

ARIB Yearbook
2000-2005

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Chronology of ARIB

31 March 1998	Estonia started accession negotiations with the EU
Spring 1998	ARIB's predecessor paid out first unit-based aid (support for dairy cow breeding) in Estonia
21 June 1999	Council regulation concerning SAPARD (1268/99)
27 June 2000	President proclaimed an amendment to the Government of the Republic Act by which a new board - Agricultural Registers and Information Board - was established in the area of administration of the Ministry of Agriculture
Summer 2000	Administration of support for growing cereals
21 July 2000	ARIB statutes were approved by the Minister of Agriculture
4 August 2000	first ARIB's officials were employed
11 September 2000	first day of work of ARIB's Director General Mati Kermas
1 October 2000	animal register was established
11 October 2000	Rural Development and Agricultural Market Regulation Act was passed in the Riigikogu (Estonian Parliament)
17 November 2000	approval of the Rural Development Plan by the European Commission as the Agricultural and Rural Development Programme
January 2001	national accreditation of ARIB
18 April 2001	ratification of the Multi-annual Financing Act passed by the Riigikogu
15 June 2001	signing of a decision to grant accreditation to the SAPARD Agency by the European Commission
19 June 2001	Estonian Government approved the procedures for applying for investment supports, processing the applications, and making payments
10 July 2001	ARIB moved to its new premises at 3 Narva Road
16 July 2001	reception of SAPARD support applications commenced
19-20 July 2001	ARIB arranged an international seminar on SAPARD
9 August 2001	first application for SAPARD support was granted approval
5 September 2001	first SAPARD support was paid out to Erki Oidermaa for purchasing a combine harvester
18 September 2001	supports register was established
7 September 2001	Head of EU's Delegation in Estonia John Kjaer, the Minister of Agriculture Ivari Padar and Head of SAPARD Agency Katrin Noorkõiv visit the first SAPARD beneficiary Erki Oidermaa
2001	14 different support schemes were implemented in ARIB, the amount of payments was 288,744,989 kroons

Spring-Summer 2002	orthophotos covering half of Estonia were taken
1 October 2002	register of agricultural supports and agricultural parcels was established
3 December 2002	first blood donor day in ARIB
27 December 2002	7120 animal keepers were sent application forms for milk quota
March 2003	first ARIB`s newsletter ARIB News was published
1 April 2003	first year when milk quotas were applied
July 2003	ARIB conducted checks of compliance of areas with the help of GPS (on-the-spotcontrol for the support for cereals growing)
1 October 2003	declaring of arable land commenced
12 April 2004	declaring of arable land was completed; the total area of arable land was 1.1 million hectares
26 April 2004	ARIB started to receive applications for granting aid from structural funds
1 May 2004	Estonia joined the European Union
17 May 2004	ARIB commenced with the reception of applications for area-related aid (more than 19,000 applications was submitted)
May 2004	ARIB started to issue import and export licences
July 2004	phone number in ARIB where clients can leave their suggestions/complaints
27 August 2004	ARIB paid out first export refund, which goes to TÜ E-Piim for exporting 500 tons skimmed milk powder to Thailand
2004	during the year, a total of 1.8 billions kroons worth of support was paid out
2004	during the last two weeks of the year, ARIB was the only paying agency in the new member states that managed to pay out all direct payments (over a billion kroons)
February 2005	ARIB buys-in first batch of cereals for intervention
May 2005	ARIB buys-in first batch of butter for intervention
May 2005	ARIB was assigned the title Aasta Eurooplane 2005 (The European of the Year 2005)
July 2005	ARIB`s 5th anniversary

It seemed like climbing Mount Everest

Interview with Mati Kermas, Director General of ARIB

What is your first memory of ARIB?

It is from the time when I was not working for ARIB yet, but negotiations with the ministry were already underway. It was a day at the end of August 2000 when I came to Kreutzwaldi Street where ARIB had its offices at the time. Since I worked in the county government, which had beautiful newly renovated premises, I found myself in a completely different environment when I went to ARIB. Some of the rooms had been renovated, but the halls really looked sad. And that

first meeting. I remember that Kristel (the Human Resources Manager back then) asked: "Would you like some coffee?" I said I didn't really care and Kristel then told me that this was a place where people had to make very specific decisions and here you cannot say that you don't care. You either want coffee or you don't.

I started working here on 11 September 2000. It was a Monday, and at that time a meeting of all sub-agencies with the Minister of Agriculture was held every Monday. The first thing I did was to drive to see the minister in Tallinn, where I was introduced.

What was the hardest thing at first?

Actually, the hardest thing was that I was now the first man in the agency. People were also all saying that I was supposed to be dead against smoking and intending to use all sorts of blackmail. I felt that this was the reputation that went with me.

At present, when lots of informational material has been distributed, it feels that the entire aid system is logical and relatively easy. But such materials did not exist in 2000. ARIB started working at informing applicants as well as all of society. And since I had not been in touch with this area before, then at first everything seemed very complicated and incomprehensible. Since Katrin and Ahti already knew what they were doing, then all I could do was trust them and get myself into things. After I had been working for a month, I kept thinking how stupid I had been a month earlier. After I had been working for two months, I kept thinking how naive I had been a month earlier. After I had been working for three months, then I kept thinking that I was on a better level than I had thought possible a few months before, etc. On the one hand I felt the development, but on the other hand it seemed that preparation for working in this place had been weak.

Why do you still work in ARIB?

I don't know what to say to this and if I did answer, the reply would not seem sincere. I worked in the County Government before and wanted to change job, because I got bored

there. I started studying for my master's degree to keep myself in form and then ARIB popped up. At first it really made me nervous and I feared I wouldn't last six months in ARIB. I also set a maximum target for myself - two years. It will be five years soon and my emotions have been all over the place, but the main thing that has given me strength is that the organisation has kept developing all this time. When you are in a developing environment, you find that something of that developing organisation stays with you and this is one of the reasons I have stayed.

How do you assess the development of ARIB?

What we had to do with ARIB was to build a national system so that people could apply for aid as close to home as possible. While at first we started with one or two people in every county who were given desks in the corners of some rooms, our goal was to build a regional network. In general, it may be said that ARIB has two sides. ARIB would not be ARIB without its network of regional offices. The regional employees of ARIB have turned it into the ARIB that we know today. At the moment, it can be said there is already a lack of space in a couple of counties. We have six or seven people working in all counties - only Hiiumaa has fewer. Rather good premises have been guaranteed for them and our clients know that there is a ARIB office in every county. ARIB had 60 employees when I started working here and I set myself the task of talking to seven or eight people every day so that I would get to know them a bit better within a week. The number of employees in ARIB at present is 350 and the biggest increase in their number occurred in 2004, when we had more than 100 new starters as Estonia became a member of the EU. Unfortunately, I have to say that I no longer manage to talk to as many people as I did in 2000. The number of employees in the organisation has grown and there are also many more obligations than in the beginning. When we look at the first years, then the dairy cow subsidy was a superb subsidy, 3000 people applied for this and they had over one hundred thousand cows, and the total amount of aid was over 100 million kroons. It seemed like we had conquered Mount Everest. In 2004, we paid out a billion kroons to thousands of people as area payments and we also had to transfer the money to these people. But before that, all aid amounts and decrees had to be checked and the data in applications also had to be checked. You have to be inside the system in order to understand its size.

Can you remember any funny stories about ARIB?

Actually, something funny happens in ARIB every day, but it is hard to take it out of its context. You only understand it if you are in ARIB.

But any memorable events from ARIB's history?

The first thing I remember is the launch of SAPARD in July 2001. Everything seems nicer now that the SAPARD programme is about to end, but in the really hot summer of 2001, there was a lot of tension in Estonia with launching SAPARD. While investment subsidies had been paid to farmers before, in the last few years this subsidy had not been paid as SAPARD

was about to be launched. But the preparation and processing of the entire process had a completely different quality than previous subsidies. The Ministry of Agriculture and we knew that higher quality was expected in processing applications. The applicants and society were not ready for this. We didn't receive many applications when we first started accepting them. It was then found that many things were wrong with the SAPARD programme. There were many suspicious people who thought that it would never take off. The launch of SAPARD is the first major and memorable event.

How does ARIB differ from other government agencies?

ARIB has been entrusted with a rather important role in the development of rural life, but to my surprise the public attention is on us, even though we deal with a rather narrow sector. Only a small percentage of Estonia's inhabitants are involved in agriculture. The saying that big money means big tension and where there is very big money there is very big tension is true.

What are you really proud of ?

The joint achievement of ARIB as a whole is that we have built such a support administration system in Estonia that we can be happy with and that we should not be ashamed to show to others and introduce to other agencies in Estonia and outside Estonia. We have a reason to be proud of building the entire application system, distribution of information, receipt of applications and so on up to paying out the supports. If we take one of these parts out of the whole, then it would no longer be the same system and it would not be ARIB. We are all very different personalities in the management, and this is also a bonus.

How do you see ARIB in five years' time?

Five years is a very long time - it will be 2010 then. But this time will certainly pass very quickly. I think that there will not be a significant increase in the number of employees. Our IT systems have achieved stability, and because our staff have become more permanent, it has been possible to improve their professionalism. I believe that we are more professional than before, we have better information technology and understand the wishes of applicants better. I do not expect a U turn.

In 2010, the external side will no longer be as important as it was in the first years. ARIB will definitely not be in the phase where we constantly have to prove who we are and how well we can work. We will be past these bottlenecks.

How would you characterise yourself as a boss?

I think that I have developed a lot in this area. Philosophically speaking - I used to think that I give so much of myself and give all this effort, but still no happiness. But I think that rewards and happiness don't have to come immediately. Sometimes I wonder why some things have gone the way they have. But things will work out themselves if you have behaved the right way. You have to be honest with yourself and others. Should I find at some point that things are not the way I would like them to be, then I have not behaved correctly somewhere along the line. I believe that employees do things in the best possible manner and then all problems will also be solved.

How do you manage job stress and what do you do in your spare time?

When I finished secondary school, I set three goals for myself: to get the candidate of sciences degree (master's degree was not given back then), see the Rolling Stones play live, and visit the grounds of the first modern Olympic Games in Athens. Today, all these three dreams have come true. Hard rock, sports and an analytical attitude are what I enjoy in my spare time and as long as I can deal with these, I am satisfied and happy.

The beginning was easier

Interview with Katrin Noorkõiv, Deputy Director General of ARIB

What is your first memory of ARIB?

It was 1998 when Renaldo Mändmets, Secretary General of the Ministry of Finance, said that before we join the EU, we have to create an institution that will be distributing EU subsidies. Renaldo had been in Germany and Ireland and seen the payment agencies over there and also how agricultural policies were enforced. 1998 was the first year when supports were paid in Estonia and for this purpose, we needed information about livestock and areas. Since livestock was registered in the Animal Recording Centre (ARC) and ARC was located in Tartu, then there was one reason to create the new institution in Tartu. The other reason was that it was logistically easier and cheaper to manage local offices outside the capital.

Where did the name ARIB come from?

The name was easy to find. The Agricultural Registers and Information Centre (ARIC) was created on the basis of the Animal Recording Centre (ARC) in 1998. Development was seen mainly on the basis of agricultural registers and the word information was also added, because information is given to people. That's where the name ARIC came from. The name ARIB was derived from ARIC and since a government institution had to be created, the centre became a board.

How did you become an employee of ARIB?

In 1999, I was sent to do an internship at the European Commission as a national expert and this was the time when the Commission started to develop SAPARD. I ended up in the unit that developed it, so that I immediately got all the information about the structure of SAPARD and what the state had to do to implement this program. Since I wanted to move to Tartu as well, then it all worked out fine for me.

Why have you stayed in ARIB?

I can honestly say that I have been with ARIB since it was established. ARIB is like a child to me and I cannot leave my child, can I? The work itself has also not become boring for me yet, as ARIB has been undergoing sufficient development.

What was the biggest difficulty in the beginning?

Looking back, I think that it is harder now than it was in the beginning. I cannot remember any serious difficulties. There were a few things that were hard to coordinate with different ministries. The Ministry of Environment believed that there was no point in creating such an institution as ARIB, because such institutions already existed in Estonia and new tasks had to simply be divided between these institutions.

There were also arguments about where to take the decision-making level, if it should be centralised or separate in every region. It was decided that at first it would be better to keep the process centralised, because all employees must get used to thinking along the same lines and maybe in the future, decision-making could be taken to a lower level. The launch of ARIB had such strong support from the Minister of Agriculture and the Government that all difficulties were overcome thanks to them. Cooperation with the ministry was extremely good. It is all more complicated and difficult now, because ARIB was created to administer the prestructural SAPARD fund. It was extremely important for Estonia, because the amounts were large and Estonia itself had not subsidised its agriculture with such large amounts. It was also clear that we would have to start building an institution whose further direction would be division of EU agricultural supports. However, what had not been considered was that ARIB would have to start dealing with all sorts of fishery measures and such subsidies from the state itself that do not directly concern the register. It was said later than if such an institution existed, then every new support measure must be made a task of ARIB. This means that the institution has grown too big, there are too many obligations and coping with this creates difficulties. This is why we are having a more complicated time now. I think that the beginning was easier than it is now.

What about the preparation of SAPARD? There had never been such an EU support in Estonia before?

It is true that we could not model SAPARD after anything - the money of EU taxpayers had never been distributed outside the EU before. There is a payment agency in every Member State and the functions and criteria of the payment agency were known. The way to process the SAPARD scheme was a unique case, because all other old Member States had applied investment supports, but on the basis of different regulations, which to put it simply were easy regulations. The states that were waiting for accession were given the option to receive money, but the criteria that were set were stricter.

For example, one of the requirements set to the payment agency was that there have to be written procedures for all activities. We looked at the materials of Austria, Ireland and Finland to find out what these procedures should look like. When I saw the procedures of the Control Department for the first time, I was shocked - is it really possible to write down requirements in such detail? SAPARD procedures cover a total of 500 pages and it all had to be translated into English for submission to the Commission, which made it even more complicated. We had to observe the instructions of the EU very precisely, because any deviation would have meant that we would not have received the accreditation. The European Commission granted accreditation that all necessary systems had been created and the state was able to divide EU money. It can be said that SAPARD is homemade.

How was the SAPARD system built in ARIB?

We proceeded from a very simple principle - applications must always be accepted for every support, they must be registered, checked and then the supports must be calculated and paid out. We used this principle to define the main departments: Supports, Control, Registers and Financial Departments. The remaining units have supporting functions: Book-keeping, Human Resources, Information & Secretary and the Maintenance Unit. All other departments have been created according to requirements. The IT Department did exist from the start, but it has grown considerably, because IT has a very important role in processing applications.

What have been the biggest changes in the five years?

In the first stage, we were given the requirements to which the payment agency or ARIB had to correspond. In order to meet these requirements and to get the money to the applicants as quickly as possible, we did everything in a relatively centralised manner and defined the tasks of every employee very precisely. We started the first stage with a small team and then started increasing it. All employees had to understand exactly which section of the work they had to do.

The second stage is the one we are in now. ARIB was not built just to meet the requirements set for payment agencies. Our task is to divide the aid allocated to Estonia in such a manner that the agricultural, fishery and the rural development sectors would benefit from it. In the last few years we have started to pay more attention to what our clients want. We conduct polls, which show what could be done better and what people reproach us for. In the present stage, we have to find our balance - we have to meet the requirements set for us by law, but when distributing

the supports, we also have to make sure that the sectors benefit from this as much as possible. Once we achieve this balance, we can consider another development stage completed.

What will happen in ARIB in the next five years?

I think that not that much will be happening now. We have achieved balance to some extent. Applicants today are generally happy with us. A new programming period will start in the EU in 2007 and I think that we will be in a situation then that is similar to the one we are in today, wrestling with the new reform of the agricultural policy for the first years. We must be able to enforce the new agricultural policy in exactly five years' time. I do not believe that policies will change so that we would know exactly what we would have to do in five years time so that we could already start preparing for it. I think that five years is such a short time that we will only become a little bit more mature. I hope that many ARIB employees will still be with us and we will be more competent. When it is possible for clients to call us without worries and ask and we will be able to help and advise them, etc. At the moment we are still struggling with these things, because we have not applied enough new measures and we are inexperienced.

What would you say to farmers who complain that the support requirements established by ARIB are complicated and given to the public too late?

I meet many businessmen at many seminars - in general they know that the requirements and regulations of supports are a task of the Ministry of Agriculture and ARIB is just the one who implements them. I do agree that within the next year our cooperation with the Ministry of Agriculture should become so smooth that we will be able to disclose all support requirements as early as possible.

Can you remember any funny stories about ARIB?

I remember June 2000 when the law amendment required for the foundation of ARIB was being adopted and it so happened that the Minister of Agriculture was unable to defend his new institution in the Riigikogu (Estonian Parliament) because he was on assignment abroad. The Minister of Environment was substituting for the Minister of Agriculture at the time and he had just announced that he did not support the creation of ARIB. Ironically, he was the one who had to defend the establishment of ARIB in the Riigikogu. I also remember an event with EU auditors from the time when ARIB was being accredited for SAPARD. If the Financial Department had been using the Internet, then the security requirements set by the EU would have been so high that it was impossible for us to complete our system. Therefore we told the auditors that the Financial Department did not have the Internet. I went to remind the employees of the Financial Department that they should not send any e-mails to the Commission. And our own Internal Audit visited the Financial Department every time before the arrival of the EU auditors so they could pull out the Internet connections - just to make sure we passed accreditation with success.

Which achievements give you the most pride?

I am proud that we even created ARIB at all and started to distribute European money. Accreditation of SAPARD was a big achievement, also demonstrated by the fact that Estonia was the second state after Bulgaria that got accredited, but there was a big gap before the next accreditation was given. The unique thing about us is that we received our accreditation in the middle of June, started receiving applications in July and paid out the first support in September. This was the first payment made outside the European Union. Another achievement was that last year we were the only

new Member State who paid out the biggest agricultural supports to producers.

How would you characterise yourself as a boss?

I think other people could characterise me better, but I think that I get angry as quickly as I calm down. It is just a trait of my character. What I value most are commitment and people who have their hearts in their work. Everything I do, I do with my heart. This is why I

sometimes get angry when I see sloppiness and notice that people are not focused on what they're doing.

What do you do in your free time, how do you manage your job stress?

Friends are the most important people for me. I do look like the sort of person who communicates a lot. Making a presentation at a seminar is no problem for me and I do not get nervous, but I do not feel good there and want to leave as soon as I can. I would rather go and sit by a lake with my friends and admire the sunset.

I also love sports. I go jogging 2-3 times a week. I love skiing in winter. It is easy to drive from Tartu to Otepää or Haanja. I love being in nature. I love going to my country house in Mõniste where I have complete privacy and there is not a soul within the nearest two kilometers. This really is relaxation.

I have taken my child with me everywhere as often as I can. She was nine months old when I went back to work and she has been really good. But now she is a big girl and goes to school. It is so much better to live in Tartu as the school is just a 10-minutes walk from home. Living in Tartu is much nicer than in Tallinn, where I grew up.

IT systems and registers are the backbone of ARIB

Interview with Ahti Bleive, Deputy Director General of ARIB

How did you become an employee of ARIB?

In autumn 1997, I started working in the Animal Recording Centre (ARC). Soon thereafter, the ARC was turned into the Agricultural Registers and Information Centre (ARIC). ARC was separated again in 2000 when ARIB was created and

a part of ARIC became ARIB, which resulted in the division of assets and people. The separated institutions competed for people, especially IT employees - who will work where? The division of assets and people caused tension; it certainly wasn't a smooth ride.

Ending up in ARIB for me was the natural course of things. I had already had my hands and feet in the preparation work of IACS and fields register and information systems. These were my areas of work in ARIC. I had also managed to act as the director general of ARIB for a month when Mati arrived.

Why have you stayed in ARIB?

It has been interesting so far and the job has grabbed my mind. There is always something going on and there is no routine. Development has been constant and I am sure it will continue for a few more years. But I do think that things will start going along the beaten track at some time.

What have been the biggest changes in the last five years?

The main task when ARIB was created was to keep a register of livestock, administer the state supports in Estonia and deal with SAPARD, but state supports were already administered during the ARC times. This means that basic information systems for administration of subsidies existed and they had been created by our own programmers. Supports for dairy cow breeding and growing cereals were the first two and they were relatively big for that time. Information systems were basic and there was no experience. I think that considering the complicated requirements of the supports, it would be impossible to administer them with basic programs. When we compare development in this regard, then systems are much more complex at present and they perform more functions - all these cross checks and different circumstances that must be considered by one or another support. We write very little software in ARIB ourselves to-day. I can say that the efficiency of software has improved

considerably. The quantity of information systems has also increased year by year.

When talking about registers, then there was almost no register of fields in 2000. We used old collective farm maps, so-called "cow hides," but this was not a register. All fields had some

sort of numbers, but the system as such was weak. Within five years, we have taken our register of fields onto the European level and the maps can be found on the website.

The animals register was officially created in 2000. We still use the information system from 1999 in the livestock register and it has been updated and some parts have been changed. We want to change it completely this year.

How has the number of identified animals changed?

When the price of milk dropped during the Russian time, it also led to a decrease in the number of livestock. By now, this number is increasing again - and animals must be identified in order to qualify for subsidies. There are some problems with the timely submission of documents. This means that our register is not fully functional. A register cannot be fully functional if people have not submitted data to us in time and register data is therefore not correct. This is why European controls advised to start using animal passports. But our cattle owners are not happy about these passports, because it means additional work. If the register does not contain all data then at least the animal passport that people keep must reflect all these data.

At the same time, Ireland has a fully functioning livestock register and they also have animal passports. There are many farms over there and passports are pieces of paper that show that the animal belongs to a certain farmer. If you take an animal to an auction, then this will be the certificate about that animal. People are used to the passports and the system works. Hopefully we will also get this far one day.

What about the supports register?

This was created in 2001 and is basically a register of clients. Even though there are also data about the supports that have been paid and that we have gathered from different information systems. In the first years the number of clients was between 6000 and 7000. The number of clients increased suddenly from the moment people had to start declaring land. At the moment we have over 46,000 clients in the register.

What makes ARIB different from other administrative agencies?

Mostly its young age - we are only five years old. We do not have any set ways and we work with rather innovative ideas. Another difference is the age of our staff. Older state institutions have older staff. The average age of our employees in the IT and register department is 32-33 years. Youthfulness is important, but it also causes many problems - people do not have experience, communication skills could

be improved, etc.

It is likely that no other Estonian state institution has as many large information systems as ARIB. I also think that the servers set we have is one of the biggest when compared to other Estonian state institutions.

Which achievements give you the most pride?

The first ones I can remember are the register of fields and new orthophotos. We can really be proud of these, because they were approved by the EU audit. Today it is seen as a normal part of ARIB, but a lot of work has gone into it. And when we get new orthophotos of about half of Estonia this year and the layer of fields, then we can really be satisfied with our achievements. It is true what has been said about the EU: if you have a good register of fields, then 70% of area payments is already administrated. The remaining 30% is receipt of applications, processing, checking and paying out. Some people don't want to believe it, but I think it is true.

I remember twinning projects and the experts that have stayed quite a long time with us in ARIB - a German, an Englishman, a Finn, very different and interesting people. Thanks to these projects we have received lots of general and essential knowledge about the EU. It has also shown how differently payment agencies work in different countries and how much work is being done. People even understand regulations differently.

How do you see ARIB in five years' time?

Everything is related to the EU and Estonian agricultural policies. It is known that the EU is implementing reformed agricultural policies. All reforms will take place here later; therefore we live in a process of constant change. There will never be a time when everything is always going the same way and every following year would not be bringing any changes. So ARIB will still be developing in five years' time. I think that the average age of staff will have increased by then and probably some employees will have been replaced by others.

Communication with ARIB has become easier for clients. For example, it will be possible to submit applications via the Internet. I can imagine how a farmer sits by his desk, inserts his ID card, logs into the ARIB information system, completes the documents required for receipt of some support, signs them digitally, clicks Enter and can be happy. Within the next 3 months he will get information about the stage of processing his/her application by e-mail. The same thing will work with the animals register - livestock owners will complete the necessary documents via the Internet. Some supports will probably remain the same, but most of them should be separated from production in the future. Supports are paid on the basis of previous activities in a specific amount every year and the applicant is free to breed whatever they want.

How would you characterise yourself as a boss?

I think it would be up to my employees to characterise me. I think that I am probably too kind as a boss. I never raise my voice to anybody. I also don't tend to punish people and if people admit their errors then I usually see no point in punishing them.

What do you do in your free time, how do you manage your job stress?

I like sports, I try to participate in all Tartu Marathons - I run, ski and cycle. In winter I play basketball, in summer I go orienteering. I also like hiking. I have also been on some category-qualifying canoe trips on the rivers Koiva and Mustjõgi. I still sometimes go on the water in a rubber boat.

I also keep bees as a hobby. At the moment I have two colonies and I got almost 30 kilos of honey last year. I also like spending time with my family. I have three children, the eldest is seven and completes the first year in spring, the middle one is five and the smallest is two and a half months old.

We decided to build a new type of system in Estonia

Interview with Ivari Padar (Minister of Agriculture in 25.03.1999 - 28.01.2002)

How did the idea to establish ARIB come about?

We had no other choice. The EU prescribed the framework in which Estonia had to start to implement the EU agricultural policy. In order to operate within this framework we had to create a separate institution that would start to administer

agricultural refunds.

Being the Minister of Agriculture at the time, I felt that the government accepted all the steps made by the ministry for the establishment of ARIB. Yet, many agencies were abolished at the time. The cooperation between the Ministry of Agriculture, the newly established ARIB and the Government of the Republic was very good.

We also visited the old Member States to see agencies similar to ARIB, but what we saw there was quite frightening. The volume of bureaucracy we saw, for example, in Germany, was quite awful. This gave us a clear idea that we cannot take things lightly and we have to adopt a serious attitude. We decided to build a new type of system in Estonia that was completely different from the post-socialist structure. The taxpayers must see how and based on which principle money is distributed. We had to ensure that there would be no corruption.

As regards building this structure an important aspect was the change of quality in the Ministry of Agriculture. The problem of the Ministry of Agriculture had so far been the low level of legislative drafting. With the employment of Marika Kairjak (Head of the Legal Services Department) the structural building of agriculture-related legislative drafting began. Today this has resulted in transparent administration that is written in legislation. And this was a very important additional factor for the successful progress of things.

Why was ARIB established in Tartu?

We decided that ARIB would operate in a county-centered way, but the final decisions would be made in the centre and this is how it has been. An important decision was also that ARIB would be established in Tartu. My vision was that in time Tartu must become a centre of agricultural institutions. It was in clear hope that the Estonian Agricultural University would reform itself and that it would become an active partner in all of the agricultural policy. All the institutions dealing with agriculture would be in Tartu as earlier the Animal Recording Centre and Veterinary Laboratory had already been established here. Here we could employ the young people who originate from this region. The reason for the success of ARIB is its personnel policy that has brought together young and strong-willed people who started to work actively with this field. A negative aspect is that the young people receive training here and then they leave.

Another important aspect was the creation of a uniform team and working with ARIB. The door of my office was always open, and in case of a problem, I was always available. At the time of the establishment of ARIB there was never a moment when something could not be done because of lack of money. And as we have now discovered - compared to other analogous agencies in other EU countries, ARIB is the most effective. Many agricultural functions have been included into ARIB and this has been the only way for Estonia - taking into account Estonia's population and territory.

Estonia's own national agricultural refunds were too small. In order to foster agriculture, we had to take active use of EU possibilities and means. SAPARD was the first ordeal carried out well and now ARIB is by far the most successful administrator of EU structural measures. Last year ARIB paid 82% of the support amounts of the first year's structural funds. ARIB has done a good job.

What was the situation of Estonian agriculture like in 2000?

I would say catastrophic with an exclamation mark. It was a very difficult time. After the economic crisis in Russia, many agricultural holdings went bankrupt. The situation was most difficult in dairy farming and thousands of cows were simply sent to slaughterhouses. This was the time for setting priorities and our priority was to save the branches of agriculture characteristic to Estonia and also those that were competitive. First and foremost this concerned dairy farming. It is especially important to mention it in connection with the sugar opera in which people blame me, Ivari Padar, for not establishing a sugar refinery as in that case Estonia could have become a sugar state.

What was the most difficult thing in the beginning?

The most difficult thing was to get approval for the implementation of SAPARD. The rest was not difficult. Actually, nobody from the European Commission said specifically how the implementing goes. There were general rules to be followed. We had to receive confirmation from the European Commission as regards our reliability and after that we were eligible for the support for the agricultural sector. We also had to train the advisory service.

The first aid recipient of SAPARD - Erki Oidermaa - was a complete surprise, out of the blue. There was this farmer who had compiled his project without advisers and he was the first aid recipient in the whole of Europe. It was great! This wow-effect - that we had done something that was completely applicable. As before we had had big doubts as to how the implementation would go.

How would you evaluate the development of ARIB?

I would value it very highly. ARIB is assigned more and more functions and obligations and at times it is very difficult to achieve these in view of such great volumes. ARIB is a unit of one of the most professional if not the most professional national agencies in Estonia. And it is a very reliable unit that needs further developing. It is good that the right foundations have been created I hope that the agency is strong and keeps on developing.

How has agriculture developed in those five years?

Agriculture has received a second wind and the depression of 1999 is over. The EU agricultural policy is the most farmer-friendly policy. I also use EU support as a farmer. I have 30 beef animals and 30 sheep and 46 hectares of land. In Estonia I am a small player but I plan to grow a bit.

What are your experiences with ARIB from the point of view of the farmer?

Very positive. I cannot say whether the fact that I am a former minister has anything to do with it. But their office in Katariina Street in Võru is very nice. I have never heard anyone complain that someone had been barked at in ARIB. But the problem is that if ARIB develops faster, the advisory service cannot keep the pace. The advisory service is existing and it is becoming stronger, but there is a disproportion. It is evident in more complicated areas like organic farming. The people working in ARIB do not have to be advisers in this respect, but more like supervisors. I, for one, have always received good advice from both sides. There are things that one does not understand by oneself and one needs to ask for advice.

The advising system is partly organised by the ministry. When I was a minister, I started with it, by trying to employ the structures that exist on the spot. We organised a competition for the farmers and producers' associations as people have become used to going there. The producers' organisations, whether they are called a farmers association or an agricultural association, are very active in half of the counties and this is an aspect that needs to be developed further, as it would be an effective course of action.

How do you see ARIB today and five years from today?

I do not see anything revolutionary happening as the foundations have been built right. Naturally, the common agricultural policy and the measures to be implemented in the EU in the future will have an influence. The five-year plans can be made for the period 2007-2013 and Estonia can make its own choices. The aid schemes will become more varied, as there will be different village development measures. The volumes will increase and ARIB will have more responsibility, as its work will involve both arable land and a part of the forestland. Therefore a significant part of Estonian land is under the responsibility of ARIB, plus there are the fisheries' measures. So, ARIB is active both on land and at sea. There is a lot of work to be done, but I believe that it is at the same time interesting.

Accreditation of ARIB

A contribution by Alan Wilkinson, ex Head of SAPARD Directorate General Agriculture, Brussels

In the context of preparing ten candidate countries for accession in terms of rural development, the EU Council decided to make available to them annually of a total of some 520 million euros from 2000 until accession. This decision, taken in 1999, introduced the SAPARD instrument, the Special Accession Programme for Agriculture and Rural Development.

The objectives of SAPARD were set out by the Council, namely to foster integration of beneficiary countries' economies with the Community economy, and to help these countries to implement the *acquis communautaire* relating to rural development.

The key issue in terms of how those ambitions were to be realised was left open. The Commission had to decide on this aspect, in essence a choice between two options, involving significantly different consequences for many parties. One option was to follow the policy applied for all Union assistance involving financial aid to any

non Member country whereby each project to be assisted would be chosen and decided by the Commission. The other was for this task to be taken not by the Commission but by a competent body under the exclusive responsibility of

the authorities of the beneficiary country. However that responsibility could be taken only once the conditions for accreditation had been fulfilled.

The first of these options had the advantage of following precedent. It required no innovative policy choice, no great administrative burden on the beneficiary country, or legislative innovation by any party. In contrast, the second option required an innovative policy choice, major legislative initiatives and a challenge for the administration of the beneficiary country. This option thus ran the risk of severe criticism if taken and then experience showed it to be in any way inappropriate let alone unworkable.

Despite this risk the Commission decided to apply SAPARD using the second option. This unprecedented action was subject of much scepticism, voiced in particular in the European Parliament, the European Court of Auditors and indeed even in some parts of the Commission itself. The grounds for that scepticism mainly reflected fears concerning the ability of the countries to discharge the crucial administrative responsibilities in a timely manner.

Those directly involved in arriving at the innovative decision nonetheless felt that the advantages it entailed were immense, far outweighing the potential disadvantages of following precedent. They also felt that the risks, although real, did not take sufficient account of the keenness and willingness of national administrations to undertake the inherent burdens.

The advantages of SAPARD being managed by a competent body under the responsibility of the authorities of the beneficiary country, in case of Estonia ARIB, range from the instrument being accessible to a multitude of beneficiaries in the Estonian language with local officials

having intimate knowledge of local conditions, through to the creation of expertise within Estonia that would be relevant to the continuing needs of the country as a Member State not just for rural development but for all Community instruments involving public monies. Experience of running SAPARD in Estonia, as in other countries, proves the initial scepticism concerning management by the competent national body to have been unfounded. That is not to say that there were no grounds for doubts initially to have been expressed. It was evident that success would depend heavily on hard work over an extended period by well motivated and well managed staff in bodies such as ARIB. Without this, accreditation could not be granted meaning that not one cent of SAPARD money would go to beneficiary, nor indeed could any project even be selected.

ARIB accreditation was achieved under exemplary conditions. Moreover ARIB was willing to share its first experiences with other countries then in the process leading ultimately to their accreditations. It did so by organising a seminar in Tartu already in July 2001 involving all beneficiary countries. There it freely explained its experiences. This was to the benefit of all concerned - an exercise in openness that was widely and greatly appreciated.

ARIB, and all staff involved should be congratulated on their considerable and enduring achievement. It required exceptional efforts to achieve accreditation but the rewards are manifest. They include the facts that the first beneficiary of a completed SAPARD project was in Estonia and this country was the first to achieve full drawdown of EU monies under this instrument. Well done everyone!

ARIB - the implementer of EU agricultural policy in Estonia

Toomas Kevvai, Ministry of Agriculture, Deputy Secretary

General for Rural Development and Fisheries Policy

The need for ARIB as a payment agency is closely related to Estonia's accession to the EU and the CAP in Europe. Almost half a century ago six countries signed the Treaty of Rome, which among other matters provided the aims in agriculture, being self-supplying with food, guaranteeing the income for people engaged in agriculture, etc. These aims are valid in the European Union until this day. In order to achieve these aims, the EU has needed agricultural supports and most probably still needs them in the future.

Spending has to be controlled

Agricultural policy is rather expensive, making up for almost half a percentage of the GDP of the European Union. Allocation of billions in subsidies has to be very well organised. As you know, where large money is involved, there is always a threat of cheating. Thus, ARIB is like a watchdog that has to guarantee that the funds for agriculture and rural development were used in a proper manner. Now and again one can come across complaints in the media about excessive bureaucracy and strict control. Support, paid as non-refundable aid, comes from the wallet of each and every one of us and the task of ARIB is to observe that it has fulfilled its aim and was directed where necessary. As taxpayers, we would not be happy if someone groundlessly got rich at the expense of supports. It has often been said that applying for support from ARIB requires much more bureaucracy than applying for a loan at the bank. Here we should take into account that unlike banks, which give loans returnable with interest to the bank, the ARIB's support is non-refundable. However, applying for direct payments and for some rural development support is very easy.

In order to guarantee that the funds paid into the EU common budget are used properly, the European Commission and the Court of Auditors have been authorised to supervise the payment agencies in all Member States. In addition, they are entitled to require repayment of all supports, which have been paid out wrongly or without sufficient control. Thus it is in our common interests not to generate such additional expenses for the rather tight budget of Estonia. Unfortunately, the experience in old Member States has shown that nobody has managed without any repayments; however, attempts have been made in this direction.

The first EU supports

Looking back in time for 10 years, we have to admit that agricultural policy in Estonia was characterised by the same features as our entire country - many decisions based on the need to harmonise Estonian legislation with the relevant policies of the EU. Thus the system of investment support at that time can to some extent be compared to the current structural supports, and the supports for growing cereals and dairy cow breeding from then can be

compared to the current direct payments. But in principle, ARIB had to prove itself when SAPARD emerged.

In 1998, when the European Commission first introduced the idea of establishing a special pre-accession agricultural and rural development programme for the acceding countries, we did not sense the total amount of work the application of such a programme would require. The preparations necessary to launch SAPARD: the rural development programme, preparations in the respective Estonian legislation, and the structure and procedures of ARIB took much more time than we had expected. However, the launched system was much more developed than the former administrative system of Estonia. Other institutions, which after accession started applying for EU structural support, could later learn from the ARIB's experience. Today we have to admit that without SAPARD we would only today (mid 2005) be ready to start allocating the first EU agricultural and rural development supports.

Thanks to good cooperation between different parties Estonia was rather successful in the application of SAPARD. It was also confirmed by the fact that Estonia was the first of the candidate countries at that time to start paying SAPARD supports to its farmers. In addition, we have to recognise the producers who were rather understanding of our "growing pains."

Preparations before accession to the EU

Becoming a member of the EU meant more extensive preparations for ARIB as well as for the Ministry of Agriculture than the ones made for SAPARD. Simultaneously, they had to be ready for processing the EU direct payments, investment support, rural development measures and market regulation measures. These difficulties were overcome as well and again, the ARIB team had a major role to play here. In the case of these preparations, in addition to the contribution of Estonia, the European Union aid through PHARE programme was of major help.

The whole accession process, and also the establishing and development of ARIB, can be compared to chasing a moving train whereas the task was even more complicated because the train made unexpected turns in its route. For instance, until 2003 we were making preparations for the adoption of the direct payment system as it then existed in the EU. But at the last moment the new member states were given an opportunity to apply the single area payment scheme and finally it appeared that a lot of work had been done in vain.

For farmers and other applicants for investment support, participation in support schemes meant analysing their enterprise, compiling a business plan, adjusting their accounting and making other preparations. This enabled several entrepreneurs to set clearer aims and get a better overview of their ventures.

Just like Tallinn and CAP, ARIB will never be fully completed. And the years in the near future seem to be as intense as the years have been so far.

Changes in the nearest future

Major changes are related to the application of the new rural development programme in 2007. The measures of the current rural development programme and the national

development programme shall be unified in a common system. The launching of the LEADER measure shall be a new touchstone for both ARIB and the rural population. In the case of LEADER, the selection of allocated supports and decisions on which projects to fund shall be transferred to the local level. In LEADER a local initiative group, consisting of representatives of the private sector, the public sector and local social organisations has an essential role to play. The tasks of the initiative group are, on the one hand to create the strategy and programme for the development of their own region and, on the other hand to prepare the administrative system for the implementation of their programme. Thus the local initiative group shall establish the preferences and make decisions concerning the submitted projects, but it is also responsible for the targeted use of subsidies and is responsible to ARIB. For ARIB, it includes the necessity to make sure that the local initiative groups comply to all requirements before funds are trusted to them.

LEADER is undoubtedly a touchstone for the rural community, showing whether people are ready to implement such development programmes on the local level. In the period of 2007-2013 at least 70% of the EU-aid reaching rural areas shall be received in the framework of LEADER. If the system proves to be efficient, supports allocated in such manner may increase and start playing an important role in the development of rural areas. It is essential that in the framework of LEADER it is possible to distribute various subsidies so that local peculiarities are taken into account.

The system of direct payments

Transition from single area payment scheme to direct payments scheme will be another major touchstone for ARIB. Compared to the current single area payments the main difference is the application of the so-called conformity with requirements measure. The measure means that if an agricultural producer violates environmental, veterinary, phytosanitary or labour protection requirements, the direct payment paid to him/her shall be reduced. For ARIB and other authorities responsible for checking the fulfillment of relevant requirements it means even closer cooperation than before and coordination of databases and supervisory systems.

Two sides of ARIB

On the one hand, ARIB is an authority whose aim is to apply measures directed to agriculture and rural development as well as check the support paid in the framework of these measures. On the other hand, the applicants expect ARIB to be friendly, open and include less paperwork. Successfully joining those two sides requires great intent and an immense amount of work from ARIB. An applicant has put the relationship between ARIB and the applicants very figuratively: one drop of tar (attempt to cheat) in the pot of honey, meaning among lots of honest applications, brings along the need to check every single application. Thus it is important that the applicants understand that the general reputation of agricultural and rural development supports depends on the honesty of applicants and the excellence of control.

Proceeding from the above, we may underpin another task of ARIB - to guarantee society's trust in the use of funds directed to agriculture and rural development. Of course, ARIB is not the only one responsible. One embezzlement scheme may bring into question the

reasonability of all subsidies. Hence, the applicants should understand that their correctness lays the basis for long-term and reliable application of agricultural and rural development policy.

Development of ARIB staff in 2000-2004

Kristiina Laas-Dobreva, Head of Information and Development Department of ARIB

Helle Saaremägi, Head of Personnel Unit of ARIB

History

ARIB was established in summer 2000 as a government agency working in the area of administration of the Ministry of Agriculture on the basis of the Agricultural Registers and Information Centre. Establishment of the new agency was necessary in order to prepare and implement the SAPARD (Special Assistance Program for Agricultural and Rural Development) programme in Estonia. The fact that PRIK, as an agency administered by the Ministry of Agriculture, was prohibited by law to fulfill the functions of a government agency, i.e. implement a pre-accession structural fund, was another formal reason for the creation of the new agency. There were 6 departments in the ARIB structure in 2000 and 10 in 2004. The number of ARIB employees as of the end of 2000 was 103, which by the end of 2004 had increased to 336 people.

Staff Policy

The staff policy of ARIB has been based on recruitment, training and other principles since its creation and these principles have brought us success in selecting the right people, helping them to find their place in the agency's working life and in training them.

1. Recruitment

We believe that the success of an organisation depends on a professional recruitment policy and successful selection of staff. The recruitment policy of ARIB is an established system of procedures, which guarantee the quality of recruitment as well as equal treatment of all applicants. At the same time we take into account that the quality of the decision on suitability and the professional success of the applicant are influenced by their skills, motivation and suitability into the organisation. At the time ARIB was created, we paid a lot of attention to the general mental aptitude of the applicants when selecting our staff. Mental aptitude describes the ability of people to acquire something new, the skill to solve tasks quickly and accurately in stressful situations, flexibility and the ability to clearly communicate their thoughts to listeners. These were the key qualities we were looking for in the first years of the agency.

In 2002, we updated our selection methods and started using a so-called appraisal centre. Some people are "good at interviews," others "take test well," whereas the person who is good at both is highly likely to be the most suitable applicant. The appraisal centre method has helped us evaluate the skills required for a particular position, and the knowledge, skills,

personal qualities and behavioural models of applicants as a whole by combining different selection methods.

The main methods we currently use are behavioural and focused interviews, different written tests, group work and behavioural exercises.

2. Training

However, selection alone does not ensure that teams are created where employees belonging to them have sufficient skills such as orientation on achievement, initiative, influence, organisational awareness, cooperation, team management, self-confidence, understanding of others and focus on clients. The central principle in the ARIB training concept is the idea of constant refresher training, every stage of which proceeds from the previous one. Each stage helps to memorise what was learnt before and checks how the acquired skills are being used. The obligation of constant self-improvement has been specified in the job descriptions of employees.

In addition to guaranteeing the preparation required for professional work to the employees of the agency, updating and increasing the efficiency of the organizational culture of ARIB as a whole is also important. Regularly held efficiency training sessions allow work objectives to be specified and a common development vision created for the managers of structural units. This guarantees a situation where the operating principles of different departments and units have been harmonised, appraisal results comparable, and arising from the same starting points.

We have also paid a lot of attention to training the officials of our agency in ethics. Discussions and lectures about the ethics code of public services, corruption and conflict of interests have been held in ARIB since 2003.

3. Other Staff Work

We can be happy that ARIB has an appraisal system and an appraisal is also held between the line manager and their employees at the end of probation. In the course of an appraisal that has been well prepared and conducted in a trusting atmosphere, the parties draw conclusions about their performance during the ended period and make proposals about improvement of performance and/or work organisation, training, motivation and career planning. The results of the appraisal will be the basis on which training and development plans will be prepared and staff will be planned, and in other cases. Regular satisfaction surveys are conducted in ARIB, the first of them in December 2000. The extensive satisfaction survey titled The Best Employers - the Best Results of 2003 covered the entire agency and was part of an international project that covered the best employers in Europe. The results through the years have shown that the satisfaction of our people is higher than the average regarding conditions of work, relationships with colleagues, and development and career opportunities, and somewhat lower than the average regarding movement of information and recognition, motivation, and feedback.

We have paid considerable attention to the exchange of information with our specialists in 15 counties. We have conducted annual satisfaction surveys (interviews, group work, brainstorms) in regional offices since 2001. Our specialists in the counties who are largely involved in client work have useful experience, knowledge, proposals, and observations. Similar surveys are a possibility to improve the organisation of work between regional offices and the headquarters, look for solutions to any problems that have occurred, and improve communication.

Formation of Organisational culture

The quick growth of ARIB has also had an effect on the organisational culture. The values and traditions that appeared at first are still there, but they have become more flexible.

One of the longest traditions is the ARIB development seminar, which at first was held once a year, but due to the high quantity of information, the expansion of the circle of subjects, and the need to make more frequent interim overviews, it is now held twice a year. People themselves see the development seminars as a good place for exchanging information and experience and these seminars are also becoming more and more important in the event of direct communication. There were around 100 ARIB employees in the first year of operation and everyone knew everyone by name and face. Today, it is not unusual that people greet everyone when moving around in the building, even if they don't know for sure who the other person is.

Introduction of new starters is also a continuing tradition. In five years, the introductory tour of the building for new starters has been replaced with a greeting e-mail sent by the personnel unit and this means that information exchange has become more efficient. And if people cannot remember everything on the first tour, help is always at hand on the agency's intranet, the so-called positioning system, which allows searching for ARIB employees by name, office as well as position.

Calling each other by the more familiar "sina" (you) form instead of the more formal "teie" (you) may initially seem strange to new starters. But everyone has become used to it very quickly and found that it makes communication easier. Communication with others at the department seminars when learning together as well as in an informal environment has created the feeling of a strong team, allowing new experience and positive emotions to be obtained.

Professional jargon has also appeared in ARIB within the five years. For example, it seems self-explanatory to us when people speak about TAKS or MARSA. Those not in the know may get the impression that people are talking about Mars or taxis. In both cases, people are actually referring to IT systems.

We can say with pride that blood donor days, which have been held regularly since the end of 2002, have also become a tradition. About two bucketfuls of donated blood have become the daily norm for ARIB employees.

The so-called unwritten ARIB rules that were written down five years ago have been acknowledged and are still being adhered to.

These traditions and unwritten rules support the client friendliness and good inner climate of ARIB and have allowed its identity to be created. ARIB has remained an open and flexible organisation.

Is ARIB a Typical Public Service Organisation in 2004? In order to compare an employee of ARIB with all other public servants in Estonia (a total of 23,669), we would like to give some figures:

1. Size of agency

- The biggest state agency is the Police Board with 4,705 officials, the smallest is the Energy Market Inspectorate with 9 officials. The biggest local government is the Tallinn City Government with 1,260 officials, the smallest Lavassaare Rural Municipality with just 3 officials.

- ARIB employs a staff of 333 officials

2. Age of officials

- Breakdown by age: 54% of officials are up to 40 years of age, 46% are 41 years of age and older.

- In ARIB, 75% of officials are up to 40 years of age, 25% of officials are 41 of age and older. The average age in ARIB is 34.27

3. Gender division

- Breakdown by gender: 60% of officials are women, 40% are men (comparison: in 1999, the share of men and women was equal)

- In ARIB, 67% of officials are women and 33% are men

4. Education

- Level of education: 58% of officials have higher education (comparison: in 1997, the share of officials with higher education was only 35%).

- In ARIB, 68% of officials have higher education

5. Staff turnover

- Staff turnover: 14% of officials left their jobs within a year,
- Staff turnover in ARIB is 14%

SAPARD experience

Marje Leppik, Deputy Head of Finance Department of ARIB

Anneli Kimmel, Deputy Head of Control Department of ARIB

Taivo Kurvits, Head of Structural Funds Accounting Unit of ARIB

Tauno Taska, Deputy Head of Control Department of ARIB

The preparations for the grant of investment supports to agricultural producers were launched in 1999. Several pilot projects were initiated in the framework of the PHARE aid scheme and one of them, the so-called Special Pilot Project (SPP), began in 2000. The project involved six counties in Southern Estonia: the counties of Jõgeva, Tartu, Põlva, Võru, Valga and Viljandi. We can say that the SPP project with its budget of 16 million for the grant of investment support and training support and getting expert opinions was relatively small. The team that conducted the aid application administration was small. The accounting of support applications was kept in Excel as the financial and time resources for the development of the necessary accounts and payment system were lacking.

The SPP project did not involve big financial resources, but the experience that the participants gained by the end of the project was immense. The implementation of the SPP project - being a small model - helped to understand which stages should be involved in the application proceedings, starting with the receipt of the support application and finishing with the support payment. The people involved in the development of the SPP support proceedings were also later on involved in the establishment of the support procedure of SAPARD. The SPP pilot project had a big influence on the building of the SAPARD payment agency as thanks to the experience gained in the SPP project many possible dangers and risks were avoided.

It took over a year to establish the application procedure for SAPARD, from April 2000 to June 2001 when the European Commission finally made the decision as regards the accreditation of ARIB. People from different spheres of life were chosen to prepare the project and these people, while being experts in their own field, complemented each other. The main difficulties that we came across were connected to the fact that the appropriate laws were missing and often the requirements arising from the European Commission's legislation were difficult to understand and difficult to adapt to the conditions prevalent in Estonia. The auditors of the European Commission who inspected our procedure very thoroughly made the accreditation process even more difficult and time-consuming. As a result of the high demands set by the auditors, the initial 10-page procedure was turned into handbooks of hundreds of pages long. At times it seemed that we were making the instructions/procedures too detailed, but it turned out that they were sufficiently precise and worked well.

Parallel to the development of the procedures we organized training days for the advisers in which the officials introduced the programme to potential applicants; we also contributed to the preparation of legislation. The training of the PRIA staff also played a big part - they were offered both professional and psychological training.

We also had to be extremely precise as regards the preparation of the test documentation of the SAPARD accounts and Axapta payment system. The development of the information technology system for the support accounts and payment was difficult as we set very high demands to the systems and often all the rules were not ready before the entry into force of the regulation. Therefore we had to allow for the extra time for the development of the IT system. Now, looking back, we may say that the requirements set for us were very strict, but it was important for us to follow these requirements as the precise administration scheme and procedure enabled possible errors to be avoided. In the first year the number of applications was small, but by the end of the programme we had received over 1000 applications and granted support that exceeded the budget intended for three years.

In 2001-2003 the total number of SAPARD applications was

1832, divided as follows:

	Number of applications			Amount of investment on approved applications (EEK)	Amount of applied support on approved applications (EEK)
	Submitted	Approved	%		
Measure 1	1000	859	85,9	1 144 157 015	512 712 927
Measure 2	130	91	70,0	600 545 730	292 434 342
Measure 3	372	278	74,7	421 735 291	202 667 941
Measure 4	118	95	80,5	52 326 644	28 715 306
Measure 6	212	183	86,3	57 319 529	44 972 247

The experience gained from SAPARD formed a good foundation for the establishment of the structural funds administration and the system of accounts and payments. This is why we managed to launch the measures of the national development plan faster than in the case of SAPARD. We started with the development of the measures of the national development plan in summer 2003 and in April 2004 we started accepting applications; ARIB was the first implementing

unit that started to accept applications and pay the aid.

Based on the experience gained in the course of the three years of the SAPARD programme, we continued allocating aid in the framework of the national development plan in 2004 but the amounts of supports were bigger.

The results of the first year of SAPARD and national development plan are compared in the table.

The approved projects and payments in the framework of SAPARD and the national development plan in the first year of the programme.

SUPPORT	First year of the launch of the support	Number of approved projects	Amount of approved projects (EEK)	Support payment (EEK)
SAPARD	2001	130	123 548 213	6 148 107
National development plan	2004	586	629 177 409	174 481 239

The most important change was that the investment support was financed from two different funds: from EAGGF and FIG. EAGGF is used to co finance the investments related to the agricultural and rural development and FIG to co finance the fishery investments.

We must say that in the course of these five years the applicants' awareness and knowledge of the support administration and the applicable requirements has increased remarkably. The applicants are increasingly submitting applications which are free of omissions and errors. It gives us joy that ARIB has coped well with the constantly growing work load by being able to process several aid schemes and measures simultaneously. Certainly, it is a sign of good administrative capacity.

Development of aid schemes administration has been turbulent

Andrus Rahnu, Head of Control Department of ARIB

Ly Lobjakas, Head of Finance Department of ARIB

Tea Tuulberg, Deputy Head of Support Department of ARIB

Karina Kenk, Deputy Head of Internal Audit of ARIB

The development of the administration of aid schemes has been turbulent for ARIB. Figuratively speaking, it has been like jumping on a train while it's moving at a high speed, if we take into account that the old EU Member States have decades of experience in implementing the EU agricultural policy. The development of the SAPARD procedures in 2000 may be considered the beginning of fast development in ARIB. While in 2001 we implemented 13 support schemes or measures in ARIB, then in 2004 the relevant number was 33. The more important stages in development have been the accreditation of ARIB as a SAPARD agency in June 2001 and its accreditation of ARIB as the European Union EAGGF payment agency in 2004.

With the implementation of the EU common agricultural policy in 2004 the scope of activity of ARIB increased remarkably and as a result the number of applicants and payments grew. While we had experience in processing direct aid, environmental support and investment aid, now the new internal market and trade measures have been added. In addition to the widening of the scope of activity, the number of legal instruments governing different areas multiplied, as we had to orientate both in the legal instruments of the EU as well as in Estonian legislation. The main weight of the supports administration in ARIB is carried primarily by the Departments of Supports, Control and Finance. The functional structure of ARIB has remained the same as at the time of its establishment, but compared to the first years the departments now include many new units that are responsible for administering the supports of a specific area. ARIB still has offices in all counties and these offices receive the majority of support applications and check the applicants on the spot. This is also how the availability of the "service" is guaranteed on the spot.

The aid administration is a continuing process which is influenced by the implementation of the new EU policies, amendments in legislation and the acquired experience, etc. In the successful administration of supports the vital importance lies with the "strength" of the laws, the detailed procedures, the controllability of the requirements set and the logic thereof; it is also important for the applicants to be

informed. While in the first years we had to reject several applications because of the slips or so-called obvious mistakes especially because of the shortcomings in legislation, now the experience has resulted in the greater flexibility of the administration system and has enabled to deal with substantive errors.

Broadly speaking, the supports administered by ARIB at the moment can be divided into direct aid, state aid, structural aid (national development plan), rural development plan aid and market regulation measures.

Direct aid. In 2001 ARIB gave support to the agricultural producers for breeding dairy cows, young bovine animals and store animals, ewe and goat breeding, and the growing of cereals and leguminous vegetables, rape, turnip rape and seed and fibre flax. In processing the latter type of support the Plant Production Inspectorate checked the conformity of the areas at the site and also the weed infestation. Since 2003 the arable crops have been inspected by ARIB and we procured GPS equipment for the area measurement. An important impetus for the development of area-related aid was given by the use of orthophotos in May 2002; since then the former so-called "cow hides," i.e. huge and inaccurate Soviet time maps have been replaced by orthophotos. Also, since 2002 all support has been paid by the Financial Department (in the beginning the state aid was paid by the Book-keeping Unit).

Parallel to the payment of direct state aid in the second half of 2002 we also started active preparations for the implementation of EU direct aid - the process that finally turned out to be quite complicated and strenuous. In connection with that we needed to develop the IACS (Integrated Administration and Control System) in order to make the EU direct payments in the future. The development of IT solutions played an important role in the initial plan. After years of development we managed to get a complete IT programme from Finland, but it needed extensive supplementing in light of our situation. In autumn 2003 we had another change of course as Estonia decided with all the other new Member States to convert to the system of single area payment scheme the administration of which is somewhat simpler compared to the IACS.

In 2004 we got our first experience in the implementation of the single area payment scheme. As this aid was also available to those natural persons who had kept their lands in order, the number of applicants of area-related aid increased sharply and as a result the workload of the aid administrators did, too. The most important changes in 2005 from the viewpoint of the diffusion of local control were the receipt of applications for livestock aid and area-related aid and the administration of these aids at different times. At present our tasks are connected with the implementation of EU agricultural reform, i.e. the conversion from the single area payment scheme to the simplified direct payments scheme which requires extensive and thorough preparation in the coming years.

Market regulation. The development of trade and internal market measures (export refunds, national intervention buying -in, milk disposal, etc.) began in autumn 2002 in connection with the beginning of the EU PHARE project. These were completely new fields both for ARIB and the Ministry of Agriculture and the preparations had to be started from the beginning. First we studied the legal instruments, used the help of the experts and went to see how the aid administration had been organised in the old Member States. One key aspect was to define with the Ministry of Agriculture the supports important for Estonia. The development and implementation of these types of support became of primary importance. The supports chosen were the following: trade measures, dairy products' intervention buying-in and private storage, and milk disposal.

Quite soon it became evident that from the point of view of inspecting it would be practical to delegate some of the control functions to other agencies qualified in the field. So the Estonian Tax and Customs Board checks the export refunds, the Veterinary and Food Board checks milk disposal and dairy products' intervention and private storage, and the Agricultural Research Centre checks the cereals' intervention. The cooperation with these agencies has been good from the beginning. At present the main support measures are as follows: export refunds, cereals and butter and/or state intervention buying-in, milk disposal and school milk support. The first batch of butter and cereal was bought into the intervention storage at the beginning of 2005.

Dairy quota. The first so-called unofficial quota year for Estonia lasted from 1 April 2003 until 31 March 2004; the aim was to gain experience in the management of quota. In the preparations for this the requirements arising from the EU regulations were already taken into account as much as possible. The experience gained was of vital importance for the further development of the quota system. Now, as the first quota year in the EU has come to an end, the major problems are connected with regulating the quota transfer, and unfortunately we have come across producers who have not followed the requirements of the quota system - that is mainly because of their limited awareness as regards the requirements.

Structural aid. The preparation for the EU structural aid administration began with the pre-structural aid project, i.e. the SAPARD project. The development directed towards the implementation of SAPARD began even before the establishment of ARIB. The strenuous period in the preparation for SAPARD procedures came to an end in July 2001, when the European Commission gave ARIB its accreditation.

Thanks to the experience gained from SAPARD the transition to the national development plan aids in 2004 went smoothly. Parallel to the supports administration we have been in constant development in order to implement new measures. While the number of measures implemented last year was eight (including four fisheries' measures); this year we will also implement the advisory support, land

improvement investment support and some fisheries' measures.

Recent years have shown that with the increased professional qualifications of the staff of ARIB, the awareness and inventiveness of the applicants and advisers as regards writing the projects has also increased.

Rural development plan aid. We started to grant agri-environmental support in 2000 by supporting organic farming. In 2001 we launched a pilot project in the rural municipalities of Palamuse, Lümända and Kihelkonna where we supported environmental-friendly production and, in addition to the above mentioned, we started to support Estonian horse breed growing, the reconstruction and maintenance of stone fences, the maintenance of agricultural land covered with scrub and planting hedgerows consisting of different plant species and the creation of ponds and wetlands. Also, we granted aid for organic production. In 2002 we extended the range of beneficiaries of agri-environmental support - in addition to organic production, the support was in the whole of Estonia available for Estonian horse breed growing and in 55 rural municipalities the agricultural producers could receive remuneration for the use of good crop production practices and for maintaining the state arable land temporarily out of production.

Based on the previously implemented measures we had by 2004 developed three agri-environment measures - environmental- friendly management, organic production, and growing animals of threatened species. The number of applicants also grew sharply, as the aid was also available for natural persons (in 2003 the number of applications was 2038, in 2004 - 5794) and it was possible to apply for it in the whole of Estonia.

Moreover, in 2004 we also paid support for less-favoured areas, for semi-subsistence farms and for bringing manure storage facilities into conformity with the requirements. This year the list is supplemented by the support for the afforestation of arable land.

As a conclusion we may say that the last five years have been very strenuous, but at the same time interesting for ARIB, as the staff has had a possibility to take part in the establishment of a completely new organisation and structure.

Examples of the everyday vocabulary of an ARIB official: satisfying applications and applicants, the application proceedings, on-the-spot inspection, regulation, accreditation/auditing, manure measure, TAKS, EPS, MARSJA (names of IT programmes).

Review of registers, development

Teet Eomäe, Head of Registers Department of ARIB

From the beginning the Department of Registers has been responsible for the registers in ARIB. If we now look back at the developments of the registers of agricultural animals and agricultural supports and the field register, then we could say that everything has happened in no time - the time has passed so quickly. Still, the beginning of the work of the department does not coincide with that of ARIB. We started in November 1999 with the Head of the field register unit, Tarmo Tõnismäe. Our neighbours across the corridor were our present day colleagues Rena Pent and Jaanus Hämmal. The nearest printer at the time was a long corridor and two storeys away. A little while later we hired Terje Kukk as the Head of the animal registers unit (now she works at the Support Department at ARIB) and Aune Tamm as the Head of the supports registers unit. The establishment of ARIB went easily for us as luckily our main tasks had already taken shape. This is how the register sector became the Department of Registers.

By autumn 2000 we had established an independent register of agricultural animals - the umbilical cord that joined us with the Animal Recording Centre (at the time it was called the Agricultural Registers and Information Centre) could be cut. During the approximately one-week long test period data was simultaneously entered into two databases, but as there were no remarkable deviations we continued with the new database only. Here we would like to thank the staff of the Animal Recording Centre for their progressive way of thinking as regards information technology - the IT solutions developed at the time are still in use. One remarkable fact in connection with the register of agricultural animals is that the support for dairy cow breeding was in 2001 paid on the basis of the software developed in the Department of Registers. At the time it took two weeks to create the software with ORACLE instruments.

The next important tasks were registering the agricultural producers applying for the support and the creation of the software for the field register. While there were no major problems as regards registering the applicants - mainly thanks to the programmers of the department - for the creation of GIS we had to apply for PHARE resources. In spring 2002 PHARE 2000+ enabled us to renew the orthophotos of more than half of the area of Estonia and also the core of the geographical information system. As regards the geographical information system we can be pleased that from the point of view of information technology we have made the right choices and the future activities create more and more additional value. We are also taking the first steps to exchanging data with the national registers that process geographical information. Besides the data as regards supports, the register of supports contains data about the persons who have applied for support from ARIB. The database which at first glance seems simple excels in its complicated external links. Checking information in various formats is complicated and even the solutions of the X-Road data exchange layer have not facilitated the work. Today we could highlight the Ministry of Justice Centre of Registers and AS Andmevara as being our best cooperation partners as regards checking data.

In the future we plan to change the software of the agricultural animals register, that of the applicant registration and that of the statistics and reporting system. These major software development projects are in our agency led by our Information Technology Department. We

are also in the middle of the Transition Facility procurement in the result of which we should this year get new orthophotos for the areas which were not photographed in 2002. As regards remote sensing we have made a decision that the fields registers unit and the control department will participate this

year in the remote sensing pilot project. All this is actually the result of team efforts and hereby I would like to thank our present staff and also our former staff who today are employed in the private sector or supplement ARIB departments with the knowledge and experience gathered from the registers.

"Huh-uh, I ain't got no one but my dog."

- The answer of an animal keeper to the question of the head specialist of the animals register unit as regards the e-mail address.

Development and partners of ARIB

Jaanus Hämmal, Councillor for Development of ARIB

To a great extent, the development of ARIB has been conducted with PHARE support. Without it we would not be what we are today. Conditionally, the preparation and launching of SAPARD, happening as a result of enthusiastic work of a limited group of people, can be considered to be the first achievement. Here, again, we were helped by the PHARE SSP project. Further development required more and more resources - people, hardware and software. This gave a rise to a need to apply for additional resources through projects.

Building up the Integrated Administration and Control System (IACS) in the years 2001-2003 was the first major project, which laid the basis for allocating direct payments, rural development aid and administration of the registers. In the framework of this project, the main twinning partners were Germans, but the experts from Finland and Ireland also participated. Cooperation was efficient, but it appeared that resources necessary for implementing the project were underestimated. This resulted in the need to apply for a continuing project for the years 2004-2005. Finnish experts, who had already been involved in the previous project, are twinning partners in this one. In the course of this project, IACS shall be supplemented and new software created for the purposes of the animal register.

Building up the market regulation system was a completely new challenge for ARIB. Here, the twinning project with English and Dutch experts helped in 2002-2003. By the time of accession, the initial readiness for applying the measures for market regulation was ensured with the help of this project. Here, again a need emerged for the continuing project, which shall be launched this year. Again, our northern neighbours, the Finns, shall help in refining the existing systems in the course of this project.

This year, several other PHARE projects are being launched. Greek specialists will be the twinning partners for the project of the development of the support measures' software for the National Development Programme and Rural Development Programme. In the framework of the project, the existing software will be refined and new modules shall be developed.

Hopefully, the Transitional Facility project will be launched in spring, enabling to take new orthophotos of approximately half of the area of Estonia. These photos shall form a basis for map renovation, thereby ensuring the accuracy of payments.

Due to the Transitional Facility project, chief inspectors of the Control Department will have an opportunity to study efficient on-the-spot checks in Great Britain. More than 100,000 million kroons worth of software has been developed and hardware purchased in the framework of the above mentioned projects. However, this does not mean that we can rest on our laurels and enjoy the fruits of our work. Support schemes are changing constantly. We already have to start establishing aims for implementing the changes resulting from the CAP reform. PHARE support has finished, but still, it is possible to receive the so-called transition support from the EU through the Transitional Facility projects. ARIB shall apply for this support to implement software changes related to the reform. The role of in-house work groups in the development has to be mentioned. We have used this method of work for all our organisation-wide development projects and it has been very successful.

Before accession to the EU, most of the efforts had the aim of building up and rapidly implementing the systems for processing support. Because of the fast development and constant changes we used daily, weekly and monthly plans. Last year, after accession, we decided to take some time for compiling the development plan. A training company Business Grain OÜ assisted us in compiling the development plan. In the course of this process, we learned about quality management principles and were convinced that the development plan will be an excellent driver for improving the quality of management.

Computers and software are indispensable assistants for high-quality work, but while we compiled the development plan, the long-known fact emerged - human resources are the most important.

Therefore we have set the aim for the following development plans meant for improving the quality of management, to deal with human resources - be it promoting innovation, estimating work places, developing motivation systems or devising models of competence.

Keeping our customers in mind we have launched the development of the e-ARIB, which in the nearest future should enable the customer to apply for support or make entries in the register without leaving the computer at home.

Development has played an important role in the achievements of ARIB within the last five years. Development will go on, but naturally, the leaders have to make more efforts to find the necessary funds than they had to make during the first five years, the EU contributions through PHARE and Transitional Facility projects were immense.

ARIB's information is public

Heli Raamets, Press Councillor of ARIB

ARIB has been operating for almost five years. How have the way information about the activities of ARIB been given to clients and the public changed in this time?

In 2000, when ARIB was created, we mainly focussed on informing the public and farmers about the new agency and its tasks. The long name of the agency - Agricultural Registers and Information Board - caused some problems. Even some of our own employees had difficulties writing it correctly, not to mention journalists or farmers. It was logical to start using the abbreviation ARIB, which by now has become very familiar and widespread.

The entire information system had to be built from scratch. The information we distributed introduced supports and was mainly aimed to farmers. The first website of ARIB was completed by November 2000 was the first information channel. When compared to the current website, it had very limited information and possibilities, but it did the job back then.

Manuals for Applicants

2001 was the first full year of operation for ARIB. We distributed 13 different national agricultural subsidies and also started with the SAPARD programme. We prepared instructional materials for applicants about every support and we displayed it on our website. We even had colourful booklets printed about the four SAPARD support measures that had been launched and they were called Manual for Applicants. By now, the instructional materials of all supports have a common name that characterises their aim best - help for applicants. For supports with a bigger number of applicants, we publish instructional materials in handy size. The main colours on the covers of Manual for Applicants date back to the SAPARD supports - the instruction of agricultural production investment support has green covers and the instruction of investment support for the economic activities in rural regions has yellow covers. We try to make the other booklets in different colours so they are easy to separate and do not get mixed up.

The Press

We have been cooperating with the Maaleht (Agricultural News Weekly) since 2001 and they have been regularly publishing a column called ARIB News. We also cooperate frequently with Country Morning on Estonian Television. When ARIB was created, the press did not talk or write much about agriculture. But both agriculture and ARIB have figured in the news more and more as time has gone on. The volume of supports as well as the information given by ARIB to the press has grown every year. For example, about 400 articles associated with ARIB are published in national newspapers a year, plus the ones in county and parish newspapers.

Client Polls

In 2003, we conducted a poll among cattle breeders. We wanted to know where they got information about ARIB and where would they like to get it from. The Maaleht was the most popular information channel without competition as 78% of respondents got their information from there. At the same time many of them said that they missed getting information by post. We took the wishes of our clients into consideration and in the same year, we issued the first copies of our ARIB News newsletter, which we sent to all our clients by post. Feedback to the newsletter was very positive and it encouraged us to do more in this direction. In 2003, we sent all our clients an information booklet introducing supports for 2004. The requirements of all the supports had not been approved by the time the booklet went in print, but it did give a general overview of the subsidies distributed during the year.

Applicants can receive further information, instructional materials and application forms from the ARIB website as well as the regional offices.

The client poll from 2005 showed that over 95% of the respondents were happy or very happy with client services at ARIB! The poll results also showed that ARIB News, informational materials issued by ARIB and the Internet are catching up with the Maaleht as the most popular information channel. The popularity of the Internet could also be seen in the fact that more than half of the respondents gave their answers on the ARIB website.

Advisers

During the first years, we went to many information events to introduce the requirements of supports, but now we are going along a different route. Instead of trying to educate our 20 000 applicants while also trying to prepare supports and process applications, which would have been impossible anyway, we decided to educate advisers. Advisers help farmers to prepare applications as well as explain to applicants at information events what the possibilities of getting subsidies are.

We also cooperate with the regional information centres of Estonian Chamber of Agriculture and Commerce when distributing informational and instructional materials.

Are farmers aware of the requirements of supports?

At first, when the SAPARD programme was launched, there were many questions and many wrong assumptions. Everything new first meets with opposition and seems strange. This is why people were saying about SAPARD that it was impossible to get support from there and the requirements of supports were called a new level in the EU bureaucracy. In 2001, we received only three applications within the first four days regarding the four open support measures. Only about half of the projects in applications submitted to SAPARD in 2001 complied with requirements and received support. But farmers and rural operators learned to write projects better as time went on and they also became more active in applying for

supports. In 2005, 164 projects were submitted on the first day when applications for agricultural production investment supports were received! There has also been a breakthrough in the attitude toward EU supports - people no longer think they are impossible to get, but rather the other way round. Supports have become secure support for farmers and they rely on them. The share of applications that complying with the requirements has increased to 90% and even to 99,5% among cattle payments.

What will the future bring?

This year, we sent field maps, application forms and instructional materials to almost 19 000 farmers before we started the receipt of applications. A web map of fields was prepared in April and it helps the Internet users to search for fields and survey their fields without getting up from behind their computers. More and more farmers are using the Internet to look for information and this is why we have focused on the development of our web services. We are planning to create a client portal on our website in the near future and farmers will be able to use these to communicate with ARIB - inform about the movement of animals, check and survey their fields, submit applications and view application processing information. We hope that our client portal will meet with the same warm approval as most other innovations made by ARIB.

We can't live without ARIB

Heino Laiapea, Journalist of Maaleht

If it weren't for ARIB, we could not lay our hands on the money the EU offers us. ARIB is an important link in the economic chain. We have to take good care of it. Quarrelling and hostility are not to be stirred up.

Last year, the 5-year old ARIB successfully passed its state exam. In six weeks,

ARIB managed to complete the major campaign of declaring lands, which none of the neighbouring countries had achieved. All plots of cultivated land or land cleaned of brush in spring were registered. In the future, only the activities conducted on registered land shall be eligible for EU support.

One applicant had to be served in a limited number of minutes and seconds.

However, when a 90-year old woman arrived in the office to register her farmland, it took more time than usual. The employees of ARIB's regional offices, landowners and land users should have had a calm nerve and a lot of patience. I visited the regional offices of six counties and saw that despite the short preparation time,

everybody was willing to do his/her best. At first, it was not easy to find the necessary map files and print them out. Narrow corridors were stuffy, so several elderly people needed perking up. ARIB's specialists survived and became stronger. However, some of them could not even make their own flower beds in their garden patches. Work was so intense.

This was followed by the receipt and control of single area payments, which proved to be a very complicated task and all the employees of ARIB deserved an award for it. As credit for the final exam ARIB was nominated for European of the Year. But the employees of ARIB did not decide to put up their candidacy for the title. Jaan Sõrra, leader of the farmers in Tartu, knew which button to press.

In addition, ARIB is to be praised for the fact that several receivers of support, who at first got a reduced amount of support, got a larger amount later without any litigation. Some particularly principal ones have even sued ARIB and some have even won in court. Unfortunately, this has brought along expenses on both sides. The one who has the more expensive lawyer usually wins. It makes no sense

to count kroons and gather statistics.

"In its first year, ARIB was like a grumbling old man, not able or willing to collaborate with others. The first applications for SAPARD support were rejected even if a full stop or a comma was in the wrong place," an adviser reminded. "Now, ARIB is not such a horrible monster any more. Those employees of ARIB, who supervise the applicants, have to be scuba divers, vets, pilots and geodetic surveyors at the same time."

Compared to the first years, the activities of ARIB have become more flexible and they take the interests of customers much more into account. It is easier for ARIB to deal with large producers. Very often they have more precise and variable information about the applying conditions. As a journalist, I have met several small producers who have not been able to receive ARIB's appreciation for their support applications or have been too late. These are aspects, which require more attention in the future.

It is a pity that experienced officials leave the system. Training new people takes time. However, the location in Tartu is excellent; there is the Agricultural Academy where young and qualified personnel can be recruited. It was a good idea to establish ARIB centre in Tartu, where a good location was available on Narva Road. In order to have enough space, ARIB has to extend the building. This would have been much more complicated in Tallinn.

Five years ago, ARIB was like an experiment, a new product just out of the factory. This was machinery compiled on the basis of diagrams. Only a few had information about its functioning. Smaller gearwheels, i.e. the employees of regional offices were like little grey mice.

In ARIB, communication with the press is rather centralised. This is a pity, because each official should be able to explain the matters related to his/her area. It is convenient to get nice, round and smoothed information from one source, but life should be more variable.

"We can't live without ARIB," the farmers as well as other public officials say. If it were not for ARIB, nobody would know how old the cows were in peoples' sheds, how many calves were born in a year, how many hectares of rapeseed Mart had sown and on how many hundredths of land Linda the neighbour grew thistles.

In principle, ARIB's registers are an excellent opportunity to keep the activities of farmers and rural entrepreneurs under control.

ARIB has compiled the schedule for receiving and checking applications so the work load is evenly distributed over the whole year. This is understandable and completely right. It has become a rule that the ministry will determine supports at the last moment before the receipt of applications. Again, the whole target group does not receive the necessary information. It worries the officials at ARIB as well as farmers.

There are and will be matters of interpretation in the distribution of supports. Whose application deserves funding and whose does not. There is nothing bad in it and people should not consider this as corruption. The distributors are also people, not robots. But the giver's wallet is limited and choices are to be made.

But some choices seem weird. In Estonia, 101 rural municipalities have been recognised as less-favoured areas, where special support can be applied for. One year, for example, crop failure supports were distributed in the amount of 101 million EEK. I do not believe that these numbers are chosen at random. One for each member of the Estonian Parliament. It would be a pity if ARIB were to fulfil the political orders of some people. The concerned parties rapidly argue that ARIB has nothing to do with politics. However, ARIB fulfils the directions coming from the Ministry of Agriculture. But the ministerial positions are political. Unexpected turns do not work well in agriculture. Our recent past has already proved it. Now we depend on the turns in Brussels. Today, one cannot find the support schemes for 2007 on ARIB's home page.

The earlier the schemes shall be displayed there, the clearer picture the farmers will get. Where can ARIB accommodate the immense amount of application documents that has to be retained for seven years? The requirement to retain the documents most probably arises from the need to discover some embezzlement later.

In general, minor offences expire in five years; why should ARIB retain the documents for seven? It is time to establish a factory for recycling paper in Tartu by means of ARIB support. It might be more lucrative for the state than a chips or oil plant.

Support money has been of great help

Interview with Jaanus Murakas, TÜ E-Piim

What have your contacts with ARIB been like so far?

I have had many contacts with ARIB and they have been work-related.

What is your first memory in connection with ARIB?

My first memories go back to the pre-EU time when the SAPARD support was given. We applied for SAPARD support three times - for the extension of the cheese industry and for the purchase of equipment. We have been successful each time, we have received the money and we have had no problems. The cheese industry is working and the support money has been of really great help.

Did SAPARD seem complicated and difficult the first time?

The first year, when SAPARD supports came, the fear was maybe too big. At the same time the enterprises were already familiar with hygiene regulations- they were covering the walls of their buildings with tiles and they bought plastic windows. As regulations were very complicated, then maybe people were too intimidated. Although we were not very scared. In the dairy industry it is possible to buy in the know-how and maybe the ones most scared were the farmers - how does a farmer who owns 10 cows handle everything? The farmer has to be an agronomist, a veterinarian and ARIB applicant at the same time - it means that the person has to be quite talented.

What was your last memory in connection with ARIB like?

The last experience has to do with intervention butter. At the beginning of this year intervention buying-in opened for butter in Europe and E-Piim was the first in Estonia to practice intervention buying-in. Despite the fact that it is a very complicated measure, it functions very well. We work in a group of three -ARIB, E-Piim and Hansapank. Hansapank finances it for E-Piim and ARIB pays back to Hansapank. Hansapank claims that it is the first time it bridge finances European support and today we can say that things are going very well and we are happy with it. Viewing from the side it seems that ARIB has developed very quickly. We also work with the Ministry of Agriculture, Veterinary and Food Inspectorate and the Customs Board, but compared with them the development of ARIB has been very quick. The amount of measures they work with is immense and the number of staff has also grown in these five years. It seems to me that ARIB has done a very good job. In some sense it was more difficult for Estonia's ARIB to start its work compared with analogous agencies in some other candidate states as many candidate states practiced their own system of export refunds,

their own internal intervention before accession and they had the relevant experience. But as Estonia only had the super-liberal market model, we did not have such organisations and measures. We had to begin from the beginning and in my opinion it has been a success.

It is very pleasant that ARIB is trader-centred. ARIB tries to solve problems and meet the trader halfway - it does not attempt to prove that the applicant has made a mistake and that the applicant now has to say goodbye to receiving support. I think that in case of ARIB the most important thing is the understanding that actually the speed of Estonia's economic growth depends very much on how ARIB works. Economic growth may especially take place in the agriculture or dairy sector. Europe has over-regulated these sectors and if our ARIB were to work a bit more slowly or sloppily than the similar agencies in the other states, then it would be too much to expect that our respective economic sectors could develop as quickly as in other European countries and that we could keep up the competition. The money received from ARIB is not additional profit for enterprises, but for example the measure of intervention butter is actually a milk measure. ARIB has worked well and with such flexibility that many Estonian agencies do not possess.

What has E-Piim gained with the help of supports?

Firstly, we now have the possibility to export goods outside the European Union. Before Estonia's accession to the EU it was practically impossible because other EU states received export refunds for the export of goods from Europe to third countries. We have had this possibility since 1 May 2004. And from June 2004 enterprises started actively applying for export refunds and now we are in an equal position compared to other European countries. Thanks to export refunds it is possible for us to compete with equal price models and this has opened additional market opportunities for selling our goods. Everyone knows that the majority of Estonian milk has to be exported. Intervention opens if the price on the market is low and today the price is low.

Today, for example, the price that we get for the butter from intervention is 3-4 kroons higher than the market price. If we manage to sell 700 tons of butter into intervention, then taking this amount into account, it will total in about 2.5 million kroons more than it would be possible to get from the market. Otherwise we could not pay the farmers the price of milk we have promised to pay them. The investment aid has also been very necessary. E-Piim has increased its cheese production volume by five times. In 1998 we produced a maximum of 1000 tons of cheese, and today we produce 5000 tons of cheese. These are the investments we could definitely not have made so quickly on our own. Thanks to the support from SAPARD we have managed to multiply the production volume in the Põltsamaa cheese industry

Young organisation has been successful in achieving its aims

Interview with Mihkel Undrest, Chairman of the Council of Torgu Rural Municipality

What have your contacts with ARIB been like so far?

My first contact with ARIB was many years ago when I had to go to Tartu to submit a

SAPARD project as regards fishing industry equipment. Now I have had many contacts with ARIB - both via fishery and village development measures - so I am aware of what ARIB does.

Could you please describe the first project?

I remember the first project well - it was for the purchase of fish refrigeration equipment for OÜ VRHL in Saaremaa. I had been to Tartu only a few times and this was my second or third visit. When compiling this project I was helped by the advisers who had just received appropriate training and it was the first project for them, too. When I signed the project, the pile of documents seemed so big and the work connected with it so labour-consuming that I thought it would be my first and last project. Also, I did not think the project would be successful as it seemed impossible that one could fill such a huge amount of papers correctly. ARIB was also only developing and how things were seen at the time... But everything went well and now afterwards, I can say that there has been great development in ARIB, in its offices in the counties and in its staff, as well as in the understanding attitude of ARIB. A dialogue evolved between the applicants and the controlling body. ARIB does not search for ways how not to grant money, but the opposite - they try to help the applicants so everything goes smoothly and pursuant to law. A young agency has done a great job in five years, and it has done it successfully.

Could you describe your last memory in connection with ARIB?

On 2 May 2005 we submitted a fishing port project to ARIB that is now being processed. And before that we had two village development projects for Sõrve Säär - one of them for the reconstruction of the community centre of the rural municipality and the other one for the creation of a recreation area for Mõntu Port. Both of these projects were approved and the projects received the maximum amount of support. I have only good things to say about ARIB.

How did the preparation of the port project go?

As an advisory member of the fishing board I actively participated in the development of the regulation and the process lasted for more than a year. I am confident that ARIB would have opened the measure more quickly if the Ministry of Agriculture and the fishermen themselves had kept up with the pace of ARIB. Still, the compilation of the project went smoothly as I was aware of every change in the regulation and I was waiting for the beginning of the application process.

What good has evolved from the supports?

With the help of the support we have created about 10-15 new jobs in the fishing sector and we have also increased the production capacity.

The village development measures included the project for the children's sports hall that was built in Torgu School. This took the children from the last century to the present one. Before that the conditions in the sports hall were poor - it had a rotten floor and a leaking roof. But now the children there have the same possibilities as the children in any town school. Although this investment did not create new jobs, it

is in my opinion one of the biggest victories in the area. At the same time the fishing projects are creating new jobs for the people in Sõrve Säär.

I would like to thank ARIB - you have done a good job, you have developed quickly and you have helped the more remote areas in Estonia, such as Sõrve. I hope that your work will be even more effective in the future thanks to your efficient managers and people carrying out the work.

Big yellow combine harvester

Interview with Erki Oidermaa, farmer from Põlva County, the first to receive SAPARD support

What is your first memory in connection with ARIB?

My first memory is still the big yellow combine harvester I bought with the support money. At the time the preparation of a SAPARD application was quite an undertaking and it took quite a lot of time, it took many long nights. During the day one has to do everyday farming tasks - the nights are for paperwork.

Did you prepare the project yourself or did you use the help of an adviser?

I did the first project myself. Before that I had had experience with a SPP project and that was approved, so I had a little experience. SAPARD project was quite similar to that of the SPP.

What is your last memory in connection with ARIB?

My last memory goes back to yesterday when I submitted the area-related aid application. At around 2 o'clock I went to ARIB office in Põlva - there was no queue, only a few people. Probably everyone goes there in the morning, so it took very little time. I received the maps via mail and for the new lands that I had taken on in the framework of the less-favoured area support they needed the instruments of delivery and receipt.

When you get the map by mail it simplifies the procedure a lot compared with the first year when I had to go to ARIB and look for the right map. The amount of time spent is only a fraction of what it used to be.

How have your ventures developed during these five years?

I have calculated how many tons of seed crop I produce and this year's numbers show that I could be among the top three in Estonia. When I started off and bought the combine harvester with the help of SAPARD, the area under production was 250 hectares; in this year's application the area is about 730 hectares. And I already need another combine harvester and I have already ordered it - the only exception is that now I have to buy it 100% with my own funds. But at least I am standing on my own feet and I can afford two combine harvesters and I can pursue high quality.

What kind of support have you received?

I have submitted SAPARD projects every year - I have bought a tractor and the last projects have been for construction. This year I received an affirmative answer for the project for the renovation of the grain storage. Last year I received support for laying an asphalt area and also for reconstruction, so I have received support for all kinds of things, except for technical equipment. I have also been granted area-related aid every year. I have not applied for environmental support as I cannot do the crop rotation of clover. The people growing seed cannot plan beforehand for what kind of seed will be in demand - for example whether it will be wheat, barley or oats. I base my decisions on the orders I get. I grow seed, rape, wheat and potatoes.

Have you had to hire more people?

Yes, now I have had to hire people. I signed the last contract of employment on 1 May. Now there are six people, myself included. But there is also a lot of field area.

How would you assess the development of ARIB in these five years?

I think that ARIB has become a lot more flexible and open to the people. The rigid attitude has gone - it is possible to solve things. At the beginning the attitude was quite stiff. Everyone I talked to, every farmer was of the opinion that ARIB was worse than the Tax Board. Last year I happened to be included in the ex-post check sample of the area-related aid and people came to measure my fields. But everything was fine as I had bought GPS systems and the land had been accurately measured. I bought myself the same GPS that ARIB has.

Do the neighbours come to borrow it?

Yes, they do. The thing is that now it is necessary to measure, but the deadline for submitting the application is so early. Everyone is busy working on the field to get the last sowing done. I have done it already, but there is no time to measure it, but at the same time today is the last day to submit the application documents. The people would like to be more accurate as regards the data, but the early deadline set by ARIB forces them to write the area down carelessly. The deadline for submitting the applications could be in the beginning of June - around 10 June would be a good time