



Estonian National Development Plan for the Implementation of the EU Structural Funds

SINGLE PROGRAMMING DOCUMENT
2004–2006

PROGRAMME COMPLEMENT



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INTRODUCTION

As an EU member state, Estonia has the opportunity to take part in the EU regional policy and to receive respective structural assistance. Estonia has drafted the Estonian National Development Plan for the Implementation of the EU Structural Funds – Single Programming Document 2004-2006 (hereafter referred to as SPD) as the strategic basis for the assistance and submitted it to the Commission for approval. The SPD serves as the basis for common national and EU efforts to fasten the social and economic development of Estonia.

In accordance with the Article 19(4) of the Council Regulation (EC) No 1260/1999 of June 21, 1999, which lays down the general provisions of Structural Funds (hereafter “general regulation”), each SPD shall be supplemented by a programme complement. This is a document implementing the assistance strategy and priorities and containing detailed elements at measure level. The present programme complement is drawn up in accordance with the requirements of Article 18(3) of the general regulation and it contains:

- descriptions of measures, incl. monitoring indicators and Final Beneficiaries;
- a financial plan at measure level and description of co-financing arrangements;
- measures intended to publicise the SPD;
- a description of arrangements for the computerised data exchange between the Commission and Estonia (will be adapted upon achieving respective agreements).

The main results of ex-ante evaluation of measures, carried out by Professor Vello Vensel from the Tallinn Technical University are annexed to the programme complement.

For providing a clearly visible link to the SPD, the strategic foundations of the latter is included in the complement as well. For making visible the general and common for all measures criteria of project selection and the horizontal monitoring indicators, both are presented in a separate chapter. In addition, actions that must avoid overlapping of measures are described.

Measure-specific eligibility and project selection criteria are annexed to the document.

While drafting the measures, the ministries responsible for them have consulted their socio-economic partners on one's own account. The programme complement is sent to the Commission for information.

The Ministry of Finance as the Managing Authority can adjust the programme complement in the course of implementation of the SPD following the rules and restrictions foreseen by the general regulation. The confirmation of the programme complement, adjustment of it on his own initiative and approval of the adjustments by the Managing Authority are in the competence of the Monitoring Committee. The Commission will be informed about the confirmation of the complement and any adjustments of it.

1. STRATEGIC BASIS

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

In the Estonian National Development Plan for the Implementation of the EU Structural Funds - Single Programming Document 2004-2006, Estonia's strategic strengths, weaknesses, opportunities and threats are summarised in the following way (Table 1):

Table 1

Strengths, weaknesses, opportunities and threats

Strengths

- **Stable macro-economic framework, liberal foreign trade and foreign investment policies**¹
- Close economic and cultural integration with the countries around the Baltic Sea
- Relatively large share of foreign investments as the prerequisite for improving the level of technology and management
- **Populations' high level of education; education is highly valued among people providing the basis for learning capacity of the labour**
- Diverse and clean nature; interesting and unique cultural and historical heritage
- Local natural resources as raw material for energy and industrial sector: oil shale, forest, fish stocks
- Agriculture that has passed first-stage restructuring where the production is concentrated into technologically viable units
- Modern infrastructure of telecommunications and infotechnological services, large number of users of such services
- Relatively good territorial coverage of road network and social infrastructure

Weaknesses

- Poor economic activity and short-term business experience, insufficient level of skills and knowledge, problems encountered by small enterprises attempting to access capital; low business motivation in rural areas and the industrial Ida-Viru County
- **Insufficient long-term competitiveness of enterprises: low content of added value in production, limited use of quality standards, limited innovation costs, weak marketing**
- **Labour market situation is difficult due to the restructuring of economy and decline in number of jobs. Lack of vacancies and their spatial dispersion accompanied with the lack of qualified labour in several spheres. Barriers related to age and gender preventing access to jobs, insufficient flexibility of labour force. High rates of long-term unemployment and large share of discouraged people**
- The mismatch between the skills of the labour force and labour market needs, essential shortages in vocational education and re-training system
- High levels of poverty and social exclusion
- Weak economic development in rural areas and big disparities between the capital city and the rest of the country
- Limited access to foreign market in fisheries sector related to the employment problems in the sector
- Polluted areas, insufficient environmental infrastructures; energy sector with low efficiency and great load to the environmental situation; past pollution in some areas
- Technically insufficient transport networks, poor maintenance and overtaking capacities
- Out-of-date public infrastructures that need adaptation and reorganisation because of their unsuitable dimensions and energy consuming nature: above all, general educational schools and hospital networks
- Shortages in the levels of administrative capacity that hinders the effective designing and implementation of policies

Opportunities

- **Improved access to the markets: market of agricultural products to be opened after the accession to the EU, normalised trade conditions provide access to Russian markets**
- Estonia's good prerequisites for providing services supporting the integration of the EU and CIS economic regions integration
- Increasing integration in the Baltic Sea area, benefits from the economic growth of this area
- Strengthening of economic relations between Estonia and distant areas of the EU
- **Development and implementation of new technologies (incl. ICT). Accession to the European research and innovation area facilitating the implementation of new technologies**
- Additional opportunities for human resource development (EU wide co-operation within educational system). Provision of virtual studies with international scope, etc.
- Increasing demand for clean and diverse natural environment (ecological tourism, organic agriculture, renewable sources of energy, etc.)
- Opening of the EU agricultural and rural development policies and fisheries policies for Estonia

Threats

- Very open economy with a relatively limited number of geographic trade partners, relatively large share of sub-contracting and dependence on cyclical fluctuations in the economies of Estonia's main trade partners
- **Decrease of cost advantages due to the international competition which is going to damage the prospects of traditional production spheres and sub-contracting**
- Increased competitiveness resulting from the membership in the European Union may be impossible to overcome for some companies
- Outflow of highly qualified labour or highly needed specialists to the common European labour market
- The need to bring the production in conformity with the EU sanitary, technological, environmental etc. requirements that poses challenges for many enterprises
- Banishing tax-free trade on board of aircraft and ships may cause a considerable increase in prices especially in travel and accommodation, resulting in the decline in foreign tourism, tourism-related income and employment

¹Bold font is used to show the most important items in each field of the SWOT table

STRATEGY

Both Estonia's economic policy and the EU policies supporting the national policies serve the same overall objective to be achieved in Estonia:

Fast, socially and regionally balanced sustainable economic development.

Analysis of the relative importance of the factors listed in Table 1 (see the factors given in bold) allows drawing a general outline for the strategy of the SPD.

Estonia's most important strengths are the stable macro-economic framework and a labour force that is eager to learn but also ranking highly a good education. The main weaknesses are related to the large share of ill-prepared and non-flexible labour that fails to meet labour market requirements and (partly attributable to the quality of human resources) the insufficient long-term competitiveness of the business sector. The most important opportunities for Estonia are the enlargement of markets and new technologies, while the main threat lies in the decline of its cost-based competitive advantages.

In conclusion, the central objective of the strategy is to make better use of the learning capacity of the country's human resources and seize the opportunities presented by new technologies and expanding markets. This shall be done by promoting innovation in the business sector and anticipating the risks that occur inevitably as cost-based competitive advantages will begin to decline.

There are four priority areas in Estonian economy that need to be developed and are largely eligible for the EU Structural Funds. The four key priorities chosen are categorised under the following titles:

- Human Resource Development
- Competitiveness of Enterprises
- Agriculture, Fisheries and Rural Development
- Infrastructure and Local Development

To achieve the prime objective of the Programme, Estonia will commit itself to four specific objectives. These are as follows:

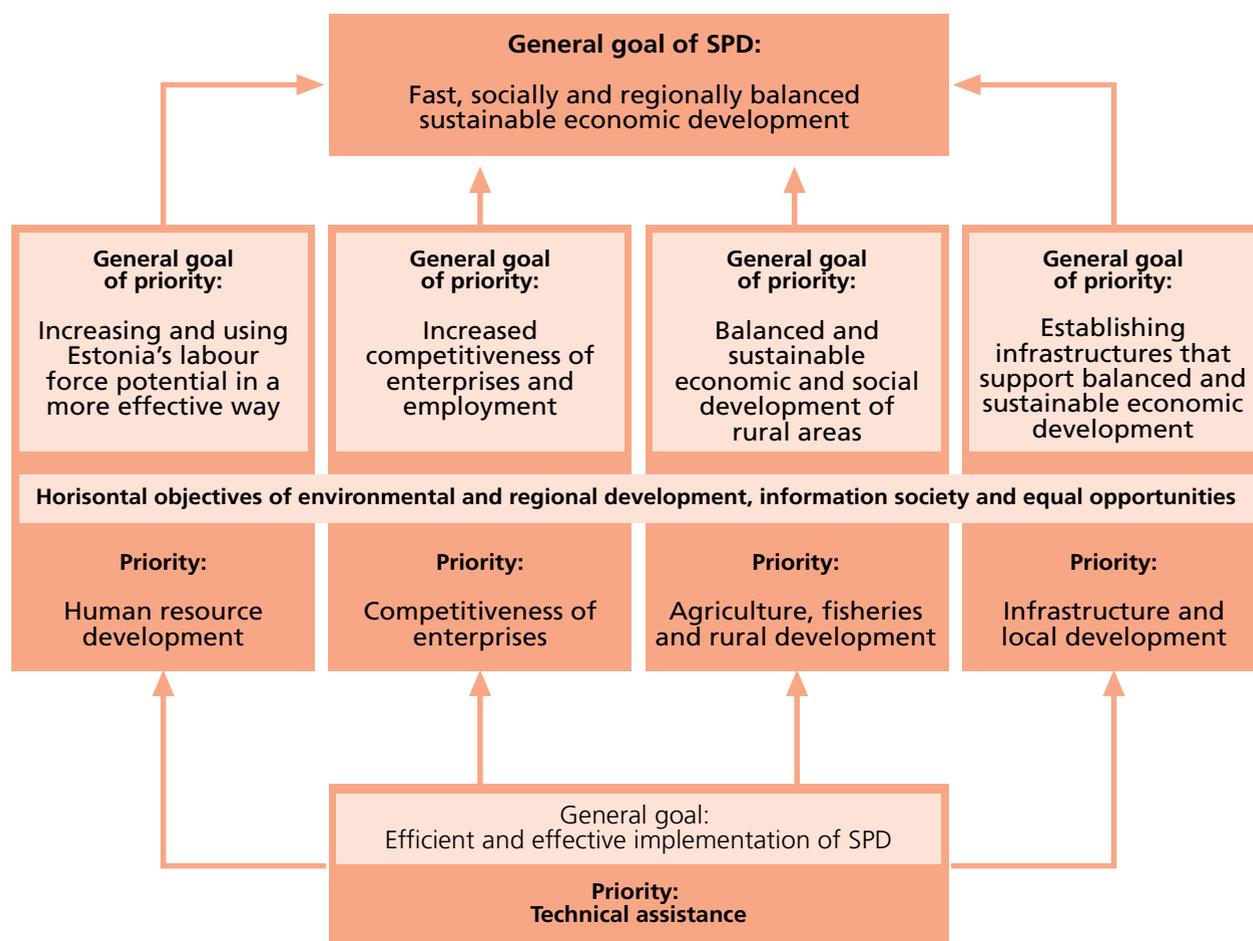
- Increasing and using Estonia's labour force potential in a more effective way
- Increased competitiveness of enterprises and employment
- Balanced and sustainable economic and social development of rural areas
- Establishing infrastructures that support sustainable and balanced economic development

Alongside the four priorities, the implementation of the Programme is supported by the Technical Assistance priority, the aim of which is the efficient and effective implementation of the Programme.

Apart from the specific objectives to be achieved through the implementation of separate priorities, objectives connected with environmental and regional development, information society development and promotion of gender mainstreaming are to be followed in the Programme on a horizontal basis. The inter-linkages between the headline objective, specific objectives and the priorities of the Programme are shown in Figure 1.

Figure 1

Goals and priorities of the Estonian Single Programming Document



Based on the analysis of the socio-economic situation, the priorities described above will aim at overcoming the main weaknesses and avoiding risks that have been highlighted, whereas making use of the existing strengths and opportunities.

Defining the substance of the priorities, attention is given not only to the general analysis, but to the fact that they are going to be implemented through assistance from the Structural Funds, which have all established the rules for the channelling and use of the funds with respective EU regulations. Estonia is going to choose the approach in which each priority is going to be funded under one structural fund (mono-fund approach), the only exception here being development of agriculture and rural areas, which is planned to be financed from two funds.

The following part of the chapter gives an overview of the priorities seen as integrated parts of the strategy.

Broadening partnership involvement in the implementation of the strategy is considered to be one of the essential principles to be followed. Particular attention is focussed on involving and strengthening non-profit sector organisations to develop people's initiative and improve their participation in the society.

Human Resource Development

Human development can be seen as the final goal of socio-economic development, and weaknesses related to human resource cannot be compensated for with strengths of any other kind (material assets, money). None of the weaknesses attributable to human resource should be ignored or postponed for future life. European Employment Strategy (EES) and the Estonian National Employment Action Plans based upon the EES form the strategic basis for human resource development on European as well as on the national level, contributing to the achievement of the Lisbon targets.

The key words involve appropriate educational and life-long learning system, effective labour market measures and the promotion of adaptable work force. However, European human resource policies are expanding by addressing labour market issues and problems of poverty and social exclusion that have drawn less attention so far. In relation to EU enlargement, the policies also include the building of administrative capacities in candidate countries.

The implementation of the SPD in the field of human resource development will generally continue in the national policy framework, but the additional resources available will enable the expansion of the scope of activities and the introduction of new relevant measures.

Implementation of the Human Resource Development priority of the SPD will improve the advantages of the rapid and extensive implementation of new technologies and contribute to making use of the enlarged market and foreign co-operation opportunities. Improving qualifications of labour will provide prerequisites for a faster shift towards production with a higher added value and helps to compensate for risks that arise out of the decline in competitiveness of cost-based activities. The implementation of the priority will be supported by such strengths as high value attached to education and progress made in ICT implementation. Human resource development will aim to alleviate weaknesses such as low levels of entrepreneurship, insufficient long-term competitiveness of enterprises, difficulties on the labour market, gaps in the preparation and retraining of labour force, and the impacts of poverty and social exclusion.

The priority covers a number of areas: preparation of the working force in the education system, life-long learning, active measures to combat unemployment and social exclusion and, finally, enhancement of administrative capacity. Mutual relations of the measures implementing the present priority and their coherence to the basic reference documents are dealt with in detail in the Policy Frame of Reference for Employment and Human Resource Development that is placed at the description of priority in the SPD. Below only the main strategic features of the priority are outlined.

In the field of education the priority will focus on bringing vocational and applied higher education into better conformity with contemporary labour market requirements. For that purpose the development of structures and systems, training of students and better training provided to professors and teachers have an important place. Continuing training opportunities will be improved which will provide improved skills of the labour force, its better adaptability and flexibility. Applying of flexible learning opportunities and preventive measures will aim at better preparation of students for the working life and a decrease in the number of young people dropping out of school.

Training of employees in enterprises is one of the key elements that could facilitate life-long learning. During the present programming period enterprises are stimulated to invest more into human resources, as this will help them to increase their productivity and development potential, and to employ Estonia's existing research bases more effectively. Besides, training will be given to those who would like to start their own business. For the managers, enhancement of the skills and knowledge (including for example management, marketing, innovation, quality standards, environmental protection) will be promoted.

In the field of active labour market policy during the present programming period emphasis will be put on improving and developing active labour market measures. For facilitating access to labour market of those who are the most excluded, other means such as rehabilitation, new sources of employment will be offered. In order to ensure the quality of the services the public employment service will be modernised and the staff will be trained.

In connection with the enlargement, the EU human resource policies also include the building of administrative capacities in the new member states. The priority contributes to building administrative capacity by training civil servants with the

purpose of them becoming better equipped with the tools for improved policy-making and public management. Also, organisation level management capacity building projects will be supported.

While implementing ESF in Estonia the necessity to promote equal opportunities for all in accessing the labour market will be taken into account. Particular emphasis will be paid to those exposed to risk of social exclusion, regardless of the different grounds. The aim of integrating persons with specific risks, be it disability, ethnic minority, lack of command of Estonian language, duration of unemployment, age or other, is followed horizontally, exploiting all the additional means required. The aspects of local development and employment initiatives as well as the employment potential of the information society will be considered while implementing the measures. Promotion of information society will be facilitated throughout the priority by providing any kind of support for mastering ICT skills more extensively.

Equal opportunities for women and men as part of the mainstreaming approach is pursued through all the measures and while implementing all the activities.

This priority will only be co-financed from the European Social Fund. Considering the special importance of the human resource development priority, funding to be made available for the measures within this priority will increase more than for any other priority - threefold compared to the funding presently allocated from Estonian state budget. As the absorption capacity of Estonia can only be increased step by step, the share of the priority in the total assistance is 20.5% during the current programming period.

Throughout the implementation of the Programme the need for co-ordination of operations under the Human Resource Development priority and other priorities will be kept in mind. The priority will support the implementation of all the other priorities by improving the general quality of labour and providing special training related to the implementation of projects within other priorities. Further, a major share of the capital investments necessary for human resource development is going to be made within the framework of other priorities (for example, investment activities concerning vocational education, life-long learning, research and development activities).

Competitiveness of Enterprises

The priority promoting competitiveness of enterprises will aim at using new emerging market opportunities, modernisation of production by using new technologies applied on global level, and making better use of business opportunities based on natural environment and cultural heritage. At the same time, attempts will be made to alleviate the risks posed by the limited geographic scope of Estonia's foreign trade relations, excessive orientation on cheap sub-contracting and increasing competitiveness. Being supported by the potential of highly educated labour force, the enterprises' long-term competitiveness is likely to increase. Establishment and development of small and medium-sized enterprises is supported with the purpose of increasing employment and promoting regional development

During the present programme period the implementation of the priority as a whole will concentrate mostly on efforts for promoting research and development activities and innovation. Within the aforementioned area the assistance will be directed, first of all, to setting up or improving support systems, science-business co-operation arrangements and respective RD&I infrastructures. Besides that, a rapid extension of applied research as well as product and technology development initiatives is foreseen. Support for quality promotion is expected to raise the competitiveness of products and services.

Another area covered by this priority is business development, which is focused on the establishment and development of small and medium-sized enterprises. Different instruments that are mostly in use already today – such as counselling, providing better access to capital, and support for establishment of infrastructures – are used to boost starting up and growth of enterprises. During this programme period all these activities will be extended. Measures to be implemented under this priority are seen as the main tools for the implementation of the National Employment Action Plan.

The competitiveness of Estonia's tourism sector will also be enhanced within the framework of this priority. In that area, main focus will be given to the improvement of the international competitiveness of this sector – by creating awareness of Estonia as a tourism destination country and supporting large-scale national tourism infrastructure projects. Those activities will be complemented by support to businesses developing tourism products and infrastructure that have remarkable impact on increasing tourism flows and attracting tourists into areas located away from the capital city. It is planned to coordinate tourism actions with other countries of the region. Complementary actions of local governments in this sector are supported under the priority Infrastructure and Local Development described later in this section.

When it comes to the horizontal objectives of the priority, environment protection and regional development will be taken in consideration in implementing the priority. It is going to contribute to the promotion of information society, above all in the areas of research and development.

The Competitiveness of Enterprises priority will be implemented in co-ordination with other priorities. The co-operation will be the most intensive within the Human Resource Development priority, as this will provide for the preparation of skilled labour for enterprises, training of entrepreneurs, supplementary training for the staff of enterprises and retraining of the unemployed. In many cases it would be useful to implement projects of the two priorities in parallel. Equally important is the co-operation with the Infrastructure and Local Development priority, as the physical business environment, infrastructures of education; business communication networks etc. have close links with the activities carried out under this priority.

This priority is co-financed by European Regional Development Fund. Considering the special impacts of the Competitiveness of Enterprises priority, the additional funding to be made available for the measures within the priority is going to increase twofold compared to the funding presently allocated from Estonian state budget. The priority's relative financial weighting for the implementation of the Programme as a whole will make up about 19.7% of the total funding allocated for the SPD.

Agriculture, Fisheries and Rural Development

When implementing this priority, Estonia is going to make use of the opportunities provided by the Community's common agricultural and rural development policy and fisheries policy striving for a share as large as possible on the agriculture and fish production market of the EU. Opportunities related to the values of clean natural environment and cultural heritage should be taken advantage of to improve the situation in rural areas. The main strengths to be relied upon are agricultural production that has been concentrated into potentially viable production units, sufficiently large forest and fish stocks, clean natural environment and cultural heritage of rural areas. Implementing the Agriculture, Fisheries and Rural Development priority serves as one of the important factors helping to fight unemployment and structural disparities.

Different measures are used to guide the development of rural areas: market regulation measures, accompanying rural development measures (according to the Rural Development Plan¹) and structural measures (based on the SPD).

The emphasis will be put on securing sustainable development in rural areas. For that purpose, the measures will contribute to safeguarding the competitiveness of traditional agriculture under the EU conditions and securing a sufficient level of income. Creation of additional opportunities for rural livelihood the agricultural producers as well as other rural enterprises will be supported both within the framework of agriculture (horticulture, apiculture, bio-dynamic agriculture, environment maintenance, forestry) and alternative non-agricultural activities. In the fisheries sector, support for decreasing the existing fishing capacities will be provided. This is to provide the fishermen remaining in the sector with better job opportunities. The relevant measures will contribute to securing the fisheries' competitiveness under EU conditions.

This allows us to outline the following strategy for the development of Agriculture, Fisheries and Rural Development priority during the present programming period that builds upon the structures and systems put into operation in the framework of SAPARD:

Strengthening the economic basis of rural development will focus on increasing the competitiveness of the food production chain as a whole – from the initial production to final processing– by providing support to the investment projects. During the present programming period supported investment projects will, first of all, ensure fulfilment of the EU hygiene, environmental and animal welfare standards. Alongside the modernisation of traditional agriculture, the priority will contribute to the diversification of agricultural production, development of product quality, improvement of environmental situation, development of sustainable forestry, renovation and development of villages and creation of new non-agricultural enterprises in the countryside. The opportunities related to the enhanced use of the local natural environment and cultural heritage will be addressed in the development of non-agricultural economic activities. The priority criteria for developing alternative economic activities is the creation of new jobs to provide employment for people leaving or going to leave agriculture and utilization of local resources – rural tourism, handicraft, etc. Besides direct investments into main production areas the priority will support the modernisation of agriculture and forestry by the maintenance of depreciated amelioration systems. Specialized systems for farm advisory and extension services aimed at improving the skills and knowledge of agricultural producers as well as other rural economy entrepreneurs will be set up within the framework of this priority.

Reconstruction or construction of buildings intended for public use, but also development and implementation of local partnership-based pilot development strategies will be supported to make the living environment in villages more attractive. The activities will positively affect the levels of local initiative and viability of rural areas.

The Common Fisheries Policy (CFP) covers conservation, management and sustainable exploitation of living aquatic resources, aquaculture, and the processing and marketing of fishery and aquaculture products, where such activities are practiced on the territory of Member States or in the Community waters or by Community fishing vessels. The objective of the Common Fisheries Policy is to insure sustainable development of fisheries at the same time maintaining the balance of environmental, economic and social aspects. The primary focus of fisheries measures is on the adjustment of fishing capacity and bringing all the links in the fish-handling chain (vessels, ports, industries) into conformity with food safety, occupational safety and environmental protection requirements. Establishment of fish and crayfish farms will also be supported to compensate for decreasing fishing capacities and diversify the economic basis of rural life. The marketing of fish products will be facilitated to improve access to the markets. Accompanying social measures will be implemented for the fishermen affected by the restructuring of the fisheries sector.

Structural interventions in the framework of this SPD concerning the fisheries sector are in conformity with the objectives of the Common Fisheries Policy. These interventions are particularly subject to specific requirements and provisions fixed in Council Regulation (EC) No 1263/1999 and 2792/1999, lastly amended by Council Regulation (EC) No 2369/2002 of 20 December 2002. These provisions have to be respected even in the exceptional case of a fisheries action being financed by another fund. The interventions concerning the protection of aquatic resources, aquaculture, processing and marketing, and inland fisheries should have sustainable economic effect. The envisaged structural actions should give a sufficient guarantee of technical and economic viability and should particularly avoid the risk of creating any production over-capacity.

As for the horizontal objectives, environment protection requirements are to be integrated into the agriculture and rural development measures. The priority will contribute to the promotion of information society by establishing public Internet access in villages. The gender issues will be addressed when alternative economic activities are supported.

During the implementation of this priority it is vital to provide for the co-ordination with the priorities of Competitiveness of Enterprises and, in particular, Infrastructure and Local Development. The latter is important since the living and business environment in rural areas is largely shaped by the nature and availability of infrastructures provided by the local municipalities. Priority Competitiveness of Enterprises in its turn enhances establishment of new enterprises whereas the present priority has more emphasis on providing non-agricultural alternatives for agricultural producers and for diversifying the service supply in rural areas. The risk of overlaps between the three above-mentioned priorities will be tackled on the measure level

The implementation of the priority will be funded by two structural funds – Guidance section of the European Agricultural Guarantee and Guidance Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG). The priority's relative weighting for the implementation of the Programme is 18.7% of the total funding allocated for the SPD.

Infrastructure and Local Development

Compared to the priorities described above, this priority is the most supportive one in its essence. In the context of infrastructure development, Estonia's strengths are related to road network and community infrastructure with a relatively good coverage, quite well developed telecommunications networks and ICT services for public use. On the other hand, poor technical conditions of several buildings and facilities (mostly attributable to insufficient funding), non-compliance with modern technical safety requirements and environmental protection requirements as well as the changing social and economic needs serve as main weaknesses. Past pollution, covering large areas is also considered to be a serious problem.

In order to achieve the prime objective of this Programme – to promote fast, socially and regionally balanced sustainable economic development – this priority should concentrate on the development of those parts of the infrastructure that have direct impact on the socio-economic development or the improvement of which cannot be postponed any further. Where appropriate, regional growth centres will be preferred as defined by the national regional policy and spatial planning documents in force. The spatial focussing is important especially when developing the networks of educational establishments, hospitals and transport. The physical infrastructures influence remarkably regional development – therefore, when implementing the measures, the needs of regional balancing will be kept in mind.

Development of infrastructures held by private bodies will not be supported, as a rule. In general, no support will be available for commercial telephone and data communication networks, or the distribution of electricity and transmission networks.

Implementation of the Infrastructure and Local Development priority will be co-financed under the European Regional Development Fund (ERDF). Besides the ERDF assistance provided by this Programme, two of the central spheres of infrastructure having very large investment requirements – transport and environmental infrastructures – will also be financed from the Cohesion Fund. In Estonia, the relative share of the Cohesion Fund in the total assistance of the EU structural assistance amounts to almost 50% – therefore, approximately ¼ of the total amount of the EU structural assistance comes from the Cohesion Fund for each of the sectors. Therefore the role of transport and environmental projects co-financed by ERDF within the framework of this Programme is going to be of complementary character. A Single Strategy for the management of the Structural Funds and the Cohesion Fund in Transport and Environment Sector necessary for the co-ordination of the assistance is presented below.

A Reference Framework for the Cohesion Fund in Estonia has been elaborated in parallel to the SPD. The main features of this strategy paper for transport and environment are as follows:

In the transport sector, the Cohesion Fund can provide assistance for infrastructure projects that serve common interests and have been specified on the basis of the guidelines for the development of trans-European transport network, adopted with the decision of the European Parliament and Council no 1692/92/EC of July 23, 1996 and the revised guidelines adopted in October 2001. The Cohesion Fund pursues to provide the EU with a trans-European transport network including the “Motorways at sea” and “Rail Baltica” and the ERDF finances connection between its different parts where necessary. The assistance from the Cohesion Fund and ERDF needs to be fully co-ordinated. Projects to be co-financed under the ERDF must aim at the elimination of transport costs, traffic jams and time spent on travel while also improving the capacity and efficiency of networks and quality of the services, including traffic safety.

Following the national transport development plan and the principles listed above, Estonia has prepared a list of Cohesion Fund projects aimed at the modernisation of transport sector, considering the perspectives of the trans-European transport network until year 2010. The main emphasis will be put on the modernisation and development of selected roads and railway lines and the development of the port and airport infrastructures on the trans-European transport network. The relative importance of these corridors and infrastructure junctions is connected with both freight handling and passenger transport.

ERDF places emphasis on connections and interconnections with the trans-European networks where they need to be completed. Projects to be co-financed from ERDF should seek to remove bottlenecks of transport-connections, provide improvement of intra-regional or local access, modernise connection opportunities, reduce transport costs, congestion and travel times, and improve network capacity, performance and service quality, including safety and reducing negative environmental impact. Estonia will apply ERDF assistance during 2004-2006 for roads, small ports, regional airports and railways belonging to the state.

In the environment sector, Estonia is going to concentrate its efforts on the measures that aim at compliance with the requirements of the environmental directives and require the largest volume of investments. These directives are:

- Urban Waste Water Directive
- Drinking Water Directive
- Large Combustion Plants Directive
- Directives on the limitation of emissions of certain pollutants into the air from large combustion plants
- Directives on the quality of ambient air
- Directive on waste and other waste management directives
- Bird Directive
- Directive on the conservation of natural habitats

According to the Accession Treaty, Estonia has several transitional periods to achieve full compliance with the directives mentioned above. The transitional periods may last up to the year 2015.

The projects for the Cohesion Fund are to be selected according to the National Environmental Strategy and National Environmental Action Plan. During 2004-2006, problems related to drinking water, wastewater, management of solid waste and ambient air protection will be mainly addressed.

Estonia intends to launch several energy projects as well – for example, for taking up of renewable sources of energy.

Factors such as environmental and investment policies implemented in Estonia so far together with the smallness of the state and the large number of local government units have caused a situation in which Estonia needs to implement a number of smaller projects in addition to the large environmental projects. The smaller projects, when taken alone, will not meet the minimum size requirements established by the Cohesion Fund. The environmental objectives established would not be achieved when the need for small projects is ignored; furthermore, the efficiency of large projects could suffer if this will be the case. Therefore, Estonia will take the approach for grouping smaller projects to meet the minimum size requirements applicable to Cohesion Fund projects. The projects will be grouped if:

- this is possible in the technical and economic sense – i.e. it can be done where the projects involve drinking water or sewage systems of one and the same settlement;
- this is necessary for the achievement of environmental quality objectives – for example, waste water treatment projects within the same river basin;
- a number of consecutive activities need to be finished for the system to work – for example, closing down an old landfill, establishing a new one and development of waste collection and transport system.

Whenever the grouping of smaller environmental projects in the waste sector proves to be not feasible, they will be addressed by the ERDF.

The management of assistance from both the Cohesion Fund and ERDF will be co-ordinated in conformity with the strategies or action plans existing or being designed applicable to specific spheres of the environmental sector (water management, waste management, nature protection).

Apart from the co-ordination activities on the strategic level, co-ordinated implementation of assistance from the Cohesion Fund and ERDF will be secured when deciding upon the project pipeline. This kind of approach is supported by the division of administrative tasks (Ministry of Finance is the Managing Authority responsible for both the implementation of the Cohesion Fund and the present programming document), and the fact that for both of the funds, the implementing bodies co-ordinating the assistance will be the same.

Transport and environment infrastructures are only a part of the coverage of the Infrastructure and Local Development priority. A description of strategic aims of developing infrastructures in other sectors is presented below.

Investments are to be made into the vocational education and applied higher education infrastructures to support the preparation of internationally competitive labour force and provide for contemporary learning environment. During the present programming period a special focus will be on the development of regional vocational training centres.

Without increases in the tax burden, state budget funds are not sufficient for modernising the hospital network that is economically inefficient and does not meet the contemporary requirements. At the same time, it is not possible to postpone the modernisation of hospital network. Assistance from the Structural Funds will be used to start the modernisation process. During the present programming period 3-5 hospitals among those that need development according to the Hospital Network Development Plan will be selected and thoroughly modernised.

Development of information society is a high priority for Estonia. The information society strategy is based on the e-Europe Action Plan and the Information Policy Principles 2002-2006. The present programming period will focus on development of ICT solutions concerning mainly the public sector (particularly concerning information for and services to the citizen) and improving access of population to Internet. Complementary operations aimed at information society will be supported in a co-ordinated way under several measures of this Programme.

Development of infrastructures of national importance is not sufficient alone. Within this priority it is necessary to design flexible tools for eliminating the “bottlenecks” related to local infrastructures. Existence of such bottlenecks can undermine the efforts made at national level to develop business and human resources. A local socio-economic development measure has been devised to involve municipalities into the achievement of the Programme objectives by contributing the maximum use of supplementary endogenous resources available at local level. The “bottlenecks” of local development are of various nature depending on the locality. Therefore these “bottlenecks” will be eliminated in complementarity with the other

measures of this programme. In order to guarantee the most efficient use of resources and avoid the dispersion of funds, the support is focused on the most important bottlenecks having wider regional impact according to the local development plans and other criteria of socio-economic character which are presented in the relevant measure of this document.

Development of environmental protection is the most important horizontal issue in the implementation of the Infrastructure and Local Development priority.

When implementing the priority, consideration will be given to the need to co-ordinate the measures both within the priority and across priorities. The operations carried out within the Infrastructure and Local Development priority will provide in a complementary way to the other priorities and measures the environment necessary for human resource development, business development, rural development and improved aspects of everyday life of people. The implementation of this priority will be co-ordinated with the relevant activities on human resource development, agricultural, rural development, tourism, etc., and any possible overlaps (particularly of the Local Development measure) with other measures will be tackled at measure level.

Due to the relatively poor condition of the Estonian infrastructures and investment requirements characteristic of infrastructure related projects, the share of this priority will be approximately 37.2% of the funding made available for the Programme.

QUANTITATIVE OBJECTIVES

The performance of the Programme is to be measured by relating its objectives to concrete targets expressed in terms of indicators. The targets established serve as the quantitative objectives of the present Programme. The most important targets are shown in the Table 2 below (table 55 in SPD):

Table 2

Main indicators and targets related to the objectives of the Programme and its priorities

Sections, qualitative objectives	Indicator	Type of indicator	Measurement unit	Forecast/target 2006	Source of data	Baseline	Source of data
A. Context for the Programme							
	GDP average growth rate 2004-2006	Context	%	5.8	Statistical Office of Estonia	3.8 (1999-2001)	Eurostat
	GDP per capita in prices of year 2000	Context	euro	5,846	"	4,294 (2001)	Eurostat
	R&D expenditure in GDP	Context	%	1.5 incl. private sector 0.45	"	0.68 incl. private sector 0.15	Eurostat
	Employment rate (aged 15-64)	Context	%	64.3 men - 68.5 women - 60.4 15-24 - 30.2 25-54 - 78.8 55-64 - 52.5	"	62 (2002) men - 66.5 women - 57.9 15-24 - 28.2 25-54 - 76.8 55-64 - 51.6	"
	Unemployment rate (aged 15-64)	Context	%	7.8 men - 8.0 women - 7.6 15-24 - 16.5	"	9.1(2002) men - 9.8 women - 8.4 15-24 - 17.7	"
	Long-term unemployment	Context	%	4.3 men - 4.9 women - 3.6	"	4.8 (2002) men - 5.7 women - 3.8	"
	Expenditure on active labour market policy in GDP	Context	%	0.15	"	0.09 (2002)	"
B. Global targets for the programme							
General goal: Fast, socially and regionally balanced sustainable economic development							
	Increase of the average GDP growth rate 2004-2006 due to the SPD and Cohesion Fund	Impact	% points	0.7	Ministry of Finance, simulation		

Increase of GDP per capita due to the SPD and Cohesion Fund 2004-2006	Impact	%	2.0	"		
Decrease of unemployment rate due to the SPD and Cohesion Fund, 2006	Impact	% points	0.4	"		
Increase of employment (net job impact) due to the SPD and Cohesion Fund, 2006	Impact	No	3,000	"		

C. Targets for the priorities

General objective for priority 1: Increasing and using Estonia's labour force potential in a more effective way

Created and safeguarded jobs (net) 12 months after project	Impact	No	2,000	Ex-post evaluation, survey		
Coverage rate of unemployed persons receiving ESF active labour market measures	Result	%	35	Annual implementation reports		
Placement rate after participation in active labour market measures	Result	%	65	"		
Number of persons participating in training courses carried out in educational system (Measure 1.1)	Output	No	24,000 of which 55% women			
Number of persons participating in training courses increasing competitiveness of enterprises (Measure 1.2)	Output	No	12,000 of which 50% women			
Number of unemployed participating in active labour market measures (Measure 1.3)	Output	No	30,000 of which 50% women			
Number of civil servants participating in training courses for enhancing administrative capacity (Measure 1.4)	Output	No	3,600 of which 53% women			

General objective for priority 2: Increased competitiveness of enterprises and employment

Created and safeguarded jobs (net) 12 months after project	Impact	No	5,640 of which 50% for women	Ex-post evaluation, survey		
New enterprises created with SF support still active after 18 months	Impact	No	400	"		
Created new jobs (gross) by the end of project	Result	No	6,000 (incl. 800 in high-tech production and services) of which 50% for women	Annual implementation reports		
Safeguarded jobs (gross) by the end of project	Result	No	1,050 of which 50% for women	"		
New enterprises created with SF support by the end of project	Result	No	500	"		
Enterprises supported	Output	No	1,6501	"		
Marketing and investment grants to tourism enterprises	Output	No	60	"		

General objective for priority 3: Balanced and sustainable economic and social development of rural areas

Created and safeguarded jobs (net) 12 months after project	Impact	No	1,170 of which 60% for women	Ex-post evaluation, survey		
New enterprises created with SF support after 18 months	Impact	No	50	"		
Created new jobs (gross) by the end of project	Result	No	245 of which 60% for women	Annual implementation reports		
Safeguarded jobs (gross) by the end of project	Result	No	1,220 of which 60% for women	"		
Reduction of Estonian fishing fleet	Result	GT, kW	550/1,050			

Cattle, pig and sheep places modernisation supported	Output	No	13,500	"		
Non-agricultural diversification projects supported	Output	No	180	"		
Fisheries related projects supported	Output	No	100	"		

General objective for priority 4: Establishing infrastructures that support balanced and sustainable economic development

Share of people assessing the impact of supported physical infrastructure projects as having improved attractiveness of their region for living and business-making among all benefiting persons	Impact	%	65	Ex-post evaluation, survey		
Improvement of IRI (International Roughness Index) of road covering on rehabilitated road sections.	Result	%	671 (from 3 to 1 mm/m2)	Annual implementation reports		
Students (incl. vocational pre-training and further education) benefiting from improved learning conditions in vocational education during the academic year following project completion	Result	No	9,000	"		
Increase in bed turnover of modernised hospitals	Result	(%)	40	"		
Inhabitants benefiting from supported municipal infrastructure investment	Result	No	280,000	"		
Roads constructed/rehabilitated	Output	km	130	"		
e-Government projects supported	Output	No	10	Annual implementation reports		
Upgraded student places in vocational education	Output	No	5,000	"		
Hospitals upgraded	Output	No	3	"		
Municipal infrastructure investment projects supported	Output	No	280, incl. 60 environmental projects	"		

D. Horizontal priorities Sustainable development

Share of assistance with environment-friendly impact	Result	%		Annual implementation reports		
Projects with environment-friendly impact	Output	No		"		

Gender equality

Share of assistance with positive impact in terms of gender equality	Result	%		"		
Projects with positive impact in terms of gender equality	Output	No		"		

Information society

Share of assistance contributing to the development of information society	Result	%		"		
Projects contributing to the development of information society	Output	No		"		

Regional development

Share of assistance by counties ²	Result	%		"		
Division of projects by counties ²	Output	No		"		

¹ Will be in conformity with the SPD with the Corrigendum after 1 May 2004.

² Only geographically delimited projects



2. GENERAL PROJECT SELECTION CRITERIA

Each project financed within the framework of the Programme shall correspond to the following overall criteria:

1. Project must comply with the strategy of the SPD and correspond to the objectives of a particular measure and priority under which a funding is applied for;
2. Project must be relevant in terms of its content and timing – based on the relevant surveys, development plans and motivated needs;
3. Project must be cost-effective (value for money);
4. Project must be sustainable and create permanent or long-term value added;
5. Applicant must be able to carry out the project

Establishing relevant application forms for the applicants ensures availability of the information, necessary for checking conformity of the projects with those criteria. It is a task for the agencies determined as Final Beneficiaries to carry out checking of eligibility of applications and applicants.

In addition, projects that correspond to the overall selection criteria will be assessed on the basis of measure-specific requirements and preference criteria.

3. CROSS-CUTTING MONITORING AND EVALUATION INDICATORS

According to Annex IV of Commission Regulation (EC) No 438/2001, for each project a member state must collect and provide information in terms of the location of the project, the environmental impact of the project, and the impact of the project on the gender equality situation.

In the Commission Working Paper 3: Indicators for Monitoring and Evaluation: An indicative methodology, it is recommended that impact of projects on employment should be estimated throughout the measures. Considering the central importance of the information society development policy as one of the horizontal objectives in the SPD, the way of how projects contribute to the development of information society will also be monitored.

Drawing on these considerations, the following indicators shall be monitored horizontally across the Programme:

1. Geographical location of the project: (a) urban, (b) rural, (c) not geographically delimited;
2. Impact of the project on environment: (a) has the environment as its main focus, (b) is environment-friendly, (c) is environmentally neutral;
3. Impact of the project on gender equality in general: (a) has gender equality as its main focus, (b) is positive in terms of gender equality or (c) is neutral in terms of gender equality;
4. Impact of the project on gender equality: (a) promotes equal integration with the labour market, (b) promotes equal participation in education and training, (c) promotes entrepreneurship of women, (d) promotes reconciliation of work and family life, (c) impact on gender equality at the labour market is not identifiable;
5. Impact of the project on information society development: (a) contributing to the development of information society, (b) neutral;
6. Jobs created by the end of project (gross): men/women;
7. Jobs safeguarded by the end of project (gross): men/women.

Establishing relevant application and reporting forms shall ensure collecting of the data listed above. Later in the measure descriptions the horizontal indicators are presented only when matched by concrete targets – this refers mainly to employment indicators.

4. PRIORITIES AND MEASURES

PRIORITY 1: HUMAN RESOURCE DEVELOPMENT

The Human Resource Development priority is aimed at increasing Estonia's labour force potential and using it in a more effective way.

The priority will be co-financed by the European Social Fund (ESF). It will be implemented through the following four measures:

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for all

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

Measure 1.3: Inclusive Labour Market

Measure 1.4: Enhancing Administrative Capacity

MEASURE 1.1: EDUCATIONAL SYSTEM SUPPORTING THE FLEXIBILITY AND EMPLOYABILITY OF THE LABOUR FORCE AND PROVIDING OPPORTUNITIES OF LIFELONG LEARNING FOR ALL (ESF)

1. Overall Aims and Objectives

General objective of the measure is human resource development and increased competitiveness of the labour market by providing training, improving the educational system and the conditions for lifelong learning.

The specific objectives of the measure are:

- Ensuring quality of education and training;
- Ensuring equal opportunities for accessing education;
- Ensuring possibilities and providing conditions for lifelong learning.

2. Rationale

Vocational Education

In vocational education the main basis for implementing activities is "Action Plan for Developing Estonian VET System in 2001-2004". To ensure the quality in vocational education and training (VET) our first priority is to provide qualified teachers to the schools – by developing training and re-training system and providing training corresponding to current demands. Fundamentals of the teachers training are derived from the "National Development Plan for Teachers Training 2003-2010" (draft version). Training, further training and practical work experience of teachers and schools' headmasters will be implemented in close co-operation between schools and employers.

To improve the quality of vocational education and training the support is aimed at the development of the new curricula and the update of current curricula, also the development of vocational education standards to support the curricula development is foreseen. New training materials linked to training co-financed by the ESF will be developed corresponding to the needs of labour market and criteria of vocational standards. It is very important that in developing curricula and providing training courses the employers are included to the process.

To ensure the quality of vocational education and training, developing and implementing a quality assurance system for vocational education institutions will be supported. This will make schools comparable, enables continuous monitoring and also increases the trust in the vocational education institutions and system in general. In the EU context the projects to increase the transparency of vocational education (EUROPASS, diploma annexes) as well as the development of skills and mutual recognition of vocational qualifications will be supported.

The present proportion of students entering upper-secondary and secondary vocational schools 70%: 30% corresponds neither to the abilities of the learners nor to the needs of the labour market. In order to alleviate this problem, more flexible learning opportunities will be provided through this measure. For example, in-company training organised together

with employers (including training the qualified in-company trainers), basic vocational training opportunities on general secondary level, apprenticeship training and basic VET training for upper-secondary students will be implemented, and closer co-operation with enterprises will be initiated. Also the developing and implementation of the counselling system model (including the career-counselling model developed under PHARE programme) is foreseen. The further development and implementation of the career guidance system (including training of qualified practitioners) will help to decrease the gap between the education system output and the labour market needs, especially when vocational education institutions are included to the process. Training of the practitioners and the development of the model for the provision of guidance and information services is in conformity with the "Action Plan for Developing Estonian VET System in 2001 – 2004" and the "Youth Work Development Plan 2001 – 2004". Higher education institutions will provide training for the practitioners-counsellors. To make learning opportunities flexible and labour market-oriented, training supervisors to guide the students during their practice period among both schools' as well as enterprises' personnel will be trained.

Both, "Education Strategy" (draft) and "VET Development Plan" foresee the activities aimed at dropouts to bring them back to school, especially by providing them vocational pre-training. The emphasis is on preventive activities such as guidance, information and counselling, training of qualified teachers and counsellors. Vocational education institutions may also provide training courses for dropouts and/or risk groups to gain basic vocational and elementary skills together with formal education as well.

Ensuring the quality of education and training, this measure is closely related to the measure 4.3 "Modernisation of Infrastructure for Vocational and Higher Education" (co-financed from ERDF) which provides the infrastructure needed for modern teaching methods and up-dated curricula, especially supplying the facilities needed for vocational education and training.

Higher Education

Development plan "Higher Education Reform 2001-2002" approved by Estonian Government sets the goals and defines the vision up to the year 2008 that will mostly be achieved through the implementation of Universities Act and Applied Higher Education Institution Act. This plan also includes the financial plan and vision for 2003-2008 where more attention is paid to the quality of higher education, especially on master and doctor level. The plan also foresees greater attention being paid to those applied specialities on the higher education level that will help to fulfil the demand for highly qualified personnel on Estonian labour market.

The main role for the universities under this measure is to provide training on the fields that are strategically important to Estonian economy and also training and re-training of the teaching staff. Further training and re-training for the higher education teachers can also be provided by universities as well as by other educational institutions, together with enterprises when needed.

Training the lecturers and teaching staff for higher education institutions (applied and academic both), ensuring their mobility and training the future top level specialists in strategically important fields are also the priorities set in Estonian R&D strategy "Knowledge-Based Estonia". Strategic goal of the "Knowledge-Based Estonia" is to increase the competitiveness of enterprises and the key fields are user-friendly information technology, development of the information society, biomedicine and materials technology. In strategic fields and in training the top-level specialists the aspects of curricula development and developing of quality assurance system on post-graduate level should also be paid due attention. Besides the strategic fields the curricula development and teaching staff training is important on wider scope, that is in the fields that are necessary for functioning society (law, economics, education, etc). One instrument to make studies on doctoral level more effective is the implementation on doctoral school conception, especially on strategic fields named before. The aim of launching doctoral schools is to enhance the performance of doctoral studies in both quantitative and qualitative terms. Mobility activities may include inviting top-level teaching and research staff to work with Estonian higher education institutions on a long-term basis, providing post-doctoral research and teaching experience for universities teaching and research staff, etc.

The main objective of the national higher education program "Tiger University 2002-2004" is quality improvement in higher education institutions through modern technologies and teaching materials and also through highly qualified teaching staff. Tiger University program foresees the training of ICT specialists and training the ICT trainers. Complementary to infrastructure investments under priority 4, this measure enables the implementation of new training methods elaborated in the program (e-learning, project based learning, etc). In teachers training the emphasis is put on integrating ICT into speciality study.

Lifelong Learning

To implement the concept of lifelong learning with regards to European Commission Lifelong Learning Memorandum and "Estonian Life Long Learning Strategy" (draft 2002) the most important goal is to increase the accessibility to further education and re-training. According to the study carried out by Research Company Saar Poll in 2002 the main barrier to take part in training courses is low motivation and the expensiveness of modern training. For that reason support to training projects will be provided under this measure. The projects supported must be initiated by training institutions and the training courses should be labour market related and aimed at employed people (while training for the unemployed will be provided from measure 3). To ensure the quality of training, training the trainers will be provided.

In order to motivate persons to take part in life-long learning, a system recognising previous work experience and already acquired knowledge will be developed and implemented. An information database of learning opportunities for adults will also be developed which will support the provision of professional and career counselling services to adults as part of the career guidance system.

Infrastructure investments in the context of lifelong learning will be implemented under priority 4, mainly from measure 4.3 where those centres and institutions are preferred which besides formal education provide lifelong learning opportunities.

To measure the competitiveness of labour and to make education and training correspond to the needs of labour market the continuing development of a professional qualifications system together with the labour market partners is planned. The measure foresees the development of professional standards, the organisation of professional examinations (for both graduates of vocational schools and for adults), curricula development according to the developed professional standards, etc.

3. Eligible Operations

- Further development of the training systems for teachers on vocational, applied higher and higher education level, including provision of training and practical experience at universities, scientific and research institutions abroad, trainings for adult learning practitioners and apprenticeships supervisors among the schools' as well as enterprises' personnel;
- Curricula development and development of new teaching materials on vocational, applied higher and higher education level linked to the training co-financed by the ESF including provision of training and practical experience to the curricula developers;
- Further developing and implementing the guidance services provision model, including training guidance practitioners and youth information workers, trainings for vocational guidance practitioners, development of informative and methodological materials, conducting of related researches;
- Training of students including providing flexible learning opportunities (for example establishing in-company practice and apprenticeships, implementing professional pre-training, extending cooperation with enterprises, implementing e-learning opportunities, etc);
- Actions preventing dropouts from educational system including counselling and guidance, vocational pre-training to bring drop-outs back into the education system and training of qualified practitioners and teachers;
- Developing a quality assurance (accreditation) system for vocational and higher education institutions;
- Ensuring lifelong learning opportunities for employed persons incl persons with lower abilities on the labour market;
- Development of information database on adult study opportunities;
- Establishing a lifelong learning system recognizing previous work experience and already acquired knowledge;
- Further developing a professional qualifications system;
- Improvement of the quality of vocational and higher education up to internationally recognized standards, including related developmental activities, innovation, networks' development, researches;
- Activities for ensuring the quality of higher education, including inviting top-level teaching and research staff to work with Estonian higher education institutions on a long-term basis, providing post-doctoral research and teaching experience for universities teaching and research staff;
- Training the students to become top level specialists in strategically important fields (user-friendly information technology and development of the information society, bio-medicine and materials technology);

- Training the teachers and pedagogical students on ICT to increase the competence on e-learning opportunities.
- Additional trainings in a field of digital technology for teachers and trainers (preferable criteria in projects' selection process) to promote implementation of ICT in teaching process and development of e-learning materials.

4. Final Recipients

- Vocational and applied higher education institutions, universities, training and educational institutions;
- Ministry of Education and Research and its subordinate organisations;
- County governments, local municipalities and local municipality institutions;
- Foundations and non-governmental organisations;
- Providers of guidance services including youth information and career guidance services;
- Organisations associated with the development of the professional qualifications system.

5. Indicators and Targets

Output Indicators

Number of persons participating in the training courses carried out in educational system (M/W)	24, 000 (10, 800/ 13, 200)
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Result Indicators

Rate of participants successfully completed training	80%
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6. Final Beneficiary

Foundation for Life-Long Learning Development INNOVE

7. Eligible Area

Estonia

8. Processing of Applications

The competition based procedure is used.

Applications are submitted to the Innove by an announced deadline (at least 2 times a year). Innove organises the eligibility check and content assessment of the applications against predefined criteria. The content assessment will be carried out by group of experts involving independent experts from relevant fields. A project selection committee set up by the Minister of Education and Research, consisting of experts from the relevant ministries and social partners, reviews the assessed applications and proposes the list of projects selected for funding to the head of Innove for approval.

The exact criteria and process for project selection are co-ordinated with the Managing Authority and laid down in regulation by the Minister of Education and Research in accordance with the Structural Aid Act § 16.

9. Categorisation of the Fields of Intervention

23, 24

The indicative division of finances between fields is:	23 - 80%;
	24 - 20%.

10. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

It is planned to make educational activities and training related to the implementation of the concept of lifelong learning under the measure correspond to the needs of enterprises increasing their competitiveness.

Measure 1.3: Inclusive Labour Market

New curricula and flexible learning methods developed with the implementation of the concept of lifelong learning will be usable for training and re-training of unemployed. Overlap of the measures is avoided by precise differentiation of target groups.

Measure 2.3: Promotion of Research, Technology Development and Innovation

Training of the top-level specialists and teachers provided under measure 1.1 will contribute to effectiveness of measure 2.3 as well. Combinations of the measures' projects are possible.

Measure 4.3: Modernisation of Infrastructure for Vocational and Higher Education

The measure will be implemented in close co-operation with measure 4.3, considering the objectives in teachers training and their qualifications, also objectives in curricula development. Measure 4.3 will provide necessary technical and material base needed for development of career and vocational counselling system.

11. Consideration of the Horizontal Policies

Environmental Policy

The measure increases public awareness on environmental issues and promotes values of citizenship and participation. Environmental issues will be taken into consideration in the process of development of new curricula and during the training.

Information Society

The development of information society is one of the measure's specific criteria. The measure supports ITC development and in-depth ITC training, including re-training of trainers and teachers, development of ITC-based study materials and methods. Development of information society is one of important criteria in project selection process.

Equal Opportunities (Gender)

Planned in the frames of the measure activities that are aimed on dropouts prevention in vocational education and life-long learning take into consideration gender equality issue.

Regional Development

In the measure implementation, aspects of balanced regional development and needs of particular regions will be considered. One of the measure horizontal politics is that the project must contribute to creation of equal opportunities for accessing education and to integration of non-Estonian population into Estonian society, and thus especially in the regions with high level of unemployment and/or considerable share of non-Estonian population.

MEASURE 1.2: HUMAN RESOURCE DEVELOPMENT INCREASING THE COMPETITIVENESS OF ENTERPRISES (ESF)

1. Overall Aims and Objectives

The general objective of the measure is to prevent unemployment through the promotion of skilled, trained and adaptable workforce. Measure will support the training of persons employed in enterprises in order to improve and maintain employability, develop entrepreneurship, to promote the conditions facilitating job creation, as well as to boost human potential in research, science and technology.

The specific objectives of the measure are:

- Achieving an increase in investment in human resources, particularly in investments by enterprises in the training of adults with a view to promoting productivity and competitiveness;
- Encouraging potential entrepreneurs to start their own business by providing them with necessary business management skills;
- Increasing the awareness of business managers about new management methods and export and marketing by promoting the respective training;
- Enabling the implementation of new technologies and quality assurance systems in enterprises by supporting acquisition of necessary skills.

2. Rationale

“Enterprising Estonia – Policy for Developing Small and Medium Size Enterprises in Estonia 2002-2006” defines human resource development as its first priority. The most important personnel problem for enterprises is the lack of skilled workers and qualified specialists. It is also important to support the development of the existing workforce according to the rapidly changing needs of labour market. Current measure aims at improving access to training and higher qualification of employees of especially small and medium-sized enterprises. Qualified workers will facilitate the use of new and more sophisticated technologies, thus allowing enterprises to grow and develop, creating more jobs.

Grants to Retraining and Continuing Training

Enterprise Estonia, which is one of the implementing bodies of state business development activities, has been providing enterprises with grants to retraining and continuing training since 2001. The measure is needed, as mainly small enterprises are not able to invest in training that is profitable in the long term. In addition, entrepreneurs are often not eager to invest into development of the labour force because of the risk that trained workers could leave to competing enterprises. The training grants are available to enterprises, associations of enterprises and regional business development institutions. Associations of enterprises can apply for this grant to train the staff of their member organisations, while business development organisations can apply for support to train potential entrepreneurs and those starting up.

Training Programme

The above mentioned support scheme is demand-driven. Enterprises approach Enterprise Estonia with their training plans. Unfortunately small enterprises that form the main target group of training support activities often tend to undervalue the positive effects of training and are not active applicants of the grants. Reasons behind of this lie often in lack of information and experiences. At the same time transition to a knowledge-based economy presents the companies and their workforce with great challenges and requires the continuous acquisition of knowledge in many new spheres. In order to encourage enterprises to train their employees and increase professional skills of specialists on different speciality-related fields, proactive training programmes are being developed. The training program is based upon the needs identified with sector based needs assessments as well as consultations with entrepreneurs and their associations.

According to recent surveys there are fields with particular need for enhancing skills and accumulation of knowledge. These fields are defined in national strategic documents for example “Knowledge-based Estonia – Research and Development Strategy 2002-2006”, “Enterprising Estonia – Policy for Developing Small and Medium Size Enterprises in Estonia 2002-2006” and “Export Policy”. These priority fields are taken into account while implementing the measure and are therefore further explained as follows.

Entrepreneurship figures are considerably lower in Estonia than in the EU. Therefore it is necessary to provide the knowledge and skills necessary for success for those wanting to start entrepreneurship. All the hired workers are seen as potential entrepreneurs within the framework of this measure, since their existing experience and skills might enable them to start a business, but they lack the necessary knowledge to establish and manage a business.

Although the managers of enterprises (both middle and top level) are capable people, they often lack the special education necessary for coping with business in a transition economy. There should therefore be opportunities for them to improve their awareness and skills. According to the evaluations of business managers themselves the most constraining factor limiting the enterprise development is finding market for their products or services. These facts indicate the immense need for training on business management, marketing and exports.

Another problem is managers’ low levels of competence and know-how in product development, technology development and innovation. Lack of training in the administration of innovation and technology also holds back development. In certain phases of enterprise development, further expansion is hampered by lack of knowledge in quality management and patenting in ensuring competitiveness. This means the measure is also aimed at raising R&D and innovation-related competence of enterprises as well as the skills and strategic planning capacities of managers and specialists on implementation of quality management systems.

Encouraging the use of flexible forms of work can increase the competitiveness of enterprises. While identifying the training needs, the need for more flexible working arrangement is also taken into account. The managers can be trained to re-organise working arrangements in a more flexible way and the examples of best practice will be promoted. The potential of the employees can thus be better exploited and the workforce’s adaptability increased.

3. Eligible Operations

- Provision of support for training activities for employees and managers of enterprises - developing working skills and know-how, training necessary for using new technologies, especially ICT, training for the implementation of quality management systems and technologies;
- Support necessary for the identification of training requirements attributable to enterprises' development, implementation of new technology or quality assurance system;
- Assessment of training needs in different sectors of economy;
- Provision of entrepreneurial training for potential entrepreneurs;
- Training activities to increase the awareness and skills of managers and specialists about business management, export and marketing, R&D, innovation, quality management, etc.;
- Awareness raising, information and publicity regarding the activities of the measure, the activation of target groups and project initiation;
- Developing curricula, training of trainers;
- Training of business consultants and the staff of business information centres;
- Developing professional standards for trainers, experts, business consultants and employees of business information centres;
- Evaluation and accreditation of trainers, experts and consultants.

4. Final Recipients

- Enterprises, especially small and medium-sized enterprises;
- Training providers, experts and consultants;
- Potential entrepreneurs, except unemployed who will be targeted under measure 1.3;
- Associations of entrepreneurs, professional associations;
- Non-profit organisations involved in development of entrepreneurship, such as regional business development agencies.

5. Indicators and Targets

Output Indicators:

Number of employees participating in training courses increasing competitiveness of enterprises (M/W)	12, 000 (6, 000/ 6,000)
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Result Indicators:

Created new jobs (gross) by the end of project (M/W)	1, 200 (600/600)
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6. Final Beneficiary

Enterprise Estonia

7. Eligible Area

Estonia

8. Processing of Applications

Applications for Training Support grants are submitted to Enterprise Estonia (EE). Applications will be processed throughout the year. EE organises the eligibility check and content assessment of the applications and applicants against criteria defined. In concordance with the Ministry of Economic Affairs and Communications, the Management Board of EE shall establish evaluation or selection committees when necessary. The content appraisal of the applications will be carried out by group of experts involving independent experts from relevant fields when necessary. The Management Board of Enterprise Estonia takes the decision to finance projects.

11. Consideration of the Horizontal Policies

Environmental Policy

Measure supports training on environmental management and the use of more sustainable technologies.

Information Society

Preference will be given to projects that support the transition to knowledge-based society and more effective use of ICT.

Equal Opportunities (Gender)

Preference will be given to projects that promote gender equality, when projects are otherwise compatible with the objectives of the measure.

Regional Development

Measure supports the development of regions with high unemployment.

MEASURE 1.3: INCLUSIVE LABOUR MARKET (ESF)

1. Overall Aims and Objectives

The overall objective of the measure is a more extensive and efficient prevention and alleviation of unemployment and, thus, poverty and social exclusion, and enhancing social inclusion.

The specific objectives of the measure are:

- Faster and more extensive integration to the labour market of the unemployed and employees at the risk of becoming unemployed due to declared redundancy;
- Facilitating access to employment of the most excluded from the labour market;
- Improving the efficiency and quality of employment services.

2. Rationale

Unemployment is the main cause of poverty and social exclusion in Estonia. More inclusive labour market is, thus, the keyway of preventing and alleviating poverty and exclusion and enhancing social inclusion. The annual National Employment Plans, the Joint Inclusion Memorandum and the National Action Plan on Inclusion serve as a basis for the implementation of the measure.

The National Employment Action Plan is compiled in accordance with the new employment guidelines, involving three overarching objectives of full employment, improving quality and productivity at work and strengthening social cohesion and inclusion. The Joint Inclusion Memorandum follows the EU common objectives for social inclusion. It identifies increasing labour market participation; in particular of those who are long-term unemployed or the most distant from the labour market, as one of the most urgent challenges in relation to tackling poverty and social exclusion.

Active Labour Market Services

In order to reduce skills mismatch and bottlenecks in the labour market, active labour market measures should be implemented by the public employment services. Re-training and continuing training can improve the qualification of the unemployed and job seekers that have been declared redundant.

Employment aids and aids for self-employment (for the unemployed exclusively) and vocational counselling are also provided in order to increase the unemployed persons' opportunities to find steady jobs. Implementation of different active labour market measures is of great importance to all the unemployed, but especially for risk groups such as young people, the long-term unemployed, disabled people, elderly people and ethnic minorities.

Existing active labour market measures (retraining and continuing training and others) will be improved and new ones will be developed in order to enhance the capacity of the system and make it better correspond to the needs of the clients (unemployed and the employers). The development of services is accompanied by relevant studies in order to ensure that they are targeted to the most critical problems and that they give effective results.

The measure will promote the equal opportunities on the labour market by reducing barriers for women in entering or returning to work after a period of absence.



Social Inclusion

For facilitating access to employment of those who are the most excluded from the labour market the active labour market measures must be complemented with other means such as rehabilitation, socialisation and workplace adaptations that are provided either beforehand or simultaneously with labour market services to facilitate a pathway approach to labour market integration. As it is not feasible to have all people employed in the open labour market, it is also necessary to foster alternative ways of working (e.g. sheltered jobs, assisted jobs, activity centres). The pathway approach will be applied in order to help the discouraged persons, including those unregistered in employment offices through rehabilitation and proper labour market training to find a job. According to identified needs the services supporting inclusion to the labour market will be adapted to the individuals.

While offering services mentioned under previous subheadings the need of providing of adequate accompanying measures including provision of care services and facilities for dependants will be taken into account.

Modernisation of Employment Services

In order to modernise and strengthen the employment services, the staff of employment offices will be trained according to the training needs' assessment to better co-operate with the employers, pay attention to the specific needs of risk groups, advisory skills, including vocational guidance, etc.

The management systems and organisation of work of employment services will also be modernised.

The measure is underlined by the principle of providing individualised and integrated support, promoting joint working among relevant institutions and services (i.e. employment services and municipalities social services), strengthening local partnership.

Therefore training of staff of other services supporting inclusion to the labour market (including rehabilitation) is foreseen as well, the main emphasis being on individual approach and case management.

Role of Non-Governmental Organizations in Implementation

In implementing the activities of the measure, NGOs dealing with different risk groups (such as young people, the long-term unemployed, disabled people, elderly people, ethnic minorities and others excluded from the labour market) and provision of services for those excluded or in risk of exclusion are among important partners for the public authorities. The NGOs can approach the labour market problems the target groups are facing in a more flexible way in terms of local initiatives or very specific problems.

3. Eligible Operations

Retraining and continuing training (including entrepreneurship training) of the unemployed and job seekers declared redundant

The purpose of providing in-service and retraining courses to registered unemployed and people declared redundant is to enhance their competitiveness and equip them with knowledge and skills needed in the labour market. Priority is given to courses which last several months to ensure an efficient provision of vocational skills, and to the courses in most demanded fields on the basis of sectoral surveys and other analyses regarding labour demand. The provision of entrepreneurship training for the unemployed is also foreseen.

Supporting work capacity and employability of the most excluded from the labour market through rehabilitation and re-socialisation provisions

Developing rehabilitation programs targeted at enhancing employability of disabled people and providing for rehabilitation services (elaboration of vocational rehabilitation programs, expanding the network of service providers, including rehabilitation centres).

Adjusting workplaces in order to meet the needs of the disabled and older workers, including implementing the workplace adjustment scheme following the recommendations of the PHARE 2003 project "Enhancing Employment Opportunities for Disabled People".

Preparing and implementing re-socialisation and activation programmes for long-term unemployed and sentenced persons with the aim of promoting their social skills and work habits.



Providing labour market related Estonian language training in order to support the integration of persons with insufficient knowledge of Estonian to the labour market

In case lack of Estonian knowledge is hindering the persons' employment opportunities, Estonian language training is provided together with active measures or other measures supporting integration into the labour market.

Employment aid, including creation of subsidised jobs, assisted or sheltered jobs and other transitional employment arrangements

Establishing and developing sheltered workshops and assisted jobs for the severely and profoundly disabled people.

Providing for temporary job opportunities and establishing activation centres for discouraged (have given up job search) and long-term unemployed.

In addition the risk groups (e.g. young unemployed) will be provided with an opportunity to gain working experiences and/or get a permanent job by supporting the employers (employment aid).

Aids for self-employment

The provision of entrepreneurship training for the unemployed is accompanied by aids for self-employment for the unemployed, which successfully complete entrepreneurship training and have a concrete business plan.

Diminishing the barriers for women in entering/returning to the labour market

Current activity is aimed at creating equal opportunities for women and men in the labour market by measures supporting mostly women's entering and return to the labour market. The main possibilities here are professional training for women returning from maternity leave and subsidy for employers who employ mothers with small children. These activities will mainly be implemented in combination with others in current measure but independent projects to support women's return to the labour market are not excluded either.

Accompanying measures in the provision of services to beneficiaries (e.g. day-care for children or dependent disabled adults and elderly)

While providing active labour market measures and services supporting integration to the labour market the need to provide accompanying measures, e.g. caring for family members is addressed. Therefore the provision of diverse and flexible arrangements for child day-care, elderly and disabled persons (such as family services, day-care centres, professional community care services, out-of-school programmes, etc) is foreseen in order to enable the participants fully benefit from active labour market measures and other services supporting the integration into the labour market.

Developing existing labour market measures, adjusting them to regional needs and the individual needs and elaborating and implementing new ones

The effectiveness of labour market policy and active labour market measures will be regularly evaluated in co-operation with research institutions and universities. The results and recommendations of the surveys will be taken into account in implementation and further developing of active labour market measures.

As the causes of unemployment in different regions in Estonia vary, different measures to reduce unemployment must be used. In order to do that, the regional needs for certain measures are explored and thereafter existing measures are adapted or new ones developed for that particular region.

New labour market measures are piloted (in regions) and, in case they have good results, implemented all over Estonia.

The causes and processes pertaining to social exclusion are analysed and the impact and effectiveness of the measures implemented in order to increase inclusion and integration into the labour market are evaluated. Based on the results of these analysis further activities are planned and the services supporting the integration into the labour market are diversified and adapted to the needs of various risk groups.

Training of staff of employment services and other services supporting inclusion to the labour market

In addition to further developing of labour market measures the employees of public employment offices need to be trained regularly to achieve better results in labour market system.

Employees in public employment offices are offered various training courses to enhance their capacity of analysing local labour market situation as well as the knowledge, skills, potential and needs of the clients. Training courses will pay special attention to vocational counselling free of gender stereotypes. Combining these skills enables them better consult job seekers and assess their training needs thus raising the effectiveness of job mediation. Another important field of training

is connected to wider use of project-based approach in solving labour market problems. Employees in public employment offices will be trained to write, plan and manage projects.

The training of staff of other services supporting inclusion to the labour market (e.g. case-managers, social workers, including those working in municipalities, rehabilitation teams, and employees of activation and rehabilitation centres) is foreseen as well. The main emphasis here is on preparation and implementation of individual action plans in accordance with personal needs and the better planning and co-ordination of different activities increasing social skills and employability.

While providing training to the rehabilitation teams, special attention is paid to increasing their competencies in vocational and professional rehabilitation.

Modernisation of employment services

Simultaneously with developing employment measures and training the employees, the management systems and organisation of work of employment services will also be modernised. This can also include facilitating wider access to the self-service system for the job-seekers, etc.

4. Final Recipients

- Ministry of Social Affairs and its agencies, including Labour Market Board and Public employment offices;
- Local Municipalities and County Governments;
- Non-governmental organisations, foundations and private enterprises;
- Other public and private legal bodies of the field, including training and research institutions and social partners' organisations (employers associations and trade unions);
- Self-employed.

5. Indicators and Targets

Output Indicators

Number of unemployed participating in active labour market measures	30, 000 of which 50% women
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Result Indicators

Coverage rate of unemployed persons receiving active labour market measures	35%
Placement rate after participation in active labour market measures	65%
Created new jobs (gross) by the end of project (M/W)	800 (400/400)

6. Final Beneficiary

Labour Market Board

7. Eligible Area

Estonia

8. Processing of Applications

The competition based procedure is used.

Project applications are submitted to the Labour Market Board by an announced deadline who shall perform eligibility check. Thereafter, the experts of the field assess the content and activities of the projects and the regional employment councils assess the projects' regional relevance. If the project covers four or more counties, the National Employment Council assesses its national relevance. The Labour Market Board submits the project applications and the results of the assessments to the Measure Working Group who proposes the head of the Labour Market Board whether to finance or not to finance the application. In case the applicant is Labour Market Board, Minister of Social Affairs takes the decision.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Social Affairs in accordance with the Structural Aid Act § 16.

9. Categorisation of the Fields of Intervention

21, 22, 25

The indicative division of finances between fields is: 21 - 70%;
22 - 25%;
25 - 5%

10. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All

The new curricula and flexible forms of training (especially regarding continuing training) developed within the above mentioned measure will be used in retraining and continuing training of the unemployed. The overlap between the two measures is avoided by strictly defining the target groups. Current measure is targeted at retraining and continuing training of the unemployed and people declared to be redundant who have the right for labour market services according to legislation in force. Unlike in current measure, the participants of training courses offered by Measure 1.1 take their own initiative.

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

The above-mentioned measure is targeted to continuing training of the employees deriving from the specific enterprise, thus differing from the target group of the current measure. In case the unemployed can participate in training offered by measure 1.2, he or she loses the right for training programs of current measure.

Measure 4.3: Modernisation of Infrastructure for Vocational and Higher Education

This measure improves the material basis for implementing active labour market measures by modernisation of vocational training centres where the training of the unemployed takes place.

While preparing and implementing the measures regular flow of information is organised between different Final Beneficiaries in order to ensure the necessary level of awareness and co-ordination.

11. Consideration of the Horizontal Policies

Environmental Policy

The training courses offered to the unemployed will pay appropriate attention to the environmental issues.

Information Society

The training courses offered to the unemployed will pay appropriate attention to the enhancement of the IT skills. A self-service database for job seekers, enabling them to enter their own data and search for vacancies will be introduced in the public employment offices.

Equal Opportunities (Gender)

The measure is targeted to diminishing of the barriers for women in entering/returning to labour market. Project applications that promote gender equality are preferred.

Regional Development

In order to approach labour market problems regionally, the need for certain measures in certain regions is explored and thereafter existing measures are adapted or new ones developed for that particular region. New labour market measures are piloted in regions and in case they have good results implemented all over Estonia.

The projects that will be implemented in the areas with high unemployment rate are preferred. The involvement of different (local) counterparts and promotion of networking are favoured.

MEASURE 1.4: ENHANCING ADMINISTRATIVE CAPACITY (ESF)

1. Overall Aims and Objectives

The aim of the measure is to enhance administrative capacity of the central government (including county governments), municipalities and associations of municipalities.

Specific objectives are:

- To increase professional skills in the public administration;
- To ensure sustainable and high quality public service training system;
- To improve management quality in the state agencies by supporting management capacity building.

2. Rationale

Achieving the biggest impact with the implementation of structural funds is to a large extent a matter of professionalism in the public service. For the present as well as the next programming period the allocation of structural funds to the areas with the highest potential, or the least developed areas, requires careful identification of policy issues, consideration of options, good co-ordination between the ministries and well-functioning implementation mechanisms. As numerous strategic decisions concerning the use of structural funds are made by public servants, the identification of potential areas and opportunities for growth requires strategic vision, sound judgement and mastering of a wide set of skills.

In the longer perspective it would be effective to provide training for all civil servants since the Estonian civil service is characterised by considerable internal mobility. Giving preference to those civil servants who are directly involved in administering the structural funds would be irrational since their implementation requires well co-ordinated policy-making as well as good co-operation between all civil servants with an aim of delivering good-quality public services. Therefore, the target group of this measure is the civil service as a whole.

Acquiring wider knowledge and skills in policy formulation and evaluation, planning, general management, human resources management, financial management, electronic records management and other important areas of public administration is essential for enhancing administrative capacity. The aforementioned are the main areas of training to be supported from the measure. Specific activities can be divided into four grant schemes:

- Centrally managed training;
- Training of trainers and staff at the Centre for Public Service Training and Development (CPSTD) and the Public Service Academy (PSA);
- Agency-specific management training;
- Internship programme for civil servants.

Centrally Managed Training

The centrally managed training scheme is based on open training courses for civil servants. The target groups for open training courses are civil servants of central government and the municipalities. Financing is provided for the development of training, the training programs and training materials linked to the training co-financed by ESF. In addition to the above mentioned, conducting of training needs assessments and surveys related to human resources development issues in public administration are also financed. The State Chancellery is responsible for implementing this scheme.

Specific training subjects will be identified on the basis of the Annual Civil Service Training Priorities prepared by the State Chancellery and adopted by the Government and on the basis of other important developments in public administration. Input from the ministries, other institutions and associations of municipalities will be taken into account in the process of determining the annual training priorities.

Development of the Centre for Public Service Training and Development (CPSTD) and the Public Service Academy (PSA)

In order to assure the sustainability of human resource development activities implemented in the Estonian public administration, strengthening of the CPSTD is foreseen in the measure. The mission of CPSTD is to offer systematic, timely and high-quality public service training and consultancy for public sector organisations. Training of CPSTD staff is supported with an aim of reinforcing the CPSTD performance as a competency centre, which acts as a change agent for the State Chancellery and other institutions in developing the Estonian public administration and in promoting the professional

competencies of public servants. Implementation of the measure will draw on the “CPSTD Strategic Development Plan for 2003-2005”.

The development of the Public Service Academy, an institution of applied higher education providing also continuing training for public servants will be supported from the measure. The vision of the PSA is to become a competency and development centre mainly for the fields of civil service related to public safety, legal and tax administration. The main target groups of PSA are public sector organisations such as municipalities, supervisory bodies and inspectorates which are related to the specialities taught at the Academy. Activities are supported under the measure, which aim to train the PSA trainers and staff working in the Continuing Training Centre of the PSA.

Agency-Specific Management Training

A considerable share of the funding provided within the measure will be allocated to management capacity building projects for in-house training in the public agencies. The purpose of in-house management training projects to support the management capacity building through training in methods and systems of management. The training will develop the competencies of public servants, promote result-oriented management, assist public servants in adapting to the constantly increasing requirements within public administration and of the job, as well as support mobility within the public sector as well as in the labour market as a whole. Government agencies or constitutional institutions alone or in co-operation with other state or local government agencies can apply for financing under this scheme. A prerequisite for approving projects for funding is that they are innovative in a subject matter taught or in a training approach adopted, they produce significant new knowledge about how to do things more effectively, thus having potential for replication in other public organisations. Participation in open training courses is not financed under this scheme.

Internship Programme for Civil Servants

Short internships in foreign administrations in order to learn from the other countries’ experiences in the field of public administration and public management will be supported from the measure. Internships will be financed through scholarships. A prerequisite for these projects is the correspondence of applicants’ duties and hosting organisations’ functions. Eligible applicants are state and local government administrative agencies alone or in co-operation with other administrative agencies. Projects where the target country is a EU member state are preferred.

3. Eligible Operations

- Conducting training needs assessments and surveys diagnosing human resources development related issues and problems in public administration
- Preparing training programs and organising training courses in accordance with the Annual Civil Service Training Priorities
- Short internships for civil servants in foreign administrations
- Implementation of management capacity building projects in government agencies and constitutional institutions alone or in co-operation with other public agencies in the form of management training and counselling
- Training of trainers and staff involved in continuing training at the CPSTD and the PSA
- When planning and implementing this measure, particular attention will be given to ensuring synergies and avoiding overlaps with similar operations and projects which have been/are supported by the Community Initiatives and other programmes (such as Transition Facility, “Schengen” Facility, etc.)

4. Final Recipients

- State (including county governments) and local government administrative agencies
- Centre for Public Service Training and Development
- Public Service Academy
- Government agencies and constitutional institutions as initiators of management capacity building projects

5. Indicators and Targets

Output Indicators

Number of participants in training aimed to enhance the administrative capacity (men/women)

3 600 (1, 700/ 1, 900)

Result Indicators

Satisfaction rate for participants of training

65% of the participants are satisfied with the content of training

6. Final Beneficiary

The State Chancellery

7. Eligible area

Estonia

8. Processing of Applications

There will be established two project selection committees:

1) Measure Selection Committee, formed by the Secretary of State, is for Development of CPSTD and PSA, Agency-Specific Management Training and in Internship Programme for civil servants. The Committee will select the projects to be financed based on experts' opinion and submit these to the Secretary of State for approval.

2) Measure Working Group, formed by the Minister of Finance, monitors the achievement of the objectives of the measure and acts as a project selection committee for Centrally Managed Training. The Committee will select the projects to be financed and submit these to the Minister of Finance for approval.

Under the competition based procedure, the applicant submits a project proposal to the State Chancellery by a given deadline (2 times per year in Agency-Specific Management Training and 3 times per year in Internship Programme). The State Chancellery carries out technical checks of applications and content assessment involving, when necessary, outside experts.

Under the queuing based procedure the applicant can submit a project proposal to State Chancellery continuously throughout the year. There will be no competition, but the proposal must fulfil the quality criteria. This procedure applies to Centrally Managed Training and development of CPSTD and PSA.

The decision to finance a project will be taken by Secretary of State (Development of CPSTD and PSA, Agency-Specific Management Training and Internship Programme for civil servants) and by Minister of Finance for Centrally Managed Training.

9. Categorisation of the Fields of Intervention

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10. Co-ordination with Other Measures

Measure 5.1: Programme Management and Implementation

From "Technical assistance" specific training, which is related to the implementation of Structural Funds will be financed. Training under measure 1.4 is oriented towards general management topics and is not directly related to skills and knowledge needed for the implementation of Structural Funds.

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All

Through this measure it is possible to renew the study programmes of public administration and to train the academic staff of the universities. Although the training of the academic staff could be financed under the measure 1.4, there is a restriction that only training of trainers directly involved in conducting continuing training is eligible. They shall be trained

only in the field of the management or training of trainers according to the Annual Action Plan. Development of university programmes is not eligible. However, it is possible to elaborate continuing training programmes under this measure.

Measure 4.5: Development of Information Society

Through this measure it is possible to develop and introduce new ICT solutions needed for e-administration and e-learning. Current measure provides only training, which is not fundable from the other measure.

11. Consideration of the Horizontal Policies

Environmental Policy

Impact is neutral.

Developing of Information Society

Supported activities can have an indirect impact.

Equal Opportunities (Gender)

Projects where the representatives of both genders are included, according to the actual need, will be given a preference.

Regional Development

As the overall aim of the measure is to enhance administrative capacity also of county governments and local municipalities, the training of regional administration, favouring of financially weaker local governments and consideration of the principles of regional balance in the content of training will contribute to the balance of the regional development.

PRIORITY 2: COMPETITIVENESS OF ENTERPRISES

The general objective of the priority is the increased competitiveness of enterprises and employment.

The Competitiveness of Enterprises priority will be co-financed by the European Regional Development Fund (ERDF) and will be implemented through the following four measures:

Measure 2.1: Business Development

Measure 2.2: Business Infrastructure Development

Measure 2.3: Promotion of Research, Technology Development and Innovation

Measure 2.4: Tourism Development

MEASURE 2.1: BUSINESS DEVELOPMENT (ERDF)

1. Overall Aims and Objectives

The overall objective of the measure is to strengthen the competitiveness of existing firms and stimulate the formation of new firms. The specific objectives of this measure are to:

- Improve the prospects for the formation, survival and growth of small and medium sized firms by enhancing their access to finance;
- Boost enterprise growth and create additional employment opportunities by developing entrepreneurial expertise and new market opportunities;
- Improve competitiveness of enterprises and quality of products in particular by offering relevant business support services.

2. Rationale

With the restructuring of the economy, future growth is increasingly dependent on the competitive performance of the SME sector, a function of both the formation and survival of businesses, and a range of factors that impact on the performance of existing firms.

Improvement of Access to Finance for Enterprises in Start-up Phase

While the economy is increasingly dependent on SME-s, the formation rate and number of enterprises per 1,000 inhabitants is substantially below the EU average. There are wide variations between regions, with formation rates being lowest in those regions with the highest unemployment. Steps are required to stimulate and advise people thinking of setting up their own businesses. A key problem inhibiting people from being able to start their business is lack of finance because of reluctance on the part of banks to lend to enterprises without a track record. These issues have been recognised by the Government and covered in the entrepreneurship policy "Enterprising Estonia – Policies aimed at the development of small and medium sized enterprises of Estonia in 2002-2006" According to it, Enterprise Estonia (EE) has recently introduced a small-scale start-up grant, which needs to be enlarged. Experience up to the present verifies the importance of such grants and the need to expand the scheme. More attention should be paid to informing potential entrepreneurs about the financing schemes available to them and to linking financial support to advisory and training services.

Facilitating Use of Consultancy Services

The total number of small firms (employing 10-49 people) and medium sized firms (employing 50-250) has been falling. This would appear to be because the reductions arising, for example, from the restructuring of former state owned industries is greater than the number of firms expanding into each of these size slots. The performance of these firms is critical to the growth of the economy, yet there is strong anecdotal evidence that the competitiveness of many of the firms of this size is weak. However, enterprise managers are resistant to change, due in part to time pressures and lack of funds. In many instances they lack in-house expertise, but are reluctant to seek outside assistance or hire a consultant. As a result, the market for information, advice and consultancy is not well developed, and there is a shortage of people with the necessary knowledge and experience due to a reluctance of many SMEs to pay the full market rate for these services. In order to meet these problems Enterprise Estonia offers support SMEs to obtain business consultancy services. So far, the volume of subsidies has been relatively limited and mostly aimed at micro-enterprises and those that are just starting out. Both current results and an analysis of the needs of entrepreneurs confirm that a necessity exists for the expansion and improved quality of counselling services. The supported areas of consultancy include business management, export management, quality management, environmental management, use of ITC applications and new technologies, etc.

Supporting Entrance to New Markets

Despite the small size of the Estonian market, there are only 3,500 exporter firms², of which the top 30 account for 50% of export earnings. This is a problem critical for the growth of enterprises. As a common problem, enterprises have no market opportunities for their products in Estonia, or the market is limited, so the only opportunity for development is to export. Nevertheless, according to an export survey only 47% of exporting enterprises have an export plan; this shows there is no acknowledged design behind their export efforts. Exporters are also particularly concentrated in mature, low value-added industries. Thus according to Estonian Export Policies a key objective is to widen the export base and increase exporters' numbers and levels of activity.

Increasing Awareness of, and Access to Business related Information, incl Business Support Services

Action needs to be taken to improve the competitiveness and growth of SMEs and increase the number engaged in performance improvement by introducing them to steps that they could take to reach a higher level of achievement. Currently, the awareness and use of public business support services is modest. Therefore entrepreneurs need to be encouraged to engage in business improvement programmes that would improve the quality and range of their products, upgrade their production systems and encourage them to enter new markets.

Enterprise Estonia is set up to strengthen the provision of business support services and raise awareness of the opportunities available. In addition business development centres have been set up in each county to assist entrepreneurs at the county level. Possibilities exist for them to play a more active role, but this will depend on the quality of their services. In order to improve the performance and assist the target groups in a more effective way activities are envisaged to strengthen the business support network and raise awareness of its services.

A field with particular need for action is quality promotion. Enterprise Estonia estimates that there are only 317 enterprises in Estonia that use some form of quality managing systems (less than 10% of exporters). One of the reasons behind of it is the lack of sufficient and adequate quality related information. Therefore it is important to stimulate the use of quality managing systems in companies that would make exporters trust worthier and would increase the added value to the products. Breaking through to foreign markets demands more effort also because of the lack of activities supporting qual-

ity infrastructure in Estonia. Thus an objective of this measure is to increase the number of firms engaged in introducing quality management systems. Aiming at improvements in area of quality, the Estonian Centre of Excellence was formed in 2002 under Enterprise Estonia.

Simultaneously with the support schemes implemented within the framework of this measure, the Human Resource Development priority also devises subsidies for continuous and re-training of the workforce.

3. Eligible Operations

The objectives of the measure will be supported through four main types of action:

Improvement of Access to Finance for Enterprises in Start-up Phase

- Start-up aid for new entrepreneurs to support the formation and survival of new businesses;

Facilitating Use of Consultancy Services

- Support to obtain the business consultancy services;
- Support for mentoring services to increase the chances of survival for start-ups;

Supporting Entrance to New Markets

- Assisting enterprises to develop and carry out their export plans, necessary market studies and consultation;

Increasing Awareness of, and Improving Access to Business Related Information, incl Business Support Services

- Development of the network of regional business development centres (networking activities, etc);
- Improving systems and structures for business information and mentoring services (info line, mentoring, company visits, diagnostic services, portal, etc.);
- Enhancing entrepreneurs' awareness and programme-participation through events, seminars, workshops, company visit programmes, etc;
- Improving and supporting the activities in the area of quality promotion: the contest of Quality Award, developing Estonian Quality Index, creating and supporting the environment enabling benchmarking, recognising the quality management of organisations, support for the participation in events related to quality;
- Facilitating wider use of quality management systems, including environmental management systems such as Ecolabelling and Eco-Management and Audit Scheme (EMAS).

All activities will be subjected to the provisions and ceilings listed in Article 29 of the General Regulation (1260/1999).

4. Final Recipients

- Enterprises, especially SMEs
- Potential entrepreneurs
- Associations of entrepreneurs
- Non-profit associations active in the field of enterprise development

5. Indicators and Targets

Output Indicators

Number of enterprises supported	1, 650
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Result Indicators

Created new jobs (gross) by the end of project (M/W)	1, 300 (650/650)
Safeguarded jobs (gross) by the end of project (M/W)	200 (100/100)
New enterprises created with SF support by the end of project	500

6. Final Beneficiary

Enterprise Estonia

7. Eligible Area

Estonia

8. Processing of Applications

Applications will be submitted to Enterprise Estonia (EE). Applications for consultation services will be submitted to EE continuously throughout the year. Applications for support for entrance to new markets will be submitted continuously in case of designing the export plan, whereas in case of implementing the plan the processing of applications will be based on the competition based procedure. In case of start-up aid, the applications will be processed on the basis of competition procedure.

EE organises the eligibility check and content assessment of the applications and applicants against criteria defined. In concordance with the Ministry of Economic Affairs and Communications, Management Board of EE shall establish evaluation or selection committees when necessary. The content appraisal of the applications will be carried out by group of experts involving independent experts from relevant fields when necessary. The Management Board of Enterprise Estonia takes the decision to finance projects.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in the regulation by the Minister of Economic Affairs and Communications in accordance with the Structural Aid Act § 16.

The activities for Increasing Awareness of, and Improving Access to Business Related Information will be implemented directly by EE, thus there will be no application rounds. The Ministry of Economic Affairs and Communications approves the use of funds and ensures compliance with the SPD objectives, based on a yearly action plan prepared and submitted to the Ministry by the EE. When compiling the action plan, EE consults with entrepreneurial associations, professional societies and other social partners. After approval of the action plan EE starts the implementation of activities defined in the plan, and carries out public procurement when necessary.

9. Categorisation of the Fields of Intervention

153, 163, 164, 165

10. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

Current measure complements this measure. Current measure will provide financial support and counselling for the enterprise, but to fully benefit from this support, enterprises can use the measure that provides the resources for the training of the workforce. During the informational and activating events (for example seminars, company visits) for current measure, it is also possible to introduce the training opportunities. Entrepreneurs applying for start-up aid are advised to go through related educational programme (measure 2) before starting the business, enterprises introducing quality management technologies can train their workforce accordingly, etc.

Measure 1.3: Inclusive Labour Market

This measure can complement the current measure. Active labour market measure deals with aid for self-employment for the unemployed and for those who have been given the notice. Current measure offers start-up aid besides businesses to people who could have been unemployed but are already registered as sole proprietors. It does not apply to the unemployed individuals.

Measure 2.2: Business Infrastructure Development

This measure completes current measure, providing financial support directed to improvements in physical infrastructure. In case of business incubators, the physical investments are supported by measure 7 whereas the corresponding consultancy services are supported by the current measure.

Measure 2.3: Promotion of Research, Technology Development and Innovation

This measure can complete the current measure. Current measure can be viewed as a preparation phase for planning and activating R&D projects.

Measure 2.4: Tourism Development

Tourism sector enterprises can receive additional supports through this measure to increase the possibility of success of the tourism projects.

Measure 3.3: Diversification of Economic Activities in Rural Areas

This measure offers investment supports for rural region's agricultural producers, forest owners and inhabitants of rural region to start and expand servicing enterprises and thus complements current measure.

11. Consideration of the Horizontal Policies

Environmental Policy

Measure supports the consultation services for the use of environmental management systems, such as Ecolabelling.

Information Society

Measure supports counselling for better use of ICT in the activities of the enterprise. Information and counselling services can be made available through electronic channels.

Equal Opportunities (Gender)

Measure is gender neutral.

Regional Development

Measure is applied all over Estonia, except for Tallinn in case of implementing the Start-up aid programme.

MEASURE 2.2: BUSINESS INFRASTRUCTURE DEVELOPMENT (ERDF)

1. Overall Aims and Objectives

The overall objective of the measure is to enhance the competitiveness of existing enterprises and facilitate the generation of new enterprises and jobs. Specific objectives of the measure are the following:

- Improvement of the business environment of existing enterprises by supporting the development of business infrastructure and generating industrial real estate supplied with contemporary infrastructures

2. Rationale

Development of Physical Infrastructure

There are strong regional disparities in business development. The main development inequalities exist between the capital city and the other parts of Estonia: approximately one half of enterprises are located in Tallinn.

One barrier inhibiting the performance and expansion of SMEs has been the lack of suitable premises – business and production facilities. In some locations there is also a lack of basic services (electricity, water and sewage) and access - roads, railways, etc. – may be poor. As the starting enterprises as well as small companies as a rule lack the finance to build infrastructure they will choose for the locus of operations the region where reasonably priced space can be found and where it is possible to develop business. Private sector developers, particularly in remote areas where unemployment is highest, are generally not addressing these barriers.

These issues have been recognised in "Enterprising Estonia – Policy for Developing Small and Medium Size Enterprises in Estonia 2002-2006". As a result, Enterprise Estonia has recently allocated a limited amount of resources towards a new infrastructure development grant, which has increased huge interest and provided good results and now needs to be enlarged and continued with the use of Structural Funds. Enterprise Estonia co-finances projects initiated at local level.

Support is also given to the generation of selected industrial areas that contribute to activating regional business development and restructuring industry while diversifying less-developed regions and mono-functional settlements. The first pilot projects, co-financed by Phare, have been implemented in this area. Experience thus gained confirms the need to support the establishment of industrial areas and is seen as the basis for the further development of the support scheme. Environment aspects of the projects, such as energy efficiency, are taken into account in the selection process.

3. Eligible Operations

- Development and reconstruction of physical infrastructures necessary for business development, including access to roads and communications and establishment of industrial areas

4. Final Recipients

- Enterprises, especially SMEs
- NGOs and other institutions whose activities are in coherence with the current measure
- Local municipalities

5. Indicators and Targets

Output Indicators

Number of projects supported 65

Result Indicators

Created new jobs (gross) by the end of project (M/W) 3, 500 (1, 750/ 1, 750)

Safeguarded jobs (gross) by the end of project (M/W) 650 (325/325)

6. Final Beneficiary

Enterprise Estonia

7. Eligible Area

Estonia

8. Processing of Applications

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Economic Affairs and Communications in accordance with the Structural Aid Act § 16.

9. Categorisation of the Fields of Intervention

151, 161, 162, 164, 3122, 322, 331, 345

10. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

This measure will complement current measure. If necessary, it is possible to support training activities associated with the expansion of enterprises.

Measure 2.1: Business Development

This measure is closely connected with the current measure. The promotional and activation seminars, visits, etc organised in connection with this measure are also intended for the introduction of infrastructure development supports. In case of business incubators the consulting services (measure 6) are dependent on the investments into the operating space.

Measure 2.3: Promotion of Research, Technology Development and Innovation

This measure is a significant addition to the current measure. From the standpoint of product development and innovation enterprise development activities can be regarded as preparatory phases for the design and implementation of R&D projects.

Measure 2.4: Tourism Development

This measure complements current measure in the field of tourism infrastructure development.

Measure 4.1: Development of Transport Infrastructure, 4.2: Development of Environmental Infrastructure and 4.6: Local Socio-economic Development

Co-ordination will be needed between these measures to achieve the balanced development of various infrastructures needed for local development.

11. Consideration of the Horizontal Policies

Environmental Policy

Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development (R&D)

In order to ensure a more balanced regional development, only projects outside from Tallinn will be supported while supporting infrastructure development.

MEASURE 2.3: PROMOTION OF RESEARCH, TECHNOLOGY DEVELOPMENT AND INNOVATION (RTDI) (ERDF)

1. Overall Aims and Objectives

The overall objective of the promotion of research, technology, development and innovation measures is to increase the RD&I capacities in existing businesses and stimulate the creation and growth of new technology-based businesses.

This objective is in line with both the Estonian Research and Development Strategy (RD&I) for 2002-2006 and with strategic objectives set by the EU to increase the quantity and quality of research activities and the innovation performance in Europe. The Estonian RD&I competence has to be enhanced to be more competitive within the European Research and Innovation Area in order to stimulate knowledge creation in Estonia, knowledge transfer to Estonia and its diffusion into the economy. All activities that are planned under the current measure will aim to strengthen the competitiveness of businesses through more intensive RD&I investments, contributing to the overall EU target 3% of GDP by 2010 that has been set in Lisbon strategy.

The specific objectives of the measure are:

- To create a new knowledge and a critical RD&I mass in a number of technological fields vital to existing industry, and to set up new technology-intensive sectors of activity;
- To increase the co-operation between the science and business sectors in applied research of strategic importance for the Estonian economy and to reinforce the capacities of R&D institutions to co-operate with businesses and to manage the innovation process;
- To stimulate an increased involvement of Estonian businesses in funding and undertaking on a regular basis in research and development, technology transfer and development and innovation;
- To establish financially sustainable technology and innovation infrastructures and support services able support Estonian businesses in their innovation activities;
- To generate a wide awareness of innovation as a key driver of economic growth and to strengthen the RD&I capacity and competence of the businesses and R&D institutions.

2. Rationale

This measure will focus on supporting a number of actions and investment projects to increase the scale, competitiveness of the country's business base and innovative capacity of businesses. The economic analysis provides compelling evidence

of the need to restructure the economy towards higher technology and greater generation of value added content, as well as to increase productivity, particularly in the manufacturing sector, if it is to compete following the EU accession. The socio-economic analysis underlines relatively low level of financial capacity of Estonian businesses to invest in technology and innovation and the low level of competencies of managing the innovation as well as the weak co-operation between the science and business sector in Estonia.

The measure is aimed at developing of the following activity lines:

Creation of New Knowledge

In the context of the development of the knowledge-based economy for Estonia, supporting increase in new knowledge corresponding to the needs of the economy and society will provide benefits both in relatively immediate and medium-term perspective. In order to create a critical mass and excellence of R&D a limited number of Research Centres of Excellence is supported focusing on the priority fields important to the economic development in Estonia. These centres will contribute to knowledge creation in Estonia through larger and more strategic research projects and will attract more international funds (notably EU RTD Framework Programme) and stimulate repatriation as well as attract international researchers. Graduates trained through research will take their analytical skills into businesses, increasing their performance and R&D capability of the businesses. The Research Centres of Excellence Programme was opened in 2001 and initiated by the Ministry of Education and Research.

This field of activity will be supported by the programme for large-scale investments of R&D infrastructure implemented within current measure, and the sub-field of higher education implemented under measure 1.1.

Financing R&D and Innovation

Financial support will be made available for both businesses and R&D institutions that initiate market-oriented R&D projects as well as collaborative (with other businesses and R&D institutions) industrial R&D projects and technological programmes for strategic and systematic development of key research areas (as defined in RD&I strategy: ICT, biomedicine, materials technologies).

Financial support from public sector will initiate similar investments of the private sector and as a positive spillover, it will create partnership between businesses, industry and academia, and facilitate cross-border co-operation.

Implementation of this field of activity is related to the implementation of the Competence Centre Programme.

Strengthening the Innovation System

Within the current field of activity the innovation system will be developed, aimed at creating the necessary links and competencies currently missing in the system as well as developing co-operation and co-ordination between various stakeholders.

The modernisation of RD&I infrastructure and the development of related specific support services and competencies will be supported. Also, the strategic co-operation between industry and science sectors will be facilitated. As a result, a favourable environment for high-level R&D performance, large-scale R&D investments, and for the growth and development of high-technology enterprises will be created.

The RD&I infrastructure (machinery and equipment, buildings, other facilities) in Estonia needs major investments in order to attract foreign top researchers to Estonia, to participate in R&D co-operation on international grounds, and to initiate large foreign investments. The investments into infrastructure will be financed on the basis of a limited number of investment projects.

The capability building for more competencies and intensive technology transfer is needed both among R&D institutions and enterprises. Technology transfer capacity in the R&D institutions is mainly stimulated through Spinno Programme (opened since 2001). Spinno Programme aims to support the creation of entrepreneurial culture in the R&D institutions and higher education institutions, stimulating the development of spin-offs from the universities and more intensive co-operation between industry and science sector. From another side, the technology transfer capability of enterprises will be supported through high-tech incubation services.

More strategic and systematic RD&I co-operation between science and industry sectors has been initiated through Competence Centre Programme initiated in 2003. Competence Centres are R&D collaborations, performed together by scientific and industrial partners receiving public funding for the building of intensive longer-term science-industry links. Competence

Centres act as a framework for a number of industry-related R&D projects (with a prime focus on 1-3 year projects). These projects must be based on a mid-term research plan developed by representatives from R&D institutes on the one hand and industry on the other. Competence Centres will contribute directly to increase in the number of R&D specialists with industrial experience, to more intensive personnel mobility between science and industry sectors, to more effective tools for managing innovation process, to additional private R&D funding, etc.

Increasing Awareness and Knowledge about Innovation

Actions aimed at raising innovation-related awareness among different target groups, e.g. decision-makers in public sector, media, managers of enterprises, investors, engineers, researchers and students, wider public, etc. will be supported.

The essence and importance of innovation will be clarified to enterprises and their competence to manage innovation technological and organisational innovation and -research activities will be enhanced. This is expected to increase the number of enterprises becoming actively involved in undertaking innovation activity and should indirectly increase take-up of support services.

This field of activity is tied to the use of consultancy services supported under measure 2.1 – during 2004 carrying out innovation audits in enterprises will be supported within the measure.

3. Eligible Operations

The objectives of the measure will be supported through four main types of action:

Creation of New Knowledge

- Research Centres of Excellence Programme

Financing R&D and Innovation

- Support for R&D projects
- Starting technology programmes in key R&D areas

Strengthening the Innovation System

- Competence Centres Programme
- R&D infrastructure development programme
- Support for technology parks and incubation services
- Spinno Programme

Increasing Awareness and Knowledge about Innovation

- Innovation Awareness Programme

4. Final Recipients

- Enterprises
- Innovation support organisations, incl. NGOs

5. Indicators and Targets

Output Indicators

Number of enterprises supported	250
	Incl. co-operation projects

Result Indicators

Created new jobs (gross) by the end of project (M/W)	800 (400/400)
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6. Final Beneficiary

Enterprise Estonia

7. Eligible Area

Estonia

8. Processing of Applications

Competition based procedure where applicant submits a project proposal to Enterprise Estonia by an announced deadline will be used to select projects for Competence Centres, R&D infrastructure and SPINNO programme. Enterprise Estonia organises eligibility checks of applicant and application and content assessment against criteria defined. In concordance with the Ministry of Economic Affairs and Communications, Management Board of EE shall establish selection committees when necessary. The content appraisal of the applications will be carried out by group of experts involving independent experts from relevant fields when necessary. The Management Board of Enterprise Estonia takes the decision to finance projects.

The selection committee will assess the applications and propose the list of projects to be financed to the Management Board of Enterprise Estonia for taking the final decision.

Queuing based procedure where applications can be submitted to Enterprise Estonia continuously throughout the year will be used to select R&D projects. Enterprise Estonia organises eligibility checks of the applicant and application against criteria defined. The content appraisal of the applications will also be carried out by EE involving independent experts from relevant fields when necessary. The Management Board of Enterprise Estonia takes the decision to finance projects.

9. Categorisation of the Fields of Intervention

163, 164, 165, 181, 182, 183, 184

10. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All

This measure will support the training and education of skilled workers needed for successful innovative economy.

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

This measure allows training for managers and workers, increasing the possibility of success for current measure.

Measure 2.1: Business Development

The measures in favour of business development are complementary to the support for RTDI in enterprises provided under this measure. In particular, the logic of intervention is such that business development measures can be considered as enabling actions allowing enterprises to become financially and in terms of capabilities able to undertake RTDI projects.

Measure 4.5: Information Society Development

This measure is complementary to the RTDI measure, enabling the development of new ITC technologies.

11. Consideration of the Horizontal Policies

Environmental Policy

Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

This measure supports the development of new ICT solutions in enterprises.

Equal Opportunities (Gender)

Measure is gender neutral.

Regional Development

The measure will reinforce regional R&D centres – Tallinn and Tartu, fostering the development of the surrounding regions.

MEASURE 2.4: TOURISM DEVELOPMENT (ERDF)

1. Overall Aims and Objectives

The overall objective of the measure is to support sustainable economic growth by means of raising the competitiveness of the Estonian tourism sector. Specific objectives are to:

- Increase international awareness of Estonia and its tourism product;
- Diversify and improve the attractiveness and quality of tourism services available in Estonia by developing internationally competitive tourism;
- Make Estonian tourism services easily available in export markets and develop marketing opportunities for tourism products.

2. Rationale

According to the statistics the share of tourism in GDP and in the employment was 8.2% in Estonia in 2000 (together with indirect effects). In 2002, exports in tourism services amounted to 13.3% of total exports. The average annual rate of increase in tourism earnings over the past four years has been 7% per annum.

Although tourism has grown significantly in Estonia over the last decade, there are several constraints that hinder the implementation of Estonia's full potential in this sector of the economy. Estonia's tourism sector is characterised by narrow product range and poor quality, concentration of the majority of tourism activities in Tallinn, large share of short-time visits, a very heavy reliance on the Finnish market and insufficient investments in the tourism infrastructure, particularly outside Tallinn. Estonia is remote from the established European tourism routes and its main product, city tourism, operates in a highly competitive field. Estonia is relatively unknown in countries outside the Baltic and Nordic regions and the country lacks a strong image in tourism terms.

Promoting tourism provides new and alternative opportunities for the development of various Estonian regions. Tourism is an area of economic activity that has been explicitly described in the development strategy of each county. Although tourism has developed rapidly in Estonia, several problems still exist, hindering further realisation of Estonia's potential in this economic sector.

In the near future, Estonia's competitiveness in international tourism will become highly dependent on the ability to provide a high-quality tourism commodity. With sustained investment in marketing, product development and tourism infrastructure and with diversification into new markets, Estonia can significantly improve its appeal and earning power in international markets. There is a basic requirement to make prospective tourists aware of Estonia as an attractive destination and to provide comprehensive, reliable information to people considering travelling to Estonia. At the same time, investment is required in infrastructure and product development.

This measure will help to reduce the existing constraints in a co-ordinated way – marketing and product development activities will be carried out simultaneously, increasing the overall revenues from tourism. Product development will initially focus on investments into tourism services offered by private sector, but public investments into natural, historical and cultural objects of national importance that are owned by central government institutions are also envisaged when they contribute to international tourism attraction.

Product Development and Marketing Support for Enterprises

Upon development of the infrastructure and products of tourism, support is granted to private sector projects, which contribute to the introduction of new special interest products to the market, the development of points of interest and attraction centres with a view to increasing a demand for the existing products and additional services. The projects include: creation and improvement of accommodation enterprises, creation of additional services to prolong the tourism season, special interest activity holiday products and the development of conference tourism products in Tallinn, Tartu and Pärnu. Projects that are economically sustainable, have the capacity of follow-up and are not dangerous to the environment will be supported.

Marketing support is given to private tourism service providers to carry out marketing activities on international target markets. According to the “National Tourism Development Plan”, most important target markets for Estonia are Finland, Sweden, United Kingdom, Germany and Russia.

Central Government Tourism Investment Projects

While most of the support will be made available for private sector projects, a limited number of large-scale public tourism development projects will also be carried out. Central government institutions own (at least partially) a large number of important objects of natural and cultural heritage that can be turned into tourism attractions. Local government projects are not supported under this measure.

Implementation of the Destination Marketing Programme

Simultaneously with product development and marketing support it is necessary to increase awareness of Estonia as a tourism destination on international target markets based on “Welcome to Estonia” marketing strategy, prepared by Enterprise Estonia.

The eventual impact which Estonian tourism marketing makes on its target markets is a product of the combined effect of the activity of Enterprise Estonia and that of every individual enterprise and organisation in the country. In order for the marketing activities of individual companies to be effective, there is a need for raising general awareness on Estonia and promoting the image of Estonia as a friendly and safe EU country. Destination marketing activities can be co-ordinated with other Baltic Sea countries to market the region as a whole. These types of activities are not carried out by private companies and therefore have to be implemented with public resources.

Providing high quality information to people interested in travelling to Estonia is also important. Further development of current tourism information system as a public service would provide efficient support to (small) enterprises exporting tourism services, while helping to improve competitiveness at the international level. This system enables the potential customer to get information about Estonia – possible tourism routes, attractions, available accommodation and catering facilities, etc.

The measure is implemented in compliance with the “National Tourism Development Plan for 2002-2005”. Activities under this measure will be closely co-ordinated with the measure 4.6.

3 Eligible Operations

The following tourism-related product development, infrastructure and marketing activities will be supported within the framework of the measure:

Investments into the development of tourism products in the areas and categories described in the “Estonian Tourism Development Plan for 2002- 2005”, incl.:

- Establishing of accommodation facilities, the creation of additional services to prolong the tourism season;
- Special interest activity holiday products;
- Development of conference tourism products in Tallinn, Tartu and Pärnu regions.

Implementation of marketing activities for enterprises aimed at international target markets, incl.:

- Market research;
- Preparation of high-quality information materials and hand-outs;
- Sales promotion events.

Public investment into central government-owned (potential) tourism attractions.

Implementation of the Destination Marketing Programme of Enterprise Estonia, incl.:

- Market research on products and market demand;
- Sales promotion and product marketing to increase the awareness over Estonia on international markets;
- Preparation of information materials and hand-outs;
- Joint marketing of public and private sector, initiation of these projects;
- Internet marketing;

- Development of the tourism information system.

4. Final Recipients

- Entrepreneurs
- Ministries, in case of Central Government investment projects
- Enterprise Estonia, in case of the Destination Marketing Programme

5. Indicators and Targets

Output Indicators

Marketing and investment grants to tourism enterprises	60
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Result Indicators

Created new jobs (gross) by the end of project (M/W)	400 (200/200)
Safeguarded jobs (gross) by the end of project (M/W)	200 (100/100)

6. Final Beneficiary

Enterprise Estonia

7. Eligible Area

Estonia

8. Processing of Applications

Applications for the product development and marketing support for enterprises will be submitted to Enterprise Estonia (EE). Applications for marketing support for enterprises will be submitted continuously throughout the year. The competition-based procedure will be used for processing the applications for the product development (at least once a year).

EE organises the eligibility check of the applications and applicants against criteria defined. In concordance with the Ministry of Economic Affairs and Communications, Management Board of EE shall establish evaluation or selection committees when necessary. The content appraisal of the applications will be carried out by group of experts involving independent experts from relevant fields when necessary. The Management Board of Enterprise Estonia takes the decision to finance projects.

For Central Government investment projects the government will decide once per programming period the list of investments to be co-financed from the ERDF. Ministry of Economic Affairs and Communications ensures compliance with the SPD objectives by arranging the assessment of proposals.

Following the decision by the Government, project applications are submitted to EE. EE organises the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the Management Board of EE.

Operations under Destination Marketing Programme will be implemented directly by Enterprise Estonia. For these operations, there will be no competition, the Ministry of Economic Affairs and Communications approves the use of funds and ensures compliance with the SPD objectives based on a yearly action plan presented by Enterprise Estonia, which has been consulted with the representatives of tourism industry and social partners. After approval of the action plan, Enterprise Estonia will carry out public procurement for the implementation of the activities in the plan.

The exact criteria and process for project selection in the measure will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Economic Affairs and Communications in accordance with the Structural Aid Act § 16 and § 17.

9. Categorisation of the Fields of Intervention

171, 172, 173

10. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

The measure provides for the training necessities of tourism enterprises, needed for the implementation of Tourism Quality Management System. Participation in the relevant HRD is a positive factor for receiving support from the current measure.

Measure 2.1: Business Development

This measure provides for a range of business support services that will be available to existing and prospective SMEs in the tourism sector. This will be a valuable facility for applicants for the grant schemes in the tourism measure.

Measure 3.3: Diversification of Economic Activities in Rural Areas

There will be a close co-ordination between the implementation of these measures, to ensure complementarity and avoid overlapping. Both measures will grant support for enterprises. Current measure is targeted to the main tourism products and areas arising from national tourism development strategy, while this measure will support the development of rural tourism enterprises all over Estonia. When these measures are co-ordinated, there can be a synergy between developing main tourism areas, products and sights and developing small tourism enterprises in the rural areas around them. Final Beneficiaries will be involved in the exchange of information about each other's projects.

Measures 4.1: Development of Transport Infrastructure and 4.6: Local Socio-economic Development

It will be necessary to co-ordinate the development of infrastructure under these measures with the needs of tourism development to achieve synergy.

11. Consideration of the Horizontal Policies

Environmental Policy

Projects promoting sustainable use of natural resources will be preferred. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Methods of information society such as Internet marketing will be used; Estonian tourism information system will be further developed.

Equal Opportunities (Gender)

Neutral impact.

Regional Development

Measure will support balanced regional development.

PRIORITY 3: AGRICULTURE, FISHERIES AND RURAL DEVELOPMENT

The Agriculture, Fisheries and Rural Development priority will be co-financed by the Guidance section of the European Agricultural Guarantee and Guidance Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG). It will be implemented through the following twelve measures:

Measure 3.1: Investment into Agricultural Holdings

Measure 3.2: Investment Support for Improving Processing and Marketing of Agricultural Products

Measure 3.3: Diversification of Economic Activities in Rural Areas

Measure 3.4: Integrated Land Improvement

Measure 3.5: Renovation and Development of Villages

Measure 3.6: Local Initiative based Development Projects – LEADER

Measure 3.7: Forestry

Measure 3.8: Support for Setting up and Provision of Farm Advisory and Extension Services

Measure 3.9: Regulation of the Fishing Capacity of the Fishing Fleet

Measure 3.10: Modernisation and Renewal of the Fishing Fleet

Measure 3.11: Investment Support Measures for Fisheries Production Chain

Measure 3.12: Other Fisheries Related Measures

MEASURE 3.1: INVESTMENT IN AGRICULTURAL HOLDINGS (EAGGF)

1. Overall Aims and Objectives

The aim of the measure is to increase the competitiveness of agricultural production by promoting technological progress, by developing agriculture matching different requirements, preserving employment in agriculture and traditional cultural landscapes.

The specific objectives of the measure are:

- Developing an environmentally sustainable agriculture that meets veterinary standards and the requirements of phytosanitary, animal welfare and hygiene;
- Raising the level of technology and improving the quality of products;
- Maintaining employment in agriculture;
- Sustaining traditional cultural landscapes.

2. Rationale

Due to the situation at the global market of agricultural production, limited market regulation and low level of national support most of the fixed assets held by the agricultural sector of Estonia have been depreciated. At the same time the agricultural production needs to be technologically developed and to meet EU animal welfare, veterinary, hygiene, phytosanitary and environmental requirements. Because of the above mentioned the investment need in the agricultural sector in Estonia is very high.

The biggest problem in the agricultural sector is that even in medium term perspective the agricultural sector is not capable of making required investments without support. This problem can cause the closing of the agricultural production units not meeting the requirements and because of that almost 15, 000 people can lose job.

The current measure is aimed at providing agricultural producers with investment support, pursuant to EU rural development policy (Regulation 1257/1999, Articles 4-7 and Regulation 1257/1999, Article 33I supplemented by the Treaty of Accession with EU).

The measure is aimed at supporting activities that improve the quality of agricultural production, including the living conditions and welfare of livestock and animal breeding, and contribute to the implementation of phytosanitary and environmental requirements. Investments in agricultural holdings contribute to increasing competitiveness of agricultural holdings via quality of agricultural products and environmentally sustainable production.

Investments in land improvement systems necessary for reducing the risks introduced to agricultural production by unfavourable water regime, are supported provided that the network that regulates the land improvement system is located within the boundaries of one and the same real estate and does not influence soil water regime of the other real estate land which is located on profit yielding land.

Diversification of agricultural activities is supported with the purpose of alleviating the unemployment problems in rural areas and securing additional income from production activities. For contributing to improve the value added of the agricultural producers, also the investments of the agricultural producers to processing of the agricultural products covered by Annex I (with the exception of fish products) of the Treaty are supported.

Investments made by agricultural producers involved in organic farming are supported on the same grounds.

Investments to land improvement systems of agricultural land and private forest land are supported within the framework of the measure 'Integrated land improvement' where the network that regulates the system is located within the boundaries of several real estate areas or this land improvement system does not influence soil water regime of the other real estate, which is located on profit yielding land.

3. Eligible Operations

Milk production: investment support to purchase machinery and equipment needed for milk production required to take the production activities into conformity with European Union veterinary and hygiene requirements;

Construction and reconstruction of animal barns and structures: investment support for construction and reconstruction of cattle (including dairy cows), pigs and sheep facilities including the purchase of systems and equipment as a part of animal barns and animal production structures and also including manure storage and removal facilities required to take the production activities into conformity with European Union environmental and animal welfare requirements and also to improve the competitiveness of animal producers;

Purchasing of animals: investment support for purchasing of animals registered in herd books for animal breeding required for improving the quality of animal production. (The first purchase of livestock and investments intended to improve the genetic quality of the stock through the purchase of high-quality breeding animals (male or female), which are registered in herd books, are supported under this measure);

Crop protection, manure spreading and seed propagation: investment support to purchase and reconstruction of crop protection, manure spreading and seed propagation technologies required to take the production activities into conformity with European Union requirements;

Crop cultivation: investment support for purchasing crop cultivation machinery and equipment and for construction and reconstruction of dryers and storage facilities of agricultural products and of greenhouses and technology used in greenhouses aimed at reduction of environmental damages, improving the technology level and quality of production;

Diversification of agricultural production: investment support for diversification of agricultural production is provided for purchase of certified or controlled plant propagation materials for establishment and expansion orchards (apple, dwarf apple, pear, plum and cherry trees) and berry plantations (strawberry, black and red currants, sea-buckhorn, raspberry, arctic bramble, blueberry and cranberry), for purchase of plant propagation materials for establishment and expansion of open-grown ornamental trees and plant plantations, for purchase of machinery and equipment and enclosures and constructions for maintaining established plantations and energy scrub cultivation and for purchase of facilities for mushroom cultivation and apiculture;

Construction, reconstruction and rehabilitation of land improvement systems: investment support for construction, reconstruction and rehabilitation of land improvement system facilities required for drainage, irrigation and double water regime regulation, and service roads of land improvement systems. (Investments to land improvement systems of agricultural land are supported within the framework of this measure where the network that regulates the system is located within the boundaries of one and the same real estate and this land improvement system does not influence soil water regime of the other real estate, which is located on profit yielding land);

Construction, reconstruction and rehabilitation of infrastructure: investment support for construction and reconstruction of electricity supply systems, water supply and sewage including connection charges or joining a common sewerage network, construction and reconstruction of access roads and waste water cleaning systems;

Processing of agricultural products: investment support for purchase, construction and reconstruction of machinery and equipment needed for processing the agricultural products (covered by Annex I of the Treaty) for agricultural producers that process the agricultural products from self produced raw material.

4. Final Recipients

Agricultural producers

5. Indicators and Targets

Output indicators

No. of objects supported 1, 800

Of which:

Objects supported for taking the production activities into conformity with environmental requirements;

Of which - manure storages, manure removal facilities or manure spreading technologies;

Objects supported for taking the production activities into conformity with animal welfare, veterinary, hygiene and phytosanitary requirements.

The subdivision of the scope of support is following:

- no. of crop protection sprayers	45
- no. of purchased tractors	60
- no. of purchased combine harvesters	45
- no. of other agricultural machinery	120
- no. of equipment and machinery for processing of agricultural produces	30
No. of cattle, pigs and sheep places related to supported objects	13,500

Of which:

no. of cattle, pigs and sheep places related to supported objects invested for taking the production activities into conformity with environmental requirements;

Of which - no. of cattle, pigs and sheep places related to supported manure storage, removal facilities or manure spreading technologies;

no. of cattle, pigs and sheep places related to supported objects invested for taking the production activities into conformity with animal welfare, veterinary, hygiene requirements.

The subdivision of the scope of support is following:

- supported animal places for cattle	6,000
- supported animal places for pigs	4,500
- supported animal places for sheep	3,000

Result Indicators

Supported agricultural producers, who invested for taking the production into conformity with animal welfare, veterinary, hygiene, phytosanitary and environmental requirements	150
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6. Final Beneficiary

Agricultural Registers and Information Board (ARIB)

7. Eligible Area

Estonia; for activities supported by the measure, the Minister of Agriculture has right to set up limitations, as investment area is rural area of Estonia.

8. Maximum Contribution Rates

The maximum public sector support in this measure can be up to 50% of total eligible investment, in the less favoured areas³ (LFA) up to 60% of total eligible investments. If young farmers make investments, the maximum support can be up to 55% and in the LFA areas up to 65% of total eligible investments. In the case of young farmers also Article 3 of Commission Regulation (EC) No 445/2002 will be taken into account.

In the case of investments of crop cultivation the maximum public sector support can be up to 40% of total eligible investment, in the less favoured areas (LFA) up to 50% of total eligible investments. If young farmers make investments, the maximum support can be up to 45% and in the LFA areas up to 55% of total eligible investments.

The maximum support of investments per one agricultural producer may amount to 300,000 EUR per year, but must not exceed 600,000 EUR for one holding under the duration of the programme. The maximum support of investments of crop protection, manure spreading and seed propagation may amount to 100,000 EUR for one holding per year, not exceeding 250,000 EUR for one holding under the duration of the programme. The maximum support of investments of crop cultiva-

tion may amount to 150,000 EUR for one holding per year, not exceeding 350,000 EUR for one holding under the duration of the programme. The maximum support of the investments for diversification of agricultural production may amount to 50,000 EUR for one holding per year, not exceeding 100,000 EUR for one holding under the duration of the programme.

Agricultural producers may submit several projects annually, presuming the total amounts eligible are not exceeded.

The maximum total investments eligible for support per one agricultural producer may amount to 600,000 EUR per year, but must not exceed 1,200,000 EUR for one holding under the duration of the programme. The maximum total investments eligible for support of investments of crop protection, manure spreading and seed propagation may amount to 200,000 EUR for one holding per year, not exceeding 500,000 EUR for one holding under the duration of the programme. The maximum total investments eligible for support of investments of crop cultivation may amount to 375,000 EUR for one holding per year, not exceeding 875,000 EUR for one holding under the duration of the programme. The maximum total investments eligible for support of the investments for diversification of agricultural production may amount to 100,000 EUR for one holding per year, not exceeding 200,000 EUR for one holding under the duration of the programme.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Measure-Specific Requirements

Requirements to Agricultural Producers

Support for investment shall be granted to agricultural producers:

- economic viability of which can be demonstrated or will be demonstrated after the investment. The economic viability of applicant will be demonstrated by the balance and profit statement of the year before application and also by a business plan for the year of the application and for the next three years after the application year. The balance and profit statement must meet the requirements of the Accounting Act of Estonia. The main components of the business plan are: production figures; assets, liabilities and equity capital of agricultural producer; market and competitiveness of agricultural products; profit statement and costs of agricultural producer, etc.
- who has adequate occupational skill and competence. The agricultural producer must present with the application also a copy of a document which confirm the education of specialty or contract of employment (a diploma of vocational professional education or university degree in specialties related to agriculture) or employment record book (professional service record).
- whose production comply with minimum standards regarding the environment, hygiene, veterinary and animal welfare or will comply with the minimum standards mentioned above after the investment.

Assessment of Normal Market Outlets

Support shall not be granted for investment, which has as its objective an increase in production for which no normal market outlets in the national level can be found. To this end, any restriction on production or limitations of Community support under the common market organisations is taken into account. The calculation of normal market outlet is based on market study at macroeconomic level for the investments, which potentially increase the production capacities. The selection of the independent bodies to carry out the market studies per sector concerned will be made according to the open tendering procedure, if required so by the law of public procurement. For estimating normal market outlet internal amounts of production, internal consumption and also the data of exports and imports of the products concerned are taken into account. The data about normal market outlet are delivered annually to the European Commission.

In the case when enough investments are made to any above-mentioned activities or the normal market outlet of any products is hazarded the Ministry of Agriculture of Estonia has right to prejudice the activity to give a support or to reduce the support rate to those investments.

In the case of milk production support shall be granted to those agricultural producers who have sufficient milk quota needed to produce milk with the fixed assets whose purchase will be supported.

Legislation Establishing Minimum Requirements Regarding Veterinary, Environment, Hygiene, and Animal Welfare Conditions

After the investment the investment objects must meet the requirements provided in Annex 3 to Regulation 1782/2003, if applicable to investments supported:

1) in the case of milk production: from Estonian legislation the Food Act, corresponding to the following EU regulation acts: EU Directive 64/433/EEC and 92/46/EEC (amended by Directives 94/71/EC and 94/330/EC) and 89/362/EEC;

2) in the case of construction and renovation of animal barns and other animal production structures: from Estonian legislation the Animal Protection Act, corresponding to the following EU regulation acts: 91/628/EEC, 93/119/EEC, 1999/74/EC, 91/629/EEC, 91/630/EEC, 91/628/EEC, 93/119/EEC, 64/433/EEC;

3) in the case of investment objects involved with environment protection: from Estonian legislation the Water Act, corresponding to the EU regulation 91/676/EEC.

The agricultural producers can examine the above mentioned EU legislation acts both in English and in Estonian in the regional bureaus of Agricultural Registers and Information board (ARIB) and via homepage of Ministry of Agriculture of Estonia www.agri.ee and via homepage of ARIB www.pria.ee. This information is also available via homepage of Estonian Legal Language Centre www.legaltext.ee.

11. Categorisation of the Fields of Intervention

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12. Co-ordination with Other Measures

Measure 3.2: Investment Support for Improving the Processing and Marketing of Agricultural Products

Investment in agricultural holdings supports the production of quality raw material for processing agricultural products that increase the competitiveness of processing enterprises of agricultural products.

Investments for processing of agricultural products are supported under the measure 'Investments in agricultural holdings' if the applicant is agricultural producer. All the other processors of agricultural products are supported under measure 3.2.

Measure 3.4: Integrated Land Improvement

Investments to land improvement systems of agricultural land are supported within the framework of the measure 'Integrated land improvement' where the network that regulates the system is located within the boundaries of several real estate areas or this land improvement system does not influence soil water regime of the other real estate, which is located on profit yielding land. If the network that regulates the system is located within the boundaries of one real estate areas or this land improvement system does not influence soil water regime of the other real estate, then the investments to land improvement systems of agricultural land are supported under this measure.

Measure 3.8: Support for Setting up and Provision of Farm Advisory and Extension Services

The implementation of the above mentioned measure facilitates to improve the professional expertise and knowledge of management of applicants of this measure.

13. Consideration of the Horizontal Policies

Environmental Policy

Agricultural producer must meet the minimum environmental requirements at least after investment to get support. Under the monitoring and evaluation indicators of the measure the environmental objectives to be achieved for most important equipment and structures related to environment are indicated.

There are supported activities to meet environmental requirements in this measure. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

The maximum support rate of this measure is higher in the LFA areas (by Regulation 1257/1999, Article 19).

MEASURE 3.2: INVESTMENT SUPPORT FOR IMPROVING PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS (EAGGF)

1. Overall Aims and Objectives

The overall aim of the measure is to improve the competitiveness of agricultural products both in the domestic and foreign markets.

Specific objectives of the measure are:

- Bringing the processing of agricultural production into conformity with new market requirements, finding new markets for agricultural products and improving the functioning of marketing channels;
- Improving the conditions or the efficiency of processing;
- Providing agricultural producers with income;
- Improving the quality of agricultural produce, more efficient utilisation of the by-products;
- Ensuring the conformity with environmental and energy conservation requirements;
- Facilitation of innovative investments.

2. Rationale

The food industry is an important industrial sector in Estonia. The total output of the sector amounts to approximately 4% of the gross domestic product and 5% of total exports, the sector provides stable employment opportunities for approximately 3% of the employed people in Estonia. Food industry plays a leading role in procuring and adding value to agricultural produce and therefore, the viability and development of the sector is highly important to Estonian agriculture, rural life and economy as a whole. The improvements of the conditions of processing of agricultural products help to find additional outputs to primary producers' products and therefore further activities and incomes are guaranteed for primary producers.

When improving the competitiveness and efficiency of processing the hygiene, environmental and animal protection requirements that have been enforced in the European Union must be considered. In order to meet the market and consumers' requirements the food industry must become more profitable and flexible by increasing the production of new products with higher added value and quality. Most of the investments to comply with hygiene minimum standards have already been done, but for the reason of competitiveness investments into environmentally friendly processing, product development and processing efficiency are expected to grow during the next years.

Therefore, within the framework of the measure, support is provided for investments aimed at improving the conditions and efficiency of processing agricultural products, meeting the environmental requirements, updating the technologies, product development or improving the marketing of agricultural products. Investment support, which is aimed at improving the processing and marketing of organic agricultural products, is also granted within the framework of this measure. Investments, which help to comply with environmental and hygienic standards, are favoured. Investments at the retail level and investments in the processing or marketing of products from third countries shall be excluded from support.

The economic viability of processors of agricultural producers is assessed by ARIB who performs the inspection of the applications. ARIB calculates points to each applicant. Points take into account financial indicators and the type of planned investments. After rating enterprises will be ranked according to the points received.

Assessing of minimum standards of processors of agricultural products regarding the environment, hygiene and animal welfare is done by Veterinary and Food Board (VFB). VFB gives processors recognition if they fulfil minimum standards

regarding the environment, hygiene and animal welfare. These standards are stated in the Food Act, Animal Protection Act, Environmental Impact Assessment and Environmental Auditing Act and other acts of law. The Final Beneficiary (ARIB) performs the inspection of the applications that also controls the existence of the VFB recognition. If enterprises do not have the required recognition they are not eligible for support.

Meat Industry

According to the data of the VFB, there were 118 small (all approved) and 14 big (13 of which are approved and one approved with derogations) meat processing units in Estonia in the end of 2003. Two enterprises have been granted the licence to export to the EU, another enterprise has applied for the licence. The concentration in meat industry is high – four larger enterprises produce almost 80% of the turnover of the branch. There is also a need for investments to comply with environmental standards and for investments in product development and quality.

Dairy Industry

As of December 2003, the number of the milk processing enterprises registered in Estonia according to the VFB data was 41. 38 milk-processing industries were recognised and three were approved with derogations. Taking into account the investments made, utilisation of processing capacity and distribution of the raw milk market between enterprises, it may be concluded that the majority of the investments that are required for bringing processing conditions into compliance with the requirements have been made. But also in dairy industry, another area in need of large investments is compliance with environmental requirements, in which investment has been insufficient to date.

Cereals Industry

According to VFB statistics, there were 24 cereals processing enterprises in Estonia in the end of 2003. These include 15 mills (two of which approved with derogations) and nine feed plants (all approved). Investments for compliance with environmental standards have been insufficient and another area that is in need of investments is introducing and using of new technologies and products.

Processing of Berries, Fruits and Vegetables:

There were 44 enterprises processing berries, fruits and vegetables under the supervision of VFB in the end of 2003. 40 units were approved and 4 units approved with derogations. The bulk of investments into complying with requirements have been made, in the coming years investments will be needed into product and quality development and innovation.

In accordance with the rural development policy of the EU (Regulation (EC) 1257/1999, Articles 25-28), investment support within the framework of the current measure shall be granted to the processors of agricultural produce.

3. Eligible Operations

- Processing of milk and dairy products listed in Annex I to the EC Treaty;
- Processing of veal, pork, lamb, beef, game, poultry and rabbit products listed in Annex I to the EC Treaty⁴;
- Processing of cereals (mills) listed in Annex I to the EC Treaty;
- Processing of fruit, vegetables and berries listed in Annex I to the EC Treaty.

4. Final Recipients

Processors of agricultural products

5. Indicators and Targets

Output Indicators

At least 12 supported projects during the programming period

Result Indicators

Turnover per employee in supported enterprises increases by 5% per year

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Contribution by the public sector within the current measure may not exceed 40% of eligible investment.

The contribution of the public sector is divided between Estonia and the European Union as follows:

Estonia – 30% of the total contribution of the public sector;

The European Union (EAGGF) – 70% of the total contribution of the public sector.

The specific support rate in all cases is decided by ARIB, which is the Final Beneficiary for the current measure.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria using, when necessary, outside experts. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Measure-Specific Requirements

Assessment of Normal Market Outlets

For the purposes of Article 26(3) of Council Regulation (EC) No.1257/1999, the evidence of existence of normal market outlets has to be given. The existence of internal normal market outlets shall be assessed for the investments, which potentially increase the production capacities at the appropriate level in relation to: the products concerned, the types of investment and existing and planned capacity. To this end, any restrictions on production or limitations of Community support under the common market organisations must be taken into account.

Investments for increasing the processing capacity at sectoral level for products without normal market outlet are not supported under this measure. The assessment of the existence of normal market outlet should be based on market study of the products concerned and is made publicly available. The assessment is made by a public body or third party, which is independent from the beneficiary of the aid and qualified to undertake such assessment. The assessment should use recent data and take into account the internal processing output, internal consumption and the export and import of the goods concerned. The data about normal market outlet is delivered annually to the European Commission.

If the existence of normal market outlet for some products is questioned, the Ministry of Agriculture has the right not to give support to investments that are directed into processing of these products or lower the rate of support.

Legislation establishing minimum requirements regarding veterinary, environment, hygiene, and animal welfare conditions

Food Act, corresponding to the following EU regulation acts: 89/397/EEC, 93/99/EEC, 93/43/EEC, 89/107/EEC, 89/109/EEC, 315/93/EEC, 79/112/EEC, 92/46/EEC, 91/493/EEC, 91/492/EEC, 92/116/EEC, 64/433/EEC.

Animal Protection Act, corresponding to the following EU regulation acts: 88/306/EEC, 91/628/EEC, 93/119/EEC.

Environmental Impact Assessment and Environmental Auditing Act corresponding to the following EU regulation acts: 96/91/EC, 89/369/EEC, 89/429/EEC, 94/67/EEC, 1993/31/EEC, 76/464/EEC, 93/72/EEC, 93/389/EEC, 98/83/EEC.

11. Categorisation of the Fields of Intervention

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12. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

The measure mentioned above enables training of employees for adopting new technologies and products.

Measure 1.3: Inclusive Labour Market

This measure enables entrepreneurs to get financial support to create jobs for disadvantaged employees.

Measure 2.3: Promotion of Research, Technology Development and Innovation

This measure enables entrepreneurs to get support for increasing the RD&I capacities in existing businesses and stimulate the creation and growth of new technology-based businesses.

Measure 3.1: Investment into Agricultural Holdings

Processors of agricultural products, who are not producers of agricultural products, can get support from measure 3.2. Processors of agricultural products, whose main function is to produce agricultural products, can get support for processing of agricultural products from measure 3.1.

13. Consideration of the Horizontal Policies

Environmental Policy

Support will be granted to enterprises that are complying with minimum environmental, hygiene and animal protection requirements or will do so after the investment. Investments, which are made on environmental reasons, will improve the environmental situation in Estonia. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Investment support given to enterprises in peripheral regions contributes to balancing regional development.

MEASURE 3.3: DIVERSIFICATION OF ECONOMIC ACTIVITIES IN RURAL AREAS (EAGGF)

1. Overall Aims and Objectives

The aim of the measure is to increase employment and income level in rural areas through developing rural enterprises.

The specific objectives are:

- Supporting activities of non-agricultural small enterprises in rural areas ;
- Developing of small enterprises that are using local resources/materials or offer services in rural areas.

2. Rationale

Because of changes that took place after the regaining of independence, the number of jobs in rural areas has decreased. The number of jobs in agricultural sector has diminished 4 times in 2001 compared with year 1992 and it makes 5% of total employment. At the same time employment in service sector has increased and makes 49.6 percent of employment in rural areas (in 1992 the number was 30.1%), but it does not compensate loss of jobs in agriculture. Many young and enterprising people leave rural areas; many of those remaining in their home-area are unemployed.

In 2000 the share of discouraged workers in rural areas was 2.5 times higher than in towns. Contrast between town and rural area is also characterised by net income of household, which is 19 % smaller in rural areas compared with towns. Lower income level and extensive social impacts caused by the re-structuring of agriculture have caused the decline in diversity of basic services offered and consequently rural areas have limited access to the broad span of services which their counterparts in urban areas often take for granted.

The main measure for halting the decline in living standards and for increasing income in rural areas is to create non-agricultural jobs in rural areas, including diversification of agricultural enterprises. The main obstacle in starting and developing non-agricultural enterprises is lack of capital. National co-financing therefore supports the diversification of economic activities including rural tourism and craft activities. Support is provided pursuant to the Council Regulation No 1257, Article 33, indents 5, 7 and 10, to those entrepreneurs in rural areas that create or maintain jobs in rural areas.

Support will be targeted primarily to those small enterprises, which are using local resources or those that are offering services.

This measure will supplement to the business development measure (measure 2.1) where support is enabled to those who start with entrepreneurship, and tourism development measure (measure 2.4) where support is enabled to projects that increase a demand for products with export potential of tourism enterprises and regions on international target markets.

3. Eligible Operations

According to Article 33 of Council Regulation (EC) No 1257/1999 following areas will be supported:

Tourism Development (art 33 indent 10)

- Investment and development support for starting, expansion of rural tourism, improving the quality of tourist services, including establishment or expansion of businesses related to recreational activities or improving the quality of the services
- Investment and development support for establishment, expansion, modernisation of catering activities
- Investment and development support for developing rural tourism products

Small Craft Industry (art 33 indent 10)

- Investment and development support for starting or development of craft activities; handicraft, small-scale manufacturing and wood processing (secondary wood processing); support will be enabled to those enterprises, whose processing line includes hand made elements and which produce in small batches (not mass produce)

Services for the Rural Economy and Population (art 33 indent 5)

- Investment and development support for establishment or expansion of servicing activities aimed at rural population (including shops, repair centres, machinery co-operatives, service saloons)

Promotion of Activities Bearing Close Relation to Agriculture (art 33 indent 7)

- Investment and development support for starting and expanding of processing of food products not listed in Annex 1 of the Treaty.

4. Final Recipients

- Agricultural producers who start non-agricultural business activities in rural areas
- Entrepreneurs diversifying or expanding activities.

5. Indicators and Targets

Output indicators

Non-agricultural diversification projects supported	180
Incl.:	
In businesses owned by women	54
Incl.:	
- rural tourism	74
- craft activities	45
- service enterprises	45
- promotion of activities bearing close relation to agriculture	16

Result Indicators

Agricultural producers who start non-agricultural business activities in rural areas 36

6. Final Beneficiary

Estonian Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Rural area

8. Maximum Contribution Rates

The maximum support of investments per one applicant may amount to 100,000 EUR per year.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

1305, 1307, 1310, 1311

The indicative division of finances between fields is:	1305 - 25%,
	1307 - 10%,
	1310 - 40%,
	1311 - 25%.

11. Co-ordination with Other Measures

Measure 2.1: Business Development

The present measure complements the aforementioned measure. The aforementioned measure enables support for start-up micro and small entrepreneurs also in rural areas. The development support for diversifying or expanding can be enabled to those who act in rural areas. In addition, the aforementioned measure enables advisory service to rural entrepreneurs.

Measure 2.2: Business Infrastructure Development

The aforementioned measure may complement the present measure enabling support in creating or renovating of physical infrastructure, if local government is to secure the necessary investment.

Measure 2.4: Tourism Development

The aforementioned measure will be focused on projects that have good export potential. The present measure will be implemented in all rural areas. In certain cases co-ordination is necessary between the measures. Overlapping is avoided with exchange of information between Final Beneficiaries.

Measure 3.1: Investments into Agricultural Holdings

The present measure complements the aforementioned measure, where support will be enabled for an agricultural producer for processing of food products listed in Annex 1 of the Treaty. This measure provides support for increasing processing level and diversification of farm produces with products that fall outside the scope of Annex 1 of the Treaty.

Measure 3.5: Renovation and Development of Villages

The aforementioned measure complements development of rural tourism under the present measure supporting building, reconstruction and equipment of buildings open for public use. Possible overlapping is avoided with check on site and

applicant in current register of Final Beneficiary whether or not the applicant has applied for same activity from the other measure.

Measure 3.7: Forestry

The present measure will complement the aforementioned measure where support will be enabled to purchase and renovation of machinery for primary processing of wood. This measure provides support for developing secondary processing of wood on craft purpose.

Measure 4.6. Local Socio-economic development

The aforementioned measure complements the present measure by creating additional possibilities for generation of new business ideas and expanding of existing businesses. Its target groups are municipalities, non-profit organisations or state authorities that administer valuable for local development cultural or nature objects.

12. Consideration of the Horizontal Policies

Environmental Policy

Support will be granted for introducing environmentally friendly technologies. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Measure increases employment opportunities primarily for women.

Regional Development

Measure supports development of rural areas.

MEASURE 3.4: INTEGRATED LAND IMPROVEMENT (EAGGF)

1. Overall Aims and Objectives

The overall aim of the measure is to create conditions for integrated land improvement.

Objectives of the measure are:

- to reduce the risks introduced to agricultural production by unfavourable water regime;
- to increase forest productivity;
- to create conditions for purposeful use of land.
- to safeguard the good state of surface water within the land improvement systems;
- to improve physical access to agricultural land.

2. Rationale

Of the 1.12 million ha of arable land in Estonia, 640,000 ha have been drained. 70 % of the land improvement systems in use today have been built before year 1970. Land improvement systems depreciate in 25-30 years. Because of that land improvement systems require repair works now to avoid total collapse of the systems. Decline in agricultural production and scarcity of investments in the sector reduces the share of land with good and satisfactory drainage status by approximately 3-4% per year.

Concerning agricultural land, there is a situation arising where in unmaintained areas well-drained arable land can disappear in 6-10 years and all of the drained land can fall out of agricultural use in 25-30 years. About 500,000 ha of the forest growing on former farmland (approximately 1.2 million ha) is suffering from excess moisture.

Investment in land improvement does not generate significant revenue. Land improvement operations reduce crop failure occurrence in areas where the water regime is unfavourable for plant vegetation and create preconditions for purposeful utilisation of profit-yielding land. Compared to temperately humid soils, the value for cropping and use in these areas is lower and therefore land use options are limited. Grants provided with the measure help to unify production conditions on

agricultural land and private forestland. A complication in the execution of works is the fact that land improvement systems are spread over several, registered immovable.

Land improvement systems are mainly 100-300 ha in size and generally located across the land of several owners. Fragmented land tenure and scarcity of financial means of landowners make it difficult to organise reconstruction and renovation of the existing land improvement systems. Maintenance of recipients independently by individual landowners tends to prove impossible both practically and technically in the majority of cases. It is reasonable to jointly carry out reconstruction and renovation of the land improvement systems in the land of several owners, with non-profit land and water associations being one of the organisational forms for that.

In low-density areas a more rational land use requires construction or improvement of access roads to fields in use. A large part of the roads are former farm roads that have only been made wider. The load bearing capacity of roads was not intended for the weight of large and modern agricultural machines. The road construction for access to agricultural land is not a net profit generating investment into infrastructure, but rather a primary need to put profit-yielding land into use and to start producing. For maintenance of land improvement systems it is necessary to construct or improve the relevant service roads.

Within the framework of the present measure, grants for land improvement and development of rural infrastructure will be provided, pursuant to Article 33 of Regulation 1257/1999.

3. Eligible Operations

Support shall be granted to activities in the following fields:

Land Improvement

- Construction, reconstruction and renovation of land improvement systems (facilities required for drainage or irrigation or double water regime regulation) in arable and private forestland and of service roads on land improvement systems (indent 1 of Art. 33).

Development and Improvement of the Infrastructure Related to Agricultural Development

- Road construction and reconstruction for access to agricultural land (indent 9 of Art. 33).

4. Final Recipients

- Entrepreneurs in rural areas, holding profit yielding land and civil law partnerships established by entrepreneurs in rural areas, holding profit yielding land
- Non-profit associations constituted by landowners or land users of the targeted system, road or profit yielding land, provided the eligible activity of the measure corresponds to the goal set out in the articles of association of the non-profit association.

5. Indicators and Targets

Output Indicators

Area of constructed, reconstructed and renovated land improvement systems	37, 000 ha
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Result Indicators

Increase of the share of land having good water regime (suitable for universal use) from all the land of unfavourable water regime	2,5 %
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6. Final Beneficiary

Agricultural Registers' and Information Board

7. Eligible Area

Rural area

8. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the specified application period. ARIB carries out the eligibility check of the applications against predefined criteria (incl. approval issued by Regional Land Improvement Bureau). The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

9. Categorisation of the Fields of Intervention

1301, 1309

10. Co-ordination with Other Measures

Measure 3.1: Investment into Agricultural Holdings

Investments to land improvement systems in agricultural land are supported under this measure, where the network that regulates the system is located on several properties or this land improvement system in the land or being built there has impact on the water regime of the soil of profit yielding land on another real property or of the land of residential lots with the intended purpose of residential land, used for agricultural purposes. If the network that regulates the system is located on one property and this land improvement system in the land or being built there has no impact on the water regime of the soil of the profit yielding land on another real property or of the land of residential lots with the intended purpose of residential land, used for agricultural purposes, then the investments to land improvement systems in agricultural land are supported within the framework of measure 3.1.

Measure 3.7: Forestry

The above measure and this measure are recommended to implement in a co-ordinated way. Activities under this measure support the objective of forest management measure to improve the condition of forest resources.

Measure 4.2: Environmental Infrastructure Development

One of the objectives of both measures is improvement of the state of water bodies. In the case of the land improvement measure, improvement of the state of surface water bodies within land improvement systems (reservoirs, recipients).

11. Consideration of the Horizontal Policies

Environmental Policy

Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Implementation of the measure is supportive of agricultural producers and private forest owners whose production land is located in an area with an unfavourable water regime for crop growing.

MEASURE 3.5: RENOVATION AND DEVELOPMENT OF VILLAGES (EAGGF)

1. Overall Aims and Objectives

The aim of the measure is to contribute to the improvement of the living environment in rural areas.

The objectives are the following:

- Encouraging local initiative and willingness to co-operate, strengthening social relations;

- Developing social infrastructures;
- Conserving natural and architectural heritage of villages and improving the outlook of settlements;
- Improving access of village population to several services.

2. Rationale

Reorganisation of rural economy has severely impaired the possibilities for earning income and living conditions in rural areas. Due to decrease of the employment rate in many former agricultural areas there have been serious fallbacks, on account of which the income levels are low and poverty, exclusion and social apathy have become a considerable problem in those areas. Contemporary information technology services, which facilitate life and improve the employment opportunities, are not accessible for many people. Younger and more active people leave the countryside even if they have a job as the living environment leaves a lot to be desired. Also, unfavourable surroundings prevent the settlement of new inhabitants in the villages. At the same time the voluntary cooperation of the inhabitants, aimed at improving the appearance of villages and social relations, is hindered due to the lack of financial resources, which is a very serious problem in peripheral areas and areas with small population.

The village development measure is aimed at the implementation of systematic approach to local development activities and supporting activities that focus on the development of social infrastructures in villages. Social infrastructures of villages refer to community buildings and other objects that enhance the opportunities for the cooperation of the population and organisation of events, intended for joint activities of the village population. Such infrastructures also provide access to the information while improving the appearance of villages and general quality of living environment. Therefore, the measure supplements the other measures aimed at rural life development, implemented by the Structural Funds of the European Union that improve the sustainability and viability of villages.

The current measure is implemented pursuant to the provisions prescribed in indent 6 in Article 33 of Council Regulation No 1257/1999.

3. Eligible Operations

- Construction, reconstruction and furnishing of buildings, intended for public use and related to joint activities of rural population, development of village culture and maintenance of natural and historical values
- Construction, reconstruction and furnishing of information centres with Internet connection, intended for public use
- Preparation and implementation of village development plans
- Development and preservation of village culture and cultural traditions

4. Final Recipients

- Non-profit associations
- Entrepreneurs

5. Indicators and Targets

Output Indicators

Number of supported projects	190
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Result Indicators

Number of villages, which benefit from the programme	100
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6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Rural area

8. Maximum Contribution Rates

The maximum investment support per one beneficiary may amount to 150 000 EUR for one beneficiary, provided that support does not exceed annually 60 000 EUR. Above named support can amount:

- Up to 90% of the eligible investment for a non-profit association
- Up to 65% of the eligible investment for an entrepreneur

The exact rate will be determined in the national legislation (The Regulation of the Conditions of the Measure).

Investment made under this measure must not generate substantial net revenue.

9. Processing of Applications

The competition based procedure is used.

The applications are submitted to ARIB until the announced deadline. ARIB carries out the eligibility check of the applications against predefined criteria. Committees set up on county level will carry out content assessment and ranking of projects. The committees consist of representatives of county governments, municipalities and social partners. The decision about granting aid is made by the head of ARIB taking into account the ranking and the financial means allocated for the measure.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

1306

11. Co-ordination with Other Measures

Measure 3.3: Diversification of Economic Activities in Rural Areas

This measure complements above named measure by helping to develop rural tourism by improving attractiveness and using possibilities of buildings for public use in villages. Possible overlapping is avoided with check on the register of Final Beneficiary whether or not the applicant has applied for same activity from the other measure.

Measure 4.6: Local Socio-economic Development

Above named measure and this measure are complementary to each other. The present measure increases possibilities to improve social infrastructure being used by entrepreneurs and associations of local people. The above named measure enables more generally to develop infrastructures owned by local government.

Measure 1.3: Inclusive Labour Market

This measure complements above named measure by creating material preconditions for teaching and using of info-technological skills in villages, which among other things enhances social inclusion.

12. Consideration of the Horizontal Policies

Environmental Policy

The measure contributes to preservation of natural heritage of villages, improvement of the appearance of villages and general quality of living environment. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Building, reconstruction and furnishing of information centres with Internet connection is supported under this measure.

Equal Opportunities (Gender)

Neutral impact

Regional Development

This measure promotes the development of rural areas. One of the selection criteria for support is the relation of the planned investment object to the general development needs of the area. This measure promotes the communal infrastructure development of rural areas and is coherent with an overall regional development priority of the programme.

MEASURE 3.6: LOCAL INITIATIVE BASED DEVELOPMENT PROJECTS – LEADER (EAGGF)

1. Overall Aims and Objectives

The overall aim of the measure is to promote local development activities through increasing the capacity of local people to work together to address priority needs and opportunities to increase the local initiative and obtain experiences and knowledge necessary for the implementation of European Union LEADER-type activities.

The objectives are the following:

- To develop the institutional framework and the skills base necessary to stimulate the endogenous potential of rural actors and communities through the programs targeted for community development;
- To build a model of local rural development type approach, represented by effective functioning Local Action Groups representing diverse rural interests important on the local level;
- To carry out projects and studies in framework of Local Action Group pilot strategies;
- To promote networking and exchange of information and experience.

2. Rationale

Several support programs that are being implemented on sectoral principle fail to consider the specific needs and features of different regions in rural area.

The EU implements the community initiative LEADER that has been devised as a supplement to the sectoral measures. LEADER contributes to the creativity, initiative and willingness to co-operate of local people that manifest itself through local initiative groups. LEADER is used for the elaboration of local development strategies and provided financing for the implementation of thereof. Internal and international co-operation and exchange of information between rural areas is an organic component of LEADER.

To introduce the similar approach in Estonia a limited number of regional pilot projects will be supported in frame of the measure. That shall create sufficient experience and capacity, which shall provide the required support for the implementation of LEADER-type program nation-wide over the next programming period (2007 - 2013).

The LEADER-type activities shall be implemented pursuant to the provisions prescribed by Article 20 of Council Regulation No 1260/1999 and the guidelines that have been issued based on thereof. Legal basis for Leader+ type measures in new Member States is Chapter IX (a) and a new Article 33f in Council Regulation No 1257/1999.

3. Eligible Operations

Option 1. Acquisition of Skills

- Building and developing local action groups (information and training of the population and technical support for building local action groups)
- Drawing up integrated development strategies (incl. technical support for studies of the local area and territory diagnosis)
- Co-operation between both the internal and international rural regions (exchange of knowledge)

The coordinating institution will be created to coordinate the supportive actions under Option 1 and to provide technical support (know-how, training, support for studies, etc.) for selected local action groups. For choosing the co-ordinating institution, a public tender will be carried out in the second half of 2004. The more detailed timetable, obligations of the institution, etc. will be specified in the Terms of Reference.

Option 2. Integrated Rural Area Development Strategies

- Implementation of the development strategies

- Co-operation between both the internal and international rural regions and participation in the trans-European rural development networks

4. Final Recipients

- Local action groups (LAG)
- Institution responsible for the co-ordination of activities

5. Indicators and Targets

Output Indicators

Number of functioning local action groups 9

Incl.:

Local action groups carrying out development strategies 3

Result Indicators

Projects financed in framework of local development strategies 60

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Option 1: All rural areas, Option 2: Selected pilot regions

8. Maximum Contribution Rates

The financing for formation of the local action groups (Option 1) will be 100%.

Public contribution rates for support given by local action group to single projects (Option 2) will be enacted separately and will follow normal state aid rules.

Maximum size for infrastructure investments is euro 10, 000.

Public contribution will be divided between two options as follows:

1. Option 1 - acquisition of skills – 70%
2. Option 2 - the adoption of integrated territorial rural development strategies – up to 30% of the funds allocated for the measure. After it has been selected as a local action group, it may use for its own administrative expenses up to 15% of total public contribution.

9. Processing of Applications

Option 1

ARIB will launch an open call for tender for co-ordinating body/institution. The applications will be submitted to ARIB, who will carry out eligibility check. The project applications will be assessed according to the pre-established evaluation criteria by committee, which consists of representatives of Ministry of Agriculture and ARIB.

Option 2

ARIB will launch an open call for tender for pilot LAGs. The applications will be assessed according to the pre-established selection criteria (as written in SPD) by the committee, which consists of representatives of Ministry of Agriculture and ARIB.

The individual project applications originating from the area in question will be submitted to a pilot-LAG, who checks the conformity of the application with their development strategy and judges applications against their own selection criteria (suitability check). LAG will then submit the selected applications to ARIB for approval (eligibility check).

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

114, 122, 123, 1304, 1305, 1305.1–1305.7, 1306, 1307, 1310, 1311, 1312, 148, 162, 166, 22, 25, 353, 354

11. Co-ordination with Other Measures

Establishment of local action groups and drawing up development strategies improve pre-conditions for developing projects in the framework of several other measures.

12. Consideration of the Horizontal Policies

Environmental Policy

Development strategy enables to initiate several activities for environmental protection.

Information Society

Possible several activities like development of infrastructure of telecommunication and information society.

Equal Opportunities (Gender)

Possible several activities aimed at equal opportunities or activities, which have similar influence.

Regional Development

This measure promotes the development of rural areas.

MEASURE 3.7: FORESTRY (EAGGF)

1. Overall Aims and Objectives

The overall aim of the measure is retaining and development of economic, ecological and social values and functions of forests and to safeguard the jobs in rural areas.

The specific objectives of the measure are:

- Sustainable forest management and development of forestry;
- Maintenance and improvement of forest resources conditions;
- Improving forests economical, ecological and social values;
- Establishment of new opportunities for the utilisation and marketing of products of forest origin and investments aimed at improving the efficiency of processing and marketing forest and wood products;
- Establishment of associations of forest owners for more sustainable and efficient forest management;
- Restoration of forest production potential resultant by natural disasters and forest fires and introducing appropriate prevention instruments.

2. Rationale

In the frame of restitution of land to legal successors and ongoing privatisation process, almost 32% of forestland has been given into private ownership (~ 700,000 ha) for today. Almost 70,000 people have become forest landowners, but most of them are lacking knowledge and skills to manage their forests.

Major share of private forests in Estonia are made up of the forests of former Soviet agricultural collective farms and natural afforestation of arable lands where the restocking of woodlands and management has failed to meet the satisfactory requirements. Estonian forests belong to the belt of boreal zone characterised by the presence of ecological systems of productive conifer and the mixture of conifer and broadleaves forests. Presently, the private forests have not been restocked with conifers and therefore, the relative share of economically less-valued broadleaves is relatively high (almost 20% of the total forest land area). The main possibilities to restore forest composition are to increase the share of coniferous by reforesting them. For obtaining high quality forest stands, it is also in major importance to make cuttings not aimed at

gaining immediate revenues. The objective of restoring forests, which are dominated by conifers, is to retain of the biota of respective ecological systems (spruce, pine), as well as contribute to increasing employment rates in forestry sector and improved profitability, designing of diversified landscapes and obtaining of high quality timber.

At the same the financial possibilities of private forest owners for improving the forest management are rather limited. Large share of forest management equipment used by both forest management and in micro timber processing industries are physically and morally outdated. As many forest owners have small forests properties, it would not be profitable for them to acquire new and often expensive technology on their own and at the same time joint activity in forestry is inadequately developed. Insufficient forest management in private forests is one of the reasons why the productivity of the forests and its capacity to fulfil the economic, ecological and social tasks important for the society are not used on a satisfied level.

Within the framework of the current measure forest owners and forest owners associations are granted support for improving economic, ecological and social values of forests, pursuant to the provision prescribed by Articles 29 and 30 (indent 2,3,4,5,6) of Regulation No 1257/1999. This support promotes Community and Estonian international commitments and is in accordance with the Forest Development Plan till year 2010.

In the programming period 2003-2006 no forest fire prevention measures are planned to be co-financed.

3. Eligible Operations

- Restocking of woodlands damaged by natural disasters and fire, including the preparation of soil with the purpose of contributing to natural regeneration and purchase of plants (Art. 30. 6th indent);
- Restocking of woodlands and tending of young stands to encourage ecological diversity of species and to add value to the remaining trees (Art. 30 2nd indent);
- Purchase of forest management and timber processing (prior to industrial processing) equipment and forest plant protection products (excl. chemicals) (Art. 30 2nd and 3rd indent);
- Establishing associations of forest owners (Art. 30 5th indent);
- Development projects that create new opportunities for using wood and forest products and investments into improving and rationalising the processing and marketing (prior to industrial processing) (Art. 30 3rd and 4th indent).

4. Final Recipients

- Private forest owners
- Non-profit and profit making associations of private forest owners

5. Indicators and Targets

Output Indicators

Number of projects supported	95
Incl.:	
- purchasing and modernising equipment	70
- establishment of forest owners associations	15
- forest and wood products related development projects	10

Result Indicators

Number of supported associations	15
Increased reforested area	1,000 ha
Increased area of tending of young stands	2.000 ha

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Rural area

8. Participation Rates and Maximum Limits for Financing

In the activities related to the restocking of woodlands in case of natural disasters the public sector contribution rate is up to 90%.

In the activities related to the restocking of woodlands and tending of young stands to encourage diversity or ecological value of species and to add value to the remaining timber the maximum public sector contribution rate is up to 80%. Per individual the maximum total reforestation and tending of young stands area during the programming period can be 45 ha (15 ha reforestation + 30 tending of young stands).

In obtaining of forest management and timber processing (prior to the industry processing) equipment and renovation, the maximum public sector contribution per application is up to euro 12,820 (200,000 kroons) per project and for forest plant protection products up to euro 641 (10,000 kroons) per project (not more than 50% of the total costs).

In establishing forest owners associations (start-up aid) the maximum public sector contribution rate is up to 75% based on business – or activity plan, but not more than euro 6,394 (100,000 kroons) during the programming period.

The maximum contribution rate for development projects is 50% and not more than euro 19,182 (300,000 kroons) per year. During the programming period the project is not allowed to exceed euro 95,908 (1,500,000 kroons).

The applicant is allowed to use contribution in-kind as a part of his/her co-financing, if it corresponds to EC 1257/1999 Chapter VIII Art. 30 2nd and 3rd indent:

- Investments in forests aimed at improving their economic, ecological and social value (Art 30 2nd indent);
- Investments to improve and rationalise the harvesting, processing and marketing of forestry products; investment related to the use of wood as a raw material shall be limited to all working operations prior to industrial processing (Art 30 3rd indent).

The total public sector contribution will be divided as follows: EU (EAGGF) - 70%, Estonia - 30%.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. Eligible applications will be submitted to the forestry commission consisting of representatives of experts and social partners (project selection commission), except for the purchase of forest management and timber processing equipment and forest plant protection products. The commission applies project selection criteria and ranks (together with support rates) the applications. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

121, 122, 123, 124, 125

The indicative division of finances between fields is:

121	- 45%,
122	- 15%,
123	- 15%,
124	- 10%,
125	- 15%.

11. Co-ordination with Other Measures

Measure 3.4: Integrated Land Improvement

Under the abovementioned measure the support will be granted for building and renovating the private forestland drainage systems and private forest service roads to guarantee forest drainage operational conditioning on the satisfying level.

Measure 3.3: Diversification of Economic Activities in Rural Areas

Under the abovementioned measure the support is foreseen for the companies and entrepreneurs to develop small-scale wood processing business (secondary processing), primarily for the equipment and machinery for the processing as well as for the building and renovation of the industries.

12. Consideration of the Horizontal Policies

Environmental Policy

All support applications should be in conformity to the "Estonian Forestry Development Plan up to 2010". As for the reforestation projects, the planned actions should be suited to local conditions and in conformity with the environmental situation.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

The measure promotes the development of rural areas.

MEASURE 3.8: SUPPORT FOR SETTING UP AND PROVISION OF FARM ADVISORY AND EXTENSION SERVICES (EAGGF)

1. Overall Aims and Objectives

The overall aim is the provision of advisory and extension services. Specific goals are the following:

- Supporting the setting up of farm advisory service system;
- Supporting the provision of farm advisory and extension services.

2. Rationale

The development and specialisation of agriculture and rural life demands general, technical and economical knowledge for people engaged in agriculture, forestry, rural enterprises and people in rural areas. Due to the new orientations of management, production and marketing the need for qualified labour will increase in the rural areas, which in turn means additional expenses both on advisory as well as in extension field.

The main problem among agricultural producers is a lack of leading and management skills. Providing support under this measure enables to make the farming viable and competitive through the improvement of professional skills and accessibility to financial resources. This measure provides support for agricultural producers to make financial instruments more accessible. This measure also contributes to developing sustainable production that is a precondition for maintaining a stable environmental situation.

This measure has two main activities:

- Setting up of farm advisory service system;
- Provision of farm advisory and extension services.

The key factor in creating the farm advisory service system is the level of knowledge and skills of agricultural consultants and good accessibility of advisory and extension services. This objective will be achieved through the support for development of agricultural advisory centres, which enables to concentrate agricultural advisors and give better access to advisory and extension services.

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Support from public sector may constitute up to 100 % of total project cost as the maximum contribution. Different public sector co-financing rates will be applied to different types of activities.

- Individual advisory service – for agricultural producers – 75%. One exception is advice regarding application for agri-environmental support; in this case the support is 100 % up to a certain amount of the cost of advisory service.
- Information seminars and group advisory events: initiative comes from state – 100%, initiative comes from applicants/target groups – 80%
- Setting up farm advisory service system – approved farm advisory centres receive start-up aid up to amount of 4,000 euros as a single payment.

Estonian public sector financing will be covered from the state budget.

9. Project Selection Procedure for Group Advisory (Extension) Projects

ARIB will make decisions about granting the aid according to the funding allocated to the measure on a yearly basis. Different project selection procedure is applied to eligible projects depending on the applicant:

- In cases the initiative to carry out certain activities comes from state (nation-wide information seminars and group advisory events), a special committee under the Ministry of Agriculture, which consists primarily of the representatives from all related departments, proposes necessary topics. Then ARIB announces dates and conditions for open calls for tenders, and submits the eligible applications to the committee for project evaluation.
- In the case of local information seminars/group advisory events the initiative to carry out extension events comes from target groups (farmers, farmers' unions, agricultural professional organisations). Applications will be submitted to ARIB. ARIB will send eligible applications to the respective counties. A special commission in each county (consisting of the representatives of county officials and local farmers' unions) evaluates project proposals.

In both cases regarding extension events the applicants can carry out these events after the approvals by the committee under the Ministry of Agriculture and county commissions respectively. The support will be paid after the extension event is carried out and final report sent to ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

1303

11. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All

The above-mentioned measure helps to improve the competitiveness of agricultural producers through the improvement of their knowledge and skills.

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

These measures have similar supported activities. The measure mentioned above enables potential agricultural producers to receive primary training, thereby supporting current measure mainly aimed at increasing their occupational skills.

Other Rural Development Measures

The current measure contributes to the successful implementation of other rural and agriculture-related measures.

12. Consideration of the Horizontal Policies

Environmental Policy

Advisory services provided under this measure also include environment-related topics.

Information Society

In the course of implementation of the measure, IT solutions (Internet-based application forms, guides, etc.) will be applied.

Equal Opportunities (Gender)

Neutral impact

Regional Development

Equal accessibility to advisory and extension services in all Estonian counties is ensured.

MEASURE 3.9: ADJUSTMENT OF FISHING CAPACITY OF THE FISHING FLEET (FIFG)

1. Overall Aims and Objectives

The overall aim of the measure is to balance the capacity of fishing fleet with the available fish resources.

The specific objective of the measure is to reduce fishing capacity of the fishing fleet.

2. Rationale

The natural reproduction capacity of fish populations has to be preserved. To maintain the competitiveness of the fisheries sector, it is necessary to achieve a balance between the natural reproduction of fish and the use of fish resource. The intensive use of fish stock depends, above all, on the existing fishing capacity. The measure contributes to achieving an optimal fishing management and preserves the stability of fish resources.

3. Eligible Operations

- Compensation for scrapping of fishing vessel
- Compensation for permanent reassignment of vessel (for training, research, tourism purposes and for preserving history, etc.)

4. Final Recipients

Owners and operators of fishing vessels

5. Indicators and targets

Output Indicators

Number of projects supported 3

Result Indicators

Decrease of fishing effort 550 kW
1,050 GT

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Vessel class according to tonnage (GT)	EUR
0 < 10	11, 000/GT + 2, 000
10 < 25	5, 000/GT + 62, 000
25 < 100	4, 200/GT + 82, 000
100 < 300	2, 700/GT + 232, 000
300 < 500	2, 200/GT + 382, 000
500 and more	1, 200/GT + 882, 000

1. Vessels of 10 to 15 years: according to the rates in the table.
2. Vessels from 16 to 29 years: rates of the table reduced by 1.5% per year over 15 years.
3. Vessels from 30 or more years: rates of the table reduced by 22.5%.

Participation in eligible costs is following:

Community participation	≤ 80%
National public contribution	≥ 20%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

141

11. Co-ordination with Other Measures

Measure 1.3: Inclusive Labour Market

This measure shall be applied to provide re-training for fishermen having received the notice on redundancy.

Sub-measure 3.12.1: Social Measures Accompanying the Restructuring of Fisheries

This measure is intended to alleviate the unwanted social and economical difficulties due to the implementation of the measure "Adjustment of fishing capacity of the fishing fleet".

12. Consideration of the Horizontal Policies

Environmental Policy

Measure is directly aimed at the conservation of resources.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Neutral impact

MEASURE 3.10 MODERNISATION AND RENEWAL OF FISHING FLEET (FIGF)

1. Overall Aims and Objectives

The overall aim of the measure is to modernise food handling and technical conditions on board of the fishing vessels.

The specific objectives of the measure are:

Improving technical conditions of fishing vessels, fish handling conditions, working conditions and occupational safety; promoting the introduction of selective fishing techniques.

2. Rationale

The fishing fleets consist mostly of old fishing vessels of Soviet origin, built in the 1970-80s of extremely low quality steel and provided with extremely unreliable engines. In order to optimise the costs of fishing and improve the quality of fishing, the fishing vessels of Estonia need to be modernised with more contemporary and selective catching technologies. The measure facilitates investments into modernising the vessels, implementing selective catching technologies and improving working conditions and the occupational safety of fishermen working on the vessels. The renewal of the fishing fleet will not increase the fishing capacity. This will be ensured by the exit-entry schemes of the fishing fleet register.

3. Eligible Operations

- Modernisation and renewal of fishing vessels;
- Rationalisation of fishing operations, especially for applying more selective fishing technologies and methods on vessels;
- Improving the quality of fish caught and preserved on board vessels, applying better catching and preserving methods and implementing legal and regulating norms;
- Improvement of working and occupational safety conditions.

4. Final Recipients

Owners and operators of fishing vessels

5. Indicators and Targets

Output Indicators

Number of projects supported	11
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Result Indicators

Number of fishing vessels modernized	10
Number of fishing vessels renewed	1

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤ 35%
National public contribution	≥ 5%
Private participation	≥ 60 %

In the case of investment in small and medium-sized businesses within the meaning of Commission Recommendation 96/280/EC (1) the Community participation may be increased, provided that this increase does not exceed 10 % of the total eligible cost. The contribution of the private beneficiary shall be reduced accordingly.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

142

11. Co-ordination with Other Measures

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12. Consideration of the Horizontal Policies

Environmental Policy

Measure must not increase the total capacity of fishing fleet. Implementation of more selective fishing technologies and methods on vessels shall be supported.

Information Society

Neutral impact

Equal Opportunities (gender)

Neutral impact

Regional Development

Neutral impact

MEASURE 3.11: INVESTMENT SUPPORT MEASURES FOR FISHERIES PRODUCTION CHAIN (FIFG)

The measure consists of four following sub-measures:

- 3.11.1: Investment Support for Processing of Fish and Aquaculture Products
- 3.11.2: Investment Support for Aquaculture
- 3.11.3: Modernisation of Fishing Ports
- 3.11.4 Investment Support for Inland Fisheries

SUB-MEASURE: 3.11.1: INVESTMENT SUPPORT FOR PROCESSING OF FISH AND AQUACULTURE PRODUCTS (FIFG)

1. Overall Aims and Objectives

The overall aim of the sub-measure is development and modernisation of processing and marketing of fish and aquaculture products.

The specific objectives of the sub-measure are:

- Improvement of processing conditions of fish and aquaculture products;
- Introduction of modern technologies;

- Stimulation of product development;
- Reduction of environmental load resulting from processing.

2. Rationale

The fish industry that uses both domestic and imported fish as a raw material plays an important role in the Estonian food industry (in 2000, 15% of the total output and approximately 40% of the total food exports). As a result of privatisation, the owners of the fish processing facilities acquired out-dated production equipment. The current measure will increase investments made into the modernisation of the fish processing industries and the implementation of new technologies. As a result, the quality of fish products and their conformity with food safety standards is expected to improve considerably.

3. Eligible Operations

- Construction or renovation of production facilities (incl. storage and freezing facilities)
- Purchase and renovation of machinery, equipment, furnishing and technological processing lines (including waste treatment equipment, water supply systems, energy supply systems and packaging lines employing environment-friendly technologies, fork lifters, vehicles with cooler/refrigerator units) necessary for bringing the production of fish products into conformity with the respective requirements
- Implementation of quality control systems
- Development of new products and increasing added value
- Securing of the implementation of environmental requirements, decreasing of the pollution to environment, waste treatment, waste elimination, production that meets energy conservation requirements and better utilisation of by-products.

4. Final Recipients

Entrepreneurs

5. Indicators and Targets

Output Indicators

Number of projects supported	15
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Result Indicators

Increase of annual turnover per employee in supported enterprises	5%
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6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤ 35%
National public contribution	≥ 5%
Private participation	≥ 40%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

143

11. Co-ordination with Other Measures

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises

This measure provides for the training of employees involved in the implementation of new technologies and products.

Sub-measure 3.11.3: Modernisation of Fishing Ports

This measure and the sub-measure mentioned above supplement each other and are, in many cases, implemented simultaneously.

12. Consideration of the Horizontal Policies

Environmental Policy

The eligible activities include purchase and renovation of packaging lines employing environment-friendly technologies, securing of the implementation of environmental requirements, decreasing the pollution to environment, waste treatment, waste elimination, production that meets energy conservation requirements. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Neutral impact

SUB-MEASURE 3.11.2: INVESTMENT SUPPORT FOR AQUACULTURE (FIGG)

1. Overall Aims and Objectives

The overall aim of the sub-measure is the development and modernisation of aquaculture.

The specific objectives of the sub-measure are the following:

- Modernisation of the aquaculture production facilities;
- Improving of the quality of the production to meet the requirements of processing industry;
- Decreasing the pollution load on the environment;
- Increasing of the production output volumes.

2. Rationale

The measure shall aim to provide the fish industries with alternative supplies of raw material in addition to nature-bred fish. The measure shall also contribute to employment in rural areas.

The production volumes of the fisheries sector can be, above all, increased in fish hatcheries by applying contemporary fish breeding technologies – for example, fish breeding on sea in net cages – and establishing new fish hatcheries that meet contemporary requirements and reconstructing the existing hatcheries. Major share of favourable natural opportunities for establishing or extending fish hatcheries or increasing the production intensity in existing fish and crayfish hatcheries have not been used mainly due to the lack of capital, insufficient awareness of new technologies and limited production volumes. The measure facilitates the modernisation of fish breeding technologies, implementation of more efficient water utilisation at fish hatcheries while supporting the creation of alternative employment in fisheries sector.

3. Eligible Operations

- Establishment and renovation of fish and crayfish ponds, net cages and related equipment,
- Purchase of new machinery and equipment, including the purchase of integrated information technology (computer hard- and software)
- Construction and renovation of hatcheries
- Assessment of environmental impact

4. Final Recipients

Entrepreneurs intending to start with aquaculture or already involved in the business

5. Indicators and Targets

Output Indicators

Number of projects supported 6

Result Indicators

Number of aquaculture enterprises supported 5

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤ 35%
National public contribution	≥ 5%
Private participation	≥ 40%

If investments shall have considerably positive environmental impact, the share of private beneficiary shall be reduced to 30% of the total eligible cost in the Objective 1 areas.

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

144

11. Co-ordination with Other Measures

Sub-measure 3.11.1: Investment Support for Processing of Fish and Aquaculture Products

Aquaculture products shall provide the processing industry with alternative source of raw material.



12. Consideration of the Horizontal Policies

Environmental policy

More efficient utilisation of water shall reduce the pollution pressure on environment, arising of aquaculture. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Purchase of integrated information technology equipment shall be supported.

Equal Opportunities (Gender)

Neutral impact

Regional Development

This measure shall contribute to the diversification of employment in rural areas.

SUB-MEASURE 3.11.3: MODERNISATION OF FISHING PORTS (FIFG)

1. Overall Aims and Objectives

The overall aim of the sub-measure is the improvement of the facilities and renovation of infrastructures (quays, buildings) used for receiving of the fish in the ports and fish landing sites.

The specific objectives are to:

- Improve the hygiene and working environment conditions in fish landing and handling facilities;
- Improve the services provided for fishing vessels in the ports;
- Improve marketing of fisheries products.

2. Rationale

The equipment and infrastructures of fishing ports are out-dated and fail to meet the contemporary requirements. According to the food safety requirements the ports must be brought into conformity with the sanitary requirements for handling of fish. The measure will support investments that are of collective interest for the fishermen using the ports and will promote the general development of ports while improving the quality of services provided to the fishermen in the ports.

3. Eligible Operations

- Improvement of the conditions for landing, handling, storage and marketing of the fish and fishery products
- Supporting of the activities carried out by the fishing vessels (supply of fuel, ice and water, repair and maintenance of the vessels)
- Improvement of the conditions of the jetties of the ports with the purpose of improving the food safety during unloading or storage

4. Final Recipients

- Port owners
- Port users
- Public administration

5. Indicators and Targets

Output Indicators

Number of projects supported	10
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Result Indicators

Number of fishing ports modernized	10
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6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Investment with private participation

Community participation	≤ 35%
National public contribution	≥ 5%
Private participation	≥ 40%

*In the case of investment in small and medium-sized businesses within the meaning of Commission Recommendation 96/280/EC (1) the Community participation may be increased, provided that this increase does not exceed 10 % of the total eligible cost. The contribution of the private beneficiary shall be reduced accordingly.

Investment without private participation

Community participation	≤ 75%
National public contribution	≥ 25%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. Reviewing and ranking of the applications according to pre-established selection criteria will be made by a Fisheries Committee consisting of representatives from ministries and the sector, which will be established by the Ministry of Agriculture. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

145

11. Co-ordination with Other Measures

Sub-measure 3.11.1: Investment Support for Processing of Fish and Aquaculture Products

This measure and the measure mentioned above supplement each other and are, in many cases, implemented simultaneously.

Measures 4.1: Development of Transport Infrastructure and 4.6: Local Socio-economic Development

This measure and the measure mentioned above supplement each other as, in many cases, ports have both the fisheries and transport functions.

12. Consideration of the Horizontal Policies

Environmental Policy

Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Electronic marketing systems in first sales structures can be supported.



Equal Opportunities (Gender)

Neutral impact

Regional Development

The sub-measure supports the fishing sector in coastal and rural areas.

SUB-MEASURE 3.11.4 INVESTMENT SUPPORT FOR INLAND FISHERIES (FIFG)

1. Overall Aims and Objectives

The general objective of the sub-measure is to facilitate investments in inland fisheries.

The specific objective of the sub-measure is to support the renewal and modernisation of inland fishing vessels in order to improve working and safety conditions on vessels and the quality of caught fish.

2. Rationale

An inland fishery is an important sector in rural areas and forms a traditional way of living in coasts of inland waters. It supplies the processing industry with valuable raw material and the fish products made of freshwater fish have good markets in the world. The measure helps to improve the quality of fish, the working and safety conditions in inland fishing vessels and to rationalise the fishing operations.

3. Eligible Operations

Modernisation and renewal of inland fishing vessels

4. Final Recipients

Owners and operators of inland fishing vessels

5. Indicators and Targets

Output Indicators

Number of projects supported	30
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Result Indicators

Number of inland fishing vessels modernised	20
Number of inland fishing vessels renewed	10

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤35%
National public contribution	≥5%
Private participation	≥40%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

147

11. Co-ordination with Other Measures

12. Consideration of the Horizontal Policies

Environmental Policy

Implementation of more selective fishing technologies and methods on vessels shall be supported.

Information Society

Neutral impact

Equal Opportunities (gender)

Neutral impact

Regional Development

The measure will help to strengthen the fishing sector in rural areas.

MEASURE 3.12: OTHER FISHERIES RELATED MEASURES (FIFG)

This measure consists of two sub-measures:

3.12.1: Social Measures Accompanying the Restructuring of the Fisheries Sector

3.12.2: Promotion of New Market Outlets

SUB-MEASURE 3.12.1: SOCIAL MEASURES ACCOMPANYING THE RESTRUCTURING OF THE FISHERIES SECTOR (FIFG)

1. Overall Aims and Objectives

The objective of the sub-measure is to support fisherman in case of permanent cessation of fishing activities.

2. Rationale

The restructuring of fisheries will cause decrease of working places in the sector. This sub-measure helps to alleviate the unwanted social and economic impacts of restructuring fisheries.

3. Eligible Operations

Individual premiums to fisherman, whose vessel is scrapped or reassigned for other purposes than fishing

4. Final Recipients

Fishermen who have worked on vessels subject to cessation of fishing activities in the framework of measure 3.9

5. Indicators and Targets

Output Indicators

Number of projects supported

15



Result Indicators

Number of fishermen, who received the compensation 15

6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤ 80%
National public contribution	≥ 20%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

146

11. Co-ordination with Other Measures

Measure 3.9: Adjustment of the Fishing Capacity of the Fishing Fleet

The need for this sub-measure is directly related to the implementation of the aforementioned measure.

12. Consideration of the Horizontal Policies

Environmental Policy

Neutral impact

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Neutral impact

SUB-MEASURE 3.12.2: PROMOTION OF NEW MARKET OUTLETS (FIFG)

1. Overall Aims and Objectives

The overall aim of the sub-measure is to find new market outlets for fish and fisheries products.

The specific objectives are:

- Promotion of consuming fisheries products and promotion of new products;

- Finding new market outlets.

2. Rationale

After accession to European Union free trade agreements important to Estonian fish processors will end, but also new marketing possibilities will be available. In order to preserve and increase the competitiveness of Estonian fishery products it is necessary to present them to the potential consumers. The measure helps to determine the preferences of consumers that help fish processors to re-orient.

3. Eligible Operations

- Market promotion campaigns
- Consumer and market surveys
- Participation in fairs and exhibitions

4. Final Recipients

- Fisheries organisations
- Public administration

5. Indicators and Targets

Output Indicators

Number of projects supported	10
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Result Indicators

Number of enterprises involved	40
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6. Final Beneficiary

Agricultural Registers' and Information Board (ARIB)

7. Eligible Area

Estonia

8. Maximum Contribution Rates

Participation in eligible costs is following:

Community participation	≤ 80%
National public contribution	≥ 20%

9. Processing of Applications

The queuing based procedure is used.

The applications are submitted to ARIB continuously throughout the year. ARIB carries out the eligibility check of the applications against predefined criteria. Reviewing and ranking of the applications according to pre-established selection criteria will be made by a Fisheries Committee consisting of representatives from ministries and the sector, which will be established by the Ministry of Agriculture. The decision about granting aid is made by the head of ARIB.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Agriculture in accordance with the Structural Aid Act § 16.

10. Categorisation of the Fields of Intervention

143

11. Co-ordination with Other Measures

Sub-measure 3.11.1: Investment Support for Processing of Fish and Aquaculture Products

This measure shall help to increase the consumption of fish and aquaculture products.

Sub-measure 3.11.2: Investment Support for Aquaculture

This measure shall provide for the product development applicable within the framework of the referred measure while facilitating and promoting marketing.

12. Consideration of the Horizontal Policies

Environmental Policy

Neutral impact

Information Society

The projects may include Internet-based marketing.

Equal Opportunities (Gender)

Neutral impact

Regional Development

Neutral impact

PRIORITY 4: INFRASTRUCTURE AND LOCAL DEVELOPMENT

The Infrastructure and Local Development priority is co-financed under the European Regional Development Fund (ERDF) and will be implemented through the following six measures:

Measure 4.1: Development of Transport Infrastructure

Measure 4.2: Development of Environmental Infrastructure

Measure 4.3: Modernisation of Infrastructure for Vocational and Higher Education

Measure 4.4: Reorganisation of Hospital Network

Measure 4.5: Information Society Development

Measure 4.6: Local Socio-economic Development

MEASURE 4.1: DEVELOPMENT OF TRANSPORT INFRASTRUCTURE (ERDF)

1. Overall Aims and Objectives

The general objective of the measure is to remove bottlenecks of transport-connections that hinder economic development and modernisation of connection opportunities.

The objects of the measure are state roads, railways, ports and airports.

The objectives are:

- Construction and upgrading of transport projects linked to the Trans-European transport network (TEN-T)
- Improve access to regional centres
- Improve safety in transport sector
- Improve environmental situation in the transport sector
- Technical preparation of infrastructure projects

2. Rationale

From the point of view of transport sector, the aim of the national strategy is twofold: to promote the competitiveness of a national transport service in the international market and to influence the development of a transport sector by considering the harmonious development of a state as a whole. The preconditions for implementing the tasks are quality infrastructure, combined usage of all modes of transport and universality of all components.

In road transport it is important to ensure smooth transport connections inside the EU by organising inland roads to have good access to the Trans-European transport network, raising road safety, reconstructing connections with regional infrastructure networks and sustainability of the environment. Reconstruction of existing roads, and improvement of traffic system will help to increase the traffic safety and also solve environmental problems.

Renewal of railway is the key to achieving modal balance in EU. The target is to raise essentially the share of that environmentally sustainable mode of transport. Estonian aim is to participate actively in this process, which demands to implement the directives on interoperability. Compliance with these directives will be also the criteria for the projects eligibility. Investments also support increasing of railway safety, preventing and liquidation of the environmental problems, adequate capacity of trains and good level passenger transport.

Proceeding from the regional and social aspect, construction and renovation of state owned small ports of local importance are considered significant as it helps to activate coastal shipping and short sea shipping to reduce internal development differences between the economically stronger and weaker areas. That ensures a fast connection and access to the capital and international attraction centres (connections with islands, maritime tourism, etc.).

Proceeding from the Trans-European air transport corridor, the continued implementation of the modernisation program of air traffic control system and the reconstruction of infrastructures of local airports will be necessary for guaranteeing access and aviation safety in Estonia. During 2004-2006 the priority is the infrastructure modernisation of regional airports, technical reconstruction and improvement of environmental protection and security measures for ensuring aviation safety.

Because of environmental risks accompanying the development of transport infrastructure, considerably negative impact is possible. For decreasing negative impact of the measure, alleviating and compensating activities will be implemented (liquidation of obsolete environment-hostile infrastructure and residual waste on the territories surrounding roads and railways, establishing resting places along roads, implementation of alleviation measures for animals' safety on roads with dense traffic, construction of sound barriers, joining environment monitoring with other monitoring systems).

3. Eligible Operations

Roads

- Modernisation and reconstruction of national roads that are connected with the Trans-European transport network (TEN-T)
- Modernisation and reconstruction of national roads that ensure access to the regional centres
- Improvement of national road network that is needful for developing economic and regional area
- Solution of environmental problems on national roads
- Improvement of road safety on national roads based on traffic safety analysis carried out by Estonian Road Administration

Railways

- Modernisation and reconstruction of railway junctions and other infrastructure of railway passenger transport
- Modernisation, reconstruction and construction of passenger transport infrastructure (platforms, railway stations, etc.)
- Prevention and liquidation of environmental problems of railway

Waterways

- Modernisation and reconstruction of waterways (incl. navigable inland waterways)
- Modernization of state owned small ports with bigger economic and social importance
- Removing bottlenecks – construction of ports' access roads
- Development of ports infrastructure according to the prognosis of increasing freight and passengers flow

- Modernisation of the navigation systems in ports for ensuring safe navigation
- Preparation of shipping traffic and water transport infrastructure development programmes, studies and analyses especially for modernising coastal shipping routes, connections between islands and between islands and mainland.

Airports

- Modernisation and development of regional airports infrastructure
- Improvement of environmental protection, air safety and security measures for ensuring aviation safety

Studies

- Studies that prepare transport infrastructure investments

4. Final Recipients

- State administrations in charge of transport infrastructure
- Transport companies with state participation

5. Indicators and Targets

Output Indicators

Constructed and rehabilitated roads (km)	130
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Result Indicators

Improvement of IRI (International Roughness Index) of road covering on rehabilitated road sections	67% (from 3 to 1 mm/m ²)
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6. Final Beneficiaries

- Estonian Road Administration
- Estonian Railway Inspectorate
- Estonian Maritime Administration
- Estonian Civil Aviation Administration

7. Eligible Area

Estonia

8. Processing of Applications

The Ministry of Economic Affairs and Communications will draw up a list of investments on the ground of proposals from the responsible administrations and transport companies with state participation. The list of investments will be approved by the Government and underlie for the preparation of project applications. Following the decision by Government, applications will be submitted to the relevant Final Beneficiary who will carry out eligibility check to ensure compliance with the SPD. The decision to finance a project will be decided on the head of Final Beneficiary level.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Economy and Communications in accordance with the Structural Aid Act § 16 and § 17.

9. Categorisation of the Fields of Intervention

311, 3121, 314, 315, 316

10. Co-ordination with Other Measures

Cohesion Fund

Measure implementation will take account of the transport sector strategy of the Cohesion Fund to achieve maximum synergy.

Measure 2.4: Tourism Development

Implementation of current measure could be a needful precondition to implement the above mentioned measure projects. Co-ordinated implementation enables to achieve synergy in developing infrastructures.

Sub-measure 3.11.3: Modernisation of Fishing Ports

The above mentioned sub-measure and current measure complement each other in case of multifunctional ports (fishing port – visiting port), when its possible to develop in co-ordinated way different goal orientation constituent part of ports.

Measure 4.6: Local Socio-economic Development

The mentioned measure complements the current measure with investments to the important parts of national transport network (bridges, overpasses, tunnels, bypasses, ports needed for connection between islands, public transport stations and terminals), which are under local government property.

11. Consideration of the Horizontal Policies

Environmental Policy

Support for prevention and liquidation of environmental problems on railways, national roads and in airports is foreseen. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

Reconstruction of passenger transport infrastructure (inc. small ports) and renewal of regional airports infrastructure will help to balance regional development.

MEASURE 4.2: DEVELOPMENT OF ENVIRONMENTAL INFRASTRUCTURE (ERDF)

1. Overall Aims and Objectives

The general objective of the measure is to improve the environmental situation.

The specific objectives of the measure are:

- Achieving and ensuring a good status of surface waters and groundwater;
- Reducing the environmental impact of the energy sector, improving efficiency and increasing the share of renewable energy;
- Prevention and reduction of waste production, together with the related health and environmental hazards;
- Preservation of biological and landscape diversity.

2. Rationale

Water Protection and Use

The water protection and use is based on the requirements, obligations and purposes of the existing legislation, Environmental Strategy and Environmental Action Program. The main tool for the successful implementation of the water policy will be the river basin management plans, which will be elaborated for each river basin district. The objectives for the river basin management plans will be to ensure the good status of all waters and the provision of safe and good quality drinking water for people. Those objectives will be achieved based on the action programs established for each river basin management plan. In case of the absence of the particular river basin management plan for the river basin district any other action program adopted on the national level shall be used. Action programs will consider all the existing information available on the status and the assessment of the status of water bodies, objectives of the Environmental Strategy and Environmental Action Program and requirements of the existing legislation.

All the necessary actions that need to be taken for the implementation of the water policy may be divided into two groups based on the source from which they will be financed. Main activities are related to the improvement and reconstruction of environmental and water infrastructures. In addition to infrastructure improvements supported by the Cohesion Fund, other activities must be implemented as well, such as restoration of water bodies, mitigation of the impact of pollution, improvements of the biological status of water bodies, etc. Activities to achieve the latter objectives will be financed through the ERDF under the present measure. All the activities must be carried out based on their prioritisation. Prioritisation shall be determined based on the cost of action to be taken and the environmental effect to be achieved. Thus all the activities that will be implemented should have the lowest cost and the highest effect for the environmental protection.

Renewable Energy

The main problems in the Estonian energy sector are related to high spatial concentration of the electric power production and the considerable environmental burden caused by it. This measure fosters the use of renewable energy sources like biomass, wind and small hydro, which gives rise to decentralisation of the electric power production and reduces the use of fossil fuel sources that helps to save the environment. Directive 2001/77/EC on electricity from renewable energy sources is part of the acquis. Estonia has agreed on an indicative target of 5.1% penetration of renewable electricity in 2010. Biomass activities are of special importance for Estonia due to its significant forest potential and due to the fact that 25% of agricultural land is unused in this country. Energy crops and afforestation of abandoned land could mitigate the underemployment problem in rural areas and generate a sustainable energy. They will also contribute to the production of liquid bio fuels in line with Directive 2003/30/EC.

Waste Management

As for waste treatment, until now only waste disposal has been carried out, and this has been done disregarding the environmental requirements. This measure includes co-financing of projects for closing old landfills with area below 5 ha, which do not meet the environmental requirements, and the development of waste management. According to the waste management directive small landfills that do not comply with environmental requirements must be closed down by the year 2009.

Development of waste management will be supported in compliance with the "National Waste Plan". To increase the level of waste treatment waste sorting at the source, collecting waste by types and recycling will be introduced.

Biological and Landscape Diversity

For preservation of biological and landscape diversity and supporting an efficient nature conservation system, relevant infrastructure has to be developed, meeting also the requirements of the EU Habitats Directive (92/43/EEC) and the Birds Directive (79/409/EEC), first and foremost securing sufficient support to the sites to be included in the network of the areas designated in accordance to the Habitats (pSCI's) and the Birds Directive (SPA). The measure will improve the possibilities to secure the favourable conservation status of the habitats types and species habitats included in the Natura 2000 network (pSCI's and SPAs) in Estonia.

Due to the drastic diminishing of the extensive agriculture in Estonia during the past 50 years the total area of valuable semi-natural habitats has decreased significantly. Therefore the restoration (removing of bushes, etc) of the semi-natural habitats (e.g. wooded meadows, coastal meadows, alvars, food-plains, etc) in places they were common 10 to 20 years ago would be essential to ensure the favourable conservation status of these habitats. The coastal meadows are also very important staging sites for migratory birds. Restoration of the habitats would be also important for improving the values of forest and wetlands in some regions.

There is also a need for purchasing of the equipment necessary for the management of the habitats and species habitats as well as for the monitoring of the status of these habitats afterwards. Establishment of the small scale infrastructure (nature trail) to protect nature values as well as to raise public awareness (e.g. pupils, students) would be quite essential issue to facilitate the successful implementation of the Natura 2000 network.

The implementation of the current measure is based on the following development plans:

- Estonian National Environmental Strategy
- National Programme on Reducing Pollutant Emissions from Large Combustion Plants
- National Programme for the Reduction of the Emission of Greenhouse Gases
- National Waste Plan

- Long-term National Development Plan for Fuel and Energy Management
- Energy Conservation Programme and its implementation plan
- Estonian National Programme “Natura 2000” for years 2000-2007
- Regional water management plans and river basin management plans
- Development plans for public water supply and sewerage systems at local municipality level.

3. Eligible Operations:

Water

- Regeneration and restoration of the status of water-bodies (regeneration, treatment and sanitation of water-bodies, except for the restoration and improvement of the hydro morphological and physical status of rivers);
- Elimination of past pollution from water bodies (lake sediment removal, cleaning up the shores and coast of water bodies affecting the status of water, etc.).

Renewable Energy

- Introducing renewable energy, emphasis is on increasing the share of electric power produced from renewable sources.

Waste Management

- Liquidation and closing down of old and small landfills (less than 5 ha);
- Implementation of selective waste collection system and increase of waste recovery;
- Recovery of biodegrading waste for compost.

Biological and Landscape Diversity

- Restoration of the habitats in Natura 2000 sites (semi-natural habitats, wetlands and forest habitats incl. small scale equipment and infrastructure directly related to restoration of habitats.

4. Final Recipients

- Enterprises
- Local municipalities
- State agencies dealing with environment protection
- Environmental NGOs and foundations

5. Indicators and Targets

Output Indicators

Number of environmental projects 60

Result Indicators

Water bodies where environmental status has improved 6% of all water bodies
Total area rehabilitated with waste management projects 40 ha

6. Final Beneficiary

Environmental Investment Centre (EIC)

7. Eligible Area

Estonia

8. Processing of Applications

The competition based procedure is used.

Applicant submits a project proposal to the Environmental Investment Centre (EIC) by an announced deadline (2 times a year). The EIC organizes eligibility check of the application. The decision on eligibility of the applicant and the application

is passed by the head of the EIC. Next, eligible applications are submitted to the Ministry of the Environment for content appraisal. The Ministry of the Environment will set up a Measure Working Group with a regulation of the Minister of the Environment to monitor fulfilment of the objective of the measure. There will be two rounds of project content assessment. During the first round projects will be assessed by experts in the relevant domain according to the assessment criteria of the domain. During the second round, the Measure Working Group in compliance with the general assessment criteria will assess applications. On the basis of the assessment results, the Measure Working Group will make proposals to the Minister of the Environment for financing of applications.

The exact criteria and process for project selection is co-ordinated with the Managing Authority and laid down in regulation by the Minister of Environment in accordance with the Structural Aid Act § 16.

9. Categorisation of the Fields of Intervention

332, 343, 353

10. Co-ordination with Other Measures

Cohesion Fund

Measure implementation will take account of the environmental strategy of the Cohesion Fund to achieve maximum synergy.

Measure 2.2: Business Infrastructure Development

Implementation of water management project under this measure could sometimes be the vital precondition for implementing the measure mentioned above.

Measure 2.4: Tourism Development

Implementation of the measure is sometimes indispensable as a precondition for tourism development projects.

Measure 3.4: Integrated Land Improvement

The above-mentioned measure and this measure must be in conformity with regional water management plans.

Measure 4.6: Local Socio-economic Development

This measure complements the measure mentioned above by securing improvement of public environmental infrastructure and healthier living conditions as well as by promoting increased attractiveness of the regions. In some cases, implementation of the measure can be a necessary precondition for other development projects to be implemented.

11. Consideration of the Horizontal Policies

Environmental Policy

The measure has an integrated environmental protection target. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

Neutral impact

Equal Opportunities (Gender)

Neutral impact

Regional Development

The maximum support level available for enterprises is higher outside the Harju County. When establishing co-financing rates for local municipalities their revenue base will be taken into consideration.

MEASURE 4.3: MODERNISATION OF INFRASTRUCTURE FOR VOCATIONAL AND HIGHER EDUCATION (ERDF)

1. Overall Aims and Objectives

The general objective of the measure is creating the necessary conditions for delivering internationally competitive vocational and higher education that meets labour market requirements.

The specific objectives of the measure are:

- To achieve a modern environment that promotes learning and research activities in vocational and higher education institutions;
- To provide a technical basis for promoting qualitative learning and research activities, including making computers and Internet available for all the students and expansion of Internet-based services;
- To develop infrastructures that help young people to enter labour market.

2. Rationale

Main goal for the modernisation of the infrastructure is to create good conditions for development of human capital and entrepreneurship.

During the last decade significant changes have already taken place in the sphere of education in Estonia. The development of the infrastructure (e.g. buildings, study materials and technical facilities) of state-owned vocational education institutions and vocational higher education institutions, however, has not been sufficient to keep up with changed circumstances and demands. Only few new facilities were built since 1990. The infrastructure capacity of some vocational education institutions has turned out to be non-functional due to the shifts in demand and the structure of specialities. At the same time, other institutions lack the necessary space. The facilities and equipment in educational establishments are often out-of-date and are no longer used by the enterprises that are the potential employers of the graduates of these institutions.

The priority is the development of multifunctional vocational educational centres at an increased rate, foremost in the areas with high unemployment. With support from PHARE multifunctional pilot vocational training centres in Narva, Kohtla-Järve, Tartu, Kuressaare and Võrumaa have already been established. In the development plan for the network of vocational education institutions until the year 2007, at least 8 multifunctional regional vocational training centres are planned for development. The scope of tasks for the vocational training centres will be greater than for the current vocational schools – in addition to vocational training they will provide applied higher education, pre-vocational training (also for young people without basic education), in-service training for adults, training for people with special needs. Centre for Policy Studies PRAXIS is carrying out a research on optimisation of the network of education institutions. The research's results will serve as a basis for an action plan.

Considering the fact that access to vocational education is a relevant motor for regional development, then, in addition to the large vocational training centres, a high-quality material base for studies in smaller but promising vocational schools (so called niche-schools) also needs to be ensured. These smaller vocational schools are primarily meant to satisfy the need to train the labour force for a specific district or county. In order to ensure the quality of these functions, a certain level of material infrastructure is needed. This would also help to raise the reputation of vocational education so as to contribute to an increase in the qualified labour force in Estonia.

The situation regarding the infrastructure in applied higher educational institutions is also outdated, and needs modernisation, including updating according to current safety and health requirements, including adjustment for people with special needs. Modernisation of infrastructure of public-sector vocational and applied higher educational institutions that responds to these needs is to be funded under the measure.

To make new technologies and use of Information and Communication Technologies (ICT) widely available is important as to assure the availability and access to education for all. "The National higher education programme Tiger University for 2002-2004" and creation of ITC infrastructure for educational institutions are stated as priorities in the state ITC development policy for years 2002-2003. The measure supports creation and development of such ITC infrastructure that would improve administration of learning process, provide opportunities for development of new learning-materials or methods and additional training for teachers and lecturers.

According to the European White Paper on Youth Policy, the development of youth centres in the regions (included in the European Regional Development Fund priorities 2000-2006) and guaranteeing the counselling, including vocational counselling (included in European Social Fund priorities 2000-2006) is a priority for the coming years. Considering the fact that in Estonia about 1,600 children per year drop out of basic education, it is important to guarantee opportunities for all young people to the age of 17 to fulfil their compulsory education obligation and to spend their free time in developing as individuals, also to offer them vocational counselling. This development is particularly relevant in rural areas, where modern conditions and resources for such activities do not exist. To meet those needs the network of open youth centres will be developed as well as the centres for providing counselling services.

The implementation of the measure will build on the following development plans:

- Action plan for development of vocational education system 2001-2004
- Tiger Leap+: ITC in Estonian school 2001-2005
- National higher education programme Tiger University for 2002-2004
- Estonian Youth Work Conception and Estonian Youth Work Development Plan
- Integration in Estonian society in 2000-2007
- Priorities for Estonian information policy 2004-2006

The measure implementation corresponds to measure 1.1 "Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All". Eligible activities of the European Social Fund's scope that are necessary for achieving the goals of measure 4.3 are implemented under measure 1.1. ICT activities are implemented in co-ordination with Estonian Informatics Centre (EIC). Ministry of Economic Affairs and Communications provides additional co-ordination of the measure.

3. Eligible Operations

- Constructing and renovating buildings and research-bases of vocational and higher education institutions (regional colleges), including improvement of their ICT infrastructure, bringing them into conformity with safety and health protection regulations and adapting buildings to meet the needs of disabled people;
- Procuring contemporary equipment, inventory and work devices necessary for learning and research in vocational schools;
- Establishing youth information and career counselling centres and public youth centres, taking into account access for young people with special needs, including procurement of necessary equipment and inventory for centres providing youth work services.

4. Final Recipients

- Public and municipal vocational educational institutions
- Publicly funded privately owned vocational and applied higher educational institutions, where public institutions (state or local governments) hold major share
- Public applied higher educational institutions and universities
- Local municipalities and County Governments
- Information and counselling centres and open youth centres
- Foundations and other institutions subordinated to Ministry of Education and Research (NGOs, umbrella-NGOs)

5. Indicators and Targets

Output Indicators

Upgraded students' places in vocational education 5, 000

Result indicators

Students (incl. vocational pretraining and further education) benefiting from improved learning conditions

in vocational education during
the academic year following project completion

9, 000

6. Final Beneficiary

Foundation for Life-Long Learning Development INNOVE

7. Eligible Area

Estonia

8. Processing of Applications

Ministry of Education and Research prepares, consulting the potential applicants and social partners, a list of investments to be co-financed from the ERDF. The Ministry ensures compliance of the list with the SPD objectives by arranging the assessment of proposals against pre-established criteria. The Government approves the list of investments.

Following the decision by the Government, project applications are submitted to Innove. Innove organises the eligibility check of the applications against predefined criteria. The decision about granting aid is made by the head of Innove.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Education and Research in accordance with the Structural Aid Act § 16 and § 17.

9. Categorisation of the Fields of Intervention

36

10. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities for Lifelong Learning for All

Measure will be implemented in close co-operation with measure 1.1, considering the objectives in teachers training and their qualifications, also objectives in curricula development. Measure provides necessary technical and material base needed for development of career and vocational counselling system.

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises and 1.3: Inclusive Labour Market

This measure provides the improvement of material base necessary for implementation of measures 1.2 and 1.3, as the rooms, equipment and inventory of vocational education centres could be used in further education and continuing education courses.

Measure 4.5: Information Society Development

All ICT activities will be implemented in co-operation with the Department of State Information Systems in the Ministry of Economic Affairs and Communications. When applying for grant of ICT activities, the relevancy of the application needs to be first approved by the Estonian Informatics Center in terms of its content and timing.

11. Consideration of the Horizontal Policies

Environmental Policy

Environmental orientation does not have substantial importance in implementation of this measure. Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

The measure contributes to improvement of IT equipment for vocational and higher education.

Equal Opportunities (Gender)

Neutral impact

Regional Development

Location and accessibility of educational institutions and impact of projects on regional labour market will be taken into consideration when selecting projects.

MEASURE 4.4: REORGANISATION OF THE HOSPITAL NETWORK (ERDF)

1. Overall Aims and Objectives

The general objective of the measure is to ensure regionally balanced quality and accessibility of the health care services and to enhance the efficiency of service delivery.

The specific objectives of the measure are:

- To support the reorganisation of the hospital network according to the Hospital Network Development Plan;
- To ensure the conformity of hospital buildings, treatment and working conditions to the established standards.

2. Rationale

After regaining independence Estonia inherited from the former Soviet Union a hospital network with an excessive share of hospitals. In 1991 there were 120 hospitals with 18,000 beds in a country with 1.5 million people. During the last decade the number of hospital beds has been cut down. During 1992–1998, the number of hospitals decreased by one-third (from 118 to 78), largely due to closing down small hospitals, which were inefficient, both in medical and monetary terms. Due to administrative reorganisation in 2000–2001 the number of hospitals has been further decreased. In 2002 there were 52 hospitals with 8026 beds.

Considering the number and needs of the population, there are still too many acute care hospitals and hospital beds to ensure the quality and efficiency of the services. There are still more beds in acute care hospitals per inhabitant in Estonia than in many EU member states. The average length of stay is longer and the bed occupancy rate is lower. This is partly due to the little use of day care and day surgery and insufficient possibilities for rehabilitation and nursing care services. For many specialities the size of the area to be serviced is too little resulting in insufficient number of cases to maintain necessary medical quality.

To ensure regionally balanced quality and accessibility of specialist care services and enhance efficiency of service delivery, optimising and restructuring of the hospital network according to the Hospital Network Development Plan is inevitable.

The Plan foresees for optimal medical service of the Estonian population 19 acute care hospitals, 3 of which are regional hospitals (one of them university hospital), 4 central hospitals and 12 general and local hospitals. Concentrating the more sophisticated and expensive specialist care to fewer hospitals will allow to economise resources and to maintain the professional skills of the medical staff with larger number of cases.

The structural changes taking place in the hospital network are strengthening the need for major reconstruction of hospital buildings. Most of the hospital buildings in Estonia were built more than 25 years ago and their technical condition has deteriorated, with facilities that are functionally inefficient or unsuitable for a hospital. This is because the underlying principles of hospital construction were based on a different health care organisation. The size and allocation of the hospitals were determined by military needs of Soviet Union, living standards were poor and the technical level of construction was inadequate.

The need for reconstruction will very much depend upon the future size and capacity of the individual hospital. Therefore, all investments in the hospital buildings will be made based on the individual development plans approved for every single hospital by the Minister of the Social Affairs. These individual development plans have to be in accordance with the overall Hospital Network Development Plan.

Hospitals with low area standard in ward-departments may need an enlargement if the calculated cut in bed capacity does not compensate for the need of improved area standard. The average gross area per bed in Estonian hospitals is now 66.8 m². The aim is to improve the area standard to be 85-110 m² depending on the type of the hospital.

Another reason for enlarging a hospital is derived from expanding or additional functions. This will occur in areas where specialities will have to be moved between hospitals in order to reach the aimed concentration of units.

In some cases, the construction of a new hospital building will allow to reduce the number of facilities used for treatment purposes. Concentrating the care into fewer facilities allows to avoid the duplication of several supporting units that can be centralised, allow better logistics, efficiency and quality of care.

The need for improved logistics is one of the main reasons for a major rebuilding. For instance, in hospitals a close connection is needed between the emergency ward and intensive care ward, but also supporting units, such as radiology department, laboratory department and operation theatres.

In addition hereto, large investments have to be made concerning the infrastructure of the buildings. New mechanical ventilation systems, canalisation ducts, shafts and fan rooms, approved fire doors and other necessary fire protection systems in order to reach prescribed fire protection, new handicap toilets, new elevators, ramps to main entrances, levelling out differences in floor levels to make improvements for handicapped people, replacement of old windows in order to save energy and eliminate unhealthy draught are needed.

The hospitals specified in the Development Plan will be reconstructed within the 15 years. The actual timetable of reconstruction will very much depend on resources available and on preparedness of individual hospitals to launch the reconstruction.

The total cost of reconstruction of acute care hospitals specified in the Hospital Network Development Plan is estimated to be 4.3 billion Estonian kroons. Although the financing is coming from different sources, the ERDF assistance is of major importance for a vital launch of reconstruction. Therefore reorganisation of hospital network will be an ongoing priority also for the next programming period.

Thus there is a need to focus only on the urgent and important needs for the current period. Taking into account the available budget for the measure the plan for 2004 – 2006 is to support the design and construction of at least 3 hospital buildings, included in the Hospital Network Development Plan. The aim is not to scatter the resources to make some minor improvements in many hospitals but to canalise them into projects that considerably improve the functioning of a hospital as a whole. Thereby the requirement that the building must be operational shortly after the completion of the project will be followed. Procurement of medical equipment, which will be installed as part of the construction, could also be supported. However, taking into account the limited time and budget there could be in exceptional cases also some projects supported that involve only design of the building and as such are to be considered as preparation for the next programming period.

3. Eligible Operations

- Design of hospital buildings
- Construction of hospital buildings, including
 - erection of new buildings;
 - expansion, reconstruction, modification of utility systems and demolition of existing buildings;
 - equipment.

4. Final Recipients

Companies or foundations which are operating a hospital specified in the list of hospitals set out in the Hospital Network Development Plan established by regulation No. 105 of the Government of the Republic of 02 May 2003 (RT I 2003, 35, 223)

5. Indicators and Targets

Output Indicators

Number of constructed/modernised hospitals 3

Result Indicators

Increase in bed turnover of hospitals (%) 40

6. Final Beneficiary

Ministry of Social Affairs

7. Eligible Area

Estonia

8. Processing of Applications

Ministry of Social Affairs will prepare, consulting the potential applicants and social partners, once per programming period a list of investments to be co-financed from the ERDF. The Ministry ensures compliance of the list with the SPD objectives by arranging the assessment of proposals against pre-established criteria. The Government approves the list of investments.

Following the decision by the Government, project applications will be submitted to Ministry of Social Affairs. Ministry organises the eligibility check of the applications against predefined criteria. The decision about granting aid will be made by the Minister.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Social Affairs in accordance with the Structural Aid Act § 16 and § 17.

9. Categorisation of the Fields of Intervention

36

10. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All

Projects related to the development of a system of in-service training and re-training of health care professionals could be financed in this measure.

Measure 4.2: Development of Environmental Infrastructure

Changes in the hospital network have to be considered by implementing this measure with regard to hospital waste management projects. Therefore co-ordination of measures is needed.

Measure 4.5: Information Society Development

The measure supports the development of novel information technology solutions and purposeful implementation of information technology amongst others in the health care. Implementation of novel information technology solutions sets requirements also for server and records centres and communications networks of hospitals. Therefore the co-ordination between measures is needed.

Measure 4.6: Local Socio-economic Development

The measure supports amongst others investments into local infrastructure necessary for employment stimulating social services, which could also be developed on the basis of hospitals owned by local authorities. Therefore the co-ordination between measures is needed.

11. Consideration of the Horizontal Policies

Environmental Policy

Environmental impact assessment will be carried out on the project level if required so by the Environmental Impact Assessment and Environmental Auditing Act.

Information Society

By implementing the projects the need will be considered to create conditions necessary for application of novel IT-solutions.

Equal Opportunities (Gender)

An assessment of impact on equal opportunities will be carried out on the project level.

Regional Development

By the selection of projects the impact on regional development and regionally balanced accessibility and quality of health care services will be considered. Regional relevance of the project is one of the selection criteria.

MEASURE 4.5: INFORMATION SOCIETY DEVELOPMENT (ERDF)

1. Overall Aims and Objectives

The measure is aimed at supporting the realisation of objectives set in the Estonian information policy document "Principles of Information Policy 2004-2006" as well as in "eEurope 2005". The specific aims of the measure are the following:

- Development of one-stop channel for citizens and ensuring the interoperability of information systems;
- Further development of public sector e-services;
- Development of digital content.

2. Rationale

Estonia has achieved significant success in the development of Information Society. Owing to the early liberalisation of the telecommunications market the necessary basic infrastructure has been put in place. Fair competition has brought down the prices of Internet connections as well as those of telephone services. As a result, the number of Internet users has steadily grown over years and the number of mobile phone users is among highest in Europe. Government actions have been crucial in the development of Estonian Information Society. From creating favourable legal environment and leading the way by computerising the whole public administration, a number of significant e-services have been developed by the public sector that have been useful for attracting people to use the Internet. Security in using e-services has been ensured through the introduction of ID card the take-up of which has been rather high in Estonia.

However, a new level has to be reached in the development of the Estonian Information Society. To avoid the regional and social discrepancies from deepening and fulfil one of the most important aims of eEurope – information society for all – more attention should be paid in the public sector for creating necessary preconditions in order to bring all citizens online and provide them e-services that are of practical significance for them. The measure will contribute to the creation and introduction of information society solutions that are highly potential with regard to the Estonian socio-economic development.

According to the analysis carried out in 2001 on Estonian IT sector, it is important to use the new possibilities offered by IT in public governance and enterprises in order to increase the competitiveness of the economy.

The measure will offer possibilities for citizens to participate in information society and creates a favourable environment for the growth of private investments in the areas connected to the development of information society. This will be achieved through the creation of new IT solutions, wide implementation and use of technology and promotion of these new solutions. Special attention is given to innovation and rising the awareness over information society. As a rule, development of ICT infrastructure will not be supported.

Development of One-Stop Channel for Citizens and Ensuring the Interoperability of Information Systems

According to the objectives set in the state information policy "Information Policy Principles 2004-2006", basic electronic services provided by the public sector will be developed further at least to the extent of the main government online-services listed in the eEurope Action Plan. The efficiency and cost-effectiveness of elaborating e-services will be ensured both from the aspects of provision and consumption of services. To provide the citizens with a one-stop channel for the communication with the state, existing solutions will be further developed. Majority of state registries and databases will be joined with the service layer of state registers. In order to ensure interoperability of solutions and save resources local governments will be engaged in cooperation for the development of e-services. ID cards the aim of which is twofold – identification and giving digital signature – facilitate secure communication between the state and citizens, the state and businesses etc. ID cards, digital signatures and electronic identification methods will be promoted to facilitate e-business. In addition, more ID-card applications will be developed to further promote efficient administration in society.

Further Development of Public Sector e-Services

Special attention will be paid to the development of e-environment in the fields of governance, education and health.

eGovernance – Public Sector’s information resources will be made easily accessible, and cross-usage of data will be improved.

eLearning – New opportunities for the implementation of internet learning opportunities will be created.

eHealth project will be launched to enable the health care system use more modern IT solutions. The digital health record will be implemented. Thus an environment for information exchange within the health sector will be created to organise different data into one integrated system. Activity will be co-ordinated with hospital infrastructure development measure.

Development of Digital Content

For widening knowledge about e-services and involving a needed critical mass of users awareness rising activities will be carried out. In digital content field attention will be paid to a more consumer-oriented approach by creating technological means for multilingual communication and creating applications that should help users to communicate with government and local authorities. Activities oriented towards raising awareness both among the users and non-users of the Internet will be carried out.

All mentioned activities will be co-ordinated by the Estonian Informatics Centre.

3 Eligible Operations

Development of public sector information technology solutions, incl.:

- Creation and implementation of new IT solutions necessary for the development of information society (eCitizen Portal, service layer of state registers and ID-card applications to enable the communication of citizens with state registers, digital health history, etc.);
- Creation of demand for innovative solutions (e.g. Public Key Infrastructure that can be used for offering secure services);
- Upgrading the public IT infrastructure for enabling participation in the information society related initiatives of the EU (eEurope 2005, IDA, etc. require certain new interfaces for the exchange of information, such as eLink for IDA)

4. Final Recipients

Central government bodies

5. Indicators and Targets

Output Indicators

Number of projects supported	12
Incl. e-Government projects	10

Result Indicators

Number of basic public services electronically available (as defined in eEurope 2005) – 20 out of 20, whereas 75% (15) of the services offer the possibility of Two-way Interaction⁵ or full electronic case handling⁶

6. Final Beneficiary

Estonian Informatics Centre (EIC)

7. Eligible Area

Estonia

8. Processing of Applications

Applications will be submitted to the Final Beneficiary that organises the eligibility check of the applications and applicants against criteria defined. The Evaluation Committee established by the Ministry of Economic Affairs and Communications will carry out the content appraisal of the applications. The committee will comprise of a group of experts from the fields of IT and information society.

On the basis of the expertise of the Evaluation Committee, an investment plan will be designed. The Government will approve the list of investments.

The decision on granting aid is made by the head of the Intermediate Body at the measure level. The Final Beneficiary will carry out the further processing of projects.

The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Economic Affairs and Communications in accordance with the Structural Aid Act § 16 and § 17.

9. Categorisation of the Fields of Intervention

322, 323, 324

The indicative share of grants between the Fields of Intervention is as follows:

	322 – 5%,
	323 – 85%,
	324 – 10%

10. Co-ordination with Other Measures

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for All and 1.3: Inclusive Labour Market

These measures will be developing the education and training in the IT-field and therefore increase the readiness to consume new products-solutions. Requirements arising from the demands for new forms of education will form input for the current measure.

Measure 2.3: Promotion of Research, Technology Development and Innovation

These measures are complementary to each other. Research and technology development will be crucial in developing the ability to develop new innovative IT solutions. This measure will rise public demand towards new technologies in ICT sectors and therefore, synergy between these measures is expected.

Measure 4.3: Modernisation of Infrastructure for Vocational and Higher Education

This measure contributes to the improvement of Internet-based opportunities in the educational institutions, which increases the readiness for the adoption of ICT-based educational format and generally increases demand for the current measure.

11. Consideration of the Horizontal Policies

Environmental Policy

Neutral impact

Information Society

The measure is directly focused on the development of information society.

Equal Opportunities (Gender)

Neutral impact

Regional Development

Measure has positive effect on regional development.

MEASURE 4.6: LOCAL SOCIO-ECONOMIC DEVELOPMENT (ERDF)

1. Overall Aims and Objectives

The overall objective of the measure is to contribute to Estonia's general viable and balanced economic development through the elimination of bottlenecks in local infrastructures and enhancing local attractiveness.

The specific objectives of the measure are:

- improving the availability and quality of public services (mainly concerning basic education, district heating)
- increasing the economic efficiency of local public infrastructure

- providing employment opportunities and raising the quality of life of local population (jointly with other measures)
- eliminating local bottlenecks that hinder the maximum use of local development potential
- developing specific competitive advantages of the regions

2. Rationale

The condition of regional technical and social infrastructures is one of the main factors shaping the quality of life, and it has a significant influence over the choice of where one will live and work. In this regard, the key factors are good transportation between the working and living places, as well as the availability of several public services (e.g. educational, employment-related and various technical services).

Insufficient investments carried out during the Soviet period have caused a situation in which the majority of the infrastructure that shapes the physical living environment in Estonia does not meet contemporary needs. In addition, settlement and economic activities are concentrated in bigger areas and the number of inhabitants in smaller regions is decreasing. Proceeding from the fact that economy is clustered around town centres, the infrastructure at the points of concentration should be extended and adapted to modern conditions, while at the same time being made more available and cost-effective in sparsely populated areas. The national investment policies towards local public infrastructure together with the above-mentioned factors have created the situation where local bottlenecks are concerning different type of infrastructure in various localities.

Today the viability of different regions depends upon their capacity to define and develop their own specific features that could be of value in regional competition. This increases the attractiveness and competitiveness of the region for the local population, visitors and investors. Specific resources could be natural resources, natural landscapes, heritage of cultural figures related to the region. Each region has also specific problems of its own that are related to regional and historical features and that can be solved by relying upon local activities and resources of local importance.

The measure will aim at the provision of prerequisites necessary for sustainable economic development and for increased employment by making use of the specific potentials of the region.

The implementation of the measure aims at developing of distinctive and viable cultural, business and tourism environment in regions through diversified integrated activities.

The achievement of the objectives listed above assumes relying upon local initiative and involvement, expedient long-term development and planning efforts that should help to maintain sustainability after the end of this programming period.

The sectors to be supported in complementarity with other measures of this programme will be: (a) education and social infrastructure for employment, (b) local tourism and recreation, (c) local transport infrastructure and (d) municipal technical infrastructure.

The investments will be supported by the measure if they have a significant economic and/or social impact and, in addition, if:

- they are identified as bottlenecks in an updated and comprehensive local development plan, and/or;
- they follow, to maximum possible, integrated approach (to avoid scattered and isolated projects), and/or;
- they evidently contribute to socio-economic development (mainly by demonstrating the relationship with or link to other measures/operations or programmes), and/or;
- they have wider regional impact (joint projects of municipalities or benefit for many municipalities).

The measure will be implemented by two separate support schemes. The first scheme will support the following sectors: education and social infrastructure for employment, local transport infrastructure and municipal technical infrastructure. The second scheme will support local tourism and recreation and preparing the re-use of old military and industrial estates and sites.

3. Eligible Operations

The measure will support following operations:

Education and social infrastructure for employment:

- investments (construction works, supply of equipment) for developing comprehensive schools and kindergartens;
- investments (construction works, supply of equipment) for developing local infrastructure necessary for employment stimulating social services

Local transport infrastructure:

- investments (construction works) into bridges, viaducts, tunnels, road bypasses, harbours connecting the islands, access roads to other structural funds supported projects

Municipal technical infrastructure:

- investments (construction works, supply of equipment) into boiler plants/houses, district heating networks, street lighting systems

Local tourism and recreation:

- development of tourism-related and leisure opportunities:
- development of visit ports and landing places, creation of necessary incidental services;
- diversification of opportunities for active leisure (hiking routes, active leisure facilities, visiting centres, procurement of specific equipment);
- developing and fixing up of small-scale infrastructure for leisure performance (encampments, pavilions, "paar-gu's" summer kitchens), swings. etc.);
- development of support infrastructure for leisure and tourism objects (parking places, access roads, paths, sanitary and waste management facilities, information boards and signs);
- exposing culturally and naturally valuable sites
 - protection and exposing culturally valuable objects, sites and settlements, increasing the milieu value of landscapes and nature objects;
 - renovation of historical buildings and objects, conservation of historical ruins and their re-utilisation within modern functions;
 - ensuring observability and access to objects;
 - exposure of architectural, historical, cultural and nature values, creation of visitors' programmes;
 - opening of sights and reconstruction of historical outlook of landscapes in tourist sites;
 - construction of observation towers and platforms;
 - demolition of neglected and hazardous objects destructing the milieu of the tourist site;
 - reconditioning of green areas;
 - reconstruction of historical moulding/figuration elements
- initiating region-specific regular events:
 - initiating of events based on historical background
 - activities developing local specific character

Increasing the attractiveness of regional business environment:

- demolition works, environmental clean-up and planning for rehabilitation and re-utilisation of old military and industrial estates and sites

Projects under sector local tourism and recreation can additionally include supporting activities, such as:

- development of regional co-operation networks;
- development of public-private partnership/co-operation;
- marketing of the region, etc.

The following activities are ineligible:

- maintenance and repairs of maintenance character;
- investments into local streets and roads, except those mentioned under local tourism and recreation;
- local infrastructure related to social services for elderly and health care;
- purchase of public transport vehicles.

In addition, the following activities are ineligible under sector local tourism and recreation:

- investments into infrastructure in private ownership (except hiking routes, observation towers and opening of sites in case of which contractual relations with the private land owner securing public use of the facility will be established at least for 5 years);
- regular events already initiated and any other repeating activities (except first time arrangement of future regular events and activities);
- construction or renovation of administrative premises of protected areas if foreseen for administrative purposes;
- development of accommodation and catering.

4. Final Recipients

- Local municipalities
- Municipal companies, i.e. companies with at least 50% municipal ownership (eligible only in case of investments into municipal technical infrastructure)
- Foundations and non-governmental organisations (eligible only in case of investments into education and social infrastructure and in case of local tourism and recreation)

Exceptionally also in case of local tourism and recreation:

- county museums
- state authorities managing protected nature objects

5. Indicators and Targets

Output Indicators

Number of municipal infrastructure investment projects supported	220
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Result Indicators

Number of inhabitants benefiting from supported municipal infrastructure investments	280, 000
Number of tourism infrastructure objects with improved conditions and successfully initiated events	70 objects 20 events

6. Final Beneficiary

Foundation Enterprise Estonia (EE)

7. Eligible Area

Estonia

8. Contribution Rates and Size

The beneficiary shall contribute 20% of the project costs, in case of boiler plants/houses and district heating networks 50%. Only public sector's or public equivalent contribution is eligible.

The minimum size of the grant for a single project is euro 63,938 (1 million kroons). In case of municipal technical infrastructure and local tourism and recreation the minimum size of the grant for a single project is euro 31,969 (500, 000 thousand kroons). In case of local tourism and recreation the maximum size of the grant for a recipient is, as a general rule, euro 959, 070 (15 million kroons) for the whole programming period (2004-2006).

9. Processing of Applications

In case of supporting education and social infrastructure for employment, local transport infrastructure and municipal technical infrastructure, the project proposals of municipalities will be prioritised at the county level according to the project eligibility and selection criteria. The prioritisation at the county level will be co-ordinated by the measure Intermediate Body (Ministry of Internal Affairs) in the co-operation between the County Governor and the county association of local authorities. The representatives of the ministries concerned will be involved in the process. The prioritised list of proposals will then be submitted by the Ministry of Internal Affairs to the Government for approval.

Project applications shall be made according to the priority lists and will be submitted to the Enterprise Estonia. The EE will make project eligibility check according to the eligibility criteria and will assess the technical readiness of the project. The decision to finance the project will be taken by the Management Board of EE.

The co-ordination with other measures of the SPD will be done during the prioritising of the project proposals at the county level. The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Internal Affairs in accordance with the Structural Aid Act § 16 and § 17.

In case of the second scheme supporting local tourism and recreation and increasing the attractiveness of regional business environment, the competition-based procedure will be followed. The applicant can submit a project proposal to the EE continuously throughout the year. The EE organises technical checks of the application according to the eligibility criteria and content assessment against the quality criteria. Technical checks will be carried out by the EE, the content assessment will be arranged by the EE involving experts possessing tourism and regional development related knowledge. A project selection committee will be set up by a decree of the Minister of Internal Affairs, consisting of representatives of relevant authorities and programming partners. The project selection committee will propose the list of projects to be financed on the basis of the experts' opinion and will present it to the Management Board of the EE for approval.

The co-ordination with other measures of the SPD will be done during the technical checks by EE and by the project selection committee. The exact criteria and process for project selection will be co-ordinated with the Managing Authority and laid down in regulation by the Minister of Internal Affairs in accordance with the Structural Aid Act §16.

10. Categorization of the Fields of Intervention

171, 172, 3122, 3123, 315, 333, 351, 352, 354, 36

11. Co-ordination with Other Measures

Measure 1.1: Educational system supporting the flexibility and employability of the labour force and providing opportunities of lifelong learning for all

This measure supplements the measure mentioned above through development of general education infrastructure and specific local social infrastructure.

Measure 1.3: Inclusive labour market

This measure allows to improve material conditions for increasing social inclusion, therefore the co-ordinated implementation of both measures is reasonable.

Measure 2.1: Business development, and Measure 3.3: Diversification of economic activities in rural areas

This measure supplements the measures mentioned above by creating additional possibilities for generating new business ideas and for substantive widening of existing economic activities, by amending the operational environment of enterprises with various so-called collective services and by creating favourable conditions for attraction of new investments into the region.

Measure 2.2: Business infrastructure development

This measure creates long-term preconditions for achievement of the objectives of the measure mentioned above and helps to ensure the sustainability of the projects supported by that measure. This measure also enables to support additional activities of local authorities in developing local business environment.

Measure 2.4: Tourism development

The implementation of this measure helps to improve general tourism preconditions in the region, facilitating in that way the development of tourism product and creating a synergy. This measure adds value to the tourism development measure. This measure widens up the public support for development of tourism entrepreneurship, by helping to increase the milieu value of the region, by protecting natural and historical heritage, by fixing up of local cultural objects, by organising events based on local traditions, etc. Overlapping will be avoided by the implementation of both measures by the same implementing agency. Through the co-ordinated implementation of both measures synergy could be achieved.

Measure 3.5: Renovation and development of villages

The measure mentioned above supplements this measure by supporting investments with similar objectives in infrastructure facilities, which are owned by private sector but are open for public use.

Sub-measure 3.11.3: Modernisation of fishing ports

The sub-measure mentioned above and this measure supplement each other in a case of multifunctional ports (fishing-visiting ports) owned by public sector, enabling the co-ordinated development of constituent parts of the same port, although the parts might have different purpose.

Measure 4.1: Development of transport infrastructure

This measure and the above-mentioned measure supplement each other. This measure supports investments into important components of national transport network owned by municipalities. From one side, support from this measure will improve access to the national transport network and, from the other, it will improve its integrity and capacity. On the other hand, the measure mentioned above creates long-term preconditions for achieving the overall objective of this measure and helps to ensure sustainability of the projects supported by this measure.

12. Consideration of the Horizontal Policies

Environmental Policy

A specific field of action within this measure is energy conservation. The eligible operations supported by this measure include also increasing the milieu value of landscapes and protection of nature objects (incl. supporting the NATURA programme).

Meeting of environmental requirements is ensured at the project level by strategic assessment of environmental impacts if required by national legislation.

Information Society

Neutral impact.

Equal Opportunities (Gender)

Neutral impact.

Regional Development

All the projects must include items expressed as main bottlenecks in the development plan of the local authority. The projects, which meet joint interests of local authorities will be preferred.

The maximum support rate for municipal companies is bigger outside the Harju County.

PRIORITY 5: TECHNICAL ASSISTANCE

The Technical Assistance priority will be co-financed from ERDF. The priority will be implemented through the following two measures:

Measure 5.1: Programme Management and Implementation

Measure 5.2: Information Dissemination, Publicity and Computerisation

MEASURE 5.1: PROGRAMME MANAGEMENT AND IMPLEMENTATION (ERDF)

1. Overall Aims and Objectives

The general objective is efficient and effective implementation of the Programme.

The specific objectives are:

- Coherence and quality of activities
- Ensuring good, regular use of financial resources in conformity with rules, auditing of funds.

2. Rationale

Preparation, implementation and monitoring of the programme as well as single projects require development and functioning of relevant administrative and monitoring systems. The current measure helps to:

- enhance the capacity of Final Beneficiaries and recipients for project preparation and management; this capacity is the primary precondition for the effective absorption of the assistance of the Structural Funds;
- ensure purposeful appraisal of projects and monitoring of their implementation;
- ensure efficient monitoring of the programme;
- ensure an efficient control system over the use of funds.

3. Eligible Operations

Activities that are eligible according to Commission Regulation (EC) no1145/2003, rule no 11 p.2, will be supported incl. expenditure on salaries in accordance with p.2.

Supported activities are:

- Preparation of the assistance and of operations, incl. consultation for potential applicants on the application procedures and the rules and obligations related to the implementation of a structural fund project; support for potential applicants in finding the right source of funding for the project and in formulating the project idea; support for applicants in the preparation and implementation of the project; preparation of activities and procedures in organisations responsible for the implementation of funds;
- Appraisal of applications, on-the-spot verification to control the information in application before selection;
- Selection of projects;
- Monitoring of the assistance, on-the-spot verification to control the actual progress of the project and verify the information presented in application form and monitoring reports;
- Organisation of meetings of the Monitoring Committee and Working Groups;
- Audits and on the spot checks of operations.

4. Final Recipients

- Ministry of Finance
- Intermediate Bodies and Final Beneficiaries

5. Indicators and Targets

Will not be applied

6. Final Beneficiary

Ministry of Finance

7. Eligible area

Estonia

8. Processing of Applications

The authorities submit applications to the Ministry of Finance. Measure Working Group proposes the division of finances between the authorities involved in the implementation and supported activities according to the measure conditions regulation. The Minister of Finance takes the decision on financing based on the proposal of the Measure Working Group.

9. Categorisation of the Fields of Intervention

411

MEASURE 5.2: INFORMATION DISSEMINATION, PUBLICITY AND COMPUTERISATION (ERDF)

1. Overall Aims and Objectives

The general objective is efficient and effective implementation of the Programme. The specific objectives are:

- Coherence and quality of activities;
- Dissemination of information concerning the contribution from Structural Funds and raising awareness of the SPD objectives.

2. Rationale

Preparation, implementation and monitoring of the programme as well as single projects require development and functioning of relevant administrative and monitoring systems. The current measure helps to:

- enhance the capacity of Final Beneficiaries and recipients for project preparation and management; this capacity is the primary precondition for the effective absorption of the assistance of Structural Funds;
- ensure efficient monitoring and implementation of the programme, incl. carrying out evaluations;
- ensure efficient control system over the use of funds, incl. the information system;
- inform final recipients and the public in large of the contribution and support available from the Structural Funds.

3. Eligible Operations

- Information actions, incl. design, editing and maintenance of Internet WebPages that introduce the measures; publicity through radio, TV and printed media, printing information and promotion materials and guidelines for applicants; organisation of information days
- Seminars for public officials and other employees who implement structural funds; seminars for applicants and project managers; seminars for trainers
- Evaluation of the programme
- Studies on the relevance and impact of the measures and programme
- Acquisition and installation of computerised systems, hardware and software

4. Final Recipients

- Ministry of Finance
- Intermediate Bodies and Final Beneficiaries
- Other public sector institutions involved in the implementation of the programme.

5. Indicators and Targets

Will not be applied

6. Final Beneficiary

Ministry of Finance

7. Eligible Area

Estonia

8. Processing of Applications

The authorities submit applications to the foreign financing department of the Ministry of Finance. Measure Working Group proposes the division of finances between the authorities involved in the implementation and supported activities according to the measure conditions regulation. The Minister of Finance takes the decision on financing based on the proposal of the Measure working Group.

9. Categorisation of the Fields of Intervention

411, 412, 413, 414, 415

5. FINANCING

Financial plan for the SPD is presented in Table 3. The contribution rate for ERDF, ESF and EAGGF is calculated in relation to eligible public expenditure. The contribution rate for FIFG is calculated in relation to the total eligible cost.

Table 3

Financing of the Estonian SPD 2004-2006 by measures

(euros – current prices)

Priority/Measure	Fields of intervention ¹	Share in priority (EU contribution)	EU contribution rate ²	Total	Public sector										Private ⁴
					Community contribution					National public contribution					
					Total public sector	Total	ERDF	ESF	EAGGF	FIFG	Total	State budget	Local	Other ³	
Priority 1: Human Resource Development	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
M 1.1: Educational system... providing opportunities of lifelong learning for all	23, 24	52.8%	75%	53, 621, 020	53, 621, 020	40, 215, 765	0	40, 215, 765	0	0	13, 405, 255	13, 405, 255	0	0	0
M 1.2: Human resource development for increasing the competitiveness of enterprises	23, 24	10.0%	75%	13, 025, 705	10, 149, 681	7, 612, 261	0	7, 612, 261	0	0	2, 537, 420	2, 537, 420	0	0	2, 876, 024
M 1.3: Inclusive labour market	21, 22, 25	34.7%	80%	33, 038, 648	33, 038, 648	26, 430, 918	0	26, 430, 918	0	0	6, 607, 730	6, 607, 730	0	0	0
M 1.4: Enhancing administrative capacity	23	2.5%	75%	2, 481, 541	2, 481, 541	1, 861, 156	0	1, 861, 156	0	0	620, 385	620, 385	0	0	0
M 2.1: Business development	153, 163, 164, 165	14.4%	75%	23, 609, 014	14, 022, 267	10, 516, 700	10, 516, 700	0	0	0	3, 505, 567	3, 505, 567	0	0	9, 586, 747
M 2.2: Business infrastructure development	151, 161, 162, 164, 3122, 322, 331, 345	13.2%	75%	16, 096, 992	12, 901, 410	9, 676, 058	9, 676, 058	0	0	0	3, 225, 352	3, 225, 352	0	0	3, 195, 582
M 2.3: Promotion of RTD and innovation	163, 164, 165, 181, 182, 183, 184	53.0%	75%	62, 028, 504	51, 680, 748	38, 760, 561	38, 760, 561	0	0	0	12, 920, 187	12, 920, 187	0	0	10, 347, 756
M 2.4: Tourism development	171, 172, 173	19.4%	75%	28, 566, 206	18, 979, 459	14, 234, 594	14, 234, 594	0	0	56, 798, 282	4, 744, 865	4, 744, 865	0	0	9, 586, 747
Priority 3: Agriculture, Fisheries and Rural Development				173, 143, 630	97, 166, 615	69, 267, 700	0	0	12, 469, 418	27, 898, 915	27, 898, 915	0	0	0	75, 977, 015

M 4.3: Modernisation of infrastructure for vocational and higher education	M 4.2: Development of environmental infrastructure	M 4.1: Development of transport infrastructure	Priority 4: Infrastructure and Local development	M 3.12: Other fisheries related measures	M 3.11: Investment support measures for fisheries production chain	M 3.10: Modernisation and renewal of fishing fleet	M 3.9: Adjustment of fishing capacity of fishing fleet	M 3.8: Support for setting up and provision of farm advisory and extension services	M 3.7: Forestry	M 3.6: Local initiative based development projects – LEADER	M 3.5: Renovation and development of villages	M 3.4: Integrated land improvement	M 3.3: Diversification of economic activities in rural areas	M 3.2: Investment support for improving the processing and marketing of agricultural products	M 3.1: Investment into agricultural holdings
36	332, 343, 353	311, 3121, 314, 315, 316		143, 146	143, 144, 145, 147	142	141	1303	121, 122, 123, 124, 125	5	1306	1301, 1309	1305, 1307, 1310, 1311	114	111
20.2%	6.9%	19.3%		1.4%	9.5%	4.2%	2.9%	3.8%	4.8%	2.1%	7.4%	11.1%	8.8%	11.5%	32.5%
80%	75%	75%		80%	35 – 75%	45%	80%	80%	70%	80%	80%	75%	70%	70%	70%
34,932,893	22,397,329	35,634,391	191,468,156	1,241,484	19,686,038	6,391,164	2,537,293	3,925,381	6,926,895	2,048,723	8,003,536	12,214,226	17,397,481	28,417,857	64,353,552
34,932,893	12,782,329	35,634,391	181,853,156	1,241,484	11,434,038	3,195,582	2,537,293	3,298,640	4,710,289	1,843,851	6,402,829	10,259,950	8,698,740	11,367,143	32,176,776
27,946,314	9,586,747	26,725,793	138,150,693	993,187	6,570,373	2,876,024	2,029,834	2,638,912	3,297,202	1,475,081	5,122,263	7,694,963	6,089,118	7,957,000	22,523,743
27,946,314	9,586,747	26,725,793	138,150,693												
			0												
			0					2,638,912	3,297,202	1,475,081	5,122,263	7,694,963	6,089,118	7,957,000	22,523,743
			0	993,187	6,570,373	2,876,024	2,029,834								
6,986,579	3,195,582	8,908,598	43,702,463	248,297	4,863,665	319,558	507,459	659,728	1,413,087	368,770	1,280,566	2,564,987	2,609,622	3,410,143	9,653,033
6,986,579	2,556,466	8,908,598	20,532,065	248,297	4,863,665	319,558	507,459	659,728	1,413,087	368,770	1,280,566	2,564,987	2,609,622	3,410,143	9,653,033
	639,116		14,890,116												
			8,280,282												
0	9,615,000	0	9,615,000	0	8,252,000	3,195,582	0	626,741	2,216,606	204,872	1,600,707	1,954,276	8,698,741	17,050,714	32,176,776

M 4.4: Reorganisation of hospital network	36	18.0%	75%	33,121,129	33,121,129	24,840,847	24,840,847					8,280,282			8,280,282	0
M 4.5. Information society development	321, 322, 323, 324	4.5%	75%	8,321,688	8,321,688	6,241,266	6,241,266					2,080,422		2,080,422		0
M 4.6 Local socio-economic development	171, 172, 3122, 3123, 315, 333, 351, 352, 354, 36	31.0%	75%	57,060,726	57,060,726	42,809,726	42,809,726					14,251,000	0	14,251,000		0
Priority 5: Technical Assistance	411, 412, 413, 415		75%	19,516,061	19,516,061	14,637,046	14,637,046	0	0	0	4,879,015	4,879,015	4,879,015		0	0
Total TA for ERDF				19,516,061	19,516,061	14,637,046	14,637,046				4,879,015	4,879,015			0	0
Total				617,507,895	495,410,606	371,363,452	225,975,652	76,120,100	56,798,282	12,469,418	124,047,154	100,876,756	14,890,116	8,280,282	122,097,289	
Total for the ERDF				341,284,933	298,953,101	225,975,652	225,975,652	0	0	0	72,977,449	49,807,051	14,890,116	8,280,282	42,331,832	
Total for the ESF				102,166,914	99,290,890	76,120,100	0	76,120,100	0	0	23,170,790	23,170,790	0	0	2,876,024	
Total for the EAGGF				143,287,651	78,758,218	56,798,282	0	0	56,798,282	0	21,959,936	21,959,936	0	0	64,529,433	
Total for the FIFG				29,855,979	18,408,397	12,469,418	0	0	0	12,469,418	5,938,979	5,938,979	0	0	11,447,582	

¹ Indicative shares of fields of intervention will be specified in an Annex to the Programme Complement

² The contribution rate for ERDF, ESF and EAGGF is calculated in relation to eligible public expenditure. The contribution rate for FIFG is calculated in relation to the total eligible cost.

³ Hospital operators – foundations or limited liability companies acting under control of state or local government

⁴ For ERDF, ESF and EAGGF co-financed measures – indicative estimate of non-eligible expenditure, for FIFG co-financed measures – eligible expenditure

⁵ See the list at measure description

6. ARRANGEMENTS OF CO-FINANCING

For smooth implementation of SPD it is important to ensure full-scale, timely and flexible co-financing from the Estonian side. This will be ensured by:

- planning co-financing from the government into the state budget;
- deciding the allocation of EU and Estonian government support for projects simultaneously;
- fast and flexible disbursement of EU and Estonian government support;
- the remaining public sector co-financing (in addition to the state budget, the public sector co-financing includes financing from municipalities, companies and foundations controlled by municipalities and public sector) will be guaranteed by setting obligatory co-financing levels to projects.

Planning

Planning Structural Funds and its co-financing from the government resources into the state budget is organised during annual state budget's establishment process. Multi-annual strategic continuity will be ensured by budget strategy that covers four years and is updated annually. The ministries responsible for the measures are responsible for planning co-financing resources. The state budget is established on cash basis, therefore both Structural Funds and government co-financing resources are planned according to the forecast of actual payments.

The budget application shows planned expenditures (including Structural Funds) according to their economic content. The expenditures planned for government co-financing should be separately presented in the draft budget. All expenditures covered by Structural Funds are planned as calculated (may increase or decrease during the period) and transferable costs (can be used during two financial years). The costs related to co-financing Structural Funds that will be paid directly from the state budget are planned to be transferable - this ensures better possibilities for their utilisation. In general, the usage of appropriations allocated to state founded foundations for co-financing Structural Funds is not time-restricted - hence, the possibilities for their use are even more flexible.

In the State Budget Act the expenditures are approved by groups of articles (operating costs, appropriations, obtainment and renovation of material and immaterial properties, other costs), however, additional division is allowed. Larger appropriations are approved by name (to whom the appropriation is made). After the State Budget Act has been passed, the Government of the Republic will divide expenditures by articles (personnel costs, management costs, subsidies to the business sector, social benefits, appropriations to non-residents, appropriations to other government sector, other appropriations, obtainment and renovation of material and immaterial properties, interests and commitment fees, other costs).

If needed, the SPD Monitoring Committee may redirect financing between the measures, not changing the proportions between different Structural Funds and priorities foreseen by the decision of the Commission. To facilitate this possibility, the Government of the Republic will take it into account in distributing the state budget expenditures within its sphere of competence. If necessary, the Government of the Republic may initiate the procedure for adjusting the state budget not later than three months before the end of the financial year.

Decision Making

The decision on allocation of Structural Funds support and co-financing from the Estonian government is made according to the measure-specific order, but it is unified for all the measures (the decision is made simultaneously). As for grant schemes, the participation of the Structural Funds is fixed mainly evenly or by project types. The Final Beneficiary of the measure will monitor that the decision making of allocating support would be in compliance with the Structural Funds support and its co-financing planned in the state budget on the measure level. Obligatory co-financing levels are set to the projects of companies and foundations controlled by local governments and public sector; this will ensure their contribution to public sector co-financing.



Disbursement

Disbursements to recipients will be made from the Structural Funds as well as from government co-financing resources via the State Treasury on the grounds of the Paying Agency's payment claim that is based on actual expenditures. The Final Beneficiaries of measures are responsible for timely reservation of necessary funds in the State Treasury. They also check that applicants follow the self-financing obligations.

A guarantee reserve for special purposes will be set up from the state budget funds for ensuring timely payments that will enable bridging financing (short-term crediting) in case of unforeseeable delays of incoming resources.

7. AVOIDING OF OVERLAPS OF MEASURES

According to the Article 28 (1) of Council Regulation (EC) no 1260/1999:

- For a given period, a measure may not receive a financial contribution from more than one fund at a time;
- No operation may benefit simultaneously from a contribution from a Fund under Objective 1 and under a Community initiative;
- No operation may benefit simultaneously from a contribution from a Fund under Objective 1 and under the EAGGF Guarantee Section.
- To ensure following of those restrictions, Estonia has to avoid simultaneous funding of any project under different measures of the SPD as well as under a measure of the SPD and a Community initiative or the EAGGF Guarantee Section. For that purpose, for the measures having similar character eligible activities and categories of applicants are defined as mutually exclusive as far as possible. In addition, avoiding of overlapping funding is ensured by:
 - a respective declaration of applicants,
 - exchange of information between the Final Beneficiaries.

Application forms include a declaration of applied/received aid for a project from other funding sources. In case of veiling or misrepresentation of required information by an applicant, all sums paid out according to the decision approving aid on the grounds of this incorrect information must be fully recovered.

The Structural Funds Information System will serve as the basis for exchange of information between the Final Beneficiaries. The database will include information about all aids applied and given under the SPD, Cohesion Fund and Community initiatives. The information system enables for any Final Beneficiary access to data about applications submitted to other Final Beneficiaries. The information system will have a functional opportunity for finding applications and approved aids with predefined properties (particularly, applications submitted by the same applicant or in partnership with him/her). A Final Beneficiary must satisfy itself that no aid has been decided under the SPD or under any other EU funding for the same operation and that there is no other valid application for EU aid for the same operation. If necessary, in addition to the information system, mutual requests of information will be used by the Final Beneficiaries.

The composition of Priority Working Groups (representatives of the Managing Authority, Intermediate Bodies and Final Beneficiaries) that facilitates exchange of information among administrators of different measures and partial overlapping of different Working Groups is favourable for avoiding of overlaps. Checking of payment claims using the Structural Funds Information System provides an additional guarantee against simultaneous funding of the same project from different Funds as it avoids the possibility of double payment of any invoice.

The methods of avoiding overlaps described above will be used first of all for those pairs of measures where such responsibility has been taken in the SPD, namely:

Measure 1.3: Inclusive Labour Market and Measure 2.1: Business Development;

Measure 2.1: Business Development and Measure 3.3: Diversification of Economic Activities in Rural Areas;

Measure 2.2: Business Infrastructure Development and Measure 4.6: Local Socio-economic Development;

Measure 2.4: Tourism Development and Measure 3.3: Diversification of Economic Activities in Rural Areas;

Measure 3.5: Renovation and Development of Villages and Measure 4.6: Local Socio-economic Development.



8. ARRANGEMENTS FOR THE COMPUTERISED EXCHANGE OF DATA

Reporting on implementation of the Structural Funds presupposes computerised exchange of data between the Commission and Member States. Information received by the Commission is stored in a common database - Structural Funds Common System (SFC).

Transfer of computerised data can be based on one of the two following options: a) the files will be transferred by FTP or direct e-mail messaging, or b) the data will be inserted manually, using a respective functionality of SFC.

The information to be transferred contains data for financial transactions and progress reports by priorities and measures.

The Estonian Ministry of Finance as the Paying Authority is setting up a Structural Funds Central Monitoring Information System that will enable to collect all relevant payments and progress reports related information from the operative information systems in use in Estonia. The information will be stored in a format enabling aggregation of it for creating various reports, incl. reporting to the Commission.

9. COMMUNICATION STRATEGY AND ACTION PLAN

STRATEGY

Division of Labour for Information Dissemination

As the SPD Managing Authority the Ministry of Finance is the responsible body for the overall coordination of implementing information and publicity activities in Estonia.

Two persons have been designated for these tasks in the Ministry of Finance's Public Relations Department (an adviser and a chief specialist).

Besides overall coordination the Ministry of Finance is directly responsible for the following tasks:

- General introduction of the principles of EU regional policy and the Structural Funds;
- Publicity of SPD objectives, priorities, measures and results (for what and how the Structural Funds can be used and how to apply for the funds);
- Inter-ministerial co-ordination of informing activities;
- Elaboration and publicity of the national requirements for visualisation of the Structural Funds related information materials and means.

The line-ministries related to SPD implementation are responsible for implementing the following tasks:

- More concrete and wider publicity of the measures in their sphere of responsibility;
- Compilation and dissemination of application forms and guidelines necessary for project writing;
- Ensuring existence and availability of counselling necessary for filling in the application forms and writing projects;
- Ensuring information dissemination of the Final Beneficiaries within their area of governance;
- Informing recipients about the requirements set to EU Structural Funds publicity and visualisation.

In addition, all institutions related to SPD implementation shall ensure public access to documents and inform the final recipients and the public regularly and thoroughly on the issues related to implementation of the SPD.

The Public Information Act helps to ensure publicity, according to the Act any information that has not been classified as a secret, should be accessible to the public and be public.

Target Groups

In the Communication Strategy and action plan the target groups have been divided as follows:

- General public (indirect beneficiaries)
- Potential recipients of assistance (applicants and final recipients)
 - State agencies
 - Local municipalities, regional and national local governments' associations
 - Entrepreneurs, (including agricultural entrepreneurs) and their unions
 - Non-governmental organisations, foundations and their associations
 - Universities, research and training institutions
 - Other social and economic partners
- Support structures
 - County administrations
 - County development centres
 - Regional information centres
 - Intermediate Bodies and Final Beneficiaries
 - Consultants and counsellors

Communication Objectives

The objectives for the communication related to the Structural Funds are the following:

- Promoting co-operation with target groups and getting feedback from them;
- Ensuring access to information to all target groups;
- Raising public awareness on EU regional policy, employment policy and the Structural Funds principles;
- Raising public awareness on SPD and its priorities, objectives and activities;
- Highlight the contribution of the Republic of Estonia and public sector resources in fostering economic development;
- Raising awareness of potential recipients on Structural Funds opportunities and information sources;
- Incorporate target groups in using Structural Funds opportunities;
- Dissemination of continuous reliable information on the results and efficiency of implementing SPD measures;
- Highlighting positive models and examples;
- Ensuring information of approved and financed projects.

General Principles and Objectives of Publicity of the Structural Funds Implementation

Structural Funds information dissemination is based on general publicity principles, such as:

- openness,
- reliability,
- objectivity,
- immediateness,
- simplicity of information content and accessibility.

In information dissemination, attention should be paid not only to financing projects but also to wider results, such as employment, improvement of the living environment and educational system, increase of inhabitants' income, equalising opportunities on the labour market, etc. Co-operation between different parties is important, especially with umbrella organisations, i.e. with social partners representing potential recipients.

The general public should be informed about the importance to people of support programmes and the activities implemented in framework of them. In the end of the programming period, it has to be shown what has been changed and achieved with the help of the Structural Funds. The message should be presented in simple and understandable language and on the basis of concrete examples. Co-operation with journalists is important in forwarding messages. Co-operating with journalists does not mean propaganda, but presentation of facts.

In disseminating information on Structural Funds sufficient and simple information should be provided to potential final recipients on SPD measures' content, financing opportunities and conditions, application process and procedures, co-financing related obligations and EU contribution in implementing projects. Necessary aid materials and explanations for filling in application forms and writing projects, compilation of necessary documents, projects' implementation and management and writing reports should be made available to beneficiaries. Once a year the Final Beneficiaries inform potential final recipients and applicants through media channel(s), Internet homepage, etc. on the main reasons for rejecting projects and give advice on how to avoid these mistakes.

Aid and guidance materials that should be followed in preparing projects and writing applications should be prepared for support structures. Special emphasis should be laid on sharing best practices and highlighting the most frequently made mistakes.

Main Messages of Information Dissemination

Information dissemination should ensure that the following main messages are forwarded to the target groups:

- All projects should be related to implementation of SPD objectives - creating jobs, enhancing competitiveness of enterprises, improving the status of environment, etc.
- Co-operation between partners is crucial;

- Initiative has to be shown for getting financing, the application and the supporting documents should be prepared as required;
- Certain obligations accompany financing, including the requirement to follow tender procedures, existence of co-financing, ensuring equal opportunities, reporting;
- SPD projects should in addition to direct results create also added value.

INFORMATION DISSEMINATION ACTION PLAN

INFORMATION DISSEMINATION FORMATS AND THEIR USAGE

Internet Homepage on the Structural Funds

In 2003, a Structural Funds Internet homepage www.struktuurifondid.ee was created (hereinafter: homepage), that includes general information on the Structural Funds. The page will include latest news, publicity communiqué, information about seminars and information days, etc. The main beneficiaries of the homepage will be potential applicants. The homepage will include full information on the opportunities to apply for support, on application order and legislation. Via the main page a potential applicant will reach via links the homepages of responsible Intermediate Bodies and Final Beneficiaries where s/he can find detailed information about each measure separately.

Intermediate Bodies and Final Beneficiaries are responsible for detailed information on the measures in their area of governance. On the Structural Funds homepage there will be a possibility to join the mail-list via which latest news will reach the people. The homepage needs constant maintenance and has to reflect actual information. The Ministry of Finance will maintain the homepage and update its information. Intermediate Bodies and Final Beneficiaries are responsible for maintaining and updating the information on their homepages.

Information Dissemination through Media Channels

The Managing Authority as well as Intermediate Bodies publish regularly articles on Structural Funds in newspapers. The Managing Authority and Intermediate Bodies are responsible that the information related to the Structural Funds shall get enough attention in radio and TV-channels. Important emphasis shall be laid on co-operation with county newspapers. In addition to day-to-day information flow, successful project examples in Estonia as well as in other member states will be presented. In county newspapers the questions and answers rubrics will be introduced where higher civil servants and public opinion leaders will answer the questions.

An Intermediate Body or Final Beneficiary will release a publicity communiqué in case an important or bigger event related to the Structural Funds takes place. In the publicity communiqué EU contribution has to be shown. The content of the publicity communiqué has to be explained in simple and understandable language, pointing out the objective of the event and how the final recipients and/or general public will benefit from it, or how it influences their life.

Publications for Applicants

In 2003-2004, the main emphasis in compiling information publications will be laid on applicants. The publications will contain information on the Programme and measures, requirements set to applicants, criteria, tendering procedures, application process, evaluation criteria, application forms, budget formats, etc. In 2005-2006, mainly the implemented projects will be introduced.

Annual Reports

In the second quarter each year the Ministry of Finance will issue a yearbook on the preceding financial year, that includes financial indicators and results. One part of the yearbook will reflect also SPD progress and information dissemination results related to it.

Seminars and Information Events

Information events and seminars will be organised intensely primarily in 2004. During this period the applicants should get sufficient information on the Structural Funds and on their utilisation opportunities. In later years potential recipients are



informed as necessary about amendments and innovations. The activities timetable will be activated again in 2005-2006, in connection with compilation and introduction of the SPD for the new programming period, considerable emphasis will be laid on introducing positive examples of the previous programming period and informing about the most frequent problems.

Logo of the Single Programming Document

During the II quarter of 2004, a logo for the SPD will be elaborated and a style guide will be issued on its usage. The style guide will determine and specify the appropriate usage of visual identity elements of the SPD and related documents, publications, press releases, etc. Commission Regulation 1159/2000 will be followed in compiling the style guide. A copy of the style guide will be available on the Structural Funds homepage.

Financing

Starting from the year 2004, publicity and informing will be done in the frame of the SPD technical assistance priority measure no 5.2: Information dissemination, publicity and computerisation.

The approximate cost of the information dissemination and publicity action plan for the year 2004 is euro 649 thousand (10 million kroons). Most of it will be spent on issuing publications.

Implementation

In the Ministry of Finance, the Public Relations Department and the Foreign Financing Department share the information dissemination task between themselves. In addition, the Intermediate Bodies and Final Beneficiaries are responsible for information dissemination concerning the measures under their area of governance. The Ministry of Finance will compile and update the list of people and their data dealing with information dissemination in Intermediate Bodies and Final Beneficiaries. Updated information is available on page <http://www.strukturifondid.eelindex.php?id=1303>.

Proceeding from the current action plan the Ministry of Finance in co-operation with Intermediate Bodies will compile an annual detailed action plan for information dissemination. The action plan for 2004 is presented in annex 3 of the Programme Complement.

Reporting and Evaluation

The Public Relations Department of the Ministry of Finance is responsible for compiling information dissemination reports and organising evaluation. Twice a year a report on the main information dissemination activities will be prepared for presentation to the Monitoring Committee. The main information dissemination results will be reflected also in the SPD annual report.

The basic criteria for evaluating the results of information dissemination are that the interest of potential recipients towards Structural Funds and their level of awareness will rise. The following measures will be used in evaluating information dissemination results:

- Reflection by the media: following the Structural Funds theme and reflection of major events in the media (television, radio, press) by the Public Relations Department of the Ministry of Finance.
- Homepage: analyses of the number of visitors of the homepage and increase in the number of downloading cases of application forms. The number of inquiries through the homepage and content analyses.
- Negative feedback: share of negative feedback and content analyses.
- Information dissemination events: feedback from the participants of seminars through questionnaires.
- Development of the awareness of final recipients: analyses of the number of projects and increase in projects' quality.

ANNEXES

ANNEX 1. CLASSIFICATION OF AREAS OF INTERVENTION

(According to Annex IV of Commission Regulation (EC) No 438/2001 of 2 March 2001 and additional information by Commission)

1. Productive environment

11 Agriculture

- 111 Investments in agricultural holdings
- 112 Setting up of young farmers
- 113 Agriculture-specific vocational training
- 114 Improvement of processing and marketing of agricultural products

12 Forestry

- 121 Investments in forest holdings
- 122 Improving the harvesting, processing and marketing of forestry products
- 123 Promoting new outlets for use and marketing of forestry products
- 124 Establishment of associations of forest holders
- 125 Restoring forestry production potential damaged by natural disasters and introducing prevention instruments
- 126 Planting of non-farm land
- 127 Improving and maintaining ecological stability of protected woodlands
- 128 Forestry-specific vocational training

13 Promoting the adaptation and the development of rural areas

- 1301 Land improvement
- 1302 Reparcelling
- 1303 Setting up of farm relief, management and advisory services, and provision of advisory and extension services
- 1304 Marketing of quality agricultural products
- 1305 Basic services for the rural economy and population
 - 1305.1 LAG overhead costs
 - 1305.2 LAG animation costs
 - 1305.3 Inter-territorial co-operation
 - 1305.4 Transnational co-operation
 - 1305.5 National Networks
 - 1305.6 Management of local integrated strategies
 - 1305.7 Acquisition of skills (EU 10).
- 1306 Renovation and development of villages and protection and conservation of the rural heritage
- 1307 Diversification of agricultural activities and activities close to agriculture, to provide multiple activities or alternative incomes
- 1308 Agricultural water resources management
- 1309 Development and improvement of infrastructure connected with the development of agriculture
- 1310 Encouragement for tourist activities
- 1311 Encouragement for craft activities related to farms
- 1312 Protection of the environment in connection with land, forestry and landscape conservation as well as with the improvement of animal welfare
- 1313 Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments

- 1314 Financial engineering
- 14 Fisheries
 - 141 Adjustment of fishing effort
 - 142 Renewal and modernisation of the fishing fleet
 - 143 Processing, marketing and promoting of fisheries products
 - 144 Aquaculture
 - 145 Fishing port facilities and protection and development of aquatic resources
 - 146 Socioeconomic measures and aids for temporary cessation of activities and other financial compensation
 - 147 Operations by members of the trade, small-scale coastal fishing and inland fishing
 - 148 Measures financed by other Structural Funds (ERDF, ESF)
- 15 Support for large firms
 - 151 Investment in physical capital (plant and equipment, co-financing of state aid)
 - 152 Environment-friendly technologies, clean and economical energy technologies
 - 153 Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)
 - 154 Services to stakeholders (health and safety, providing care for dependants)
 - 155 Financial engineering
- 16 Support for SMEs and craft businesses
 - 161 Investment in physical capital (plant and equipment, co-financing of state aid)
 - 162 Environment-friendly technologies, clean and economical energy technologies
 - 163 Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management, purchase of technology)
 - 164 Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)
 - 165 Financial engineering
 - 166 Services in voluntary/third sector (providing care for dependants, health and safety, cultural activities)
 - 167 SME- and craft-specific vocational training
- 17 Tourism
 - 171 Physical investment (information centres, tourist accommodation, catering, facilities)
 - 172 Non-physical investment (development and provision of tourist services, sporting, cultural and leisure activities, heritage)
 - 173 Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)
 - 174 Tourism-specific vocational training
- 18 Research, technological development and innovation (RTDI)
 - 181 Research projects based in universities and research institutes
 - 182 Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes
 - 183 RTDI Infrastructure
 - 184 Training for researchers

2. Human resources

- 21 Labour market policy
- 22 Social inclusion
- 23 Developing educational and vocational training not linked to a specific sector (persons, firms)
- 24 Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)

25 Positive labour market actions for women

3. Basic infrastructure

31 Transport infrastructure

311 Rail

312 Roads

3121 National roads

3122 Regional/local roads

3123 Cycle tracks

313 Motorways

314 Airports

315 Ports

316 Waterways

317 Urban transport

318 Multimodal transport

319 Intelligent transport systems

32 Telecommunications infrastructure and information society

321 Basic infrastructure

322 Information and communication technology (including security and safe transmission measures)

323 Services and applications for the citizens (health, administration, education)

324 Services and applications for SMEs (electronic commerce and transactions, education and training, networking)

33 Energy infrastructures (production, delivery)

331 Electricity, gas, petroleum products, solid fuel

332 Renewable sources of energy (solar power, wind power, hydroelectricity, biomass)

333 Energy efficiency, cogeneration, energy control

34 Environmental infrastructure (including water)

341 Air

342 Noise

343 Urban and industrial waste (including hospital and dangerous waste)

344 Drinking water (collection, storage, treatment and distribution)

345 Sewerage and purification

35 Spatial planning and rehabilitation

351 Upgrading and rehabilitation of industrial and military sites

352 Rehabilitation of urban areas

353 Protection, improvement and regeneration of the natural environment

354 Maintenance and restoration of the cultural heritage

36 Social and public health infrastructure

4. Miscellaneous

41 Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)

411 Preparation, implementation, monitoring, publicity

412 Evaluation

413 Studies

414 Innovative actions

415 Information to the public

ANNEX 2. RESULTS OF THE EX-ANTE EVALUATION OF THE MEASURES

No of measure (draft SPD/ final SPD)	Conformity with objectives of SPD priorities, expediency of rationale	Relevance of supported activities, target groups and applicants	Realistic targets and financing	Link with other measures and consideration of pervasive policies	Relevance of selection criteria and application procedure
Priority 1: Human Resource Development					
1/ 1.1	The measure is in compliance with the objectives of the priority, the rationale is more concrete as compared to that of SPD, other horizontal principles have been well considered	Supported activities, target groups and applicants have been sufficiently specified, attention has justifiably been paid to teacher training	Some targets have not yet been specified, the ones that have been specified are realistic, considering also high financial weighting of the measure in the priority (48%)	Links with other measures have been well specified, all pervasive policies have been considered	Selection criteria are relevant and application procedure has been set (but how will evaluation and selection committees be set up?)
2/ 1.2	The measure is in compliance with the objectives of the priority, the rationale is more concrete as compared to that of SPD (e.g. as for promoting business activity)	Supported activities have expediently been directed in two directions: support scheme for training and training programmes, all important target groups and applicants have been specified	Targets are partly not quantified, the financial weighting of the measure in the priority is small for achieving the set objectives, however, inclusion of private sector is positive	Links with other measures have been expediently specified, all pervasive policies have been considered (primarily via preferring criteria for grants)	Selection criteria have been specified, the process of proceeding applications is not very clear (is the measure committee and commission the same, how will it be set up?)
3/ 1.3 (merged with former 5)	The measure is in compliance with the objectives of the priority, the rationale has been amended and it is more detailed than in the previous version	Supported activities are well described, target groups and applicants have been specified	The targets (that have been specified) are realistic, taking into account also considerable financial weighting of the measure in the priority (32%)	Links with other measures have been well planned, all pervasive policies have been taken into account	Selection criteria have been set, but some of them are quite general ("is caused by concrete need?"), the application processing procedure has been explained
4/ 1.4	The compliance of the measure with the priority is not clear, and it has not been possible to specify intervention category, rationale is more profound	The supported activities have been described, however, it is not clear why universities, scientific research establishments and trainers have been specified as beneficiaries but not as possible applicants	The system of achievement indicators has been presented, however, it has not been quantified; financing (although with very low weighting, 3%) should be sufficient	Links with other measures and co-ordination need have been described, pervasive policies have been taken into account.	Selection criteria are general ("promote co-operation...", "are directed..."), the application processing procedure is not very clear either
5/ 1.3 (merged with former 3)	The measure is in compliance with the objectives of the priority, rationale is more concrete as compared to that of SPD	Supported activities have been well specified, target groups and possible applicants have been listed	The system of indicators is in place, however, most targets have not been specified, financial share is sufficient	Co-ordination with other linked measures has been specified, pervasive policies have been taken into account	Selection criteria and application processing procedure are expedient
Priority 2: Competitiveness of Enterprises					
6/ 2.1	The measure is in compliance with the objectives of the priority, the rationale and reasoning are relevant	The main supported activities have been well specified, the list of possible applicants should include also educational, scientific research and training institutions	The system of monitoring indicators is in place, however, the targets have partly not been specified; financial weighting (14%) is sufficient, inclusion of public and private sector financing is positive	Links with other measures and co-ordinated activities have been specified, pervasive policies have been considered (primarily as preferences)	Projects' selection criteria have been further specified and well set, applications processing procedure has been shortly described (needs to be specified)
7/ 2.2	The measure is in compliance with the objectives of the priority, the rationale could be better opened by precision of the title of the measure, "Supporting physical business infrastructure"	The list of supported activities is short, target groups and possible applicants have been well specified	The system of monitoring indicators is in place, however, the targets are partly not specified; financial weighting (13%) is sufficient, inclusion of public and private sector financing is positive	Links with other measures and co-ordinated activities have been specified, pervasive policies have been considered, promotion of information society could be considered as well (as a preference)	Projects' selection criteria have been well set, the process of processing applications has been described shortly
8/ 2.3	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure have been presented better than in SPD, the specific objectives have been well formulated	Supported activities (by courses of actions), target groups and possible applicants have been described	The system of indicators has been elaborated and most important targets have been set, for which the financial weighting of the measure is sufficient (plus public and private sector)	Links with other measures have been described, while considering pervasive policies the regional development aspect could also be taken into account	Selection criteria are not very clear, the applications processing procedure has been simplified, experts have been positively involved
9/ 2.4	The measure is in compliance with the objectives of the priority, the rationale and reasoning are relevant	Supported activities have been well specified, as well as the target groups and possible applicants	The indicators have been quantified, however, the expediency of some indicators is questionable (number of grants, number of campaigns?), the financial weighting is sufficient	Links with other measures and co-ordinated activities have been specified, pervasive policies have been considered	Selection criteria have been well set, the applications processing procedure has been described shortly (further specification would be welcome)

Priority 3: Rural Development and Agriculture

10/ 3.1	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure have been specified, but are still too superficial (considering also the (too) big financial weighting of the measure)	Supported activities have been specified, however, supporting amelioration under this measure is questionable (see measure 13 - the difference is only whether the object is on several or one registered immovable; if here, then also intervention category (1301))	Achievement of target indicators (several concrete figures) is realistic considering high financial weighting of the measure (30%); achievement and impact indicators have not yet been quantified	Links with other measures have been described, in considering pervasive policies, the gender equality aspect could also be taken into account (e.g. in preferences part)	Selection criteria have been further specified, the applications processing procedure has not been clearly described, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
11/ 3.2	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure have been specified, one specific objective is "ensuring gains for agricultural producers" (?)	Supported activities have been listed (almost all agricultural products), the target group and applicants are processors of agricultural products	The list of monitoring indicators is quite short, financing is sufficient or rather too big	Probably the links with other measures could have been specified, as for pervasive policies, promotion of information society (training related to new technologies) and regional development could be considered	Selection criteria and the applications processing procedure have not been clearly described, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
12/ 3.3	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are poor	Supported activities have been well specified, as well as the target groups and possible applicants	The system of monitoring indicators is in place, and objectives are quantified; financial weighting of the measure is sufficient, considering also public and private sector financing	Links with other measures have been specified and pervasive policies have been considered as far as possible	Selection criteria have been further specified, the applications processing procedure has not been clearly described, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
13/ 3.4	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are relevant	Supported activities have been specified, target groups and applicants listed (what about private forest owners?)	The system of monitoring indicators is in place, and objectives are quantified; financial weighting of the measure is sufficient, (NB!: financing does not match with table 4 financing plan)	Links with other measures have been specified and pervasive policies have been considered as far as possible	Selection criteria and the applications processing procedure have been specified, final evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
14/ 3.5	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are relevant	Supported activities have been specified; possible applicants could be more detailed (what kind of enterprises?)	The system of monitoring indicators is in place and objectives are quantified; financial weighting of the measure is sufficient, participation rates have been set	Links with other measures and co-ordinated activities have been specified, pervasive policies have been considered	Selection criteria are general, evaluation committee is involved in processing of applications
15/ 3.6	This specific measure is probably in compliance with the objectives of the priority (what is the logic of intervention?), rationale and reasoning of the measure are relevant	Supported activities have been specified; possible applicants could be more detailed (which institutions are responsible for co-ordination of the activities of the measure?)	Monitoring indicators are in place (although quite general); small financial weighting of the measure could be sufficient	Links with other measures could be better defined, pervasive policies could be considered as well (?)	Selection criteria and the applications processing procedure have not been described clearly enough
16/ 3.7	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are relevant	Supported activities have been well specified, as well as the target groups and possible applicants	The system of monitoring indicators is in place and objectives are quantified; financial weighting of the measure is sufficient, participation rates have been set	Links with other measures and co-ordinated activities have been specified and pervasive policies have been considered as far as possible	Selection criteria have been set, evaluation committee is involved in processing of applications
17/3.8	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure have been improved and are sufficient	Supported activities have been detailed, target groups and possible applicants have been specified	The system of monitoring indicators is in place, impact indicators are missing, financial weighting of the measure is sufficient	Links with other measures and co-ordinated activities have been specified and pervasive policies have been considered as far as possible	Selection criteria have been set, processing of applications and evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
18/ 3.11.2	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are superficial	Supported activities have been listed, target groups and possible applicants need to be more specified (which entrepreneurs form the target group?)	The system of monitoring indicators is in place, but measure-specific objectives have not been quantified; financial weighting of the measure is sufficient, considering also the inclusion of public and private sector financing	Links with other measures are described shortly, pervasive policies are considered as far as possible	Selection criteria have been set, the applications processing procedure and evaluation is only in the sphere of competence of the Implementing Agency (ARIB)

19/ 3.11.1	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are insufficient and too general	Supported activities have been listed, target groups and possible applicants need to be more specified (which kind of entrepreneurs?)	The system of monitoring indicators is in place, but measure-specific objectives have not been quantified; financial weighting is sufficient for achieving the set objectives	Some links with other measures have been described, promotion of information society or at least regional development policy could be considered.	Selection criteria are weak, the applications processing procedure has not been clearly described, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
20/ 3.12.2	It is not clear why such new measure has been created (although the measure meets the objectives the priority); rationale and reasoning of the measure are insufficient and general	Supported activities as well as target groups and possible applicants need to be detailed - currently they are too general	The system of monitoring indicators is in place, although it is not very informative (number of campaigns, etc); financial weighting of the measure is marginally small but probably sufficient	Some links with other measures have been described, environmental policy and regional development policy could probably be considered	Selection criteria are weak, the applications processing procedure has not been clearly described, however, evaluation committee has been included
21/ 3.11.3	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are absolutely insufficient and too general (investments that are of collective interest to fishermen, are promoted)	Supported activities as well as target groups and possible applicants need to be detailed - currently they are too general ("users of ports" - passengers as well?)	The system of monitoring indicators is in place, but measure-specific objectives have not been quantified; financial weighting is sufficient, considering also public and private sector financing	Links with other measures have been specified, pervasive policies have been considered as far as possible	Selection criteria have been set, evaluation committee is involved in the procedure of processing applications, the final decision maker is still ARIB
22.1/ 3.9	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are short	Supported activities (benefits) have been specified, as well as target groups and possible applicants	The system of monitoring indicators is in place, but measure-specific objectives have not been quantified; financial weighting is sufficient, considering also public sector financing	Links with other measures have been specified, regional development policy could be considered	Selection and preference criteria have been set, the procedure of processing applications has not been described clearly enough, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
22.2/ 3.10	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are poor	Supported activities as well as the target groups and possible applicants have been specified	The system of monitoring indicators is in place, but measure-specific objectives have not been quantified; financial weighting is sufficient, considering also the share of private sector	Links with other measures have not been specified, regional development policy could be considered	Selection criteria have been set, the procedure of processing applications has not been described clearly enough, evaluation is only in the sphere of competence of the Implementing Agency (ARIB)
22.3/ 3.12.1	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are very short, the objective of the sub-measure is very restricted and is directed only towards paying benefits to fishermen	The whole sub-measure consists only of paying individual benefits to unemployed fishermen	There is only one indicator: number of fishermen who have got benefits; financing is small, but probably sufficient	Links with other similar measures have been specified, as for pervasive policies the regional development policy (coastal areas) and equal opportunities (so that female fishermen could also be paid) could be considered	Selection criteria are good and simple, preferences have not been specified, evaluation is only in the sphere of competence of ARIB

Priority 4: Local Development and Infrastructure

23/ 4.5	The measure is in compliance with the objectives of the priority, rationale and reasoning of the measure are relevant	The supported activities as well as target groups and possible applicants could be detailed further, at present it is too general, and it is not clear which institutions can be applicants	The system of monitoring indicators is in place, most objectives have not been quantified; financial weighting (less than 5%) is insufficient, considering importance of the measure	Links with other measures have been specified, pervasive policies have been considered as far as possible	Selection and preference criteria have been set, evaluation committee will be involved in the process of processing applications
24/ 4.6.1	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are too laconic	Supported activities, target groups and possible applicants have been specified, but should be detailed further	The system of monitoring indicators is in place, most objectives have not been quantified; financial weighting (20%) is sufficient, considering also public sector co-financing	Links with other measures have been well specified, pervasive policies have been considered	Selection and preference criteria have been well set, the process of processing applications has been described
25/ 4.6.2	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are opened well	Supported activities have been specified in detail and target groups and possible applicants have been listed	The system of monitoring indicators is weak and most indicators have not been quantified; financial weighting of the measure is sufficient, considering also public sector co-financing	Links with other measures and co-ordination have been well specified, pervasive policies have been considered	Selection and preference criteria have been well set, the process of processing applications has been described shortly

26/ 4.1	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are opened well - in places it is even too detailed	Supported activities have been specified in detail and target groups and possible applicants have been further specified	The system of monitoring indicators is in place, indicators have not been quantified; financial weighting is sufficient (considering also Cohesion Fund)	Links with other measures have been well specified, pervasive policies have been considered as far as possible	Selection criteria are not clear, neither is the process of processing applications (movement between agencies has been described)
27/ 4.2	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are opened well - in places it is even too detailed	Supported activities have been specified in detail and target groups and possible applicants have been listed - it could be specified, which NGOs and foundations are the possible applicants	Detailed system of monitoring has been specified, some objectives have not been quantified; financial weighting of the measure is sufficient (considering also Cohesion Fund)	Links with other measures have been specified, pervasive policies have been considered as far as possible	Selection and preference criteria have been well set, the process of processing applications has been described shortly (how the self-financing of local government will be ensured?)
28/ 4.3	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are well described	Supported activities have been specified in detail and target groups and possible applicants have been defined	The indicators of achievement are realistic, the financing plan with participation and boundary rates ensures that the objectives will be achieved	Links with other measures have been specified, pervasive policies have been considered as far as possible (maybe equal opportunities could also be considered)	Selection and preference criteria have been specified, the process of processing applications has been described
29/ 4.4	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are opened well enough	Supported activities, target groups possible applicants have been shortly defined	The indicators of achievement and their achievement is realistic considering financial weighting of the measure (18%)	Links with other measures have been specified, pervasive policies have been considered as far as possible	Selection and preference criteria have been specified, the process of processing applications has been described

Priority 5: Technical Assistance

30/ 5.1	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are shortly described, objectives are vague ("quality and harmony of activities"?)	Supported activities, target groups and possible applicants have been specified	Indicators of achievement are not applied (although some indicators could be used - e.g. number of projects), financing has been regulated	Links with other measures can not be specified and pervasive policies can not be applied	Selection criteria and the process of processing applications are not clear and need to be detailed
31/ 5.2	The measure is in compliance with the objectives of the priority, reasoning and intervention of logic of the measure are shortly described, objectives are vague ("quality and harmony of activities"?)	Supported activities, target groups and possible applicants have been shortly specified	Indicators of achievement are not applied (although some indicators could be used - e.g. about researches and training), financing has been regulated	Links with other measures can not be specified and pervasive policies can not be applied	Selection criteria and the process of processing applications are not clear and need to be detailed

ANNEX 3. STRUCTURAL FUNDS RELATED COMMUNICATION OUTLINE FOR 2004

Action	Target group(s)	Responsible body	Deadline
Single Programming Document (SPD) 2004-2006 printed and published	All target groups	Ministry of Finance	2nd quarter
SPD Programme Complement printed and published	All target groups	Ministry of Finance	2nd quarter
Structural Funds (SF) Manual printed and published	All target groups	Ministry of Finance	2nd quarter
SPD logo and Style Manual	All target groups	Ministry of Finance	2nd quarter
Brochure about SPD priorities and objectives (Estonian, Russian, English)	All target groups	Ministry of Finance	2nd quarter
Brochure about SPD human resource priority (Estonian, Russian, English)	All target groups	Ministry of Finance, Ministry of Social Affairs, Ministry of Education and Research, Ministry of Economic Affairs and Communications, INNOVE, Enterprise Estonia, Estonian Labour Market Board, State Chancellery	2nd quarter
Brochure about SPD entrepreneurship competitiveness priority (Estonian, Russian, English)	All target groups	Ministry of Finance, Ministry of Economic Affairs and Communications, Enterprise Estonia	2nd quarter
Brochure about SPD rural life and agriculture priority (Estonian, Russian, English)	All target groups	Ministry of Finance, Ministry of Agriculture, Agricultural Registers and Information Board	2nd quarter
Brochure about SPD infrastructure and local development priority (Estonian, Russian, English)	All target groups	Ministry of Finance, Ministry of Economic Affairs and Communications, Ministry of Environment, Ministry of Education and Research, Ministry of Internal Affairs, Estonian Road Administration, Estonian Maritime Administration, Railway Administration, Estonian Civil Aviation Administration, INNOVE, Enterprise Estonia	2nd quarter
CD-ROMs containing compact overview of the SPD, SPD Programme Complement, SF Manual, information about county development centres and the SF Style Manual	All target groups	Ministry of Finance	3rd quarter
Stickers with EU and SPD logos	SF administrators, beneficiaries	Ministry of Finance	2nd quarter
Translation of SF internet page (www.strukturifondid.ee) into Russian and English (selected sections)	Foreign language target groups	Ministry of Finance	2nd quarter
Managing and promoting of the SF internet page (www.strukturifondid.ee)	All target groups	Ministry of Finance, line ministries and agencies (concerning their areas of expertise)	Continuous
Hiring of a SF PR specialist in the Managing Authority	All target groups	Ministry of Finance	January 2004
Co-ordinating of PR activities of the implementing agencies	All target groups	Ministry of Finance	Continuous
Issuing of press releases	All target groups	Ministry of Finance, line ministries, agencies	Continuous
Informing the public through all media channels	All target groups	Ministry of Finance, line ministries, agencies	Continuous
Informing the public about SF related seminars and training events	Potential beneficiaries	Ministry of Finance, line ministries, agencies	As required
Promoting the SF information e-mail address struktuurifondid@fin.ee , providing accurate and quick responses to the questions		Ministry of Finance	Continuous

ANNEX 4. MEASURE-SPECIFIC ELIGIBILITY AND SELECTION CRITERIA

(Approved by the Monitoring Committee on (Date, Protocol))

Introduction

The present Annex to the Programme Complement lists for the measures of the Estonian SPD 2004-2006 their specific criteria for assessing eligibility of applicants and applications, which are not presented in the main text of Programme Complement, and the criteria for establishing ranking of applications for selection for funding. The Annex is an inseparable part of the Programme Complement. Proceeding from that, the Annex and any changes of it must be approved by the Monitoring Committee. The Managing Authority will give its consent for detailed rules for implementation of a measure only when the rules conform to the eligibility and selection criteria for the measure approved by the Monitoring Committee.

PRIORITY 1: HUMAN RESOURCE DEVELOPMENT

Measure 1.1: Educational System Supporting the Flexibility and Employability of the Labour Force and Providing Opportunities of Lifelong Learning for all (ESF)

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SPD Programme Complement

B. Criteria for Eligibility of Application

1. Operations of the project have to be completed by June 2008 the latest;
2. The division of the operations and relevant costs between partners involved is clearly stated and authorised;
3. Activities for information dissemination and publicity are stated in the project action plan;
4. The minimum amount of the project total cost is 300, 000 EEK.

C. Criteria for Ranking for Selection:

1. Content
 - 1.1. General measure-specific criteria (quality of preparatory work and evidence of need, compliance with objectives set in measure and regional strategy, project target group selection, realistic and obtainable aims and action plan, impact on the relevant area on the national level, impact on the labour market, etc.)
 - 1.2. Content related bonuses (supporting the development of information society and wide use of ICT; ensuring equal opportunities of socially disadvantaged groups for accessing education; co-operation and partnership between regions or between educational institutions, employers, state and public sector; synergy with other measures)
2. Value for money (25% of public financing, reasonable allocation of resources, transparency of budget, compliance of the budget to the activities, economically justified and rational budget, etc.)
3. Project management capacity (past experience of both organization and personnel; organization of management; co-operation with highly relevant partners, etc.)

The specific priority areas of development may be set by Ministry of Education and Research for calls of proposals.

Measure 1.2: Human Resource Development Increasing the Competitiveness of Enterprises (ESF)

Field of Operations: Grants to Retraining and Continuing Training

A. Criteria for Eligibility of Applicant

A company, sole proprietor or business association

B. Criteria for Eligibility of Application

Must include a training plan

C. Criteria for Ranking for Selection

1. Quality of the training project
2. Qualification of the trainer
3. Anticipated impact on the company's performance
4. Project's contribution to the achievement of strategic plans of the company
5. Export potential and technological level of the enterprise, creation of new jobs
6. Compliance with horizontal policies (promotion of gender equality, development of regions with high unemployment)

Field of Operations: Training Programme

Carried out by Enterprise Estonia according to annual action plans

Measure 1.3: Inclusive Labour Market (ESF)

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SPD Programme Complement

B. Criteria for Eligibility of Application

Total eligible cost of the project - euro 19,173 (300,000 kroons) or more

C. Criteria for Ranking for Selection

1. Relevance of the objectives of the project in terms of content and timing and correspondence to the objectives of the measure
2. Feasibility of project activities and their correspondence to the objectives of the project
3. Capacity and previous experience of the applicant and the partners to implement similar projects
4. Regional/national relevance of the project
5. Sustainability of the activities and results of the project
6. Relevance and reasoning of the budget
7. Innovativeness and the comprehensiveness of the approach to solve the problems of the target group
8. Impact on (local) employment situation (creating or safeguarding jobs)
9. Impact on local partnership and networking
10. Impact on gender equality
11. Impact on reintegration of the recently unemployed into the labour market
12. Impact on supporting the achievement of the objectives of other measures of Structural Funds

Measure 1.4: Enhancing Administrative Capacity (ESF)

Field of Operations: Centrally Managed Training

A. Criteria for Eligibility of Applicant

State Chancellery

B. Criteria for Eligibility of Application

Compliance with the annual action plan of the measure

C. Criteria for Ranking for Selection

None

Field of Operations: Development of the Centre of Public Service Training and Development (CPSTD) and the Public Service Academy (PSA)

A. Criteria for Eligibility of Applicant

Centre of Public Service Training and Development

Public Service Academy

B. Criteria for Eligibility of Application

1. Compliance with the annual action plan of the measure
2. Compliance with the strategic plan of the institution (CPSTD and PSA)
3. Language learning is not eligible
4. Training of the personnel of the support structure or academic staff teaching only students is not eligible

C. Criteria for Ranking for Selection

None

Field of Operations: Agency-Specific Management Training

A. Criteria for Eligibility of Applicant

Government agencies and constitutional institutions alone or with co-operation with other central or local government agencies

B. Criteria for Eligibility of Application

Compliance with the annual action plan of the measure

C. Criteria for Ranking for Selection

1. Goal orientation (incl. correspondence to organisational needs, etc)
2. Sustainability (incl. achievability of targets, long term impact, etc)
3. Content (incl. validity of needs, target group, training method, area of study, etc)
4. Co-operation (incl. co-operation within central and local level, regional impact; financially weaker local governments are preferred, etc)
5. Cost – effectiveness (value for money, etc)

Field of Operations: Internship Programme for Civil Servants

A. Criteria for Eligibility of Applicant

State and local government administrative agencies alone or in co-operation with other administrative agencies

B. Criteria for Eligibility of Application

1. Compliance with the annual action plan of the measure
2. Participants must have at least one year of work experience in the public sector

C. Criteria for Ranking for Selection

1. Goal orientation (incl. correspondence to organisational needs; correspondence to position needs, etc)
2. Sustainability (incl. achievability of targets, long term impact, etc)
3. Content (incl. validity of needs, relevance of acquired experience through the internship, area of study, relevance of partner organisation, etc)
4. Co-operation (incl. co-operation within central and local level, regional impact; financially weaker local government are preferred, etc)
5. Cost – effectiveness (value for money, etc)

PRIORITY 2: COMPETITIVENESS OF ENTERPRISES

Measure 2.1: Business Development (ERDF)

Field of Operations: Improvement of Access to Finance for Enterprises in Start-up Phase

A. Criteria for Eligibility of Applicant

1. Track record of less than one year
2. Less than 50 employees
3. Yearly net turnover up to 50 million EEK or balance sheet total up to 25 million EEK.

B. Criteria for Eligibility of Application

Must include a business plan with financial prognosis

C. Criteria for Ranking for Selection

1. Expertise of the applicant's management and employees
2. Competitiveness of the product or service
3. Market and competition analysis
4. Quality of the financial prognosis, financial sustainability
5. Job creation
6. Export potential and technological level of the enterprise

Field of Operations: Facilitating Use of Consultancy Services

A. Criteria for Eligibility of Applicant

SME or a business association

B. Criteria for Eligibility of Application

Must include a plan for consultation

C. Criteria for Ranking for Selection

1. Quality of the project
2. Qualification of the consultant
3. Anticipated impact on the company's performance
4. Capability of the applicant to achieve the results anticipated
5. Involvement and dedication of the management
6. Export potential and technological level of the enterprise, relation to improvement of using quality management systems and using domestic resources.

Field of Operations: Supporting Entrance to New Markets

A. Criteria for Eligibility of Applicant

1. A company or sole proprietor
2. Track record of one or more years
3. Export turnover of the applicant over a certain pre-established level

B. Criteria for Eligibility of Application

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

C. Criteria for Ranking for Selection

1. Effect of the project on export turnover of the company
2. Goals and activities of the company

3. Organisational skills of the company
4. Value added of the product/service
5. Financial capability of the company
6. Exporting experience of the company
7. Feasibility of the exporting plan, target market

Field of Operations: Increasing Awareness of, and Access to, Business Support Services

Carried out by Enterprise Estonia according to annual action plans.

Measure 2.2: Business Infrastructure Development (ERDF)

Field of Operation: Development of Physical Infrastructure

A. Criteria for Eligibility of Applicant

1. A sole proprietor or a company where local government or state owns less than 25% of the shares
2. A local government

B. Criteria for Eligibility of Application

Project should be implemented outside of Tallinn

C. Criteria for Ranking for Selection

1. Anticipated impact on the company's performance (incl: turnover, profit, etc)
2. Quality of the project
3. Budget (incl: value for money, justification of costs, etc)
4. Organisational skills of the company
5. Ability of the applicant to co-finance the project
6. Export potential and using of contemporary technology

Measure 2.3: Promotion of Research, Technology Development and Innovation (ERDF)

Field of Operations: Creation of New Knowledge (Research Centres of Excellence Programme)

Not presented

Field of Operations: Financing R&D and Product Development (Projects of Enterprises)

A. Criteria for Eligibility of Applicant

A company registered in Estonia

B. Criteria for Eligibility of Application

1. The project shall correspond to the objectives of the sub-measure and include technological and market risks (the risks related to the marketing of the products or services produced as the result of the project).
2. The project shall have an economic impact measured after the end of the project (incl. the increase in turnover rates (incl. export turnover) per year; jobs created or maintained, the transfer of knowledge and technology gained).
3. The rate of the assistance applied for, either in the form of a loan or support, must be optimal necessary to alleviate technological or market risks.

C. Criteria for Ranking for Selection

1. Product and technology (incl. competitive edge gained through applying the new technology, possibility to apply new technology in multiple production processes or enterprises, etc.)
2. Organisation and management (incl. knowledge, skills and experiences of the project team and leader, existence and extent of co-operation network, etc)

3. Market (incl. competitiveness of the product/service being developed – potential demand for product, competitive situation in the market segment, strategy to enter new markets, etc.)
4. Financing (incl. expected money flows, quality of financial planning, etc.)
5. Economic impact (incl. potential spillovers of knowledge and transfer of technology, number of jobs created or sustained, impact on environment, etc.)

Field of Operation: Financing R&D and Product Development (Projects of R&D Institutions)

A. Criteria for Eligibility of Applicant

A R&D institution registered in Estonia

B. Criteria for Eligibility of Application

1. The project shall correspond to the objectives of the sub-measure, be oriented to the implementation in business sector and include technological and market risks (the risks related to the marketing of the products or services produced as the result of the project).
2. The project shall have an economic impact measured after the end of the project (incl. the increase in turnover rates (incl. export turnover) per year; jobs created or maintained, the transfer of knowledge and technology gained).
3. The rate of the assistance applied for, either in the form of a loan or support, must be optimal necessary to alleviate technological or market risks.

C. Criteria for Ranking for Selection

1. Product and technology (incl. competitive edge gained through applying the new technology, possibility to apply new technology in multiple production processes or enterprises, etc.)
2. Organisation and management (incl. knowledge, skills and experiences of the project team and leader, existence and extent of co-operation network, etc)
3. Financing (incl. expected money flows, quality of financial planning, etc.)
4. Economic impact (incl. potential spillovers of knowledge and transfer of technology, number of jobs created or sustained, impact on environment, etc.)

Field of Operations: Financing R&D and Product Development (Feasibility Studies of R&D Projects)

A. Criteria for Eligibility of Applicant

A company or a R&D institution registered in Estonia

B. Criteria for Eligibility of Application

1. The project shall correspond to the objectives of the sub-measure, be oriented to the implementation in business sector and include technological and market risks (the risks related to the marketing of the products or services produced as the result of the project).
2. The project shall have an economic impact measured after the end of the project (incl. the increase in turnover rates (incl. export turnover) per year; jobs created or maintained, the transfer of knowledge and technology gained).
3. The rate of the assistance applied for, either in the form of a loan or support, must be optimal necessary to alleviate technological or market risks.

C. Criteria for Ranking for Selection

1. The definition of the problem, the objective and the action plan in the feasibility study
2. Knowledge, skills and experiences of the project team
3. Availability of the self-financing or co-financing required

Field of Operations: Strengthening the Innovation System (Spinno Programme)

A. Criteria for Eligibility of Applicant

A public or private R&D institution or a higher educational institution offering technical education (having engineering department); the institutions can also produce a joint application in which case the partners shall be other institutions that support the transfer of knowledge from R&D institutions and higher educational institutions as their objective specified in the articles of association.

B. Criteria for Eligibility of Application

Application should include the strategy for transfer of knowledge and skills, in case of joint applications every partner must present the strategy (or, alternatively an action plan).

C. Criteria for Ranking for Selection

1. The outcome of the project (the implementation of the project shall widen the scope of and add value to activities related to the transfer of applicant's knowledge and technology (organising business related trainings for the staff, benefitting from the co-operation with enterprises, application of intellectual property);
2. The quality of the project (incl. the relevance of the project to the applicant's organisation, correspondence to the objectives and activities of the sub-measure, the consistency and coherence of the action plan, the definition of the objectives, organisation of the progress monitoring, the clarity in division of tasks, the coherence between the selected activities and the objectives to be realised);
3. The sustainability of the project (incl. the adequate level of self-financing and sustainability of the financing plan after the end of the project, the expected impact of the proposed activities, policies and designed structural changes on the organisational culture of the applicant as well as on the creation of incentives for the transfer of knowledge and technology);
4. The ability of applicant to reach the targets established (incl. the applicant's performance in the field of transferring knowledge and technology so far, the relation of the organisation's management with the project, the competencies and experience of the project leader, the presence and quality of the action plan for enhancing the skills of the project team, the practice of risk identification and management);
5. The ratio between costs and net gain (incl. the adequacy and transparency of the costs structure, the ability to ensure financing additional to required level of self-financing, the correspondence of the expected results and impacts of the project to the volumes fixed in the financial plan of the application).

Field of Operations: Increasing Awareness and Knowledge about Innovation

Carried out by Enterprise Estonia according to annual action plans.

Field of Operations: Competence Centers Programme

A. Criteria for Eligibility of Applicant

An applicant shall be an existing Competence Center (registered in Estonia as a legal body)

B. Criteria for Eligibility of Application

The requirements for the applications and the eligibility criteria will be laid down in the regulation by the Minister of Economic Affairs and Communications in accordance with the Structural Aid Act § 16.

C. Criteria for Ranking for Selection

1. The Partners of the Competence Centers:
 - The reference to existing joint interests between partners regarding the R&D;
 - The correspondence of the plan for reasearch to the strategies developed by the partners;
 - The action plans of the partners for the implementation of the expected results of the research work;
 - The partners' ability to implement the plan for reasearch and the results thereof.
2. A Plan for Research

The partners' level of knowledge about the research carried out on the international level in the particular fields defined in the plan;

The scientific novelty and innovativeness of the research activities described in the plan;

The consistency of the R&D projects described in the plan;

The quality of the plan in terms of clarity, details and balance.

3. Human Resource Development

The planned level of qualification of the general manager and the managers of the strategic development areas of the Competence Center;

Level of involvement of the staff of the partners into the planning and implementation of the research for the Competence Center;

Level of involvement of doctors and masters into the implementation of research work for the Competence Center;

The self-development plans for the personnel of the Competence Center.

4. Management and Sustainability

Active involvement of partners into the management of the Competence Center;

Fair treatment of all the partners of the Competence Center;

The existence of the strategy for protecting and using the intellectual property of the Competence Center;

The existence of the strategy for maintaining the sustainability of the Competence Center.

5. Financial planning

The correspondence of resources planned to the expected results of the plan;

The clarity, relevance and transparency of the budget.

Field of Operations: R&D Infrastructure Development Programme

A. Criteria for Eligibility of Applicant

2. An applicant shall be a R&D institution registered in Estonia. In case different R&D institutions aim to implement a project, a joint application shall be submitted.

3. Evaluation must have been carried out for the respective institutions in the areas and/or units they apply for. For all the areas and units the results of the evaluation must be at least on the grade "Good". If the evaluation has resulted in lower grade, the applicant must show separately the development potential of this area.

3. Applicants that do not have direct obligation of offering higher education, must demonstrate their connection with the institutions that have this function. All applicants must show the involvement of post-graduate students.

B. Criteria for Eligibility of Application

1. Applications will be presented in a two-phase procedure. First phase will be open for all eligible applicants. Initial application proposals will be evaluated and applicants fulfilling eligibility criteria will be invited to the second phase of competition.

2. An application shall include financial and economic projections, the R&D strategy of the applicant, domain-specific R&D programmes, institution's R&D evaluation report and other relevant documents, such as technical plans, procurement documents, etc.

C. Criteria for Ranking for Selection

1. Quality of the R&D strategy (incl. project's impact on achieving applicant's R&D objectives, quality of strategic planning, contents and level of the resulting co-operation projects, etc.)

2. Applicant's scientific and technological competence;

3. Impact of the project on the development of higher education and innovation (incl. projected number of post-graduate and doctoral students, etc.)
4. Financial and economic criteria (incl. feasibility of the project etc.)
5. Impact on R&D co-operation (incl. interactions with R&D framework programme, possibility to use the infrastructure by multiple R&D institutions and for multidisciplinary research)

Measure 2.4: Tourism Development (ERDF)

Field of Operations: Product Development and Marketing Support for Enterprises

A. Criteria for Eligibility of Applicant

1. A business operator registered in Estonia
2. Central and local government institutions should not own more than 25% of the stock of the applicant company

B. Criteria for Eligibility of Application

The application shall comply with the objectives of the measure, the National Tourism Development plan for 2002-2005 and meet the requirements laid down in the regulation by the Minister of Economic Affairs and Communications. The application shall include a business plan, a detailed description of the project, the project budget and other necessary data.

C. Criteria for Ranking for Selection

1. Project's impact on the competitiveness of the company (incl: impact on turnover of the applicant, employment, impact on other enterprises in the area (synergy), etc)
2. Clarity of objectives, activities and budget
3. Capacity of the applicant to implement the project (incl: availability of resources, knowledge, skills and experiences of the project team, etc)
4. International competitiveness of the product/service being developed (incl. market situation (demand, competition), innovation in project conception, ability to prolong Estonian tourism season, value added, sustainable use of environmental resources, etc.)
5. Financial sustainability of the project (incl. financial situation of the applicant, expected money flows; available self-financing, etc.)
6. Risk analysis of the project;
7. Target market and marketing activities (incl. availability and quality of marketing strategy, etc.)

Field of Operations: Central Government Tourism Investment Projects

C. A Criteria for Selection of Projects for the List of Public Investments

1. Compliance with the National Tourism Development plan for 2002 – 2005
2. Impact on tourism industry (incl: estimated number of visitors, impact on regional tourism clusters (synergy), impact on environment, etc)
3. Number of jobs created (incl. jobs created indirectly due to increased number of visitors in the region, etc.)
4. Clarity of objectives, activities and budget
5. Competitiveness of the product/service being developed (incl. market situation (demand, competition), value added, etc.)
6. Capacity of the applicant to implement the project (incl: availability of resources, knowledge, skills and experiences of the project team, etc)
7. Financial sustainability of the project (existence of the business plan that shows future sources for maintaining the investment, etc.)

8. Risk analysis of the project;
9. Target market and marketing activities (incl. availability and quality of marketing strategy, etc.)

A. Criteria for Eligibility of Applicant

A Ministry

B. Criteria for Eligibility of Application

The project is in accordance with the investment list approved by the Government

Field of Operations: Implementation of the Destination Marketing Programme

Carried out by Enterprise Estonia according to annual action plans

PRIORITY 3: AGRICULTURE, FISHERIES AND RURAL DEVELOPMENT

Measure 3.1: Investment into Agricultural Holdings (EAGGF)

A. Criteria for Eligibility of Applicant

1. Economic viability (incl. actual financial performance indicators and a feasible business plan)
2. Appropriate professional skill and competence (education or professional record)
3. For milk equipment applicants – milk quota
4. Production of the applicant must comply with minimum standards regarding the environment, hygiene, veterinary and animal welfare. Non-compliance with this criterion can be compensated by criterion B1.

B. Criteria for Eligibility of Application

1. When the applicant does not follow the minimum standards, the project must ensure achieving of those standards after implementation of the project, for which the investment aid is applied.

C. Criteria for Ranking for Selection

None. All eligible applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Measure 3.2: Investment Support for Improving Processing and Marketing of Agricultural Products

A. Criteria for Eligibility of Applicant

1. Economic viability of the applicant during at least five years following the investment;
2. The enterprise processes raw material that originates from EU countries and is listed in Annex I to the Treaty;
3. Applicant will continue with economic activities stated in the business plan for at least five years following the investment;
4. Applicant complies with the minimum hygienic, environmental and animal welfare standards or will comply with those standards after the investment.

Criteria for Eligibility of Application

1. As a result of the investment, the quality of the commodities or their competitiveness or the possibility for marketing will improve;
2. As a result of the investment, the economic conditions of the applicant will improve and allow him/her to continue with the same economic activity for at least five years;
3. As a result of the investment, the economic situation of agricultural producers whose products are being processed, will improve;
4. The investment is technically feasible and practical and makes it possible to follow the EU norms and standards;
5. Following investments are not eligible:

- 5.1. Investments at the retail level.
- 5.2. Investments in processing and marketing of the products from third countries.
- 5.3. Investments in increasing the processing capacity at sector level for products without normal market outlet.

Criteria for Ranking for Selection

1. Financial indicators (incl. net profit to net turnover, debt to equity ratio, net turnover per employee, etc);
2. Type of investment (incl. construction or reconstruction, product development, environmental investment, etc).

Measure 3.3: Diversification of Economic Activities in Rural Areas (EAGGF)

A. Criteria for Eligibility of Applicant

1. Small-sized enterprises
2. Independence of the enterprise (not more than 25 % of the capital or the voting rights are owned by one enterprise, or jointly by several enterprises, falling outside the definitions of an SME or a small enterprise)
3. The applicant must have operated more than 1 year
4. Economic viability (incl. actual financial performance indicators and a feasible business plan for the next five years)

B. Criteria for Eligibility of Application

1. Projects must maintain the same employment (in case of an agricultural producer who starts with non-agricultural entrepreneurship or entrepreneur who diversifies) or create at least one job
2. Investment object must meet all the environmental and nature protection requirements
3. In case of establishment or expansion in food processing activities (outside Annex 1 products), all the planned buildings, constructions and technological processes must meet corresponding requirements

C. Criteria for Ranking for Selection

None. All eligible applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Measure 3.4: Integrated Land Improvement (EAGGF)

Not submitted

Measure 3.5: Renovation and Development of Villages (EAGGF)

A. Criteria for Eligibility of Applicant

1. A non-profit organisation or entrepreneur operating on the territory of the village, town or small town;
2. If the applicant is an entrepreneur, he/she must take an obligation to keep a separate account for revenues and expenditures of the planned investment object and related activities during at least five fiscal years following the investment to determine the revenue gained from the investment.

B. Criteria for Eligibility of Application

1. The planned activities must be coherent with development plan of village or/and development plan of local municipality;
2. The planned investment object is located on the territory of the village; town or small town.
3. The investment object is the property of the beneficiary or is used by the beneficiary on the legal basis for at least five fiscal or financial years following the investment;
4. If the planned investment object is a building, there is a valid building permit;
5. If the planned investment object is a park, there is a corresponding greenery project;

6. The planned investment has not been financed from other programs or funds financed by the national or European Union means;
7. In case the non-profit association has been established for a specified term, it must not be less than five fiscal years following the investment;
8. If the investment object is related to the waterside, boat bridges or other activities related to water body or in its immediate vicinity the investment must not cause significant environmental impact;
9. During at least five years following the planned investment the investment object will be used for intended purpose, including the use of the investment object according to the agreement of public use signed with the rural municipality government.

C. Criteria for Ranking for Selection

1. Conformity to the objectives of the measure: (increases the quality of life of the area; increases the development potential of the area; increases the local initiative; economic viability and effectiveness, etc.)
2. Conformity of the investment object with the development needs of the respective village or villages: (the use of the development potential of the local area; suitability of the planned investment object; etc.)

Measure 3.6: Local Initiative based Development Projects – LEADER (EAGGF)

Not submitted

Measure 3.7: Forestry (EAGGF)

Not submitted

Measure 3.8: Support for Setting up and Provision of Farm Advisory and Extension Services (EAGGF)

Field of Operations: Setting up Farm Advisory Service System (Applying for the Status of a Farm Advisory Centre, Start-up Aid)

Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

B. Criteria for Eligibility of Application

1. Signed contracts with attested agricultural advisors in the main fields of farm advisory services
2. Development plan for next 5 years
3. Presence of office space furnished with office equipment (incl. internet access, phone, fax)

C. Criteria for Ranking for Selection

1. Number of attested agricultural advisors
2. Professional experience of advisors (number of previously concluded advisory contracts)
3. The level of technical means (B 3) for serving clients

Field of Operations: Individual Advisory Service

Criteria for Eligibility of Applicant

Approved farm advisory centre

B. Criteria for Eligibility of Application

1. Attested agricultural advisors must provide advisory service
2. Provided advisory services must be in accordance with the detailed terms and conditions set by lower legislation (ministerial degree)



C. Criteria for Ranking for Selection

None. All approved applications will be funded. If requests exceed available funds, approved applications will be funded in the order in which they are received.

Field of Operations: Information Seminars and Group Advisory Events (Nation-wide Events, Initiative Comes from State)

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

B. Criteria for Eligibility of Application:

Staying within the boundaries set by a special committee under the Ministry of Agriculture

C. Criteria for Ranking for Selection

1. Cost-effectiveness of the project
2. Professional experience and competence of event organisers
3. The level of technical means necessary for organising such events

Field of Operations: Information Seminars and Group Advisory Events (Local Events, Initiative Comes from Target Groups)

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

B. Criteria for Eligibility of Application

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

C. Criteria for Ranking for Selection

1. Cost-effectiveness of the project
2. Relevance to the local needs
3. Compliance with regional strategy
4. Professional experience and competence of event organisers

Measure 3.9: Regulation of the Fishing Capacity of the Fishing Fleet (FIFG)

Not submitted

Measure 3.10: Modernisation and Renewal of the Fishing Fleet (FIFG)

A. Criteria for Eligibility of Applicant

The applicant must be involved in professional maritime fisheries

B. Criteria for Eligibility of Application

1. Public aid for fleet renewal is eligible until 31 December 2004.
2. Public aid for renewal of vessels may be granted only for vessels under 400 GT.
3. Vessels must be built to comply with the Regulations and Directives governing hygiene, safety, health, product quality and working conditions and the Community provisions concerning the measurement of vessels and the monitoring of fishing activities
4. Investments should relate to:
 - (a) rationalisation of fishing operations, in particular by the use of more selective fishing technologies and methods on board in order to avoid undesirable by-catches, and/or



(b) improvement of the quality of products caught and preserved on board, the use of better fishing and preserving techniques and the implementation of legal and regulatory provisions regarding health, and/or

(c) improvement of working and safety conditions.

5. Vessel applying for modernisation support must be at least 5 years old and must be registered in the Fishing Vessel Register.

C. Criteria for Ranking for Selection

None. All approved applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Measure 3.11: Investment Support Measures for Fisheries Production Chain (FIFG)

Sub-measure 3.11.1: Investment Support for Processing of Fish and Aquaculture Products

A. Criteria for Eligibility of Applicant

The applicant must be recognized by the Food and Veterinary Board

B. Criteria for Eligibility of Application

1. Investment must be directed to production of fishery and aquaculture products intended to be used and processed for human consumption, with the exception of investments exclusively for the treatment, processing and marketing of fishery and aquaculture product wastes.

2. Investments to retail trade are not eligible.

C. Criteria for Ranking for Selection

Point system, based on the economic indicators

Sub-measure 3.11.2: Investment Support for Aquaculture

A. Criteria for Eligibility of Applicant

The applicant must have sufficient knowledge of aquaculture

B. Criteria for Eligibility of Application

Investments for restocking are not eligible.

C. Criteria for Ranking for Selection

None. All approved applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Sub-measure 3.11.3: Modernization of Fishing Ports

A. Criteria for Eligibility of Applicant

The applicant must be the owner or operator of the port or a part of the port that is registered in the National Port Register

B. Criteria for Eligibility of Application

Investments must be directed to the port or a part of the port, which is exclusively used for fisheries

C. Criteria for Ranking for Selection

Ranking system. The Fisheries Committee, taking into account regional and economic indicators, the track record of landings, etc, will prioritise the projects.

Sub-measure 3.11.4: Investment support for Inland Fisheries

A. Criteria for Eligibility of Applicant

The applicant must be involved in professional inland fisheries



B. Criteria for Eligibility of Application

Investments shall not be eligible for assistance if they are likely to jeopardize the balance between the fleet size and the available fish resources

C. Criteria for Ranking for Selection

None. All approved applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Measure 3.12: Other Fisheries Related Measures (FIFG)

Sub-measure 3.12.1: Social Measures Accompanying the Restructuring of the Fisheries Sector

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

B. Criteria for Eligibility of Application

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

C. Criteria for Ranking for Selection

None. All approved applications will be funded. If amounts included in applications exceed available funds, approved applications will be funded in the order in which they are received.

Sub-measure 3.12.2: Promotion of New Market Outlets

A. Criteria for Eligibility of Applicant

The applicant must be a non-profit fisheries organization, recognized producer organisation or governmental institution

B. Criteria for Eligibility of Application

The projects must not be based around commercial brands nor make reference to particular countries or a geographic zone, except in specific cases where official recognition of origin with reference to a specified geographical zone for a product or process is granted pursuant to Regulation (EEC) No 2081/92 of 14 July 1992.

C. Criteria for Ranking for Selection

Point system. The Fisheries Committee, taking into account the potential of the markets and products, etc, will prioritise the projects.

PRIORITY 4: INFRASTRUCTURE AND LOCAL DEVELOPMENT

Measure 4.1: Development of Transport Infrastructure (ERDF)

A. Criteria for Selection of Projects for the List of Public Investments

1. Compliance with national transport policy (priorities in transport development plan)
2. Regional and social-economic importance (balanced development between different modes of transport)
3. Improvement of access to regional centres
4. Improvement of connections with TEN-T network
5. Improvement of traffic safety or environmental situation

B. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

C. Criteria for Eligibility of Application

1. Compliance with the investment list approved by the Government

2. No conveyance to private sector must be foreseen and projects must be directly connected with the state functions
3. Objects of common property of the state and a private owner will be supported in the part of state ownership on the condition that the private owner finances his relative share of the total project cost

Road projects must be in compliance with the "Long-Term Road Maintenance Plan for Years 2002-2010"

Measure 4.2: Development of Environmental Infrastructure (ERDF)

A. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

B. A. Criteria for Eligibility of Application

2. A single grant applied for must be at least euro 12,782 and no more than euro 319,558 (200,000 – 5,000,000 kroons)

C. Criteria for Ranking for Selection

C.1 General evaluation criteria

1. Compliance with a local government development plan
2. Availability of co-financiers
3. Partnership between public and private sector
4. Project impact on fulfilment of measure objectives
5. Project sustainability

C.2. Criteria for water protection and use projects

1. Water bodies in public use shall be supported (according to the regulation of the Government of the Republic No 191 of 18 July 1996 that identifies the list of the water bodies)
3. A potential hazard for ground water
4. A potential hazard for surface water
5. Pollution reduction
6. A potential hazard for human health

C.3. Criteria for renewable energy projects

1. The reduced level of air pollutants (t/y) (sulphur dioxide, nitrogen oxides, particulates, carbon dioxide, carbon monoxide)
2. Calculated annual output of equipment connected to the grid
3. The objective of the project

C.4. Criteria for waste management projects

1. Compliance with a waste management plan (whether local municipality's plan, county's plan or national plan)
2. The impact to human health and the environment (realistic findings according to a research)
3. Landfill closure; reduction of the volume of non-hazardous waste; promotion of waste recovery
4. A joint project implemented by several local municipalities

C.5. Criteria for biological and landscape diversity projects

1. Organising the protection of Natura 2000 areas

2. Safeguarding a favourable nature conservation status for species and habitats (species and habitats given priority under the EU LIFE Nature; species and habitats protected EU-wide; species and habitats protected in Estonia)
3. The existence of management plan for protecting a given area or species
4. Sustainability in the conservation of the status of the revitalised habitats

Measure 4.3: Modernisation of Infrastructure for Vocational and Higher Education (ERDF)

A. Criteria for Selection of Projects for the List of Public Investments

1. Location in the county / region centre (easy access to infrastructure)
2. Local impact (project is important for sustainable development of region's / county's labour-market)
3. Number of potential beneficiaries
4. Development plan (applicant has its own development plan approved)
5. Past experience (successful participation in PHARE and Leonardo programmes)
6. Project management capacity (organization of management, project manager (-s) is hired, preferably with competence in fields of building, project management, management, economy, etc.)
7. Accomplishment of the project by December 2006
8. Risk analysis (sustainability of the project, realism of targets, environmental effects, etc.).

B. Criteria for Eligibility of Applicant

1. The applicant has to be the owner of the infrastructure
2. The applicant is not applying for support from any other fund for the same activities that are described in application for the Structural Aid

C. Criteria for Eligibility of Application

1. The project is in accordance with the investment list approved by the Government
2. The project helps to improve the quality of vocational education up to internationally comparable level, taking into consideration the needs of employers;
3. The project supports the development of multifunctional vocational training centres;
4. The project supports the development of region-specific and priority-trade-specific curricula through creation of necessary study environment;
5. The project improves the co-operation and partnership on local level and is aimed to foster the educational system;
6. The project is developed in order to increase the social inclusion, specially aimed at the youth;
7. The project helps to promote new technologies and wide use of ICT with regards to the concept of life- long learning (including Internet-based learning and free access to information) and information society.

Measure 4.4: Reorganisation of Hospital Network (ERDF)

A. Criteria for Selection of Projects for the List of Public Investments

1. National and regional relevance (incl number of people to be serviced)
2. Urgency of the project (incl medical and economic aspects, technical condition and functional suitability of existing facilities)
3. Social and economic impact of the project (incl macro and micro level effects, quality and accessibility of health care services, economic efficiency, cost-effectiveness)

4. Project management capacity (self-financing capacity, economic sustainability, organization of project management)

B. Criteria for Eligibility of Applicant

1. The applicant is an operator for a hospital that is specified in the Hospital Network Development Plan
2. The applicant has an individual development plan of the hospital concerned that is approved by the Minister of Social Affairs

C. Criteria for Eligibility of Application

1. The project is in accordance with the individual development plan of the hospital

Measure 4.5: Information Society Development (ERDF)

A. Criteria for Selection of Projects for the List of Public Investments

1. Projects must be in line with the priorities defined in the "Information Policy Principles" and "eEurope2005 Action Plan"
2. Projects should preferably involve multiple public sector institutions
3. Projects should be interoperable with other government/private services
4. Projects should be directed to general public, not for the internal use of the applicant organisation
5. Projects must have clear objectives, activities and budget
6. Sustainability of the project (existence of the plan that shows future sources for maintaining the investment, etc.)
7. Risk analysis of the project

B. Criteria for Eligibility of Applicant

No measure specific criteria, additional to those already mentioned in the SDP Programme Complement

C. Criteria for Eligibility of Application

The project shall be in accordance with the investment list approved by the Government.

Measure 4.6: Local Socio-economic Development (ERDF)

Field of Operations: Investments to Education and Social Infrastructure for Employment, Local Transport Infrastructure and Municipal Technical Infrastructure

A. Criteria for Selection of Projects for the List of Public Investments

1. Relationship or linkage to other measure(s) of SPD and/or following to maximum possible integrated approach and/or wider regional impact (joint projects of municipalities or benefit for many municipalities)
2. Coherence with local and/or regional and/or sectoral development strategies or plans
3. Impact in accordance with the objectives of the measure
4. Viability (sustainability) of the project results
5. Additionality and suitability to the existing infrastructure network
6. Cost of investment per inhabitant directly benefiting from the project
7. Linkage and additionality to projects supported by relevant state investment grant schemes (applied in case of education and social infrastructure for employment)
8. Relationship or linkage to parallel project(s) supported by ESF (applied in case of social infrastructure for employment)
9. Contribution towards improvement of regional transportation links (applied in case of local transport infrastructure)

10. Direct energy conservation or economic efficiency for customers (applied in case of municipal technical infrastructure)

A. Criteria for Eligibility of Applicant

1. The applicant is the owner (or one of those) of the infrastructure object concerned
2. The development plan foreseen by the law and which justifies the project is updated and comprehensive (applied in case of municipalities)
3. The fields of activities of the applicant correspond to eligible operations and its ability to manage the project is proved (applied in case of foundations and non-governmental organisations)

B. Criteria for Eligibility of Application

1. The project is in accordance with the investment list approved by the Government
2. Technical readiness for implementation

Field of Operations: Support to Local Tourism and Recreation and Preparing the Re-use of Old Military and Industrial Estates and Sites

A. Criteria for Eligibility of Applicant

1. The fields of activities of the applicant correspond to eligible operations (in case of NGOs)
2. The development plan foreseen by the law and which justifies the project is updated and comprehensive (applied in case of municipalities)

B. Criteria for Eligibility of Application

Technical readiness for implementation

C. Criteria for Ranking for Selection

1. Relationship or linkage to other measure(s) of SPD and/or following to maximum possible integrated approach and/or wider regional impact (joint projects of municipalities or benefit for many municipalities)
2. Coherence with local and/or regional and/or sectoral development strategies or plans
3. Impact in accordance with the objectives of the measure
4. Viability (sustainability) of the project results
5. Quality of the preparation of the project and its performability
6. Quality of the budget
7. Previous experience of the applicant and its ability to realise the project
8. Contribution to additional utilisation of existing infrastructure, natural and cultural heritage and expertise
9. Environmental impact
10. Additional regional impacts (promoting of innovativeness and networking, social inclusion, etc)



FOOTNOTES

- ¹ According to the rural development plan, the following accompanying measures are applicable:
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- support for meeting EU-standards,

 - agro-environmental support,

 - support to farms in less-favoured areas,

 - support for the afforestation of agricultural land,

 - support for the adaptation of semi-subsistence farms.
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- ² In this document, the internal market of EU is also considered an export market
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- ³ Less-favoured areas and areas with environmental restrictions as defined in Estonian Rural Development Plan 2004-2006 according to Chapter V in Council Regulation 1257/1999
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- ⁴ This list will correspond to that in SPD after the modifications with corrigendum have come into force after 1st of May 2004.
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- ⁵ The publicly accessible website offers the possibility of an electronic intake with an official electronic form to start the procedure to obtain this service. This implies that there must be a form of authentication of the person (physical or legal) requesting the services.
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- ⁶ The publicly accessible website offers the possibility to completely treat the public service via the website, including decision and delivery. No other formal procedure is necessary for the applicant via "paperwork".
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