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Organisation of Research and Development and Innovation Act

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Chapter 1 General Provisions

§ 1. Scope of regulation and application

(1) This Act provides the grounds for the national organisation, financing and supervision of research and development and innovation.

(2) The provisions of the Administrative Procedure Act apply to administrative proceedings prescribed in this Act, taking into account the special rules of this Act.

§ 2. Research and development and innovation

(1) Research and development is novel, creative, uncertain, systematic and transferable or reproducible research and development work whose aim is to gain new knowledge and find new areas of application of knowledge, and which is divided into basic research, applied research and experimental development.

(2) Basic research is theoretical or experimental exploratory research for gaining new knowledge of the underlying foundations of phenomena and facts, without the aim of applying in practice the knowledge gained.

(3) Applied research is exploratory research for gaining new knowledge with the direct aim of applying in practice the knowledge gained.

(4) Experimental development is a systematic activity based on knowledge and practical experience gained from basic or applied research, which results in the creation of new or improvement of existing services, products or processes.

(5) Innovation is a new or substantially improved product, service or process, which is based on research and development, made available or put into use and whose aim is to create value or achieve a competitive advantage and contribute to the development of an undertaking, an organisation or society at large, and increase productivity, efficiency and effectiveness, thereby contributing to overall economic and welfare growth.

(6) Knowledge transfer is the sharing of knowledge, skills, technology and intellectual property between performers of research and development and other actors in society with the aim of developing new or improved products, processes and services that bring societal and economic gain.

§ 3. Research and development actors

(1) For the purposes of this Act, research and development actors are researchers, research and development institutions, universities, professional higher education institutions and other actors that plan, perform, organise, finance, support or assess research and development or publish results of research and development.

(2) A researcher is a specialist who, by means of scientific methods, creates new knowledge, improves and develops concepts, theories, models, instruments and technologies, software and working methods, and increases the knowledge concerning people, culture, society, technology or nature. The provisions of the Higher Education Act governing academic staff apply to researchers working in an academic staff position at a university, professional higher education institution, state-owned or public research and development institution.

(3) A research and development institution is, pursuant to this Act, a legal person or institution for which at least one field of research and development has been the subject of a positive evaluation decision pursuant to subsection 7 of § 16 of this Act, except for a university and evaluated professional higher education institution.

(4) In this Act, the term ‘university’ is used within the meaning of § 20 of the Higher Education Act.

(5) An evaluated professional higher education institution is, pursuant to this Act, a professional higher education institution for which at least one field of research and development has been the subject of a positive evaluation decision pursuant to subsection 7 of § 16 of this Act.

§ 4. Research ethics

(1) Research ethics determines the generally accepted standards of research ethics and research ethical values, compliance with which is mandatory throughout the whole research and development, including in planning, selecting methods, performing and publishing results of research and development. Research ethical values are the core values guiding research and development, which form the ground for the generally accepted standards of research ethics, shaping both the personal behaviour of researchers and the ethical culture of an institution. The aim of research ethics is to ensure the reliability and transparency of research and development and the liability of the actors therein.

(2) The generally accepted standards of research ethics are the agreed principles of action, practices, rules and guidelines formulated in good research practices. These standards guide the activities of researchers, their relationships with one another and the relationship of researchers with society at large.

(3) Good research practices is a common name for professional or sectoral agreements between research and development actors that formulate the principles guiding research work, which are jointly accepted and followed by all research and development actors.

§ 5. Principles of research and development

Research and development actors follow in research and development and in the organisation thereof:

1) academic freedom, pursuant to which a research and development performer has the right to decide on the content and methods of the research and development and on the dissemination of the results thereof, unless this is restricted by other legislation, other agreements or conditions;

2) the generally accepted standards of research ethics and good research practices;

3) the principle that the results and data of the research and development financed from public funds are available to the public, except where non-disclosure is in accordance with other legislation.

Chapter 2 State Organisation of Research and Development and Innovation

§ 6. Duties of the Government of the Republic

(1) The Government of the Republic designs the national research and development and innovation policy that takes into consideration the potential, conditions and needs of Estonia.

(2) In organising research and development and innovation, the Government of the Republic:

1) ensures the integral functioning of the research and development and innovation system in line with the strategic goals of the state;

2) gives its opinion on the proposal for the restructuring and dissolution of a state agency which is administered by a government agency and whose main activity is research and development, after having considered the opinion of the Research and Development and Innovation Policy Council;

3) decides on the participation of Estonian state in international co-operation in the field of research and development and innovation;

4) grants national research awards for outstanding research and development results;

5) forms the national research awards committee, approving its membership on the proposal of the minister in charge of the field of research and development;

6) performs other functions in the field of research and development and innovation assigned by legislation.

(3) The statutes of the national research awards provided in clause 4 of subsection 2 of this section, which prescribe the amount, types and conditions of the research awards and procedure for granting thereof, and the formation, functions and rules of procedure of the national research awards committee provided in clause 5 are established by a regulation of the Government of the Republic.

§ 7. Research and Development and Innovation Policy Council

(1) The Research and Development and Innovation Policy Council is an advisory body to the Government of the Republic which advises the Government of the Republic on drafting and implementing the research

and development and innovation policy that supports the functioning and welfare of society, increases the competitiveness of the economy and values the sustainability of the Estonian language and culture.

(2) The statutes of the Research and Development and Innovation Policy Council, which prescribe the grounds for its activities, its functions and rules of procedure, are established by a regulation of the Government of the Republic.

(3) The membership of the Research and Development and Innovation Policy Council is approved by an order of the Government of the Republic.

(4) The members of the Research and Development and Innovation Policy Council include the Prime Minister, the ministers in charge of the field of research and development and innovation and other members appointed by the Government of the Republic.

(5) The Prime Minister is the chairperson of the Research and Development and Innovation Policy Council.

§ 8. Steering committee on research and development and innovation

(1) The steering committee on research and development and innovation advises the ministers in charge of the field of research and development and innovation on drafting and implementing the policy and the development plan of the field.

(2) The functions, procedure for formation and rules of procedure of the steering committee on research and development and innovation are established on the joint proposal of the ministers in charge of the field of research and development and innovation by a regulation of the Government of the Republic.

(3) The membership of the steering committee on research and development and innovation is approved on the proposal of the ministers in charge of the field of research and development and innovation for up to three years by an order of the Government of the Republic.

(4) The members of the steering committee on research and development and innovation are representatives of the research and development and innovation system and of the business and public sectors.

(5) The work of the steering committee on research and development and innovation is organised jointly by the ministries in charge of the field of research and development and innovation.

§ 9. State organisation of research and development and innovation in ministry and Government Office

(1) A ministry plans and implements the research and development and innovation necessary for its area of government, keeping in mind the principles of knowledge-based policy-making and taking into account the strategic targets and integral functioning of the state and the area of government.

(2) In the implementation of research and development and innovation, a ministry:

- 1) drafts and organises the implementation of action plans for research and development and innovation that support the policy objectives of the area of government;
- 2) organises the financing of the research and development and innovation necessary for its area of government;
- 3) organises the participation of the area of government in international co-operation in the field of research and development and innovation, and the financing thereof;
- 4) submits the research and development budget of its area of government and an overview of its implementation to the ministry in charge of the field of research and development;
- 5) ensures the submission of information to the Estonian Research Information System on the research financed in its area of government.

(3) The Ministry of Education and Research (hereinafter *ministry in charge of the field of research and development*):

- 1) drafts and implements the national research and development policy and organises, on the basis thereof, research and development, and the financing thereof, except in the activities provided in subsection 5 of this section;
- 2) prepares and submits proposals to the Government of the Republic for designing the research and development policy;
- 3) co-ordinates research and development of ministries in line with the strategic goals of the state;
- 4) organises the financing from the state budget of research and development in research and development institutions, universities and professional higher education institutions;
- 5) supports the functioning of the support structures necessary for research and development;
- 6) co-ordinates, at the state level, international co-operation in the field of research and development, and organises the financing thereof;
- 7) organises the assessment of the quality of research and development;

- 8) organises national competitions in the field of research and development;
- 9) ensures the functioning of the national research ethics system;
- 10) performs other functions assigned to it by legislation.

(4) The conditions of and procedure for the national competition provided in clause 8 of subsection 3 of this section are established by a regulation of the minister in charge of the field of research and development.

(5) The Ministry of Economic Affairs and Communications (hereinafter *ministry in charge of the field of innovation*):

- 1) drafts and implements the national innovation policy aimed at undertakings and designs an environment that is conducive to the research and development and innovation of undertakings;
- 2) prepares and submits proposals to the Government of the Republic for designing a policy that is conducive to the research and development and innovation of undertakings;
- 3) organises the research and development and innovation of undertakings and the creation, activities and support from the state budget of a support structure conducive to them;
- 4) organises, pursuant to § 21 of this Act, the financing from the state budget of research and development in research and development institutions being legal persons in private law and operating as a company;
- 5) co-ordinates, at the state level, the participation of undertakings in international co-operation in the field of research and development and innovation, and organises the financing thereof;
- 6) performs other functions assigned to it by legislation.

(6) The ministries in charge of the field of research and development and innovation ensure jointly the integral functioning of the research and development and innovation policy, including organise jointly research and development and innovation and knowledge transfer between research and development institutions, higher education institutions, undertakings and the public sector.

(7) The Government Office performs the following functions in the field of research and development and innovation:

- 1) co-ordinates, at the supra-ministerial level, innovation activities in the public sector in line with the strategic goals of the state;
- 2) drafts and implements the research and development and innovation necessary for the performance of its functions.

§ 10. Implementing agency of research and development policy

(1) The implementing agency of the research and development policy is a legal person whose purpose is to support the implementation of the national research and development policy in the public interest.

(2) In the implementing agency of the research and development policy, the founder's rights of the state are exercised by the ministry in charge of the field of research and development.

(3) The implementing agency of the research and development policy:

- 1) organises the financing of applications for national research funding pursuant to § 22 of this Act;
- 2) promotes international co-operation in the field of research and development between researchers and research and development institutions, universities and professional higher education institutions;
- 3) carries out evaluation of research and development pursuant to §§ 15–17 and thematic assessment thereof pursuant to § 18 of this Act;
- 4) advises, where necessary, ministries and their agencies on the financing of the research and development necessary for the area of government of the ministry, and organises, where necessary, the financing of the research and development;
- 5) promotes the field of research ethics, forms the research ethics committee and the committee for processing of research ethics misconduct events, and organises their work pursuant to §§ 26 and 27 of this Act;
- 6) collects, stores, analyses and makes available information on research and development;
- 7) promotes science communication;
- 8) performs other functions assigned to it by legislation.

(4) The implementing agency of the research and development policy is independent in processing applications for national research funding and in making financing decisions.

(5) The implementing agency of the research and development policy has an evaluation committee consisting of recognised researchers of various fields of research and development, which ensures that the assessment of applications for national research funding is organised and financing proposals are made proficiently and independently, and advises the implementing agency, where necessary, on the performance of other functions.

(6) The procedure for the formation and the rules of procedure of the evaluation committee of the implementing agency of the research and development policy are established by a regulation of the minister in charge of the field of research and development.

§ 11. Implementing agency of innovation policy

(1) The implementing agency of the innovation policy is a legal person whose purpose is to support increasing the competitiveness and capability for research and development and innovation among undertakings.

(2) In the implementing agency of the innovation policy, the founder's rights of the state are exercised by the ministry in charge of the field of innovation.

(3) The implementing agency of the innovation policy:

- 1) supports the research and development and innovation activities of undertakings;
- 2) supports international co-operation in the field of research and development and innovation between undertakings;
- 3) promotes the awareness of research and development and innovation and capability for engagement therein among undertakings;
- 4) supports the research and development and innovation policy by collecting, storing, making available and analysing information on the research and development and innovation of undertakings;
- 5) performs other functions assigned to it by legislation.

(4) The implementing agency of the innovation policy is independent in processing applications for research and development and innovation funding of undertakings and in making financing decisions.

§ 12. Applied Research Centre

(1) The Applied Research Centre is a legal person operating in the area of government of the ministry in charge of the field of innovation, whose function is to provide applied research and experimental development services to undertakings for the benefit of knowledge-based development and innovativeness of Estonian economy.

(2) The Applied Research Centre carries out applied research and experimental development and related activities with a commercial purpose, and for this purpose:

- 1) ensures and develops the competence and infrastructure necessary for research and development;
- 2) participates in international co-operation and networks in the field of research and development and innovation.

§ 13. Estonian Academy of Sciences

(1) The Estonian Academy of Sciences is an association of distinguished researchers and other creative persons whose function is to develop and represent Estonian science, contribute to the implementation of research results in the interests of Estonia and value science, scientific thinking and culture in Estonia.

(2) The Estonian Academy of Sciences is a legal person in public law which operates on the basis of the Estonian Academy of Sciences Act, this Act, other legislation and its own statutes.

§ 14. Estonian Research Information System

(1) The Estonian Research Information System (hereinafter *information system*) is a database whose purpose is to:

- 1) provide actors related to the organisation of research and development with reliable information for research and development statistics, policy making, financing decisions and strategic management;
- 2) provide research and development institutions, universities and professional higher education institutions and the public with reliable information on research and development and performers thereof;
- 3) ensure the availability of the data necessary for planning and financing the activities of research and development institutions, universities, professional higher education institutions and institutions related to the organisation of research and development;
- 4) ensure the availability of the data and the working environment necessary for the assessment of the activities and financing applications of research and development institutions, universities, professional higher education institutions and persons engaged in research and development;
- 5) disclose information on the research and development financed by the state.

(2) The information system processes data on:

- 1) research and development institutions, universities, professional higher education institutions and persons engaged in research and development and the activities thereof;
- 2) results and outputs of research and development;
- 3) research infrastructure and related equipment and services;
- 4) programmes and applications for financing research and development and the processing and results thereof;
- 5) applications for evaluation of research and development and the processing and results thereof;
- 6) applications for an assessment of the ethics committee and the processing and results thereof.

(3) The information system processes the following personal data:

- 1) general data of the person;
- 2) data on employment;
- 3) data on the academic degree;
- 4) data on publications and industrial property;
- 5) data on involvement in a scientific collection;

- 6) data on the final paper of doctoral and master's studies, including data on supervision of the final paper;
- 7) data related to financing applications and involvement in projects;
- 8) data related to the assessments of ethics committees.

(4) The data, including personal data, collected to the information system are stored without a term, unless the statutes provide specific conditions for the storage of data. The data to which archival value has been granted by the National Archives are delivered to the National Archives pursuant to the procedure provided in the Archives Act.

(5) The controller of the information system is the Ministry of Education and Research.

(6) The statutes of the information system are established by a regulation of the minister in charge of the field of research and development, which provides:

- 1) the functions of the controller and processor;
- 2) data providers and the data received therefrom, specific composition of the data collected, and the procedure for the inclusion thereof in the information system;
- 3) the procedure for access to data and release of data;
- 4) interbase cross-usage of data;
- 5) specific conditions for the storage of data;
- 6) other organisational issues.

Chapter 3

Ensuring Quality of Research and Development

§ 15. External evaluation of research and development of legal person or institution

(1) The external evaluation of the research and development activities of a legal person or institution takes place in the course of evaluation under the conditions provided in subsection 2 of this section and taking into account the provisions of subsection 5.

(2) An evaluation results in providing an assessment of the level of the research and development field of the legal person or institution compared to the internationally recognised criteria, taking into account the objectives set by the founder of the legal person or institution in the field of research and development.

(3) Evaluation results and the assessments and recommendations made are public.

(4) The specific conditions of and procedure for applying for, organising and approving the result of an evaluation are established by a regulation of the minister in charge of the field of research and development.

(5) The external evaluation of the research and development of a university or evaluated professional higher education institution takes place in the course of institutional accreditation pursuant to §§ 37 and 38 of the Higher Education Act.

§ 16. Applying for and carrying out evaluation

(1) A legal person and institution that meet the following conditions have the right to apply for evaluation:

- 1) the activity specified in the articles of association or statutes of the legal person or institution is carrying out basic or applied research or experimental development, or several of the aforementioned activities;
- 2) the legal person or institution ensures the dissemination of the generated knowledge through teaching, publishing or knowledge transfer;
- 3) the legal person or institution has the number of staff engaged in research and development necessary for the activities specified in clauses 1 and 2 of this subsection;
- 4) the buildings, rooms, furnishings and other assets of the legal person or institution are sufficient and suitable for the activities specified in clauses 1 and 2 of this subsection.

(2) The ministry in charge of the field of research and development returns the application of a legal person or institution and refuses to review it if the legal person or institution does not meet the conditions provided in subsection 1 of this section.

(3) Evaluation is carried out in rounds at intervals established by the ministry in charge of the field of research and development, but not less frequently than once every four years from the last round.

(4) The costs of evaluation are covered by the legal person or the institution applying for the evaluation, taking into account the provisions of subsection 5 of this section.

(5) The costs of evaluation of an institution and legal person in public law in the area of government of the ministry in charge of the field of research and development are covered by the ministry.

(6) Research and development is evaluated by an assessment committee, which has been formed from external experts by the implementing agency of the research and development policy and whose members are researchers or experts recognised in their field who have experience in the evaluation of research and development.

(7) The minister in charge of the field of research and development, using as a ground the reasoned proposals of the assessment committee formed on the basis of subsection 6 of this section, makes a decision to grant positive or negative evaluation to the research and development of a legal person or institution in the respective field.

§ 17. Validity of evaluation decision and additional evaluation

(1) The positive decision specified in subsection 7 of § 16 of this Act is valid until the next evaluation decision is approved, but for no longer than seven years.

(2) A positive evaluation decision made on the research and development field of a university or evaluated professional higher education institution, which has been specified in subsection 7 of § 16 of this Act, remains valid if the university or professional higher education institution undergoes the institutional accreditation with a result that complies with clause 1 or 2 of subsection 3 of § 38 of the Higher Education Act, provided that the research and development has been assessed as meeting the requirements. The decision is valid until the expiry of the period of validity of the institutional accreditation decision.

(3) The minister in charge of the field of research and development makes a proposal to a research and development institution, university or evaluated professional higher education institution to undergo an evaluation in the field of research and development and sets a time limit for the application therefor if:

- 1) the research and development of the legal person or institution no longer meets the conditions specified in subsection 1 of § 16 of this Act;
- 2) the result of the institutional accreditation of the university or evaluated professional higher education institution does not meet the conditions specified in subsection 2 of this section;
- 3) the results of the thematic assessment or the data collected on the research and development of the institution have revealed that the level of research and development of the legal person or institution no longer meets the level on which the positive decision specified in subsection 7 of § 16 of this Act was based;
- 4) the research and development institution, university or evaluated professional higher education institution merges with a legal person or institution which has not undergone evaluation with a positive result as specified in subsection 7 of § 16 of this Act, or if the research and development institution, university or evaluated professional higher education institution divides and the minister in charge of the field of research and development assesses that evaluation of the research and development of the legal person or institution in the respective field is necessary.

(4) In the event of a merger or division as provided in clause 4 of subsection 3 of this section, a research and development institution, university or evaluated professional higher education institution notifies the minister in charge of the field of research and development thereof.

(5) If a legal person or an institution does not apply for evaluation within the time limit set by the minister in charge of the field of research and development or undergoes the evaluation with a negative result as specified in subsection 7 of § 16 of this Act, the minister in charge of the field of research and development revokes the positive evaluation decision specified in subsection 7 of § 16.

§ 18. Thematic assessment

(1) The minister in charge of the field of research and development has the right to initiate, independently or on the proposal of another ministry, research and development institution, university or evaluated professional higher education institution, thematic assessments of the level and organisational aspects of research and development in order to prepare research policy decisions and measures or assess their impact and implementation and provide feedback to research and development institutions, universities and evaluated professional higher education institutions.

(2) The subject, participants and specific organisation of a thematic assessment are approved by a decree of the minister in charge of the field of research and development.

(3) The costs of a thematic assessment are covered by the ministry in charge of the field of research and development, taking into account the provisions of subsection 4 of this section.

(4) If a thematic assessment is carried out in the interests of a specific legal person or institution and it is not of decisive importance from the point of view of designing the national research policy, the costs will be borne by the legal person or institution.

§ 19. Functions and obligations of research and development institution, university and evaluated professional higher education institution in research and development

- (1) The functions of a research and development institution in creating a public good are to:
- 1) promote science and provide public services based on research and development necessary for society;
 - 2) support the development of society and economy, the internationalisation of science and the preservation and development of the Estonian nation, language and culture.
- (2) A public good is a good whose consumption is open to all members of society and whose consumption by one person does not reduce the amount of the good available for consumption by other persons.
- (3) A university creates a public good with research and development adhering to the functions provided in subsection 2 of § 20 of the Higher Education Act.
- (4) An evaluated professional higher education institution creates a public good with research and development adhering to the functions provided in subsection 2 of § 21 of the Higher Education Act.
- (5) A research and development institution, university and evaluated professional higher education institution are required to:
- 1) ensure that the research and development of the institution comply with the generally accepted standards of research ethics and good research practices and create the necessary preconditions and conditions for the development of the research ethics competence of the researcher working in the institution;
 - 2) ensure that scientific publications and data can be found, are accessible, interoperable and reusable if this is not restricted by the protection of personal data, intellectual property and business secrets or other restrictions arising from legislation;
 - 3) transmit the data specified in subsection 2 of § 14 of this Act to the information system and be liable for the accuracy of the data transmitted.
- (6) In order to perform the obligation specified in clause 1 of subsection 5 of this section, a research and development institution, university and evaluated professional higher education institution may form an institutional ethics committee, which provides an assessment of the ethicality of the research and development of the institution that formed the ethics committee and, where necessary, performs the function provided in subsection 4 of § 6 of the Personal Data Protection Act and other functions assigned by the institution.

Chapter 4 Financing of Research and Development and Innovation

§ 20. General principles of state budget financing of research and development and innovation

- (1) The purpose of the state budget financing of research and development is to:
- 1) ensure the continuity and quality of research and development provided as a public good;
 - 2) manage the risks related to research and development for undertakings and overcome market failures.
- (2) The purpose of the state budget financing of innovation is to help create and introduce new products, services and processes that contribute to the development of economy and society.
- (3) Research and development and innovation are financed from the state budget through the following funds:
- 1) research and development funding of an institution;
 - 2) national research funding;
 - 3) earmarked research and development and innovation funding;
 - 4) research and development and innovation system funding;
 - 5) research and development and innovation funding of an undertaking;
 - 6) other funds arising from legislation.
- (4) When using the research and development funds allocated from the state budget, the recipient of the funding must distinguish in its accounting economic activities and non-economic activities related to research and development, costs and financing thereof, unless the funding is granted in accordance with Commission Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014, pp. 1–78), or Commission Regulation (EU) No 2023/2831 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023).
- (5) The recipient of the funding must reinvest the profit received from non-economic activity in the activities specified in clauses 1 and 2 of subsection 1 of § 16 of this Act.
- (6) The funding specified in clauses 1–5 of subsection 3 of this section is recovered, in part or in full, if the recipient of the funding has violated the conditions for use of the funding.

(7) If the funding specified in clauses 1–5 of subsection 3 of this section is recovered, the right to charge the recipient of the funding late interest of up to 0.05 per cent per day for each calendar day of delay in the repayment of the funding will apply.

§ 21. Research and development funding of institution

(1) The research and development funding of an institution is a state budget funding prescribed for research and development institutions, universities and evaluated professional higher education institutions for the fulfilment of their research and development objectives and for the creation of a public good.

(2) The budget of the research and development funding of an institution is divided between baseline funding to the extent of at least 70 per cent and performance-based funding to the extent of up to 30 per cent.

(3) For the purpose of determining the baseline funding specified in subsection 2 of this section, the proportion of each institution is calculated, taking into account the research and development funding allocated to it during the three calendar years preceding the calendar year of granting the funding and the total research and development funding allocated during the same period.

(4) For the purpose of the performance-based funding specified in subsection 2 of this section, the following performance indicators are taken into account:

- 1) indicators of the quality and effectiveness of research and development, including indicators related to published peer-reviewed publications and intellectual property;
- 2) indicators of the succession of researchers, including indicators of the doctoral degrees defended;
- 3) indicators of supporting the development of society and knowledge transfer, including indicators related to the income received for the provision of research and development services and in the form of funding.

(5) By a decision of the minister in charge of the field of research and development or innovation, the following may be taken into account upon forming the proportion specified in subsection 3 of this section:

- 1) the earmarked funding and system funding allocated to the institution;
- 2) the changes resulting from the reorganisation or merger of the institution.

(6) The research and development funding of an institution is allocated to state-owned and public research and development institutions, universities and evaluated professional higher education institutions, and to research and development institutions, universities and evaluated professional higher education institutions operating as a non-profit association and foundation from the budget of the ministry in charge of the field of research and development.

(7) The research and development funding of an institution is allocated to research and development institutions being legal persons in private law and operating as companies from the budget of the ministry in charge of the field of innovation.

(8) At least 5 per cent of the total funding to be allocated from the budget of the ministry in charge of the field of research and development is allocated for supporting national sciences in state-owned and public research and development institutions, universities and evaluated professional higher education institutions.

(9) National sciences are Estonian history, folkloristics, linguistics, art, including musicology and theatology, literary studies and other research whose research results have a direct impact on the self-determination of Estonians and help shape and maintain the identity of Estonians.

(10) The annual distribution of the research and development funding of an institution between state-owned and public research and development institutions, universities and evaluated professional higher education institutions, and research and development institutions, universities and evaluated professional higher education institutions operating as a non-profit association and foundation is approved by a decree of the minister in charge of the field of research and development.

(11) The annual distribution of the research and development funding of research and development institutions being legal persons in private law and operating as companies is approved by a decree of the minister in charge of the field of innovation.

(12) The research and development funding is allocated to a university and research and development institution operating as a legal person by a contract.

(13) The specific conditions of and procedure for the allocation and recovery of the research and development funding of an institution are established by a regulation of the Government of the Republic.

§ 22. National research funding

(1) National research funding is competition-based funding for the implementation of a high-level research and development project led by a researcher with a doctoral degree working in a research and development institution, university or evaluated professional higher education institution.

(2) The granting of national research funding is organised by the implementing agency of the research and development policy.

(3) Research and development projects for national research funding are selected on the basis of the internationally recognised assessment criteria, ensuring equal treatment of all fields of research and the independence of the decision-making process.

(4) The specific conditions of and procedure for applying for and assessing the application for national research funding, and granting and recovering the funding are established by a regulation of the minister in charge of the field of research and development.

§ 23. Earmarked research and development and innovation funding

(1) Earmarked research and development and innovation funding is the research and development or innovation funding granted to a person or an institution for the achievement of the goals of the state.

(2) The specific conditions of and procedure for the allocation and recovery of earmarked funding are established by a regulation of the minister in charge of the field.

(3) The minister in charge of the field may, by an administrative contract, grant the implementing agency of the research and development policy the authority to perform the administrative duty to allocate earmarked funding on the account of the funds of the area of government of the ministry, without applying subsections 2 and 3 of § 5, subsections 1 and 2 of § 6 and subsection 1 of § 14 of the Administrative Co-operation Act. Section 13 or subsection 3 of § 14 of the Administrative Co-operation Act do not apply to entry into such an administrative contract.

§ 24. Research and development and innovation system funding

(1) Research and development and innovation system funding is the funding granted to legal persons and institutions for the institutional and technical functioning of the research and development and innovation system and for increasing the impact of research and development and innovation.

(2) The specific conditions of and procedure for the allocation and recovery of the system funding for the field of research and development are established by a regulation of the minister in charge of the field of research and development.

(3) The specific conditions of and procedure for the allocation and recovery of the system funding for the field of innovation are established by a regulation of the minister in charge of the field of innovation.

§ 25. Research and development and innovation funding of undertaking

(1) The research and development and innovation funding of an undertaking is competition-based state budget funding granted to Estonian undertakings to support the research and development and related activities based on the needs of the development of society and economy.

(2) The specific conditions of and procedure for the allocation and recovery of the research and development and innovation funding of an undertaking are established by a regulation of the minister in charge of the field.

Chapter 5 Organisation of Research Ethics

§ 26. Research ethics committee

(1) The research ethics committee is an independent body consisting of experts of various fields, the purpose of whose activities is to provide an assessment of the ethicality of research and development and, where necessary, perform the function provided in subsection 4 of § 6 of the Personal Data Protection Act and ensure the protection of the rights, safety and welfare of persons involved in research.

(2) The research ethics committee is formed by the implementing agency of the research and development policy.

(3) The implementing agency of the research and development policy may form sectoral or regional sub-committees of the research ethics committee, which have the right to independently provide the assessment specified in subsection 1 of this section and decide on its activities.

(4) The research ethics committee provides an assessment of the ethicality of research and development not regulated by other Acts.

(5) A fee may be charged for the services of the research ethics committee, including for providing an assessment of research and development and ethicality thereof.

(6) The fee for a service of the research ethics committee for the provision of one service may not exceed 3,000 euros. The amount of the fee is established on the basis of the costs related to the provision of an assessment by the research ethics committee.

(7) The procedure for the formation of the research ethics committee and the conditions for the processing of applications, as well as the list of the fee-charging services specified in subsection 5 of this section, the amount of the fees and the procedure for charging fees are established by a regulation of the minister in charge of the field of research and development.

(8) The research ethics committee performs other functions assigned to it by legislation.

§ 27. Committee for processing of research ethics misconduct events

(1) The committee for processing of research ethics misconduct events is an independent body providing an assessment of a suspected violation of research ethics and, where necessary, of the processing of a suspected violation, the purpose of whose activities is to ensure that research and development comply with the generally accepted standards of research ethics and good research practices.

(2) The committee for processing of research ethics misconduct events is formed by the implementing agency of the research and development policy.

(3) Upon becoming aware of a suspected violation of research ethics, the committee for processing of research ethics misconduct events may initiate proceedings for the provision of an assessment, notifying the parties thereof. When initiating proceedings, the committee has the right to ask the parties for documents and information related to the case.

(4) The committee for processing of research ethics misconduct events provides an assessment of a suspected violation of research ethics and notifies the parties thereof. Upon detecting a research ethics misconduct event, the committee for processing of research ethics misconduct events has the right to make a proposal to the ministry in charge of the field of research and development for the initiation of supervision under the conditions provided in § 29 of this Act, notifying the parties thereof.

(5) A fee may be charged for the services of the committee for processing of research ethics misconduct events, including the provision of an assessment of a suspected violation of research ethics and the processing of a suspected violation.

(6) The fee for a service of the committee for processing of research ethics misconduct events for the provision of one service may not exceed 3,000 euros. The amount of the fee is established on the basis of the costs related to the provision of an assessment by the committee.

(7) The procedure for the formation of the committee for processing of research ethics misconduct events and the procedure for the provision of assessments, as well as the list of the fee-charging services specified in subsection 5 of this section, the amount of the fees and the procedure for charging the fees are established by a regulation of the minister in charge of the field of research and development.

§ 28. Involvement of person under 18 years of age in research

(1) The consent to the involvement of a person under 18 years of age in research is given, taking into account the presumable intent of the person, by the person's legal representative, taking into account the provisions of subsections 2–4 of this section. A person under 18 years of age must be notified of the circumstances of the research in a manner that is within the person's ability to understand.

(2) If the consent of the legal representative specified in subsection 1 of this section for the participation of a person under 18 years of age in research clearly harms the interests of the person or the person does not wish to participate in the research, the consent is invalid.

(3) The person conducting the research must obtain the informed consent to the participation of a person of 7–17 years of age in the research from the person of 7–17 years of age as well as from their legal representative, except in the event specified in subsection 4 of this section.

(4) A person of 15–17 years of age may give their informed consent independently, without the consent of their legal representative, to the participation in the research and to the processing of their personal data for this

purpose, provided that the person is able to understand the circumstances of the research, the research is not physically invasive, and the ethics committee formed on the basis of this Act or another Act has provided an assessment of a mentally invasive research that the research is in compliance with the principles of research ethics.

Chapter 6 Supervision

§ 29. Regulatory enforcement and administrative supervision

(1) The Ministry of Education and Research exercises regulatory enforcement or administrative supervision over the activities of a research and development institution, university, evaluated professional higher education institution, and implementing agency of the research and development policy upon compliance with the requirements provided in this Act and the legislation established on the basis thereof.

(2) The Ministry of Economic Affairs and Communications exercises regulatory enforcement or administrative supervision over the activities of the implementing agency of the innovation policy and the Applied Research Centre upon compliance with the requirements provided in this Act and the legislation established on the basis thereof.

(3) In order to exercise supervision within the scope of the authority provided in subsection 1 of this section, the Ministry of Education and Research has the right to, and to exercise supervision within the scope of the authority provided in subsection 2 of this section, the Ministry of Economic Affairs and Communications has the right to:

- 1) examine the evidence and data which are at the disposal of a research and development institution, university, evaluated professional higher education institution, implementing agency of the research and development policy, implementing agency of the innovation policy and the Applied Research Centre, on the basis of which it is possible to establish the circumstances relevant for the performance of the functions of the supervisory authority and obtain copies of or extracts from documents;
- 2) issue compliance notices for terminating a violation of the requirements established on the basis of this Act and legislation established on the basis thereof, preventing further violations and eliminating the consequences caused by a violation;
- 3) involve experts in supervision.

(4) In order to exercise the regulatory enforcement provided in this section, the Ministry of Education and Research and the Ministry of Economic Affairs and Communications may apply the special measures of regulatory enforcement provided in §§ 30 and 50 of the Law Enforcement Act on the ground and pursuant to the procedure provided in the Law Enforcement Act.

Chapter 7 Implementing Provisions

§ 30. Validity of positive result of evaluation made in 2025

The period of validity of a positive decision of a regular evaluation made in 2025 is until the time limit specified in the decision or until the next evaluation decision of the institution is approved.

§ 31. Calculation of baseline funding of research and development funding of institution in 2026–2028

The baseline funding of the research and development funding of an institution provided in § 21 of this Act for 2026–2028 is calculated on the basis of the same type of funding and baseline financing allocated to a research and development institution, university or evaluated professional higher education institution within the three calendar years preceding the calendar year of granting the research and development funding of an institution as a proportion of the total research and development funding of an institution and baseline financing allocated to research and development institutions, universities or evaluated professional higher education institutions during the same period.

§ 32. Financing of national sciences upon transition to research and development funding of institution

Upon transition to the research and development funding of an institution, the proportion of financing of national sciences is ensured to the extent of five per cent of the total research and development funding of the institution within three years.

§ 33. Research funding granted before 1 October 2025

An application for research funding submitted and the research funding granted before the entry into force of this Act are subject to the conditions and procedure in force at the time of applying for the funding until the end of the period of the research funding granted in the decision.

§ 34. Authority of evaluation committee formed before 1 October 2025

The authority of the evaluation committee formed before 1 October 2025 terminates on 4 February 2026.

§ 35.–§ 54.[Provisions amending other Acts have been omitted from the translation.]

§ 55. Repeal of Organisation of Research and Development Act

The Organisation of Research and Development Act is repealed.

§ 56. Entry into force of Act

This Act enters into force on 1 October 2025.

Lauri Hussar
President of the Riigikogu