



# **INNOVATION INFRASTRUCTURES THAT SUPPORT DIGITALIZATION AND SUSTAINABLE GROWTH – FUNDING CALL**

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## 1. Background

The Sustainable Growth Programme for Finland related to the EU Recovery and Resilience Facility (RRF) aims to accelerate the development of competitiveness, investments, increased competence levels, and research, development, and innovation. It specifically focuses on promoting the green transition and the digital change.

The goal of measures related to the program is to support the economy to change towards a carbon neutral society. The digital change is the program's horizontal goal, which is supported in several sections of the program, with one of the program's four areas being wholly directed at accelerating digitalization and the data economy.

According to the national RDI roadmap, the aim is to spread and strengthen leading expertise. Cooperation between higher education institutes, research institutions, companies, and other RDI organizations will be strengthened by concentrating RDI activities in competence centers and innovation ecosystems. This goal is supported by high-quality research and innovation infrastructures that profile activities, attract professionals and investments, and promote networking.

The production of new information, high-quality research and development activities, and the conversion of innovation into solutions on an industrial scale require modern research and innovation environments. The development and modernization of research and innovation infrastructures support the needs of research, business life, and society at large by providing innovation platforms, and by producing open access datasets and data services for the needs of research, education, companies, and organizations.

Test environments of a high service level are key elements in the program in accelerating technological development and productization cycles. One of the goals set is protecting Finnish and European competitiveness by improving existing testing, experimentation and innovation environments, and by building new environments to open up opportunities for companies and researchers to test advanced applied solutions in real and controlled operating environments.

## 2. Funding call for building or developing testing, experimentation, research or innovation infrastructures that support sustainable growth and digitalization

Business Finland will launch a funding call for projects aimed at building or developing testing, experimentation, research and innovation environments that support sustainable growth and digitalization.

The funded projects are not limited to any specific technology or business area, but they must make a significant contribution to the development of digitalization or make extensive use of it to address the challenges underlying the infrastructure plan. In addition, projects will be evaluated with an emphasis on the general sustainable growth objectives of the Sustainable Growth Program for Finland.

The infrastructure projects to be funded must aim to build or develop testing, experimentation, research, or innovation environments that include digitalization as an essential part and one that brings novelty value. The primary objective of the targeted infrastructure does not necessarily have to be the promotion of digitalization. However, digitalization must be the primary method of addressing the underlying infrastructure challenge while producing significant added value, and it must be an important part of implementing the infrastructure.

**The funding call will open on March 18<sup>th</sup>, 2022 and applications must be submitted by May 23<sup>rd</sup>, 2022.**

The decision-making will follow Business Finland's normal assessment and decision-making process. Decisions on the projects to be funded will be made by the end of 2022.

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Projects funded by the European Union's Recovery and Resilience Facility (RRF) under the Finnish Sustainable Growth Program must be completed by the end of 2025.

A total of EUR 20 million has been budgeted for the funding call, and the goal is to engage 5–10 SMEs in the industry, Finland's export sector, and related testing, experimentation, research or innovation environment projects that significantly support research. The funding awarded through this funding call will not burden the quota of the temporary EUR 2.3 million Covid-19 aid scheme authorized by the European Commission, nor the de minimis quota for companies.

## **2.1. General goals of the funding**

The following general goals have been set for testing, experimentation, research or innovation infrastructure projects that support sustainable growth and digitalization and are carried out within the scope of the Sustainable Growth Program for Finland and the RRF:

- Promoting and/or utilizing digitalization
- Building and updating testing, experimentation, research, and innovation environments with an emphasis on the goals of sustainable growth, the green transition, and digitalization.
- Lowering the threshold for companies – SMEs in particular – to have access to international development environments, and accelerating their RDI activities
- Increasing the joint use of testing, experimentation, research and innovation environments
- Strengthening cooperation between higher education institutes, research institutions, companies, and other RDI organizations
- Increasing international cooperation

## **2.2. Focus areas in selecting projects for funding**

Business Finland will focus on the following in the selection of projects to be funded:

- meeting the requirement for significantly promoting or utilizing digitalization
- promoting the development of sustainable growth and the green transition
- promoting the achievement of the goals listed in the previous section
- impact on the SMEs' opportunities for RDI activities
- impact on companies engaged in Finnish exports or seeking export markets
- companies' participation and investments in the development and use of infrastructures
- fulfilling the Do No Significant Harm (DNSH) requirements
- fulfilling Business Finland's valid general terms and conditions of funding

In addition, the different forms of funding in the funding call have specific weights, which are listed below in the description of each type of funding.

## **2.3. Special criteria for RRF funding under the Sustainable Growth Program for Finland**

In funding decisions, Finland complies with all valid state subsidy regulations and guidelines, and addresses DNSH technical guidance C(2021) 1054 final.

Due to environmental objectives, certain types of content or applications are not eligible for funding. The following cannot be funded in the funding call:

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- (i) Activities within the scope of the EU Emissions Trading System (ETS) that result in estimated greenhouse gas emissions above the benchmark for free allocation, as defined in the Commission Implementation Regulation (EU) 2021/447<sup>1</sup>
- (ii) Activities related to fossil fuels, including refining and further use<sup>2</sup>
- (iii) Activities related to landfills, incineration plants<sup>3</sup> and mechanical-biological<sup>4</sup> processing plants
- (iv) Activities involving long-term waste disposal that may harm the environment

The projects must fulfill relevant and binding environmental regulations valid in the EU and at a national level. Projects to be funded must meet the selection and eligibility criteria of the “Do No Significant Harm” (DNSH) Technical Guidance 2021/C58/01. The DNSH criteria are presented in Appendix (APPENDIX 1).

The innovation infrastructures investment and development package supports 40% of digitalization at the level of the Sustainable Growth Program for Finland. Projects funded under this funding call must meet the criteria for promoting digital transformation set out in measure 019 of Annex VII to Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility<sup>5</sup>.

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If the greenhouse gas emissions achieved in supported activities are not clearly below the applied benchmark values, the reasons why this is not possible must be described. The benchmark values for greenhouse gas emissions applied to activities within the scope of the ETS are set out in Commission Implementing Regulation (EU) 2021/47.

<sup>2</sup> An exception to this procedure are projects related to electricity and/or heat production and natural gas transmission and distribution infrastructure that correspond to the principle of “no significant harm” in Annex III to the Technical Guidelines (2021/C58/01).

<sup>3</sup> This restriction does not apply to measures carried out at plants that are exclusively specialized in processing non-recyclable hazardous waste, and at existing plants in which the goal of the measures is to increase energy efficiency, the recovery, storage or use of flue gases, or the recovery of material from waste incineration plants’ ashes, provided that the measures do not increase the plant’s waste processing capacity or extend the plant’s service life; with proof demonstrated at a plant level.

<sup>4</sup> This restriction does not apply to measures directed at existing mechanical–biological processing plants if the goal of the measures is to increase energy efficiency or retrofit recycling solutions intended for the composting or anaerobic digestion of biowaste separated at the plant, provided that the measures do not increase the plant’s waste processing capacity or extend the plant’s service life; with proof demonstrated at the plant level.

<sup>5</sup> Support for innovation clusters, including innovation clusters between companies, research organizations and public authorities, and business networks that mainly benefit SMEs. This 40% rule should only be applied if the support focuses on factors directly linked to the digitalization of companies, such as digital products, ICT assets, etc.

## 2.4. Types of funding summarized

The funding call offers three separate forms of funding.

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### **Funding for research infrastructures**

Business Finland may grant research infrastructure funding for building or developing research environments that are engaged in financial activities and are intended for basic or industrial research. Research infrastructures may also have parallel, non-economic public research. However, economic use must always account for more than 20% of the research infrastructure. Business Finland may provide funding for costs related to investments made in the research infrastructures.

### **Funding for infrastructures of innovation clusters and for supporting the activities of innovation clusters**

Business Finland may grant innovation cluster funding for building or developing testing, experimentation, research and innovation environments that are maintained by innovation clusters formed and organized by innovation organizations in cooperation, and for supporting the activities of innovation clusters. Innovation clusters must operate commercially and on market terms. Innovation clusters cannot engage in publicly funded non-economic activities. Business Finland may grant support for costs related to the innovation clusters' infrastructure investments and operating costs. The support is granted to a cluster organization, which is defined by the innovation cluster and carries out the cluster's activities.

### **Funding for Co-Innovation projects that promote the development of innovation infrastructures**

Business Finland may grant research, development and innovation funding for research projects per Business Finland's Co-Innovation funding service. Co-Innovation projects funded under this funding call must be linked to creating, developing or improving the technological capacity of widely available testing, experimentation, research or innovation infrastructures that promote cutting-edge technologies.

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## 2.5. Funding for research infrastructures

Business Finland may grant funding for building or developing research infrastructures. The costs eligible for funding are those related to investments in research infrastructures.

### **2.5.1. Requirements for research infrastructure funding**

- The funded research environment or part of it is intended for a research community for conducting basic or industrial research.
- The funding requested is limited to the percentage of the research infrastructure's investments available for basic or industrial research. Funding cannot be directed to other uses of the infrastructure.
- The research environment foresees extensive economic use by SMEs and other companies, and at least 20% of its planned use is economic use.
- The share of own funding that corresponds to the percentage of economic use is private funding
- The applicant has secured own funding to cover both economic and non-economic use

- The opportunity to use the research environment is open based on transparent and non-discriminating terms and conditions.
- A market price is charged for the economic use of the research environment.
- The funded environment must remain in the use presented in the funding decision at least until the funded investment has been fully depreciated in accounting or for at most 10 years.

**2.5.2. Research Organization Applicant – Determining the nature of the research infrastructure's use, the amount of funding applied for and the necessary own funding**

As part of the funding application, the research organization must provide an estimate of how the use of the research infrastructure is distributed, according to the nature of that use. Research infrastructure use is divided into three different categories and the estimate for each is expressed as a percentage of the research infrastructure's total use. The distribution of the research infrastructure's use has an impact on its eligibility for funding, on eligible costs, the amount of funding, the level of own funding needs, and on the nature of the own funding required. An estimate is a mandatory part of the application.

The breakdown is based on the following categories of use:

**Public research use** is defined as the research infrastructure's use for the basic activities of research organizations (education, R&D activities, and the dissemination of information) when protected results will remain the property of the research organization and public information will be disseminated efficiently.

**Economic research use** is defined as the sale of research infrastructure capacity to companies for basic or industrial research. With regard to sales within or between research organizations, the intended use determines whether the case is considered economic use or public research use. For example: Selling infrastructure capacity maintained by a research organization to another research organization or to another unit in the same research organization is considered economic research use if it is obtained for contract research that is sold to a company.

**Other economic use** covers any use of the infrastructure other than the above public or economic research. Other economic uses typically involve the sales of infrastructure capacity for the purposes of product development, product testing, quality assurance, compatibility testing, compliance verification, prototyping, pre-production, small series production, etc.

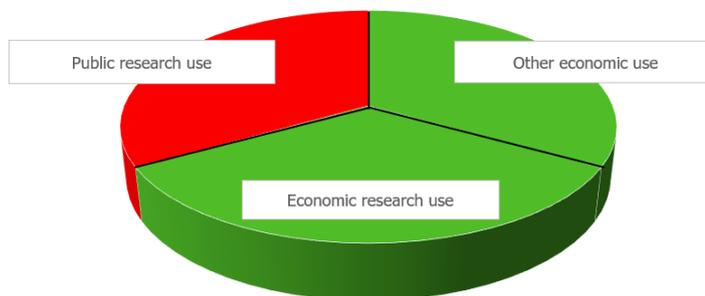
The distribution of the type of use is indicated in a specific section of the application form in the following format:

Public research use	xx%
Economic research use	yy%
Other economic use	zz%

**Determining the nature of use**

If the applicant is a research organization and the research infrastructure has public research use in addition to economic use, the share of the infrastructure's economic use must exceed 20% for the infrastructure to be eligible for funding in this funding call. Figure 1. shows the distribution of use into the three categories described above. The green segments in the figure must exceed 20% of the total.

The distribution of the research infrastructure's use must be monitored over its economic lifetime, and changes in it must be reported to Business Finland. The economic lifetime is the investment's depreciation period in accounting or a maximum of 10 years. Changes in the distribution of use during the monitoring period may lead to recovery of the aid.



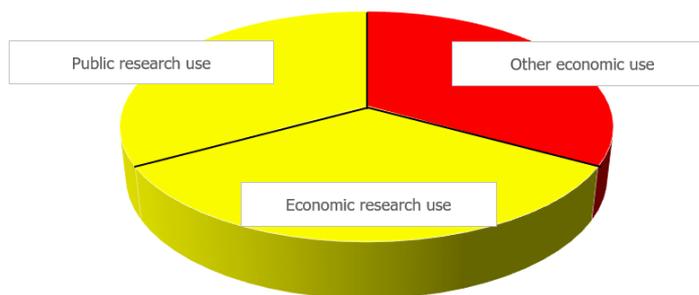
*Figure 1. Distribution of the research infrastructure’s use between economic (green) and public research use (red)*

The general objective of the RRF infrastructure funding call is to mobilize research infrastructures that are of interest to companies and best serve their research needs. Therefore, the extent of economic use in the foreseeable future is the key selection criteria in selecting projects for funding. Applicants are encouraged to develop proposals that maximize the project’s relative share of economic use.

**Eligible costs and BF-funding**

If the research infrastructure fulfills the economic use requirement described above, the applicant must next estimate the amount and type of own funding required based on how its use is distributed.

The funding granted by Business Finland can only be used for the percentage of infrastructure costs used for research, i.e., the sum of the yellow segments in Figure 2. The red segment, i.e., the portion of the costs for other economic uses, is covered entirely by the applicant.



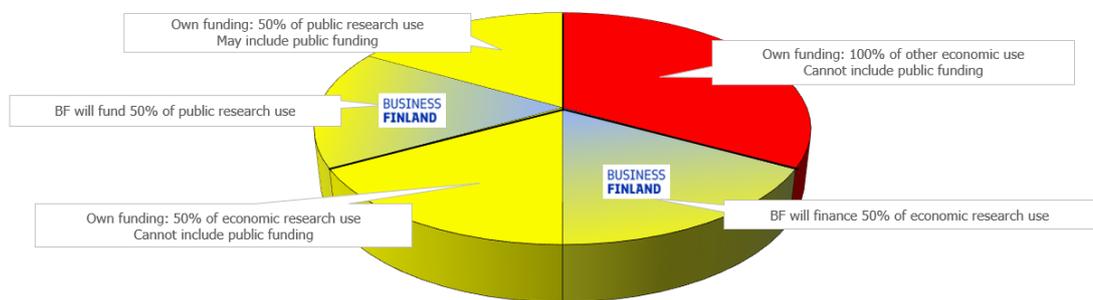
*Figure 2. The share of research use eligible for funding (yellow) in the total costs of the research infrastructure*

Figure 3 shows the shares of Business Finland's funding and own funding in the total costs of the infrastructure.

Business Finland can fund 50% of the infrastructure costs of economic research use and 50% of public research use, i.e., a total of half the costs indicated by the yellow segments in Figure 2.

**Amount of own funding**

Half of the costs of the combined yellow segments are covered by the applicant's own funding. The share of own funding for economic research use (the lower yellow segment in Figure 3) must be private funding and the share of own funding for public research use (the upper yellow segment in Figure 3) may consist partly or wholly of public funding. In addition, the applicant must cover the share of the costs for other economic use (the red segment in Figure 3) with private own funding. Funding from European Commission programs and funds can also be part of the project's total funding, provided that it does not result in overcompensation, in which case the total funding from Business Finland and the Commission would exceed 100% of the project's total cost.



*Figure 3. Distribution of project funding by infrastructure use*

**For example:**

The total budget for the research infrastructure is EUR 2,000,000. Infrastructure use is distributed in the following way:

Public research use	50%
Economic research use	25%
Other economic use	25%

The share of the infrastructure's economic use is 25% + 25%, which equals 50% of total use. The economic use exceeds the minimum requirement (>20%), and therefore it is possible for Business Finland to fund the project.

The research use of the infrastructure is 50% + 25%, which equals 75% of the total use. Seventy-five percent (75%) of the plan's budget, or EUR 1,500,000, is eligible for funding. EUR 1,000,000 of this funding is directed at public research use, and EUR 500,000 is allocated for economic research use.

If the funding decision is favorable, Business Finland's support for the research infrastructure would be 50% of the costs associated with public research use, i.e., EUR 500,000, and 50% of the costs related to economic research use, i.e., EUR 250,000. The total **Business Finland support** for the applicant **would be EUR 750,000**.

In their application, the applicant should indicate guaranteed own funding of EUR 1,250,000 for the project, which is structured as follows:

- Public or private own funding of EUR 500,000 for the share of public research use
- Private own funding of EUR 250,000 for the share of economic research use
- Private own funding of EUR 500,000 for the share of other economic use

In this example, the applicant would need **at least EUR 750,000 of private own funding**. The remaining EUR 500,000 of own funding may be **private or public**.

**2.5.3. Applicant Company – Determining the nature of use for the research infrastructure, the amount of funding to apply for, and the necessary own funding**

As part of the funding application, the applicant must provide an estimate of how the research infrastructure’s use is distributed, according to the nature of that use. The use is divided into two different categories, and the estimate is given for each of these as a percentage of the total use. The distribution of the research infrastructure’s use affects the eligible costs, the amount of funding, and the amount of own funding required. An estimate is a mandatory part of the application.

The breakdown is based on the following categories of use:

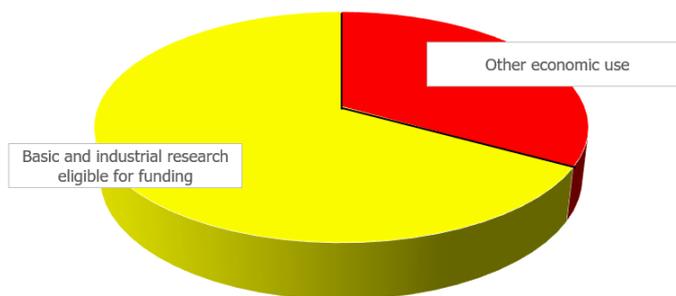
**Basic or industrial research use** is the sale of research infrastructure capacity to organizations or companies for basic or industrial research.

**Other economic use** is all use of the infrastructure, other than the research use described above. Other economic uses typically involve the sales of infrastructure capacity for the purposes of product development, product testing, quality assurance, compatibility testing, compliance verification, prototyping, pre-production, small series production, etc.

The distribution of each use is indicated in a specific section of the application form in the following format:

Basic or industrial research use	xx%
Other economic use	zz%

An applicant company does not need to differentiate between public and economic research uses (definitions in paragraph 2.5.2) if the service is offered to all customers on the same terms and at the same market price. If a company provides research infrastructure services to research organizations for public research in a way that deviates from normal terms, the applicant must provide an estimate of the share of public research use and describe the main features of the deviating terms. For example, a company can offer their environment to research organizations at a lower price than for other users. The deviating terms may not result in other public support being directed to the research infrastructure. For example, charging public organizations a higher price for using the infrastructure would be a hidden public subsidy.



*Figure 4. The distribution of the use of the research infrastructure maintained by the company for research and other economic uses and the share of the project costs eligible for funding (yellow)*



*Figure 5. Breakdown of project funding by use of the infrastructure*

### **Eligible costs**

The funding granted by Business Finland can only be used for the percentage of infrastructure costs from research, i.e., costs corresponding to the yellow segment in Figure 4. The red segment, i.e., the portion of costs for other economic uses, is covered entirely by the applicant.

### **Business Finland funding and own funding**

Figure 5 shows the shares of Business Finland's funding and own funding in the total costs of the infrastructure.

Business Finland can fund 50% of the infrastructure costs for basic and industrial research use, i.e., a total of half the yellow segment in Figure 4. The other half of the costs indicated by the yellow segment will be covered by the applicant's own funding. Own funding must be private funding. In addition, the applicant must cover the share of the costs for other economic use (the red segment in Figure 5) with private own funding. Funding from European Commission programs and funds can also be part of the project's total funding, provided that it does not result in overcompensation, in which case the total funding from Business Finland and the Commission would exceed 100% of the project's total cost.

### **For example:**

The total budget for the company's planned research infrastructure is EUR 2,000,000. Infrastructure use is distributed in the following way:

Basic and industrial research use	60%
Other economic use	40%

The company plans to make research infrastructure capacity available to research institutions for public research on more favorable terms and has estimated the amount of this use in the total amount of infrastructure use.

Public research use with different terms and conditions 15%

The 60% share of costs allocated to research use is eligible for funding, or in this example, the eligible costs of the project are EUR 1,200,000.

In case of a favorable funding decision, **Business Finland's support** for the research infrastructure would be 50% of the eligible costs, or **EUR 600,000**.

In their application, the applicant should indicate that the project has **EUR 1,400,000 of guaranteed private own funding**.

#### **2.5.4. Costs eligible for support and the amount of funding**

Business Finland may provide funding for building or developing a research environment. Eligible costs can include investments in tangible and intangible assets provided for in the project plan. In addition to purchase costs, direct costs resulting from constructing or modernizing the infrastructure may be eligible, including personnel costs, travel costs, general expenses, and the costs of purchased services.

Examples of direct investment costs may include:

- installation of hardware and/or software
- hardware and/or software deployment
- training staff for the deployment of research infrastructure
- generating and designing service processes for the research infrastructure;

The share of costs associated with other economic uses (defined in paragraphs 2.5.2 or 2.5.3) in the total infrastructure cost are not eligible. Costs excluded from support are calculated as a percentage of the total cost of the project.

Business Finland's support accounts for a maximum of 50% of eligible costs. Support for research infrastructures is a grant. Any other public support directed at the research infrastructure's economic activity will reduce Business Finland's funding.

Funding will be paid to cover the realized costs of a project on the basis of interim and final reports and accounts. No funding will be disbursed in advance. The funding of research infrastructure projects for economic research use follows the general funding terms and conditions for Business Finland's research infrastructure funding: [Terms and conditions for funding research infrastructure](#)

The distribution of the research infrastructure's use for public research, economic research, and other economic uses must be monitored over its economic lifetime, and any changes in it must be reported to Business Finland. The economic lifetime is the investment's depreciation period in accounting or a maximum of 10 years. Changes in the distribution of use during the monitoring period may lead to the recovery of funding, if the maximum amount of public support is exceeded as a result of these changes.

As infrastructures and the required approaches for measuring capacity may differ significantly case by case, the applicant must also describe how the use will be measured and monitored. The measurement and monitoring method will be recorded as part of the funding decision.

#### **2.5.5. Who can apply for and receive funding?**

Business Finland may provide funding for organizations responsible for building, maintaining, and operating a research environment. The funded organization may be a limited liability company, cooperative, association, an enterprise of municipalities and towns, a research institution, university or higher education institute.

A group of several organizations may submit parallel applications to apply for research infrastructure funding for a joint infrastructure consisting of several partial infrastructures, provided that the partial infrastructures form a coherent operational entity. The term "coherent operational entity" refers to an implementation, in which partial infrastructures are necessary for producing a service provided through the infrastructure, with no partial infrastructure being able to provide the service on their own without the other partial infrastructures.

In an entity in which partial infrastructures can also independently produce the research service provided, research infrastructure funding must also be applied for separately, and the applications will be assessed as separate infrastructures. Business Finland will address cooperation with other infrastructures as a broader networking of the infrastructure.

## **2.6. Funding for building and improving the testing, experimentation and innovation environments of innovation clusters, and for supporting the activities of innovation clusters**

Business Finland may grant innovation cluster funding for investments associated with building or developing testing, experimentation, research, and innovation environments that are maintained by innovation clusters formed and organized by innovation organizations in cooperation, and for supporting the activities of innovation clusters.

Innovation clusters and the infrastructures they create are commercial market-based operators. Business Finland's innovation cluster funding is intended to support the operating conditions of the cluster organization implementing the cluster's activities and infrastructure in its early stages, when the utilization rate of cluster services is still low, and the preconditions for income-funded cluster activities do not yet exist. The funding aims to cover the losses caused by the initial under-utilization of the cluster organization. The support may not be used to subsidize the price of cluster services or otherwise be passed on to cluster users.

### **2.6.1. Requirements for funding**

- The testing, experimentation, or innovation environment is underpinned by an organized community of innovation actors (innovative new, small, medium, and large companies, research and dissemination organizations, non-profit organizations, and other economic actors), whose members utilize the environment.
- Membership with the cluster and the right to use the environment are provided for the innovation organizations openly based on transparent and non-discriminating terms and conditions.
- Members of the innovation cluster have formed a cluster organization responsible for operating a testing, experimentation, or innovation environment, including its construction, further development, maintenance, and planning and implementation of the innovation cluster's other activities
- The applicant for funding is the cluster organization described above (at the application stage, the application can be submitted by a substitute organization agreed on by the cluster, if the formation of the cluster organization is in progress at the time the application is submitted)
- The innovation cluster will offer testing, experimentation, innovation environments, and other services to the cluster participants on commercial terms. It will charge a market-based price, which allows the cluster's revenue-funded operation with a target utilization rate based on a realistic estimate.
- Public support is not used to subsidize the price of services provided by the innovation cluster or otherwise transferred to the innovation cluster's users
- The research environment foresees extensive use by SMEs and other companies.
- The applicant has secured own funding for implementing the investment project
- Investments in the funded environment must remain in the use presented in the funding decision at least until the funded investment has been fully depreciated in accounting or for at most 10 years.

### **2.6.2. Costs eligible for support and the amount of funding**

Business Finland may provide funding for building or developing a testing, experimentation, research or innovation environment that is part of a cluster organization's activities. Eligible costs are direct investments made toward this end in the cluster's infrastructure, including tangible and intangible assets and related costs necessary for their efficient implementation and use.

The costs related to investments may include, for example, the costs from following activities:

- installation of hardware and/or software
- hardware and/or software deployment
- training of staff for infrastructure deployment
- creation and design of infrastructure service processes

In addition to investment support, the innovation cluster may also be granted operating aid for a limited period. Operating aid may be granted:

- for promoting the activities of the innovation cluster to improve the cluster's cooperation and information exchange
- for providing and channeling services for the cluster's innovation organizations
- for marketing the innovation cluster to increase the cluster and improve the visibility of its activities
- for the management of the cluster's infrastructure
- for organizing training programs, workshops, and conferences that support knowledge sharing, networking, and multinational cooperation

Business Finland's support accounts for at most 50% of costs eligible for support. Business Finland's support for innovation clusters is a grant. The remainder of the costs must be covered by the applicant through private own funding. Any other public funding allocated to the innovation cluster will reduce Business Finland's share of funding.

Funding will be paid to cover the realized costs of the project on the basis of interim and final reports and accounts. No funding will be disbursed in advance. The funding of innovation cluster projects follows Business Finland's general funding terms and conditions for innovation cluster funding.

The economic lifetime of a cluster organization's investments funded by Business Finland is the depreciation period of the investment in accounting or a maximum of 10 years. During this period, Business Finland must be notified in advance of changes in the investments' intended use. If the intended use changes, Business Finland can recover the funding granted for the investments.

For monitoring and payment of operating aid, the beneficiary shall keep separate accounts for cluster activities, showing the costs incurred from cluster activities and income from the use of the cluster's infrastructure, services, and its participation in activities. Operating income is taken into account when calculating the maximum amount of operating aid to be paid. The final level of operating aid at the end of the operating aid period may be less than 50%, and Business Finland may reduce the amount of support to be paid or recover already paid aid so that the maximum amount of allowed operating aid is not exceeded.

### **2.6.3. Who can apply for and receive funding?**

Business Finland can only fund a cluster organization responsible for cluster operations (see paragraph 2.6.1). The cluster organization may be formed in various ways. It may be a part of an existing

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organization separated by means of accounting or an organization established specifically for this purpose. The funded organization may be a limited liability company, cooperative, association, an enterprise of municipalities and towns, a research institution, university or higher education institute.

The funding applicant is a cluster organization. Technically, an innovation cluster funding application may also be submitted by a substitute organization selected by the innovation cluster members, if the formation of the cluster organization is still ongoing. At the latest, the cluster organization must have been formed at the time of the funding decision.

However, the applicant should note that the funding decisions for the RRF infrastructure funding call have to be made and the dedicated funding committed by the end of 2022. Business Finland may consider possible uncertainties and delays in forming a cluster organization as an obstacle to funding if there is a risk that the funding reserved for the funding call might not be used due to these delays. It is recommended that a cluster organization be formed as early as possible.

## **2.7. Funding for Co-Innovation projects promoting the development of innovation infrastructures**

Business Finland may provide funding for Co-Innovation projects that promote the creation or development of testing, experimentation, research, or innovation infrastructures. RRF infrastructure funding is granted for Co-Innovation projects that mainly consist of basic and/or industrial research. Funding may be granted for an infrastructure plan that is strongly future-oriented and requires significant research inputs before the infrastructure can be implemented in practice. Funding may also be granted for an existing infrastructure that requires significant research inputs to raise it to a whole new level.

### **2.7.1. Requirements for funding**

- Co-Innovation projects have a clear link to the development of broadly available infrastructures that promote leading technologies.
- Research conducted in a Co-Innovation project and the consortium engaged in the project have a well-defined common goal that serves to promote of infrastructure operations.
- The project mainly consists of basic and/or industrial research.
- The results of the project's public research have wide applicability
- The applicants have a plan for how to use the results in infrastructure operations
- Business Finland's general criteria for Co-Innovation projects are met.

### **2.7.2. Costs eligible for support and the amount of funding**

Funding granted within the scope of this funding call follows Business Finland's normal support levels for Co-Innovation projects. Costs can be accepted per the general terms and conditions of Business Finland's research funding and company RDI funding.

The funding of projects through the EU Recovery and Resilience Facility (RRF) is always a grant. In the case of company R&D projects, funding is only available for projects where industrial research accounts for more than half of the costs. Projects that mainly involve experimental development cannot be funded under the RRF.

It is not possible to fund infrastructure investments in Co-Innovation projects. The depreciation of equipment required for research work over the duration of the project can be funded at our discretion.

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Business Finland's terms and conditions for companies' RDI funding:

[https://www.businessfinland.fi/4b1263/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/yritysten tutkimus- ja kehitystoiminnan rahoituksen ehdot.pdf](https://www.businessfinland.fi/4b1263/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/yritysten_tutkimus- ja kehitystoiminnan_rahoituksen_ehdot.pdf)

Business Finland's terms and conditions of funding for public research:

[https://www.businessfinland.fi/48d2a4/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/julkisten toimijoiden kehittamishankkeiden rahoitusehdot.pdf](https://www.businessfinland.fi/48d2a4/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/julkisten_toimijoiden_kehittamishankkeiden_rahointusehdot.pdf)

### **2.7.3. Who can apply for and receive funding?**

Business Finland may provide funding for organizations that are involved in a Co-Innovation consortium through their own sub-project. The funded organization may be a limited liability company, cooperative, association, an enterprise of municipalities and towns, a research institution, university or higher education institute.

More information about Business Finland's Co-Innovation funding:

<https://www.businessfinland.fi/en/for-finnish-customers/services/funding/cooperation-between-companies-and-research-organizations/co-innovation>

### 3. Applying for funding

#### 3.1. Types of applications

##### 3.1.1. The company is applying for research infrastructure funding

Basic applicant and application information is completed in the Business Finland online service.

The funding service is selected as follows:

- Research Infrastructure

Under "Programs and other connections," select "RRF – Finland's Sustainable Growth Program" for your application and then the "RRF – Innovation infrastructures" identifier in the menu.

The application must be submitted no later than the funding call closing date in chapter 4.

##### 3.1.2. The research organization is applying for research infrastructure funding only for economic activities

If the research organization applies for research infrastructure funding only for economic activities, the application is submitted in the same way as the company's application for research infrastructure funding (see paragraph 3.1.1).

Because the Academy of Finland and Business Finland's infrastructure funding calls are closely related, there is a need for coordinated cooperation and exchange of information about applications between these organizations. If you allow Business Finland to exchange information about your application with the Academy of Finland, we kindly ask you to add the following text to the Free-form cover note field on the application form:

"We give our consent to Business Finland to exchange information related to the application and its processing with the Academy of Finland. The above consent does not apply to the information in the application or its supporting documents marked as "CONFIDENTIAL INFORMATION."

The applicant must ensure that the "CONFIDENTIAL INFORMATION" marking is clear and its scope unambiguous.

##### 3.1.3. The research organization is applying for research infrastructure funding for both public research and economic activities

If a research organization applies for research infrastructure funding for both public research and economic activities, the funding will require two separate applications. Basic applicant and application information is completed in Business Finland's online service.

The funding services shall be selected from:

- "Research infrastructure" **and**
- "Public research networked with companies"

Under "Programs and other connections," select "RRF – Finland's Sustainable Growth Program" for your application and then the "RRF – Innovation infrastructures" identifier in the menu.

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The "Research infrastructure" application is used to apply for funding for the percentage of economic research use and the "Public research networked with companies" application is used for the share of public research use.

Applications are filled in with the same content. The budgets in the applications and the amount of funding applied for will be divided among the applications in proportion to the estimated economic and public research use.

Business Finland makes two separate funding decisions based on these applications.

The application must be submitted no later than the funding call closing date in chapter 4.

Because the Academy of Finland and Business Finland's infrastructure funding calls are closely related, there is a need for coordinated cooperation and exchange of information about applications between these organizations. If you allow Business Finland to exchange information about your application with the Academy of Finland, we kindly ask you to add the following text to the Free-form cover note field on the application form:

"We give our consent to Business Finland to exchange information related to the application and its processing with the Academy of Finland. The above consent does not apply to the information in the application or its supporting documents marked as "CONFIDENTIAL INFORMATION."

Please ensure that the "CONFIDENTIAL INFORMATION" marking is clear and its scope unambiguous.

#### **3.1.4. The company or research organization is applying for innovation cluster funding**

Basic applicant and application information is completed in the Business Finland online service.

The funding service is selected as follows:

- "Research, development and piloting"

Under "Programs and other connections," select "RRF – Finland's Sustainable Growth Program" for your application and then the "RRF – Innovation infrastructures" identifier in the menu.

The application must be submitted no later than the funding call closing date in chapter 4.

Please note: Innovation cluster activity is always an economic activity. It never involves parallel funding (see paragraph 3.1.3)

#### **3.1.5. The companies and research organizations are applying for Co-Innovation project funding**

Basic applicant and application information is completed in the Business Finland online service.

The funding service is selected as follows:

- Company as Coordinator: Co-Innovation, main application and Co-Innovation, company participant
- Company as a participant: Co-Innovation, participant
- Research organization as coordinator: Co-Innovation, main application and Co-Innovation, research participant

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- Research organization as a participant: “Co-Innovation Research Participant”

### 3.2. Beneficiary Notification to PRH

The applicant for funding must ensure that the beneficiary notification is submitted to the Finnish Patent and Registration Office ([https://www.prh.fi/en/kaupparekisteri/beneficial\\_owner\\_details.html](https://www.prh.fi/en/kaupparekisteri/beneficial_owner_details.html))

### 3.3. Project plan

#### 3.3.1. Research infrastructures and innovation clusters

In addition, the application is accompanied by a project plan, which includes at least the items described in the table of contents. Project plans must follow the structure and headings provided below:

##### Basic information

Applicant:

Funding call: “RRF – Innovation infrastructures”

Form of funding: Research Infrastructure / Innovation Cluster / Co-Innovation

##### Infrastructure plan

Overview of the infrastructure

Infrastructure services offered to customers

(Research Infrastructures only) Measuring the research infrastructure’s use

(Innovation Clusters only) The Innovation Cluster’s initial composition and its members’ contribution to it

(Innovation Clusters only) Cluster organization

Main elements of transparent and non-discriminatory policies

(Research Infrastructures only) Commitment and contributions to the plan from the innovation actors using the infrastructure

##### Investment plan

Tangible and intangible investments in the infrastructure

Other measures related to investments

(Innovation Clusters only) The action plan that is used to apply for operating aid

Schedule, cost estimate, funding and resourcing

##### Business plan

Target users/customer base

Targeted development of activities and activity volume

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(Research Infrastructures only) Distribution of activities between public research, economic research and other uses

(Research Infrastructures only) How will you ensure the continuation of operations on a long-term basis?

(innovation Clusters only) How and when are operations planned to become profitable?

Impacts on innovation activities

What impacts do you consider the infrastructure to have on Finnish innovation activity?  
How the infrastructure affects SMEs and the Finnish export sector

Applicant's other project plan content

### **3.3.2. Co-Innovation projects**

A project plan is created for Co-Innovation projects as per Business Finland's normal Co-Innovation project practice, consisting of a joint plan submitted as an appendix to the Co-Innovation coordinator's main application and a project plan per participant, submitted by each party as an appendix to their participant application.

A specific requirement for an RRF infrastructure funding call is to add one paragraph to the Co-Innovation Coordinator's joint plan describing how the Co-Innovation project will contribute to the creation or development of a long-term testing, experimentation, research, or innovation infrastructure that will diversify and accelerate innovation activities.

In addition to the normal direct export effects of a Co-Innovation project, the applicant must also assess the indirect effects of the aforementioned infrastructure on the Finnish export sector's export expectations.

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## **4. Schedule and briefing**

Funding call opens: March 18<sup>th</sup>, 2022

Funding call closes on: **May 23<sup>rd</sup>, 2022**

Decisions on the projects to be funded will be made by the end of 2022

Projects must be completed by the end of 2025.

A briefing on the infrastructure funding call will be held on 29.3.2022 at 10:00. The briefing is a virtual event on Teams in Finnish language. You can register through this [link](#).

Go to the funding call page: <https://www.businessfinland.fi/en/whats-new/calls/2022/infrastructure-funding-call>

## APPENDIX 1: More information about the Do No Significant Harm (DNSH) requirement

Each project funded through the Sustainable Growth Program for Finland must meet the DNSH requirements. The EU Recovery and Resilience Facility (RRF) requires that no measures do any significant harm to the environment. Economic activities are considered to cause significant harm to the following:

- a) climate change mitigation,
  - *where that activity leads to significant greenhouse gas emissions;*
- b) climate change adaptation,
  - *where that activity leads to an increased adverse impact of the current climate and the expected future climate, on the activity itself or on people, nature or assets;*
- c) the sustainable use and protection of water and marine resources, where that activity is detrimental
  - *to the good status or the good ecological potential of bodies of water, including surface water and groundwater; or*
  - *to the good environmental status of marine waters;*
- d) the circular economy, including waste prevention and recycling, where
  - *that activity leads to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water and land at one or more stages of the life cycle of products, including in terms of durability, reparability, upgradability, reusability or recyclability of products;*
  - *that activity leads to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or*
  - *the long-term disposal of waste may cause significant and long-term harm to the environment;*
- e) pollution prevention and control,
  - *where that activity leads to a significant increase in the emissions of pollutants into the air, water or land, as compared with the situation before the activity commenced; or*
- f) the protection and restoration of biodiversity and ecosystems, where that activity is
  - *significantly detrimental to the good condition and resilience of ecosystems; or*
  - *detrimental to the conservation status of habitats and species, including those of Union interest.*

Example responses to DNSH forms are available at

- <https://data.consilium.europa.eu/doc/document/ST-6179-2021-ADD-1/en/pdf>, pages 10–
- The Sustainable Growth Program for Finland: <https://julkaisut.valtioneuvosto.fi/handle/10024/163176>, Appendix 3, pages 493–494.