MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS

REGULATION

Support for investments in Ida-Viru business

The Regulation is established on the basis of subsection 10 (2) of the 2021–2027 European Union Cohesion and Internal Security Policy Funds Implementation Act (hereinafter referred to as the Act2021_2027).

Chapter 1
General Provisions

§ 1 Scope of regulation

(1) Under the Regulation, funding is provided to the intervention "Support for investments in Ida-Viru business (including unemployment)" of measure no 21.6.1.1 "Support for investments in Ida-Viru business" of the axis "The economy and workforce" of the special objective "Allowing regions and people to deal with the achievement of the 2030 energy and climate objectives of the Union and the social, employment, economic and environmental impacts of the Union's transition to the climate-neutral economy by 2050 on the basis of the Paris Agreement" of the priority "Just Transition" of the "Operational Programme for Cohesion Policy Funding 2021–2027" specified in clause 1 (1) 1) of the Act2021_2027.

(2) The activities of the projects supported under the Regulation contribute to the achievement of the objective "The economy of Estonia is strong, innovative and responsible" of the Estonian long-term strategy "Estonia 2035", which has been approved by the Riigikogu, and take into account the horizontal principles in Article 9 of Regulation (EU) 2021/1060 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231/159), 30.06.2021, pp 159706, hereinafter referred to as the Common Provisions Regulation).

(3) The target area for the support is Ida-Viru County.

(4) The projects supported under the Regulation are strategically important activities according to paragraph 3 of the operational programme "List and schedule of planned strategically important activities" and in respect of the notification activities related thereto, the 1st Level Intermediate Body specified in subsection 5 (1) proceeds from the provisions set forth in subsection 2 (5) of the Government of the Republic Regulation No 54 of 12 May 2022 "Informing the public on the

allocation of cohesion and internal market policy funds for the period 2021–2027" (hereinafter referred to as the Information Regulation).

§ 2 State aid

(1) The Regulation grants the support as de minimis aid within the meaning of subsection 33 (1) of the Competition Act, as state aid within the meaning of § 34^1 of the Competition Act or as block exempted state aid within the meaning of § 34^2 (1) of the Competition Act as follows:
1) the support to be granted for the activities specified in clause 7 (2) 1) is regional aid for investments within the meaning of Article 14 of Commission Regulation (EU) 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, 26.06.2014, pp 1–78, hereinafter *General Block Exemption Regulation*) and it is governed by the provisions of the aforementioned Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of 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) and it is governed by the provisions of the De Minimis Regulation and § 33 of the Competition Act;
2) the support granted for the activity specified in clause 7 (2) 2) is investment aid for the promotion of energy generated from renewable sources and effective cogeneration within the meaning of Article 41 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act;
3) the support granted for the activities set out in clause 7 (2) 3) constitutes state aid within the meaning of the European Commission Communication of 25 November 2021 "Criteria for the analysis of the compatibility with the internal market of State aid to promote the execution of important projects of common European interest" (OJ C 528, 30.12.2021, pp 10–18, hereinafter referred to as the IPCEI Communication) and is subject to the provisions of the IPCEI Communication and § 34^1 of the Competition Act;
4) the support granted for the activity specified in clause 7 (3) 1) is de minimis aid within the meaning of the De Minimis Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act;
5) the support granted for the activities specified in clauses 7 (3) 2) and 3) is aid given to research and development (hereinafter referred to as R&D) projects within the meaning of Article 25 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act;
6) [deleted];
7) the support granted for the activities specified in point clause 7 (3) 4) is innovation support granted to small and medium-sized enterprises (hereinafter referred to as SMEs) within the meaning of Article 28 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Aid Regulation and it is subject to the provisions of the De Minimis Aid Regulation and § 33 of the Competition Act;
8) the support granted for the activity specified in clause 7 (3) 5) is training support within the meaning of Article 31 of the General Block Exemption Regulation and it is subject to the provisions of said Regulation and § 34^2 of the Competition Act or de minimis aid within the meaning of the De Minimis Regulation and it is subject to the provisions of said Regulation and section 33 of the Competition Act.

(2) If the support is de minimis aid under the De Minimis Regulation, the de minimis aid granted to the beneficiary under that Regulation the de minimis aid granted to the beneficiary together with

the de minimis aid applied for under this Regulation cannot exceed the limit laid down in Article 3(2) of the De Minimis Aid Regulation.

(3) The rules for cumulation of de minimis aid granted for the various purposes laid down in Article 5 of the De Minimis Aid Regulation are taken into account in the case of de minimis aid. In order to calculate de minimis aid, a related entrepreneur is considered a single entrepreneur according to Article 2(2) of the De Minimis Aid Regulation.

(4) The following shall not be granted under this Regulation:
1) state support to a company in difficulty within the meaning of Article 2(18) of the General Block Exemption Regulation;
2) support covered by the group exemption in the cases established in Article 1(2)–(6) of the General Block Exemption Regulation and regional support in the cases established in Article 13;
3) de minimis aid in the cases established in Subsection 1 of Article 1 of the De Minimis Aid Regulation;
4) state aid under the IPCEI Communication in the cases set out in point 10 of the IPCEI Communication;
5) support in the cases provided for in Article 9 of Regulation (EU) No 2021/1056 of the European Parliament and of the Council establishing the Just Transition Fund (OJ L 231/1, 30.06.2021, pp 1–20) (hereinafter referred to as the JTF Regulation).

§ 3 Definitions

For the purposes of the regulation the following terms shall have the following meanings:
1) EMTAK is the Estonian Classification of Economic Activities (EMTAK) Regulation (EC) No 1893/2006 of the European Parliament and of the Council establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, pp 1—39) in the meaning that is established in the Annex 16 “Estonian Classification of Economic Activities (EMTAK) Regulation” to the Regulation No 59 “Procedure for submission of documents to a court” by the Minister of Justice on 28 December 2005;
2) a small enterprise is an enterprise that meets the criteria set out in Article 2(2) and (3) of Annex I to the General Block Exemption Regulation;
3) a medium-sized enterprise is an enterprise that meets the criteria set out in Article 2(1) of Annex I to the General Block Exemption Regulation;
4) a large enterprise is an enterprise that does not meet the criteria set forth in Article 2 of Annex I to the Commission Block Exemption Regulation;
5) an initial investment is an investment made by an SME applicant under Article 2(49) of the General Block Exemption Regulation for increasing the production capacity of an existing enterprise, the establishment of a new enterprise or unit or the diversification of the production of an enterprise;
6) an initial investment that promotes new economic activity is an investment made by a large enterprise applicant under Article 2(51) of the General Block Exemption Regulation;
7) an investment is an activity or activities carried out under subsection 7 (2) for increasing the production capacity of an existing enterprise, the establishment of a new establishment or entity or the diversification of the products or activities of an enterprise;
8) a new entity is a entity that is fully functional, with a separate production process and an independent undertaking from an existing production unit;
9) a new product is a product which has not been previously produced by the SME applicant or which is produced by a large enterprise applicant in an activity which does not fall within the same or a similar activity as its existing activity within the meaning of Article 2(50) of the General Block Exemption Regulation;

10) tangible assets are tangible assets within the meaning of Article 2(29) of the General Block Exemption Regulation;
11) intangible assets are intangible assets within the meaning of Article 2(30) of the General Block Exemption Regulation;
12) R&D activities are basic and applied research and product development within the meaning of Article 2(84) to (86) of the General Block Exemption Regulation;
13) an RDI institution is an organisation that distributes knowledge within the meaning of Article 2(83) of the General Block Exemption Regulation;
14) market conditions are market conditions within the meaning of Article 2(39a) of the General Block Exemption Regulation;
15) a project plan is a detailed description of the activity, the objective and the means to be used by the undertaking to carry out the activity or expansion;
16) an IPCEI project is a project for which a decision of the European Commission is required to authorise state aid under the IPCEI Communication;
17) climate proofing is a process that aims to avoid the vulnerability of infrastructure to potential long-term climate impacts by ensuring that the principle of prioritising energy efficiency is respected and that the level of greenhouse gas emissions from the project is consistent with the 2050 climate neutrality target;
18) the 'do no significant harm' (DNSH) principle is a principle according to which individuals shall not cause any significant harm specified in Article 17 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.06.2020, pp 13–43), to the environmental objectives established in Article 9;
19) [deleted];
20) a new job is a full-time job created as a result of the implementation of the project in the enterprise or unit within which the project is implemented, where the place of work is located in Ida-Viru County;
21) effective cooperation is effective cooperation within the meaning of Article 2(90) of the General Block Exemption Regulation.

§ 4 Purpose and outcome of granting support

(1) The purpose of the support is to support the diversification of the economy and the competitiveness of businesses in Ida-Viru County through investments that create higher added value and new jobs.

(2) The grant of support shall contribute to the achievement of the following output indicators specified in the Order of the Government the Republic of Estonia issued on the basis of subsection 7 (1) of the Act2021_2027:
1) the enterprises to be supported;
2) the enterprises to be supported with the support.

(3) The grant of support shall contribute to the achievement of the following performance indicators specified in the Order of the Government the Republic of Estonia issued on the basis of subsection 7 (1) of the Act2021_2027:
1) jobs created in the enterprises to be supported within one year of the end of the project's eligibility period;
2) private sector investments that complement public sector support.

(4) The grant shall contribute to the achievement of the following specific performance indicators of the Regulation:

1) jobs created in the enterprises to be supported after one year of the end of the project's eligibility period, but by 31 August 2030 at the latest;
[RT I, 27 January 2026, 21 – entry into force. 30 January 2026, effective from 1 July 2022];
2) the value added per employee which, in the second year following the end of the eligibility period, exceeds the most recent relevant Estonian average published by Statistics Estonia prior to the submission of the application for the field of activity in which the project is to be carried out, with the level of detail of the section and subsection of the EMTAK.

(5) The performance indicator set out in subsection 4 (1) shall be taken into account for the calculation of the amount of support under subsection 10 (4) or (5) if the total project volume is at least €50 million, the plan is to create at least 100 new jobs with the project and the jobs will be created by the deadline set in the decision granting the application, but no later than by 31 December 2030.
[RT I, 27 January 2026, 21 – entry into force. 30 January 2026, effective from 1 July 2022]

(6) For each employee with a documented disability or reduced capacity for work who is employed during the eligibility period, the number of employees required in the decision granting the application will be reduced by one full-time employee.

(7) The following indicators shall be used to measure the maintenance of the basic principles and the achievement of the targets of the strategy "Estonia 2035" referred to in subsection 1 (2) in a way that supports balanced regional development, gender equality, equal opportunities, accessibility, environmental and climate objectives:
1) labour productivity as a share of the EU average;
2) gross domestic product per capita generated outside Harju County compared to the EU average;
3) the cost of R&D activities in the private sector;
4) resource productivity;
5) the gender pay gap in terms of the number of employees in the jobs created in the enterprises to be supported, which is less than the average Estonian gender pay gap for the activity of the EMTAK section referred to in subsection 12 (1) to which the applicant or the project corresponds, as last published by Statistics Estonia prior to the submission of the application;
6) accessibility.

§ 5 1st Level Intermediate Body and 2nd Level Intermediate Body

(1) The 1st Level Intermediate Body is the Ministry of Economic Affairs and Communications, in accordance with the Order of the Government of the Republic of Estonia issued on the basis of subsection 7 (1) of the Act2021_2027.

(2) The 2ndLevel Intermediate Body is the Estonian Business and Innovation Agency, in accordance with the Order of the Government of the Republic of Estonia issued on the basis of subsection 8 (1) of the Act2021_2027.

§ 6 Terms and conditions of cooperation projects

(1) The terms and conditions for carrying out an RD cooperation project within the scope of effective cooperation, sharing profits, risks and outcomes, disseminating project outcomes and sharing the rights to any intellectual property will be stipulated in a cooperation agreement between two parties before beginning to carry out the project.

(2) The cooperation agreement shall also set out the terms of the fee to be paid to the partner, which shall be applied if one of the partners waives its share of the outcomes of the project. The fee must be at least equal to the market price of the intellectual property rights generated by the partner's activities.

(3) If a beneficiary and an R&D establishment execute a collaborative project together, the beneficiary cannot receive indirect state aid through the R&D establishment due to favourable collaborative conditions if at least one term set forth in point 29 of the Communication from Commission of 28 June 2022 'Framework for State aid for research and development and innovation' (OJ C 414, 28.10.2022, pp 1–38) (hereinafter the R&D Framework) is met.

(4) Payment made to an R&D institution for the rights of the intellectual property created through its actions must be in accordance with the market price if the aforementioned payment will allow the R&D institution to receive all economic benefit from the rights of the intellectual property and if as least one term stipulated in point 30 of the R&D Framework is fulfilled.

(5) If the intellectual property rights generated as a result of the cooperation or their market value is not clear before the execution of the collaborative project, the beneficiary must guarantee that the payment stipulated in section 4 will be determined based on cost. The cooperation agreement must contain a term, according to which, after the cooperation has been performed, the amount of the payment can be reviewed in accordance with the intellectual property rights created during the cooperation and their market value.

Chapter 2.
Supported activities, eligibility of expenses and support rate

§ 7 Supported activities

(1) Support shall be granted to a project which contributes to the achievement of the objective and outcomes referred to in § 4 and the implementation of which will result in the creation of at least five new full-time jobs.

(2) The following activities shall be supported:
1) implementation of an initial investment or of an initial investment in a new economic activity;
2) implementation of investments to promote energy generated from renewable sources and hydrogen, and investments in the establishment of solar and wind farms, provided that the electricity generated is intended to ensure the supply of electricity to the supported project;
3) implementation of the IPCEI project.

(3) The following activities, where necessary for the preparation of the project or the implementation of the activities set out in subsection (2), shall be supported:
1) consultation, feasibility studies, comparison of technologies, preparation of assessments, design and overview of the activities carried out and planned by the applicant to apply for a building permit along with the schedule and documentation, development of infrastructure, connection to networks and notification related to the receipt of support;
2) conducting applied research;
3) conducting experimental development;
4) applying for the initial protection of intellectual property born as a result of the supported activity specified in clauses 2) or 3);
5) training of the employees of the beneficiary.

(3[1]) When aid is requested for the activities specified in clause (2) 3), the supported activities must

be included in the authorising decision adopted on the basis of the European Commission's IPCEI Communication.

(4) The activities specified in clauses (3) (2) and (3) are considered efficient cooperation if they are carried out:
1) between enterprises, at least one of whom is an SME, or if the project is carried out in at least two European Union Member States or a European Union Member State and a country involved in the European Comprehensive Trade and Economic Agreement and the eligible costs of none of the enterprises comprise over 70% of the eligible costs or the project; or
2) between an enterprise and at least one R&D establishment, whose eligible costs comprise at least 10% of the eligible costs of the project and who has the right to publish the outcomes of their activities.

(5) The activities specified in clause (3) 5), shall be supported under the following conditions:
1) support for training costs is not excluded under Article 31(2) of the General Block Exemption Regulation;
2) the total volume of training per employee is less than 50 hours;
3) the duration of the training is less than a year;
4) the training meets the conditions for continuing training laid down in the Adult Education Act;
5) if no suitable training is provided in the training market, the applicant may order a training course with a suitable curriculum;
6) the training curriculum complies with the in-service training standard;
7) at the end of the training, the trainer issues a certificate to the participants.

(6) If the location of the supported activity specified in subsection 7 (3) is outside Estonia, the activity must comply with the conditions set out in Article 63(4) of Common Provisions Regulation.

(7) Under clause (2) 2), no support shall be granted for investments for which support is requested or is planned to be requested under other measures of the Just Transition Fund for the implementation of investments in fixed assets and the provision of renewable energy-based district heating solutions.

§ 8. Eligibility of costs

(1) A cost is eligible if it complies with § 15 of the Government of the Republic Regulation No 55 of 12 May 2022 "General conditions for the allocation and use of resources from the operational programmes of the European Union Cohesion and Internal Security Policy Funds for the period 2021–2027" (hereinafter referred to as the Combined Regulation), the conditions of this Regulation and the decision granting the application.

(2) The following costs of the activities referred to in clause 7 (2) 1), which comply with Article 14(6) and (8) of the General Block Exemption Regulation are eligible:
1) the cost of acquiring or leasing tangible assets on market terms;
2) the cost of acquiring intangible assets on market terms.

(2[1]) In the case of the acquisition of an immovable, the threshold set out in Article 64(1)(b) of the Common Provisions Regulation shall apply.

(3) The insurance cost of setup and transport, and the cost of insurance required for transport of the assets specified in clause (2) 1) is eligible if this is included in the acquisition cost of the respective assets.

(4) The costs referred to in subsection (2) are eligible if the assets to be acquired or leased have not previously been used in the course of an economic activity, except where the assets are acquired by an SME beneficiary or under Article 2(51)(b) of the General Block Exemption Regulation by a large enterprise beneficiary.

(5) Where support is granted to a large enterprise under Article 2(51)(a) of the General Block Exemption Regulation or to an SME under Article 2(49)(a) of the General Block Exemption Regulation for the diversification of its activities to produce a new product with a higher added value, the costs referred to in subsection (2) are eligible if they exceed at least 200% of the book value of the reusable assets in the financial year preceding the start of the works.

(6) A cost is eligible if the applicant is the owner of the asset acquired under subsection (2) and the user of the leased asset during the period of eligibility and a large enterprise beneficiary for at least five years and an SME beneficiary for at least three years from the date of the final payment of the project.

(7) The investment costs necessary for the implementation of the activities specified in clause 7 (2) 2) are eligible.

(8) The costs necessary for the implementation of the IPCEI projects referred to in Article 7(2)(3) as set out in points (a) to (g) of the Annex to the IPCEI Communication are eligible, with the exception of land acquisition costs.

(8^1) The administrative costs of a project receiving support under the IPCEI Communication are eligible if they are calculated on the basis of a flat rate from direct personnel costs using, in line with the flat rate in Article 54(b) of the Common Provisions Regulation.

(8^2) Eligible costs shall be the costs of the activities referred to in clause 7 (3) 1) that do not exceed 10% of the eligible costs of the project.

(9) The following costs of the activities specified in clauses 7 (3) 2) and 3) are eligible:
1) the personnel costs of the applicant's and the partner's staff involved in the project, as provided for in Article 16(1)(1)(4)(5)(6) of the Combined Regulation, subsections (2) to (4) and Article 25(3)(a) of the General Block Exemption Regulation;
2) contractual scientific research, knowledge and patent costs as well as consultation services used only for the project and costs of other, similar services bought at market conditions;
3) the costs of tools and equipment as set fort in Article 25(3)(b) of the General Block Exemption Regulation;
4) costs of materials and accessories.

(10) The costs of acquisition, validation and protection of patents and other intangible assets, except for trade marks, necessary for applying for the primary protection of intellectual property specified in clause 7 (3) 4) are eligible.

(11) The costs of activities referred to in Article 7(3)(5) are eligible as outsourced services under the conditions set forth in Article 16(1)(6) of the Combined Regulation and Article 31(3) of the General Block Exemption Regulation, with the exception of consultancy services.

(12) In addition to the costs listed in Article 17 of the Combined Regulation, the following are ineligible:
1) [deleted];
2) national taxes and state duties other than the taxes and payments relating to the remuneration

of employees;
3) the cost of acquisition of a mobile machinery as provided for in clause 2 34) of the Traffic Act, except if the mobile machinery to be acquired is necessary for the economic activities of the beneficiary and the beneficiary recognises the mobile machinery as a fixed asset;
4) cost of acquisition of a vehicle;
5) food service cost;
6) the cost of formal training linked to raising the general level of education of the employees;
7) value added tax;
8) the cost arising from a transaction between project partners;
9) [deleted].

§ 9 Eligibility period of project

(1) The project's eligibility period is the time frame stipulated in the support decision during which project-related activities start and end and expenses necessary for carrying out the project are incurred.

(2) The eligibility period of a project starts from the date of submission of the application to the implementing body or from the date indicated in the decision granting the application and ends on the date specified in the decision granting the application, but no later than on 31 August 2029.

(3) The applicant may not commence any activity related to the project or undertake any commitments for the completion of such activity before the application is submitted to the implementing agency, except for the consultation, feasibility studies, comparison of technologies, preparation of assessments specified in clause 7 (3) 1), the assessment specified in clauses 13 (1) 3) and 4), design in the case of the overview or construction specified in clause 18) if de minimis aid is granted for said activities. These activities may have been commenced or related commitments entered into from 1 January 2021. The implementing body shall indicate, where necessary, the starting date of the eligibility period which is earlier than the date of submission of the application for the activities referred to in the decision granting the application.

(3¹) The activities of a project receiving support under the IPCEI Communication are eligible from the date of submission of the relevant pre-notification, but not earlier than from 1 January 2021.

(4) The maximum duration of the eligibility period of a project is 36 months, of which a longer eligibility period is permitted in the case of a project that meets all of the following conditions: 1) the total volume of the project is at least €50 million;
2) the R&D activities included in the project comprise at least 15 percent of the total project volume;
3) the project exceeds the target levels specified in clause 4 (4) 2) and subsection 10 (4) 1.2 times;
4) the project eligibility period ends by the deadline specified in subsection (2) at the latest.

(5) On the basis of the beneficiary's application, the 2nd Level Intermediate Body may extend the eligibility period of the project to the deadline specified in subsection (2) with good reason and provided that the result achieved continues to be related to the objectives of the measure and to the project. Subsection (4) shall not apply to the extension of the eligibility period.

(6) The project is deemed completed after the 2nd Level Intermediate Body has approved the final report and the final payment has been made to the beneficiary.

§ 10. Limit of support

(1) Support can be requested for projects with a minimum aid amount of €500,000.

(2) The maximum possible amount of support shall be calculated in accordance with § 11 and Article 4 of the General Block Exemption Regulation and shall not exceed:
(1) €10 million per project with a total value of less than €50 million;
(2) on the basis of the formula set out in Article 2(20) of the General Block Exemption Regulation for a project with a total value of at least €55 million.

(3) Where, under subsections (4) to (7), the maximum amount of support is less than the amount provided for in subsection (2), the maximum amount of support shall be calculated in accordance with subsections (4) to (7).

(3¹) The maximum amount of the support is €100,000 per new job created, provided that the arithmetic average gross monthly wage of the jobs created is lower than the average gross monthly wage in Estonia, as determined by the sector of activity in which the project is carried out, with the same level of detail as the section and division of the EMTAK, of the average gross monthly salary in Estonia published for the last quarter by Statistics Estonia prior to the submission of the application.

(4) The maximum amount of the support is €150,000 per new job created, provided that the arithmetic average gross monthly wage of the jobs created is equal to or higher than the average gross monthly wage in Estonia, as determined by the sector of activity in which the project is carried out, with the same level of detail as the section and division of the EMTAK, as published quarterly by Statistics Estonia prior to the submission of the application.

(5) The maximum amount of the support shall be €300,000 per new job if the arithmetic average gross monthly salary of the jobs created is at least equal to the multiple of the target level specified in subsection (4) and the coefficient 1.2.

(6) The maximum amount of a part of the support for the activities specified in clause 7 (3) 5) upon applying for support is up to €500,000 per project.

(7) The maximum amount of the support allowed on the basis of subsection (2) may be exceeded in order to support the activities specified in clauses 7 (3) 2) and 3) so that the limits specified in Article 4(1)(i)(ii)(iii) of the General Block Exemption Regulation are not exceeded and the project meets all of the following conditions:
1) production starts as a result of the implementation of the project;
2) the volume of the project is at least €30 million;
3) the project creates at least 100 new jobs;
4) the value added per employee in the second year after the end of the project's eligibility period is three times higher than the average for the business sector in Estonia, as last published by Statistics Estonia before the application, or at least 30 of the new jobs are for the implementation of R&D activities;
5) the product will be exported according to the business plan;
6) the share of R&D activities in the project is at least 15 percent;
7) the project contributes to the development of the focus areas of the Estonian Research, Development, Innovation and Entrepreneurship Development Plan (hereinafter referred to as RDIE).

§ 11. Maximum share of support in eligible costs

(1) The maximum percentage of the eligible costs for a project activity referred to in clause 7 (2)

1) when applying for support under Article 14 of the General Block Exemption Regulation is:
1) 45 percent for a small enterprise;
2) 35 percent for a medium-sized enterprise;
3) 25 percent for a large enterprise.

(2) The maximum percentage of the eligible costs for an activity specified in clause 7 (2) 2) when applying for support under Article 41 of the General Block Exemption Regulation is:
1) 45 percent if the support is applied for on the basis of Article 41(7)(a) of the General Block Exemption Regulation;
2) 30 percent if the support is applied for on the basis of Article 41(7)(a) of the General Block Exemption Regulation.

(3) The maximum share of support in eligible costs when support is requested for an activity specified in clause 7 (2) 3) is the share of the maximum amount of state aid provided as a part of the total eligible budget of the IPCEI project, which does not exceed 2/3 of the total eligible budget of the project and has been approved by the European Commission.

(4) When applying for de minimis aid in accordance with the De Minimis Regulation, the maximum percentage of support for all activities shall be 80 per cent of the eligible costs, irrespective of the size of the enterprise.

(5) When applying for support for the project activities described in clause 7 (3) 2), the maximum share of the support of eligible costs is:
1) 70 percent for a small enterprise;
2) 60 percent for a medium-sized enterprise;
3) 50 percent for a large enterprise.

(6) When applying for support for the activities described in clause 7 (3) 2), which includes effective collaboration as stipulated in subsection 7 (4), the maximum share of the support of eligible costs is: 1) 80 percent for a small enterprise;
2) 75 percent for a medium-sized enterprise;
3) 65 percent for a large enterprise.

(7) When applying for support for the project activities described in clause 7 (3) 3), the maximum share of the support of eligible costs is:
1) 45 percent for a small enterprise;
2) 35 percent for a medium-sized enterprise;
3) 25 percent for a large enterprise.

(8) When applying for support for the activities described in clause 7 (3) 3), which includes effective collaboration as stipulated in subsection 7 (4), the maximum share of the support of eligible costs is: 1) 60 percent for a small enterprise;
2) 50 percent for a medium-sized enterprise;
3) 40 percent for a large enterprise.

(9) When applying for support for the activities described in clauses 7 (3) 4) and 5), the maximum share of the support is 50% of eligible costs.

(10) The rate of self-financing shall be at least 35 per cent of the eligible costs of the project, except where support is granted in accordance with the De Minimis Regulation, in which case the rate of self-financing shall be 20 per cent.

Chapter 3
Applying for support and requirements for applicant, partner and application

§ 12 Requirements for applicants and partners

(1) The support may be applied for by commercial undertakings entered in the Estonian Business Register, which is not excluded under subsection 2 (4) or whose field of activity or the field of activity of the project for which support is requested does not correspond to the following sections of the EMTAK:
1) agriculture, forestry and fishing (section A);
2) wholesale and retail (section G);
3) organisation of gambling and betting activities (section S, group 920);
4) programming, consultancy and related activities (section K, division 62);
5) legal and accounting activities (section N, division 69);
6) activities of head offices and management consultancy activities (section N, division 70);
7) advertising, market research and public relations (section N, division 73);
8) rental and operating lease (section O, division 77);
9) temporary employment agency activities and other human resource provisions (section O, group 782).

(2) The applicant may involve partners from private legal entities or from a R&D institution.

(3) In addition to Article 3(2) of the Combined Regulation, the applicant and the partner must meet the following conditions:
1) no liquidation proceedings have been launched or bankruptcy decision made in regard to a person with significant influence over the applicant;
2) an order for repayment of support submitted to them on the basis of a prior decision of the European Commission declaring the support unlawful and incompatible with the internal market, has been complied with.

§ 13. Requirements for application

(1) In addition to the provisions of § 4 of the Combined Regulation, a request must comply with the following requirements and contain the following information and confirmations:
1) support is requested for eligible costs as set out in § 8;
2) the project budget includes self-financing in the required amount to cover the eligible costs that are not covered by the support;
3) the application includes an evaluation, together with supporting documentation, of the project's compliance with the 'do no significant harm' principle;
4) when an investment is made in infrastructure, the duration of which is at least five years, an assessment of ensuring climate proofing;
5) the project plan has received a positive preliminary evaluation as a result of the preliminary consultations carried out pursuant to § 16;
6) the name and size of the applicant, the description of the project, the start and end dates, the list of costs, the place of performance and other details of the applicant required in the application form;
7) the applicant's balance sheet and income statement for the current financial year, as at the quarter preceding the submission of the application;
8) the annual report for the financial year preceding the application if this is not available in the Commercial Register;
9) if the applicant belongs to a group, a copy of the last approved annual report of the parent company or the group, if the report is not available from the Commercial Register;
10) if the applicant belongs to a group, the scheme of members of the applicant's group and

consolidated financial indicators;
11) the applicant's business plan;
12) project budget estimates;
13) forecast of the applicant's financial indicators for the project period and for up to the five years after the completion of the project, which must include at least sales revenue, exports as a percentage of sales revenue, operating profit or loss, depreciation, the volume of R&D investments, the average number of employees, including the number of R&D staff, and the average gross monthly wage of the employees;
14) information on whether the applicant has applied for support for the project or some activities of the project at the same time from the state budget or other public sector support or other external support;
15) a declaration by the applicant that there has been no relocation within the meaning of Article 2(61a) of the General Block Exemption Regulation into a company to which the investment will be made on the basis of the requested support and that it must ensure that no relocation will take place within two years of the investment being made on the basis of the requested support;
16) a project plan in English with annexes, if the need to involve external experts in the evaluation of the application was identified during the preliminary consultation;
17) documents proving the right of ownership or use of the applicant's property on which the equipment to be purchased or the buildings and facilities to be built for the support will be located, or the data that the applicant has concluded at least a written prior agreement with the owner of the property for the acquisition or rental of the property during the eligibility period of the project and for at least three years in the case of an SME beneficiary and five years in the case of a large enterprise applicant as of the end of the eligibility period of the project;
18) in the case of construction regarding applying for a building permit, an overview of activities to be conducted and planned by the applicant, along with the schedule and relevant documentation;
19) in the case of the activities specified in clause 7 (3) 5), a training plan including the expected number of trainees, an overview of the budget, the description, volume and duration of the training;
20) confirmation of the applicant, and if a partner exists, of the partner of their compliance with the requirements set out in § 12;
21) power of attorney if the applicant's representative acts upon such a document;
22) confirmation that the state aid notification submitted to the European Commission for the realisation of the activities referred to in clause 7 (2) 3) has been approved by the European Commission or confirmation that a IPCEI pre-notification of state aid has been submitted to the European Commission;
23) when applying for support for the activity referred to in clause 7 (2) 2), documentation demonstrating and justifying which of the sub-paragraphs of Article 41(6) of the General Block Exemption Regulation must be taken into account when defining the investment costs;
24) confirmation that the project will not infringe the fundamental rights set out in the Charter of Fundamental Rights of the European Union;
25) confirmation that the project complies with relevant EU and national environmental legislation.

(2) The applicant shall draw up the evaluation of the project's compliance with the 'do no significant harm' principle referred to in clause 1 3), on the basis of the guidance published on the website of the 2nd Level Intermediate Body, based on the European Commission Communication 2021/C 58/01 on the application of the 'do no significant harm' principle for the Recovery and Resilience Facility Regulation, OJ C 58, 18.2.2021, pp 1-30).

(3) The climate proofing evaluation referred to in clause 1 4) shall be carried out in accordance with the European Commission Communication 2021/C 373/01 " Technical guidance on the climate proofing of infrastructure in the period 2021-2027" (OJ C 373, 16.9.2021, p. 1-92) and the guidance published on the website of the 2nd Level Intermediate Body.

(4) The budget estimates submitted by the applicant pursuant to clause 1 12) must be accompanied by an explanation and justification of the extent to which the amount of the grant requested will affect the likelihood, scale and speed of the realisation of the activities envisaged by the project and the level of financing to be provided by the applicant.

Chapter 4
Applying for support

§ 14 Opening of tenders

(1) The budget and timetable for financing the support shall be approved by the minister responsible for the area of the 1st Level Intermediate Body.

(2) The 2nd Level Intermediate Body shall announce on its website the start, end, suspension and budget for the funding of applications.

(3) Notification pursuant to subsection (2) shall be made by the 2nd Level Intermediate Body at least 20 calendar days before the day on which the acceptance of applications begins.

§ 15 Applying for support

(1) Application shall take place on an ongoing basis and pursuant to subsection 21 (3) of the Act2021_2027.

(2) If the amount requested by the pending applications in terms of which the intermediary body has not yet made a decision to either satisfy or refuse the application is equal to the free balance of the financing budget, the intermediary body will immediately suspend accepting applications and process the pending applications in the order in which they were submitted.

§ 16 Preliminary consultation

(1) The application for support is preceded by a pre-consultation, during which the 2nd Level Intermediate Body explains the grounds for the support, draws attention to possible shortcomings of the proposed project, makes recommendations and proposals for eliminating the shortcomings, and gives a preliminary evaluation of the project plan, which is forwarded to the applicant by e-mail.

(2) The 2nd Level Intermediate Body shall give the project plan a positive ex-ante evaluation if the project plan reflects the information set out in subsection (5) and meets the objectives and results set out in § 4.

(3) A positive ex-ante evaluation of a project plan is valid for three months from the date of its adoption.

(4) The positive preliminary evaluation of the project plan is not binding on the 2nd Level Intermediate Body.

(5) The applicant submits the project for pre-consultation by e-mail on the form provided by the 2nd Level Intermediate Body and it shall include the following information:
1) the applicant’s strategic objective;
2) a description of the activities of the project, including a description of the novelty, innovation

and market analysis of the product, service, process or technology to be developed, if the project involves R&D activities;
3) a timetable of project activities;
4) the expected results of the project's activities according to § 4 and the financial forecast;
5) the budget and source of funding for the project activities, indicating whether the activity is financed from the applicant's own resources, from the support requested under this Regulation or from another public instrument, indicating the specific source of funding;
6) an overview of the previous experience and competence of the team responsible for the project activities;
7) the expected long-term and strategic impact of the project activities on the applicant's business activities;
8) documents proving that the project is climate-proof and compliant with the 'do no significant harm' principle or, in the absence thereof, the applicant's evaluation of the compliance of the project with the provisions of clauses 13 (1) 3) and 4) with an overview of the stage and deadline at which the documentation is prepared.

Chapter 5
Processing of applications

§ 17 Submission and processing of applications

(1) The applicant may apply for support for several projects.

(2) When the same applicant applies for support for several projects on the basis of clause 7 (2) 1), the requirement of Article 14 (13) of the General Block Exemption Regulation shall be taken into account.

(3) The deadline for processing the application is up to 60 working days from its submission to the 2nd Level Intermediate Body.

(4) The time of processing an application may be extended by up to ten working days in the case specified in subsection 6 (2) of the Combined Regulation.

(5) In the course of verifying the compliance of an application with the requirements, the 2nd Level Intermediate Body evaluates the compliance of the 'do no significant harm' principle and climate proofing evaluations and submitted documents with the guidelines set out in subsections 13 (2) and (3), involving experts where necessary.

(6) The 2nd Level Intermediate Body will make the decision to deny an application without evaluating the application substantively if the applicant has not rectified the deficiencies during the term specified in subsection (4).

§ 18 Declaration of compliance of an applicant, partner and application

(1) The 2nd Level Intermediate Body shall declare the applicant, partner and application compliant with the requirements if the applicant, partner and application comply with the requirements of this Regulation and the JTF.

(2) If the applicant, partner and application meet the requirements, the 2nd Level Intermediate Body shall make the decision to declare the applicant, partner and application compliant with the requirements.

(3) The 2nd Level Intermediate Body shall not declare the applicant, partner or application compliant and shall take a decision to reject the application without evaluating the substance of the application in the cases provided for in Article 8(2)(1) to (3) of the Combined Regulation.

§ 19 Selection criteria and evaluation of application

(1) An application that has been declared compliant is evaluated on the basis of the selection methodology, which is prepared by the 2nd Level Intermediate Body on the basis of the evaluation criteria specified in subsection (5) and which is coordinated with the 1st Level Intermediate Body. The selection methodology is made available before opening the application on the 2nd Level Intermediate Body's website.

(2) The 2nd Level Intermediate Body has the right to create advisory selection committees for the evaluation of applications and to involve independent experts. The establishment and composition of the selection committees shall be coordinated with the 1st Level Intermediate Body.

(3) If deficiencies are discovered upon the evaluation of an application or additional information is required for the evaluation of the application, the 2nd Level Intermediate Body shall immediately notify the applicant thereof and set a term of up to ten working days for submission of additional information by which the term for processing the application is extended.

(4) The application shall be evaluated on a scale of 0 to 4 for each of the evaluation criteria set out in subsection (5), and the overall score shall be the weighted average of the scores of the evaluation criteria.

(5) The application evaluation criteria and their weights are as follows:
1) 40% of the total score is the impact of the project on the achievement of the objectives and results of this regulation and measure, which evaluates the contribution of the project to the fulfilment of the objectives and results of the economic operator;
2) 25 percent of the total score is the quality of the project, in which whether the project and its activities are justified, the intervention logic is understandable, the connections between the activities, whether schedule is realistic and the cost-effectiveness of the project is evaluated;
3) 20% of the total score is the applicant's ability to implement the project, in which the applicant's prior experience in the implementation of investments, technical and qualification-based preconditions, financial abilities and risk management skills are assessed;
4) 10 percent of the total score is the contribution of the project to the implementation of the strategy specified in subsection 1 (2) and ensuring horizontal principles and in which the contribution of the applicant to the achievement of the indicators specified in subsection 4 (7) is assessed;
5) 5% of the total score is the project's contribution to the objectives of the RDIE.

§ 20 Terms and conditions and procedure for granting an application

(1) An application that has been declared compliant with the requirements and meets all of the following requirements shall be granted:
1) has obtained, in accordance with subsection 19 (4), a weighted average score of at least 2.50 for the evaluation criteria set out in subsection (5);
2) has not received a grade score than 2.0 in any of the evaluation criteria provided for in subsection 19 (5);
3) the financing amount of which does not exceed the available balance of the support financing budget.

(2) The decision to grant the application shall state, in addition to the provisions of Article 8(4) of the Combined Regulation:
1) the terms and conditions for implementing the project;
2) reporting periods, deadlines and procedure for submission of reports.

(3) If, by the time the decision to grant the application is made, the European Commission has not taken a decision on the approval or non-approval of Annex 1 to the Operational Programme 'Territorial Just Transition Plan', the application pursuant to subsection (1) shall be satisfied with the additional condition that the decision to grant the application takes effect upon the receipt of the corresponding approval.

(4) If the additional condition specified in subsection (3) does not arrive, the applicant does not have the right to receive the support.

§ 21 Terms and conditions and procedure for refusing an application

(1) The application shall be rejected in the case specified in subsection 8 (2) of the Combined Regulation and if the European Commission has decided not to approve Annex 1 'Territorial Just Transition Plan to the Operational Programme'.

(2) The 2nd Level Intermediate Body may reject an application if evaluating the information submitted in the application and collected in the course of processing the application in aggregate indicates that the objectives of the project can be achieved without the support.

(3) The decision to refuse the application about applications under processing whose monetary volume exceeds the free balance of the budget of the applications being processed, and which cannot be partially satisfied pursuant to the provisions of subsection 9 (1) of the Combined Regulation, is made on the basis of clause 8 (2) 5) of the Combined Regulation.

§ 22 Partial approval of application or approval with secondary conditions

(1) The application may be partially granted in accordance with subsection 9 (1) of the Combined Regulation.

(2) The decision to satisfy an application made with additional conditions in accordance with the provisions of subsections 9 (2) and (3) of the Combined Regulation.

(3) The application may be partially granted provided that the applicant agrees with the proposal of the 2nd Level Intermediate Body for reducing the amount of the support applied for or amending the activities planned in the project. If the applicant does not consent to the proposal of the 2nd Level Intermediate Body, the 2nd Level Intermediate Body makes a decision to reject the application.

§ 23 Amendment of decision to satisfy application

(1) The decision to grant an application will be changed according to the terms and conditions and the procedure stipulated in § 12 of the Combined Regulation.

(2) The 2nd Level Intermediary Body has the right to refuse to change the decision to grant the application if the change casts doubts over the possibility of achieving the project's expected results or the possibility of the project activities being completed during the project's eligibility period.

(3) The 2nd Level Intermediate Body shall decide on the amendment of the decision to grant an application within 30 business days of receiving the respective application.

(4) The decision to satisfy an application may be amended retroactively if it helps the project achieve its results and the change is justified, and not in contravention of the rules of state aid.

6. Chapter
Rights and obligations of beneficiary, partner and 2nd Level Intermediate Body

§ 24 Rights and obligations of beneficiary and partner

(1) The beneficiary must comply with the obligations laid down in §§ 10 and 11 of the Combined Regulation.

(2) The partner must comply with the obligations referred to in causes (1) 2) to 6), 8) to 11) and 13) to 16) and in § 11 of the Combined Regulation.

(3) The beneficiary must ensure that, in the event of replacement of tangible fixed assets before three years from the end of the project's eligibility period by assets fulfilling the same function, where the tangible fixed assets within the meaning of Article 2(29) of the Group Block Exemption Regulation have been destroyed or have become obsolete, the economic activity of the enterprise is maintained for at least three years from the end of the project's eligibility period by the replaced assets. In the case of a beneficiary which is a large enterprise, a period of five years shall apply instead of three years for the implementation of this provision.

(4) The beneficiary who receives support for an activity referred to in clause 7 (2) 3) must ensure that, in the event of a request for support from other national, local authority, other European Union institution or fund budget sources for costs not reimbursed for the implementation of an activity referred to in clause 7 (2) 3), the total amount of the support from the different budget sources does not exceed the maximum share of the support allowed for the beneficiary's IPCEI project.

(5) The beneficiary shall be guided by the provisions laid down in the Communication Regulation when carrying out the information events and activities pursuant to clause 10 (1) 13) of the Combined Regulation.

§ 25 Rights and obligations of the 2nd Level Intermediate Body

(1) The 2nd Level Intermediate Body has the right to:
1) carry out audits of expense receipts and supervisory activities;
2) inspect the use of the support and the self-financing;
3) request the submission of additional data and documents on the duration, activities, objectives, results and expenses of the project in the application;
4) suspend payouts to the beneficiary until the final repayment of the amount to be recovered;
5) suspend the payout of the support and demand the repayment of the support in part or in full if the recipient breaches the terms and conditions of the regulation or otherwise deviates from the provisions of the application or the decision to approve the application;
6) refuse to pay out the support if the beneficiary's economic situation has deteriorated so much that the use of the support or implementation of the project plan is compromised;
7) request amendments to the project and, if necessary, the amendment of the decision granting the application, if clause (2) 2) so requires.

(2) The 2nd Level Intermediate Body shall:
1) make the application and reporting forms and guidance materials available to applicants and beneficiaries;
2) immediately inform the beneficiary of any amendments to the documents regulating the use of the support;
3) after the decision to grant the support has been made, publish on the website of the State Shared Service Centre the name of the beneficiary, the name of the project receiving support, the amount of support, the total volume of the project, the purpose and duration of the project;
4) not to disclose any information or documents obtained in the course of the processing of the application, except information which must be disclosed in accordance with clause 3;
5) keep the documents relating to the grant of the support for 10 years from the date of the last decision granting the application.

7. Chapter
Submission of reports and conditions for payment of support

§ 26. Submission of reports

(1) The beneficiary shall submit interim and final reports of the project to the 2nd Level Intermediate Body by the deadline provided for in the decision to approve the application.

(2) The beneficiary shall submit interim project reports twice during the 12 calendar months of the project's eligibility period. The beneficiary shall submit a final project report within two months of the end of the eligibility period of the project.

(3) The interim report includes an overview of the implementation of the project activities and an assessment of the progress of the project during the respective reporting period.

(4) The final report will include an overview of the implementation of all project activities and an assessment of the progress and results achieved during the eligibility period.

(5) The forms for the interim and final project reports shall be established and made available to the beneficiary by the 2nd Level Intermediate Body.

(6) The 2nd Level Intermediate Body shall approve the project report or, if the report does not meet the requirements laid down in this regulation, reject it within 45 working days of receipt.

(7) The beneficiary shall submit the post-execution project reports on the request of the 2nd Level Intermediate Body.

§ 27 Terms and conditions of payment of support

(1) The support shall be paid to the beneficiary in accordance with subsection 27 (1) of the Connecting Regulation, or directly to the supplier or contractor in accordance with subsections 27 (2) and (3) of the Combined Regulation, on the basis of the actual costs incurred under the conditions laid down in the decision granting or partially granting the application.

(2) For the purposes of certifying eligible costs and self-financing, only costs paid on the basis of supporting accounting documents and by bank transfer shall be taken into account, except in the case of clause 8 (9) 3).

(3) Payment of the grant is subject to the submission of a request for payment and the submission of supporting documents, or copies thereof, certifying the incurrence of eligible costs resulting from

the activities of the project and their approval by the 2nd Level Intermediate Body.

(4) The minimum amount of eligible costs in a cost document is €100.

(5) Support payments shall be made in accordance with §§ 24-26 of the Combined Regulation.

(6) The documents and supporting evidence required to receive the payment shall be submitted no more frequently than quarterly.

(7) The 2nd Level Intermediate Body shall take up to 45 working days to process a payment request.

(8) The 2nd Level Intermediate Body may decide to refuse to pay all or part of the support in accordance with § 33 of the Combined Regulation.

8. Chapter
Annulment of decision to grant application and challenges

§ 28 Annulment of decision to grant application

The decision to grant an application shall be considered fully or partly void in accordance with § 14 or subsection 37 (7) of the Combined Regulation.

§ 29 Financial corrections and repayment of support

The decision on financial correction shall be made and the grant shall be repaid in accordance with Articles 28–30 of the Act2021_2027 and §§ 34–38 of the Combined Regulation.

§ 30 Processing of challenges

(1) An appeal against a decision or an act under this Regulation shall be settled by the 2nd Level Intermediate Body.

(2) The information, documents and decision related to the challenge will be delivered to the person filing the challenge electronically.

Chapter 9
Implementation of regulation

§ 31. Implementation of regulation

(1) The amendment to this Regulation adopted in October 2022 shall apply retroactively from 1 July 2022.

(2) The amendment to subsection 9 (3) adopted in July 2023 shall apply retroactively from 1 July 2022.

(3) A positive ex-ante evaluation of a project plan given before the amendment to subsection 16 (3) adopted in July 2023 is valid for six months from the date when it was given.

(4) The amendments to clause 2 (1) 1) and subsection (2) that entered into force in July 2024 shall apply retroactively from 1 January 2024.

(5) The amendment to subsection 8 (4), which entered into force in July 2024, shall apply

retroactively from 1 July 2022, and the amendment to subsection (5) from 1 July 2023.

(6) The amendments to subsection 12 (1) of this Regulation adopted in May 2025 shall not apply to applications submitted before these amendments entered into force.

(7) The amendment to subsection 9 (2), which entered into force in June 2025, applies as of 1 July 2022.

(8) The amendments to subsections 4 (4) and (5), which entered into force in January 2026, apply as of 1 July 2022.