

# Better targeting of RDP through comprehensive design of selection criteria and stakeholder involvement in Estonia

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## 1. Principle theme of interest

Experiences with the implementation of the measures for rural development in 2004–2006 showed that for most measures the number of applications exceeded budgetary limits. Several measures were not opened in 2005 and/or 2006 due to this reason or opened only in certain areas. This resulted in the amendment of (additional) eligibility and selection criteria to improve and fine-tune the targeting of rural policy instruments.

The case-study illustrates how Estonian RDP 2007–2013 (ERDP) eligibility and selection criteria of Axis 1 and 3 are changed compared to Estonian NDP 2004–2006 and how selection criteria have been subject of discussions with stakeholders in the preparation of measures for current 2007–2013 period.

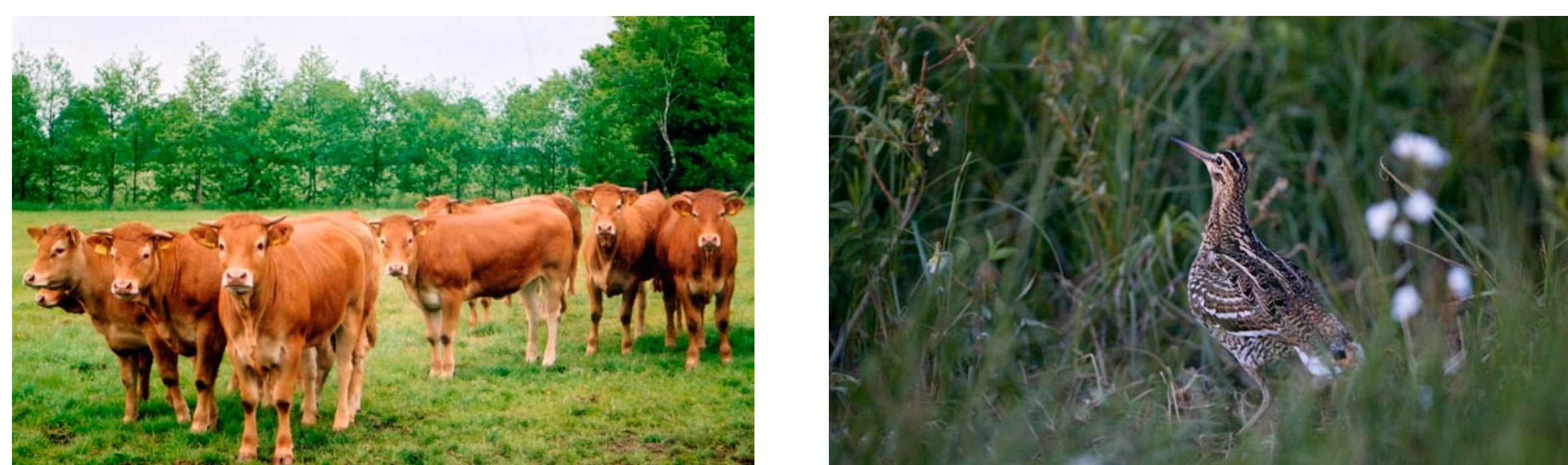


### Methodology

The case study is about understanding the change comparing ENDP 2004–2006/ERDP 2007–2013, why it was made and what difference it is expected to make for policy outcomes. It also analyses the changes in stakeholder involvement.

The case study was conducted at the national level for ERDP Axis 1 and 3. The main approaches used were:

- desk study of related documents,
- interviews with main stakeholders and officials and
- a qualitative analysis and assessment.



### The main research questions:

- What role do selection criteria play in the targeting of RDP measures?
- What are the main drivers behind the choice of eligibility and selection criteria?
- How the choice of eligibility and selection criteria as a process worked?



## 2. Main reflections and conclusions

ERDP 2007–13 has only been implemented for a few years so far and therefore it is only possible to make preliminary assessments. However, the changes made in the ERDP 2007–2013 eligibility and selection criteria compared to previous period could make an *improvement in RDP policy performance and outcomes*.

- Selection criteria during the 2004–2006 period consisted primarily of economic criteria which primarily allowed for targeting to (financially) bigger enterprises. For ERDP 2007–2013 the role of the selection criteria was increased for more efficient use of limited financial resources and for maximizing the positive impact of the measures.

- The broadening (and in some cases introduction) of the criteria (compared to the previous programme) allowed for a more efficient use of limited financial resources and did contribute to better targeting of the measures through the wider inclusion of other criteria than only economic (e.g. *social, sectoral and regional*).

- The new selection criteria enable the targeting of support more specifically to e.g. applicants that received little or no support from previous programmes, to more *social* (e.g. young farmers), *cultural* aspects (e.g. preference for applications connected to traditional products, services or the preservation of cultural heritage) and *sectoral* (e.g. organic farming and processing).

- Conditions are more favourable to smaller (incl. micro) enterprises, thus supporting competitiveness and diversification of these enterprises.

- *Regional* targeting has got much wider attention than previously. In addition to eligibility and selection criteria, a better targeting of measures is also achieved through differentiating public sector contribution rates, which take into account regional aspects such as urban–rural proximity, location on islands.



- The role of stakeholder consultation in choosing eligibility and selection criteria (and through this targeting of the measures) has increased over time. Many more (and a wider range of) stakeholders have been actively involved in RDP 2007–2013 design and continuing development process. Even though the first proposals were prepared by the Ministry of Agriculture (MoA) based on the results of the RDP monitoring and evaluation and the experiences of the previous period, the details of different criteria as well as several amendments were introduced by the Monitoring Committee and other consulted stakeholders. Responsible ministry (MoA) seems to appreciate their involvement in discussion.

- Stakeholders are in general positive about the selection criteria of ERDP 2007–2013 and do agree that these improved the targeting of RDP measures in comparison to 2004–2006 period. Particularly the prioritization of *marginal rural areas* and *young farmers* are broadly accepted as relevant criteria. Nevertheless, there also differentiating views on specific criteria.

## 3. Policy recommendations

- Design and fine tuning of eligibility and selection criteria should continue taking into account the changing needs of rural areas, ongoing RDP evaluation results, experiences of previous implementation of the measures, results of research performed and discussions with stakeholders.

- Eligibility and selection criteria should be amended when needed, also during the preparation of new application rounds.

- Stakeholders involvement should remain active and open. Further development of institutional capacity is required for some of the stakeholder groups. This will better guarantee fair representation.

