



# 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 [defined by the OECD](#)
- Encourages development of innovative solutions that can help contribute to the [UN Sustainable Development Goals](#) (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 [Developing Markets Platform](#) – 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

For (further) developing innovative solutions with development impacts in line with the SDGs

- 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**

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

## 2. INNOVATION FUNDING

forms the top-up project by  
Finnpartnership

[Innovation funding](#) top-up project must be robustly linked to the parent project, for example, by

- 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 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

In relation to solutions of the parent R&D project, innovation funding can be used, for example, for

- 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 [Pure Waste Textiles](#) 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 [Become a Customer](#) webpage
- Go through materials available on [Business Finland](#) 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 [My Business Finland](#) 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 [My Business Finland](#) service

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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 [innovation funding](#)
- 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](mailto:topi.hukkanen@finnpartnership.fi))

FINNPARTNERSHIP



# 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
- [Co-Innovation Funding](#) webpage
- [Applying for Funding](#) webpage including funding application questions, project plan template and instructions
- [Online Service](#) portal for applying funding with registration required
- [Funding Instructions, Terms and Forms](#) website including links to funding terms and conditions as well as implementation and reporting instructions
- [Innovointiopas PK-yrittäjälle](#) guide in Finnish
- [Customer Cases](#) website
- [Project Funding](#) database
- [Developing Markets Platform](#) webpage
- [Business Finland](#) website

## FINNPARTNERSHIP INNOVATION FUNDING

- [Innovation Funding](#) 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

The background of the slide is an underwater scene. It features several green leaves and stems of a plant, possibly a seaweed or a small aquatic plant, floating in clear blue water. Numerous small, light-colored bubbles are scattered throughout the water, creating a sense of movement and freshness. The lighting is bright, suggesting sunlight filtering through the water from above.

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# **DEVELOPING MARKETS PLATFORM**

We help Finnish companies and their partners develop innovative and competitive business for sustainable opportunities in developing markets