

## **Dear reader,**

You are holding the second yearbook of the Agricultural Registers and Information Board (ARIB) containing a review of the work done and activities of our agency in 2002.

In 2002, we paid out 409 million kroons under 15 different national aid schemes. The year was also the first full year for the SAPARD program, we administered four investment support measures in the amount of 194 million kroons. The development of the register of animals was continued, and the creation of register of agricultural supports and agricultural parcels was commenced.

All documents concerning aid schemes and registers are required to be archived and retained, but our archive room was too small. In summer alterations to our attic were made, and now the third floor hosts an archive, which meets all the requirements, an assembly room and office space for IT Department on additional 160 m<sup>2</sup>.

In addition to the administration of agricultural aid schemes and maintaining of registers, which have been ARIB`s main activities so far, we initiated the preparations for the development of control and market regulation system, which is prerequisite for the accession to the European Union. During the whole year our employees were involved in the creation of integrated administration and control system (IACS), aided by a Germany expert Volkmar Meislahn. The development work for launching a market regulation system in co-operation with Gordon Fyfe, an expert from Great Britain, commenced in September.

Together with the increase in workload, the personnel also increased by 31 employees. In the end of 2002 ARIB had in employment 181 employees. In 2003 our laborious ARIB family will expand further, because we are required to have a full system for aid schemes, registers and market regulation measures by the end of the year. We hope to achieve all this in time, because a lot will do a lot of work.

Mati Kermas  
Director General of ARIB

## **SAPARD program in full gear**

The year of 2002 was the first year, when the SAPARD program was implemented throughout a whole year. We analysed thoroughly the routine of implementation of the program during 2001, and based on that changed the procedures to be more flexible. The quality of the projects submitted in 2002 was much better than in previous year, which is also the reason why almost 90 per cent of the SAPARD support applications were approved. In 2002 we made support payments in the amount of 162,6 million kroons to twenty-five projects.

In March the auditors of the European Commission audited the implementation of the SAPARD program in 2001, and the work done by ARIB received a positive opinion. We are glad that the results of the two year administration of the program show that its objectives are realising, because the aid has been channelled to undertakings lacking financial funds for investments, especially for investments needed to meet the set hygiene requirements in dairy production and food processing facilities and replace depleted machinery.

Another important topic is the preparations made for implementing milk quota system. In the second half of 2002 a decision was reached to implement milk quota system before the accession to the European Union. In just four months the legislation, procedures and IT programs for the implementation of milk quotas were prepared. In the end of 2002, 7120 owners of bovine animals were sent pre-printed application forms, where the management also participated in placing the application forms into envelopes.

On April 1, 2003 the first quota year began, the aim of introducing the system is to let the applicants adjust to it, and collect data. During the preparations for the implementation of milk quota system several issues aroused that have to be solved before the implementation of the milk quota system of the European Union.

The year 2002 was also significant, because the chapter of agriculture of the negotiations was closed, where the decisions were reached essential to the agricultural producers as well as ARIB. Before ARIB initiates preparations for implementing the EU aid schemes, several political decisions and additions need to be made concerning new aid schemes. We are also looking forward to have the opinion of the European Commission on these issues.

Katrin Noorkõiv  
Deputy of Director General of ARIB

## **The development of information systems is continued**

For the information technology system of ARIB the year 2002 passed under different PHARE projects: several servers were purchased, state registers were transferred to a new database server, additional computer technology was received and new aerial photos of fields of several counties were ordered.

For the first time, software (LOTA) ordered outside ARIB was used for the administration of the milking cow production premium. Several problems cropped up, but they were solved during the course of the project. In conclusion we may say that the results of the project are satisfactory.

The most significant event for the register of supports and agricultural parcels were new aerial photos, ordered under PHARE project. The ortophotos developed based on the aerial photos will be available in the first part of 2003. The maps based on them will be used for implementation of crop production and agri-environment premiums. In 2002 maps, where the applicants of crop production premium could mark their fields, were printed out in six counties.

Several missions of the European Union have performed their checks of the register of animals. In 2002 the register of supports and agricultural parcels was checked for the first time. The officials of the EU were satisfied with what they saw, but reminded us that all agricultural parcels have to be digitalized and entered into the register before accession.

In 2002 the creation of a new information system for administration of direct aid schemes and the register of animals was initiated. As regards the system for direct aid schemes, we received an operating system from Finnish paying agency, which has to be adjusted to Estonia's need. This software should be ready by the beginning of 2004.

Ahti Bleive  
Deputy of Director General of ARIB

## **About the Agricultural Registers and Information Board**

The Agricultural Registers and Information Board (ARIB), established on 20 July 2000, is a government institution subordinated to the Ministry of Agriculture of the Republic of Estonia.

ARIB is responsible for the administration of national aid schemes for agricultural and rural development, as well as granting support under the European Union SAPARD program. Maintaining agricultural registers, processing and analysing registration data are also the functions of ARIB.

In order to carry out these functions ARIB:

- receives and processes applications submitted for granting aid for development of agriculture and rural regions;
- chooses the projects and administrates the payment of aid;
- develops reports concerning these aid schemes;
- organises the payment of aid within its competence;
- accounts for financial liabilities and payments;
- performs internal audit control over the activities performed in the Board;
- gathers and processes agriculture related data presented by the Ministry of Agriculture;
- is authorised to maintain state registers, create and maintain other databases needed for the activities of the Board; co-ordinates the databases of the Board

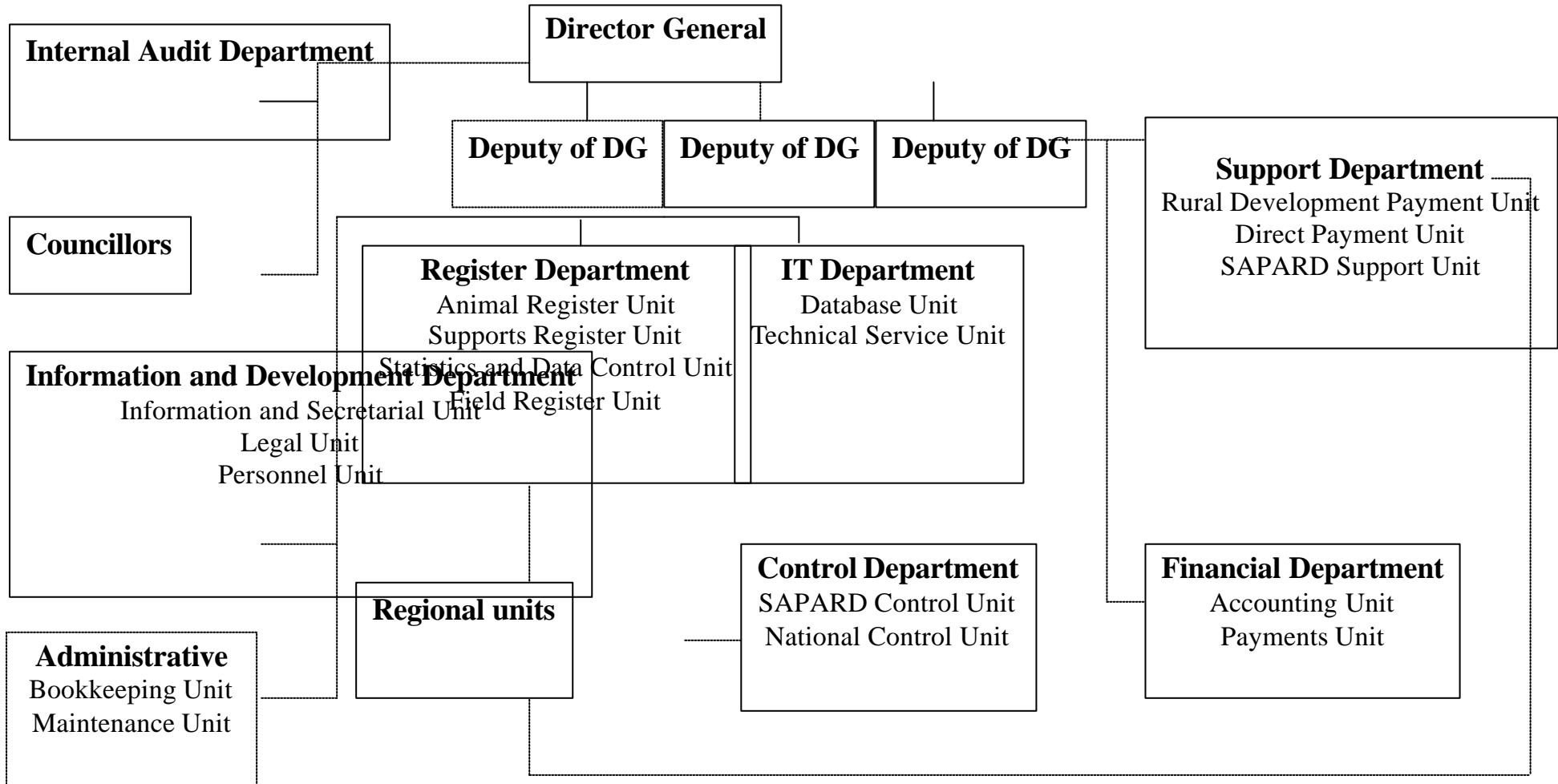
with databases and registers of other government institutions subordinated to



- ensures that there is accordance with the state main registers, and also with other state registers;
- develops exchange means to the users of registers;
- manages IT development projects subordinated to the Ministry of Agriculture and gives expertise opinions to them;
- implements programs for the development of agriculture and rural regions pursuant to legislation in force;
- designs and publishes information materials;
- manages foreign aid projects that are implemented through the Board;
- performs other tasks specified by legislative acts or other legislation, or given by the Minister of Agriculture.

Head of ARIB is Director General, who in 2002 supervised the work of three deputies of Director General, two Councillors and Internal Audit Department. One of the deputies was responsible for the Administrative Department and Information and Development Department, the other supervised the Information Technology Department and Registers Department, and the third supervised the Support, Support Control and Financial Departments. The three last mentioned departments function also as a SAPARD agency.

# AGRICULTURAL REGISTERS AND INFORMATION BOARD





## **Internal Audit Department**

The Internal Audit Department of ARIB monitors that the managerial, administrative and financial activities of the Board comply with the acts in force and other legislation. The department also supervises other departments, and is responsible for taking measures to prevent the violation of legislation in the Board's operations.

In 2002 the methodology of internal audit was significantly improved:

- a new risk assessment methodology was created;
- a more detailed plan for the year and a strategy plan were composed.

In addition, the department participated in the work groups organised for implementing the agricultural policy of the European Union, advised employees of ARIB on issues concerning internal audit activities, and was involved in everyday problems.

In 2002, there was also a change in personnel of the department – one of the employees left for parental leave. Four employees are working in the department altogether. It is the youngest department in ARIB – the average age of the employees of the department is 24 years.

In 2002, 10 audits were carried out, of which 5 were related to national aid schemes, one to SAPARD supports, and 4 were management activity audits.

## **Administrative Department**

The responsibilities of the Administrative Department include activities related to the budget of the Board and accounting, and maintenance and procurement of assets.

The **Book-keeping Unit** is responsible for financial accounting and reporting, including transactions with suppliers, accounting for salaries and assets and development of periodical or financial statements concerning the fulfilment of the budget.

For the Book-keeping Unit, the year of 2002 was the time for a team formation. Two new accountants were employed. At the beginning of the year, last year's accounting was reviewed, and a financial statement was developed on the basis of this information.

As since 2002 the Financial Department is making the payments for the national aid schemes, the Book-keeping Unit helped to formulate the relevant procedures. Advice was also given on the basis of the practical experience gained. In spring a draft budget for 2003 was compiled.

At the end of the year the Book-keeping Unit employees together with the Personnel Unit visited all the regional offices of ARIB in order to chart the assets for inventory, and get acquainted with the employees working there. The objective of the visit was to discover also problem areas in relation to the requirements and reports required by the Book-keeping Unit.

Since 2002, the Book-keeping Unit has employed e-services: at the beginning of the year the unit joined electronic State Treasury, and since October the unit uses the services of electronic Health Insurance Fund.

The **Maintenance Unit** organises public procurements and provides utilities to the administrative building of ARIB. The Maintenance Unit is responsible for ensuring the availability of working tools and equipment, and adequate working environment for the employees.

The year of 2002 was more peaceful for the employees of the Maintenance Unit than the previous one. Ten public procurements were organised. The regional offices and the central office were provided with all indispensable means for performing work.

In spring, an open public procurement by open tendering procedure was conducted, and three used cars were purchased in this way. This procurement was a precedent, as nobody has ever purchased used cars before.

In summer 2002, the construction of the third floor with its additional 470 m<sup>2</sup> was concluded, therefore giving additional space for archive, office, rest area and assembly/training room.

## **Information and Development Department**

The Information and Development Department consists of three units: Information and Secretarial Unit, Legal Unit and Personnel Unit. The objective of the department is to organize and develop public relations, records management, personnel management, training and provision of legal services.

The **Information and Secretarial Unit** is in charge of organizing internal and external exchange of information.

In 2002, the most important achievement of the unit that had a positive impact on the work of the Board was the development of records management procedures, which also meant an authorization of the list of documents by archive. The unit introduced the registration of ARIB visitors in 2002.

Interesting facts from the year 2002:

- 1705 entries of incoming documents, and 2222 entries of documents that left ARIB were made;
- 571 decrees of Director General were registered;
- ten ARIB A3 format pages published in *Maaleht* were edited by the employees of the Information and Secretarial Unit;
- the Board published 46 press releases.

The **Legal Unit** provides legal services to ARIB. In 2002, the main activities included consulting ARIB employees and applicants on implementation issues of legislation, finding or checking legal basis for letters and decrees, or checking that the agreements were formulated in accordance with legislation. The unit also participated in conducting public procurements, administration of aid schemes, work groups, drafting

of legislation and formulating amendments to legislation. The Legal Unit represented ARIB in courts and Public Procurement Board.

The main task of the Personnel Unit is to organize personnel related work. The unit maintains records, conducts research about training needs, designs training schemes and organizes training for employees.

In 2002, all the offices of ARIB were assessed.

Interesting facts from 2002:

- as of the end of 2002, 185 employees, of them 111 women and 74 men, were working in ARIB;
- 42 public servants were employed in service, 7 employees were released from office;
- to find 42 employees, 1075 CV were studied, 386 persons were tested and 155 candidates were interviewed;
- ARIB employees participated in training sessions for 9129 academic hours.

## **IT Department**

Information Technology Department introduces new computers and software, develops the ones in use, and maintains and services the IT of ARIB. IT Department consists of the Technical Service Unit and the Database Unit. In 2002, the department employed two additional employees, and in the end of the year the department had 14 specialists.

The **Technical Services Unit** is responsible for the operation of all hardware and system software, local and wide area network, as well as the normal functioning of Internet connection and electron mail system.

In 2002, ARIB computer network was expanded, because additional work places were created, a new server, working in UNIX environment, and new working stations were implemented. New database and application server software was installed. Everyday computer-related help was provided to employees in the regional offices and central office. The implementation of distant administration software accelerated problem solving.

The Database Unit administers the databases and their applications. Instead of one, two databases, a database for national aid and a database for national registers, were created. In order to optimize the work of databases, the parameters of the databases were checked and changed. The system of backup copies was rearranged, a new tape device was introduced, and also the backup software was renewed.

In 2002, software for administrating agri-environment, crop farming, suckler cow, training, practical training premiums, and the initial milk quota administration software were created.

Additions were introduced or changes were made to the software for administrating interest rate support, agricultural insurance support, ewe and goat production premium, liming support, advisory support and school milk support schemes.

## Registers Department

The Registers Department collects original data for state registers and institutional databases, processes and co-ordinates them, develops support-related reports, and analyses the impact of supports to economy. The Registers Department consists of four units, and of registry secretaries and regional specialist, who are supervised by the deputy head of the department.

In 2002 the most important events were:

- the adoption of amendments to the Rural Development and Agricultural Market Regulation Act that allows processing of agricultural parcel related data;
- within the framework of PHARE project ortophotos covering half of Estonia were ordered, and contracts were concluded for digitalization of borders of agricultural parcels of four objects;
- the creation of information system for agricultural parcels, and a new one for agricultural animals, was commenced;
- the registration of animal owners and the system for changing data by e-mail (for those interested) was created.

In every regional office, except for Hiiumaa, there is a representative of the Registers Department, a regional specialist, who is responsible for digitalization of agricultural parcels, printing out maps for applicants submitting applications under area aid schemes, receiving documents concerning registers and consulting clients in register-related issues.

Specialists-registry secretaries, who receive and record registry documents sent to ARIB and make entries thereof, are also employees of the Registers Department. The **Unit of Statistics and Data Control of Registers** compiles statistical overviews about aid application submission and payments made under different aid schemes.

The main client for statistical data about payment of aid made out of the state budget is the Ministry of Agriculture, the European Commission is, on the other hand, interested in receiving regularly statistical data concerning SAPARD program.

The **Animal Register Unit** records data about agricultural animals and movements thereof. The animal owners are required to submit data about their agricultural animals. The employees of the Animal Register Unit check, based on the data in the register, whether the data about animals on the applications submitted for premiums are in compliance with the set requirements. The data in the register may be used in case of spread of infectious animal diseases, or in case the location of disease, and animals that have been exposed to the disease, have to be located.

In 2002, 307,881 events were entered into the register of animals, the number being higher almost by 100,000 entries compared to the previous year. 121,948 documents were entered into the entry journal. The same number for 2001 was 74,179 entries. The register of animals regularly, once a month, submitted data to

the Veterinary and Food Board for their supervision activities, and once a quarter, to the Ministry of Agriculture and to the Statistics Office.

Data relating the bovine animals, ewes, goats and pigs registered in the register of animals has been made available to all interested parties via Internet.

The **Supports Register Unit** enters the applicant's data to the register of agricultural supports and agricultural parcels. The register data is checked; data is mainly compared to the information available in the database of the Commercial Register. The data in the register is used when payments of agricultural premiums are made.

The register of agricultural supports and agricultural parcels was introduced on 1 January 2002. In 2002, data of 7601 applicants were entered into the register.

The functions of the **Field Register Unit** are the designing of the field register and carrying out digitalization.

In 2002, the introduction of requisite amendments to the legislation was continued with a view to the database of agricultural parcels, so that the procedures for administrating arable land were in compliance with those in force in EU.

The possibilities for the use of distant monitoring were analyzed, so that in future it would be possible to use a method for checking areas that eliminates the need for additional checks, and there will be more time to find solutions to individual problems.

In the end of 2002, 73,304 agricultural parcels, with area of 561,373 hectares, all over Estonia were digitalized. The counties fully digitalized are: Saare, Hiiu, Tartu, Valga, Lääne, Lääne-Viru, Ida-Viru, Viljandi.

In spring 2002, new ortophotos were made, which cover 23 000 km<sup>2</sup> that is about 50 per cent of the territory of Estonia. New colored photos will be received in March or April of 2003. The rest of the Estonian agricultural parcels will be digitalized on the basis of these photos.

The applicants were given an agricultural parcel map printout, where the fields for what premium was applied for were marked, during the application for premium for production of crops in six counties (Saare, Hiiu, Tartu, Valga, Lääne, Ida-Viru). The employees of the Field Register Unit checked, using GPS-technology, on the spot 102 fields with total area of 799 hectares. The Field Register Unit also conducted a technical ex ante area control at eight applicants for agri-environment premium, because in their case the unit was ordered an additional expertise.

## **Support Department**

The Support Department administers national aid schemes as well as applications for investment supports for the development of Estonian agriculture and rural regions, granted within the framework of SAPARD program.

In 2002 the Department of Supports consisted of three units – Direct Payment Unit, Rural Development Payment Unit and SAPARD Supports Unit. A specialist representing the Supports Department, who receives the applications, records them, checks that all the required documents are submitted, and provides the applicants with manuals for application submission, works in every regional office.

The applications for national aid schemes as well as for support given under SAPARD program are received in the regional offices. In 2002, the applications for 8 different aid schemes were received in ARIB regional offices. In total, more than 11,000 applications for aid were received by ARIB. Most of the applicants were from Saare, Pärnu, Võru and Viljandi regions.

The tasks of the **Direct Payment Unit** involve the reception of applications for direct aid, checking that the applications are accurate, the logistics and registration of applications, compiling the lists of applicants to whom aid is granted or who are refused, preparing decrees, and drafting amendments to regulations in cooperation with the Ministry of Agriculture.

Since the second half of 2002 the employees of the unit have actively participated in development work in addition to the main tasks. Preparations are made for implementing integrated administration and control system (IACS) program, which meets the EU requirements.

The **Rural Development Payment Unit** receives the applications for national premiums for rural development, and checks that the applications are accurate. At the same time the employees of the unit monitor the movement of applications, register them and then compile the lists of applicants to whom aid is granted or who are refused.

In 2002, the Rural Development Payment Unit administered eight different national aid schemes. In total, the unit received over 3,000 applications for premiums in 2002.

Two new aid schemes were introduced: support for practical training and training. The administration procedures of some of the aid schemes were changed.

In 2002 the unit had to move for two times. Two additional employees were employed.

The functions of the **SAPARD Support Unit** are to analyze the business projects submitted for SAPARD supports, assess and give confirmation to these assessments. The logistics of the unit receive applications for SAPARD measure 2. The logistics know the movement of application files and they are authorized to give information about these movements.

In 2002, 426 SAPARD support application were submitted. The SAPARD Supports Unit analyzed 405 of them; approval was given to 379 projects.

Since the second half of 2002 a work group for drafting regulations and procedures for administration of milk quota and for composing IT requirements was formed. Two employees of the Department of Supports also participated in the work of this work

group. All the owners of animals, who had dairy cows in their name in the register of animals as of 15.12.2002, were sent application forms for milk production quota. There were 7120 such producers.

The summer of 2002 was exceptionally draughty, and therefore an additional compensation for the damage of natural disaster was implemented. This compensation was paid to the applicants, who in 2002 had been paid ewe and goat production premium, milking cow premium, premium for crop production and suckler cow premium.

The year of 2002 was also a year of development work for the Supports Department. This initiated the change of the organizational structure of the department. These changes in the organizational structure reflect the trends in the operation of the department in 2003 to 2006, and help adjust to new requirements of the administration of agricultural aid schemes that will be implemented since 2004.

## **Control Department**

The Control Department supervises the use of supports paid both under SAPARD program and national aid schemes. The department consists of the National Supports Control Unit and the SAPARD Supports Control Unit. Two inspectors of the department work in every county.

A head of the unit and four chief inspectors work in the **SAPARD Supports Control Unit**. In every county there are two senior inspectors. The main tasks of the unit are to carry out ex ante, investment realization and ex post controls of the applicants for investment support, and of the beneficiaries.

When the ex ante control is conducted, the information submitted by the applicant is checked to ensure that the applicant and the investment meet the applicable requirements. In 2002, 441 ex ante controls were performed.

The objective of the inspection of investment realization is to check if and how the investment has been made and whether the documents submitted by the applicant are accurate. In 2002, 270 investment realization inspections were carried out on the whole.

The aim of the ex post control is to check that the investment support is used for the intended purposes. In 2002, ex post control was performed for 7 applicants to whom the support payment was made in 2001. All the beneficiaries checked had been using the investment for the intended purposes, and no violations were found.

In 2002, 86 additional inspections were carried out. Some of them were conducted in accordance with an established plan, but some of them were carried out when differences in documents were discovered. In two cases the supplier of the investment object was checked.

In 23 cases of inspections performed it was established that the applicant did not meet the requirements, or there were found deficiencies in application documents, which in turn resulted in the refusal of the application.

The work performed by inspectors is checked during supervision. The supervision established that the inspectors had been correct when they had made decisions regarding applicants or information submitted by them.

The **National Supports Control Unit** carries out ex ante control and supervises that the support is used for intended purposes. The employees of the unit check the accuracy of the documents submitted, and also conduct on-the-spot controls.

In the end of 2002 there were 5 employees in the National Supports Control Unit, who were responsible for the administration of 12 different national aid schemes. Since September, the unit also participated together with the Ministry of Agriculture in the preliminary work conducted for the implementation of raw milk production quota system.

The employees of the Control Department, the chief inspectors and the inspectors from regional offices performed on-the-spot controls for nine different national aid schemes.

In 2002, 1,112 applicants were checked during on-the-spot controls. Of the controls, 260 checks (plant culture growing premium) were conducted by the Plant Protection Inspectorate, and 41 checks were made by Regional Offices for Land Improvement (aid for liming agricultural land).

In comparison with 2001 two new aid schemes, support for training and support for practical training, were introduced. The number of rural municipalities, where agri-environment support was granted had increased from three to fifty-five. This new aid scheme meant that applicants and ARIB were involved with the support for almost all year round.

In 2002, the development work concerning the preparation for the market regulation measures was commenced. The objective was to design the initial system for granting and implementing raw milk production quota for 2003-2004.

## **Financial Department**

The Financial Department controls and authorizes the payment claims for SAPARD investments, makes the payments under SAPARD and national aid schemes and accounts for liabilities, payments and debtors, and develops reports. The Financial Departments consists of Accounting Unit, Payment Unit and the authorizers.

The authorizers check the payment documents submitted for the payment of SAPARD investment support and the compliance with the price quotations in the applicant's business plan thereof. In 2002, the workload of the authorizers increased remarkably, because the beneficiaries of SAPARD support submitted investment



documents for the projects approved in 2001 and 2002. In 2002 the total number of authorized SAPARD project payment claims was 291.

The **Accounting Unit** organizes accounting activities for SAPARD program. The unit accounts for liabilities, payments and debtors, and develops reports for the Department of the National Fund of the Ministry of Finance. Information concerning an applicant and his project are recorded in the Accounting Unit.

In 2002, the Accounting Unit entered information about 370 SAPARD projects, the number being about 2,9 times higher than in 2001. The applicants had planned investments in the amount of 463,7 million kroons, of which 194 (41,8%) million kroons was the amount of support. In 2002, 8 applicants did not make the investment nor submit the required documents, resulting in the release of 5,4 million kroons.

The **Payment Unit** orders financial funds from the Ministry of Finance for the payments of SAPARD investment support and transfers money to the applicant's bank account. Since 2002, one of the tasks of the unit is also to order money from the State Treasury for the payments to be made under national aid schemes, make transfers to the bank accounts of the beneficiaries and account for the payments and debtors.

In 2002, payments were made for 250 SAPARD projects in the amount of 162,6 million kroons, of which 112,2 million kroons were for the projects submitted in 2001, and 50,4 million kroons were paid out for the projects submitted in 2002. 413,5 million kroons were paid out under 16 different national aid schemes in 2002.

## Registers

In 2002, ARIB continued to gather and process agricultural register data, and develop databases. The data of registers are used to prevent and control the spread of infectious animal diseases, to administer aid and to develop statistical reports.

At the time of accession to the European Union, Estonia is required to implement an integrated administration and control system (IACS), which is necessary for administrating the EU agricultural direct aid schemes. The main objective of the development of animal register, as well as the support and agricultural parcels register is to incorporate them into the integrated administration and control system (IACS). In 2002, support register and agricultural parcels register were created in addition to the register animals.

The support register gathers data about the applicants and aid schemes.

### Register of agricultural animals

As of 31 December 2002 the register of agricultural animals had recorded data about 8,923 animal owners and their animals.

The data concerning bovine animals, sheep, goats and pigs recorded in the register of animals is made available to all interested parties via Internet.

In the Support Register Unit the data about an applicant is entered into the support and agricultural parcels register. The data in the register are checked, the main comparison basis is the database of the Commercial Register. The data of the register is used for making different agricultural payments aid.

The agricultural support and agricultural parcels register was commenced on 1 January 2002. During 2002 entries of 7,601 applicants were made to the register, based on 7903 applications. After mistakes had been detected during data check, 2,566 inquiries were mailed, so that the applicant could correct their mistakes.

#### *Number of registered agricultural animals*

	01.01.2002	01.01.2003
Total number of bovine animals	234228	251684
of which cows	113864	111036
Total number of sheep	19090	23199
of which total number of ewes	13199	13777
Total number of goats	797	1676
Number of breeding sows	7975	12971
Number of animal owners	5745	8923

The breakdown of registered bovine animals by age

The oldest registered bovine animal was born 18.03.1978

The age structure of bovine animals registered during the period of 01.01.2002...01.01.2003

Bovine animals born in 1999 and earlier 1,0% (762 bovine animals)

Bovine animals born in 2000 - 1,0% (677 bovine animals)

Bovine animals born in 2001 - 16,0% (11867 bovine animals)

Bovine animals born in 2002 - 82,0% (60763 bovine animals)

Numbers characterising the work of the Animal Register

	2001	2002
Number of events entered	210816	307881
Number of registration certificates issued	2327	1710
Number of registry inventories issued to the owners	8096	13994
Number of error messages issued	674	3123
Number of messages on replacement of ear tags to the owners	1689	2928
Number of documents entered into the journal of entries	74179	121948

## **Register of agricultural supports and agricultural parcels**

### ***Register of agricultural supports***

A lot of different automatic applicant related data control means were developed. The information submitted on the application for aid and entering the applicant's data to the register of agricultural supports and agricultural parcels was checked. Inquiries were mailed to applicants concerning mistakes discovered during these checks, so that the data submitted could be corrected.

A database, which contains correct information, enables to monitor the applicants and supports paid to them. Accurate data is also required when this information is pre-printed on application forms, making it easier for an applicant to apply for aid, and also reducing the risk of mistakes. For ARIB employees, the reception of pre-printed application forms is easier and more risk free, because of the reduction in workload and the number of mistakes.

## **Field Register**

The amendment to the Rural Development and Agricultural Market Regulation Act (RTI, 04.07.2002, 56, 352) specified the requirements for entering data of agricultural parcels to the register and defined agricultural parcel.

A map of agricultural parcels is one of the requirements to the EU Member States, when EU direct area aid is granted to agricultural producers. For the second year analogical model is used for administration of national area aid in Estonia.

## **Creation of database of agricultural parcels and administration of the database**

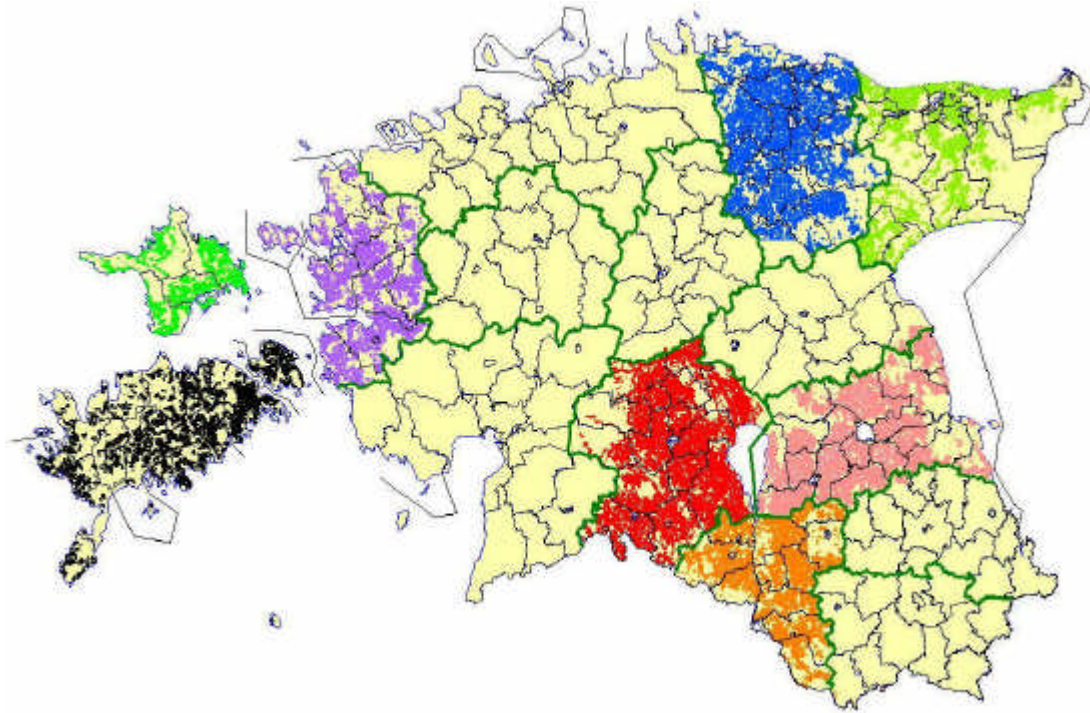
In order to adjust the procedures used for administration of arable land to the acts in force in EU, the introduction of necessary amendments to legislative acts was continued. The Field Register specialists formed a work group for the development of main principles of GIS software, and the rules and quality requirements for agricultural parcel digitalisation and administration.

The possibilities for the use of distant monitoring were analyzed, so that in future it would be possible to use a method for checking areas that eliminates the need for additional checks, and there will be more time to find solutions to individual problems.

As of the end of 2002, 73,304 agricultural parcels, with area of 561,373 hectares, all over Estonia were digitalized. The counties fully digitalized are: Saare, Hiiu, Tartu, Valga, Lääne, Lääne-Viru, Ida-Viru, Viljandi.

In spring 2002, new ortophotos were made covering 23 000 km<sup>2</sup>, which is about 50 per cent of the territory of Estonia. New color photos (0,5 m pixel) will be available in March or April of 2003. The rest of Estonian agricultural parcels will be digitalized based on these photos.

During the application for premium for crop production in six counties (Saare, Hiiu, Tartu, Valga, Lääne, Ida-Viru) the applicants were given an agricultural parcel map printout, where the fields, for what premium was applied for, were marked. The employees of the Field Register Unit performed on-the-spot control of 102 fields with total area of 799 hectares, using GPS-technology. The Field Register Unit also conducted a technical ex ante area control at eight applicants, who had applied for agri-environment premium, because an additional expertise was ordered from the unit.



*Drawing 1. Digitalized agricultural parcels as of 31 December 2002*

## **Participation in administration of aid schemes**

### ***Premium for crop production***

In six counties (Saare, Hiiu, Tartu, Valga, Lääne, Ida-Viru) the applicants were given, upon request, an agricultural parcel map printout, where the fields, for what premium was applied for, were marked.

The specialists of the Field Register Unit conducted on-the-spot controls of 102 fields, using GPS-technology, with the total area of 799 hectares.

### ***Agri-environment premium***

The Field Register Unit also conducted a technical ex ante area control at eight applicants, who had applied for agri-environment premium, because an additional expertise was ordered from the unit.

## National aid schemes

National aid for agricultural activities is granted pursuant to the Rural Development and Agricultural Market Regulation Act. The mentioned act defines the types of national aid, the requirements for granting aid and application submission, and the basis for approval and payment of aid. For every national aid scheme, rules for application and administration thereof, containing detailed requirements and terms for support application submission and payment, were established in accordance with the Act.

In 2002, ARIB administered support application submission and payment of 15 different national aid schemes.

The main difference in the requirements of the previous years is, that since 2002 the applicant is required to submit, together with an application for aid, another application for entering the applicant into the register of agricultural supports and agricultural parcels. In 2002 came into force an amendment to the act that gives the right to refuse an application on the basis of the fact that the applicant had submitted false information last year. On the other hand, in accordance with amendment to the act, since summer 2002 an applicant is granted aid even if he has tax debts. For the first time, a school giving agricultural education may apply for income support, when it produces in its school farm agricultural products.

## Milking cow production premium

### *Conditions*

A sole entrepreneur or business company, whose cows were registered in the register of agricultural animals and allocated to milk recording, could apply for milking cow production premium. An applicant was required to keep the animals in the herd until the support payment was made, the requirement made it possible to check that the number of applicant's animals is accurate, as well as to inspect whether the animals were properly tagged. In order to simplify the application procedure, it was possible to receive a printout from the animal register of ARIB, where were listed the register numbers of the animals registered in the name of the applicant.

In 2002, premium for the Estonian Native breed was not paid separately, because the growers of endangered breeds were supported with higher premium rate within the framework of milking cow production aid scheme.

**Table 1. Applications and payment of milking cow production premium 2002**

County	Applications			No. of cows				Premium paid	
	No. of appl.	No. of approved appl.	%	on the applications	supported	%	Estonian Native	Total	Estonian Native
Harju	156	148	95%	6 965	6 873	99%	12	7 646 790	31 080
Hiiu	70	66	94%	695	682	98%	1	758 500	2 590
Ida-Viru	88	85	97%	2 285	2 209	97%	3	2 456 430	7 770

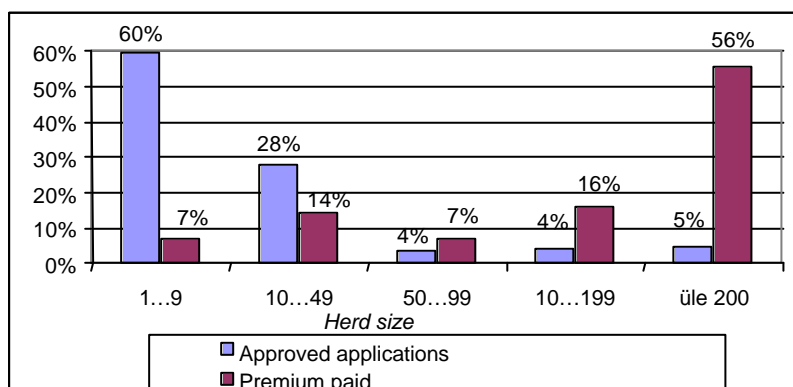
Jõgeva	249	238	96%	10 324	10 258	99%	0	11 386 380	0
Järva	209	203	97%	16 608	16 560	100%	3	18 386 040	7 770
Lääne	145	138	95%	2 831	2 733	97%	4	3 039 550	10 360
Lääne-Viru	186	180	97%	11 352	11 136	98%	17	12 386 120	44 030
Põlva	109	105	96%	5 587	5 482	98%	1	6 086 500	2 590
Pärnu	416	404	97%	11 105	10 980	99%	151	12 411 280	391 090
Rapla	244	231	95%	7 414	6 956	94%	35	7 772 960	90 650
Saare	305	296	97%	5 547	5 356	97%	54	6 025 080	139 860
Tartu	133	127	95%	5 856	5 819	99%	9	6 472 410	23 310
Valga	102	99	97%	2 923	2 901	99%	3	3 224 550	7 770
Viljandi	231	223	97%	7 330	7 228	99%	25	8 060 080	64 750
Võru	187	182	97%	3 453	3 423	99%	5	3 806 930	12 950
<b>Total</b>	<b>2 830</b>	<b>2 725</b>	<b>96%</b>	<b>100 275</b>	<b>98 596</b>	<b>98%</b>	<b>323</b>	<b>109 919 600</b>	<b>836 570</b>

### *Application for and payment of premium*

In total, 2,830 producers applied for milking cow production premium for 100,275 cows. Premium was granted to 2,725 producers with 98,596 cows, of them 323 of the Estonian Native breed. The premium rate per cow was 1,110 kroons, per cow of the Estonian Native the rate was 2,590 kroons. The total amount of the milking cow premium paid was 109,919,600 kroons, of this amount, 836,570 kroons were paid for raising cows of the Estonian Native breed.

60 per cent of the beneficiaries raised less than ten milking cows; the amount of premium paid to them was only 7 per cent of the total amount of the premium paid. The raisers of the Estonian Native breed raised on an average four animals, over half of the beneficiaries raised one cow of the Estonian Native.

**Drawing 1. % of payment and no. of approved applications of milking cow production premium according to herd size**



### *Checking entitlement to aid*

In total, 105 of the applicants were not granted this premium on the basis of the result of documentation check and on-the-spot controls. In more than half of the cases, the reason for refusal was that the applicant had tax debt. There were also cases that the animals for what the premium was applied for were not in the animal register of ARIB or in the database of the Animal Recording Centre.

## Premium for suckler cow breeding

### Conditions

The objective of the premium for suckler cow breeding is to promote the growing of beef breeds in Estonia. An agricultural producer, who was entered into the Commercial Register or the Register of Taxable Persons, could apply for the premium. The premium was granted, when the animals of the applicant were registered in the register of agricultural animals as required. The premium was paid for breeding animals, if they were:

1. cows of beef breed and beef-breed calves over 8 months of age
2. cows of dairy breeds that were allocated to beef animal recording, and suckling calves of at least 50 per cent of beef breed and up to 8 months of age
3. cows that were the result of cross between a dairy or dairy and beef breed, and a beef breed, or female calves over 8 months and allocated to beef animal recording.

In order to be entitled to the premium, the applicant was required to hold the animals in the herd for a certain period.

**Table 2. Applications and payment of premium for young and beef breed production 2002**

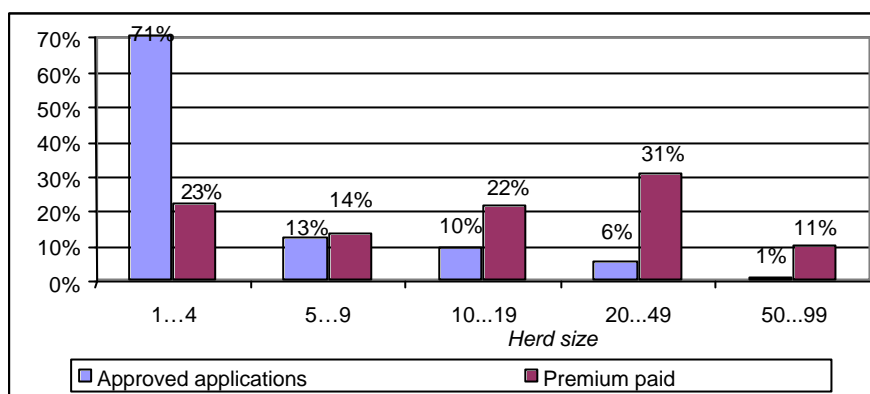
County	Applications			No. of animals			Support paid
	No. of appl.	No. of approved appl.	%	Total	Supported	%	
Harju	9	8	89%	139	138	99%	232 447
Hiiu	24	23	96%	158	146	92%	244 238
Ida-Viru	6	4	67%	13	7	54%	10 106
Jõgeva	8	8	100%	22	22	100%	37 057
Järva	8	8	100%	28	28	100%	47 163
Lääne	42	38	90%	276	260	94%	427 838
Lääne-Viru	13	11	85%	163	126	77%	207 181
Põlva	7	6	86%	36	25	69%	42 110
Pärnu	48	46	96%	157	137	87%	229 078
Rapla	32	30	94%	198	194	98%	323 405
Saare	82	72	88%	273	260	95%	436 260
Tartu	13	7	54%	89	76	85%	128 014
Valga	15	11	73%	134	129	96%	217 288
Viljandi	24	24	100%	173	173	100%	291 401
Võru	19	12	63%	73	62	85%	104 433
<b>Total</b>	<b>350</b>	<b>308</b>	<b>88%</b>	<b>1932</b>	<b>1783</b>	<b>92%</b>	<b>2 978 019</b>

### Application for and payment of premium

The total number of applicants that applied for the suckler cow breeding premium was 350 for 1,932 animals. The premium was paid to 308 breeders who raised 1,783 young or beef animals. The premium rate was 684,4 kroons per animal, and therefore, the total amount of the premium paid for suckler cow breeding was 2,978,019 kroons. Analysis of the herd structure showed that 71 per cent of the breeders raised less than five beef animals.



**Drawing 2. % of payment and no. of approved applications of premium for suckler cow breeding according to herd size**



### **Checking entitlement to aid**

As the result of checks of documents and on the spot controls, the premium was not granted to 43 applicants, the main reason for refusal was that the beef breed cross was not allocated to beef animal recording. After on-the-spot control was conducted, the premium was not granted to five suckler cow breeding premium applicants.

### **Ewe and goat production premium**

To qualify for the premium, the applicant was required to raise at least five ewes or goats older than one year, registered in the register of agricultural animals and adequately tagged. The premium was granted to an applicant who was registered as an undertaking. A retention period was established, when the animals were to be held in the herd.

To simplify the application procedure, the breeders of ewes and goats could ask for a printout with register data of their animals from a regional office of ARIB.

**Table 3. Applications and payment of ewe and goat production premium 2002**

County	Applications			No. of animals			Premium paid
	No. of appl.	No. of approved appl.	%	Total	Supported	%	
Harju	35	31	89%	558	516	92%	118 680
Hiiu	79	73	92%	860	800	93%	184 000
Ida-Viru	14	10	71%	221	197	89%	45 310
Jõgeva	33	30	91%	456	408	89%	93 840
Järva	30	29	97%	700	680	97%	156 400
Lääne	48	42	88%	810	734	91%	168 820
Lääne-Viru	15	13	87%	250	195	78%	44 850
Põlva	49	45	92%	1311	1237	94%	284 510
Pärnu	124	116	94%	1412	1297	92%	298 310
Rapla	40	32	80%	669	412	62%	94 760
Saare	273	252	92%	3036	2866	94%	659 180
Tartu	53	48	91%	918	778	85%	178 940

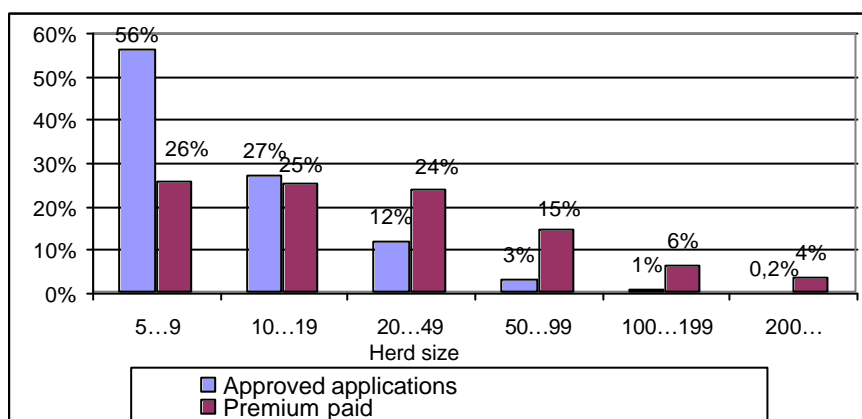
Valga	46	39	85%	627	501	80%	115 230
Viljandi	66	56	85%	1233	1131	92%	260 130
Võru	91	86	95%	1371	1250	91%	287 500
<b>Total</b>	<b>996</b>	<b>902</b>	<b>91%</b>	<b>14 432</b>	<b>13 002</b>	<b>90%</b>	<b>2 990 460</b>

### ***Application for and payment of premium***

In 2002, there were 996 applicants who applied for raising 14,432 ewes or goats altogether. The support was granted to 902 breeders for raising 13,002 ewes or goats. The premium rate was 230 kroons per animal and the total amount of the premium paid out was 2,990,460 kroons.

Analysis of the herd structure showed that 56 per cent of breeders raised 5 to 9 animals, and one third of the breeders had five animals in their herds.

### ***Drawing 3. % of payment and no. of approved applications of ewe and goat production premium according to herd size***



### ***Checking entitlement to aid***

The premium was not granted to 94 applicants as a result of documents check and on the spot controls, and the main reason for refusal in almost half of the cases was that the applicant had a tax debt. On-the-spot controls also established that there were cases, where the requirement of the retention period was not followed, and cases, where animals were not tagged as required.

## **Premium for cereals, legumes, rape, turnip rape and seed and fibre flax production**

### ***Conditions***

A producer of crops could apply for premium for cereals, legumes, rape, turnip rape and seed and fibre flax production, if the producer grew the said crops on at least 5 hectares of arable land, where the rate of weeds did not exceed 30 per cent. The premium rate per hectare was 30 per cent higher in case of production of certified seeds, and even 50 per cent higher in case of rye production. The rate of weeds was not allowed to exceed 30 per cent. To qualify for the premium, the whole area of arable land used for the production of arable crops was required to be larger than 0,3 hectares, and the total area of fields of an applicant was required to be over 5 hectares.

**Table 4. Application and payment of premium for production cereals, legumes, rape, turnip rape and seed and fibre flax 2002**

County	Applications			Area under crops (ha)			Premium paid
	No. of appl.	No. of approved appl.	%	Total	Supported	%	
Harju	193	192	99,5%	17 319	17 249	99,6%	7 107 413
Hiiu	32	32	100,0%	771	771	100,0%	285 139
Ida-Viru	103	100	97,1%	5 559	5 429	97,7%	2 191 565
Jõgeva	458	452	98,7%	26 785	26 712	99,7%	10 729 215
Järva	334	333	99,7%	30 295	30 281	100,0%	12 059 884
Lääne	166	165	99,4%	7 053	7 040	99,8%	2 752 680
Lääne-Viru	486	485	99,8%	43 000	42 946	99,9%	17 357 403
Põlva	355	350	98,6%	18 992	18 923	99,6%	7 446 145
Pärnu	331	327	98,8%	17 124	17 049	99,6%	6 834 835
Rapla	345	341	98,8%	16 322	16 181	99,1%	6 415 520
Saare	262	260	99,2%	6 725	6 697	99,6%	2 572 498
Tartu	459	454	98,9%	34 281	34 156	99,6%	14 469 769
Valga	293	290	99,0%	13 180	13 033	98,9%	5 082 209
Viljandi	470	467	99,4%	26 667	26 627	99,8%	10 613 975
Võru	415	412	99,3%	10 641	10 612	99,7%	3 997 397
<b>Total</b>	<b>4 702</b>	<b>4 660</b>	<b>99,1%</b>	<b>274 714</b>	<b>273 705</b>	<b>99,6%</b>	<b>109 915 648</b>

#### ***Application for and payment of premium***

The number of applications submitted for the premium was 4,702 for 274,714 hectares. The premium was granted for 273,705 hectares to 99 per cent, or 4,660 of the submitted applications. In 2002, the premium for production of crops paid out was 109,915,648 kroons.

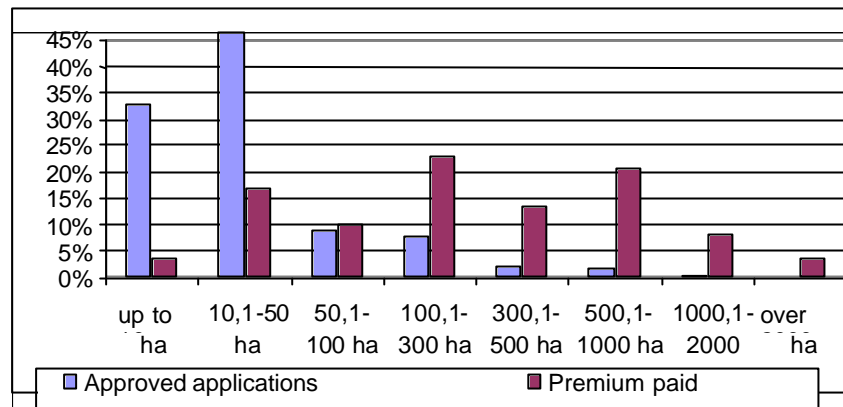
The rate of premium per hectare was 357 kroons, the rate per hectare for production of certified seeds was 464 kroons, and the rate for rye production was 714 kroons. Although the number of applicants who submitted the application has decreased compared to the previous year, the area of arable land used for crop production has increased. 109 agricultural producers have 5 hectares of arable land, the largest number of the applicants, 45 per cent, grew crops on 10-50 hectares. As in previous years, most of the applicants grew barley, the other crops were wheat, oats and rape. Arable land planted with certified seeds was 25 per cent, or 69,382 hectares of the area premiums were paid for. The certified seed planted most was rape. Rye was grown on 5 per cent of the arable land the premiums were paid out for, or on 13,472 hectares. The largest area planted with rye was in Tartu county.

#### ***Checking entitlement to aid***

During the controls conducted, premium was not granted to 42 applicants. The requirement that the applicant should not have tax debt was not in force any more, and, therefore, this was not the reason for refusal to grant the support. The main reason for refusal was that the applicant had not been registered as a sole entrepreneur. One of the other reasons for refusal was that the information submitted

about the size of the area of crops by the applicant and the actual size of the area differed.

**Drawing 4. % of payment and no. of approved applications of premium for production cereals, legumes, rape, turnip rape and seed and fibre flax according to field size**



## Premium for certified seed growing

### Conditions

Agricultural producers, whose hayseed and potatoes, grown in the year preceding the year the application was submitted, were certified, may apply for premium for certified seed growing. The premium was paid for certain species of arable crops, if the minimum amount of certified seed was in compliance with the requirements.

### Application for and payment of premium

The total number of applications lodged was 43, premium was applied for 543 hectares. 34 applications with the total area of 474,7 hectares were approved. 21 of the applicants, who were granted the premium, had applied for premium for growing hayseed, and 13 had applied for growing seed potatoes.

The amount of premium established by the Minister of Agriculture was 5,735 kroons per hectare. The total amount of premium paid for growing certified seed was 2,718,963 kroons.

Certified hayseed was grown on 84 per cent of the area the premium was paid for.

**Table 5. Application and payment of premium for certified seed growing 2002**

County	Applications		Area under crops (ha)				Premium paid
	No. of appl.	No. of approved appl.	Total	Supported	Hayseed	Seed potato	
Harju	5	3	31,1	19,2	18,4	0,8	110 112
Ida-Viru	1	1	5,5	5,5	5,5		31 543
Jõgeva	4	4	58,1	58,1	43,2	14,9	333 204
Järva	3	3	56,8	56,5	56,5	0,0	320 587
Lääne-Viru	2	1	34,8	24,1	24,1	0	138 214
Põlva	3	2	13,8	12,8	12,8	0,0	73 408

Pärnu	3	1	12,7	1,3		1,3	7 456
Rapla	2	2	26,8	26,8	3,0	23,8	153 411
Saare	3	3	29,5	29,5	28,5	1,0	169 183
Tartu	8	6	182,3	153,3	120,0	33,3	879 176
Valga	3	3	73,0	73,0	73,0	0,0	418 655
Viljandi	4	3	15,0	11,4	10,0	1,4	65 379
Võru	2	2	3,3	3,3	2	1,25	18 639
<b>Total</b>	<b>43</b>	<b>34</b>	<b>542,6</b>	<b>474,7</b>	<b>397,0</b>	<b>77,7</b>	<b>2 718 964</b>

### *Checking entitlement to aid*

9 of the submitted applications were not approved, of which 6 were for growing hayseed and 3 for growing seed potatoes. One of the growers of seed potatoes had submitted false information, in other cases the inspection established that the seed grown was not certified.

### **Compensation for the damage caused by natural disasters**

Compensation for the damage caused by natural disaster (aid for drought) was paid as additional aid to producers, who in 2002 were granted premium for milking cows, suckler cows, ewes and goats, and premium for growing crops. The animal growers were paid additional aid on the basis of the number of animals for what they had received premium. The growers of crops were paid this additional aid on the basis of the area of crops, with an exception for the area of rape and turnip rape, because the natural conditions were favourable for growing these crops. The amount of additional aid for crops differed also between counties, as the climatic conditions had had different effect on the crops in different regions.

**Table 6. Payment of compensation for the damage caused by natural disasters 2002**

<i>County</i>	<i>No. of beneficiaries</i>					<i>Support paid</i>
	<i>Total</i>	<i>incl. milking cow breeders</i>	<i>incl. ewe and goat breeders</i>	<i>incl. suckler cow breeders</i>	<i>incl. crop growers</i>	
Harjumaa	310	149	34	9	193	7 365 071
Hiiumaa	143	63	72	23	33	756 574
Ida-Virumaa	155	85	11	4	100	1 660 521
Jõgevamaa	569	236	33	11	450	10 383 859
Järvamaa	423	195	27	8	326	12 012 273
Läänemaa	272	142	40	37	165	3 363 713
Lääne-Virumaa	556	181	13	11	483	11 863 784
Põlvamaa	411	105	48	6	346	5 777 792
Pärnumaa	661	405	116	46	333	10 000 806
Raplamaa	470	225	33	28	339	7 977 670
Saaremaa	650	291	252	70	260	4 933 897
Tartumaa	519	125	48	8	443	7 650 181
Valgamaa	361	100	38	9	291	4 094 826
Viljandimaa	581	223	58	25	460	9 139 904
Võrumaa	535	177	85	12	404	4 004 904

Total	6616	2702	908	307	4626	100 985 774
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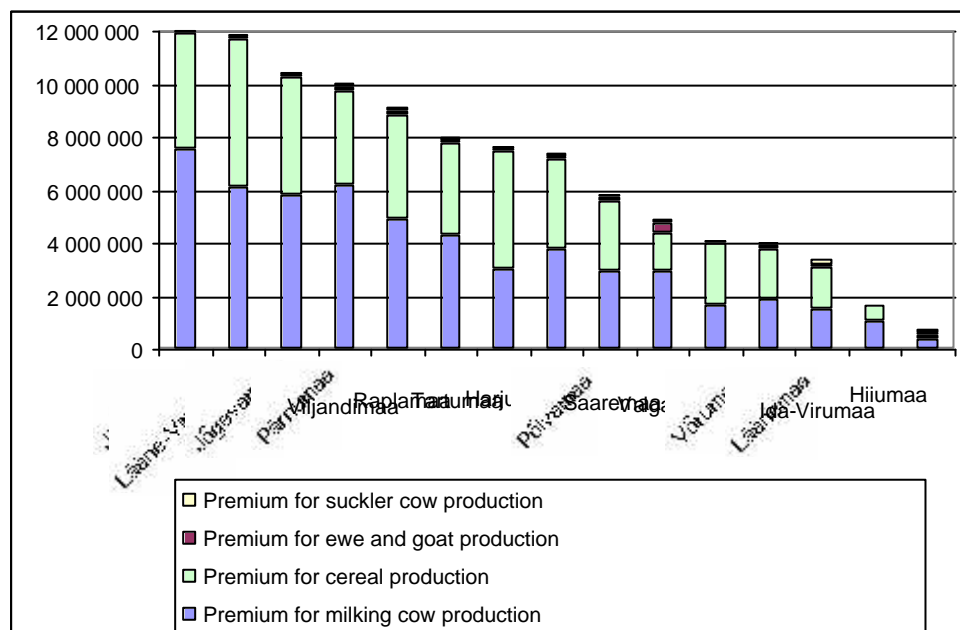
### *Application for and payment of aid*

101 million kroons were allocated for compensation for damage of natural disaster, the amount was divided between different income support schemes as follows: 53 million kroons was allocated to the beneficiaries of the milking cow premium, 44 million kroons was allocated to the beneficiaries of the premium for growing crops, 1,5 million kroons was allocated to the beneficiaries of the premium for suckler cow, and for ewe and goat growers was allocated 1,5 million kroons.

For every aid scheme a unit rate was calculated on the basis of the number of animals or hectares the premiums had been granted beforehand.

Compensation for natural damage was paid to 6616 producers; the total amount of aid was 100,985,774 kroons. The largest amounts of compensation were paid in Järva and Lääne-Viru counties.

### **Drawing 5. Payment of compensation for the damage caused by natural disasters in counties**



### *Checking entitlement to aid*

No additional controls were carried out before the payment of compensation for natural damage. The growers of milking cows and ewes and goats were required that on September 1 at least one animal, registered in the register of agricultural animals, belonged to the person, who the compensation was granted to.

## **Premium for agri-environment**

### *Conditions*

For the first year, the premium for agri-environment was granted for the whole territory of Estonia. The premium was paid for the following activities: organic

production, raising horses of Estonian breed, employment of the techniques of good plant production practice, environmental-friendly management, renovation and maintenance of stone walls, planting of hedgerows of different species, creation and maintenance of a pond or wetlands areas, and maintaining arable land that is out of production.

To qualify for the premium, the agricultural producer had to use at least two hectares of agricultural land on legal basis.

**Table 7. Application and payment of agrienvironmental premium 2002**

County	Applications				Premium paid
	No. of appl.	No. of approved appl.	No. of appl. paid out	%	
Harjumaa	29	26	26	90%	1 095 375
Hiiumaa	100	90	90	90%	2 061 157
Ida-Virumaa	7	7	7	100%	68 881
Jõgevamaa	76	56	56	74%	1 718 625
Järvamaa	45	39	37	82%	710 704
Läänemaa	133	101	100	75%	2 335 830
Lääne-Virumaa	34	28	26	76%	861 564
Põlvamaa	74	62	62	84%	1 141 769
Pärnumaa	177	161	161	91%	2 743 376
Raplamaa	65	54	54	83%	1 058 755
Saaremaa	428	352	351	82%	6 779 824
Tartumaa	68	61	60	88%	1 567 827
Valgamaa	96	67	64	67%	1 613 027
Viljandimaa	123	97	97	79%	2 734 008
Võrumaa	280	210	207	74%	2 489 936
<b>Total</b>	<b>1735</b>	<b>1411</b>	<b>1398</b>	<b>81%</b>	<b>28 980 654</b>

#### **Application for and payment of premium**

In 2002, 1,735 applications for agri-environment premium were submitted, 1411 of them were approved, and the premium was paid out to 1398 applicants in the amount of 28,980,654 kroons, after the agricultural activities, the premium was applied for, were carried out.

Of all the amount of the premium for agri-environment, 87 per cent of it was paid for two farming activities – organic production and for good practise of plant production. These activities were the precondition for receiving premium for most of the other activities. There was no application submitted for premium for creation or maintaining of wetlands area.

**Table 8. Payment of agrienvironmental premium by fields of activity**

Field of activity	Premium paid	No. of beneficiaries
Employment of the techniques of good plant production practice	12 003 448	855
Environmental friendly management	1 238 804	105
Mahepõllumajanduslik tootmine /Organic	13 352 672	499

<i>production</i>		
<i>Breeding of horses of Estonian original breed</i>	752 100	119
<i>Restoration of stone walls</i>	554 600	57
<i>Maintenance of stone walls</i>	31 660	16
<i>Planting of multi-species hedgerows</i>	130 200	9
<i>Foundation of ponds</i>	100 000	6
<i>Maintenance of ponds</i>	13 000	11
<i>Foundation of wetlands</i>	0	0
<i>Maintenance of wetlands</i>	0	0
<i>Maintenance of land overgrown with brushwood</i>	2 000	1
<i>Maintenance of state land overgrown with brushwood</i>	802 170	82
<b>Total</b>	<b>28 980 654</b>	

### **Checking entitlement to aid**

The premium was not paid to 337 applicants; most of the applications were refused as the result of documentation check. The other main reason for not granting aid was that the applicant had tax debt. On-the-spot controls were also carried out at the applicants, the result of which was that 13 applicants were not granted aid.

## **Aid for liming agricultural land**

### **Conditions**

The aid for liming agricultural land was used to compensate in part the expenditures made on purchasing, transportation and spreading soil amendments by an agricultural producer to fertilize agricultural land. To qualify for the aid, acidity of the agricultural land was required to be up to 6,0, and no aid should have been given for fertilizing with soil amendments the land parcel in previous four years.

The amount of aid differed between counties, and so the producers were compensated 65-80 per cent of the expenditures of liming. In 2002, the applications for aid for liming were submitted for a larger amount of aid, than was the amount allocated to this aid scheme in the state budget. This was the reason why a maximum limit to the amount of aid was set.

**Table 10. Application and payment of aid for liming agricultural land 2002**

<i>County</i>	<i>No. of applications</i>			<i>Cost of liming services</i>		<i>Amount of aid</i>		
	<i>In total</i>	<i>Paid out</i>	<i>%</i>	<i>On the applications</i>	<i>beneficiaries</i>	<i>Applied</i>	<i>Paid out</i>	<i>%</i>
Harjumaa	5	1	20%	428 236	88 330	321 177	66 248	21%
Hiiumaa	2	2	100%	430 751	355 182	344 601	267 532	78%
Ida-Virumaa	3	2	67%	24 780	20 060	17 346	14 042	81%
Jõgevamaa	17	16	94%	960 242	876 242	720 181	657 181	91%
Järvamaa	39	35	90%	3 361 751	2 647 440	2 353 226	1 853 208	79%
Läänemaa	2	2	100%	142 800	142 800	114 240	114 240	100%
Lääne-Virumaa	22	21	95%	732 960	724 160	476 424	470 704	99%
Põlvamaa	60	56	93%	6 089 327	4 689 333	4 871 462	3 751 467	77%
Pärnumaa	37	32	86%	2 257 381	2 142 550	1 805 904	1 713 853	95%
Raplamaa	24	21	88%	1 284 570	1 209 165	1 027 656	967 332	94%



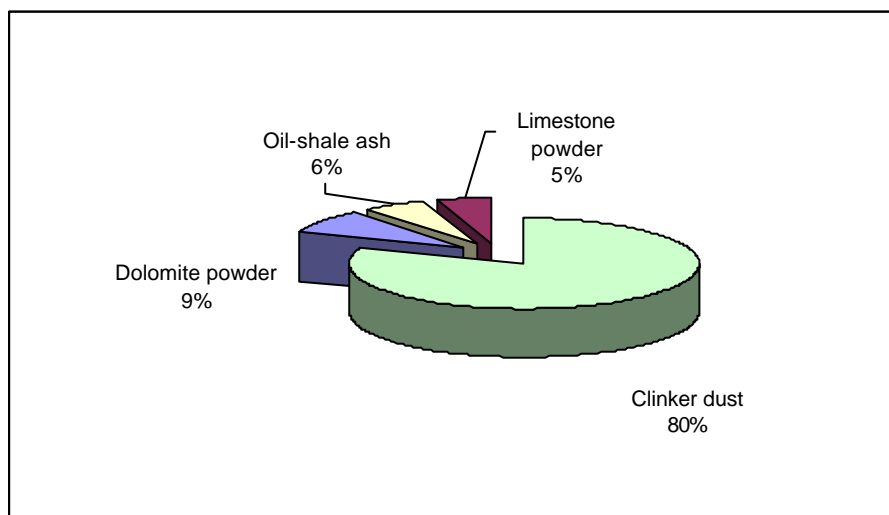
Saaremaa	2	2	100%	161 280	161 280	129 024	129 024	100%
Tartumaa	43	38	88%	3 764 024	2 828 430	3 011 219	2 262 710	75%
Valgamaa	24	24	100%	1 476 370	1 476 369	1 181 069	1 181 074	100%
Viljandimaa	36	31	86%	1 480 433	1 106 123	1 184 346	884 898	75%
Võrumaa	32	27	84%	1 207 784	981 162	966 227	784 929	81%
<b>Total</b>	<b>348</b>	<b>310</b>	<b>89%</b>	<b>23 802 688</b>	<b>19 448 625</b>	<b>18 524 102</b>	<b>15 118 441</b>	<b>82%</b>

### ***Application for and payment of aid***

348 applicants lodged their application for aid for liming; the total amount of aid was over 18,5 million kroons. The aid was paid to 310 applicants in an amount of 15,118,441 kroons. The total amount of expenditures on liming was 19,448,625 kroons.

In 2002, 13,730 hectares, which is fewer than in previous year, were fertilized with soil amendments with the help of the aid for liming. As in 2001, the most used soil amendment was clinker dust.

### **Drawing 7. Share of used ameliorants**



### ***Checking entitlement to aid***

Aid was not granted to 18 applicants in the result of an administrative check. In most cases the main reason for refusal was tax debt. On-the-spot controls did not establish mistakes. To all the producers, who had carried out the liming and submitted a confirmation about it, aid was granted.

## **Agricultural insurance support**

### ***Conditions***

Agricultural insurance support was used for compensating 40 per cent of the insurance premiums, paid by agricultural producers and fish farmers in order to insure agricultural crops, breeding and production animals, or fish, used in fish farming,

against natural disasters. A period of payment of insurance premiums was established for what the support was granted.

### ***Application for and payment of support***

128 agricultural producers applied for agricultural insurance support. Fish farmers did not lodge any applications. Applications of 117 applicants for 156 insurance agreements were approved. For insurance support 613,451 kroons were paid out. The amount of the support had increased compared to the previous year, the reason for that being that insurance premium per applicant had increased and the number of applicants decreased.

To insure breeding and production animals, the producers had made 131 insurance agreements, most of them for insuring bovine animals. To insure arable crops, the beneficiaries had concluded 25 insurance agreements, the most insured was rape.

**Table 11. Application and payment of agricultural insurance support 2002**

<i>County</i>	<i>No. of applications</i>		<i>No. of insurance contracts</i>		<i>Support paid</i>
	<i>In total</i>	<i>No. of approved appl.</i>	<i>In total</i>	<i>On approved applications</i>	
Harjumaa	3	2	3	2	10 446
Hiiumaa	3	3	4	4	16 344
Ida-Virumaa	5	5	6	6	5 305
Jõgevamaa	16	13	24	21	126 144
Järvamaa	13	13	20	20	80 232
Läänemaa	1	1	1	1	3 944
Lääne-Virumaa	15	11	20	16	142 786
Põlvamaa	10	9	12	11	59 027
Pärnumaa	19	19	25	25	32 445
Raplamaa	11	11	13	13	48 106
Saaremaa	12	12	13	13	5 792
Tartumaa	9	7	13	11	32 847
Valgamaa	6	6	8	8	10 982
Viljandimaa	2	2	2	2	37 690
Võrumaa	3	3	3	3	1 362
<b>Total</b>	<b>128</b>	<b>117</b>	<b>167</b>	<b>156</b>	<b>613 451</b>

### ***Checking entitlement to aid***

11 applications were refused, the main reason for that was that the insurance premiums were not paid during the period the producer was entitled to receive the insurance support.

### **Interest rate support**

#### ***Conditions***

Interest rate support could be applied by agricultural producers and fish farmers, who had a long-term loan (more than one year) from a credit or financing institution, or had concluded a capital leasing contract, for purchasing and use of tangible assets for the development of production.

To qualify for the support, the applicant was required to have paid interest for the previous calendar year, or the payments of capital leasing, which were the basis for calculating the amount of support.

### ***Application for and payment of support***

The total number of applicants was 881, and they had submitted together with their applications 2117 loan and capital leasing contracts. 824 applications with 1959 loan contracts were approved. The total amount of loan of the contracts, that were approved, was 739,6 million kroons. Interest rate support was paid in the total amount of 20,517,111 kroons. Among the beneficiaries there were 6 producers with 9 loan contracts who had given fish farming, fish processing or selling as their field of activity.

**Table 12. Application and payment of interest rate support 2002**

County	Applicants			No. of loans			Amount of loans			Support paid
	No. of appl.	No. of approved appl.	%	No. of loans	No. of loans on approved appl.	%	Amount of loans on applications	Amount of loans on approved applications	%	
Harju	52	48	92%	168	158	94%	133 574 164	126 722 501	95%	2 998 253
Hiiu	12	10	83%	15	10	67%	2 233 891	1 374 732	62%	42 612
Ida-Viru	15	14	93%	25	23	92%	6 692 116	5 210 130	78%	177 089
Jõgeva	68	64	94%	151	140	93%	74 083 467	70 625 082	95%	2 133 183
Järva	88	82	93%	300	281	94%	120 604 214	99 365 010	82%	2 842 797
Lääne	36	30	83%	50	44	88%	11 907 865	11 533 865	97%	300 210
Lääne-Viru	92	88	96%	252	237	94%	82 249 198	77 092 132	94%	2 265 089
Põlva	52	52	100%	152	145	95%	56 030 801	54 157 493	97%	1 532 394
Pärnu	84	79	94%	194	176	91%	63 300 393	58 194 225	92%	1 450 061
Rapla	70	67	96%	158	148	94%	51 481 579	49 129 800	95%	1 295 670
Saare	38	36	95%	76	69	91%	29 363 193	19 539 593	67%	717 560
Tartu	60	54	90%	143	131	92%	72 646 333	62 806 969	86%	1 352 950
Valga	54	51	94%	87	83	95%	25 673 322	25 098 322	98%	717 068
Viljandi	101	95	94%	218	207	95%	57 967 922	54 260 496	94%	1 983 526
Võru	59	54	92%	128	107	84%	30 671 602	24 492 680	80%	708 650
<b>Total</b>	<b>881</b>	<b>824</b>	<b>94%</b>	<b>2117</b>	<b>1 959</b>	<b>93%</b>	<b>818 480 060</b>	<b>739 603 030</b>	<b>90%</b>	<b>20 517 111</b>

### ***Checking entitlement to aid***

The support was not paid for 158 contracts. The main reason for that was that the purpose or conditions of the loan or capital leasing were not in compliance with the requirements set in the regulation. The second most spread reason for refusal was that the applicant was not an agricultural producer or fish farmer.

## **Advisory support**

### ***Conditions***

Agricultural producer or fish farmer, who had purchased advisory service from a consultant certified to perform advisory work in the field of agricultural and rural life,

could apply for advisory support. The amount of advisory support was set at 75 per cent of the cost of advisory service, if the cost was up to 4000 kroons, and if the cost exceeded it, the amount of support was set at 50 per cent of the cost of advisory service. The maximum amount of support an applicant could receive was 7000 kroons.

**Table 13. Application and payment of advisory support 2002**

County	Applications			Price of advisory service	Support paid
	No. of appl.	No. of appl. paid out	%		
Harju	38	35	92%	204 000	133 250
Hiiu	1	1	100%	4 000	3 000
Ida-Viru	16	16	100%	70 000	41 250
Jõgeva	37	35	95%	196 000	130 000
Järva	58	55	95%	319 480	207 240
Lääne	29	26	90%	159 440	104 720
Lääne-Viru	51	50	98%	222 076	154 657
Põlva	64	61	95%	331 000	222 500
Pärnu	71	68	96%	270 844	195 885
Rapla	70	65	93%	326 000	224 250
Saare	91	82	90%	543 700	349 075
Tartu	67	66	99%	366 000	244 725
Valga	26	25	96%	106 000	77 500
Viljandi	79	75	95%	352 000	245 500
Võru	58	55	95%	208 000	151 500
<b>Total</b>	<b>756</b>	<b>715</b>	<b>95%</b>	<b>3 678 540</b>	<b>2 485 052</b>

#### ***Application for and payment of support***

In total 756 applications were lodged for advisory support. The amount of support paid out was 2,485,052 kroons to 715 applicants, which was 95 per cent of all the applications submitted.

#### ***Checking entitlement to aid***

Nine applications were not approved, when the documentation was checked. Of the approved applications, the support was not paid out to 32 applicants, the reason for that was that the applicants failed to submit their reports or the report was completed inadequately.

### **Support for training**

#### ***Conditions***

In 2002, for the first time support for training could be applied for. The following could apply for support:

- an agricultural producer;
- commercial fisherman, who holds a fishing permit and whose main activity is fishing;
- processor of agricultural products with nine employees employed in its enterprise;
- entrepreneur in the field of rural tourism or handicraft in rural region.

The support was paid for training that had taken place in 2002, and intended for acquiring adequate knowledge corresponding to applicants' economic activities. The minimal time for such training was at least six hours or eight academic hours. The objective of this support was not to compensate language studies.

**Table 14. Application and payment of training support 2002**

County	Applications		No of trainees	Support paid
	No. of applications	No. of approved applications.		
Harju	1	1	2	4 000
Jõgeva	2	1	1	800
Järva	3	3	14	6 354
Lääne	1	1	1	1 440
Lääne-Viru	2	1	1	2 000
Põlva	2	1	1	1 064
Pärnu	7	4	4	3 536
Rapla	2	1	3	3 780
Saare	4	4	7	7 920
Tartu	8	8	8	8 632
Valga	4	2	4	2 960
Viljandi	7	5	6	9 720
Võru	10	10	10	18 944
<b>Total</b>	<b>53</b>	<b>42</b>	<b>62</b>	<b>71 150</b>

#### ***Application for and payment of aid***

In total 53 applications in 13 counties were submitted for support for training. 42 of the applications were approved, and in 2002 71,150 kroons for support for training was paid out.

In 2002, the amount of support was set at 80 per cent of the cost of training and the maximum limit of support per one trainee was 2000 kroons.

76 per cent of the applicants, who had applied for aid for training, were agricultural producers involved in plant or/and animal farming. Support for training was paid in total for 62 employees, who had participated in training. Persons trained were manual workers, management representatives as well as specialists/workers.

#### ***Checking entitlement to aid***

11 applications were not approved, in that way the training of 13 employees was not compensated. Over half of the enterprises that were not granted support were late lodging the required documentation.

## **Support for practical training**

#### ***Conditions***

For the first time the support for practical training could be applied for in 2002. To qualify for the support, the agricultural producer was required to carry out a practical training for a student studying on an agricultural speciality. The trainee was required to study at an institution providing secondary vocational training, higher vocational training or higher education on the following agricultural speciality areas: agriculture,

farming, horticulture, agricultural mechanisation, horse raising, fur animal farming, animal farming, agronomy, production and marketing of agricultural products and agroecology.

The supervisor of practical training was required to have been working in the field of agricultural production at least for five previous years, and the supervisor must have had adequate qualifications. The supervisor was allowed to supervise not more than two trainees at the same time.

**Table 15. Application and payment of practical training support 2002**

County	No. of Applications			Support paid	No of trainees	No of training-days
	No. of applications	No. of approved applications	No. of appl. paid out			
Harju	8	5	4	90 090	5	315
Hiiu	2	2	2	21 450	2	75
Ida-Viru	1	1	1	16 588	1	58
Jõgeva	9	8	8	73 216	9	227
Järva	1	1	1	25 740	3	90
Lääne	3	3	2	13 156	2	46
Lääne-Viru	3	3	3	108 394	7	379
Põlva	7	5	5	66 352	7	232
Pärnu	6	5	5	101 530	7	357
Rapla	2	2	2	46 904	3	164
Saare	6	6	5	65 780	8	230
Tartu	10	10	8	115 258	13	403
Viljandi	10	9	8	134 992	13	472
Võru	3	3	2	31 460	3	110
<b>Total</b>	<b>71</b>	<b>63</b>	<b>56</b>	<b>910 910</b>	<b>83</b>	<b>3 158</b>

#### ***Application for and payment of support***

In total, 71 applications from 14 counties were submitted for the support for practical training. 63 applications received approval for 92 trainees for practical training of 3453 working days. The amount of the support was 3,4 times the minimum monthly wages, or 6290 kroons per month, with a unit rate of 286 kroons per one day of practical training. The support was paid out for 56 applications in 910,910 kroons. The support was paid to 63 supervisors of practical training, who had supervised 83 trainees during 3185 working days.

#### ***Checking entitlement to aid***

Eight applications for support for practical training were not approved. The reason for refusal was mainly that the support was applied for speciality that was not supported, or that the supervisor had not the required qualifications. Four projects were approved, but the support was not paid out, the reason for that was that the practical training was not carried out. In three cases the amount of support paid out was recovered, as the beneficiaries did not submit a report concerning the practical training in time.

### **Support for common economic activity**

### ***Conditions***

Support for common economic activity, which was paid for the second year, could be applied for by commercial associations with at least five members, who are agricultural producers, commercial fishermen or fish farmers, for compensating partly incurred association and administrative costs. One of the fields of activity of a commercial association was required to be marketing, processing of agricultural products or fish, or selling the products produced thereof, or selling current and fixed assets for producing agricultural products or fish farming.

The partial compensation of association costs may be applied for, if the previous financial year was the first year of operation for the applicant, and for partial compensation of administrative costs may be applied for, if it was the first to fifth year of the applicant's operating year.

**Table 16. Application and payment of common economic activity support 2002**

<i>County</i>	<i>No. of applications</i>	<i>Total</i>	<i>Incl. formation expenses</i>	<i>Incl. administrative costs</i>	<i>Support paid</i>
Harju	1	101 905		101 905	81 524
Järva	1	51 595		51 595	41 276
Jõgeva	2	21 116	4 035	17 081	10 939
Lääne-Viru	1	34 924	800	34 124	20 954
Saare	1	6 000		6 000	2 400
Tartu	1	11 065		11 065	8 852
Viljandi	1	61 065		61 065	36 639
<b>Kokku</b>	<b>8</b>	<b>287 669</b>	<b>4 835</b>	<b>282 834</b>	<b>202 584</b>

### ***Application for and payment of support***

8 applications were submitted for granting support. All the applications lodged were approved, and the total amount of support paid out was 202,584 kroons.

For compensating association costs, the support was applied only for composing articles of association and for compensation of the costs incurred when entry was made into the Commercial Register. The largest amount of administrative costs formed acquisition costs of furnishings and information technology (software and hardware). The support was also used for compensation of accounting services, training, and costs for participation in fairs and exhibitions.

### ***Checking entitlement to aid***

When the controls were carried out, there were no mistakes detected, and so support was paid out for all the applications submitted.

## **School milk support**

### ***Conditions***

The aim of this support is to enhance the habit of milk drinking and healthy dietary habits, and through this to increase the consumption of milk and milk products produced in Estonia. In 2002, the school milk support was paid for the second year. The school milk support could be applied by rural municipality or city government for

purchasing milk or milk products to schools in municipality ownership and private schools on the municipality territory. School milk support was meant for purchasing milk products for the students of first to third grades. The rate of support was 1,5 kroons per school day, regardless of the number of school days milk or milk products were served.

#### ***Application for and payment of support***

To apply for the school milk support, an application with the number of students interested in consuming milk products had to be submitted to the local municipality government before the commencement of the I and III quarter of academic year. If the number of students changed in the II and IV quarter of academic year, the schools were required to submit additional application.

In 2002, during the fourth quarter of academic year, 902 applications were approved.

In 2002, 242 local municipality governments submitted the school milk applications.

In 2002, the total amount of school milk support paid was 10,621,467 kroons.

**Table 17. Number of schools, pupils and amount of school milk support by quarters of 2002 year in countys**

County	3rd quarter			4th quarter			1st quarter			2nd quarter			Amt of support in 2002
	No. of schools	No. of pupils	Amt of support	No. of schools	No. of pupils	Amt of support	No. of schools	No. of pupils	Amt of support	No. of schools	No. of pupils	Amt of support	
Harju	112	11 677	875 775	127	14 177	1 020 744	134	14 242	875 889	135	13 421	704 603	3 477 011
Hiiu	9	463	34 725	9	463	33 336	7	418	25 708	7	413	21 683	115 452
Ida-Viru	43	4 016	301 200	45	4 315	310 680	46	4 502	276 878	45	4 214	221 235	1 109 993
Jõgeva	27	1 543	115 725	27	1 554	111 888	26	1 350	83 029	26	1 317	69 143	379 785
Järva	23	1 340	100 500	27	1 411	101 592	27	1 346	82 782	27	1 324	69 510	354 384
Lääne	17	809	60 675	23	1 140	82 080	22	1 013	62 301	22	1 033	54 233	259 289
Lääne-Viru	38	2 649	198 675	39	2 495	179 640	40	2 505	154 063	40	2 484	130 410	662 788
Põlva	28	1 327	99 525	29	1 339	96 408	29	1 242	76 386	28	1 217	63 893	336 212
Pärnu	50	3 415	256 125	47	3 122	224 784	52	3 070	188 809	52	3 015	158 288	828 006
Rapla	20	1 187	89 025	18	1 104	79 488	29	1 408	86 594	29	1 395	73 238	328 345
Saare	28	1 505	112 875	27	1 494	107 568	26	1 374	84 505	24	1 286	67 515	372 463
Tartu	43	4 056	304 200	46	4 613	332 136	46	4 769	293 298	46	4 710	247 275	1 176 909
Valga	20	1 214	91 050	20	1 235	88 920	21	1 227	75 463	20	1 239	65 048	320 481
Viljandi	36	1 973	147 975	34	1 946	140 112	39	2 058	126 571	38	2 032	106 680	521 338
Võru	24	1 511	113 325	24	1 506	108 432	24	1 402	86 225	24	1 353	71 033	379 015
<b>Total</b>	<b>518</b>	<b>38 685</b>	<b>2 901 375</b>	<b>542</b>	<b>41 914</b>	<b>3 017 808</b>	<b>568</b>	<b>41 926</b>	<b>2 578 501</b>	<b>563</b>	<b>40 453</b>	<b>2 123 783</b>	<b>10 621 467</b>

#### ***Checking entitlement to aid***

In 2002, throughout the year 148 applications, which were applied for purchasing milk products for 10,142 students, were not approved for several reasons. The main reason for refusal was the absence of required reports, and issues relating to applying procedures, the most frequent case being that the report detailing the use of school milk support was not submitted or it was submitted too late. Products that support was not entitled for were purchased in third of the schools that the support was not granted to.



## **SAPARD supports**

SAPARD program is the EU pre-accession aid program for agricultural and rural development in Central and Eastern European countries (EU candidate countries). The duration of the program is 2000-2006, and the total amount of aid intended for the candidate countries is 0,5 milliard euros in a year. The amount of aid intended for Estonia is 12,34 million euros (192 million kroons) in a year, but with a precondition that Estonia co-finances the program with 1/3 of this amount, which means that about 64 millions kroons should be allocated from the state budget.

The main objective of this program is to help agricultural sector adjust to the European Union requirements and solve the development problems in rural regions. Within the framework of SAPARD program Estonian agriculture and rural regions receive over 250 million kroons irreversible aid every year. Estonia received the approval of European Commission to commence the program in 2001.

For the second year the aid of SAPARD program was divided between four types of investments, or measures:

- Measure 1 – investment support in agricultural production;
- Measure 2 – investment support for processing and marketing of agricultural and fishery products;
- Measure 3 – investment support for development and diversification of alternative economic activities in rural regions;
- Measure 4 – investment support for development of infrastructures in rural regions.

In 2002, the applications for SAPARD program were received:

- For measures 1, 3 and 4      11.02.-27.09.2002
- For measure 2              11.02.-28.03.2002

In general, the aid could be applied for 50 per cent of the amount of investment, if the amount was lower than the limit set to one application. The derogation from this is applied for applications for purchasing agricultural machinery. In such case the aid was only 30 per cent of the amount of investment.

## **Processing of applications**

The applications for measures 1, 3 and 4 were received in regional ARIB offices. The applicants were required to submit their applications for measure 2 to the central office of ARIB. All the applications were to be checked on the spot, and if the check was successful, it was followed by the analysis of the business plan and its authorization. An application was approved only if all the criteria were met. Since 2002, ARIB is allowed to send an inquiry to an applicant, if mistakes were found in presented information. An applicant could correct the mistakes, if they were not used for the basis for granting aid or calculating the amount of aid, and in the end the applicant could receive an approval. The accounting unit of the financial department made the final decision and reserved the amount of aid applied for. The applicant, who was granted the aid, was sent a confirmation letter.

An applicant was allowed to make the investment after he/she had signed the confirmation letter. The payment of aid was made, on the principle of refinancing,

after the investment had been fully paid for. Therefore, the applicant was required to submit to ARIB the documentation confirming that the investment was made. It was followed by the check of documentation and investment. The amount of aid was paid out after the investments, planned beforehand in the business plan, had been made.

**Table 1. Amounts of investments and support on applications submitted by measures**

		No. of applications	Amount of investments on applications	Amount of support applied
MEASURE 1	Investments in agricultural holdings	288	273 660 858	102 017 038
MEASURE 2	Improvement of agricultural and fishery processing and marketing	37	154 198 773	76 478 942
MEASURE 3	Diversification of rural activities and promotion of small business	80	62 810 064	26 765 545
MEASURE 4	Development and improvement of rural infrastructure	21	8 326 816	4 029 158
<b>Total</b>		<b>426</b>	<b>498 996 511</b>	<b>209 290 683</b>

## Applications submitted

In 2002, 426 applications for SAPARD support were submitted, which was more than in 2001 by 178 applications. The aid was applied for in the amount exceeding 209 million kroons, which were intended to be used for making investments in about 499 million kroons. The highest number of applications was submitted for the investment support for agricultural production (measure 1).

In 2002, the submitted applications covered all the possible areas that aid could be applied for. For the second year in row, no applications were submitted for telecommunication solutions.

As in 2001, the largest investment projects were submitted by dairy, meat and fishery processing business companies. An average amount of aid for measures 1 and 3 was 350,000 kroons and for measure 4 190,000 kroons, the same indicator for processing industry per one investment application was two million kroons. The reason for large investments in this industry was possibly the need to comply with the hygiene requirements.

## Approved applications

Approval was granted to 379 applications, or 89 per cent, of 426 SAPARD support applications submitted. In comparison, in 2001 only a little over 50 per cent of the applications submitted were approved. This may be explained, on one side, with the experience entrepreneurs and consultants had obtained last year from the submission of SAPARD support applications, and on the other side, with the fact that this year ARIB was allowed to make an inquiry, when a mistake was found.

The financing decision was made concerning the amount of aid of 194 million kroons, which was used to finance intended investments in over 463 million kroons. As in the case of application submission, the largest amount of applications approved, were those submitted under measure 1 for investment in agricultural production. The most popular investment object, number wise, was forage production machinery.

The largest amount of investment, of all the approved applications, was the one submitted by a meat processing enterprise (measure 2) in the amount of a little over 10 million kroons, which was intended for construction of an extension, in the amount of 20,5 million kroons. The smallest amount of investment that had received approval was in an amount of 18, 200 kroons for purchasing forage production machinery. All the other amounts of aid granted fall between these two amounts. For 42 per cent of the applications, or 159 applications, the amount of aid was below 200,000 kroons. SAPARD support exceeding one million kroons was granted to 37 investment projects.

**Table 2. Amounts of investments and support of approved projects by measures**

		No. of approved applications	Amount of investments on approved appl.	Amount of support approved
MEASURE 1	Investments in agricultural holdings	265	256 551 109	95 739 826
MEASURE 2	Improvement of agricultural and fishery processing and marketing	27	143 953 381	71 356 245
MEASURE 3	Diversification of rural activities and promotion of small business	68	55 672 211	23 258 111
MEASURE 4	Development and improvement of rural infrastructure	19	7 556 846	3 622 394
	<i>Total</i>	<b>379</b>	<b>463 733 547</b>	<b>193 976 576</b>

### Projects the support has been paid out

The support is paid out, on the principle of refinancing, after the investment has been made and documents that confirm the investment have been submitted to ARIB. It should also be considered that to qualify for aid, the documents have to be submitted to ARIB not later than 25<sup>th</sup> of September of the year after the submission of application.

Of 130 applicants, who had received positive answer, seven undertakings, which had submitted eight projects, had not made investment and submitted documents to ARIB. Over 5 million kroons of SAPARD support was not paid out to these undertakings.

**Table 3. Amounts of investments and supports of financed projects by measures**

		No of projects paid out	Amount of investments on applications paid out	Support paid
MEASURE 1	Investments in agricultural holdings	212	241 511 870	81 243 854
MEASURE 2	Improvement of agricultural and fishery processing and marketing	17	156 824 971	75 308 429
MEASURE 3	Diversification of rural activities and promotion of small business	14	11 248 601	5 509 183
MEASURE 4	Development and improvement of rural infrastructure	6	1 041 382	520 679
	<i>Total</i>	<b>249</b>	<b>410 626 824</b>	<b>162 582 145</b>

In 2002, SAPARD support was paid to 249 projects, 106 (42 per cent) of them were approved in 2001, and in 2002 were approved 143 (58 per cent) projects that had been already realized. In total, 162,6 million kroons were paid out as aid to investments with the total amount of 410,6 kroons.

The largest number of projects, which formed 70 per cent of all investment projects payment had been made to, were those submitted for investment in agricultural production (measure 1). The amount of aid, however, was divided between measure 1 (50%) and measure 2 (46%) almost equally.

In 2002, the largest amount of aid, 53 million kroons, has been paid out for purchasing different agricultural machinery - forage production machinery, tractors, ploughs, seeder and crop combines.

In food industry, 37,7 million kroons of SAPARD support has been paid to meat industry for construction of buildings and purchase of equipment, and 24,9 million kroons has been paid to dairy sector for purchasing equipment and technological lines.

As regards measure 3, half of the amount of aid has been paid out for construction or reconstruction of buildings necessary for providing services to tourists.

Under measure 4, the largest amounts have been paid out for construction of wastewater treatment equipment, followed by reconstruction of private roads.

## Support by counties

When the counties were compared, the highest number of SAPARD support applications (53 applications) was submitted in Saaremaa in 2002. Saare county is remarkable also for high number of applications submitted under measures 3 and 4. A lot of applications were submitted for investment in rural development and infrastructure (electricity, access roads, water supply and sewerage systems).

As regards the applications submitted, the highest number of SAPARD applications approved (44 applications) was from Saaremaa.

The number of investment projects paid out was the highest in Tartu county, followed by Järva county. In both counties the projects mostly submitted were those submitted under measure 1.

The amount of aid applied for and the amount of aid that was approved were the highest in Saare county. The next counties were Lääne-Viru and Lääne.

In 2002, the largest amount of SAPARD support was paid out for investments made in Tartu county, two third of the amount was for investments in food processing enterprises. The next were Valga county investment projects, and the largest investments were also made to food processing industry.

**Drawing 1. Number of projects applied and accepted, and having received support by counties**

