



# COMPLEMENTARY FUNDING MODEL

Framework of Developing Markets Platform

# RATIONALE AND KEY BENEFITS

## Complementary funding model

- Enables Finnish companies to (further) co-develop competitive solutions together with local partners in over 100 developing markets as <u>defined by the OECD</u>
- Encourages development of innovative solutions that can help contribute to the <u>UN Sustainable Development Goals</u> (SDGs)
- Helps sustainable Finnish companies better access rapidly growing developing markets
- Links research and development (R&D) funding with development co-operation funding
- Relies on collaboration between Business Finland, the Ministry for Foreign Affairs of Finland (MFA) and Finnpartnership
- Forms part of <u>Developing Markets Platform</u> a joint endeavor of Business Finland and the MFA

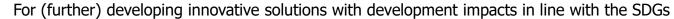


## BRIEF OVERVIEW OF BASIC FEATURES

A complementary funding model for enabling sustainable and competitive innovation in developing markets

## 2. INNOVATION FUNDING

forms the top-up project by Finnpartnership



- Development co-operation funding applicable to developing countries as defined by the OECD
- Grant of 75% for companies
- De minimis funding up to 300 000 EUR
- Administered by Finnpartnership and granted by the MFA





### 1. R&D FUNDING

forms the parent project by Business Finland

For ambitious R&D projects with risk and internationally competitive edge by companies that seek significant international growth

- No geographic limitations or obligation to focus on developing markets
- Grant from 40% up to 60% for research or a loan from 50% up to 70% for development depending on the company size
- Funding not limited by de minimis regulations
- Administered and granted by Business Finland





# KEY REQUIREMENTS FOR LINKING FUNDING

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## 2. INNOVATION FUNDING

forms the top-up project by Finnpartnership



- Contributing to the achievement of the goals of the R&D project
- Further developing the solution developed under the R&D project
- Improving the conditions for the commercialization of the solution developed
- Contextualizing the solution developed to the target market(s)





### 1. R&D FUNDING

forms the parent project by Business Finland

The R&D parent project must be one of the following

- Ongoing (or recently approved)
- Ended no longer than five years ago

The R&D project can correspond to the following Business Finland funding services for companies

- Research, development and piloting for SMEs and midcaps
- Research, development and piloting for large companies
- Co-innovation



# BUSINESS FINLAND FUNDING AND POSSIBLE PARENT PROJECTS

COMPANIES UNDER 5 YEARS	SMEs AND MIDCAPs	LARGE COMPANIES	RESEARCH ORGANIZATIONS
Tempo	- Market Explorer		
Young Innovative Companies			
Exhibition Explorer			
Talent			
Accelerators and preparations of international projects			
RESEARCH, DEVELOPMENT AND PILOTING  A research, development and piloting project may form a parent project for Finnpartnership innovation funding			Co-Creation
Energy Aid			Co-Research
Audiovisual Production Incentive			Research to Business
CO-INNOVATION			

#### **CO-INNOVATION**

A company sub-project of a Co-innovation joint-project may form a parent project for Finnpartnership innovation funding

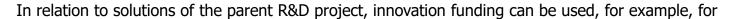


# POSSIBLE COMPLEMENTARY USES OF FUNDING

A complementary funding model for enabling sustainable and competitive innovation in developing markets

## 2. INNOVATION FUNDING

forms the top-up project by Finnpartnership



- Identifying local innovation partners, customers and product-market-fit in developing markets
- (Further) research, development and innovation activities jointly with the local partners
- Market research, feasibility studies and impact assessments
- Piloting or demonstrations with local partners





### 1. R&D FUNDING

forms the parent project by Business Finland

#### R&D funding can be used for

- Research and creation of new knowledge and competence for international competitive edge
- Developing completely new or updating products, services, production methods or business models for a competitive edge in international markets
- Piloting, testing and demonstrating the effectiveness of a solution close to the commercialization phase in a real environment





## EXAMPLES OF **CUSTOMER CASES**

Combining innovation, sustainability and developing markets under the previous, similar Developing Markets Platform funding model

### **CROWDSORSA**

The mobile application of Crowdsorsa for collecting data through crowdsourcing can boost resilient infrastructure and local earning opportunities in developing markets, while further development and testing with a local partner in Malaysia helps improve the solution in environments with poor data connectivity

## **RISUTEC**

The solution of Risutec integrates multiple phases of forestation making the related process more effective, safer as well as environmentally and climate friendlier, while research with a local research institute helps localize the solution to Brazil – with potential for scaling also to other tropical and subtropical areas

# PURE WASTE TEXTILES

The solution of <u>Pure Waste</u>

<u>Textiles</u> using cutting waste from the textile industry can promote sustainable production methods in India, while clothing manufactured from fabrics made from recycled fibers is sold to both retailers and consumers



## MAIN **STEPS FORWARD**

A complementary funding model for enabling sustainable and competitive innovation in developing markets

# 1. IF YOU DO NOT (YET) HAVE A SUITABLE R&D PROJECT

funded by Business Finland that may form a parent project for the top-up innovation funding project

- Check Business Finland <u>Become a Customer</u> webpage
- Go through materials available on <u>Business Finland</u> website
- Consider how your company could seek significant international growth based on ambitious R&D projects aiming for solutions with novelty value and internationally competitive edge
- Register to the <u>My Business Finland</u> service and answer questions about your company – you will find out if R&D funding or some other Business Finland service is suitable for your company
- If your company meets the criteria, book an appointment with our advisor through <u>My Business Finland</u> service

BUSINESS FINLAND

OR

# 2. IF YOU ALREADY HAVE A SUITABLE R&D PROJECT

funded by Business Finland that may form a parent project for the top-up innovation funding project

- Go through materials on Finnpartnership <u>innovation</u> <u>funding</u>
- Consider how your innovative solution could help in addressing societal challenges and bring about positive development impacts in developing markets in line with the SDGs
- Discuss your ideas further with Finnpartnership Topi Hukkanen (topi.hukkanen@finnpartnership.fi)





# LINKS TO **FURTHER INFORMATION**

#### **BUSINESS FINLAND AND R&D FUNDING**

- Become a Customer webpage
- My Business Finland portal with registration required
- Funding for Research, Development and Piloting for SMEs and Midcaps webpage
- Funding for Research, Development and Piloting for Large Companies webpage
- <u>Co-Innovation Funding</u> webpage
- Applying for Funding webpage including funding application questions, project plan template and instructions
- Online Service portal for applying funding with registration required
- <u>Funding Instructions, Terms and Forms</u> website including links to funding terms and conditions as well as implementation and reporting instructions
- <u>Innovointiopas PK-yrittäjälle</u> guide in Finnish
- Customer Cases website
- Project Funding database
- <u>Developing Markets Platform</u> webpage
- Business Finland website

#### FINNPARTNERSHIP INNOVATION FUNDING

- <u>Innovation Funding</u> webpage
- R&D-link Form for innovation funding
- Application Instructions and Forms webpage including the development impact questionnaire
- MFA e-Services portal for applying funding with registration required

#### **DEVELOPING MARKETS AND SUSTAINABILITY**

- OECD List of Developing Countries webpage
- UN Sustainable Development Goals website

