



European Agricultural Fund for  
Rural Development:  
Europe investing in rural areas

# Ex-ante evaluation of the Estonian Rural Development Plan 2014-2020

FINAL REPORT  
16.06.2014



This document presents a summary of the final conclusions from the ex-ante evaluation of the Estonian Rural Development Plan 2014-2020; the ex-ante evaluation is an obligatory part of preparations for the programming period 2014-2020. The ex-ante evaluation of the Estonian Rural Development Plan 2014-2020 was performed by **Ernst & Young Baltic AS (EY), the Institute of Baltic Studies (IBS) and OÜ Hendrikson & Ko in co-operation with subject matter experts.**

The ex-ante evaluation took place in parallel with preparing the Development Plan, in the period of 24.04.2012 until the Development Plan's approval by the European Commission. During that period, the ex-ante evaluator co-operated actively with the Ministry of Agriculture, providing ongoing assessments and recommendations to various parts of the Rural Development Plan, to ensure their higher quality as well as possibility and effectiveness of implementation.

The ex-ante evaluation's final report presents the final assessments to the Development Plan. All the ex-ante evaluator's comments and recommendations were discussed with the Ministry of Agriculture and majority of them were entered into the Development Plan already during its preparation. Thus, the ex-ante evaluation report contains only those recommendations of the ex-ante evaluator which were the subject of opinion differences between the ex-ante evaluator and the Ministry of Agriculture, which the Development Plan's preparer considered to be impossible to implement, or which must be paid attention to in the process of implementing the Development Plan.

The ex-ante evaluation was prepared concerning the **version of the Estonian Rural Development Plan 2014-2020 prepared on 18.01.2014.** This document does not reflect possible later additions to the Rural Development Plan.

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## **Abbreviations used**

AES – agri-environmental support

ARC – Agricultural Research Centre

ARIB – Agricultural Registers and Information Board

ASBL – non-profit association

CAP – Common Agricultural Policy

DG AGRI – European Commission’s Directorate General for Agriculture and Rural Development

EAFRD – European Agricultural Fund for Rural Development

EC – European Commission

EFM – support for environment-friendly management

ERDP 2007-2013 – Estonian Rural Development Plan 2007-2013

ERDP – Estonian Rural Development Plan 2014-2020

ESIF – European Structural and Investment Funds 2014-2020

EU – European Union

EULS – Estonian University of Life Sciences

EY – Ernst & Young Baltic AS

GDP – gross domestic product

HNV – high nature value agricultural land

IBS – Institute of Baltic Studies

LAG – local action group

LG – local government

LU – livestock unit

MoEAC – Ministry of Economic Affairs and Communications

MoER – Ministry of Education and Research

MoSA – Ministry of Social Affairs

R&D – research and development

RDF – Rural Development Foundation

RERC – Rural Economy Research Centre

SAPARD – Special Accession Programme for Agriculture and Rural Development

SEEI – strategic evaluation of environmental impact

SMART – Specific, Measurable, Achievable/Attainable, Relevant, Timed

SMSNH – support for maintaining semi-natural habitats

SP –sole proprietor

TA – technical assistance

## **PART I Ex-ante evaluation report**

### **Summary**

On request of the Ministry of Agriculture, the group comprising Ernst & Young Baltic AS (hereinafter the EY), OÜ Hendrikson & Ko and the Institute of Baltic Studies (hereinafter the IBS) performed the ex-ante evaluation of the Estonian Rural Development Plan for the period of 2014-2020 (hereinafter the ERDP). To provide sectoral assessments to the ERDP's chapters, Pille Koorberg, Olav Kreen and Peeter Muiste were involved in the ex-ante evaluation as additional experts outside the group. The ex-ante evaluation is performed from 24.04.2012 to 30.01.2015. The final report of the ex-ante evaluation was submitted to the Ministry of Agriculture on 16.06.2014.

### **Evaluation of the situation analysis**

The experts involved in ex-ante evaluation reached the opinion that the situation analysis provided in the draft Estonian Rural Development Plan covers the most important topics and provides reasons for the main part of measures chosen. The SWOT table in the draft gives a compact summary of the foregoing situation analysis and for the main part conforms to that analysis. As a logical conclusion, the SWOT table is followed by the Chapter "Development needs" describing the main development needs by sectors. The ex-ante evaluators find that the situation analysis sufficiently reflects the problems dealt with under priorities 1, 2, 3 and 6. The ex-ante evaluator recommends to supplement the discussion of problems related to priorities 4 and 5. The ex-ante evaluator also finds that the situation analysis deals only cursorily with the external environment's developments considered threats and opportunities in the SWOT table, therefore the ex-ante evaluators recommend to supplement this part of the situation analysis.

### **The programme's relation to the documents of EU and national strategies**

The ERDP's relation to the national strategic documents "National reform programme Estonia 2020"; "Sustainable Estonia 21" and "National security concept of Estonia" is described in Chapter 14 "Complementarity with other policies". The strategy chapter of ERDP highlights relations with the objectives of the national reform programme Estonia 2020 by priorities, indicating the Estonia 2020 objectives which the activities planned under each priority contribute to.

The contribution of national sectoral development plans and the ERDP to achievement of those objectives are described in the same chapter, under the separate sub-topic "Sectoral development plans". All the important development plans related to the ERDP are indicated and the ERDP's relations to the topics and objectives of each of them are highlighted.

The draft ERDP 2014-2020 does not indicate specific relations between investments planned from various European structural and investment funds, incl. the ERDP and the Estonian state budget. This shortcoming is partially alleviated by the fact that the partnership agreement describes the role distribution between various ESIFs in general terms. Yet it has not been indicated clearly enough at the level of the ERDP 2014-2020 strategy and measures, what the planned strategic-level distribution of tasks is between the Rural Development Plan and the policies of education, enterprise, regional policies, etc.

### **Relevance of intervention logic**

The ex-ante evaluators find that the ERDP's general objectives are related to the CAP objectives and in conformity to Estonian rural sectoral development needs. The objectives are generally well representative of the problems described in the situation analysis and conform to the SWOT table; only a few small-scale supplements are needed, mainly to relate the situation analysis and the objectives better to each other.

Concerning the defining of objectives, the ex-ante evaluators highlighted that the objectives need clarifying in terms of what change the activities are intended to achieve. Most of the objectives are currently worded as statuses, but they do not reflect the present situation or where the intervention is supposed to lead. The achievement of objectives should be quantitatively measurable upon evaluating the effects and efficiency of the programme's implementation, but the current wording of the objectives makes it difficult. For example, the second priority's objective is: "The agricultural sector being directed towards viable and sustainable food production is competitive, resource-efficient and has a sustainable age structure", but at the same time the document does not define what "resource-efficient agricultural sector" is intended to mean and what the preferred i.e. sustainable age structure would be. Objectives should reflect the intended change, show the expected end result and comply with the SMART criteria. Wording and/or indicators of both the objectives related to priorities and those related to target levels need supplementing.

The ex-ante evaluators found that the packages of measures planned under objectives are suitable to achieve the objectives.

### **Sufficiency of the system of indicators**

The most significant shortcomings found during the ex-ante evaluation and the recommendations related thereto are connected to sufficiency of the system of indicators proposed. In order to evaluate the programme's effectiveness at the level of measures and to analyse whether a measure is correctly designed and presents the right tool to achieve the defined objectives, it should be possible to evaluate not only the outputs achieved but also the measures' effectiveness and their contribution to achievement of objectives. The result indicators provided with the target areas of priorities are not sufficient for that, so it is important to add result indicators to the level of measures as well. It is essentially impossible to use the system of indicators provided in the current draft ERDP to assess direct results at the measure's level, purposeful use of support amounts and whether the measure helps achieve the priority level's results and the ERDP's objectives. Therefore it is important to implement on the national level not only the indicators defined in the ERDP but also an additional schedule of indicators; Estonia already plans doing so, under the lead of the Ministry of Agriculture.

Upon programming the ERDP 2014-2020, the Ministry of Agriculture was guided by the common monitoring and evaluation framework and system of indicators, therefore the ex-ante evaluators took into account that there is no direct need to provide recommendations for restructuring the system of indicators. During the evaluation period, the ex-ante evaluator has made observations of the measurability of objectives and the possibility to evaluate the measures' effectiveness. The defined output indicators are mostly comprehensible, easily measurable and collectable, but they do not help measure the objectives defined for the specific measure, therefore it is important to provide the measure with mapped indicators characterising that measure, in order to evaluate the measure's

impact. In general, the ex-ante evaluator's proposals to clarify the indicators have not been taken into account when preparing the measures.

### **Monitoring and evaluation system**

In general, the ex-ante evaluation's results provide a conclusion that the monitoring and evaluation system being established enables to collect the indicators requested by the EC. The monitoring system and the roles of its participating institutions are described in the ERDP document and provide an overview of the planned monitoring and evaluation procedure.

In view of the experience gathered from implementing the ERDP 2007-2013, it is recommended to describe the possible bottlenecks and problems of data collection and the measures to prevent those in the next programming period. The monitoring and evaluation system's description should also pay attention to quality assurance – the purpose of adding the relevant information is to indicate that the data to be collected during the coming programming period will be of high quality and reliable. It is recommended that the evaluation plan provide a more structured overview of the evaluation's topics and activities according to the ERDP's priorities and target areas.

### **The programme's implementability**

The ERDP's planned implementation system is generally relevant – the authorities participating in processes are competent to perform their tasks and have long-term experience and necessary administrative capability to implement the activities planned with the ERDP. But to indicate the administrative capability, the ERDP should be supplemented with information concerning the management and development of the existing and planned human resources, the IT systems used and the management and control system's additional aspects.

Based on the additional information gathered, the interviews conducted and the current programming period's evaluation results, it can be said that by continuing with a similar implementation system in the coming programming period, the distribution of TA funds will be relevant and the volume of funds will estimably be sufficient.

The overall assessment to involvement activities upon preparing the programme is that those activities have been sufficiently wide-scale and the authorities responsible for the programming have allowed important stakeholders to express their opinions.

**As a technical recommendation**, the existence of references throughout the text should be verified again and references should be added where necessary, most of all where mentioning studies or other sources of data which were used as a basis for preparing the ERDP.

## Contents

Abbreviations used .....	3
PART I Ex-ante evaluation report .....	5
Summary.....	5
Contents .....	8
Section I: Introduction .....	9
1. Purpose and necessity of ex-ante evaluation.....	9
2. Description of stages of performing the ERDP's ex-ante evaluation as well as co-operation between the ex-ante evaluation's performer and the management authority .....	12
2.1 Stages of performing the ERDP's ex-ante evaluation.....	12
2.2 Description of co-operation between the ex-ante evaluation's performer and the management authority .....	13
Section II: Ex-ante evaluation's report.....	16
1. Evaluation to the situation and needs.....	16
1.1 Evaluation of the SWOT analysis and needs, incl. lessons learned from the previous programming period .....	16
1.1.1 Recommendations to supplement the situation analysis by priorities .....	17
1.2 Recommendations concerning SWOT analysis and evaluation of needs .....	20
2. Relevance, cohesion within and outside the programme .....	22
2.1 Evaluation of contribution to the "Europe 2020" strategy.....	22
2.2 Evaluation of the programme's compliance with the EU's common strategic framework, partnership agreement, national recommendations and other relevant instruments.....	22
2.3 Evaluation of the programme's intervention logic.....	23
2.4 Evaluation to justification of chosen measures and their expected contribution to achievement of objectives.....	37
2.5 Evaluation of proposed forms of support.....	60
2.6 Evaluation of the budget's conformity to the defined objectives.....	64
2.7 Evaluation of the LEADER measure's requirements .....	66
2.8 Evaluation of requirements concerning national rural networks .....	67
2.9 Evaluation of the use of technical assistance funds .....	67
2.10 Recommendations for the programme' relevance and coherence.....	69
3. Gauging the programme's effectiveness .....	70
3.1 Evaluation of relevance and quantitative target levels of indicators.....	71
3.2 Evaluation of the performance framework's suitability.....	76
3.3 Evaluation of the proposed monitoring and evaluation system and the evaluation plan	77
3.4 Recommendations concerning the gauging of the programme's success and effectiveness	80
4. Evaluation of the programme's implementation preparations .....	82
4.1 Evaluation of the personnel and administrative capability to manage the program	82
4.2 Involvement of stakeholders .....	85
4.3 Recommendations for chapters related to the ERDP's implementation .....	86
5. Evaluation of horizontal topics .....	88
5.1 Evaluation of ensuring equal opportunities and preventing discrimination .....	88
5.2 Evaluation of promoting sustainable development.....	88
5.3 Recommendations concerning horizontal topics .....	88
Materials used for the ex-ante evaluation of the ERDP 2014-2020.....	90
Appendix 1. List of interviewees.....	90
Appendix 2. List of data sources used .....	91
Appendix 3. Performing observation.....	93

## **Section I: Introduction**

The report's introduction provides an overview of the necessity and purpose of the ex-ante evaluation of the Rural Development Plan 2014-2020 (hereinafter the ERDP) and this report. The introduction also describes the methodology and stages of performing ex-ante evaluation as well as the co-operation between the performer of ex-ante evaluation and the management authority.

### **1. Purpose and necessity of ex-ante evaluation**

On request of the Ministry of Agriculture, the group comprising Ernst & Young Baltic AS, OÜ Hendrikson & Ko and the Institute of Baltic Studies (IBS) performed the ex-ante evaluation of the Estonian Rural Development Plan for the period of 2014-2020 (hereinafter the ERDP). To provide sectoral assessments to the ERDP's chapters, Pille Koorberg, Olav Kreen and Peeter Muiste were involved in the ex-ante evaluation as additional experts outside the group. Performance of the ex-ante evaluation started on 24.04.2014 and its final report was submitted on 16.06.2014.

#### **Purpose of ex-ante evaluation**

Pursuant to the Regulation (EU) No. 1303/2013 of the European Parliament and of the Council, Article 55, the ex-ante evaluation is an obligatory part of preparations for the programming period 2014-2020. The purpose of the ex-ante evaluation of the Rural Development Plan 2014-2020 is to ensure higher quality, feasibility and effect of developing and implementing the Development Plan, through provision of an independent evaluator's objective assessments and recommendations, while optimising the distribution of budget funds.

The ex-ante evaluation provided an independent quality assessment to the form and content of the ERDP's planning documents. First of all, the ERDP planning's relevance in the context of national needs and the EU and national level strategic development documents was evaluated. Attention was also paid to effectiveness and respecting of strategic planning principles in preparing the Development Plan. The process was intended to provide an input upon designing the programme, in order to enhance and improve it, resulting in higher probability of cost-efficient achieving of objectives.

Ex-ante evaluation is the starting point of the common monitoring and evaluation framework which defines clear, achievable and quantified objectives and target levels to be monitored throughout the Development Plan's implementation period. The objectives and target levels defined must enable ongoing monitoring of the success of implementing the Development Plan, incl. the range between the intended target level and the present situation.

The Development Plan's preparation and ex-ante evaluation took place in parallel, enabling to account for the ex-ante evaluation's input in preparing and shaping each part of the Development Plan. The objective assessments and recommendations provided by the evaluator in parallel enabled to simultaneously supplement the Development Plan being prepared and to account for relevant comments, resulting in adoption and implementation of a Development Plan for the period of 2014-2020 which has as high quality as possible and fits best with the Estonian conditions.

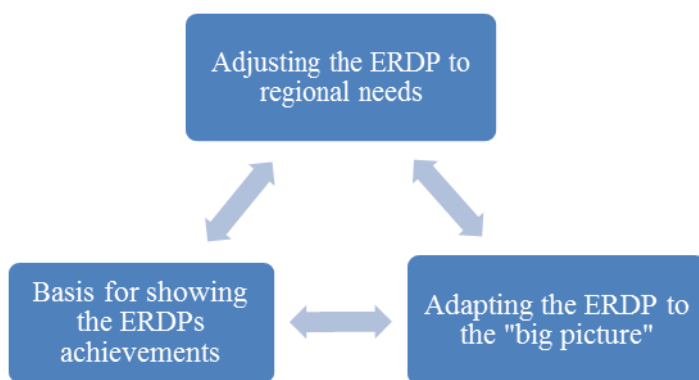
The planning of the ERDP for 2014-2020 is closely related to planning the EU structural funds for the period of 2014-2020, especially in parts concerning rural economy and regional development. Therefore, the evaluators also monitored the planning of structural funds during ex-ante evaluation of the ERDP. The process of planning the EU structural funds for the next financing period and the ex-ante evaluation of the relevant strategic documents were taken into account in ex-ante evaluation of the Development Plan; this includes the strategic evaluation of environmental impact performed by OÜ Hendrikson & Ko which is also a member of the group performing this ex-ante evaluation of the ERDP.

The ex-ante evaluation is a basis for reliable monitoring and evaluation of the programme throughout the programming period, contributing also to successful programme management, the programme's effectiveness and the achievement of the defined objectives.

### Source documents of ex-ante evaluation

The ex-ante evaluation was performed pursuant to the EU and national level requirements, guidelines and criteria. The evaluation's main methodology guideline was the draft edition (August 2012) of the *Guidelines for the ex-ante evaluation of 2014-2020 RDPs* prepared by the European Evaluation Network for Rural Development co-ordinated by the European Commission's Directorate General for Agriculture and Rural Development (DG AGRI), as well as the *Elements of strategic programming for the period 2014-2020 – Working Paper 12.12.12* prepared by the European Commission's DG AGRI. Assessment to the ERDP's evaluation schedule is based on the draft version (August 2013) of the guideline *Establishing and implementing the evaluation plan of 2014-2020 RDPs* of the European Evaluation Network for Rural Development.

Pursuant to the guidelines of the European Evaluation Network for Rural Development, the importance of ex-ante evaluation upon programming and evaluating the ERDP can be described with the relations shown in Figure 1<sup>1</sup>.



**Figure 1.** Importance of the ERDP's ex-ante evaluation

The purpose of the ex-ante evaluation process was to ensure that the programme's plans are relevant, logical and reasoned and that the programme's priorities, objectives, measures and funds are suitable for the needs highlighted in the situation analysis. The ex-ante evaluation functioned as

<sup>1</sup> *Guidelines for the ex ante evaluation of 2014-2020 RDPs* (08.2012, European Evaluation Network for Rural Development)

a verification tool to achieve comprehensibility and content balance of the situation analysis; it also provided an assessment to the suitability between measures and objectives and to whether the strategy, the activities and the resources to be allocated will enable to achieve the programme's objectives and target levels. The purpose of involving the external experts was to provide an independent and objective view of the ERDP's planning process.

## 2. Description of stages of performing the ERDP's ex-ante evaluation as well as co-operation between the ex-ante evaluation's performer and the management authority

### 2.1 Stages of performing the ERDP's ex-ante evaluation

The contract being the basis for the ex-ante evaluation was entered into on 24 April 2012. Pursuant to the procurement's technical specification, the ex-ante evaluator's activity was to last until January 2014 or until the EC approves the Estonian Rural Development Plan 2014-2020. The ex-ante evaluation's final report was handed over on 16.06.2014. According to the contract changes, signed by the Ministry of Agriculture and EY on 03.06.2014, the deadline for the ex-ante evaluation activities has been extended to 30.01.2015.

The ex-ante evaluation took place in parallel to the ERDP's preparation, enabling to account for the ex-ante evaluation's input in preparing and shaping each part of the Development Plan. The initial basis for the ex-ante evaluation was not a wholesome draft of the ERDP; the chapters being completed were evaluated as an ongoing process instead, i.e. the chapters were sent to evaluation as they were completed. The ex-ante evaluation's report is based on the ERDP's version dated 18.01.2014.

The process of the ERDP's ex-ante evaluation was divided into the following main stages:

1. Project planning: supplementing the methodology and setting the time schedule and work plan
2. Evaluation of the ERDP's chapters/parts
3. Strategic evaluation of environmental impact
4. Preparation of the final report:
  - ▶ preparing the report of the strategic evaluation of environmental impact
  - ▶ preparing the report of the ERDP's ex-ante evaluation
  - ▶ preparing the summary report of the ex-ante evaluation
  - ▶ translating and formalising the report
5. Introduction of the evaluation's results

The main data sources for the evaluation were **primary and secondary data**. The evaluation was first and foremost based on the ERDP's chapters and various versions of the draft Development Plan, but the evaluation was also guided by additional primary and secondary data, incl.:

- ▶ National and European Commission's regulations and guidelines
- ▶ National development plans and strategic documents
- ▶ ERDP's monitoring indicators and assessments from previous periods
- ▶ Related studies (incl. studies by permanent evaluators)
- ▶ Related statistical indicators (incl. those collected by permanent evaluators)
- ▶ procedures and other related documentation of authorities implementing the Development Plan

Additionally, interviews with representatives of authorities responsible for implementing the ERDP were conducted, to obtain input for the ex-ante evaluation. The ex-ante evaluators also consulted with officials of the Government Office's Strategic Bureau, the Economic Development Department of the Ministry of Economic Affairs and Communications, the State Budget Department of the

Ministry of Finance, and the Regional Development Department of the Ministry of the Interior. The interviews provided an opportunity to supplement or clarify the information contained in secondary data and to study the development directions of related national policies. The questions used in interviews were shaped according to the information that was lacking or in need of clarification. Interviews were conducted as semi-structured interviews, i.e. a schedule of questions was prepared for an interview but it was supplemented on-site by additional questions as needed, depending on the interview's progress.

## **2.2 Description of co-operation between the ex-ante evaluation's performer and the management authority**

The ex-ante evaluation's final report is based on the ERDP's wholesome document as of 18.01.2014, presented to the evaluators by the Ministry of Agriculture. The following chapter was absent in the draft version at the moment of its presenting:

- ▶ 13. "State aid schemes"

The following chapters were partly absent:

- ▶ 11. "Schedule of indicators"
- ▶ 18. "Ex-ante evaluation of provability, verifiability and error risk of measures included in the Development Plan, performed by the management authority and the paying agency"

The Development Plan's preparation and ex-ante evaluation took place in parallel, enabling to account for the ex-ante evaluation's input in preparing and shaping each part of the Development Plan.

The ex-ante evaluators participated in the work of various working groups preparing the ERDP (infrastructure working group; organic production working group; biodiversity working group; main working group (water, soil); community-driven local initiative working group). Throughout the period of the ex-ante evaluation, the evaluators also participated in all ERDP Steering Committee meetings, in the introduction of the ongoing evaluation results of the ERDP 2007-2013, and in the monitoring and evaluation focus group meeting. Participation in the Steering Committee's meetings provided the evaluator with the opportunity to observe the planning process and to obtain an overview of the process of forming the ERDP's chapters as well as the opinions of various involved parties and their input to the Development Plan's preparation. The ex-ante evaluator has also obtained an overview of correction proposals made by ministries and other parties in the ERDP's co-ordination round and presented to the 21.06.2013 draft of the Development Plan.

The evaluation team and the ERDP's management authority co-operated upon performing the ERDP's ex-ante evaluation; the co-operation involved provision of written and spoken assessments to the completed document and/or its parts, incl. in consultations by telephone and at work meetings conducted in the Ministry of Agriculture. Table 1 provides a summary overview of the most important work meetings and intermediate stages in performing the ex-ante evaluation.

In the course of the co-operation, the ex-ante evaluator provided operative feedback on the ERDP's completed versions and presented assessments of completed chapters together with proposals for

supplementing their content. Evaluations of some chapters or parts of the document were performed repeatedly if necessary – the ERDP was amended and clarified as a result of negotiations, therefore the chapters and parts were sent to the evaluator for assessment multiple times. Upon receiving a chapter/part into evaluation for the second (or further) time, the evaluator provided not only an evaluation of the new part but also an assessment to the changes made and their effect, considering the evaluation tasks and questions posed.

The first contractual handover of works took place on 11.12.2012 and included the following parts of the work:

- ▶ Preparing a description of the final methodology of performing the ex-ante evaluation of the ERDP 2014-2020 and co-ordinating it with the Client
- ▶ An evaluation of the prepared situation description of the ERDP 2014-2020
- ▶ An evaluation of the prepared initial objectives of the ERDP 2014-2020
- ▶ The evaluator providing its assessment to the prepared SWOT analysis of the ERDP 2014-2020
- ▶ The evaluator having participated in meetings of the Steering Committee preparing the ERDP 2014-2020

The ERDP's evaluation activities that continued after the initial handover of works included providing *ad hoc* feedback to the ERDP's supplemented versions; the evaluator's feedback was provided primarily as supplementation proposals for specific chapters and for the document's general structure.

One of the most important meetings in preparing the ERDP as a strategic document was the workshop conducted in the Ministry of Agriculture on 3.07.2013, where the ex-ante evaluators explained on examples from the ERDP document's latest version how to use the strategic planning principles to enhance the interconnection and co-ordination between the Development Plan's objectives, priorities, measures and various indicators. After the aforementioned meeting, various supplements were made to the ERDP's work version, while the ex-ante evaluator provided ongoing comments to them. The meeting also provided an overview of assessments to chapters concerning the ERDP's implementation system (the evaluation plan, the implementation procedure, involvement); a written document containing the relevant assessments was presented by the ex-ante evaluator to the Ministry of Agriculture on 8.07.2013.

The ERDP's chapters have been developed further, based on the ex-ante evaluator's proposals and recommendations. The management authority presented the ex-ante evaluator with the ERDP's supplemented versions dated 12.07.2013 and 22.07.2013 as well as the draft dated 30.08.2013 being the basis for the first version of the ex-ante evaluation's final report. The draft dated 18.11.2013 being the basis for the second version of the ex-ante evaluation's final report was presented to the ex-ante evaluator on 25.11.2013. The draft dated 18.01.2014 being the basis for the final version of the ex-ante evaluation's final report was presented to the ex-ante evaluator on 20.01.2014.

The summary document of assessments concerning the ERDP's intervention logic and based on the ERDP's draft dated 30.08.2013 was presented to the Ministry of Agriculture on 14.10.2013.

A discussion of the draft evaluation report and the evaluator's proposals took place in the Ministry

of Agriculture on 22.10.2013. The ex-ante evaluator also provided an overview of the evaluation's (incl. the SEEI's) results on 29.10.2013, at the meeting of the Steering Committee preparing the ERDP 2014-2020. The ex-ante evaluation report was supplemented according to the updated draft ERDP (dated 18.11.2013) which was presented to the ex-ante evaluator on 25.11.2013. The second draft of the ex-ante evaluation's final report was presented to the Ministry of Agriculture on 6.01.2014.

The final draft of the ex-ante evaluation's final report, based on ERDP's draft dated 18.01.2014, was presented to the Ministry of Agriculture on 04.04.2014.

The final version of the ex-ante evaluation's report, published in Estonian and English, was presented to the Ministry of Agriculture on 16.06.2014.

**Table 1.** Most important deadlines and work meetings upon performing ex-ante evaluation of the ERDP 2014-2020

Assessments to the ERDP's completed parts, co-ordinating the final methodology of ex-ante evaluation	11.12.2012
Strategic planning workshop to improve the ERDP's intervention logic (based on the draft ERDP dated 5.06.2013)	3.07.2013
Assessments to the ERDP's planned implementation system (based on the draft ERDP dated 5.06.2013)	8.07.2013
Assessments to the ERDP's intervention logic (based on the draft ERDP dated 30.08.2013)	14.10.2013
Presenting the ex-ante evaluation's draft final report (based on the draft ERDP dated 30.08.2013)	21.10.2013
Discussing the ex-ante evaluation's proposals, with participation of the ex-ante evaluators and representatives of the Ministry of Agriculture	22.10.2013
Introducing the results of the ex-ante evaluation and the SEEI, at a meeting of the Steering Committee preparing the ERDP	29.10.2013
Presenting the second version of the ex-ante evaluation's draft final report (based on the draft ERDP dated 18.11.2013)	6.01.2014
Presenting the third version of the ex-ante evaluation's draft final report (based on the draft ERDP dated 18.01.2014)	04.04.2014
Presenting the final version of the ex-ante evaluation report in Estonian and in English (based on the draft ERDP dated 18.01.2014)	16.06.2014
Deadline for the ex-ante evaluation activities (according to the contract changes, signed by the Ministry of Agriculture and EY on 03.06.2014)	30.01.2015

## **Section II: Ex-ante evaluation's report**

### **1. Evaluation to the situation and needs**

#### **1.1 Evaluation of the SWOT analysis and needs, incl. lessons learned from the previous programming period**

##### **Coverage of necessary topics**

The situation description in the ERDP 2014-2020 is presented as a description of 6 different priorities. The priorities' explanations and the topics discussed under them stem from Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD). The priorities must form the basis for the programme work, adjusted to the national needs pursuant to the principle of subsidiarity and supplementing other policy directions of the EU, primarily the Agricultural Markets Policy, the Cohesion Policy and the Common Fisheries Policy.

The Rural Development Plan must determine the relevant region's needs and describe a cohesive strategy to satisfy those needs, considering the EU's rural development priorities.

In the opinion of the experts participating in the ex-ante evaluation, the situation analysis provided in the draft Estonian Rural Development Plan is somewhat uneven across chapters (priorities) in terms of both the level of detail and the presentation of the analysis, but important topics are covered for the main part.

##### **Accounting for adjacent strategies and documents**

The rural development policy's new implementation mechanism prescribes strengthening the strategic approach through common rural development policy priorities defined at the European Union level, being a combination of the CAP's and the "Europe 2020" strategy's objectives. When preparing the ERDP, it is important to follow co-ordination with the EU's horizontal strategic development plans (like "Europe 2020", the EU's sustainable development strategy, the EU's Baltic Sea region's strategy), the EU's sectoral guidelines (e.g. the Natura directives, the EU's biodiversity strategy, etc.) as well as national development plans like the "National reform programme Estonia 2020", the "State Budget Strategy", the "National plan Estonia 2030", the "Stability Programme" and the "Government of the Republic Action Plan" and also specific sectoral development plans and national action plans.

In general, the situation description conforms to the relevant EU level guidelines and national development plans.

##### **Recommendations to supplement the situation analysis**

The situation analysis provided in the draft ERDP 2014-2020 offers numerous different statistical indicators. The material was prepared as a strategic input, so it could contain more analytical views on whether the situation described is good or poor and why it has occurred.

Unfortunately, the analysis does not highlight the experience gathered and the lessons learned from implementation of the current ERDP 2007-2013. We recommend supplementing all priorities with a

summary of how the measures of ERDP 2007-2013 have individually and in combination affected the situation of rural life, based on monitoring reports and intermediate evaluation.

### **1.1.1 Recommendations to supplement the situation analysis by priorities**

#### **Priority 1 (Improving knowledge transfer and innovation in the agricultural and forestry sector and rural areas)**

The situation analysis provides an overview of Estonian R&D expenditure, the situation of vocational and higher education, the consultation system, etc. Yet the analysis does not indicate the agricultural sector's need for labour force in 2020: whether or not the existing labour force and the supply of vocational and higher education will cover it. The text of the analysis should provide a numerical indication of the expected employment and labour force demand in 2020. The draft ERDP states that the overall decrease in employment will take place on account of the number of graduates in the field of enterprise, as they may number as low as 10% by 2020 when compared to 2010. Regarding that, it should be reasoned why the ending of enterprise occurs and reference should be made to the source or background information that yields the aforementioned percentage (10%). As the ERDP's measures plan investments into in-service training, supporting the generation change in agriculture (the target in area 2B), etc., the analysis should be supplemented with a forecast of employment and labour force demand in agriculture-related activities, in order to justify the necessity of the measures. This kind of base information is needed at least in the measure "Knowledge transfer and awareness".

We recommend adding data about R&D activities and results, as well as data concerning the R&D and innovation activity of holdings (number of R&D employees, investments into technology and equipment, activeness of bringing new products to market, patenting, etc.)<sup>2</sup>. If this recommendation is difficult to take into account due to the ERDPs' volume limitation, the ex-ante evaluator would not see a problem in omitting the figure showing the general picture of Estonian R&D investments. The data of R&D performed, related personnel and R&D results in holdings, on the other hand, would be very important.

#### **Priority 2 (Improving the competitiveness of all agricultural forms and increasing the viability of agricultural holdings)**

The situation analysis presents comprehensive productivity indicators of Estonian agriculture; complying with the ex-ante evaluator's recommendations, information has been added about the reasons for low productivity compared to the EU average or the Nordic countries.

The SWOT analysis states the priority-related weaknesses of "Low competitiveness of agricultural producers compared to the EU average, low adaptability of small agricultural producers, insufficient economic opportunities for additional investments, *inter alia* for environment protection investments", and "Low proportion of products with high added value among the food production chain's end production, incl. few opportunities for processing organic produce". The measures

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<sup>2</sup> Data and analysis of holdings' investment activities are provided under priority 3.

planned to solve those problems in target area 2A are “Knowledge transfer and awareness” and “Support for consultation services”, but other measures also contribute to solving the problems.

### **Priority 3 (Promoting the organisation and risk management of food chain and other than food chain in agriculture)**

In a small county the size of Estonia, a competitive industry is possible only in the context of successful activity in export markets. But the analysis of marketing and retail of agricultural products focuses solely on Estonia. The ex-ante evaluator’s recommendation was to add an overview of how Estonian produce is marketed in its main export markets (Latvia, Finland, Lithuania, Russia, etc.) and what developments could be foreseen in those markets. The recommendation has been taken into account partially, i.e. reference is made to export need and to export benefits of produce with higher added value (stability and higher profit).

The chapter on risk management shortly describes statistics but does not provide an assessment of whether the situation of risk management in holdings is good or poor and what should be done.

### **Priority 4 (Restoring, preserving and improving agricultural and forestry ecosystems)**

The weaknesses are unclear relations between the situation analysis and the SWOT analysis, the priorities and the target area objectives’ descriptions as well as the measures planned. Target area descriptions of the priorities should reflect the important needs for preserving and improving ecosystems, to be implemented by the planned measures. Chapter 4.5.1 “Biodiversity and landscapes”, sub-topic “Forest as an ecosystem” includes the following sentence:

The forest soil not freezing in recent years, related to the climate change, makes it more difficult to transport timber out of growth habitats with higher moisture where it is traditionally done over frozen ground.

The ex-ante evaluator’s comment to this is that moderate winters of the past few years do not indicate an overall climate warming. Therefore it is recommended to omit the reference to climate changes.

The chapter reflects all important related context indicators, but their references in the text should be clarified – it is currently not understandable for an ordinary reader why some figures have e.g. indicator 37 in parentheses, etc.

The sub-topic “High nature value (HNV) agricultural land” states that the values are considered to be natural, cultural heritage and economic agricultural land values in the total area of ca. 45,000 ha. The ex-ante evaluator notes that the information is incorrect because based on the methodology stated in the chapter, the total HNV area is not yet known. If necessary, a paragraph should be added, stating that as long as the total HNV agricultural land is not yet determined with the new methodology, the HNV areas are deemed to be only the semi-natural habitats in Natura 2000 regions (if the aforementioned 45,000 ha are related to that).

## **Priority 5 (Promoting resource efficiency and supporting the transition to low-CO<sub>2</sub> emission and climate resilient economy in agriculture and food and forestry sectors)**

The situation analysis does not include information about whether and how the ERDP 2007-2013 has contributed to this priority before and what activities have turned out to be successful or not as successful.

The situation analysis also lacks the analysis of most important (external environment's) development trends affecting rural life. For example, the draft ERDP's earlier version described the increasing demand for biomass which could provide opportunities for both forestry and agriculture sectors (energy shrub) and would in turn increase the need to invest into research and development to find new and more efficient solutions to reduce greenhouse gas emissions and increase carbon sequestration (e.g. the use of wood ash/biocoal to improve soil properties and carbon sequestration in soil, or the effect of various cultivation practices on greenhouse gas emissions). This kind of analysis would help strengthen the opportunities and threats part of the SWOT analysis; it would also make the ERDP's choice of strategic objectives (and intervention logic) more understandable.

In Chapter 4.6.3 "Use of renewable energy sources, by-products, wastes, residues and other non-food materials", the sub-topic "Use of renewable energy sources, by-products, wastes, residues and other non-food materials" states that on average, 400 kg of household wastes per capita were generated in 2001–2009. It should be added whether the amount was generated every year or as the period's total. Also, it should be clarified what kind of environmental information is meant in the following sentence: "Based on environmental information, large proportion of generated wood wastes, mining and soil wastes, water handling wastes, metal and construction wastes, agricultural and food industry wastes is reused" (add a reference).

The text states that agricultural plastics producers must collect from consumers at least 70 percent of the mass of agricultural plastics sold in the previous calendar year. But it should be added whether this is related to a specific problem or what other reason exists to state that information.

## **Priority 6 (Promoting social inclusion, poverty reduction and rural economic development)**

The analysis of the enterprise environment related to this priority is weak. The overview states that the incomes of rural residents are significantly lower than those of people living in municipalities near cities, but it does not indicate analytically why this is so. We recommend supplementing this chapter with more substantive analysis of competitiveness, strengths and weaknesses of holdings in various regions of Estonia. The situation description should describe the smallness of holdings, the problems of labour force shortage in rural regions and the attractiveness of land development for enterprise as problems important for development of enterprise.

We also recommend analysing which activities in rural regions (development of small enterprise directed to the local market, rural tourism, attracting larger industrial holdings to the region, etc.) have thus far proved more successful in creating new jobs and jobs with higher added value. We recommend *inter alia* to take into account the effectiveness analysis of the enterprise start-up support measures of MoEAC and MoSA.

## 1.2 Recommendations concerning SWOT analysis and evaluation of needs

The SWOT table in the draft ERDP 2014-2020 gives a compact summary of the foregoing situation analysis and for the main part conforms to that analysis. As a logical conclusion, the SWOT table is followed by the Chapter “Needs”.

Looking at the SWOT table from the viewpoint of priorities, the list of weaknesses should reflect problems that need to be dealt with. Priorities 1, 2, 3 and 6 are reflected sufficiently, priorities 4 and 5 are reflected poorly. The only statement related to priority 4 (“Ecosystems”) is this: “Little voluntary use of environment-friendly production methods, e.g. soil fatigue due to unsuitable production practices”. Another weakness stated concerning priority 4 is: “Fragmentation of forest ownerships and insufficient joint activity, resulting in low motivation of private forest owners to manage their forests and to protect the biodiversity there”. The claim that low motivation is caused by insufficient joint activity cannot be agreed with. On the other hand, fragmentation of forest ownerships and insufficient joint activity do facilitate inefficient management of private forests.

Priority 5 (“Resource conservation”) has been omitted from the SWOT analysis.

The following weakness stated in the SWOT analysis: “Use of alternative fuels in agriculture has a marginal proportion and production of energy and biogas from wastes has not been successfully launched when compared to other biomass” is not relevant because this is rather an opportunity in Estonian context, considering the availability of suitable raw material.

The SWOT weakness (No. 5) “Use of alternative fuels in agriculture has a marginal proportion and production of energy and biogas from wastes has not been successfully launched when compared to other biomass” is rather an opportunity in Estonian context, considering the availability of suitable raw material.

The weakness (No. 10) “Fragmentation of forest ownerships and insufficient joint activity, resulting in low motivation of forest owners to manage their forests and to protect the biodiversity there” – it cannot be said that low motivation is caused by insufficient joint activity. On the other hand, fragmentation of forest ownerships and insufficient joint activity do facilitate inefficient management of private forests.

Threat (No. 1) “An increase trend of energy prices in the global market may mean that the price increase of production inputs will be higher and quicker than the increase in product prices” – the ex-ante evaluator’s comment to this is that higher energy prices create better conditions for bioenergy production in agriculture, therefore this is also an opportunity.

The threats and opportunities part of the SWOT analysis classically focuses on possible effects of external environment, whereas the planner of a development plan or a strategy cannot directly influence those. In the context of the ERDP 2014-2020, this would mean scientific, technological, economic, energy-related, environmental and other developments that Estonian agricultural producers, processors or the state cannot directly affect. In the current draft ERDP, both the situation analysis and the threats and opportunities part of the SWOT analysis discuss those external environment’s developments rather cursorily. Instead, the SWOT analysis presents several possible effects of strategic choices (actions or inactions) in the key of threats and opportunities.

We recommend supplementing the situation analysis concerning external environment's developments, taking into account *inter alia* the external environment trends analysis prepared on request of the Ministry of Finance as a basis for planning the EU structural funds.<sup>3</sup> For example, Europe's growing energy dependence and development of renewable energy, wider cultivation of genetically modified plants in growing food or energy crops, etc. could command more attention in planning the Estonian Rural Development Plan.

We recommend presenting the discussion of possible strategic choices in the strategy chapter, doing it in a manner that explains the specific strategic objectives.

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<sup>3</sup> "Väliskeskkond 2020: olulised trendid ja nende tähendus Eestile":  
<http://www.arengufond.ee/upload/Editor/Publikatsioonid/valistrendid2020-eesti-fookuses-arengufond.pdf>

## **2. Relevance, cohesion within and outside the programme**

### **2.1 Evaluation of contribution to the “Europe 2020” strategy**

In order to evaluate the Development Plan’s contribution to the achievement of the “Europe 2020” strategy’s objectives, the ex-ante evaluation analysed the references to the “Europe 2020” strategy and the “Estonia 2020” strategy provided in the draft ERDP 2014-2020.

Several of the objectives described in the ERDP’s strategy are probably inspired by the “Estonia 2020”/“Europe 2020” objectives, but that relation to objectives defined in higher level strategic documents is not always apparent. Additionally, many strategic objectives of the ERDP 2014-2020 do not comply with the SMART criteria.<sup>4</sup> They describe the inputs of an activity planned by Estonia (funding volume, planned number of projects, number of project participants), not the change to be achieved in Estonian rural life as a result of implementing the priorities, target areas or measures (see Chapter 2.3 below).

Relations to the “Europe 2020” objectives are presented in the ERDP’s strategy at the level of impact indicators. The indicators are related to the “Europe 2020” objectives via the objectives of the “National reform programme Estonia 2020”, achievement of which the ERDP facilitates (the relations are provided in the strategy chapter, at the level of the priorities’ objectives).

The ERDP’s relation to the national strategic documents “National reform programme Estonia 2020”; “Sustainable Estonia 21” and “National security concept of Estonia” is described in Chapter 14 “Complementarity with other policies”. The strategy chapter of ERDP highlights relations with the objectives of the national reform programme Estonia 2020 by priorities, indicating the Estonia 2020 objectives which the activities planned under each priority contribute to. The contribution of national sectoral development plans and the ERDP to achievement of those objectives are described in the same chapter, under the separate sub-topic “Sectoral development plans”. All the important development plans related to the ERDP are indicated and the ERDP’s relations to the topics and objectives of each of them are highlighted. A direct reference to the “Europe 2020” strategy is provided in the ERDP’s list of LEADER measures for local development.

### **2.2 Evaluation of the programme’s compliance with the EU’s common strategic framework, partnership agreement, national recommendations and other relevant instruments**

The relations between investments planned from various European structural and investment funds, incl. the ERDP and the Estonian state budget are presented in generalised manner in the draft ERDP 2014-2020. This shortcoming is partially alleviated by the fact that the partnership agreement describes the role distribution between various ESIFs in general terms.

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<sup>4</sup> SMART = specific, measurable, attainable, result-based, time-bound

At the same time, it has not been indicated clearly enough at the level of the ERDP 2014-2020 strategy and measures, what the planned strategic-level distribution of tasks is between the Rural Development Plan and the policies of education, enterprise, regional policies, etc.

For example, the situation analysis under priority 1 provides an overview of the situation of vocational and higher education, describing *inter alia* the high rate of dropouts from education. Shortage of qualified labour force is one of the sector's biggest problems, but the ERDP prescribes only in-service training and consultation activities which are not sufficient to solve all the described problems. Therefore it would be relevant to point out in short what additional means Estonia (the MoER) is planning to employ to improve the supply of labour force.

As an example, investments are planned as a measure for diversification of rural economy, whereas those investments have very similar purposes to those in the enterprise strategy and the regional development strategy. Estonia has several active consultation networks in the field of enterprise and regional development; their work must be co-ordinated better than before. Similarly, the ERDP could more clearly describe the relations to the regional development strategy, the research and development activity, the innovation and enterprise strategy, the environmental strategy, etc. across target areas.

The draft ERDP 2014-2020 refers to various adjacent strategies, but the task distribution between the ERDP 2014-2020 and the adjacent strategies is not apparent. Chapter 14 of the ERDP only states that relations to adjacent strategies will be described after the relevant strategies are completed.

The Rural Development Plan 2014-2020 is related to several sectoral development plans currently being prepared; the following among them have the most relations to the ERDP:\*

- ▶ Estonian research and development and innovation strategy 2014-2020;
- ▶ Estonian enterprise growth strategy 2014-2020;
- ▶ Estonian regional development strategy 2020;
- ▶ Estonian national tourism development plan 2014-2020;
- ▶ Estonian information society development plan 2020.

\* The relations will be described in more detail after the relevant development plans are approved by the Government of the Republic / Riigikogu

The ex-ante evaluators recommend that the task distribution between various policy areas be definitely agreed before the strategies are completed. We also recommend highlighting in the ERDP's strategy chapter, who will be dealing with the needs stated in the situation description which the ERDP will not deal with, and what funds will be used for that.

### **2.3 Evaluation of the programme's intervention logic**

This sub-chapter evaluates the integrity, cohesion and clarity of the Development Plan's intervention logic, based on the macro structure described in the programme. In the process of strategic planning, the situation analysis and the mapping of needs are followed by the creation of a structure of objectives which forms the basis for the implementation plan's realisation. Clear relations must be established, first between the situation analysis and the SWOT analysis and then between the programme's priorities and objectives. The purpose of evaluation is to identify possible structural shortcomings in the programme's intervention logic and to make recommendations for

additions.

### **Evaluation questions which were answered:**

- ▶ How clearly are the programme's objectives defined?
- ▶ To what extent are the intervention logic's different stages conforming and logically relating to each other; are the objectives, priorities and measures directed to solving the problems stated in the situation analysis?
- ▶ Are there any discrepancies between objectives at different levels of the programme?

The intervention mechanism is cohesive and relevant if it defines specific objectives and clearly outlines measures through which they can be achieved. Also, the objectives and measures should support each other; any conflicts and gaps in the intervention logic should be avoided.

A three-step analysis was performed upon evaluating the ERDP's intervention logic:

- a) Analysing the hierarchy of objectives which describes the programme's intervention logic
- b) Identifying the relations between the ERDP's priorities as well as the situation analysis and the SWOT analysis
- c) Evaluating the relevance of measures and their contribution to achievement of the programme's objectives

#### **a) Analysing the hierarchy of objectives**

An objective is an expected result, effect, status or change expressed in the society through activity of an area of government, based on the current situation's analysis and a development vision, and being gauged periodically. A well-set objective expresses the expected change; the objective's wording should express a status.

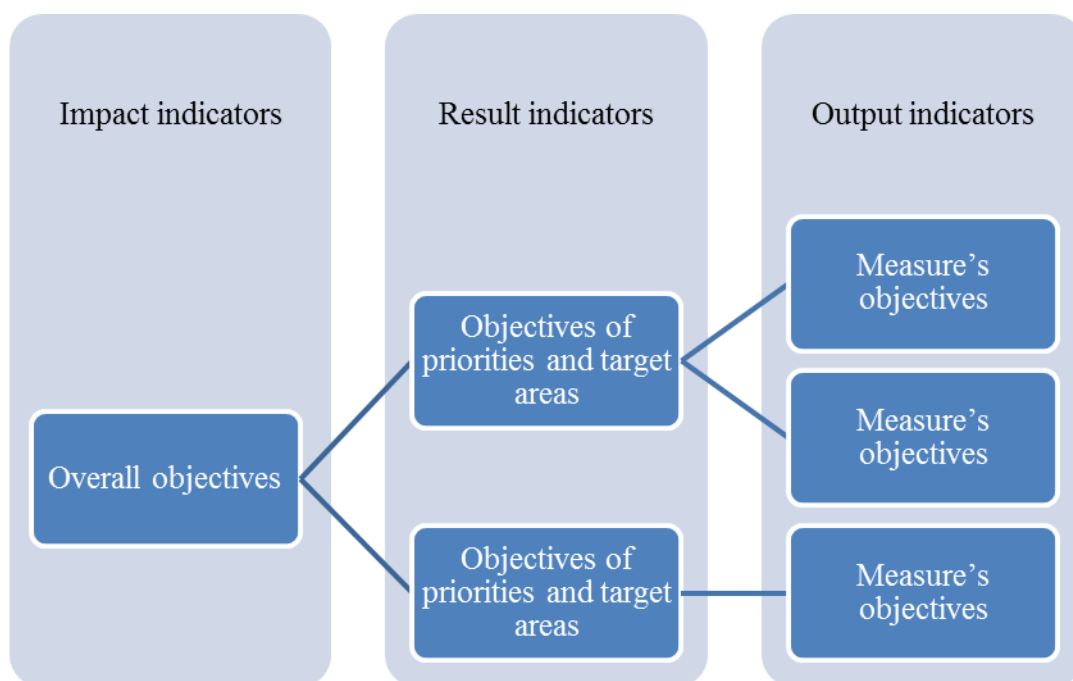
An objective must comply with the SMART criteria, i.e. be:

- ▶ Specific – the objective must be clearly worded to express the defined target, enabling to determine and focus the activities needed to achieve the objective;
- ▶ Measurable – the objective's achievement must be possible to gauge with indicators and if necessary then with additional evaluation;
- ▶ Achievable/Attainable – the objective should be ambitious, but still achievable with the planned activities in the time period for which the objective is defined;
- ▶ Relevant – the objective must conform to the main development needs stated in the analysis, the sector's specifics (content) and its development vision; the objectives' achievement must be included in the competence of the responsible ministry (its area of government) i.e. the objective must be achievable by performing the activities of the programme's authorities, incl. without significant external impacts;
- ▶ Timed – the objective's achievement is relevant and necessary in the period for which the objective is defined.

The following aspects of the structure of objectives indicate logical relations:

- ▶ An objective of a lower hierarchical level must form the basis for achieving the objectives of higher levels in the hierarchy tree
- ▶ In terms of content/meaning, higher level objective contribute to lower level objectives
- ▶ Two objectives/targets of the same level have a mutually strengthening effect

Figure 2 below represents an example of the objective tree's logic, with objectives and measures of various levels and their relevant indicators.<sup>5</sup>



**Figure 2.** Objective tree's logic

The CAP's overall objectives and indicators defined for the entire EU Common Agricultural Policy are located at the objective tree's highest level. The future Common Agricultural Policy's three main objectives are as follows:

### **Objective 1: Viable food production**

- ▶ to contribute to farm incomes and limit farm income variability, recalling that price and income volatility and natural risks are more marked than in most other sectors and farmers' incomes and profitability levels are on average below those in the rest of the economy;
- ▶ to improve the competitiveness of the agricultural sector and to enhance its value share in the food chain, because the agricultural sector is highly fragmented compared to other sectors of the food chain which are better organised and have therefore a stronger bargaining power. In addition European farmers face competition from the world market while also

<sup>5</sup> Source: Guidelines for the ex ante evaluation of 2014-2020 RDPs (Helpdesk of the European Network for Rural Development, 08.2012), page 67. Adapted by EY.

having to respect high standards relating to environmental, food safety, quality and animal welfare objectives requested by European citizens;

- ▶ to compensate for production difficulties in areas with specific natural constraints because such regions are at increased risk of land abandonment.

### **Objective 2: Sustainable management of natural resources and climate action**

- ▶ to guarantee sustainable production practices and secure the enhanced provision of environmental public goods as many of the public benefits generated through agriculture are not remunerated through the normal functioning of markets;
- ▶ to foster green growth through innovation which requires adopting new technologies, developing new products, changing production processes, and supporting new patterns of demand, notably in the context of the emerging bioeconomy;
- ▶ to pursue climate change mitigation and adaptation actions thus enabling agriculture to respond to climate change. Because agriculture is particularly vulnerable to the impact of climate change, enabling the sector to better adapt to the effects of extreme weather fluctuations, can also reduce the negative effects of climate change.

### **Objective 3: Balanced territorial development**

- ▶ to support rural employment and maintaining the social fabric of rural areas;
- ▶ to improve the rural economy and promote diversification to enable local actors to unlock their potential and to optimize the use of additional local resources;
- ▶ to allow for structural diversity in the farming systems, improve the conditions for small farms and develop local markets because in Europe, heterogeneous farm structures and production systems contribute to the attractiveness and identity of rural regions.

### **The objectives of the Rural Development Plan 2014-2020 are:**

- ▶ Functioning co-operation, timely research and development, and knowledge transfer between the producer, the processor, the adviser and the researcher.
- ▶ Viable and sustainable food production-oriented agricultural sector is competitive, resource-efficient, and with sustainable age structure.
- ▶ Holdings engaged in the production and processing of agricultural products have market power and they co-operate in producing, processing, and marketing agricultural products.
- ▶ Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured.
- ▶ Rural economy and living environment in rural areas are diverse, provide alternative employment opportunities for labour force released from agriculture and are based on local resources and potential-based solutions.

The strategy chapter includes figures explaining the relations of the objectives of the ERDP 2014-2020 to the ERDP's priorities and target areas, by priorities. Objective trees include all components of the intervention logic, by different levels of the programme. Additionally, pursuant to the EC programming guidelines, separate figures are provided which indicate the measures' contribution to the ERDP's priorities. **The analysis provides a conclusion that the structural hierarchy of the programme's objectives is generally relevant, cohesive and complies with the strategic programming logic.**

On the other hand, there are still substantive problems with relations between the SWOT analysis, the situation analysis and the priorities. The programme's shortcomings and problems are presented in more detail in Sub-chapters 1.1 and 1.2, by priorities.

Concerning the intervention logic and the programme's internal cohesion, it can be said that the planned measures are relevant and related to the ERDP's priorities and objectives, but the descriptions of measures in the draft being the basis of the ex-ante evaluation still contain shortcomings in the wording of the measures' objectives, the indicators defined and the planned activities to achieve the objectives; also, the information provided in the ERDP does not permit easy assessment of the support amounts granted under the measures and the relevant budget distribution.

#### **b) Identifying the relations between the ERDP's priorities as well as the situation analysis and the SWOT analysis**

A cross-table of ERDP priorities (Table 2) was prepared to identify the programme's relations on a higher strategic level and to provide a summary evaluation of the priorities; the following aspects were scored in the table, based on their cohesiveness and compliance with the programme:

- ▶ The objective's wording and justification; compliance with the SMART criteria
- ▶ Relevance and sufficiency of the evidence presented in the situation analysis chapter
- ▶ The objective's connection to the SWOT analysis
- ▶ Achievability of the priority's/target area's objectives through the planned measures

#### **c) Evaluating the relevance of measures and their contribution to achievement of the programme's objectives**

In this stage of the analysis, a table was prepared to score the ERDP's measures in different aspects; the table was used for preparing an overview of summary assessments (see Chapter 2.4, Table 3) with the participation of the ERDP's evaluation experts and analysts. The table presents the ex-ante evaluators' summary assessment to descriptions of the measures contained in this version of the Development Plan, in terms of main evaluation foci:

- ▶ Justification of each measure and its conformity to the situation description and the SWOT analysis

- ▶ Suitability of the activities for achieving the objectives (incl. the suitability of the choice of target groups)
- ▶ Relevance/sufficiency of indicators
- ▶ Sufficiency of funding volume
- ▶ Suitability of the form of support

The main questions at this stage were whether the chosen activities are the best for achieving the defined objectives, how well the measure is related to the ERDP's priorities and objectives, and whether, how and to what extent the measure contributes to the achievement of the ERDP's objectives.

The evaluation analysed what information the measures are based on and whether the chosen measures and their intervention logic help achieve the defined objectives. It was also evaluated whether the measures are balanced with objectives.

At this stage, assessment was given to the assumptions forming the basis for the result chain of each planned measure. Causal relations between activities, outputs and results were evaluated; assessment was given to external factors as well as their expected direction and extent of impact on the results. The evaluation accounted for the previous period's experience, the threats stated in the SWOT analysis, the factors specific to the country, etc.

## Summary assessments by priorities

The following table presents the ex-ante evaluators' summary evaluation to the priorities/objectives contained in this version of the Development Plan, in terms of main evaluation foci. The table's colour codes have the following meanings: green – the strategy's content is generally sufficient; yellow – the documents require further development and supplementation but the changes are not big; red – the document's preparation level is critically low, significant additions are needed (it was possible to eliminate the latter cases in the course of ex-ante evaluation process and the ERDP document's development).

**Table 2.** Ex-ante evaluators' summary evaluation of the intervention logic by priorities/objectives.

Priority	Objective's wording and justification; compliance with the SMART criteria	Relevance and sufficiency of evidence presented in the situation analysis chapter	Objective's connection to the SWOT analysis	Achievability of objectives through planned measures
PRIORITY 1: Knowledge transfer in the agricultural and forestry sector and rural areas OBJECTIVE 1: Functioning co-operation, timely research and development, and knowledge transfer between the producer, the processor, the adviser and the researcher.	Yellow	Yellow	Green	Green
PRIORITY 2: Competitiveness of agriculture and viability of agricultural holdings OBJECTIVE 2: Viable and sustainable food production-oriented agricultural sector is competitive, resource-efficient, and with sustainable age structure.	Yellow	Green	Green	Green
PRIORITY 3: Food delivery chain and risk management OBJECTIVE 3: Holdings engaged in the production and processing of agricultural products have market power and they co-operate in producing, processing, and marketing agricultural products.	Yellow	Green	Green	Green
PRIORITY 4: Ecosystems OBJECTIVE 4: Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured.	Yellow	Yellow	Yellow	Green
PRIORITY 5: Resource conservation and environmentally sustainable economy OBJECTIVE 5: None.	N/A	N/A	N/A	N/A
PRIORITY 6: Jobs and rural development OBJECTIVE 6: Rural economy and living environment in rural areas are diverse, provide alternative employment opportunities for labour force released from agriculture and are based on local resources and potential-based solutions.	Yellow	Yellow	Yellow	Green

The ex-ante evaluators find that the ERDP’s overall objectives are related to the CAP’s objectives and conform to the sectoral development needs of Estonian rural life. The objectives are generally well reflective of the problems described in the situation analysis and conform to the SWOT analysis; some small additions are necessary, mainly to better relate the SWOT analysis and the objectives to each other.

Concerning the defining of objectives, the ex-ante evaluators noted that the objectives need clarifying in terms of what changes the activities are expected to achieve. Most of the objectives are currently worded as statuses, but they do not reflect the present situation or where the intervention is supposed to lead. The achievement of objectives should be quantitatively measurable upon evaluating the effects and effectiveness of the programme’s implementation, but the current wording of the objectives makes it difficult. Objectives should reflect the intended change, show the expected end result and comply with the SMART criteria.

Indicators and objectives should be worded in manner that clearly expresses how the activities contribute to the achievement of the ERDP’s objectives. The current indicators in most cases are the number of projects and the volume of investments made; these are indeed important indicators for the activities, but should not be the only ones for gauging the activities’ outputs and results.

The following is an example of intervention logic in priority 5 and presentation of target area 5B.

<b>Effect:</b> food sector’s productivity is 50% of the EU average	
<b>The ERDP’s objective:</b> Holdings engaged in the production and processing of agricultural products have market power and they co-operate in producing, processing, and marketing agricultural products	
<b>Result in the ERDP</b>	<b>An indicator showing the real result, not only the money spent</b>
Making at least EUR 20,000,000 of energy conservation and energy efficiency related investments in agriculture and food industry by 2020.	Decrease of energy use in agricultural holdings and food industry (per unit of produce or labour force).
<b>Target area 5B:</b> Increasing the efficiency of energy use in agricultural holdings and food industry	
<b>EU rural life priority:</b> Promoting resource efficiency and supporting the transition to low-CO <sub>2</sub> emission and climate resilient economy in agriculture and food and forestry sectors	
<b>Output in the ERDP</b>	<b>An indicator showing the real output, not only the money spent</b>
180 projects received support EUR 210,000,000 of investments made Public sector expenditure EUR 69,750,000	Decrease of energy use in holdings supported by the ERDP (output of specific projects)
<b>Measure:</b> “Investments into processing and marketing of agricultural products”	

In the example above, the current ERDP presents both the output indicators and the result indicators

as investment volumes, not providing any information about how the sector's energy use has become more efficient. A better indicator would be decrease in energy use per unit of produce or labour force. The ex-ante evaluator has taken into account the comment of the ERDP's preparers, namely that these are obligatory indicators. The ex-ante evaluator does not doubt the purposefulness of obligatory indicators, but recommends supplementing the indicators to complete the intervention logic. Indicators can be added in an ERDP document or in a national schedule of indicators.

In several places, the numerical objectives of target areas are presented with the precision of a hundredth. It is recommended to use rounding because the comparison data will surely change during the next seven years (e.g. the agricultural land in use).

The ex-ante evaluators found that the measure packages planned under objectives are suitable to achieve the objectives.

## **Priority 1: Knowledge transfer in the agricultural and forestry sector and rural areas**

The ERDP objective's wording "Functioning co-operation, timely research and development, and knowledge transfer between the producer, the processor, the adviser and the researcher" does not comply with the SMART criteria. The objectives achievement is gauged by R&D expenditure's proportion in the private sector and the non-profit sector; the target area indicator is participation in knowledge transfer and awareness projects, the volume of consultation services and the number of co-operation projects supported. The ex-ante evaluator assesses that the intended qualitative change in co-operation between the producer, the processor, the adviser and the researcher is not clear from the wording of target areas and the related indicators. Therefore, the objective is not clearly worded. The situation analysis considers information exchange and co-operation to be insufficient and the objective is to ensure functioning co-operation, thus indicators are needed here that would describe the intensity and result of the co-operation (e.g. the number of consultation services, joint projects and orders, bringing new products and services to the market, etc.). These data are partly available in the Eurostat *Community Innovation Survey*, but separate data collection is probably also needed.

The objective related to the priority generally conforms to the problems stated in the situation description. All important sectors are generally sufficiently covered in the situation analysis related to the priority; this provides an overview of the programme area and is based on data relevant to the objective. Enough attention is paid to the main needs and shortcomings of the priority/sector, the main target groups and parties related to the priority are highlighted, and their problems and needs are sufficiently described. Sub-topics are discussed in balanced manner, proportional to the topics' importance, accounting for previous experience and lessons learned from programmes implemented before.

The situation description related to the priority does not conform fully to the SWOT analysis. The SWOT analysis states the weakness of low co-operation between researchers, trainers, consultants and producers. The weakness is relevant, but not proven by factual data in the situation analysis.

Measures for knowledge transfer, awareness and co-operation as well as support for consultation

services contribute to the achievement of this priority. The ex-ante evaluator assesses that the measures as a whole are suitable and the objective can be achieved through them.

### **Proposals to supplement the intervention logic related to the priority / target area:**

- ▶ Clarify the meaning of the phrase “agricultural GDP” used in the strategy (e.g. added value of the agricultural, forestry and fishing sector).
- ▶ Supplement the situation description with data about the co-operation between researchers, trainers, consultants and producers, which would prove the weakness stated in the SWOT analysis. The current wording of the SWOT analysis refers to “little and unco-ordinated information exchange” and the objective of priority 1 is “Functioning co-operation, timely research and development, and knowledge transfer between the producer, the processor, the adviser and the researcher”. It should have a related indicator showing the weakness of the current co-operation and also helping measure the achievement of the objective of priority 1. Private sector funding of R&D mentioned under the objective of priority 1 does not refer to co-operation but rather to the volume of R&D activity instead. A more suitable indicator instead of funding volume would be something characterising the outputs of R&D (e.g. the number of new products, etc.).
- ▶ Specify the indicators related to the target area, so that they reflect the results of the measures being implemented (e.g. the number of co-operation projects may not show improvement of co-operation). To gauge the effectiveness of co-operation, the expected objective of co-operation should first be clearly worded: e.g. transfer of new knowledge from research institutions to enterprise, joint development of new technologies, etc. Thereafter, the co-operation’s result can be gauged according to what the co-operation was intended to achieve.

## **Priority 2: Competitiveness of agriculture and viability of agricultural holdings**

The second priority’s objective is “Viable and sustainable food production-oriented agricultural sector is competitive, resource-efficient, and with sustainable age structure”. The ex-ante evaluator assesses that the objective is not clearly worded because the Development Plan’s documents do not make it clear what the notions of “competitiveness”, “sustainable age structure” and “resource-efficiency” are intended to mean. Ratios have been given for age structure, but the origin of the ratio objectives remains unclear (i.e. what would be the optimal ratios). The ex-ante evaluators recommend that the terms used in the objective’s wording be interpreted by specific indicators in documents.

In other respects, the priority and its related situation description covers all important sectors comprehensively enough, provides an overview of the programming area and is based on relevant data. The main needs and shortcomings of the priority/sector are sufficiently reflected, the main target groups and parties related to the priority are listed and their problems and needs are sufficiently described. Sub-topics are discussed in balanced manner, proportionally to the topics’ importance, and accounting for previous experience and lessons learned from programmes

implemented before.

The SWOT analysis states the weaknesses of “Low competitiveness of agricultural producers compared to the EU average, low adaptability of small agricultural producers, insufficient economic opportunities for additional investments, *inter alia* for environment protection investments”, and “Low proportion of products with high added value among the food production chain’s end production, incl. few opportunities for processing organic produce“. The measures planned to solve those problems in target area 2A are “Knowledge transfer and awareness” and “Support for consultation services”, but also “Investments into improved performance of agricultural holdings”, “Initiating the activity of young agricultural producers” and “Investments into processing and marketing of agricultural products”. The planned measures are suitable for dealing with the weaknesses stated in the SWOT analysis.

The choice of general indicator related to the priority (the agricultural sector’s productivity makes up 90% of the EU average) is justified; the indicator itself is well worded and sufficiently ambitious. The planned measures related to the priority conform to the priority’s objective (the relevant development needs) and contribute to its achievement.

#### **Proposals to supplement the intervention logic related to the priority / target areas:**

- ▶ Define in the analysis and clarify in the objective’s wording, what the notions of “competitiveness”, “sustainable age structure” and “resource-efficiency” are intended to mean and what the priority’s activities are expected to achieve.

The effectiveness of achieving the objective of target area 2A i.e. facilitating the reorganisation of agricultural holdings would be better characterised by an indicator related to the economic activity of reorganised holdings than the current indicator related to the ERDP’s support. For example, market orientation is clearly measurable with an indicator of the amount or proportion of products marketed. It is also possible to gauge the productivity of a holding or its labour force as a ratio to the entire sector, as this would indicate whether any changes are noticeable in the beneficiary when compared to the rest of the sector. The additional result indicators should be listed in the national schedule of indicators.

### **Priority 3: Food delivery chain and risk management**

The priority’s level-related objective “Holdings engaged in the production and processing of agricultural products have market power and they co-operate in producing, processing, and marketing agricultural products” is relevant and fits well into the ERDP’s overall intervention logic. The indicator “food sector’s productivity as a proportion of the EU average” is suitable, but the ex-ante evaluator assesses that the target level 50% is not ambitious enough.

The priority’s intervention logic is generally well described; the priority conforms well to the development needs stated in the situation description and the strengths and weaknesses stated in the SWOT analysis.

The ex-ante evaluator's recommendation was to analyse more comprehensively the need and significance of supporting participation in quality schemes as well as to justify better the purposefulness of supporting food quality schemes and the expected contribution of that support to the ERDP's objectives. The additions have been made in the ERDP document.

## **Priority 4: Ecosystems**

This priority's objective is "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured". The priority itself is relevant and generally conforms to the problems stated in the situation description, providing an overview of the sector. The conclusions presented in the Development Plan are sufficient and competent; they reflect the most important shortcomings which enables to develop specific helping measures/activities to deal with the shortcomings.

On the other hand, it is not clear from the documents what the notion of "environment-friendly management style" is intended to mean. Therefore it is not possible to gauge either the objective or the performance of its related impact indicator (agriculture with environment-friendly management exceeds 50% of eligible agricultural land).

In target area 4A (Restoring, preserving and improving the biodiversity and condition of European landscapes, including Natura 2000 areas, areas with restrictions due to natural or other specifics, and high natural value areas), the Development Plan's objective is that at least 2.34% of forest land and 52.8% of agricultural land in use are covered by contracts for biodiversity-promoting management styles by 2020. It is recommended to round those percentages, primarily because the share of agricultural land in use may change a lot (as the farmland register will be "released").

Measures as a whole are well related to the priority and can be assessed as good. But the problem descriptions in terms of activities planned with the priority-related measures are weak in some places (see the following proposal to supplement the intervention logic).

### **Proposals to supplement the intervention logic related to the priority / target areas:**

- ▶ Define clearly what the notion of "environment-friendly management style" is intended to mean. More attention should be paid while stating problems for the priorities' target areas, to ensure a solution that is also reflected in the relevant priority's measures (see the earlier example, page 19, target area 4A and the measure "Improving the economic and ecologic viability of forests"). The most important problems have been stated for the priority, but it could be added what has to be done to address the problems.

## **Priority 5: Resource conservation and environmentally sustainable economy**

The Development Plan does not state the intervention logic related to this priority, reasoning that these are horizontal topics. The ex-ante evaluators still recommend providing an objective tree

describing the intervention logic for this priority, similar to other priorities, as it would show the measures that contribute to its topics.

No separate objective has been stated for priority 5, reasoning that the resource conservation and climate change topics under that priority are something that runs through all priorities. The ex-ante evaluators find that it is recommended to word a specific objective for such topics as well, as an objective that the Development Plan intends to achieve in the climate change and resource conservation field during the programming period.

Attention should be paid while stating problems for the priorities' target areas, to ensure a solution that is also reflected in the relevant priority's measures.

## **Priority 6: Rural development and living quality**

The priority-related objective "Rural economy and living environment in rural areas are diverse, provide alternative employment opportunities for labour force released from agriculture and are based on local resources and potential-based solutions" is relevant. The activities chosen to achieve the objective are justified and well-facilitative of achieving the objective.

The objective's achievement is gauged by employment rate (the indicator "employment rate in rural regions (age 15-74 years) reaches 61% by the period's end"). The ex-ante evaluators think that it is a significant indicator, but one that is too narrow when compared to the objective; therefore we recommend using additional indicators.

The content of priority 6 is rural development and living quality, but the objective of employment rate increasing to 61% does not describe the development and better living quality resulting from the ERDP. A more relevant objective could be e.g. an increase of the average wage level of rural employees compared to the Estonian average or an increase in work productivity. Those measurable figures would enable to monitor real changes throughout the programming period.

Analysing the contributions of target areas to the objective's achievement, a discrepancy in the intervention logic can be observed. Although the package of measures as a whole can be considered suitable to achieve the ERDP's objective and the ERDP's objective can be considered sufficiently ambitious, the results on the target area's level are gauged by the number of jobs created and the proportion of rural population covered by strategies. The indicator of target area 6A does not reflect the added value of jobs or the labour force productivity, just like the priority's impact indicator, while the creation of jobs is in itself a narrower indicator than the priority's objective would require. The ex-ante evaluator does not dispute here the use or relevance of obligatory indicators, but it is important to use also indicators describing the sustainability of the results, to ensure clarity of the programme's intervention logic and effectiveness.

The indicator of target area 6A is that 225 jobs have been created through supported projects by 2020. In addition to creation of jobs, the target could also be to preserve jobs. The indicator of target area 6B is that 100% of rural population is covered by local development strategies by 2020. Yet the ERDP's current situation analysis and description of measures states that rural regions

(population) are practically covered by local strategies as a whole, therefore the indicator does not make it clear what kind of developmental leap is expected to be achieved with the activities. We recommend clarifying in the Development Plan that the intention is to prepare new strategies for all regions.

Past developments (increase in the proportion of non-agricultural holdings) are mentioned in the context of describing a measure, but the previous ERDP's effect is not described, although the relevant information is available (e.g. the EMU 2013 implementation analysis of the measure 3.1 "Diversifying the economic activity in rural regions" of the Estonian Rural Development Plan 2007-2013).

To make the priority conform better to the information stated in the situation description, the description of problems related to rural enterprise should be supplemented in the situation analysis.

**Proposals to supplement the intervention logic related to the priority / target areas:**

- ▶ Consider using the indicator of preserving jobs, not only creation of new jobs in target area 6A (in preparing the national schedule of indicators).
- ▶ Provide a clearer connection between the situation description and the problems described in the measure related to rural enterprise.

## **2.4 Evaluation to justification of chosen measures and their expected contribution to achievement of objectives**

As the lower level of intervention logic, the justification of chosen measures and their relation to the ERDP's priorities and objectives was analysed. The evaluation questions considered during the ex-ante evaluation's analysis were as follows:

### **Justification of measures**

- ▶ How well does the measure conform to the problems stated in the situation analysis and the SWOT analysis? What problem described in the SWOT analysis does the measure help solve? If not then does the situation analysis/SWOT analysis need supplementing and how?

### **Evaluation of the expected contribution of chosen measures to the achievement of objectives**

- ▶ How are the measure's objectives related to the ERDP's overall objectives? Are the measure's objectives logically related to the overall objectives and do they help achieve those?
- ▶ Is the measure's objective worded clearly and comprehensibly pursuant to the SMART criteria?
- ▶ Are the chosen activities suitable to achieve the objectives and do they enable achieving the defined objectives? Is there a need to reorganise the activities?
- ▶ Can you foresee any hindrances to implementation of the activities and what are those hindrances? Are there any additional preconditions not described in the measure that need to be fulfilled to achieve the objectives, or are any additional activities needed?
- ▶ Is the measure directed to the correct beneficiaries and does the implementation scheme help reaching the beneficiaries? Is any potential group of beneficiaries left out of the list of beneficiaries?
- ▶ Do the eligibility requirements conform to the measure's activities and objectives? Are there any hindering requirements or any other problems with the measure's requirements?

Similar to the summary evaluation on priorities as presented in the previous chapter, the expert group also provided a summary evaluation of measures in terms of main evaluation foci. The table's colour codes have the following meanings: green – the strategy's content is generally sufficient; yellow – the documents require further development and supplementation but the changes are not big; red – the document's preparation level is critically low, significant additions are needed.

**Table 3.** Summary evaluation of measures

Article (Regulation (EU) No 1305/2013 of the European Parliament and of the Council)	Measure	Measure's justification and conformance to situation description and SWOT analysis	Suitability of activities to achieve objectives (incl. the choice of target groups)	Relevance/sufficiency of indicators	Sufficiency of funding volume	Suitability of form of support
14	Knowledge transfer and awareness				n/a	
15	Support for consultation services					
16	Participation in a quality scheme and promotion of products produced under quality schemes				n/a	
17(1)(a)	Investments into improved performance of agricultural holdings				n/a	
17(1)(b)	Investments into processing and marketing of agricultural products				n/a	
17(1)(c)	Developing and preserving farm and forestry infrastructure					
17(1)(d)	Support for restoring stonewalls					
19(1)(a)(i)	Initiating the activity of young agricultural producers					
19(1)(b)	Investments into diversification of non-agricultural economic activity in rural regions				n/a	
21(1)(c)(e), 24, 26	Improving the economic and ecologic viability of forests					
21(1)(e), 26	Processing and marketing of forestry products					
27	Creating producer groups				n/a	
28	Agri-environmental support					
28	Support for environment-friendly management					
28	Support for regional soil protection					
28	Support for environment-friendly gardening					
28	Support for growing local plant varieties				n/a	
28	Support for farming endangered animal breeds					
28	Support for maintaining semi-natural habitats					
29	Organic production					
30	Natura 2000 support for agricultural land					
30	Natura 2000 support for private forests					
33	Support for animal well-being					
35	Co-operation					
43	LEADER measure for local development				n/a	

As indicated by the table above, the measures require some additions concerning their justification and conformance to the situation description and the SWOT analysis, but generally that aspect of the measures can be assessed as good.

The same goes for suitability of activities – the ex-ante evaluators assessed the suitability of measures generally as good or made proposals for small-scale additions to make them conform better to the objectives.

Concerning indicators, the problem is that many measures lack indicators indicating the actual achievement of the measure's objectives. For example, a measure's indicators are stated as the number of projects or the amount of money spent, but these do not indicate the result achieved with the activity. Measures are assessed higher where effort has been made to find other kinds of indicators to describe a measure's outputs. Such measures are e.g. "Support for consultation services", defining target levels for numbers of consultation centres, consulted people and trained advisers, as well as the measure "Support for restoring stonewalls" which uses the number of kilometres and the measure "Support for farming endangered animal breeds" which uses the number of supported animals by species. Therefore, the ex-ante evaluator considers it necessary to prepare a national schedule of indicators in addition to the indicators stated in the ERDP.

As several measures lack specific indicators showing the level of achieving their objectives, it was not possible to evaluate whether the means are sufficient to achieve the objectives, based on only the provided indicators of "number of projects" and "money spent" (as the achievement of those objectives is not gauged).

### **Knowledge transfer and awareness**

The measure's implementation is justified and largely conformant to the problems stated in the situation analysis. The measure's objectives conform to the ERDP's overall objectives, are in logical relation to those and aid in their achievement. The measure's objectives are worded clearly and comprehensibly; the chosen activities enable to achieve the defined objectives. The measure is directed to the correct beneficiaries and the eligibility requirements conform to the measure's activities and objectives.

The analysis of needs states that "the research and development capability of small and medium holdings is weak", but the situation analysis does not provide any data about R&D personnel, R&D investments or R&D results of holdings.

Regardless of the gaps in the analysis, there is a need for increasing the knowledge- and technology-intensiveness of holdings. On the other hand, it is doubtful that 1-day training courses would have much impact on the spreading and implementation of knowledge. It would be better to organise longer training courses in a more focussed way. For the sake of unification, the duration of training courses could be gauged in hours, not days. It is also recommended to state more clearly the training topics and target groups under the measure. If those clarifications are not made at the ERDP's level then it is recommended to state them at the level of the measure's regulation.

It is important to ensure that information is easily available to interested parties in the knowledge transfer sector. Estonian agricultural consultation service portal PIKK.ee partly fulfils that function,

but the topic of knowledge transfer is wider than just consultation services. Therefore we consider it necessary to think of solutions to make the sector's information available, like expanding the existing portal. For example, the portal [www.pikk.ee](http://www.pikk.ee) does not currently represent the fields of "bioenergy" and "private forests", resulting from the ERDP's measures concerning the forestry sector. The research field lacks links to websites of universities and research institutions and to information about research services provided there. The portal does not reflect information about results of university research, about conferences and seminars conducted, Doctor's Theses concerning rural life, etc.

### **Proposals to supplement the measure:**

- ▶ It is recommended to make the situation analysis highlight better the relations between the measure's objective and activities.

### **Support for consultation services**

The measure's objective cannot be gauged or defined in time. The situation analysis and partly the measure's justifications show that there are many consultation networks in Estonia. The measure's description states that fragmentation is a problem: "Considering Estonia's size and the private interests of consultation centres, the consultation system must be optimised under the state's initiative" and "only 30% of consultants spend most of their work activity in consultations". The problem of fragmented consultation networks should be solved by supporting a unified consultation organisation under the measure.

The measure-related weakness stated in the SWOT analysis is "little and unco-ordinated information exchange between researchers, trainers, consultants and producers".

There are many one-man-holdings in Estonia and those need a so-called backup system for the dispersed agricultural structure. The consultation service provided under the measure differs from enterprise consultations; the target groups and problems that the consultation service concerns are different. Estonia's current problem is that every county has organised the service in its own way; there is no unified system and fragmentation is dominant.

A positive aspect is the implementation scheme's simplicity for the final beneficiary and for authorities.

The analysis in the measure's description does not explain sufficiently why the chosen methods (support for consultations and support for small agricultural holdings' consultations) are the most suitable and effective. The ex-ante evaluator does not doubt the measures provided in the regulation. Support for small agricultural holding's consultations is stated separately as a specific exception. Yet the effect of scale is the highest precisely for larger holdings as land and production are significantly larger there and possible environmental risks are also higher (due to concentrated production activities). The situation description also highlights the awareness of final beneficiaries about the existence of consultants, but this specific measure does not enable to directly tackle that shortcoming – it could be taken into account when planning the overall awareness-raising about the ERDP. It is also doubtful that the biggest problems of small agricultural holdings would be related

to their everyday decisions as those probably have only small financial and environmental effect; it is more important to provide advice concerning awareness and strategic approach (i.e. making a holding more market-oriented, more sustainable, etc.).

#### **Proposals to supplement the measure:**

- ▶ Word the measure's objectives so that they comply with the SMART criteria.
- ▶ Supplement the measure's description with why the chosen methods are the most suitable and how they will lead to achievement of the intended objectives.

#### **Participation in a quality scheme and promotion of products produced under quality schemes**

The measure's objectives conform to the ERDP's objectives and are logically related. The wording of objectives and sub-objectives does not make it clear what results are intended to be achieved with the measure's activity: it cannot be gauged, it is not clear (what exactly needs to be achieved), it is not result-based and it is not related to a timeframe.

The ERDP 2007-2013 includes a similar opportunity to apply for support for participation in quality schemes but experience has shown that agricultural producers do not see developing a food quality scheme and marketing products under such a scheme as an attractive opportunity to provide added value to their products and to improve their sales and marketing activities. Due to this, the next programming period should include changes compared the current ERDP's activities, directed towards improving the situation. The ex-ante evaluator thinks that the analysis should make it clear whether the problem has been the producers' offers or the market's expectations, and the essence of the new financing period's measure should be clarified accordingly.

It is possible that the next programming period will have the same situation as in the period of 2007-2013 i.e. very low interest towards support for quality schemes. It should be highlighted more clearly what the preconditions and criteria are that consumers expect and are also willing to use as a basis for their buying decisions. As of now, the nature and benefit of quality schemes is not clear to consumers or the sector as a whole. The analysis should reason why and to what extent quality schemes could result in creating market power.

It can be said that the eligibility requirements conform to the measure's activities and objectives (the precondition for receiving support is developing a quality scheme). Yet it is not unambiguously clear whether a quality scheme will help improve the food delivery chain's functioning and provide added value to agricultural products.

#### **Proposals to supplement the measure:**

- ▶ Word the measure's objectives so that they comply with the SMART criteria.

#### **Investments into improved performance of agricultural holdings**

The measure's objectives are logically related to the overall objectives and aid their achievement. Yet the measure's objectives do not reflect the result being gauged, and other SMART principles cannot be identified either. The measure's description does not make it clear how competitiveness is strengthened as a result of implementing the measure and whether the support principles offered for various groups are the best solutions. As the measure does not cover everything provided by the Regulation's Article 17, instead setting out only the target groups and the measures directed to them, an alternative could be to abandon the delimiting of target groups or to do it on a different basis. The chosen activities have a direction that aids the achievement of objectives, but as it is not known what target level is expected to be reached, the activities for achieving it cannot be analysed.

The measure conforms to the weaknesses stated by the SWOT analysis:

- ▶ “Low competitiveness of agricultural producers compared to the EU average, low adaptability of small agricultural producers, insufficient economic opportunities for additional investments, *inter alia* for environment protection.”
- ▶ “Use of alternative fuels in agriculture has a marginal proportion and production of energy and biogas from wastes has not been successfully launched when compared to other biomass.”

The measure provides support for purchasing mobile equipment and machines, but only for those holdings which had a sales turnover of EUR 4,000 to 100,000 in the past two years. The ex-ante evaluator hereby draws attention to the following risks which may be expressed in the course of implementing this measure and which must be taken into account when implementing it:

- ▶ The number of new agricultural holdings may increase as the existing producers needing investment support to improve their competitiveness will found a second (third, etc.) additional holding for themselves, in order to remain within the required turnover limits. Small holding data may be used when applying for support, meaning shell holdings;
- ▶ Support may be given to inefficient holdings (if the holding has not managed to achieve an agricultural production turnover indicating a shift towards effective and sustainable level, effective production may also fail to appear with high support in the future).

Therefore, we recommend clarifying the measure's objective and content so that it would better aid achieving the ERDP's overall objective i.e. the agricultural sector's competitiveness. It needs to be defined more clearly what the notion of “agricultural sector's competitiveness” is intended to mean (incl. how it is gauged) and on that basis it needs to be shown what the effect of providing the support for purchase of mobile equipment and machines to the chosen target group (net sales turnover of EUR 4,000 – 100,000 in the past two years) is for the competitiveness of the sector as a whole. The support must provide the whole agricultural sector with the highest effect, but the currently chosen approach may not have the highest effect on the sector as a whole.

The same observation is also true for indicators. The measure's current output indicator i.e. the number of projects supported does not provide information about the competitiveness of agricultural sector as a whole (which is defined as the measure's objective and the ERDP's overall objective and yet is undefined in the document); therefore the achievement of objectives is currently

not ensured.

The idea of profit associations to strengthen small holdings is good. But this also requires a more precise economic analysis and development of the association's management competence in each separate case. Giving preference to associations in granting investment support may launch a process of founding fictitious associations that exist on paper only and for the sole purpose of obtaining support while not providing factual and greater added value.

### **Proposals to supplement the measure:**

- ▶ Word the measure's objectives so that they comply with the SMART criteria.
- ▶ We recommend clarifying the measure's objective and content to better aid the achieving of the ERDP's overall objective i.e. the agricultural sector's competitiveness. It needs to be defined more clearly what the notion of "agricultural sector's competitiveness" is intended to mean (incl. how it is gauged) and on that basis it needs to be shown what the effect of providing the support for purchase of mobile equipment and machines to the chosen target group (net sales turnover of EUR 4,000 – 100,000 in the past two years) is for the competitiveness of the sector as a whole.

### **Investments into processing and marketing of agricultural products**

The measure's objectives are related to the ERDP's overall objectives and the target group of beneficiaries conforms to the measure's analysis. The wording of the objective and sub-objectives could state more clearly the situation intended to be achieved.

The measure conforms to the weaknesses stated by the SWOT analysis:

- ▶ "Low activity of producers in moving to the next step of the production chain, little capability to invest into marketing and sales activities, absent marketing opportunities for niche products, and small market share of short delivery chains and direct marketing projects."
- ▶ "Low proportion of products with high added value among final products of the food production chain, incl. Few opportunities for processing organic products."
- ▶ "Continued low investment capability of processors, causing processors to have low productivity and competitiveness compared to the EU average."

The chosen activities comply with opportunities prescribed in EU regulations and are highly probable to aid in achieving the measure's objectives.

It is definitely recommended to provide additional (state) support for marketing and to improve the reputation of associations and joint activities.

The analysis highlights that the net added value per employee in Estonia is significantly lower than

the EU average and the defined objective is to increase that. Therefore it is not justified to give preference only to creation of new jobs; instead, the focus should be on increasing the efficiency of both existing and new jobs. Higher added value of jobs should be strived for.

### **Proposals to supplement the measure:**

- ▶ The evaluation criteria should not give preference to creation of new jobs; instead, the focus should be on increasing the efficiency of both existing and new jobs.
- ▶ Word the measure's objectives pursuant to the SMART criteria.

### **Developing and preserving farm and forestry infrastructure**

The measure's objectives conform to the ERDP's overall objectives, are in logical relation to those and aid in their achievement. The measure's objectives are worded clearly and comprehensibly, yet its achievement cannot be gauged because only the number of supported projects and the volume of investments are defined as output indicators, while these data do not reflect the objective's achievement (e.g. to what extent the cultivation value of profit yielding land has increased). The activities chosen under the measure are relevant. The measure is directed to the correct beneficiaries and the eligibility requirements conform to the measure's activities and objectives.

The measure conforms to the problems stated in the situation analysis and is well justified in the measure's description.

### **Support for restoring stonewalls**

This measure is related to the ERDP's overall objective "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured".

The measure also contributes to priority 4 (Restoring, preserving and improving agricultural and forestry ecosystems) and target area 4a (Restoring, preserving and improving the biodiversity and condition of European landscapes, including Natura 2000 areas, areas with restrictions due to natural or other specifics, and high natural value areas). The measure is related to the strength "Rich historical and cultural heritage – national handicraft, national music, national food" stated in the SWOT analysis. The measure is partly also related to the opportunity "Large proportion of areas under protection, existing mosaic use of land" stated in the SWOT analysis. The measure's planning has taken into account the principles of sustainable development. Other horizontal topics are not relevant for this measure. The ex-ante evaluator stresses that upon implementing the measure, the support for stonewalls should be directed primarily to regions with historically more stonewalls (most of all in the context of agricultural land). Construction of stonewalls has been a traditional activity in North and West Estonia and on islands, being widespread in all older villages. There are

also many stonewalls in Mulgimaa (Viljandi region). Elsewhere, stonewalls have been used mostly to surround cemeteries or also for border marking where stones were more abundant.<sup>6</sup>

The measure's objectives are worded clearly and the measures conform to the activities and objectives defined.

It would be good to state more specific numbers in the final part of the measure's justification, i.e. how many stonewalls are there in Estonia that can potentially be restored (and are thus suitable for the ERDP's context). E.g. the report of the ARC's 2007-2013 intermediate evaluation states the following numbers: pursuant to the base map of Estonia, approximately 56,300 km of stonewalls bordering with agricultural land have been preserved in Estonia. Only 1.2% of those have been restored, established or maintained with ERDP's support in the period of 2005-2009.

It is definitely necessary to support the maintenance of already established stonewalls or at least connect the maintenance-related preconditions to restoration works and a 5-year preservation obligation – for example in the period of 2004-2006, the support for stonewalls entailed the prohibition of land cultivation and use of fertilisers and plant protection chemicals within 1.5 m of the stonewall. The current period does not have such requirement anymore, yet it is of significant importance in order to ensure the quality of feeding grounds and habitats for wildlife. Consideration should be given to adopting a prohibition for even wider zone than 1.5 m. Otherwise, achievement of the objective of increasing biodiversity may become questionable.

According to the measure's description, restoration of stonewalls located fully in forest land will not be supported. It should be clarified whether the support includes restoration of stonewalls around cemeteries and farmsteads if they border with arable land (the current wording can be interpreted to deem those also eligible).

### **Initiating the activity of young agricultural producers**

The measure's objectives conform to the ERDP's overall objectives, are in logical relation to those and aid in their achievement. Similar to many measures, the shortcoming is that the objective cannot be gauged, i.e. it lacks a description of the status to be achieved with the measure and ignores other SMART criteria.

The chosen target group of the support measure's beneficiaries is justified. The experience with this measure thus far indicates that young agricultural producers are sufficiently interested in applying for the support. Eligibility requirements conform to the measure's activities and objectives. The measure's activities are justified and suitable to implement the measure.

The support's target group is explained somewhat weakly in the situation description and the measure's justification (what target groups and how many of them should be supported). The measure's requirements for evaluating support applications explain the support's target group very relevantly: „the holding's sales revenue in all three years was at least EUR 24,000, over 50% of

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<sup>6</sup> Rennu Madis, "Eesti traditsioonilised kiviaiad: etnograafia ning kultuurirollid"(Master's Thesis, EMU)

which was revenue from sales of self-produced agricultural products or products yielded from processing those, but the total sales revenue did not exceed EUR 500,000". Such criteria comply with the ERDP's overall objective and economic logic, but the preceding situation description should also include their justification, indicating clearly why the criteria were defined. The measure's justification includes a rather vague claim that "preparing the support measure for young agricultural producers was guided by the need for a 2% increase of the annual proportion of young agricultural producers with agricultural education".

**Proposals to supplement the measure:**

- ▶ Word the measure's objectives so that they comply with the SMART criteria.
- ▶ Explain better in the situation analysis and the measure's justification why those eligibility criteria were chosen (the criteria are relevant, but they need to be explained better).

**Investments into diversification of non-agricultural economic activity in rural regions**

This measure helps solve the main problem described in the situation description and the SWOT analysis – preserving the employment of labour force released from the primary sector.

The measure is planned for micro-holdings, contributing primarily to achievement of the objective of ensuring diversity of in rural regions; it also indirectly supports the achievement of other objectives (viability of holdings active in rural regions, in wider perspective).

The objective is defined so that it becomes difficult to evaluate the possibility of achieving and gauging the objective. At the same time, the sector's development depends on factors which the ERDP cannot cover (the overall state of economy, investment capability and willingness, changes in administrative procedures, etc.).

The activities are focussed on ensuring the investment capability and the activities directly related thereto.

**Proposals to supplement the measure:**

- ▶ Word the measure's objective pursuant to the SMART criteria.
- ▶ Expand the description of problems concerning rural enterprise in the situation description, based on e.g. the EMU's 2012 survey "Situation, development trends and support need of rural holdings". For example, the infrastructure topics which are stated as topics to be funded from the measure, are not explained there.
- ▶ The list of accompanying supported activities does not include the topic of non-agricultural labour force, although it is stated as a problem in the situation description. Re-training or in-service training should still be a supported activity; as one option, it could be related to investments.

- ▶ State the labour force demand and the justification why the measure is directed towards micro-holdings only.

### **Improving the economic and ecologic viability of forests**

This measure is related to the ERDP's overall objective "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured". The measure is generally conformant to the problems stated in the situation analysis, but the description of problems provided under the priority's target objective does not cover all objectives defined under this measure.

For example, the description of target area 4A highlights that forest productivity and forest fires will be dealt with, but it is important to bring it into conformity to all objectives of the measure, stressing additionally the needs related to preservation and restoration of forest's biodiversity, wholesome ecosystem and protective function.

The measure is directed to the correct beneficiaries (private forest owners or their associations) and its eligibility requirements conform to the measure's activities and objectives.

Relations to the SWOT analysis:

- ▶ Strengths: "Estonia has a varied forest resource with high nature value and good economic potential".
- ▶ Threats: "Fragmentation of forest ownerships and insufficient joint activity, resulting in low motivation of private forest owners to manage their forests and to protect the biodiversity there".

The measure deals with the aforementioned SWOT strength and also partly helps solve the aforementioned weakness – the measure supports private forest owners in forest management.

### **Proposals to supplement the measure:**

- ▶ The measure's info sheet does not make it clear how the planned activities will contribute to the overall objective of "preservation and restoration of biodiversity and protective function". We consider it necessary to make the activities conform to all objectives of the measure.
- ▶ The ex-ante evaluator also recommends paying attention to the fact that the description of the relevant priority and target area does not underline the importance of the aforementioned objectives.

### **Processing and marketing of forestry products**

The measure's objectives conform to the ERDP's overall objectives, are logically related to those

and aid in achieving the objectives. The measure's objectives are worded clearly and comprehensibly. The measure is directed to the correct beneficiaries and the measure's info sheet justifies the choice of target groups (micro- and small holdings) sufficiently well. The eligibility requirements conform to the measure's activities and objectives.

The measure conforms to the problems stated in the situation analysis.

The measure's info sheet does not make it clear what the notion of "supported activities preceding industrial processing" is intended to mean. Therefore, the ex-ante evaluator recommended to clarify the supported activities, incl. to state more clearly whether a holding wishing to reorganise or reconstruct its production would also be eligible. Pursuant to the reply of the Ministry of Agriculture, "activities preceding industrial processing" are intended to mean processing wood as a raw material, on the basis of the Commission's draft Regulation on implementing the EARDF. Therefore it is not necessary to restate it in the measure's info sheet; the definition will be clarified at the regulation's level if necessary.

The ex-ante evaluators also draw attention to the need to ensure the possibility of giving preference to association activity under this measure, thereby facilitating the achievement of the ERDP's other objectives (increasing the competitiveness and market power of private forest owners through promotion of joint economic activity).

### **Creating producer groups**

The measure's objectives conform to and logically relate to the ERDP's objectives and the problems stated in the situation analysis. Yet the objectives do not comply with SMART criteria.

The chosen activities enable to achieve the defined objectives. The measure is directed to the correct beneficiaries and the eligibility requirements conform to the measure's activities and objectives. Supporting the activity of producer groups encourages producers to establish producer groups and enables the groups to organise their activity on the necessary level.

The measure's info sheet should justify better how the measure's expected target level was determined.

### **Agri-environmental support**

It is recommended to provide a table showing eligibility of land for all AES supports, support for organic production, support for Natura 2000 and support for animal well-being. The current ERDP's text is still difficult to understand in terms of what land is eligible for what support (for example, whether land having received support for organic production is also eligible for support for growing local plant varieties, support for maintaining semi-natural habitats, etc.).

An alternative would be to state more detailed eligibility requirements for all measures (similar to the environment-friendly gardening measure's text), listing the supports which the same land cannot

be eligible for.

The AES measures' info sheet states: "To be eligible for special support, the applicant is not required to have undertaken an obligation of environment-friendly management or additional support, but may do so." Regarding that, it remains unclear whether or not an applicant for support for organic farming can also apply for support for an endangered plant variety, an endangered animal breed and an SNH. The chapters of the relevant support types do not state clearly that an organic producer cannot apply for those support types. Therefore, refusing those supports for organic producers should not be justified with the notion that they already apply for support for organic farming for the same land – the EFM measure does not state a so-called double support as a restriction. If they need to be differentiated then the support types should also be stated as separate special support types under support for organic farming, as this would enable organic producers to apply for those. (For example, the area under support for Sangaste rye would decrease by more than 40% on account of organic producers if they were unable to apply for support for growing that plant variety anymore.)

With most of the AES measures, the text of calculating the unit rates is very difficult to read; it would be easier to get an overview of that information as a table.

### **Support for environment-friendly management**

This measure facilitates the achievement of the ERDP's overall objective "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured". The ex-ante evaluator assesses that support for environment-friendly management is well justified. Clear relations are provided to strengths and weaknesses described in the SWOT analysis; positive results from earlier implementation of the measure are also highlighted.

Relations to the SWOT analysis:

- ▶ Strengths: "The climate is suitable for environment-friendly production, agricultural land has retained many natural values (articulated farmlands, landscape elements) and the proportion of permanent grasslands incl. semi-natural habitats is high".
- ▶ Weaknesses: "Little voluntary use of environment-friendly production methods, e.g. soil fatigue due to unsuitable production practices".
- ▶ Threats: "Threats entailed in intensifying and concentrating of agriculture (environmental pollution, reduction of biodiversity, spread of plant and animal diseases)".

The following has been stated under this measure in the intermediate evaluation of the previous period's ERDP (2007-2013): *.../ as nearly half the specialists interviewed on the subject of the support for environment-friendly management in the course of the intermediate evaluation called the measure's requirements somewhat too lenient, it is recommended to review the measure's requirements for the next period to ensure better fulfilling of the environment improvement objective.* The environmental requirements of the planned measure for this period have not been

increased in any significant manner, therefore we recommend adding more activities with beneficial environmental effect into the measure.

In the previous version of the ex-ante evaluation report, the evaluators recommended giving consideration to adding more requirements related to activities, with beneficial environmental effect (e.g. restrictions to use of fertilisers and pesticides, water protection zones, activities directed towards preservation and increase of biodiversity). Regarding that, the ERDP's latest version is supplemented by additional selectable activities, e.g. 50% winter plant cover and establishing honey plants to improve the living and feeding conditions of pollinators.

A notable positive aspect is that the measure is supplemented by additional selectable voluntary requirements like 50% winter plant cover, not cutting grass in permanent grassland for more than a year and establishing nectar collection areas for bees.

The measure is directed to the correct beneficiaries. The requirements conform to the measure's objectives. The applicant must follow not only the requirements provided but also ensure the entire holding's compliance with those requirements, the minimum requirements for use of fertilisers and plant protection chemicals, and the requirements for direct aid for establishing greenery.

The text of support rates states that support will not be paid for grassland where grass is not cut. Yet the text does not make it clear at all that EFM support would be paid for permanent grassland where grass has been cut and removed; support can be paid for farm crops and for grassland of up to 4 years. The text should be edited for clarity.

#### **Proposals to supplement the measure:**

- ▶ Supplement the output indicators by adding target levels for the most important indicators related to the measure's requirements (e.g. total area under legumes, certified seeds and winter plants, agricultural entrepreneurs having absolved training, etc.).

#### **Support for regional soil protection**

The measure's objectives are relatively well related to the ERDP's overall objectives. The measure's objectives are clearly worded, comprehensible and measurable. The measure's description is generally well connected to the problems stated in the situation description, except the topic of crop rotation which the ex-ante evaluator assesses to be unrelated to soil protection measure's activities and to be better reflected under the support for environment-friendly management. Concerning the SWOT analysis, the support for bringing lands with erosion and peat soils under permanent grass is related to the stated weakness or little voluntary use of environment-friendly production methods.

Potential problems can be caused by availability of suitable ameliorants (the ex-ante evaluator doubts the sufficient availability of ameliorants with a heavy metal content within allowed limits, and any ways to prevent price agreements of ameliorants between lime producers). A list of ameliorants with low CO<sub>2</sub> emissions will presumably be provided in the measure's implementation regulation.

The ex-ante evaluators consider the requirement to avoid over-grazing to be relevant because avoiding over-grazing is of critical importance to formation of strong grass turf especially in the context of peat soils.

The measure's description does not explain and justify sufficiently the logic of the obligation's duration, stating that the obligation must be followed for five or six consecutive calendar years on eroded and peaty soils and for four consecutive calendar years on acidic soils. We recommend providing a clearer justification for that requirement, because the usual duration of the obligation would be 5 years.

Pursuant to the EU Regulation on rural development, Article 29(8), agricultural support under environmental and climate measures shall not be granted in case of obligations included in organic production measures. The ex-ante evaluator assesses that organic producers would also need support related to eroded soils. A large proportion of organic producers is located in South Estonia on eroded soils and they probably also have cultivated peat soils. Although organic producers generally have on average nearly 80% of their lands under grass, some of them may be managing annual crops more intensively and thus facilitate even more severe reduction of fertility in those low-fertility soils due to erosion. Organic producers use significantly more fallow to reduce weed and this increases the probability of erosion more than ordinary producer's methods while also significantly increasing the mineralization of peat in peat soils.

Therefore, we recommend giving consideration to the possibility of the organic production measure granting organic producers support for bringing eroded soils and peat soils under permanent grass (e.g. as a selectable additional requirement), in order to enable organic producers also to apply for that support type.

It is recommended to clarify the following requirement: "The applicant must inform the Agricultural Department of starting works related to soil neutralisation" (it is currently unclear what those works are).

#### **Proposals to supplement the measure:**

- ▶ We recommend giving consideration to the possibility of the organic production measure granting organic producers support for bringing eroded soils and peat soils under permanent grass (e.g. as a selectable additional requirement), in order to enable organic producers also to apply for that support type.
- ▶ Justify better the requirement to take soil samples in the obligation's last year as this is important primarily for evaluating the measure.
- ▶ Clarify the measure's requirements related to the obligation's duration.

#### **Support for environment-friendly gardening**

This measure is related to the ERDP's overall objective "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry

with biodiversity, traditional landscapes and high nature value is ensured”. The measure’s objectives are clearly worded and the planned activities are described sufficiently in depth.

Relations to the SWOT analysis:

- ▶ Strengths: “The climate is suitable for environment-friendly production, agricultural land has retained many natural values (articulated farmlands, landscape elements) and the proportion of permanent grasslands incl. semi-natural habitats is high”.
- ▶ Weaknesses: “Little voluntary use of environment-friendly production methods, e.g. soil fatigue due to unsuitable production practices”.
- ▶ Threats: “Threats entailed in intensifying and concentrating of agriculture (environmental pollution, reduction of biodiversity, spread of plant and animal diseases)”.

Concerning environment-friendly management and gardening, the extent of contribution of the measure’s activities to environmental protection is questionable; yet the activities supported from the measure will definitely help achieve the ERDP’s overall objectives.

The applicant must follow not only the requirements provided but also ensure the entire holding’s compliance with those requirements, the minimum requirements for use of fertilisers and plant protection chemicals, and the requirements for direct aid for establishing greenery. In case of environment-friendly growing of vegetables and herbs and environment-friendly growing of strawberries, the applicants for the support must also account for the EFMs’ requirements because of it being an additional activity under the support for environment-friendly management.

The measure is directed to the correct beneficiaries. Previous ERDP programmes have not included separate support for environment-friendly gardening. The requirements conform to the measure’s objectives.

### **Support for growing local plant varieties**

The measure’s objectives are generally well related to the ERDP’s objectives and clearly and comprehensibly worded. The measure is directed to the correct target group of beneficiaries.

The support’s objective is to ensure preservation of local plant varieties important for cultural heritage and genetic diversity and to facilitate the establishment of new plantations with old local fruit and berry varieties. The related priority’s situation description states that a certain number of local varieties have been preserved in Estonia and that there is a so-called gene pool, the preservation of which should be facilitated and supported.

The measure’s justification lacks information about the size of the area currently used for growing various varieties and the so-called critical limit necessary to preserve a variety. Adding this information to the measure’s description would enable to better evaluate whether or not the planned measure helps achieve the objective. The proposed output indicators are also stated in total hectares, making it impossible to see how many supported hectares (and support funds) are planned for a

certain variety.

The measure's justification contains a sentence which is difficult to understand: "Põllumajanduskultuuride geneetilise ressursi kogumine ja säilitamine aastateks 2007-2013 arengukavas osalevate asutuste kollektsoonides säilitatakse põllukultuuride, köögiviljade, puuvilja- ja marjakultuuride ning ravim- ja maitsetaimede geneetilisi ressursse." (Approximate translation: "Collecting and preserving the genetic resource of agricultural crop cultures in collections of authorities participating in the Development Plan for years 2007-2013 preserve the genetic resources of crop cultures, vegetable, fruit and berry cultures and herbs.") This sentence should be reworded correctly.

The usual annual increase in the number of beneficiaries and supported hectares of the variety "Sangaste rye" has occurred during the current programming period, but interest has still been multiples times lower than expected and planned. The ARC's evaluation report for 2012 indicates that the reasons lie in the poor overall state of growing rye in Estonia – small fields being used and the resulting insufficient seed reserves, poor weather conditions, and little product development in the area of using rye. The ex-ante evaluator assesses that it is not clear whether and how sufficient reserves of certified seeds will be ensured in the new period (e.g. in 2012, as much as ~13% of the supported area of Sangaste rye was without certified seeds!) and whether and which other measures of the ERDP could aid in developing the area of using rye (e.g. whether there are plans for separately supporting the specific activity of growing certified Sangaste rye seeds).

It is very commendable that a large selection of new endangered varieties was added to the measure's requirements, but the long list raises a question of whether those varieties are actually available in sufficient amounts and whether the support amount really stimulates people to grow more of them. The ex-ante evaluators hereby highlight the risk that gardening associations may start artificially increasing the prices of plant sets of supported varieties.

### **Proposals to supplement the measure:**

- ▶ Supplement the measure's description with the present situation of growing the mentioned varieties (how big are the areas used to grow each variety). It is also recommended to state specific output indicators by varieties, enabling significantly better evaluating of the sufficiency of the ERDP's planned funds to achieve the objectives.

The ex-ante evaluator does not fully agree here with the reply of the Ministry of Agriculture which states that statistical data is available concerning crop cultures and that the evaluator can obtain that data from the relevant authorities if necessary. The issue here is not about evaluating the effectiveness alone but instead analysing the ERDP's overall contribution, to understand to what extent the measure could contribute to the preservation of local plant varieties important for cultural heritage and genetic diversity. Supplement the output indicators, stating the planned target levels by individual endangered varieties.

- ▶ Supplement the measure's description to make clear whether and how sufficient reserves of certified seeds of Sangaste rye will be ensured in the period of 2014-2020 – in other words, what will be done to stimulate the growers of certified seeds to grow Sangaste rye.

### **Support for farming endangered animal breeds**

The measure generally conforms to the ERDP's objectives, the support is directed to the correct beneficiaries and the implementation scheme helps reach the beneficiaries.

The support's objective is to ensure preservation of animal breeds which are endangered and considered important for cultural heritage and genetic diversity.

The related priority's situation description states that a certain number of local breeds have been preserved in Estonia and that there is a so-called gene pool, the preservation of which should be facilitated and supported.

The measure's description lacks justification of the need for the endangered breeds, i.e. the intended motivation to farm them. For example concerning endangered plant varieties, the measure's description mentions that those varieties are a good opportunity to develop environment-friendly enterprise, increase employment and diversify healthy foodstuffs available. The ex-ante evaluator takes into account the comment of the Ministry of Agriculture which states that the same justification is presented in the chapter on plant varieties so that it was considered unnecessary to repeat it in this chapter, so as to reduce the ERDP's overall volume.

It is very commendable that a separate additional payment is planned for keeping a landrace cow which participates in performance testing and also for yielding a thoroughbred calf of a landrace cow and for keeping a landrace bull.

### **Support for maintaining semi-natural habitats**

This measure is related to the ERDP's overall objective "Agricultural land use is environment-friendly and takes into account regional specificities; the preservation of agriculture and forestry with biodiversity, traditional landscapes and high nature value is ensured". The need to support the maintaining of semi-natural habitats is clearly detailed and the measure conforms well to the SWOT analysis.

Relations to the SWOT analysis:

- ▶ Strengths: "The climate is suitable for environment-friendly production, agricultural land has retained many natural values (articulated farmlands, landscape elements) and the proportion of permanent grasslands incl. semi-natural habitats is high".
- ▶ Opportunities: "Large proportion of areas under protection, existing mosaic use of land"

This measure is indirectly also related the strength "Rich historical and cultural heritage – national handicraft, national music, national food".

The chosen activities help achieve the objectives of improving the status of species related to SNHs and increasing the areas maintained and the maintained areas with agricultural animals. To a certain extent, the activities also help improve the quality of maintenance.

The measure's requirements related to eligible land and beneficiaries are relevant. The obligation period's duration (5/6 years) requires additional explanation, but the requirements will presumably be provided in more detail in the measure's implementation regulation. Possibilities should be analysed for relating this support to the measure of diversifying rural life.

The precondition for achieving this support type's target levels is that a sufficient amount of SNHs is brought into the state required for the support – the analysis does not indicate clearly whether enough resources are ensured (for research and also for funding opportunities) to contribute to restoration of the natural communities. Therefore the ex-ante evaluator highlights the risk that the support's target levels may not be realistic because there may not be enough resources to restore the natural communities. Concerning the above recommendation, the Ministry of Agriculture has referenced that alone in this ERDP period there were nearly 4,200 ha of SNHs where support for SNH was not applied for but instead other agricultural supports were applied for. It depends on the support rates of other support types, but it is not excluded that in the period of 2014-2020, SNH support will be applied for concerning those areas.

#### **Proposals to supplement the measure:**

- ▶ State separate output indicators as target levels by natural community types (not just the total size of supported areas). If the additional indicators are stated in a national document, include a sentence saying so at the table of indicators and target levels.

#### **Organic production**

The support type's objectives generally conform to the ERDP's overall objectives. The planned activities are feasible to implement and should help support the development of organic production and the competitiveness of organic producers, preserve and increase biological and landscape diversity, preserve and improve the soil fertility and water quality, and improve the well-being of animals.

At the same time, the measure's activities and objectives do not conform to each other. The measure's objectives have significantly wider and more general wording than the measure's planned activities, therefore the relation between activities and measures is not unambiguously clear. The measure's objective "Develop organic production and increase the competitiveness of organic production" is relatively generally worded and difficult to gauge like the previous objective. Support for organic animal farming would increase the proportion of animals, raw material from which is used for food. Therefore, omitting horses is justified because their raw material is not used for food in Estonia. Supports for milking cows will be increased by three times through the LU rate – this should increase the small proportion of organic cows, in turn increasing the market share of organic milk.

Concerning the objective “Preserve and increase biological and landscape diversity”, it is difficult to assess how the biological and landscape diversity will be preserved and increased with this measure.

One of the measure’s objectives is “Improve the well-being of animals”, but the measure does not include activities directly increasing the well-being of animals. The objective’s wording is unclear and no activities directly contributing to the objective are planned in that regard. According to the Ministry of Agriculture, farming animals pursuant to the organic production requirements directly increases the well-being of those animals; paying support on animals helps increase the number of animals with ensured well-being.

The measure is generally directed to the correct beneficiaries. A problem may appear concerning those beneficiaries whose intention is not to yield production but to obtain support and who therefore keep lands maximally under grass. The experience thus far has shown that indiscriminate subsidising of organic land does not achieve the objectives. Hopefully the significant reduction of the support rate for permanent grassland will help solve that problem.

Indiscriminate subsidising based on production units is not effective because it does not motivate the producers to yield more production and to make their production more efficient (to get more output from lower inputs). The objective is to develop organic production. Upon developing organic production, the main stress is on production; the current wording enables to simply base the support on area sizes and to increase those. Competitiveness is gauged by production’s effectiveness, efficiency, product quality or price as a comparison of competitors’ indicators. The ERDP’s overall objective is “developing the sector’s competitiveness”, therefore it should be stated more clearly how the support for organic production will increase the sector’s competitiveness. Supporting organic production should not be an objective in itself.

The measure’s working group discussed the notion that an individual object under protection for its natural or heritage value must not be damaged or destroyed even if it lies on a land receiving support for organic production (this is the base requirement of the EFM measure). But this notion has been left out of the ERDP’s text. It is recommended to add this requirement to other base requirements, similar to the EFM measure.

The basis for calculating the support rates for organic production is also unclear – it is recommended to provide the calculation basis as a table in the measure’s info sheet, similar to other area-based support types.

### **Proposals to supplement the measure:**

- ▶ The ex-ante evaluator assesses that the measure’s objective does not conform to the planned activities. It is necessary to state more clearly how the specific activities aid in achieving the objective (or to add more activities).
- ▶ The document should make it clear what the notion of “competitiveness of organic production” is intended to mean and how a support type based on product units will help increase organic production’s competitiveness and in a wider sense achieve the ERDP’s overall objective i.e. increase the agricultural sector’s competitiveness. Upon developing

organic production, the main stress is on production; the current wording enables to simply base the support on area sizes and to increase those. Competitiveness is gauged by production's effectiveness, efficiency, product quality or price as a comparison of competitors' indicators.

- ▶ The measure could incorporate a requirement that at least three different crop cultures must be grown on supported agricultural land of holdings and that the smallest proportion of a crop culture must be at least 5% of the eligible land, similar to the EFM measure. That would enable more varied crop rotation and would reduce the size of very large grasslands.
- ▶ Supplement the measure's base requirements with the requirement that an individual object under protection for its natural or heritage value must not be damaged or destroyed even if it lies on a land receiving support for organic production.

### **Natura 2000 support for agricultural land**

This measure relates to the ERDP's overall objectives, helping ensure the preservation of agriculture with biodiversity, traditional landscapes and high nature value; to a certain extent, the measure also supports the development of a competitive agricultural sector.

Relations to the SWOT analysis are clear:

- ▶ Strengths: "Agricultural land has retained many natural values and the proportion of permanent grasslands is high".
- ▶ Opportunities: "Large proportion of areas under protection, existing mosaic use of land" (yet the situation analysis does not make it clear why one is stated under strengths and other under opportunities).
- ▶ Threats: "Threats entailed in intensifying and concentrating of agriculture".
- ▶ Weaknesses: "Low competitiveness of agricultural producers compared to the EU average". Additionally, the support may help ensure agricultural activity in Natura areas in the future.

The wording of the measure's objective, the proposed activities and the support type's beneficiaries are relevant. Still, a more detailed explanation could be added about why it is important to support Natura 2000 areas.

The ex-ante evaluators highlighted that interest towards this support was weak in the period of 2007-2013. The question remains how the producer's interest towards this measure will be increased – based on the ARC's axis 2 report for 2012, a similar support (same requirements, same support rate) enjoyed the proportion of only 39% of the entire potential eligible land. Therefore we recommend giving consideration to stimulative activities to increase interest towards this support type. The ex-ante evaluators ask for clarification whether the support will be available for arable land located in protected areas. According to the comment sent by the Ministry of Agriculture to the ex-ante evaluators, the support is intended primarily for Natura 2000 agricultural and forest lands as

prescribed in the EU Regulation on rural development. Unfortunately, the comment does not make it clear whether the measure is intended primarily for Natura 2000 areas but can also be applied for concerning arable land in protected areas, or whether the latter is absolutely excluded. The ex-ante evaluators think that the support should extend to arable land in protected areas if that possibility exists because the restrictions for protected areas and for Natura 2000 areas are the same, therefore the same support should be provided.

### **Proposals to supplement the measure:**

- ▶ Clarify whether this measure's support can be extended to arable land in protected areas. If it is not excluded by the EU Regulation on rural development, we recommend giving consideration to this possibility.

### **Natura 2000 support for private forests**

The measure's objectives conform to the ERDP's overall objectives, are in logical relation to those and aid in their achievement. The measure's objectives are worded clearly and comprehensibly; the chosen activities enable to achieve the defined objectives. The measure is directed to the correct beneficiaries and the eligibility requirements conform to the measure's activities and objectives.

The measure conforms to the problems stated in the situation analysis.

### **Support for animal well-being**

The measure's overall objective is to increase the awareness of animal farmers about the well-being of animals and to support those agricultural producers who fulfil higher requirements for animal well-being, thereby improving the well-being and health of animals and ensuring more natural keeping conditions for them. These objectives conform to the ERDP's overall objectives.

The topics of animal well-being are well reflected in the situation analysis. The measure is primarily related to the weaknesses stated in the SWOT analysis concerning low competitiveness of producers and insufficient economic opportunities for additional investments (incl. investments into environment protection) and, concerning the requirement for outdoor grazing of animals, also the weakness of little voluntary use of environment-friendly production methods.

As a general remark it can be noted that the (base) requirements related to this support type are already regulated, therefore it is difficult to propose additional special requirements for the support. As one of the support's main objectives is increasing the producers' awareness about animal well-being, it is not justified to leave the training requirement to be only optional for the producers. It is also not clear what the training requirement contains. In its current form, the measure's activity does not fully conform to its objective and we recommend bringing training in as a main requirement. If this is hindered by restricted resources then limit the training in case of extending the support, at the level of the implementation regulation (for example so that training would take place after every 2-3 years).

A notable risk is that as certain requirements prescribe increasing the rooms for keeping the animals and in many cases this cannot be done without a possibility for a large investment, the result could be a decrease of the number of animals (elimination due to space constraints). Based on the animal farming support experience of the ERDP 2007-2013, it can be said that it is very important to know the grazeable grasslands as this would enable to estimate the distribution (stocking densities) of grazing animals by rural municipalities, in turn giving a better understanding of the actual environmental load and the support's effect. Based on the animal farming support experience of the ERDP 2007-2013, it can be said that additional information about grazeable grasslands (e.g. geographical locations) is very important when evaluating the measure's effect and as the ARIB has the opinion that the application form cannot be weighed down with information not necessary as an eligibility requirement, consideration should be given to establishing an additional optional requirement for those applicants who would be willing to provide information about grazing, e.g. via the ARIB's electronic environment. It is also necessary to gather the information about all horses bred in Estonia into a single register or other authority or association administrating the data – in addition to granting support, the data of horses bred in Estonia are also needed to assess the actual number of horses and their stocking density (e.g. on SNHs or on grazeable grasslands under the support for animal well-being).

## **Co-operation**

The measure's objectives conform to the ERDP's overall objectives, are in logical relation to those and aid in their achievement. The measure also conforms to the problems stated in the situation analysis as well as to the SWOT analysis.

The measure's objectives are worded clearly and comprehensibly and the chosen activities enable to achieve the defined objectives. The measure is directed to the correct beneficiaries and the eligibility requirements conform to the measure's activities and objectives. Upon successful implementation of the EIP, funded networking activities will result in synergy between local actors and also in cross-border co-operation (exchange of experience and best practices with foreign countries).

## 2.5 Evaluation of proposed forms of support

The ex-ante evaluation's objective in this respect was evaluating the justifications and base principles provided for the proposed forms of support in the ERDP. The evaluation included the planned measures for achievement of the Development Plan's objectives, and analysed what information was taken as a basis for the measures. It was evaluated whether the chosen measures and the planned activities and intervention logic under those measures help achieve the defined objectives. It was also evaluated whether the measures are balanced with the objectives.

The analysis was performed by measures, taking into account the intervention logic and the assumptions that the logical model is based on. To evaluate the support rates, the ex-ante evaluator analysed not only the data provided in the draft ERDP but also the materials of the groups preparing the ERDP concerning the support rate calculations.

Evaluation of the forms of support proposed in the measures is related to the following clause of the ex-ante evaluation's technical specification:

### Technical specification, clause 2.3.2

8) Justification for the proposed form of support

### Clarifying questions for the analysis were as follows:

- ▶ To what extent is the proposed form of support (non-returnable aid, financial engineering means, etc.) conforming to the specific measure, the measure's activities and specific objectives? Is the chosen form of support the best for this measure or are there any other solutions worth giving consideration to?
- ▶ How competently are the support rates determined? Do they aid in achieving the measure's objectives?

The following presents the observations made in the course of the analysis, by measures.

### Knowledge transfer and awareness

The proposed form of support conforms to the specific measure, the measure's activities and the specific objectives.

100% funding from the ERDP is not always suitable when implementing training activities. The participants could be required to self-finance part of the training's cost, to ensure the training's high quality and actual participation of people in it. Experience has shown that partial self-financing can be a significant motivator ensuring that registered participants appear for the training and that they

have higher quality expectations for the training's content. Through this, it is in turn possible to influence the organisation and content of trainings. Differentiation of the self-financing proportion could be established according to the field of training. The general principle could be lower self-financing part for trainings with higher public sector interest and higher self-financing part for trainings with higher participant/private sector interest.

### **Support for consultation services**

Support for consultation activity helps increase the availability of consultations, as the ERDP is stating the problem of low financial capability to pay for the service. Yet it may not be best to direct the support directly to the service providers, although this is exactly the scheme prescribed by the EU Regulation 1305/2013. (Paying the support to the beneficiaries or their representatives would preclude a conflict of interests and the risk of possible frauds would decrease significantly.) The ex-ante evaluator assess that this is a possible risk that should be minimised as much as possible, both in planning and implementation of the measure.

### **Participation in a quality scheme and promotion of products produced under quality schemes**

For this measure, it is not entirely clear whether and how the support will factually aid in providing added value to agricultural products. The current programming period's experience and the measure's low success thus far should be taken into account when redesigning the support for the ERDP's 2014-2020 period.

### **Investments into improved performance of agricultural holdings**

The form of support (investment support) is relevant and conforms to the regulation. The beneficiaries are producers fulfilling requirements for environment protection, food hygiene and animal well-being.

### **Investments into processing and marketing of agricultural products**

The ex-ante evaluator assesses that the form of support and the support rates are relevant for the measure.

### **Developing and preserving farm and forestry infrastructure**

The proposed form of support conforms to the specific measure, the measure's activities and the specific objectives.

### **Support for restoring stonewalls**

The proposed form of support conforms to the specific measure, the measure's activities and the specific objectives.

### **Initiating the activity of young agricultural producers**

The form of support – financial support, of which 50% must be invested – is a suitable approach. The support rate is suitable. It can also be said that during the implementation of the ERDP 2007-

2013, this measure's support has been even too attractive for the applicants, as there have been more applicants and parties formally fulfilling the requirements than the actual number of young agricultural producers committed to rural life and agriculture whom the support could be directed to in reality.

### **Investments into diversification of non-agricultural economic activity in rural regions**

The proposed form of support conforms to the specific measure, the measure's activities and the specific objectives.

Proposals to supplement the measure:

- ▶ The ERDP 2014-2020 measure "Investments into diversification of non-agricultural economic activity in rural regions" focuses on the aspect of investment needs in supporting rural enterprise. By using this measure to also support the re-training of people released from the agricultural sector and to motivate e.g. co-operation between holdings, it would be possible to address other problematic areas of rural enterprise as well.

### **Improving the economic and ecologic viability of forests**

The proposed form of support is relevant and conforms to the measure.

### **Processing and marketing of forestry products**

It is important to avoid creating unequal conditions for market participants and increasing specificities of competitiveness when granting support under this measure. Association activity and co-operation should rather be supported. Granting support to individual holdings should be justified better.

### **Creating producer groups**

The proposed form of support is relevant and conforms to the measure.

### **Agri-environmental support**

As a general note concerning support rates of the AES, the ex-ante evaluators recommend providing justifications for the different support rates: e.g. under the measure "Support for farming endangered animal breeds", the support provides 30% compensation in case of landrace bovine and 50% compensation in case of quail.

### **Support for environment-friendly management**

The form of support is suitable and the proposed funding volume for support of specific activities is estimably sufficient.

### **Support for regional soil protection**

The form of support is suitable and the proposed funding volume for support of specific activities is estimably sufficient.

### **Support for environment-friendly gardening**

The form of support is suitable and the proposed funding volume for support of the measure's activities is estimably sufficient.

### **Support for growing local plant varieties**

The form of support is suitable and the proposed funding volume for support of specific activities is estimably sufficient. But the measure's info sheet lacks the basis for calculating the support amounts – the basis for the unit rate should be provided here, similarly to other AES measures.

### **Support for farming endangered animal breeds**

The form of support is suitable and the proposed funding volume for support of the activities is estimably sufficient.

### **Support for maintaining semi-natural habitats**

The form of support is suitable. The proposed funding volume for support of the measure's activities is estimably sufficient.

### **Organic production**

If the differentiation of support units between crop cultures and permanent grasslands leads to an increase of the proportion of crops grown for food and an increase of the number of organic animals then it can be said that the measure's activities have influenced the objective of increasing the organic market to a certain extent.

On the other hand, reducing the support units somewhat when compared to the previous period's rates may also decelerate the growth and development. Still, a high-speed growth of organic production is not the main objective anymore. The important aspect is increasing the marketable proportion of organic products. The measure's info sheet omits the support rate calculation methodology – this should be provided in short summary like under other measures of the ERDP.

Granting support by hectares does not bring in new market participants, does not increase production and does not influence positively the development of organic production.

### **Natura 2000 support for agricultural land**

The form of support is generally suitable for the measure. The ex-ante evaluator notes the following observation concerning support rates:

- ▶ The scope of restrictions established for Natura 2000 areas and therefore the effect on environment depends primarily on the Natura 2000 area's strictness level, therefore it would be logical to define different support rates for areas with different restrictions.

### **Natura 2000 support for private forests**

The proposed form of support conforms to the specific measure, the measure's activities and the

specific objectives. The support rates are defined competently and they aid in achieving the measure's objectives. The measure's funding volume is sufficient.

### **Support for animal well-being**

Certain requirements prescribe improving the conditions of keeping the animals, which cannot be achieved without investments. Concerning the additional requirement for training, it is not clear whether the applicants need to participate in training every year or just once in the obligation's period to receive the stated amount (75 EUR per year).

### **Co-operation**

The proposed form of support conforms to the specific measure, the measure's activities and the specific objectives.

## **2.6 Evaluation of the budget's conformity to the defined objectives**

This chapter provides an evaluation to the planning of the Development Plan's budget funds. The ex-ante evaluation analysed on the one hand, whether the proposed funding of the chosen support measures is justified and on the other hand, whether the allocation of budget funds conforms to the Development Plan's objectives. This means evaluating the conformity between funds and objectives.

Additionally, the potential effectiveness and efficiency of the support types was analysed. It was evaluated whether the funding plan ensures a potentially maximum effect and whether it is done by using the support funds with maximum efficiency or whether it would be possible to achieve the planned results with less expenditure.

### **Evaluation questions:**

#### **Technical specification, clause 2.3.2**

3) The budget allocation's conformity to the Development Plan's objectives.

#### **Technical specification, clause 2.3.3**

##### 2.3.3.2. The funding plan:

- 1) Is it justified to fund the chosen priorities and support measures from the rural development funds?
- 2) Are any changes needed in the funding plan, to achieve the maximum effect concerning the state's development needs as a whole and also each individual sector?
- 3) Does the provided funding plan enable the most efficient use of the support funds? How can the efficiency of using the funds be maximised?
- 4) Does the funding plan stated in the ERDP 2014-2020 enable to achieve the objectives considering the maximum financial efficiency?

For all measures, it is recommended to supplement the ERDP with calculations/base data, based on which the funding plan and the measure's support rates and planned target levels are defined.

The following presents the observations made in the course of the analysis, by measures.

**Knowledge transfer and awareness** – Additional information about the measure's expected results and the relevant target levels is needed to provide an exact evaluation of the measure's budget.

**Support for consultation services** – The measure's info sheet must be supplemented with additional information about the justification of support rates. Up to 100% support for the use of consultation services by small agricultural producers in the extent of up to 10 hours per calendar year is not sufficiently justified from the viewpoint of efficient use of the measure's funds. The text lacks an explanation why the supported service volume is defined as 10 hours. It is also not explained whether the extent of 10 hours is valid for both small holdings (e.g. EUR 4,000 of turnover) not planning to increase their turnover as well as large holdings (e.g. EUR 99,000 of turnover) planning to take serious development steps. The efficiency of using the funds cannot be evaluated if the funding rates planned for 10 hours of consultations are not known.

**Participation in a quality scheme and promotion of products produced under quality schemes** – The funding volume cannot be evaluated because it is not clear whether the activities will lead to the objective; also, there are no relevant indicators.

**Investments into improved performance of agricultural holdings** – In the current form, the measure and its funding are not based on needs. The ERDP's text provided for the ex-ante evaluation did not contain clear target levels for the effects and activities and lacked the calculations/logic based on those for reaching the funding. Therefore it is not possible to evaluate the measure's funding volume on the basis of the existing information.

**Investments into processing and marketing of agricultural products** – It is not possible to evaluate the measure's funding volume on the basis of the existing information.

**Developing and preserving farm and forestry infrastructure** – The support rates are defined competently and they aid in achieving the measure's objectives. The measure's funding volume is sufficient.

**Support for restoring stonewalls** – The measure's funding volume is sufficient.

**Initiating the activity of young agricultural producers** – It is not possible to evaluate the measure's funding volume on the basis of the existing information.

**Investments into diversification of non-agricultural economic activity in rural regions** – It is difficult to evaluate the sufficiency of the measure's funding volume because the measure's focus is unclear and no objective is defined that would be unambiguous and measurable.

**Improving the economic and ecologic viability of forests** – The support rates are defined competently and they aid in achieving the measure's objectives. The measure's funding volume is sufficient.

**Creating producer groups** – The support rates are defined competently and they aid in achieving the measure's objectives. The measure's funding volume is sufficient.

**Agri-environmental support measures** – The funding plan of AES measures has been clarified in terms of various measures. Clarifications have been made for support rates, the basis for calculating the unit rates have been added. The comment concerning the measure “Support for growing local plant varieties”: a little smaller hectare rate (earlier EUR 32.8, now EUR 32 per ha) is planned for Sangaste rye from this period’s support rate. It is difficult to evaluate the sufficiency of the measure’s total funding volume – for Sangaste rye, it is probable that support payments will continue for the same-sized area (~1100 ha, annual total volume of ca. EUR 33,300). As the hectare rate calculations for varieties are absent, it is difficult to evaluate their adequacy and the calculations of revenue lost and additional expenditure.

**Organic production** – It is probable that more applications will be filed for this measure in the next period than the planned budget enables to pay.

**Natura 2000 support for agricultural land** – The measure’s funding volume is sufficient. In terms of overall accounting of funding volume, surplus of funds occurred in the current programming period; therefore, the next budget period’s total amount (target level in terms of hectares) has been reduced and this is well justified.

**Natura 2000 support for private forests** – The measure’s funding volume is sufficient.

**Support for animal well-being** – The measure’s funding volume is sufficient.

**Co-operation** – The measure’s funding volume is sufficient.

#### **Additional observation concerning the ERDP’s funding plan:**

The funding plan is unclear concerning the measure “Main services and village renewal in rural regions” which the ERDP’s plan of measures does not describe but which is included in the funding plan and stated in the chapter on financial instruments. According to the management authority’s information, the measure is listed in the funding plan because the chapter on financial instruments refers to the relevant article, therefore the respective measure’s budget line should be filled in. Yet it is currently unclear how (and whether) it is possible to implement the financial instrument if the specific measure is not provided in the ERDP.

## **2.7 Evaluation of the LEADER measure’s requirements**

The ERDP 2014-2020 states that for the main part, the Leader measure will continue on the basis of the 26 action groups formed by now. Yet it is not excluded that the staffing of action groups may change and some action groups may be added or removed.

In the current programming period, the Leader measure has supported many initiatives that went on to be successful.

The ex-ante evaluation cannot assess the risk probability of the Leader funds being dispersed and the measure’s effect remaining modest, but we certainly recommend paying attention to this aspect in the current Leader measure’s intermediate evaluation and in planning the measure for the new period.

It should be described in more detail and analysed how important the contribution of the Leader

approach and the action groups has been in directing the local development (participation in planning the LGs' spatial development and investments) and the availability of what local services the Leader approach has contributed into.

We recommend that upon preparing the Leader strategy and choosing projects, activities be preferred where the investment of the Leader measure's funds will bring considerable additional investments from other sources, e.g. local government, holdings, participants in an event organised in the framework of the project, etc.

## **2.8 Evaluation of requirements concerning national rural networks**

The draft ERDP 2014-2020 describes the national rural network's objectives and action plan in very general terms:

The main objectives of the rural network's activities are to provide added value to the ERDP's implementation, increase the involvement of related groups and inform the wider public of the rural development policy as well as facilitate promotion of innovation in agriculture.

The draft ERDP prescribes that the budget intended for management of the rural network and performance of the action plan is up to 8.5% of the technical assistance funds, equally for each year of the programming period. But as the objectives of the rural network's activity are vaguely worded, the planned activity's purposefulness and cost efficiency cannot be evaluated.

The rural network's action plan lists various activities but does not indicate what specific results are planned to be achieved with developing the rural network. The draft ERDP does provide a list of indicators used for monitoring the results of the national rural network's activity, but the expected target levels are not provided for them.

In a discussion at the evaluation expert committee's meeting on 20.11.2013 it was stressed that the obligatory indicators prescribed by the EU will be taken into use for the rural network and the TA, but they will remain based on output indicators and no target levels are expected to be defined for them.

The ex-ante evaluators retain a dissenting opinion concerning this. It is commendable to define output indicators but we still recommend defining expected target levels for all activities, incl. rural networks and the TA.

## **2.9 Evaluation of the use of technical assistance funds**

**The evaluation questions for the analysis were as follows:**

- ▶ Is the volume of TA funds sufficient for performing the programme authority's tasks in the next programming period?

- ▶ Is the planned distribution of TA funds relevant across cost types?

In addition to document analysis, interviews with representatives of the Ministry of Agriculture, the ARIB and the RERC were conducted to obtain additional info about the use of TA.

The ERDP's use of technical assistance and the funding of the activities of the programme's structures to be implemented are regulated by the Rural Development Regulation, Article 51. The planned total amount of EU co-funding for the ERDP's technical assistance is EUR 29,035,462, making up 75% of the funding volume. The total amount of technical assistance together with Estonian government's co-financing is EUR 38,713,950.

Through technical assistance, the EAFRD supports the activities related to the ERDP's preparation, management, monitoring, evaluation, informing and verification. Up to 4% of the total amount prescribed for the ERDP may be used for the aforementioned activities.

A summary plan of the ERDP's technical assistance is prepared each year for the use of technical assistance funds, including a budget distribution and summary cost type descriptions of the main activities of the ERDP's implementation authorities.

Concerning the percentage distribution of technical assistance funds, the draft ERDP includes more detailed information only for the rural network to be implemented by the Rural Economy Research Centre. The budget intended for management of the rural network and performance of the action plan is up to 8.5% of the technical assistance funds, equally for each year of the programming period. Throughout the programme, the budget intended for management must not exceed the proportion of rural network's total budget stated in the Rural Development Regulation.

The ERDP lacks any information about the cost types or planned distribution and use of technical assistance funds of other authorities related to the programme's implementation.

Taking into account the total amount of technical assistance funds for the ERDP 2007-2013 (EUR 38,115,139), the volume of technical assistance in the new period is generally the same. Interviews conducted with representatives of the programme authorities showed that a possible surplus of TA funds (possibility to perform tasks with less funds) is out of the question for the next programming period because the volume of administrative and evaluation tasks related to the implementation will rather grow.

Based on the additional information gathered, the interviews conducted and the evaluation results of this programming period, it can be said that continuing with a similar implementation system in the next programming period, the distribution of TA funds is relevant and the volume of those funds has estimably increased. Rather, the ARIB pointed out a possible problem of shortage of state budget funds for the authority's everyday activities. For example, ca. 50% of the ARIB's budget for economic costs is made up by the ERDP's TA funds, meaning that as much costs as possible need to be covered from the ERDP's TA funds to ensure the ARIB's functioning. As a result, a high probability exists for eligibility-related problems to occur and the ARIB's administrative load will increase due to reclaiming the ERDP's TA funds.

## **Recommendations to supplement the Development Plan**

- ▶ It is recommended to supplement the measure's info sheet with support for investments and to clarify the content of investments in the measure's regulation.

## **2.10 Recommendations for the programme's relevance and coherence**

General recommendations concerning the programme's relevance, internal and external coherence and intervention logic are as follows:

- ▶ Objectives at all levels of the programme should be measurable, should reflect the intended changes and be compliant with the SMART criteria
- ▶ It is recommended that the statistical and introductory information stated in the measures' justifications be moved to the chapter on situation analysis
- ▶ It is recommended that the ERDP also state the Development Plan's relation and contribution to the EU Common Agricultural Policy's objectives
- ▶ The funding volume of many measures cannot be evaluated without additional information (due to the problem that the achievement of objectives cannot be gauged)

### 3. Gauging the programme's effectiveness

Under this block of topics we evaluated how well the planned schedule of indicators and the monitoring and evaluation system support the Development Plan's implementation. We analysed whether the indicators used for assessing the Development Plan's results are clearly and comprehensibly defined, whether they are relevant and sufficient (i.e. help gauge the achievement of the defined objectives) and whether the target levels of the indicators are realistic i.e. achievable. In addition to being related to the Development Plan's objectives, indicators must also be logically related to each other. Therefore it is important to also keep in mind the hierarchical relations between indicators. Output indicators gauging specific activities must be related to result indicators showing the direct results achieved with the activity. Result indicators must be logically related to impact indicators referring to the activity's long-term effects.

Another aspect evaluated under this block of topics was the monitoring and evaluation system as a whole, i.e. we analysed whether the monitoring and evaluation system enables to collect data for all indicators required by the European Council and needed at the national level, whether the volume of indicators is optimal, and whether the manner and methods of data collection are suitable to perform supervision and evaluation of the Development Plan.

**Evaluation questions under this block of topics (pursuant to the technical specification of the ex-ante evaluation's procurement):**

#### **Technical specification, clause 2.3.2**

- 5) Relevance and clarity of the presented Development Plan's indicators;
- 6) How the assumed outputs will help achieve the results;
- 7) Whether the indicators' quantified target levels are realistic, considering the planned support from the common strategic framework's funds;
- 10) Suitability of the processes and collection of data needed to perform the Development Plan's supervision and evaluation (incl. suitability of databases used);
- 11) Suitability of the chosen intermediate objectives for the performance framework.

#### **Technical specification, clause 2.3.3**

##### 2.3.3.4. Monitoring and evaluation:

- 1) Are the proposed indicators relevant and easily collectable / available and gauge the achievement of relevant objectives, in logical hierarchical relations and achievable?
- 2) Are the proposed target levels i.e. objective indicators relevant, available and realistic?
- 3) Does the monitoring and evaluation system being created enable to collect all indicators required by the European Council and needed at the national level and thereby to evaluate the Development Plan's outputs, results and effect?
- 4) Are the defined national indicators sufficient (in addition to the obligatory indicators) to gauge the Development Plan's results and effect or are there any additional national indicators that need to be defined and if yes then which ones?

### 3.1 Evaluation of relevance and quantitative target levels of indicators

Pursuant to the common monitoring and evaluation framework, the indicators to gauge the programme's effectiveness and progress are defined at various levels as follows:

- ▶ output indicators at the level of measures
- ▶ result indicators at the level of target areas
- ▶ impact indicators at the level of priorities

Upon programming the ERDP 2014-2020, the Ministry of Agriculture is guided by the common monitoring and evaluation framework and the system of indicators officially agreed between the EU Member States and the EC. The ex-ante evaluators reviewed the existing schedule of indicators, focussing on evaluating the system of indicators as a whole and on identifying and highlighting the shortcomings found in that regard. It is important for evaluation of the intervention logic and the later effectiveness of the programme, whether the defined indicators enable to show the contribution to achievement of the objectives. If the indicators are lacking in that regard, any later evaluations concerning the results of the programme's implementation may turn out to be problematic.

**We focussed on the following questions upon evaluating the programme's indicators:**

- ▶ Are the proposed indicators comprehensible and easily collectable / available (compliant to the SMART criteria)?
- ▶ Are there any indicators that need to be added / removed? If yes then which ones?
- ▶ How well do the output indicators conform to the measure's activities? Do the output indicators provide a good overview of the activities?
- ▶ Will the planned activities lead to the planned outputs? What external factors could affect the performance of the indicators?

In the course of the ex-ante evaluation, we verified the existence of all relevant indicators in the programme document and their relations to the correct level, as well as relations to the hierarchy of objectives and to the rural development's priorities and focus areas. The so-called *SMART-and-CLEAR* verification was used to evaluate the clarity and comprehensibility of indicators.

The analysis of the indicators' relevance is related to the evaluation report's Chapters "Evaluation of the programme's intervention logic" and "Evaluation of the expected contribution of chosen measures to the achievement of objectives".

The following presents our assessments given to the measure-level indicators, based on the draft ERDP dated 18.01.2014. In many cases, these are recommendations to supplement the output indicators with additional indicators enabling to evaluate the effectiveness of the measure's implementation and its contribution to achievement of the measure's objectives.

## **Knowledge transfer and awareness**

The measure's overall objective is to aid in bioeconomy's development by facilitating the development of holdings and their employees and the spreading of new knowledge. For several activities of different nature, unified indicators of the number of participants in activities, the number of projects and the volume of funding are used, which are stated in the EC's prescribed monitoring and evaluation framework as the measure's output indicators. In reality, these indicators are input indicators and although they conform to the measure's activities, are comprehensible, easily collectable and provide a certain overview of the activities conducted, it is not possible to evaluate the results or effects of the activities on their basis. The proposed monitoring indicators i.e. the number of participants in the activity and the number of projects supported provide a quantitative assessment to the measure's activities but do not characterise the measure's effect on bioeconomy's development. When defining target levels, a comparison with the previous ERDP's respective indicators could be provided.

## **Support for consultation services**

The existing output indicators are comprehensible and easily collectable as well as available. Yet the indicators do not describe the consultation network's work becoming more effective or attaining higher quality. The indicators are only related to service providers and the funds reaching them. The output indicators do not show the measure's actual essence i.e. whether sustainable and effective management has been achieved or whether the availability of consultation services has been ensured. Based on those indicators, it will be difficult to evaluate upon later implementation of the programme whether the service quality is better than before. The number of holdings planned to be advised is defined as an additional target level, pursuant to the ex-ante evaluator's recommendation.

## **Participation in a quality scheme and promotion of products produced under quality schemes**

Although the output indicators are comprehensible and easily collectable / available, they do not provide an overview of the measure's real activities because the number of projects may not show unambiguously the actual effect on marketing and thereby on the food delivery chain's functioning.

It is recommended to add indicators related to the beneficiaries (number of agricultural producers or their production volume/proportion) or to the effect on marketing (proportion of products in the market or proportion of purchase preference in the target group).

## **Investments into improved performance of agricultural holdings**

Although the output indicators are comprehensible and easily collectable / available, they do not provide an overview of the measure's activities and do not enable to evaluate the results at a later stage. It is recommended to add indicators describing the achievement of objectives and the effectiveness of the measure's activities.

## **Investments into processing and marketing of agricultural products**

The measure's indicators do not describe the activity or the results in relation to the objective. It is necessary to add indicators based on the objective: a competitiveness indicator, an indicator of the proportion of primary producers participating, etc., enabling to evaluate the changes achieved

through the measure.

### **Developing and preserving farm and forestry infrastructure**

The measure's overall objective is to increase the cultivation value of profit yielding land and to ensure purposeful use through reconditioned drainage systems and access roads. The monitoring indicators, defined as the number of projects supported for the activity and the volume of investment, provide a quantitative assessment to the measure's activities, but do not characterise the effect in terms of achieving the measure's objective.

### **Support for restoring stonewalls**

The output indicators (the number of kilometres of restored stonewalls, the number of supported beneficiaries and the amount of public sector expenditure) are comprehensible and easily collectable quantitative indicators.

### **Initiating the activity of young agricultural producers**

Although the provided output indicators are comprehensible and easily collectable/available, they do not provide an overview of the measure's activities and do not enable to evaluate the results at a later stage. It is recommended to add indicators describing the achievement of objectives and the effectiveness of the measure's activities.

### **Investments into diversification of non-agricultural economic activity in rural regions**

The output indicators conform to the supported activities and depend directly on the activities supported under the measure. The indicators are unambiguous and easily collectable. But the indicators' target levels do not enable to assess the effect achieved by the measure, therefore the ex-ante evaluators recommend adding relevant result indicators to the measure.

### **Improving the economic and ecologic viability of forests**

The output indicators conform well to the measure's activities; the proposed indicators are comprehensible, easily collectable and provide a good overview of the activities. But the indicators' target levels do not enable to assess the effect achieved by the measure, therefore the ex-ante evaluators recommend adding relevant result indicators to the measure. As one of the more important aspects under this measure is supporting improvement cuttings, the indicators could be the supported area of improvement cuttings and the number of forest ownerships.

### **Processing and marketing of forestry products**

The proposed monitoring indicators i.e. the number of supported projects and the investment volume provide a quantitative assessment to the measure's activities, but they do not characterise the measure's effect in achieving the measure's objectives. Where the overall objective is added value and increased sales volumes of holdings active in processing and marketing of forestry products, the proposed indicators should also enable to gauge it.

### **Creating producer groups**

The output indicators conform to the measure's objectives and activities and are comprehensible, collectable and available. The planned activities will lead to the outputs. Consideration could be given to adding an indicator of market proportion in the sector as of the programming period's beginning and end (increase of market power).

The measure's target level "150 holdings belonging into supported producer groups" seems unjustifiably low, considering the number of actors in the agricultural sector and the planned budget.

### **Support for environment-friendly management**

Concerning the AES measures, the ex-ante evaluator's proposals to clarify the indicators (e.g. to state not only the total area but also the individual areas of the most important special activities, etc.) have not been heeded. Although the Ministry of Agriculture's replies to the ex-ante evaluator's proposals stated that more precise target levels will be defined in national documents, it is still recommended to add an explanatory sentence to each measure, before the table of monitoring indicators and target levels, stating that the more precise (detailed) indicators, incl. impact indicators will be defined with national documents.

The output indicators are comprehensible, easily measurable and collectable, but do not help gauge the objectives related to the specific measure. To evaluate the measure's effectiveness, it is important to map the indicators characterising the measure. It is recommended to supplement the national schedule of indicators with impact indicators enabling to evaluate the support type's environment-friendliness.

A minimum number of output indicators are proposed. The ex-ante evaluators also recommend monitoring separately the total areas under legumes, certified seeds and winter plants, as well as the number of entrepreneurs having absolved training (this is related to the objective of increasing environmental awareness).

### **Support for regional soil protection**

The target levels of the objectives defined (in terms of both producers and hectares) are unclear – as only those farmlands are eligible where at least 50% of soil is eroded, peat soil or acidic soil, the target levels for the size of supported area seem too high.

### **Support for environment-friendly gardening**

The output indicators help gauge the ERDP's overall objective (ca one half of agricultural land is covered by environment-friendly agricultural land); the indicators are easily measurable and collectable.

But the output indicators do not help gauge the achievement of the specific measure's objectives. To evaluate the measure's effectiveness, it is important to map the indicators characterising the measure. There are also no indicators to assess the overall objective of the AES, e.g. an increase of environmental awareness, the number of participants in training, etc. For example, it should be clarified how the overall AES objective – preserve and increase biodiversity and landscape diversity – will be evaluated (by observing the increased number of species, any indicators of landscape

diversity). It is recommended to add the relevant indicators into the national schedule of indicators.

### **Support for growing local plant varieties**

The indicators provided for beneficiaries and supported hectares/plant sets are realistic. The output indicators are simple and easily collectable from the support statistics. Still, the indicators are not sufficient to evaluate the measure – indicators should cover all varieties which the measure is intended to protect.

### **Support for farming endangered animal breeds**

The proposed output indicators are relevant and easily collectable. It is recommended to keep separate accounts of target groups related to additional supplementary payments (the number of cows participating in performance testing, cows having birthed thoroughbred calves, supported landrace bulls in the breed register). The number of animals should be more important in achieving the measure's objectives than the number of farmers.

### **Support for maintaining semi-natural habitats**

The proposed indicators are easily measurable and collectable. But the output indicators are not sufficient to evaluate the measure's effectiveness and do not help gauge the specific measure's objectives.

The forecasted target levels are relatively realistic – as the eligibility requirements are not much stricter than in the current period, the target of 35,000 ha seems realistically achievable (in 2012, the relevant figure was ~26,000 ha).

As this measure strongly facilitates the achievement of the Nature Protection Development Plan's objectives concerning semi-natural habitats, we propose monitoring the payment of support by various habitat types (natural community types) as well. If possible, consideration should also be given to tracking the monitoring indicators of areas with cut grass and areas under grazing (because one of the support type's objectives is to increase the number of grazed SNHs).

### **Organic production**

The proposed indicators are easily collectable but **the indicator's target levels are set too low** (except the number of farm birds being too high and the number of beehives having a suitable target level). Several of those are estimably already achieved in 2013 (for example the size of supported land) or will be achieved in the next few years. If the indicators' target levels were defined by funds and those are restricted then the logic is understandable but it results in no notable developmental leap in the new period.

The indicator "Total size of supported area (ha)": pursuant to the ARC's ongoing evaluation's report of February 2013, the total size of supported organic farmland in 2012 was 124,556 ha and the size of supported land has grown by 9,000-10,000 ha per annum in recent years. The relevant indicator's target level should be increased.

The indicator "Number of supported animals by species":

- ▶ The target level defined for farm birds (25,000) is too optimistic when looking at the previous level indicators. Pursuant to the ARC's report, there were 7,680 supported farm birds in Estonia in 2012; this is an increase by 1,408 birds compared to 2011.
- ▶ The list of target levels has omitted rabbits as supported animal species.

For this measure, consideration could be given to defining a national indicator as e.g. an increase of the amount of manure used per hectare of arable land (comparing the starting and ending years of the producer's obligation period).

### **Natura 2000 support for agricultural land**

The indicators are easily gauged, but it remains unclear how the measure's proposed target levels were defined. It is recommended to avoid defining target levels like 23,441 ha – the numbers should be rounded.

### **Natura 2000 support for private forests**

The output indicators conform very well to the measure's activities; the proposed indicators are comprehensible, easily collectable and provide a good overview of the activities.

### **Support for animal well-being**

The output indicators conform well to the measure's activities; the proposed indicators are comprehensible and easily collectable (from the ARIB's registers of animals and support payments). It should be clarified under the measure where the data about horses are taken from (there is currently no register for that).

### **Co-operation**

The proposed monitoring indicators i.e. the number of supported projects and the investment volume provide a quantitative assessment to the measure's activities, but they do not characterise the measure's effect in achieving the measure's objectives (increasing the production and processing of agricultural products, improving the private forestry sector's sustainability, quickening the innovation in agricultural, food production and processing as well as forestry sectors).

## **3.2 Evaluation of the performance framework's suitability**

In this chapter, we evaluated the performance framework provided in the draft ERDP's Chapter 7 and the possibility of achieving the target levels of indicators stated there.

For EAFRD, the output indicators and the values of their intermediate levels (which the EU guideline prescribes to be normally a fixed percentage of the relevant target level's value) stem

from the EAFRD's common monitoring and evaluation system. Therefore, the ex-ante evaluator's role is to evaluate only whether the final target levels are relevant and realistic.<sup>7</sup>

The target levels defined for the output indicators are generally realistic, but ongoing problems pertain to incomplete justification and little background information concerning how the relevant target levels were defined.

As shown by the summary evaluation table of measures (clause 2.4) and the assessments and recommendations presented in the previous chapter, the ex-ante evaluators consider the schedule of indicators at the level of measures to be insufficient and they recommend supplementing the quantified output indicators with result indicators enabling to actually gauge the effect of the measure's activities on achievement of the defined objectives.

### **3.3 Evaluation of the proposed monitoring and evaluation system and the evaluation plan**

**The following questions were answered upon evaluating the chapters related to the monitoring and evaluation system and the evaluation plan:**

- ▶ Do the monitoring and evaluation system and the evaluation plan conform to the EC guidelines, are they relevant and possible to implement?
- ▶ Does the monitoring and evaluation system being created enable to collect all indicators required by the EC and needed at the national level and thereby to evaluate the Development Plan's outputs, results and effect?
- ▶ Have the lessons learned from the experience of implementing the ERDP 2007-2013 been taken into account?

#### **Monitoring and evaluation system**

An overview of the monitoring and evaluation system of the ERDP 2014-2020 is provided by Chapter 9 "Evaluation plan" and Chapter 15.2 "Monitoring" which should be viewed together to obtain an integrated picture of the system planned for the next financial period. The party responsible for co-ordinating and implementing the ERDP's monitoring and evaluation system is the ERDP's management authority; the leading role is carried by the Rural Development Department of the Ministry of Agriculture.

In the period of 2014-2020, Estonia plans to implement an evaluation system similar to the evaluation system developed and implemented in the period of 2007-2013. The management authority estimates that the current system has proven its reliability and the co-operation with

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<sup>7</sup> European Commission (2013). Guidance Fiche. Performance Framework Review and Reserve in 2014-2020, Version 3

permanent evaluators is effective, providing grounds to continue with the same co-operation form in the next ERDP period as well. Continuing the co-operation with the same permanent evaluators also yields the benefits of ensuring consistency and taking the gathered knowledge and experience into account in further evaluations. Estonian University of Life Sciences and the Agricultural Research Centre as the ERDP's permanent evaluators are suitable partners having competence in the sector which is a necessary prerequisite to perform the evaluation.

Additional evaluations are planned to be outsourced with public procurements following the procedure prescribed in the Public Procurement Act. No big changes are planned in the monitoring and evaluation system, compared to the previous programming period.

In the monitoring and evaluation system, the ARIB as a paying authority performs the role of collecting data, entering it into the information system and forwarding it. This distribution of tasks has functioned well during the current period, as assessed by the ARIB. The presenting of data and more detailed requirements for it are established not only with the Monitoring Regulation but also with separate guidelines and contracts which have significantly increased the ARIB's capability to fulfil the monitoring and evaluation needs. Entry of data which the ARIB does not directly need for paying the support amounts but which are included in application files has been a problem, but an agreement has also been reached concerning how those data can still be used in evaluation.

Concerning data entry, problems occur if wishing to enter new indicators / data types into the system which have not been agreed at the beginning of the programming period.

The main basis for the ERDP's monitoring is common contextual, input and output indicators. Additionally, national supplementary indicators are established as agreed between relevant authorities; those are not described in the ERDP and also not dealt with in this ex-ante evaluation of the ERDP. Also, result indicators and impact indicators as well as the European Commission's evaluation questions have an important role in evaluation.

## **Evaluation plan**

The evaluation plan's overall objective is to ensure the conducting of sufficient and relevant evaluations and the existence of the means and resources needed for that during the ERDP's implementation period. The evaluation plan should describe how the evaluation results are related to shaping the agricultural policy, how the evaluation results are forwarded and communicated and what the level of detail is when defining the target groups to be informed.

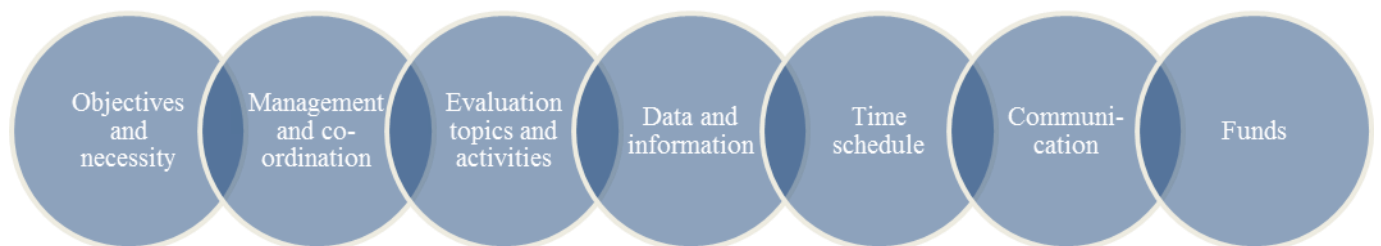
A well-prepared evaluation plan helps fit the evaluation activity into the ERDP's activities from the start of their implementation, determine the roles and responsibilities of evaluation-related parties and groups, strengthen the multi-year approach to the performance of evaluation tasks and activities, ensure the resources necessary for evaluation both in the authorities responsible for implementing the ERDP and in the evaluators, and reduce administrative hindrances by designing a suitable data management and monitoring system. A high-quality evaluation plan also contributes to the objectivisation/focussing of monitoring and evaluation, incl. the implementation of monitoring and evaluation activities pursuant to the needs of the ERDP's related groups and the time schedule prescribed in the European Community regulations; as well as determining the thematic priorities of evaluation and the usage possibilities (preconditions) of different evaluation methodologies, and

establishing relations between activities related to monitoring, evaluation and reporting. To ensure the best use of the evaluation results, the evaluation plan helps strengthen the communication of evaluation observations to decision-makers and related groups, using clear evidence. Proper use of the evaluation results helps strengthen the transparency and establishment of common understanding of the rural development policy's effects between all parties related to the ERDP's programming, management, implementation and evaluation, incl. the ERDP's beneficiaries and the general public. Evaluation results also provide a comprehensive overview of the effectiveness of agricultural policy interventions from the start of the implementation period of the ERDP 2014-2020.

The evaluation system of the ERDP 2014-2020 will continue to implement the practice applied in the current programming period. The ERDP's monitoring and its detailed procedure is prescribed by the Minister of Agriculture and the methodology is developed in co-operation with permanent evaluators.

The ex-ante evaluation analysed whether the planned evaluation plan is unified and integral, usable and integrated with other information processing activities and whether the evaluation plan complies with the requirements defined in the European Community's draft Regulations and with the minimum requirements defined in the evaluation guidelines.

The ex-ante evaluator presented its recommendations to supplement the chapter on evaluation plan at the work meeting on 3.07.2013; the recommendations were forwarded as a written document to the Ministry of Agriculture on 8.07.2013. A significant part of the recommendations has been taken into account when supplementing the ERDP. 7 different sub-topics need to be described to fulfil the minimum requirements of an evaluation plan, pursuant to Figure 3:



**Figure 3.** Evaluation plan's minimum requirements

All the aforementioned sub-topics are described in the ERDP's chapter on evaluation plan.

- ▶ Objectives and necessity (Chapter 9.1). The ex-ante evaluation's objectives and necessity are sufficiently reflected in the chapter and conform to the requirements for the information to be presented.
- ▶ Management and co-ordination (Chapter 9.2). The chapter lists all relevant organisations implementing the monitoring and evaluation system or participating in it, as well as their distribution of tasks and areas of responsibility. It also describes how the evaluation activities are co-ordinated to ensure the quality of monitoring data and the reliability of evaluation results throughout the programming period.

- ▶ Evaluation topics and activities (Chapter 3). In general, the evaluation topics are listed but the text needs to be articulated to provide a better overview of its content concerning various topics discussed. It is recommended that the evaluation plan provide a more structured view (a list) of the evaluation topics and activities according to the ERDP's priorities and target areas.
- ▶ Data and information (Chapter 9.4). The sub-chapter provides information about collecting, preserving, managing and forwarding statistical data. It is recommended to describe possible bottlenecks and problems in data collection, in relation to experiences with the ERDP 2007-2013, and to provide measures for prevention thereof.
- ▶ Time schedule (Chapter 9.5). The indicative time schedule for the evaluation activities for the entire ERDP's implement period is presented in the chapter; a more detailed action plan will be agreed with the management authority according to the specific annual needs.
- ▶ Communication (Chapter 9.6). The planned communication strategy, its focus and objectives has been defined, as well as all target groups whom the communication activities are directed to. It is recommended to also clarify which activities are directed to which specific target groups.
- ▶ Funds (Chapter 9.7). The evaluation plan should provide an indication of the amount of funds allocated to the evaluation activities, which must be sufficient to cover the expenses of the prescribed activities and to enable to create the expected results. The amount of funds allocated to implement the evaluation plan i.e. for successful implementation of the monitoring and evaluation system is compared to the same level of funds in the ERDP 2007-2013. It is recommended to state the approximate level of the relevant budget funds in euros, to provide a better understanding of the extent of the planned funds. The permanent evaluators have an opinion that if the evaluation plan is supplemented with new topics, budget shortage may occur concerning the evaluation activities.

### **3.4 Recommendations concerning the gauging of the programme's success and effectiveness**

In general, it can be concluded from the ex-ante evaluation that the monitoring and evaluation system being created enables to collect the indicators required by the EC and thereby to evaluate the Development Plan's outputs, results and effect. The monitoring system and the rules of institutions participating in it are described in the ERDP's document and provide an overview of the planned monitoring and evaluation procedure.

It is recommended to describe possible bottlenecks and problems in data collection, in relation to experiences with the ERDP 2007-2013, and to provide measures for prevention thereof in the next programming period.

The monitoring and evaluation system's description should also pay attention to quality assurance – the purpose of adding the relevant information is to indicate that the data to be collected during the coming programming period will be of high quality and reliable. Attention to data quality is required because of problems with unreliability of monitoring data and evaluation results which

occurred in certain Member States in the current period and which the EC wishes to prevent in the next period.<sup>8</sup>

In general, the evaluation topics are listed but the text needs to be articulated to provide a better overview of its content concerning various topics discussed. It is recommended that the evaluation plan provide a more structured view (a list) of the evaluation topics and activities according to the ERDP's priorities and target areas.

In the course of the ex-ante evaluation, the permanent evaluators of the ERDP 2007-2013 were consulted concerning the planned evaluation plan and their recommendations have generally been heeded when shaping the ERDP's monitoring and evaluation system. But the sufficiency of the funding volume of the monitoring and evaluation activities cannot be assessed because the ERDP does not provide those data. If assuming that the funds allocated from the ERDP's budget for conducting monitoring and evaluation in the next period will be proportional to the current programming period, the budget volume may turn out insufficient due to added fields of investigation (resource use, climate changes).

The most important shortcomings observed in the course of the ex-ante evaluation and the recommendations made regarding those are related to the relevance of the proposed indicators. In order to evaluate the programme's effectiveness at the level of measures and to analyse whether a measure is correctly designed and whether it is the correct means to achieve the defined objectives, it should be possible to evaluate not only the outputs to be achieved but also the effectiveness of measures and their contribution to achievement of the objectives. The result indicators provided at the priorities' target areas are not sufficient for that, therefore it is important to clarify the measure-level indicators. The system of indicators provided in the current draft ERDP essentially lacks the possibility to evaluate the measure-level direct results, the purposeful use of support amounts and whether the measure helps achieve the priority-level results and the ERDP's objectives.

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<sup>8</sup> Source: 15th meeting of the Expert Committee on Evaluation of Rural Development Programmes (30.04.2013)

## 4. Evaluation of the programme's implementation preparations

### 4.1 Evaluation of the personnel and administrative capability to manage the program

Concerning the ERDP's chapters describing administration i.e. the programme's implementation, it is evaluated how well the planned implementation scheme supports the achievement of the Development Plan's objectives. Assessment is given to the sufficiency of the personnel and the administrative capacity to implement the Development Plan i.e. the readiness of various institutions related to the Development Plan's implementation and the availability of other resources (e.g. databases) to administrate the Development Plan's successful implementation. It is evaluated whether the planned implementation scheme is potentially the best scheme to implement the objectives and whether it takes into account the experience from previous periods (i.e. whether the lessons learned earlier have been taken into account upon planning the activities) and whether the administrative expenditure could be reduced i.e. whether the results and objectives could be achieved with less expenditure. Assessment is also given to the planned communication activities and the aspects related thereto.

#### Questions answered under this block of topics:

##### Technical specification, clause 2.3.2

9) Sufficiency of personnel and administrative capacity to implement the Development Plan.

##### Technical specification, clause 2.3.3

###### 2.3.3.3. Administration:

- 1) What is the administration's level of readiness to implement the support types (incl. various authorities/institutions participating in the implementation process of the support types, availability of databases, etc.)?
- 2) Is the planned implementation scheme potentially the best scheme to implement the objectives and does it take into account the experience from previous periods (i.e. have the lessons learned earlier been taken into account upon planning the activities and creating the system)?
- 3) Could the Development Plan's expected results and objectives be achieved with less expenditure?

The programme's implementation procedure is presented in the ERDP's Chapter 15. The chapter is divided into the following sub-chapters:

- 15.1. Authorities responsible for the ERDP's implementation
- 15.2. Monitoring
- 15.3. Communication principles and strategy
- 15.4. Action plan for awareness-raising and publication work
- 15.5. Activities to reduce the administrative load of beneficiaries

The verifiability of requirements is discussed in Chapter 18 “Ex-ante evaluation of provability, verifiability and error risk of measures included in the Development Plan, performed by the management authority and the paying agency”.

### **Authorities responsible for the ERDP’s implementation**

The purpose of the chapter describing the programme’s implementation procedure is to describe the ERDP’s future management structure; pursuant to the usual practise of preparing development plans, it must include a description of activities to co-ordinate the preparation, supplementation, implementation, evaluation and reporting of the sector’s development plan, incl. how co-operation, distribution of tasks and feedback processes between the relevant involved authorities and persons are organised. In the ERDP, the description of aforementioned processes is also distributed into other parts besides this chapter (Chapter 6.2 “Access to EAFRD”, Chapter 9 “Evaluation plan”).

The draft ERDP dated 30.08.2013 defines the programme’s authorities and their functions and responsibilities; this enables to look at it as a summary description of a management and control system, pursuant to the recommendation given by the EC in its programming guide and evaluation guide. Yet it cannot be called a detailed description of the management and control system – only an overview is provided, stating the main tasks and responsibility areas of the ERDP’s authorities.

Estonia’s experience thus far with use of the EU’s rural development funds in previous financial periods (SAPARD; the ERDP’s previous programming periods) has enabled the authorities responsible for the ERDP’s implementation to gather long-term experience and knowledge about the implementation of the EU’s rural development funds. No significant shortcomings in activities of the authorities implementing the ERDP were found in the course of intermediate evaluation of the ERDP 2007-2013. Considering that the authorities that will implement the ERDP’s activities are the same as those in the current period, there is confidence that lessons learned from the practice thus far will be taken into account and there is also sufficient competence and administrative capability available to lawfully and successfully implement the ERDP.

Based on the European Commission’s legislation, a significant change in the new period is the implementation of financial instruments in co-operation with the RDF. Also, the target groups of some measures have significantly changed in the new financial period; new measures and new target groups (EIPs) have been added.

Regardless of the assessments given to the implementability thus far, the ERDP 2014-2020 should provide an overview of the human resources planned by the authorities responsible for the implementation, and of the related needs. The time period observed in relation with this topic should include the programme’s entire implementation time together with transition periods. In order to provide a relevant assessment to the sufficiency of human resources and the opportunities to develop them, the planned activities to develop and improve the administrative action capability and to ensure knowledge management and quality management should also be presented. This presentation should be related to the chapter describing the use of Technical Assistance (Chapter 8.3) and should enable to provide confidence about the conformity and relevance of the planned activities and resources.

It is important that the chapter on ERDP's administration provide an overview of the existing and planned information technology systems and databases used in implementing the ERDP's management and control system. The chapter should be supplemented by a description of what IT systems / databases will be used, for what processes/actions they will be used and what authority will use them. In the interview conducted with the ARIB, it was stated that a new information system will be developed for processing the support for the period of 2014-2020. The current register-keeping systems will remain, to administrate the data in the registers. The client register will be replaced to facilitate client communications. The existing reporting system and payments system will not be replaced but they will be enhanced. In the new period, much attention will be directed to developing e-services for submission of applications.

According to the ARIB's current calculations, a budget shortage will occur upon implementing the ERDP in the transition period, because the ERDP's measures need to be processed in a situation where the technical assistance funds of 2007-2013 are used up and the new period's technical assistance has not been opened yet. To prevent administrative problems, this should importantly be considered when planning the budget funds for 2014.

The amount of funds directed to personnel training from the ARIB's budget is EUR 80,000; this amount is assessed to be sufficient.

**Communication principles and strategy** (Chapter 15.3) are comprehensive, as is the action plan for awareness-raising and publication work (Chapter 15.4). If the management authority plans to perform future evaluations of achieving the sub-objectives of publication activities, it is recommended to define the relevant indicators together with their initial and target levels. The interview with the RERC's representative showed that co-ordination and co-operation of activities with the management authority is functional.

The chapter on **activities to reduce the administrative load of beneficiaries** (Chapter 15.5) provides an overview of the simplification measures to be implemented in the EU's new financing period, which will be followed upon implementing the ERDP. The planned simplification measures have a good potential to reduce the administrative load of the implementation system as well as the applicants and beneficiaries.

All authorities involved in implementation are also involved in preparations for the next period. The goal is to increase the use of e-services and to reduce the administrative load for both the ARIB and the applicants (e.g. by providing the applicants with a unified application form for different authorities). The ARIB's readiness is ensured through various project groups operating in the ARIB to prepare the IT system for processing the applications and standardise the work processes in view of simplification and unification. Simplification is also facilitated by establishing unit rates in the measures and by implementing the price catalogue (implementing the *flat rate* method in the LEADER measure). The latter are also the biggest changes in implementation of measures in the new period.

An ex-ante evaluation of the **verifiability of the ERDP's measures and the possible error risk** is provided in Chapter 18 "Ex-ante evaluation of provability, verifiability and error risk of measures included in the Development Plan, performed by the management authority and the paying agency". Evaluating the verifiability of requirements has helped the ARIB also get input information for the

automation of processing the applications, which is planned to be implemented in the new period.

The chapter is presented as a table that has not yet been filled in completely in the ERDP's current version. Risk assessments are not provided yet for some measures. Also, the data in the column "Verification" should be clarified. In summary, the ex-ante evaluator's recommendations to supplement that chapter are as follows:

- ▶ If the information for a requirement's verifiability is stated as merely "100% administrative verification", its content should be explained in more detail.
- ▶ It is recommended to unify the information referring to verifiability. In the current version, the assessments "Requirement is verifiable" and "Requirement is not verifiable" are used for verifiability of requirements in individual measures, but only for some requirements. For many requirements, neither of those assessments is used (while the text still provides an assumption that the requirement can be verified by methods presented in the table).
- ▶ It should be clarified whether something will be done in case the verifying body cannot verify compliance with a requirement and what will be done in such case.
- ▶ The probability of the error risk's realisation should be stated for all measures and requirements.

## **4.2 Involvement of stakeholders**

Involvement of stakeholders in the preparation of the ERDP's content is very important and it should result in the Development Plan conforming as exactly as possible to the needs of target groups. The involvement should ensure a situation where all relevant parties whose activities the new financial period's Development Plan directly or indirectly concerns can present their proposals and recommendations in the course of shaping the ERDP.

Chapter 14 of the draft ERDP dated 21.06.2013 provided a comprehensive overview of the involvement activities that took place in the course of preparing the ERDP. All parties involved in the Steering Committee's work were listed together with a notion that based on the organisations represented in the Steering Committee (29 in total), a monitoring committee of the ERDP 2014-2020 will be formed by the time of starting to implement the programme. Information was also provided about other involved parties, involvement-related events implemented by the Ministry of Agriculture or the Rural Economy Research Centre, and other involvement activities (receiving proposals from citizens and sectoral organisations, replying to their queries, providing information at sectoral events and through umbrella organisations, etc.). Pursuant to the guidelines given in "Elements on Strategic Programming 2014-2020", the draft also provided the dates of consultations conducted and the period during which the target groups had an opportunity to contribute to the programme's preparation and to comment on the ERDP.

The document "Assessments to the ERDP's evaluation plan, implementation procedure and involvement chapters" sent by the ex-ante evaluator to the Ministry of Agriculture on 08.07.2013 included a recommendation to supplement the ERDP with an overview of the extent to which the

proposals and advice presented during the involvement process have been taken into account and justifications for cases where it was not done. The draft ERDP dated 30.08.2013 is supplemented with information about the consultations conducted (Chapter 16.2) and provides a separate table with the consultations' topic, date, allocated time period, names of institutions/units/persons consulted with and a summary of the results.

In the draft ERDP dated 18.11.2013, the chapter on involvement activities was redesigned and the descriptive content was replaced by a table providing an overview of the involved parties (representatives of the organisations that participated in workshops) as well as short summaries of the discussions and decisions of the ERDP's Steering Committee. The chapter's format has also remained the same in the draft ERDP dated 18.01.2014 which is the basis of the ex-ante evaluation's final report. Still, for the sake of better readability and informative nature, Chapter 16 could include a descriptive overview of the involvement activities conducted. To optimise the volume of the ERDP's main part, the tables contained in Sub-chapters 16.1 and 16.2 are recommended to provide as Appendices to the ERDP.

The overall assessment to involvement activities is that the activities conducted are sufficiently wide-scale and the authorities responsible for programming have enabled important stakeholders to express their opinions.

### **4.3 Recommendations for chapters related to the ERDP's implementation**

The ERDP's planned implementation system is generally relevant – the authorities participating in processes are competent to perform their tasks and have long-term experience and necessary administrative capability to implement the activities planned in the ERDP.

But in order to show the administrative capability, the ERDP should be supplemented with information concerning the management and development of both the existing and the planned human resource, the IT systems used and the additional aspects of the management and control system as listed below.

The ex-ante evaluator's recommendations to supplement the draft ERDP are as follows:

- ▶ Chapter 15.1: The human resource needs should be clearly defined from start to end of the programme's implementation, accounting *inter alia* for transition periods (incl. methods/plans to develop and increase the capability of action and to conduct knowledge management and quality management; ensuring organisational sustainability).
- ▶ An informative overview should be added about IT systems for data exchange and data management concerning payments, monitoring, reporting (incl. data and processes related to applications and requirements) and evaluation, to be used in the course of the ERDP's implementation.
- ▶ Chapter 16 could include a descriptive overview of the involvement activities conducted. To optimise the volume of the ERDP's main part, the large tables contained in Sub-chapters 16.1 and 16.2 could be provided as Appendices to the ERDP.

- ▶ The draft ERDP's approval round in the summer of 2013 was an important stage of the involvement process. It is recommended to add information about proposals presented in the approval round, incl. which of those were taken into account and justifications in case of proposals which were rejected. It is recommended to supplement the ERDP's document with the relevant Appendix (a table).
- ▶ The use of terminology should be unified and clarified, paying attention to notions having the same content but different wording: e.g. supervisory committee ("järelevalvekomitee"), monitoring supervision committee ("seire järelevalvekomisjon"), monitoring committee ("seirekomisjon").

## **5. Evaluation of horizontal topics**

### **5.1 Evaluation of ensuring equal opportunities and preventing discrimination**

The ex-ante evaluation of the draft ERDP 2014-2020 included assessing whether it sufficiently supports accounting for regional specifics, social and regional inequality, sustainable development principles and equal treatment principles in the Development Plan; the relevance of accounting for those topics in the context of different priorities was also evaluated.

The situation analysis, SWOT analysis and ERDP strategy of the ERDP 2014-2020 do not mention ensuring of equal opportunities and prevention of discrimination. Risk groups are not highlighted in this view and specific steps for better involvement of risk groups are not prescribed. Due to that, the ex-ante evaluator cannot provide a more detailed evaluation of this horizontal topic.

### **5.2 Evaluation of promoting sustainable development**

#### **Evaluation question:**

- ▶ How are the ERDP's situation analysis, priorities and measures accounting for the principles of sustainable development?

The situation analysis deals with sustainable development principles mainly under priorities 4 and 5 which have the respective topics of ecosystem (priority 4) and resource conservation and environmentally sustainable economy (priority 5). Yet it would have been possible to provide more details about connections to development of energy economy and environmentally sustainable green economy under priorities 2, 3 and 6 and their respective measures (incl. supplementing the relevant activity directions with indicators related to promotion of sustainable development).

Priorities 4 and 5 of the ERDP 2014-2020 form an integral part of the ERDP's strategy and they balance well the aspects of developing agricultural production and rural economy. It is not clear whether and how the ERDP's other priorities, target areas and measures are planned to account for the aspect of sustainable development upon their implementation.

A summary assessment to the promotion of sustainable development is that the promotion of sustainable economy is mainly dealt with under the ERDP's priorities 4 and 5, not horizontally through all priorities and measures like it should be for a horizontal objective.

### **5.3 Recommendations concerning horizontal topics**

The ex-ante evaluator has the opinion that horizontal topics complying with the EU guidelines could be highlighted more clearly in the situation analysis.

Essentially, it is recommended that the situation analyses of all priorities (e.g. the analysis of competitiveness of holdings and opportunities to diversify rural economy analysis, etc.) include

more of the regional dimension and more connections to the achievement of sustainable development objectives. Our recommendation for priority 6 is that its situation analysis should describe in more detail all horizontal topics, incl. ensuring equal opportunities, ensuring sustainable development, etc.

We recommend supplementing the descriptions of all measures with a short summary of whether and how the relevant measure is planned to account for horizontal topics.

For clarity, we recommend supplementing Chapter 5.3 with a summary table providing an overview of whether and which specific horizontal topics will be accounted for in measures and how it will be done (what relevant horizontal topics are added to the selection criteria for projects).

## Materials used for the ex-ante evaluation of the ERDP 2014-2020

### Appendix 1. List of interviewees

Interviews or consultations with representatives of the following authorities were conducted in the course of the ex-ante evaluation:

- ▶ Rural Economy Research Centre
- ▶ Economic Development Department of the Ministry of Economic Affairs and Communications
- ▶ Agricultural Registers and Information Board
- ▶ Rural Development Department of the Ministry of Agriculture
- ▶ State Budget Department of the Ministry of Finance
- ▶ Strategic Bureau of the Government Office
- ▶ Regional Development Department of the Ministry of the Interior

## Appendix 2. List of data sources used

Estonian Development Fund (2012). “Väliskeskkond 2020: olulised trendid ja nende tähendus Eestile.” Eesti fookuses 10/2012.

Estonian Cooperation Assembly (2013). Lifelong Learning Strategy 2014-2020.

Estonian University of Life Sciences (2012). Situation, development trends and support need of holdings in rural regions

Estonian University of Life Sciences (2012). Evaluating public benefits created by agriculture in Estonia

Estonian University of Life Sciences (2012). Survey „Maapiirkonna ettevõtjate olukord, arengutrendid ning toetusvajadus“

Estonian University of Life Sciences (2013). Implementation results of Estonian Rural Development Plan 2007-2013

Estonian national strategy for sustainable development “Sustainable Estonia 21”

EU’s economic growth strategy “Europe 2020”

Ernst & Young (2010). Final report of the intermediate evaluation of Estonian Rural Development Plan 2007-2013

Ernst & Young (2012). The effect of public use objects on the community; investment need for improvement of social and technical infrastructure in rural regions

European Commission (2013). “Guidance Fiche Performance Framework Review and Reserve in 2014-2020, Version 3”

European Commission (2013). “Guidance fiche. Verifiability and controllability of measures: Assessment of risks of errors /Article 69 of Council Regulation EAFRD”

European Commission (2013). “Draft guidelines on eligibility requirements and selection criteria for the programming period 2014 – 2020”

European Commission (2010). The Common Agricultural Policy towards 2020: Meeting the food, natural resources and territorial challenges of the future

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European Commission (2012). “Komisjoni talituste seisukoht ajavahemiku 2014–2020 partnerluslepingu ja programmide väljatöötamise kohta Eestis”

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European Commission, DG AGRI (draft, August 2012). “Guidelines for the ex-ante evaluation of 2014-2020 RDPs”

European Commission, DG AGRI (draft, August 2013). “Establishing and implementing the evaluation plan of 2014-2020 RDPs”

European Commission, DG AGRI (working paper, December 2012). “Elements of strategic

programming for the period 2014-2020”

Regulation of the European Parliament and of the Council on the financing, management and monitoring of the Common Agricultural Policy (horizontal regulation) 2011/0288 (draft)

Regulation of the European Parliament and of the Council on rural development support granted by European Agricultural Fund for Rural Development (EAFRD), SN 3595/13 (consolidated draft Regulation)

Ministry of the Environment (2007). Estonian Environmental Strategy until 2030

Ministry of the Environment (2011). Estonian Forestry Development Plan until 2020

Ministry of the Environment (2012). Nature Conservation Development Plan until 2020

National reform programme “Estonia 2020”

Partnership agreement for use of European Structural and Investment Funds 2014-2020 (draft, 12.07.2013)

Ministry of Agriculture (2012). Estonian Rural Development Plan 2007–2013

Ministry of Agriculture (2013). Monitoring report on Estonian Rural Development Plan 2007-2013,

Ministry of Agriculture (2013). Estonian Rural Development Plan 2014-2020 (draft dated 30.08.2013)

Agricultural Research Centre, Estonian University of Life Sciences (2009-2013). Surveys and analyses of ongoing evaluation of Estonian Rural Development Plan 2007-2013

<http://www.agri.ee/pusihindamise-analuusid-ja-uuringud/>

Ministry of Finance (2013). State Budget Strategy 2014-2017

Ministry of Finance (2013). Stability Programme 2013

Ministry of Finance (2013). Cohesion Policy Funds Implementation Plan 2014-2020 (Ministry of Finance, draft dated 12.07.2013)

Government Office (2011). Government of the Republic Action Plan 2011-2015

Ministry of the Interior (2005). Estonian Regional Development Strategy 2005-2015

Ministry of the Interior (2014). Estonian Regional Development Strategy 2014-2020

Ministry of Foreign Affairs (2013). European Union Strategy for the Baltic Sea Region

### **Appendix 3. Performing observation**

The ex-ante evaluators participated as observers at the following meetings and seminars related to planning and preparation of the ERDP 2014-2020:

The ERDP's Steering Committee meetings on the following dates:

- ▶ 16.05.2012
- ▶ 4.07.2012
- ▶ 10.10.2012
- ▶ 9.01.2013
- ▶ 5.02.2013
- ▶ 19.02.2013
- ▶ 12.03.2013
- ▶ 26.03.2013
- ▶ 16.04.2013
- ▶ 03.07.2013
- ▶ 29.10.2013
  
- ▶ 23.04.2013: Introducing the ongoing evaluation's results for axis 2 of the ERDP 2007-2013 at the Ministry of Agriculture (EMU, Agricultural Research Centre)
- ▶ 07.10.2013: Seminary "Planning European funds for 2014-2020. Initial feedback for Estonia's plan from the European Commission and Praxis" at the European Commission's Estonian representation (European Commission, Praxis)
- ▶ 12.11.2013: Meeting of the ERDP's monitoring and evaluation focus group at the Ministry of Agriculture