



# RECYCLING AND REUSE INVESTMENTS 2023

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APPENDIX I More information about the Do No Significant Harm (DNSH) requirement

## 1. Background of the funding call

There is tremendous pressure to increase the reuse and recycling of industrial by-product and waste streams as well as other key materials (such as plastics, textiles, electrical and electronic equipment, construction and demolition materials). In particular, investments promoting the added value of side streams in the bioeconomy aim at creating more sustainable solutions to replace oil-based and other resource-intensive products. From the perspective of environmental impact, increases in reuse and recycling lower the pressure to use virgin materials, which slows nature loss and reduces CO2 emissions indirectly.

The general goal is to promote reuse and recycling investments that support the EU's circular economy action plan, the Government Program (incl. Finland's strategic program to promote a circular economy, the Plastics Roadmap) and the reform of waste legislation. This contributes to meeting the tightening recycling targets with regards to, for example, plastic packaging, municipal waste, and construction and demolition materials. Another aim is to support the national bioeconomy strategy by boosting investments related to the utilization of side streams in the bioeconomy. The purpose of these bold investments is to pursue new export business and the scaling of innovations.

According to the Sustainable Growth Program for Finland, Finland is aiming to become a global leader in the hydrogen and circular economy, bioproducts with high added value, zero-emission energy systems and other climate and environmental solutions, in addition to improving energy efficiency and accelerating the transition to fossil-free transport and heating. The key goals are related to the green transition, jobs, restructuring of the economy, sustainable growth, and exports. One of the goals, which is in line with the green transition, is to increase the reuse and recycling of materials, side streams, and waste in various value chains. In addition, the aim of the investments is to support economic reform and new forms of growth, employment, and exports based on solutions related to the green transition. Investments in high-tech solutions are an opportunity for Finland to multiply the benefits of its climate work, as Finnish expertise can help to reduce emissions and offer sustainable solutions around the world.

The funding provided by Business Finland will stimulate the reuse and recycling of industrial side and waste streams (in the bioeconomy and battery industry, for example) and other key materials (such as plastics, textiles, packaging, electrical and electronic equipment, construction and demolition materials). **The funding will be allocated to the first commercial installation investments, pilot and demonstration installations, the deployment of new technologies in existing processes, and digital solutions that promote reuse and recycling (excluding online sales and investments in distribution channels).**

The supplementary funding call is intended for projects that are necessary to achieve the goals of the Recovery and Resilience Facility (RRF) and the Sustainable Growth Program for Finland. As a rule, the projects should be immediately implementable.

## 2. Purpose and scope of the funding call

The funding call is targeted at pioneering companies that make industrial investments in the reuse of side streams/materials and recycling of waste streams, or build piloting and demonstration plants in Finland.

Summary of funding call principles:

Who can apply?	What will be funded?	Funding
<ul style="list-style-type: none"> <li>• Companies registered in Finland.</li> <li>• The company must have the financial capability to cover the self-financing share of the investment and for continuous financial business activities.</li> <li>• For <b>investment, pilot, or demonstration projects in Finland</b> that increase the reuse of side streams/materials and the recycling of waste streams with solutions that go beyond current technical development and/or the EU's standards.</li> </ul>	<ul style="list-style-type: none"> <li>• The aim is to increase the reuse of side streams and various materials and the recycling of waste streams in various value chains.</li> <li>• For <b>investment, pilot, or demonstration projects</b> related to the reuse of bioeconomy side streams and recycling of waste streams</li> <li>• <b>Investment, pilot, or demonstration projects</b> related to the reuse of other industrial side streams/materials and recycling of waste streams</li> <li>• Funding may be provided for:             <ul style="list-style-type: none"> <li>• Industrial recycling and reuse solutions</li> <li>• Solutions that improve the bioeconomy and circular economy of ecosystems</li> <li>• Digital solutions that improve and increase waste recycling (not for online sales or investments in distribution channels)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• You can apply for <b>investment support</b> when introducing the funded entity in your commercial production. Maximum aid levels:             <ul style="list-style-type: none"> <li>• SMEs: 45%*</li> <li>• Large companies, including Midcap: 35%*</li> </ul> </li> <li>• The investment support (at most EUR 15 million/project) is primarily provided for the recovery of waste or side streams, and it fulfills the criteria of Article 36 and/or Article 47 of the General Block Exemption Regulation and the RRF criteria.</li> <li>• <b>Piloting and demonstration projects</b> can be funded through R&amp;D funding, in exceptional situations also using aid. The level of support is 25%, regardless of the company size.</li> <li>• R&amp;D and investment projects require a separate application.</li> </ul>

**\* Note: Investment support is only granted for additional investment costs (i.e., those that bring novelty value) arising from solutions that exceed the EU's standards or the sector's technological development level.**

The funding of investment, piloting, and demonstration projects for recycling and reuse meets the goals of the Recovery and Resilience Facility (RRF) and the Sustainable Growth Program for Finland. The projects will accelerate **the reuse and recycling of key materials and industrial side streams.**

The funding will be channeled and tendered through this funding call, using the Government Decree (1197/2020) that entered into force at the beginning of 2021, based on which Business Finland can grant aid for investment projects that advance the circular economy and green growth. The support requires that investments lead to better or more effective recycling or reuse activities than conventional reuse and recycling processes of a similar capacity. Investments must represent the latest technology in the sector. **All funded recycling and reuse projects must make at least 50% of the weight of the waste or side stream available as secondary raw material, either for the original purpose or for other purposes, in order to meet the climate and environmental criteria set by the EU for RRF funding. Reuse as energy or reprocessing into materials used as fuels or for site formation is not considered recycling. You can illustrate this in the project plan by means of a mass balance, for example.**

The most important goal of investments promoting the added value of side streams in the bioeconomy and circular economy, or pilot and demonstration projects, is to create more sustainable bio-based circular economy solutions to replace oil-based and other resource-intensive products. End products with high value-added can be, for example, pharmaceuticals, cosmetics, building materials, interior decoration products, packaging, and plastic substitutes.

The funding does not burden the de minimis aid for companies or the Commission's temporary support program.

The criteria related to the Sustainable Growth Program for Finland are described in section 3.3. The funding provided for investment projects is described in more detail in Section 3.1. and demonstration funding is described in more detail in section 3.2.

### 3. Funding principles and selection criteria

#### 3.1. Funding for recycling and reuse investment projects

Circular economy investment support is intended for investment projects that promote the circular economy and sustainable green growth. Funding is granted on the basis of Government decree 1197/2020. The aid can be granted for investments of companies that operate in Finland and invest in new operating and production methods for green growth. Investments eligible for funding under this call will increase the recycling and reuse of side streams/waste through solutions that, depending on the project, either go beyond the EU's standards for environmental protection and/or beyond the current state of the sector's technological development. The assessment depends on whether the solution concerns a side stream/waste produced by the applicant itself or a side stream/waste produced by other operators. The first project type is subject to<sup>1</sup> Article 36 of the GBER and the second type to Article 47 of the GBER.

Funding can be applied for in the form of investment support if the application to be funded is used in commercial production and the applicant is the user of the investment. If the application to be funded is used in R&D activities after the project, for example, the project is not eligible for funding using investment support. More information about the selection of project types is presented in Section 3.4.

In investment projects, additional investment costs arising from solutions exceeding the EU's standards or the sector's technological development level are only eligible for support. Maximum support levels for **additional** investment costs **eligible for support**:

- SMEs: 45%
- Large companies (including midcap): 35%

Costs eligible for support will be determined, if required, by comparing the costs of the proposed investment with the costs of an alternative solution at the level of the EU's standards or the sector's general development level, unless the additional costs eligible for support can be identified separate from total investment costs.

Individual aid granted can be at most EUR 15 million for a single company and project.

- Funding will be paid to cover the realized costs of an investment project on the basis of interim and final reports and accounts.
- No advance will be paid.

The general funding terms and conditions of Business Finland's investment support for the circular economy apply to funding granted for investment projects.

[https://www.businessfinland.fi/4907d9/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/kiertotalouden\\_investointiavustuksen\\_ehdot.pdf](https://www.businessfinland.fi/4907d9/globalassets/finnish-customers/01-funding/08-guidelines--terms/funding-terms/kiertotalouden_investointiavustuksen_ehdot.pdf)

##### 3.1.1. Acceptable costs in investment projects

The content and goals of the project determine what project costs can be accepted. Costs can be accepted starting from the day on which an application was submitted to Business Finland.

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<sup>1</sup>The Commission Regulation that declares certain categories of funding compatible with the internal market in accordance with Articles 107 and 108 of the Treaty (EU) No 651/2014 (OJ L 187 of 26.06.2014, p. 1)

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Funding can be used for work carried out during the project due to:

- the procurement and installation of machinery or equipment
- the procurement of intangible rights
- the procurement of the materials or supplies required in the construction, repair or expansion of a building, construction or structure, the procurement or design of equipment connected fixedly to them, or salaries paid for work
- the design or construction of data or other similar networks, the procurement of equipment, or the procurement of the access rights required to build or use networks
- the commissioning of the investment, or training provided for the operating personnel required

Only the costs arising from the commissioning of the investment are eligible for the investment support, not the costs arising during the use of the investment.

**FUNDING CANNOT BE USED FOR THE FOLLOWING:**

- investments started before submitting an application
- costs arising from the design of the investment and the preparation of an application before submitting the application
- investments that do not improve the level of environmental protection (compared to the EU's standards, if any) or do not exceed the sector's technological development level
- investments that are carried out to ensure that the company complies with the EU's approved standards or standards that have not yet entered into force (exceptions include the procurement/retrofitting of transportation equipment if it was procured before the standards entered into force)
- side stream/waste utilization measures other than reuse or recycling
- investments that only increase demand for recycled materials, without also increasing the collection of materials
- mandatory business costs obligated by the EU law or regular business costs

Costs can be accepted for a product over a period, during which the equipment and services in question are used in the project, insofar as they are directly associated with the investment project. Eligible costs include:

- Salaries and wages
- Indirect personnel costs
- External purchased services
- Materials and supplies
- Equipment purchases

Any costs arising from the auditor's report to be submitted with the final project report can also be accepted as purchased services. Only reasonable costs necessary for the project are acceptable. If the beneficiary is liable to pay VAT, VAT related to costs is not included in acceptable costs.

If an investment project is funded by means of leasing, a part-payment or similar, costs equaling the purchase price of a procurement can be accepted at a maximum. Direct leasing costs will not be accepted; instead, assets must transfer to the beneficiary after the financial leasing period.

Acceptable costs do not include the beneficiary's overheads or travel expenses, sales and marketing costs, costs arising from regular activities, banking and financing costs, or costs resulting from the preparation of agreements.

Funding will be paid to cover the realized costs of an investment project on the basis of interim and final reports and accounts.

If, during the project or immediately after it has ended, the beneficiary receives income obtained through costs reported to Business Finland, it must report such income to the funder no later than in the final report. Such income may be generated when the investment is deployed, for example. If such income is substantial, the funder has the right not to accept the costs allocated to commercial activities or deduct the income from the costs.

### 3.2. R&D funding for piloting and demonstration projects

Business Finland's R&D funding can be used for piloting the functioning of an innovative solution with customers on a sufficiently large scale and for receiving feedback for development activities. Piloting may include:

- Testing an innovative product, production method, process or technology at a production plant, for example.
- Developing and testing an innovative operating model or system in its actual operating environment, e.g. in the operations of customer companies.
- Developing an innovative service and ensuring its effectiveness in the customer's operating environment and processes.

In this "**Recycling and reuse investments**" funding call, piloting and demonstration projects, as well as the research and development activities possibly required for them, may exceptionally be funded in the form of a grant. The amount of aid can be up to 25% of the project's total costs, regardless of the size of the company. Alternatively, Business Finland's normal [piloting loan](#) may be applied for piloting and demonstration projects in place of this grant, the amount of the loan typically being 50% of the project's total costs.

The maximum amount of funding granted is EUR 15 million per company and project, provided that more than half of the project's costs eligible for the funding arise from activities belonging in the category of experimental development.

- The funding will be paid to cover the realized costs of a piloting or demonstration project on the basis of interim and final reports and accounts.
- No advance will be paid.

More information about the selection of project types is presented in Section 3.4.

Business Finland assesses the projects to be funded in accordance with its regular funding criteria: <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/>

Business Finland's general funding terms and conditions of companies' research and development projects apply to funding granted for piloting and demonstration projects.

[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)

#### 3.2.1 Acceptable costs in piloting and demonstration projects

The content and goals of the project determine which project costs are eligible. Costs can be accepted starting from the day on which an application was submitted to Business Finland.

In piloting and demonstration projects, acceptable cost types include:

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- Salaries and wages
- Indirect personnel costs (at most 50% of salaries and wages allocated to the project)
- Overheads
  - 1–19 people: 20 %
  - 20–49 people: 30 %
  - 50 people or more: 50%
- Travel expenses
- Costs of materials and supplies
- Equipment purchases
- Equipment removals/rentals
- Purchased services

Costs of piloting and demonstration projects may include

- Facility design costs
- costs of R&D activities related to the piloting or demonstration project
- Costs of materials and supplies
- removals or rentals of land, buildings and machinery and equipment during the project
- Operating costs during piloting
- Productization services

In piloting and demonstration projects, operating costs during piloting can be accepted during the period required to indicate the effectiveness of the results of R&D activities.

In piloting and demonstration projects of large companies (excluding midcap companies), at least 15% of project costs must be used to purchase services from SMEs or research organizations, or the project must be carried out as a truly joint project with SMEs and research groups.

If, during the project or immediately after it has ended, the beneficiary receives income obtained through costs reported to Business Finland, it must report such income to the funder no later than in the final report. Income may be generated by the sale of a pilot or demonstration solution or the results of production testing, for example. If such income is substantial, the funder has the right not to accept the costs allocated to commercial activities or deduct the income from the costs.

### **3.3. Special criteria 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. In order to ensure that the measure complies with the technical guidelines on the “Do No Significant Harm” principle (2021/C58/01), the following activities are excluded from the eligibility criteria of future funding calls: (i) activities relating to fossil fuels, including downstream use<sup>2</sup>; (ii) activities under the EU’s emissions trading system with projected greenhouse gas emissions that do not fall below the relevant benchmarks<sup>3</sup> and do not significantly reduce greenhouse gas emissions; (iii) activities

<sup>2</sup> Except for natural gas projects under this measure concerning the production of electricity and/or heat and the related transmission and distribution infrastructure, which fulfill the conditions set out in Annex III to the Technical Guidelines on the “Do No Significant Harm” principle (2021/C58/01).

<sup>3</sup> Where the supported activity achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmark values, an explanation of the reasons why this is not possible must be provided. Benchmark values set for the cost-free allocation of emission rights to activities falling within the scope of application of the emissions trading system in accordance with Commission Implementing Regulation (EU) 2021/447.



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concerning landfills, incineration<sup>4</sup> and mechanical biological treatment of waste;<sup>5</sup> and (iv) activities in which long-term waste disposal may damage the environment. The task description also requires that only activities that comply with relevant EU and national environmental legislation are eligible for funding.

The projects must comply with the EU and national environmental legislation. The projects to be funded from the RRF program must fulfill the selection and eligibility criteria set out in DNSH technical guidance 2021/C58/01 and the criteria set for the fulfillment of the 100% climate change objective presented in intervention field 045a/045bis in Annex VI to Regulation (EU) 2021/241 on establishing the Recovery and Resilience Facility.

The DNSH criteria are presented in Appendix 1.

Investment P1C2I3 (reuse and recycling of central materials and industrial side streams) described in the Sustainable Growth Program for Finland is within the scope of support in accordance with the efficiency criteria concerning the use of recycled materials as raw materials (045a/045bis), contributing fully to both the climate target (DNSH point (a) Climate change mitigation) and the environmental target (DNSH point (d) Circular economy). The investments to be funded must enable the utilization of the waste flow or side stream in question as new raw material by at least 50% with regard to weight so as to fulfill the EU's climate and environmental criteria set for funding.

Projects funded through the RRF must be completed at the latest on December 31, 2025. The investment must be technically completed and available for deployment at the end of the project.

The Money Laundering Act and the EU's money laundering directives require a company or entity to identify its beneficial owners, to report their information for registration and to keep the information up to date. Pursuant to the RRF Regulation (Regulation (EU) 2021/241 of the European Parliament and of the Council, Article 22), Business Finland is required to collect the following information about the beneficial owner(s) of the final recipient: first name(s), surname, and date of birth. The funding is conditional on the applicant having provided the Finnish Patent and Registration Office with information on the actual beneficiaries of the company.

### 3.4. Instructions for selecting the project type

If the customer's project scope includes separate components related to both investments (3.1) and to piloting and demonstrations (3.2), you must submit separate funding applications for both. Through the funding call, the development of a single solution cannot be funded in the form of a piloting and demonstration project and an investment project. Instead, either a piloting and demonstration project or an investment project must be selected, depending on the solution's development rate and purpose.

Investment support (3.1) is intended for the procurement of new solutions used in commercial production. A piloting project covers R&D activities carried out on a smaller non-production scale, with the piloting plant not being intended for commercial production. A demonstration project covers R&D activities carried out in an actual operating environment, in which the effectiveness of a process/method is tested, and the testing cannot

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<sup>4</sup> This exclusion does not apply to activities under this measure in installations exclusively intended for the treatment of hazardous waste not suitable for recycling or in existing installations where activities under this measure aim at increasing energy efficiency, recovering gases for storage or use or recovering materials from incineration ash, provided that such activities under this measure do not lead to an increase in the installation's waste treatment capacity or to a prolongation of the installation's useful life; evidence of this shall be provided on an installation-specific basis.

<sup>5</sup> This exclusion does not apply to activities under this measure in existing mechanical biological treatment plants if the activities under this measure are aimed at improving energy efficiency or modernizing the recycling of separated waste for composting and the anaerobic digestion of bio-waste, provided that such activities under this measure do not lead to an increase in the installation's waste treatment capacity or to a prolongation of the installation's useful life; evidence of this shall be provided on an installation-specific basis.



typically be carried out on a smaller scale. In a demonstration project, the risks of success are always significantly higher than in an investment project, because the effectiveness of the process/method has never before been tested at a sufficiently large scale, and there is, therefore, no certainty over its effectiveness. The content of piloting and demonstration projects must be similar to R&D activities and, in these projects, the beneficiary always bears the risk of the effectiveness of the solution.

- Examples include 1: Company A is developing a solution and aims to sell it to others. For testing the solution, company A builds a small-scale piloting plant. This is company A's piloting project (R&D). After the project, the piloting plant may remain with company A for R&D and presentation activities, or it may be sold\* if it proves to be effective.
- Examples include 2: Company A is developing a solution and aims to sell it to others. Company B is interested in providing its production process for company A's development activities so that company A can test the effectiveness of its solution. This is company A's demonstration project (R&D). Company B may purchase\* the demonstrated solution after its effectiveness has been proven. Company A bears the risk of developing the solution and proving its effectiveness.
- Examples include 3: Company A has been developing a solution and aims to sell it to others. Development has already proceeded so far that company B is willing to purchase the solution. This is company B's investment project.
- Examples include 4: Company C is independently developing a solution, which it will also introduce in its production process. This is company C's demonstration project (R&D) if the project involves a clear risk of failure and includes work similar to R&D activities. If development risks are small and it is fairly probable that the solution works, this is company C's investment project.

\* If, during the project or immediately after it, the beneficiary receives income obtained through costs reported to Business Finland, it must report such income to the funder no later than in the final report. Income may be generated by the sale of a pilot or demonstration solution or the results of production testing, for example. If such income is substantial, the funder has the right not to accept the costs allocated to commercial activities or deduct the income from the costs.

### 3.5. General selection criteria

Funding cannot be granted in the following situations:

- The company is not registered in the prepayment register.
- The company has a tax liability, for which no valid payment plan exists.
- The company has significant payment defaults.
- The company has debts in enforcement proceedings, for which no valid payment plan exists.
- The company has remaining obligations related to previous Tekes/Business Finland loans.
- The company is unable to conduct continuous and profitable business.
- The company meets the definition of a company facing difficulties.  
As an exception, however, funding can be granted to companies that were not in difficulty on December 31, 2019 but faced difficulties between January 1, 2020 and June 30, 2021.
- The company operates in primary agricultural production, fishing, or aquaculture. **Exception:** companies engaged in the further processing and sale of fish and aquaculture products are eligible for R&D funding (pilot and demonstration projects) but not for circular economy investment support. Companies engaged in the processing and sale of agricultural products, in turn, are eligible for both R&D funding and circular economy investment support.

Granting the investment support is not appropriate if aid can already be obtained from another support program. Funding can only be granted for companies that operate in Mainland Finland.

Funding from Business Finland is always discretionary. The funding decision will be made in accordance with the selection criteria defined in the funding call and Business Finland's normal funding criteria.

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Business Finland will consider the project's impact on business, exports, RDI increases in Finland, networks, and the green transition, the added value provided by funding from Business Finland, and its other impacts. Business Finland will assess the credibility and feasibility of the information provided by the applicants. In assessing the applications, Business Finland may also use information other than that provided by the applicants, in addition to its views on the feasibility and time horizon of the information, any risks involved and other aspects related to the desired impact.

In particular, aspects that affect the assessment include the following:

- level of preparedness to implement the project within the given time frame (by December 31, 2025)
- overall financing and environmental permit in order
- new turnover generated by the project
- the novelty value of the solution proposed in the project
- the impact of the project on the promotion of circular economy in Finland (local, national or international impact)

### 3.6. Other public funding

During reporting, other public funding (granted by the Government, municipality or other public organization, institution or foundation) must also be reported. In addition, funding granted from the EU's resources must be reported. The proportion of funding obtained from Business Finland or other public funding must not exceed the maximum amount of public funding permitted for the project. If necessary, Business Finland will reduce its funding so that the maximum amount is not exceeded.

## 4. Applying for funding

The funding application must be submitted in Business Finland's online service. **Funding for piloting and demonstration projects must be applied for using *the research, development and piloting application*. Funding for investment projects must be applied for using the application for *investment support for the circular economy*.** In the application, under RRF – Sustainable Growth Program for Finland, select the application code **RRF – Recycling and reuse investments**.

All applications are confidential. Attach to the application a project plan and a public description of the project, and answer to the questions related to the DNSH (Do No Significant Harm) assessment concerning the RRF funding criteria.

After the funding decision has been made, the name of the beneficiary will be published, along with the amount of funding and the public description of the project.

### 4.1. Applying for investment support

In your application for the [circular economy investment support](#), you must describe the recycling or reuse solution that exceeds the environmental protection standards or the level of technological development in the sector. The description must indicate what EU standards the investment exceeds and present a solution of a similar capacity in line with the EU's standards **or** the sector's technological development level. Instructions: If you are applying for funding for an investment that goes beyond the EU's environmental protection standards (Article 36 of the General Block Exemption Regulation), describe how the investment will be more efficient or better than the environmental protection solutions in line with the EU's standards (please also indicate which standard you are referring to). Alternatively, if you are applying for investment support for the recycling or reuse of waste produced by other operators (Article 47 of the General Block Exemption Regulation), describe how the planned recycling solution will exceed the current technological level. State if the solution is already in use somewhere and describe it. Justify your application carefully.

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Attach a description of the project's circular economy, climate, innovation and environmental impacts with the application. In addition, describe what would you do in a situation in which no funding is granted. Also describe what impact the investment has on the investor's business and the number of jobs, and what indirect impact the investment may have on the business activities of others.

The mandatory [project plan](#) to be attached to the funding application must present benchmarking calculations of the costs of the investment in question and a similar investment for determining the proportion eligible for support, unless the costs of an additional proportion eligible for support can be identified separate from the total investment. Please note that depending on the type of the investment (see above), the funding may only be directed at the part exceeding the level of technological development or environmental protection, in which case the support may not necessarily be directed at the entire investment.

In the project plan, you must also present a profitability calculation for the investment in question (with and without support) and, if required, for a comparable investment in line with the EU's standards or the sector's technological development level (depending on the type of investment, see above).

In addition, it is recommended to include a mass balance or other calculation of waste or side stream utilization in the project plan in order to demonstrate that at least 50% of the weight is utilized as secondary raw material.

The project plan must also describe what kind of environmental procedures may be required for the implementation of the project (e.g., environmental or water permit, EIA, Natura assessment, derogation in accordance with the Nature Conservation Act) and the scheduling of these processes. Business Finland needs to cooperate and exchange information on the content and timetables of the applications concerning environmental and other permit processes with the authority responsible for permit advice and supervision (the ELY Centres) pursuant to Section 10 of the Act on the Customer Data System for Business Services (293/2017). If you give your consent for exchanging information with the Regional State Administrative Agency (AVI) responsible for the permit, please include the following text in the Free-form cover note in the application form:

"We give our consent to Business Finland to exchange information related to the application and its processing with the Regional State Administrative Agency (AVI). The consent given above does not apply to the information marked as 'CONFIDENTIAL INFORMATION'." in the application or its accompanying documents.

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

SMEs must also submit the following financial information with the application:

- An income statement dating back no more than two months
- A balance sheet for the current financial period from the accounting ledger
- The most recent financial statements
- Documents related to the overall financing of the investment

For making its decision, Business Finland may also request other additional information as required.

#### **4.2. Applying for funding for piloting and demonstration projects**

In your application, describe the current state of your company's business activities, your personnel and resources, your future growth vision, the work to be carried out during the project, and your project's goals and costs.

A project plan must be attached with the application. The project plan must also describe what kind of environmental procedures may be required for the implementation of the project (e.g., environmental or water permit, EIA, Natura assessment, derogation in accordance with the Nature Conservation Act) and the scheduling of these processes.

For making its decision, Business Finland may also request other additional information as required.

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5/10/2023**5. Application schedule**

1. The application text will be published on June 8, 2023.
2. Applicants are advised to contact Business Finland well before submitting their application.
3. **The funding call ends on September 27, 2023.**

More information:

Tuomas Lehtinen (bioeconomy and circular economy), from June 9 to July 7 and from August 7

Ilmari Absetz (bioeconomy and circular economy), from August 7

Maarit Kokko (battery industry), from June 12 to June 21 and from July 24

Kati Oikarinen (funding guidance, investment support for the circular economy), from June 9 to June 21 and from July 24

Leena Lehtinen (funding guidance, pilots and demos, investment support), from June 19 to June 22 and from July 31

Miro Aaltonen (funding guidance, pilots and demos, investment support), from June 9 to June 22 and, July 10 to July 14 and from August 7

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## APPENDIX I: 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 should cause 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.*

Instructions for responding to DNSH questions and example responses are available in:

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0218\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021XC0218(01)&from=EN)

The extensive DNSH pre-assessments prepared during the preparation of the Sustainable Growth Program for Finland are available in Appendix 3 to the Sustainable Growth Program for Finland (<https://julkaisut.valtioneuvosto.fi/handle/10024/163176>) (especially the chapter on investments that promote the reuse and recycling of central materials and industrial side streams, pp. 443–445).