

# European Union Structural Funds and Priority 2 “Competitiveness of Enterprises” of the Estonian National Development Plan



As a member state of the European Union (EU), Estonia will have the opportunity to participate in the regional policy of the Community and to receive financial assistance from the EU budget. The principles of EU Structural Funds assistance and its use and application procedures are described in “The Estonian National Development Plan for the Implementation of Structural Funds – Single Programming Document 2004–2006” (SPD). SPD is the basis for cooperation between Estonia and the EU in enhancing social and economic development.

According to the needs of Estonian economy, four priority areas have been chosen for Estonia:

- Human resource development
- Competitiveness of enterprises
- Agriculture, fisheries and rural development;
- Infrastructure and local development

Priorities are divided into measures. Each project funded from the EU Structural Funds must comply with the SPD and the specific application requirements developed for the conditions of the respective measure by the Implementing Agency responsible for the measure. In addition, projects must comply with all the basic criteria listed below:

- The project has to comply with the SPD strategy and the objectives of the measure and priority under which funding is applied for;
- The project has to be relevant and up-to-date – meeting research results, development plans or clearly proved needs;
- The project must be economically efficient and effective;
- The project must be sustainable, creating a permanent or long-term added value;
- The applicant must be able to implement the project.

This brochure focuses on Priority 2 of the SPD - “Competitiveness of Enterprises”. The brochure will help to find answers to such general questions as the objectives of the Priority, eligible applicants, supported activities and costs, etc.

Please note that the brochure does not list precise conditions for applicants and applications or deadlines for submission of applications. Rather, it contains a description of general guidelines to explain the objectives of the given Priority, the general application conditions and activities that may be potentially supported.

For more information about specific application submission conditions please refer to the Implementing Authority, the Ministry of Economy and Communications, or Implementing Agency, Enterprise Estonia, of each measure. County development centres can assist and advise in project drafting. The list of county centres is given in Annex 1 of the brochure.

## Priority 2 of the Estonian National Development Plan “Competitiveness of Enterprises”

The overall aim of the Priority “Competitiveness of Enterprises” is to enhance the competitiveness of enterprises and increase employment. Under this Priority, attempts are made to use the emerging market opportunities, modernise production through new technologies developed all over the world and to use the natural environment and cultural heritage better as a business opportunity. Establishment and development of small and medium-sized enterprises is especially promoted in order to increase employment and enhance regional development.

In 2004–2006, the assistance under this Priority will be focused at:

- Enterprise development (start-up aid, counselling, aid for export plans);
- Supporting enterprise infrastructure;
- Promotion of research and technology development and innovation (development of cooperation between research institutions and businesses, supporting applied research, rapid expansion of product and technology development, supporting quality promotion to raise the competitiveness of products and services, developing innovation awareness);
- Support for tourism development.

Environmental protection and regional development objectives have an important role in the implementation of this Priority.

“Competitiveness of Enterprises” Priority is implemented together with the “Human Resource Development” Priority (Priority 1) that ensures preparation of labour for enterprises, training of entrepreneurs, further training for the staff of enterprises and retraining for unemployed.

The SPD Priority “Competitiveness of Enterprises will be co-funded from the European Regional Development Fund (ERDF). During the funding period 2004–2006, 97 million euros will be allocated under this Priority, of which the co-funding of the ERDF will amount to 73 million euros and the Estonian match funding to 24 million euros.

## Measure 2.1: Business development

### Objectives of the Measure

- Improve the prospect of formation, survival and growth of small and medium-sized enterprises 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.

### Supported activities

- Improvement of access to finance for enterprises in start-up phase;
- Facilitating use of consultancy services;
- Supporting entrance to new markets;
- Increasing awareness of, and access to business related information, including business support services.

### Applications may be submitted by:

- Enterprises, especially small and medium-sized enterprises;
- Potential entrepreneurs;
- Associations of enterprises;
- Non-profit organisations providing support services to enterprises, including county business development centres.

### Financial plan 2004–2006

During the funding period 2004–2006, 14 million euros will be allocated under this Measure, of which the co-funding of ERDF will amount to 10,5 million euros and the Estonian match funding to 3,5 million euros.

### Application procedure

Applications are received and processed at Enterprise Estonia offices in Tallinn, Tartu and Jõhvi.

Enterprise Estonia Tallinn office:  
Liivalaia 13/15,  
10118 Tallinn  
Tel.: +372 627 9400  
E-mail: eas@eas.ee

These conditions were elaborated by the Implementing Authority for this Measure, the Ministry of Economy and Communications:

Tel.: +372 625 6376  
E-mail: struktuurifondid@mkm.ee

## Measure 2.2: Business Infrastructure Development

### Objectives of the Measure

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

### Supported activities

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

### Applications may be submitted by:

- Enterprises, especially small and medium-sized enterprises;
- Non-profit organisations providing support services to enterprises, including county business development centres;
- Local government units.

### Financial Plan 2004-2006

During the funding period 2004–2006, 12,9 million euros will be allocated under this Measure, of which the co-funding of ERDF will amount to 9,6 million euros and the Estonian match funding to 3,2 million euros.

### Application procedure

Applications are received and processed at Enterprise Estonia offices in Tallinn, Tartu and Jõhvi.

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## Measure 2.3: Promotion of Research, Technology Development and Innovation

### Objectives of the measure

- 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.

### Supported activities

- Creation of new knowledge;
- Financing RTD and innovation;
- Strengthening the innovation system;
- Increasing awareness and knowledge about innovation.

### Applications may be submitted by:

- Enterprises;
- Innovation support organisations, incl. foundations;
- R&D institutions and higher educational institutions.

### Financial Plan 2004–2006

During the funding period 2004-2006, 51,6 million euros will be allocated under this Measure, of which the co-funding of ERDF will amount to 38,7 million euros and the Estonian match funding to 12,9 million euros.

### Application procedure

Applications are received and processed at Enterprise Estonia offices in Tallinn, Tartu and Jõhvi.

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Liivalaia 13/15,  
10118 Tallinn  
Tel.: +372 627 9400  
E-mail: eas@eas.ee

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## Measure 2.4: Tourism Development

### Objectives of the Measure

- Increasing international awareness of Estonia and its tourism product;
- Diversifying and improving the attractiveness and quality of tourism services available in Estonia;
- Making Estonian tourism services easily available in export markets and developing marketing opportunities for tourism products.

### Supported activities

- Investments in priority tourism products for international markets in compliance with the National Tourist Development Plan
- Marketing activities of businesses focused on international destination markets;
- Investments to tourism sites owned by the Central Government;
- Implementation of the Destination Marketing Programme by Enterprise Estonia.

### Applications may be submitted by:

- Enterprises;
- Ministries, in case of Central Government projects;
- Enterprise Estonia, in case of the Destination Marketing Programme.

### Financial Plan 2004–2006

During the funding period 2004–2006, 18,9 million euros will be allocated under this Measure, of which the co-funding of ERDF will amount to 14,2 million euros and the Estonian match funding to 4,7 million euros.

### Application procedure

Applications are received and processed at Enterprise Estonia offices in Tallinn, Tartu and Jõhvi. Enterprise Estonia Tallinn office:

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10118 Tallinn  
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E-mail: eas@eas.ee

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E-mail: struktuurifondid@mkm.ee

## Contacts of Regional Development Centres:

### **Tartu Business Advisory Services**

Küüni 5, TARTU  
 Tel.: +372 742 8402; +372 51 62 945  
 Fax: +372 742 8491  
 Manager: Piret Arusaar  
 E-mail: bas@tartu.bas.ee

### **Saaremaa Business Development Foundation**

Kitsas 3, 93814 KURESSAARE  
 Tel.: +372 453 3224  
 Fax: +372 453 3064  
 Manager: Villu Vatsfeld  
 E-mail: villu@saare.ee

### **Valgamaa Business Information Center**

Kesk 11, 68203 VALGA  
 Tel.: +372 767 9800; +372 522 9570  
 Fax: +372 767 9801  
 Manager: Anu Metsar  
 E-mail: valgaevk@hotmail.ee

### **Harju Economic Development Center**

Laki 9a, 10621 Tallinn  
 Tel.: +372 650 7975; +372 517 6181  
 Fax: +372 650 7976  
 Manager: Annela Orasi  
 E-mail: hedc@hedc.ee

### **Viljandimaa Development Center**

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 Fax: +372 433 4146  
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 E-mail: save@viljandimaa.ee

### **Business and Development Centre**

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 Tel.: +372 443 1269; +372 443 1204;  
 Fax: +372 443 1298  
 Manager: Lehar Kütt  
 E-mail: keskus@parnumaa.ee

### **Tuuru Foundation**

Vabrikuväljak 1, 92411 KÄRDLA  
 Tel.: +372 462 2802  
 Fax: +372 463 2100  
 Manager: Aivi Telvik  
 E-mail: aivi@tuuru.edu.ee

### **Läänemaa Development Center**

Kalda 4, 90503 HAAPSALU  
 Tel.: +372 473 5538  
 Fax: +372 474 4372  
 Manager: Neeme Suur  
 E-mail: info@lak.ee

### **Rapla County Development and Enterprise Centre**

Tallinna mnt 14, 79513 RAPLA  
 Tel.: +372 489 4121; +372 506 3705  
 Fax: +372 489 4122  
 Manager: Janek Kadarik  
 E-mail: aek@raek.ee

### **Järvamaa Development Center**

Rüütli 25, 72713 PAIDE  
 Tel.: +372 385 2365;  
 Fax: +372 385 2365  
 Manager: Üllar Vahtramäe  
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**Development Agency of Võru**

Jüri 12, 65605 VÕRU

Tel.: +372 786 8367; +372 521 6930

Fax: +372 786 8367

Manager: Tiit Toots

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**Jõgevamaa Business and  
Development Center**

Aia 2, 48306 JÕGEVA

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Fax: +372 776 8061

Manager: Toomas Pajula

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**Põlvamaa Development Center**

Kesk 20, 63308 PÕLVA

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Fax: +372 799 8938

Manager: Ain Jõesalu

E-mail: ainjs@hotmail.ee

**Lääne-Viru Development Center**

Kreutzwaldi 5a, 44314 RAKVERE

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Fax: +372 322 4712

Manager: Erika Pääbus

E-mail: erika.paabus@l-virumv.ee

**Ida-Viru Enterprise Centre**

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