of both flooding and drought
111	Vocational training and information services	Statutory training for all participants in measure 214 – agri-environment payments	Increased environmental awareness amongst farmers and greater effectiveness of measure 214, including those sub-measures with a direct positive impact upon climate change issues
Axis 2			
214	Agri-environment payments	Various relevant sub-measures, including restrictions on the use of mineral fertilizers, better planning of nutrient management, development of organic farming, introduction of crop rotations, use of winter cover crops etc.	Reduced GHG emissions from low intensity production systems and methods Maintenance of biological and landscape diversity as the basis for coping with the anticipated impact of climate change
221	First afforestation of agricultural land	Establish "protection forests" (buffer zones) on vulnerable agricultural land adjacent to surface water bodies	Potential for CO ₂ uptake

Renewable energies

Electricity, heating and transport fuels produced from biomass (such as biofuels, biogas) and other renewable sources (solar, wind, geothermal).

The strategy and RDP for Estonia focuses more upon renewable energy than climate change. According to the RDP, the processing of agricultural and forestry (by)-products into energy is one of the potential areas to diversify agricultural production and to develop new products and production structure.

It is anticipated that promotion of the use of biofuels will contribute to the shaping of an efficient energy market and increase the share of energy produced from renewable sources. Estonia has the potential to increase the production of biofuels from various sources, including the large areas of forest, production of biomass on lands which out of agricultural and biogas.

The Estonian RDP supports the production of renewable energy through a number of measures:

- the sub-measure III, "Investments into the production of bio-energy", under **measure 121** (modernization of agricultural holdings) which supports a variety of investments including equipment for the production of bio-gas; equipment for the planting and harvesting of brushwood for bio-energy; machines and equipment for gathering and processing of waste wood, and; equipment for production of pellets and bricks;
- **measure 123** includes the potential for supporting investment in the "production of bio-fuels from agricultural products and from production waste of enterprises in the agricultural and forestry sector";
- where at least 50% of the bio-energy produced is being marketed, then investment support is available for under the sub-measure, "Support for Business Development", of **measure 311** (diversification of the rural economy).

Additionally measures 122 (improvement of the economic value of forests) and 125 (infrastructure related to the development and adaptation of agriculture and forestry) aim to contribute to improvements in the quality and efficiency of forest management and this makes an indirect contribution (e.g. purchase of forestry equipment, maintenance of functional drainage systems, accessible forest roads etc.) to increasing the quantities of raw material available for bio-energy production.

Main implemented RDP measures related to the development of RE sources

Axis/Measure	Description	Type of operation	Potential effects
Axis 1			
121	Modernisation of agricultural holdings	Investment support to a variety of new environmental technologies relating to renewable energies, including biogas from manure and slurry, brushwood for biomass, and the processing of waste wood	Increased supply of renewable energy sources
123	Adding value to agricultural and forestry products	Investment support for the processing of wastes from agricultural and forestry enterprises	Increased supply of renewable energy sources

Axis/Measure	Description	Type of operation	Potential effects
Axis 3			
311	Diversification into non-agricultural activities	Support for the development of businesses producing and marketing renewable energy sources as a form of diversification into non-agricultural activities	Increased supply of renewable energy sources, particularly at local level