KNOWLEDGE-BASED ESTONIA

Estonian Research and Development and Innovation Strategy

2007-2013

Estonian RD&I Strategy 2007–2013 “Knowledge-based Estonia” focuses on sustainable development of the society by means of research and development, and innovation. It contributes to achievement of the goals of Estonia’s long-term development strategy “Sustainable Estonia 21” as well as the Lisbon Strategy (the strategy for growth and jobs).

Research and development need skilled people and a competitive infrastructure, clear orientation towards Estonia’s needs and opportunities as well as stable increase in financing. Challenges facing Estonian entrepreneurship and economy include increasing productivity as well as high added value export, creation of cooperation networks that encourage innovativeness; and a challenge for the public sector is to value the knowledge-based approach and design compatible policy-making processes.

**The strategy sets out three main objectives:**

• competitive quality and increased intensity of research and development;

• innovative enterprises creating new value in the global economy;

• innovation friendly society aimed at a long-term development.

**The strategic key technologies in supporting research and development, and innovation**

**are:**

• information and communication technologies;

• biotechnologies;

• material technologies;

as these technologies are at the frontier of modern R&D, they are rapidly developing and

increase the added value and productivity in various fields of life.

**National research and development programmes will be launched on the basis of the**

**strategy:**

1) for developing key technologies;

2) for solving socio-economic problems and achieving the objectives in socio-economic

sectors that are important to every resident of Estonia, as for instance energy, national

defence and security, health care and welfare services, environmental protection, and

information society;

3) for ensuring and promoting the sustainability of research related to Estonian national

culture, language, history, nature and the Estonian state.

**The objectives set in the strategy will be achieved through four measures:**

• development of human capital;

• organising the public sector RD&I more efficiently;

• increasing enterprises’ innovation capacity;

• policy-making aimed at long-term development of Estonia.

The strategy (incl. the national programmes covering different fields) will be implemented under the leadership of the Ministry of Education and Research (MER) and the Ministry of Economic Affairs and Communications (MEAC) in cooperation with other ministries, which are responsible for initiating and implementing national R&D programmes in their areas of administration. The Government of the Republic, advised by the Research and Development Council (RDC), organises the overall implementation of the strategy. As for general indicators of implementation of the strategy, the total expenditure on research and development is planned to be increased to 1.5% of GDP by 2008 and to 3% of GDP by 2014, of which the business sector research and development investments cover more than a half (1.6% of GDP). The proportion of employees involved in research and development has to increase to 8 researchers and engineers per 1000 employees and the productivity of enterprises per employee has to reach 80% of the average of the European Union 25 member states (EU 25).

Measure 4. Policy-making aimed at the long-term development of Estonia

4.1. Measures for increasing the intellectual property protection activity will be generated and implemented, incl. increasing the awareness and knowledge of the society about intellectual property as well as the **protection of intellectual property** will be valued while defining the terms of reference of national R&D support programmes.

**Knowledge and technology intensive enterprise** – an enterprise that closely collaborates with R&D institutions and develops innovative products, services or technologies which are based on state-of-the-art scientific data and/or which investments in research and development exceed 5% of enterprise’s turnover and/or which places a lot of emphasis in its activities on creating and **managing intellectual property** and/or which employees’ education level is high and a significant part of the labour force consists of employees engaged in research and development.

The Innovation Policy Committee

The Innovation Policy Committee is a body operating at the Ministry of Economic Affairs and Communications that advises the Government in innovation policy issues and it is headed by the Minister of Economic Affairs and Communications.

Start-Up Estonia

Start-Up Estonia is a development plan that will speed up the development of innovative start-up companies by covering aspects such as awareness, knowledge, skills, and financing (2.236.907 EUR for 2011-2013).

Enterprise Estonia

As of today, the start-up and development grant scheme operated by Enterprise Estonia will be financed by the Estonian government. In 2011, the budget of the start-up and development grant scheme is 4.7 million euros. The grant is intended for entrepreneurs who wish to purchase machinery and equipment, develop their own brand, create industrial designs for their products, or test a product for conformity. The scheme is also used to support marketing activities, the purchases of application software, website creation, and the acquisition of licenses for a patent, utility model, trademark or industrial design. The maximum possible allocations are 7,000 euros and 32,000 euros for the start-up grant and development grant, respectively.

The Estonian Development Fund

The Estonian Development Fund was launched in April 2007. It was created by the Estonian Parliament with the purpose of initiating and supporting changes in the Estonian economy and society that would accelerate modernisation of our economic structure, lead to growth in exports and contribute to creating new jobs requiring high qualifications.