

## CO-INNOVATION FUNDING CALL FOR JOINT PROJECTS BETWEEN COMPANIES AND RESEARCH ORGANIZATIONS IN THE CREATIVE INDUSTRIES

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## **1. Background**

The creative and event industries have significant potential for employment and growth. The sector relies on entrepreneurs. In Finland, the creative industries' share of GDP is clearly behind both the other Nordic countries and the EU average. Changes in the operating environment create opportunities to develop the sector's own operating and production models also from the point of view of exports.

In connection with the Government's spending limits discussion, it was decided that Business Finland's funding will be used to increase the research and development intensity (R&D) of the creative industries. The R&D funding for the creative industries to be launched in 2025 will focus on companies in the creative industries, companies that use creative know-how, and collaboration between companies and research organizations. Permanent funding of EUR 9 million will contribute to the renewal of the creative economy and to the growth of value added in the sector through R&D activities.

## **2. Co-Innovation project model**

Business Finland may grant Co-Innovation joint project funding to research projects by research organizations that generate new expertise as well as to companies' parallel R&D projects that create international competitive advantage and significant business potential for the companies. The consortium must have a joint project plan. The companies must have sufficient self-financing, a credible team, and know-how and the capabilities to implement the proposed project.

The project may involve one or several research organizations. It must also include at least three companies with an R&D project of their own, at least two of which have applied for funding for their R&D project from Business Finland, and the companies' projects must be eligible for funding. The appropriate consortium size is often larger than this.

Consortium companies that do not have an R&D project of their own can, for example, finance research activities or bring other contributions to the project, such as data, software, materials, or equipment handed over to the research project. The role and contribution of these companies must be described, and they must complement and further the goals of the project.

In a joint project, the consortium members agree collectively on the content, objectives, and utilization of the results of the project. The joint project plan should include a description of the project, the cooperation to be undertaken, and the role and responsibilities of each party in the consortium. All parties must apply for funding separately to cover the costs of their own contribution.

### **3. Co-Innovation funding criteria and evaluation criteria**

Project grants in the creative industries are awarded on the basis of the Act on Discretionary Government Transfers (688/2001), the Government Decree on the Financing of Research, Development, and Innovation Activities (1444/2014) and state budget documents. The funding is competitive and discretionary. Even if a project has appropriate total funding, resources and plans, the granting of funding also requires that carrying out the project would be impossible without the grant or that it could only be carried out much more slowly or on a smaller scale.

With regard to the content of the funded projects, the key criteria are their innovative nature and the impact of the expected results on the international competitiveness of the Finnish creative industry. The project must promote collaboration between companies and research organizations and have an impact on the companies' international business. In addition, the consortium must be appropriate for the implementation of the project. Public research must be in demand and involve active international collaboration.

The project grant is not intended for funding the applicant's established basic operations or the normal development of existing products and services.

Typical obstacles to awarding the grant:

- The applicant is in difficulty according to the EU State aid rules, see <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/guidelines-terms-and-forms/firm-in-difficulty>.
- The applicant does not operate in Finland.
- The project does not classify as research and development.
- The project does not have a project plan to enable its evaluation and the monitoring of its implementation.
- The project has begun before submitting the application.

The projects will be mainly evaluated in accordance with the criteria of Business Finland's Co-Innovation projects, for example with regard to genuine collaboration and public research criteria.

The projects are evaluated according to the following specific criteria:

- the international novelty value of the project's expected results
- the potential benefit of the project's results for the Finnish national economy
- the quality and interdisciplinarity of the project consortium and the value chain it forms
- the amount and quality of international/national collaboration in the project
- the quality of project plans

### **4. Amount of Co-Innovation funding**

The funding is determined as follows:

- Business Finland's **contribution to a research organization is 80%** of the total costs approved for the research project.

- **For research-oriented business projects, the grant** is 50% for SMEs and 40% for midcap/large companies. Please note that for large companies, funding is only granted to re-search-oriented projects with which the large company seeks a global competitive advantage.

The proportion between the total costs of research and business projects must be balanced. The greater the emphasis on applied research, the higher the share of business projects. In future-oriented high-risk joint projects, the share of research may be higher. No single project may exceed 70% of the costs of the joint project. In addition, the combined total costs of the research projects may not exceed 60% of the overall costs.

- **For development-oriented business projects, the grant** amounts to 35% for SMEs and 25% for midcap companies.
- **For projects of companies operating in other industries**, this funding call for the creative industries requires that the companies utilize the know-how of the creative industries for at least 40% of the cost estimate. The services purchased from the creative industries must be related to the implementation of the developed solution in an innovative manner. In this funding call, the utilization of creative expertise does not refer to the procurement of conventional services, such as marketing materials, visualization, or design.

More information about the funding terms and conditions for public research: [Public re-search funding](#)

More information about Business Finland's terms and conditions for funding companies' R&D activities: [Funding for companies' R&D activities](#)

## **5. Eligible costs**

**Costs of the research organization:** All costs incurred must be related to the implementation of the project. We accept the costs in accordance with Business Finland's general terms and conditions for public research funding. Eligible costs may include:

- salaries and wages
- indirect costs (general costs and indirect personnel costs)
- travel expenses
- costs of materials and supplies
- research equipment (see the funding terms and conditions for more detailed information)
- purchased services necessary for the implementation of the project

The following are not eligible for the project:

- unrequited expenses such as grants, donations, awards
- the costs of economic activities (including representation costs);
- advertising or marketing costs

**Costs of companies' research and development funding:** We accept costs in accordance with Business Finland's general terms and conditions for companies' R&D funding. We accept costs at the earliest from the date of submitting the application to Business Finland. In research and development projects, eligible cost types include:

- salaries and wages
- indirect personnel costs
- overheads
- travel expenses
- costs of materials and supplies
- Equipment purchases
- depreciation and lease of equipment
- purchased services.

The funding cannot be used for the following:

- activities related to exports, i.e., running costs directly related to export volumes, or to the establishment and operations of a distribution network, such as an online store, or to other export activities
- costs related to operational activities such as production, advertising, marketing, or sales
- brochure and advertising expenses
- investment, repair, and construction costs
- the costs incurred in preparing the application.

The funding terms and conditions describe the costs that Business Finland can fund, how we monitor your project costs, and how you should report on the progress of your project. Further information about Business Finland's funding terms and conditions:

- Public research: [Public research funding](#)
- Funding for companies' research and development activities [Funding for companies' research and development activities](#)

## **6. Applying for Co-Innovation funding**

### **6.1 Funding applications for joint projects**

You should complete the basic applicant and application information normally in Business Finland's online service.

- Select "Co-Innovation joint project"; this is a Co-Innovation joint project between research organizations and companies.
  - The coordinator of the joint project selects the option "Co-Innovation main application". If the coordinator also intends to apply for funding for their own project, the coordinator must fill in the "Co-Innovation participant" application IN ADDITION to the main application. The main application is not a funding application, but a joint section combining the different sub-projects. The coordinator

adds as an attachment the consortium's joint project plan describing the entire project.

- The party to the joint project selects "Co-Innovation participant".
- Each participant applying for funding for its own sub-project in a joint project submits their own participant application and attaches the joint action ID provided by the coordinator to the application. Add the joint project ID you have received on the application's front page under: "If the reference data requested in call for applications is not found in the drop-down menu, enter it here." E.g., joint project ID 1234/31/2025.
- Basic Information for Application tab: Please check that the basic information as well as the responsible person, cost statement contact person, and contact person for the application have been entered correctly. From the "Program and links" menu, select: **Creative industries Co-Innovation**
- The research participants must attach to their own application "NOTIFICATION OF PARTICIPATION IN PROJECT" forms filled in by the companies participating in the project, in which the companies describe their views on the significance of the research project and their plans to utilize the results and indicate the amount of potential utilizer funding they have provided. The above does not apply to companies participating through a development project of their own.
- Companies also submit their own detailed project plan as an appendix to their application.
- All parties must have the project name in this format: "Creative industries Co-Innovation – [project's joint name]."
- In the Free-form cover note field on the last page of the application service ("Summary and sending"), fill in the name of the Business Finland expert with whom you have discussed the project before applying.

## **7. Application schedule**

For joint projects, the funding call will begin on **January 22, 2025** and end on **August 27, 2025**. Decisions will be made jointly after the end of the application period. Decisions on which projects will be funded will be made by the end of 2025 at the latest.

## **8. Further information**

Please answer the preliminary questions concisely (max 2 A4 pages) and send your response by email with the subject line "Co-Innovation application" to [luovat@businessfinland.fi](mailto:luovat@businessfinland.fi). Our experts will get back to you as soon as possible.

- What is the idea and goal of the joint project?
- Who are the applicants?
- Other participants, if there are any.