

Process of updating the Estonian National Development Plan. Case study

As is the case with other EU accession countries, Estonia needs a National Development Plan (NDP) in order to be eligible for future financial assistance from the European Union. The current process of updating the plan is proving to be quite a promising exercise, as it is well planned and social partners are better involved than the last time. The better process will hopefully result in the plan being accepted and recognised by many different groups in society. However, some deficiencies remain, and this brief overview will point out the main weaknesses that can be avoided in the future.

National Development Plan of 1999

The first National Development Plan was completed in September 1999. There was almost no direct public participation or NGO involvement in the process of drafting the Plan. There were no special procedures for participation and the chapter on the environmental sector (one of six sectors) was taken from the National Environmental Action Plan (NEAP) of 1998. Although the drafting of the NEAP had been open to NGOs for participation and input, there were no possibilities for public participation in drafting of remaining parts of the 1999 NDP. Because of that, environmental issues have not been adequately considered in other chapters of the Plan. The fact that an Environmental Impact Statement (EIS) was carried out on the 1999 NDP was positive, although the EIS prepared by the foreign consultants (EIA Consultancy ARCADIS / Euroconsult) was of a very poor quality. It consists largely of various background statistics and lacks a good analysis of the potential environmental impacts that might occur as a result of the activities foreseen by the NDP.

National Development Plan of 2002

In the fall of 2001, preparations for a new National Development Plan begun. The NDP preparations were lead by the Ministry of Finance and the final document was set to be adopted by the cabinet meeting of the Government on December 17, 2002. Although prepared under the title of the “National Development Plan 2003-2006”, the document will be recognised as a Single Programming Document (SPD) once negotiations about the investment framework are completed with the European Commission in late 2003. The next programming period for which the SPD will be updated is 2007-2013. As opposed to the 1999 NDP, the current process is much more open and participatory.

Preparation of the Estonian National Development Plan 2002-2006 is being carried out in three stages:

- Development of the strategic basis;
- Development of the priorities and measures; and
- Composition of the programme complement.

According to the draft Plan, the objective is to ensure systematic and sustainable regionally balanced socio-economic development. The following four priority sectors have been outlined for the NDP:

- Development of human resources (to be financed from ESF);
- Competitive economy (to be financed from ERDF);
- Agriculture and rural development (to be financed from EAGGF and FIFG);
- Quality of the natural environment (to be financed from ERDF).

The first draft (March, 2002) of the NDP listed six priorities, but the Government modified the list so that a “stable and sustainable energy sector and transition to renewable energy” and “local development”, as well a priority action on environmental infrastructure, were unfortunately cut. Weirdly enough, the Ministry of Finance re-visited the priorities in middle of the NDP process.

Unlike the first National Development Plan of 1999, the involvement of various interested parties is much broader this time. Besides governmental agencies, there are about 80 different social partners such as NGOs, professional unions and local municipalities, which were identified at the beginning of the NDP process. For the environmental sector, 11 NGOs or professional unions were identified, including NGOs such as the Estonian Green Movement-FoE and the Estonian Fund for Nature and Estonian Ornithological Society. However, there are only a few points in the NDP process where the advice and input from social partners will be solicited.

The strategic basis, a rather comprehensive draft of the NDP, was released on the website of the Ministry of Finance for public comments in late February 2002, and environmental NGOs gave joint comments. Comments were drafted together by ten NGOs, and they were presented on behalf of the umbrella organisation, Council of Environmental NGOs (*Eesti Keskkonnaiühenduste Koda*, EKO). The draft turned out to be such a complex document, that the environmental NGOs, which created EKO, only analysed the draft in February 2002. In its comments, EKO raised numerous issues such as the fact that the NDP strategic basis document looked like a shopping list of mainstream thinkers from the various ministries and many proposals were quite controversial.

Comments by the EKO touched a wide variety of the chapters, including environment, transport, energy, agriculture, tourism, forestry, food processing industry, the service sector, and human resources. There were around 25 organisations which commented the draft NDP strategic basis. Out of these, the Council of Environmental NGOs was one of the very few commenting almost all the chapters of the document. One third of the comments by the EKO were taken into account and incorporated into the text of the National Development Plan. Another positive step was the fact that the summary of all comments, including the reasons why certain

comments were not incorporated or refused, was published on the website of the Ministry of Finance.

Each NDP priority listed specific measures, with quantitative targets. These measures describe the types of activities for which future financial assistance from the EU can be used. A total of around 30 measures are proposed by Estonia. Thus, the list of measures will form one of the most important parts of the entire National Development Plan. Once a certain activity (e.g. developing of non-renewable energy systems or supporting of the railway services) is not listed, it will be very difficult, if not impossible, to apply future EU grant assistance for such investments.

The first list of measures with descriptions and sub-activities was compiled in mid-June, 2002. It is very positive that even before the measure sheets were passed to a group of experts from Finland for evaluation, they were made available to the environmental and social partners of the NDP process. Comments from 11 environmental NGOs on measures from various sectors were jointly submitted to the Ministry of Finance in early July.

Strategic Environmental Assessment

The best news about the National Development Plan 2002-2006 process for the Estonian environmental community is probably the decision to carry out a Strategic Environmental Assessment (SEA) to assess the environmental consequences of the activities planned within the NDP. Although the responsible authority (Ministry of Finance) tried to convince people for a long time that there was no need for carrying out a full SEA, the decision to start the process was made in January 2002. It was a big success for both environmental NGOs and the Ministry of Environment, which had been consistently pushing for an SEA. Perhaps the fact that the Regional Environmental Centre for Central and Eastern Europe (REC) offered financing for the SEA process as an important pilot project finally made the Ministry of Finance comfortable with the decision.

Drafting of the Strategic Environmental Assessment is taking place parallel to the drafting of the National Development Plan. According to the new Estonian law on Environmental Impact Assessment (in force as of January 1, 2001) the SEA of a national-level development plan must be carried out during the planning process. So far, only one SEA has been done in Estonia, for the Forest Sector Development Plan, with a surprisingly poor final report. The SEA on the NDP is, therefore, a very important and valuable learning process for all parties involved and all efforts have to be made to ensure its good quality.

Open tender for companies willing to do the Strategic Environmental Assessment on NDP was launched in February 2002, and the contract with winner was signed already at the end of March. It is an Estonian consortium, consisting of experts from different institutions, that was contracted to carry out the SEA. Due to the huge rush of starting the SEA process, the public discussion on the programme of the SEA was of quite poor quality. Following the requests by NGOs, the period for giving

comments on the SEA programme was prolonged and second public discussion was organised a week later.

There are five stages to the preparation of the Strategic Environmental Assessment:

- Evaluation of the NDP's strategic basis;
- Evaluation of the NDP's proposed measures;
- Compilation of the draft SEA report;
- Public discussion of the draft SEA report; and
- Finishing of the final SEA report.

The team carrying out the SEA will not evaluate the social and economic impacts of the activities planned by the National Development Plan. Such evaluation is to be done in co-ordination with the ex-ante working group evaluating social consequences. For environmental NGOs, such separation seems very unfortunate but the level and quality of co-operation between the different teams is yet to be seen.

Public discussion of the SEA report are planned for two weeks in November 2002 after which the final SEA will be submitted to the Ministry of Finance. Hopefully, there will be an 'ownership feeling' towards the development plan among the various civic groups, and the lessons learned during the process will assist the Government in carrying out an even better process for the next programming period.