

# Structural Funds 2007-2013

## Estonian perspective

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## EU financial perspective 2007-2013

- Cohesion Policy
  - European Social Fund
  - European Regional Development Fund
  - Cohesion Fund
- Estonia can count with 7 billion euro each year for the instruments of regional policy; today 3,6 billion
- Negotiations are ongoing, final amounts open
- New regulations are under discussion
  - Methodology to calculate the 4% ceiling
  - Eligibility of VAT
  - N+2 rule for the Cohesion Fund



## EU financial perspective 2007-2013

- Preconditions for Estonia:
  - Priorities are set and well focused
  - National strategy for Structural Funds prepared
  - Operational Programmes prepared
  - Negotiations with the Commission finalised
  
  - In order to reach the limit of 4%, the administrative capacity must be better throughout the administration

Estonia starts with GDP that is 55% of EU average



# EU financial perspective 2007-2013

- Priorities:
  - Employment and development of human resources
  - Development of entrepreneurship, competitiveness of the economy
  - Improvement of transport and environment infrastructure
  - Local development
  - *The Lisbon process*



## EU financial perspective 2007-2013

- SF strategies:
  - *Community Strategic Guidelines*/Ühenduse strateegilised juhised
  - *National Strategic Reference Framework*/Riigieelarve strateegia
  - *Operational Programme*/Rakendusprogramm
- The preparations started in the end of 2004
- EC proposed the Community Strategic Guidelines in May 2005
- The NSRF and the OP-s are prepared together with the strategy of state budget for years 2007-2010
- May 2006 the documents are ready for negotiations
- Partnership through the line ministries



## EU financial perspective 2007-2013

- Potential major projects (50 million euro minimum):
  - Saaremaa fixed link
  - Narva road bridge
  - Extention of Tallinn tramways
  - Sections of Tallinn-Tartu highway
  - Tallinn railway bypass
  - Tallinn highway bypass



## EU financial perspective 2007-2013

- SF support to local municipalities:
  - More differentiated and better focused measures
  - Environment and transport infrastructure, Cohesion Fund more flexible
  - Smaller projects should be supported from more flexible state finances
- Open issues
  - Content of Operational Programmes
  - Content of trans-national and cross-border programmes
  - Major projects and other large projects initiated by the state
  - Urban type of activities – where and what to finance
  - Additional support to the merging of municipalities by financing of joint operations
  - Eligibility criteria (incl. VAT)



## Next steps?

- State
  - Operational Programmes finalised in May 2006, negotiations and approval by the Commission in 2006 (precondition - regulations)
  - Preparation of legislation – Structural Funds act by the end of 2006 (precondition – regulations)
  - Readiness to finance projects and open calls for proposals in 2007 (pending on regulations)
- Municipalities
  - Participation in the preparation of the SF programmes
  - Reviewing the local development plans
  - Well planned projects
  - Careful financial planning (VAT additional to project costs)
  - Need to ensure sustainability through local elections
  - Need to sustain the information and know-how through elections

