



Innovative Pathways for Entrepreneurship in Rural Areas Leonardo da Vinci Partnership
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Starting a business and grants

Enterprise Estonia is offering different support possibilities and solutions to help a starting entrepreneur kick-start their business. In supporting starting businesses, we consider the following objectives: more starting entrepreneurs, a better survival rate for businesses and a larger number of fast-growing companies.

The emphasis in activities geared towards starting entrepreneurs is placed on increasing awareness and encouraging the potential entrepreneurs.

Information and awareness are also at the forefront with already functioning entrepreneurs, which often possess extensive skills and knowledge in their field of activity, but lack knowledge regarding entrepreneurship.

We offer comprehensive information to starting businesses, starting with information on the web and ending with personal counselling under the mentoring programme. In addition, starting companies can apply for direct aid.

Additional information on the solutions and funding possibilities of Enterprise Estonia can be found on our Estonian webpage. <http://www.eas.ee/en/for-the-entrepreneur/starting>

Information on the web

- Enterprise Estonia's web for starting entrepreneurs (in Estonian) provides information, services and training possibilities to a starting entrepreneur.

The information centre provides general information on all support possibilities by fields.

If you are uncertain about your needs or the opportunities offered by Enterprise Estonia and cannot find answers on our homepage, it is well worth contacting the Information Centre. The competent consultants at our Information Centre will be more than happy to provide advice and to guide you toward an appropriate solution, helping you to find the person or bit of information that you need.

Enterprise Estonia offers its customer a wide range of services, from consultancy and work with databases all the way to training events and grants. All of this information is also available, in a structured form, on our homepage; however, for details of any of the information or to sign up for a consultation, it is well worth contacting the Information Centre by calling 6279 700 or sending an e-mail to info@eas.ee. You can stop by the Information Centre in Tallinn, Tartu or Jõhvi.

Beforehand, you may want to consider the activities and areas of concern of your company or organisation that you need help with, so that the solution suggested is as appropriate as possible.

- **Entrepreneurship awareness project grants** support the projects that are aimed at increasing initiative and business activity in the society.

Enterprise Estonia invites everyone to participate and submit projects to the Entrepreneurship awareness project grant. The grant is meant for projects aimed at developing entrepreneurship and increasing business knowledge and activity, implemented in the course of one year.

According to the ranking, public procurement contracts will be concluded with all successful organisations for each project separately (public procurement contracts for services ordered under simplified procedure [PPA§19](#)). The exact conditions for implementation of the project shall be agreed upon in the public procurement contract concluded between Enterprise Estonia and the promoter.

- Participation in the regional entrepreneurship days and entrepreneurship week provides you with useful ideas, knowledge and confidence in starting your business.

Regional entrepreneurship days are organised under the Entrepreneurship Awareness Programme, in cooperation between Enterprise Estonia and county development centres.

Trainings and counselling

- Enterprise Estonia's offices in Tallinn, East and South Estonia to make contacting us easier.
- County development centres give you free support on the questions related to starting a business and preparing a business plan.
- Business mentoring programme helps you find a personal mentor for your developing business.
- Regional mentoring clubs have experienced entrepreneurs from across Estonia sharing their knowledge.
- The Business Incubator is the best place to start if you are an innovative, growth-oriented entrepreneur.
- Base training for a start-up entrepreneur – base knowledge for starting one's own business. A business plan is compiled in the course of the training.

Support

- [Start-up grant](#) provide support for starting companies in investments related to starting a business.
- Development grant provides additional financial means for developing a growing an exporting start-up company.

[Start-up grant](#) is a national grant for start-up entrepreneurs who need additional financial means for starting a sustainable business. The applications are accepted from July 9, 2012.

The expected result of the programme is achieving the goals of created companies in a manner described in the business plan.

Start-up grant can be applied by a start-up entrepreneur, who:

- has a company that was registered no longer than 12 months ago;
- creates a year-round job for at least one person;
- has a thought-out sustainable business model;
- has a product or service that is ready for launch;
- achieves profitability during the start-up project period;
- has business model that does not need to be subsidised to stay sustainable (e.g. free of charge use of personal property, equipment, labour etc.)

Size of the grant

The start-up grant can be applied in the maximum amount of EUR 5000. The share of the grant in the total cost of the project is 80% at the maximum and self-financing is at least 20%.

Start-up grant can be used for acquisition of fixed assets and performing marketing activities.

[Eesti.ee](#) Gateway to eEstonia

Financing a start-up company

As an effective means of financing their new business, start-up enterprises have the opportunity to receive a start-up grant and development grant from Enterprise Estonia, European Union structural assistance, or a start-up loan secured by KredEx.

Grants from Enterprise Estonia

The start-up grant awarded by Enterprise Estonia is aimed at start-up companies and oriented more to sustainable-growth companies than gazelles. The start-up grant can be applied for in an amount of up to 5000 euros and Enterprise Estonia accepts applications continuously. The grant can amount to a maximum of 80% of the project cost. The Enterprise Estonia development grant is aimed at rapid-growth enterprises that generate high value added and have export potential. Development grants are available for companies who have already proved their competitiveness and need support for accelerating their growth.

The start-up grant can be applied for in an amount of up to 32 000 euros and Enterprise Estonia accepts applications continuously. The grant can amount to a maximum of 50% of the project cost. Eligible applicants include both sole proprietors and enterprises, although the latter are subject to certain restrictions (a second legal person may own up to a 25% share in the enterprise and the time since company registration is an important criterion).

European Union structural assistance

If you are seeking financing for your business plan, it would be wise to look into the aid measures offered by structural funds and local governments. For instance, start-up assistance for investments into non-current assets, aid for training personnel and a wide array of measures whose conditions should be reviewed and, if suitable, applied for.

The following areas are supported from structural funds: education, labour market, research and development, private enterprise, information society, administrative capacity, environmental conservation, energy sector, transport, regional and local development, health care and social welfare.

County development centres will help you find support for your projects, and the basic consultation service is free of charge. The development centres offer you information from the development centre on structural fund measures and, if necessary, about other potential sources of support as well as private sector consultants and the services they offer.

[County development centres](#)

Start-up loan

Start-up enterprises and small and medium-size enterprises that have been operating for up to three years can apply for a start-up loan for going into business, which will be secured to up to a 75% extent by KredEx. Compared to ordinary loans, the advantage of start-up loans is the fact that you, as an entrepreneur, do not have to take as high a risk with your personal assets. Above all, the start-up loan will be of assistance to companies that are only starting their activity and find it difficult to receive a bank loan due to a relative lack of credit history. The loan must be taken through a bank; the interest rate set by the bank is an estimated 7.5-12%. To obtain a start-up loan, applicants can contact a bank, Enterprise Estonia or KredEx.

[Start-up loans from KredEx](#)

Program Leader

The Leader programme is one of the most successful initiatives of the European Commission. It was launched in 1991 and has already completed three periods: Leader I, Leader II and Leader+.

Implementation of the Leader approach began on a broad scale in Estonia in 2006.

The state has decided to distribute 10% of the budget of the country's rural development plan for 2007-2013 through the Leader measure. This represents 1.34 billion kroons or an average of more than 200 million kroons every year in support of local action groups.

There are currently 26 such groups operating in Estonia, covering almost 98% of regional areas. 24 of these groups have completed local development strategies for their areas and will be implementing them in 2009.

LEADER type measure in Estonia

The Estonian National Development Plan for the implementation of the EU structural funds (Single Programming Document) for 2004-2006 includes a measure for "Local Initiative based Development Projects – LEADER". The LEADER type measure provides two options for Estonia:

Option 1: Acquisition of skills;

Option 2: Adoption of integrated territorial rural development strategies.

Legal act constituting conditions for LEADER type measure was signed by the Minister of Agriculture in June 2006. The Estonian Agricultural Registers and Information Board (ARIB) opened call for tender during August-September in 2006. Selection process was completed in December 2006.

21 LAGs are supported under option "Acquisition of skills". 3 LAGs are supported under option "Adoption of integrated territorial rural development strategies" and they started to implement strategies. In Estonia is now 24 LAGs.

Earlier experience for LEADER

In framework of The Baltic Rural Partnerships Program for Sustainable Rural Livelihoods (BRPP), there were established three partnerships in South-Eastern Estonia counties – Põlva, Valga and Võru during 2000-2003. The Partnerships were functioning on the same principles as Local Action Groups. As a result there were many very successful projects and activities which were brought into life, and most importantly, the concept of 'cooperation', involving all the relevant sectors for local development was born.

In 2004-2005 the main stress was on the training and information campaigns designed to spread the philosophy and principles of Leader. The Ministry of Agriculture organised some seminars and ministry officials attended info-days and meetings with the municipalities and people living in the countryside.

The Estonian Village Movement KODUKANT is an association of nongovernmental organisations, which unites volunteers and community-based organizations interested in the development of rural life in Estonia. Kodukant is one of the strongest social partners for the Ministry of Agriculture. In cooperation with the Ministry, Kodukant organised 10 special seminars around different parts of the country in 2004

In Estonia also conducted a survey in 2006 „Development of local initiative – Leader-type measure” and according to that 75,6% of non-profit associations, 77,5% of local governments, 62,7% of entrepreneurs and 51,7% of inhabitants are willing to participate in the implementation of regional strategy. Awareness of Leader is rather high – 59,3% of non-profit associations and 56,4% of the representatives of local governments are aware of Leader.

Estonian National Rural Network Unit

The Leader Infopoint operated in Tartu from August 2005 to May 2007, It was opened as a result of an open call for tenders, and which was awarded to the Institute of Rural Development and NGO Partnership Institute.

In May 2007 a new structure for information and coordination in Estonia started activity - National Rural Network Unit at Rural Economy Research Centre in Jäneda.

The aim of new structure will be organise meetings and trainings, networking, create website and infobase of experts and to spread information to support rural development activities. The Network Unit provides information about the Leader principles, organising trainings, seminars, and consultancy. One task will be also to be responsible for national and cross-border networking.

Website – www.maainfo.ee – provides contacts and information about Estonian LAGs, events, seminars, reflections from media, etc. In near future the website will be available also in English.

Leader in 2007-2013

Implementation of the measure through the first Leader projects over the current programming period will create experience and capacity that would provide the required support for the implementation of LEADER programme during the next programming period (2007-2013).

Leader+ period will end on 30.06.2008 – this is the deadline for LAG's to complete strategies and to take the last receipts to Payment Agency (ARIB).

For period 2007-2013 Estonia planned for LEADER-axes 10% of Estonian RDP budget.

Open calls for new period LAG's planned for 2008 summer, if necessary also 2009.

For 2010 Estonia planning to cover full rural area with LAGs.

In EU programme period 2014-2020 Leader is the 4th axes of Estonian Rural Development Plan. Its aim is to promote local initiatives.

Further information:

http://www.pria.ee/en/support/overview/leader_eng/

<http://www.agri.ee/et/eesmargid-tegevused/maaettevotlus-ja-maaelu/leader>

Leader program supports often craft business

A good example: <http://www.estcraft.com/handicraft>