

# Evaluation of International R&D Collaboration Advice and Funding Provided by Business Finland

Final Report

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**The  
Evidence  
Network**



Provided under contract to Business Finland

By

The Evidence Network Inc.

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## 1. Executive Summary

### 1.1. How has Business Finland Succeeded in its advisory role towards EU funding?

#### 1.1.1. Horizon 2020 (now Horizon Europe)

Through the EU Research and Innovation Programmes (EUTI) office and the NCP network it coordinates, innovators and researchers in Finland are being made aware of the opportunities available under Horizon 2020 (now Horizon Europe). The regular hosting and co-hosting of training and informational events, as well as the information made readily available through the Business Finland website and social media channels has provided Finland's innovation ecosystem with a tacit awareness of Horizon 2020 (now Horizon Europe). Companies not only report being made aware of the programme through these efforts, but also being better prepared to submit a successful application.

#### 1.1.2. The Platforms

According to the evidence gathered, the platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs) are not well known in the Finnish innovation ecosystem. This is to be expected as limited resources are committed within Business Finland to raising awareness of the funding opportunities available through the platforms and marketing efforts are largely passive. The limited marketing efforts are coupled with the perception that the funding available through the platforms is difficult to obtain, and considerably more difficult to obtain than the funding available through Finland's national funding instruments. As a result, the platforms are underutilized as a tool to advance R&D in Finland.

### 1.2. What underlying factors affect application success?

Past application experience and success emerged from both the quantitative and qualitative data analysis as the key driver of application success. First time applicants are at a considerable disadvantage because they lack an understanding of, and appreciation for, the application rules and procedures. While this is true for all first-time applicants to any funding instrument, the disparity in the experiences of applying for Business Finland national funding instruments and the experience in applying to the platforms or Horizon 2020 (now Horizon Europe) exacerbates this situation in Finland. Critically, the process of applying for national funding is iterative, wherein the applicant is given a number of opportunities to revise and amend their proposal until it is suitable for submission. In contrast, once an application for either the platforms or Horizon 2020 (now Horizon Europe) is submitted no further adjustments are allowed. If the application fails to meet the threshold approval levels it fails to be funded. Interviewees noted that first-time Finnish applicants to the platforms typically lack an appreciation for the finality of these procedures. In contrast, the application training provided by the EUTI and the NCPs was identified by past participants in Horizon 2020 (now Horizon Europe) as being helpful in raising their awareness to the application procedures.

### 1.3. What has been the impact of Business Finland's international R&D collaboration funding?

#### 1.3.1. Networks Built

The platforms are found to play a significant role in facilitating connections for past project

participants. The impact assessment survey revealed that the platforms are having a positive impact in terms of enabling linkages for Finnish participants to international research and business collaborators. These relationships were further explored through a social network analysis, which demonstrated that the platforms play a critical role in both the identification of key collaborators for participants and the deepening of those relationships both domestically and abroad.

### 1.3.2. Added Value

In comparison to R&D funding awarded to individual entities, the collaborative nature of the international R&D collaboration funding made available through the platforms and Horizon 2020 (now Horizon Europe) adds considerable value for participants. The resounding response from interviewees, which is also reflected in the impact assessment survey findings, is that the value of the connections made through participating in collaborative projects goes well beyond the sum of the funding provided. Participants report that these connections open up supply chains and offer critical market insight in target markets. With the exception of the research-focused ERA-NETs, the platforms are attributed with positive impact in terms of increasing participant's annual revenues, export revenues, and R&D related employment.

### 1.4. Are there signs that national funding would crowd out the funding available through the platforms and Horizon 2020 (now Horizon Europe)?

The evidence gathered reveals that the ease of access to national R&D funding in Finland often acts as a barrier to participation in the more complicated and administratively burdensome international R&D collaboration projects made available through the platforms and Horizon 2020 (now Horizon Europe). The high level of support provided by Business Finland and the iterative application process used for the national funding makes it more attractive. This is compounded by the lack of awareness about the platforms in the client-facing elements of Business Finland, which results in account leads and business coaches recommending national funding instruments more frequently than EU-level funding.

### 1.5. How does the organization and delivery of the services compare to the international benchmark countries and how could it be improved?

Due to the mandated NCP network structure for Horizon 2020 (now Horizon Europe), the approach to the organization and delivery of the services pertaining to the framework programmes are largely consistent across Austria, Sweden, and Finland. For the platforms however, the approaches taken in both Austria and Sweden are decidedly less centralized than in Finland. In both of the benchmarking countries, efforts are made to actively share information about the platforms through all available channels (e.g., social media, newsletters, via regional support organizations, etc.) to potential applicants as well as client facing personnel. Putting the expertise held by platform managers within Business Finland into the hands of client facing account leads and business coaches would offer considerable improvements in terms of increasing interest in the programmes.

## 2. Introduction & Study Objectives

Finland is known the world-over as having a strong knowledge economy. The considerable domestic investments made to support and encourage research and development (R&D) in Finland have led to the country being considered an innovation leader within the European Union (EU).<sup>1</sup>

In order for innovative Finnish companies to survive and thrive, it is increasingly important that they find pathways for their innovations into international markets. To this end, Finland offers a wide variety of domestically funded support programmes and services designed to support Finnish companies in their efforts to expand internationally, such as the Team Finland Growth Programmes, the Global Access Programme, the Young Innovative Company programme, regional supports made available through the Centres for Economic Development, Transport, and the Environment (ELY Centres), and facilitated access to international accelerator programs, among others.

In addition to this array of domestic supports, as an EU-Member State, Finland also participates in a number of EU-level and inter-governmental (e.g., Eureka) platforms and programmes designed to increase access to international markets within and beyond the EU, facilitate collaborations amongst participating companies, bolster key industries, and contribute to the overall market success of participating companies. A subset of these EU-level and inter-governmental initiatives are those with a specific emphasis on facilitating international collaborations for the purposes of R&D advancement, which are the focus of this evaluation. These include the latest iterations of the broader EU Framework Programme, Horizon 2020 and its successor Horizon Europe, as well as the following platforms:

- the Eurostars Programme,
- the Ecsel Joint Undertaking,
- the European Research Area Networks (ERA-NETs), and
- the Eureka Clusters.

### 2.1. Objectives

The objective of this evaluation is to determine the effectiveness of Business Finland's efforts to provide advice to Finnish companies, universities, and research institutes in support of their efforts to collaborate internationally for the purposes of R&D advancement. The evaluation will:

- Analyse the degree to which Business Finland has succeeded in its role to increase awareness of, and facilitate access to, international R&D collaboration opportunities made available through the platforms, and Horizon 2020 (now Horizon Europe)
- Provide information on the factors that affect application success
- Report on the impact of participation in projects funded through the four platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters)
- Offer a comparison to both the Swedish and Austrian approaches to facilitating access to international R&D collaboration opportunities, as well as
- Identify and recommend actions to improve participation and success rates of Finnish applicants in their pursuit of international R&D collaboration opportunities.

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<sup>1</sup> <https://ec.europa.eu/docsroom/documents/46013/attachments/1/translations/en/renditions/native>

### 3. Approach & Methodology

#### 3.1. Approach

To assess the effectiveness of Business Finland’s efforts to assist clients in the pursuit of international R&D collaboration opportunities, two layers of impact must be considered:

- 1) the impact of Business Finland on companies’, universities’, and research institutes’ awareness of, and access to, international R&D collaboration opportunities made available through the platforms and Horizon 2020 (now Horizon Europe)
- 2) the impact of the participation in projects funded through the platforms and Horizon 2020 (now Horizon Europe) in terms of network expansion, knowledge translation, and improved market performance.

Figure 1 depicts the relationship between the two layers of impact. Considering both layers of impact for the purposes of this assessment enables the impacts attributable to Business Finland to be distinguished from those attributable to the platforms and Horizon 2020 (now Horizon Europe).<sup>2</sup>

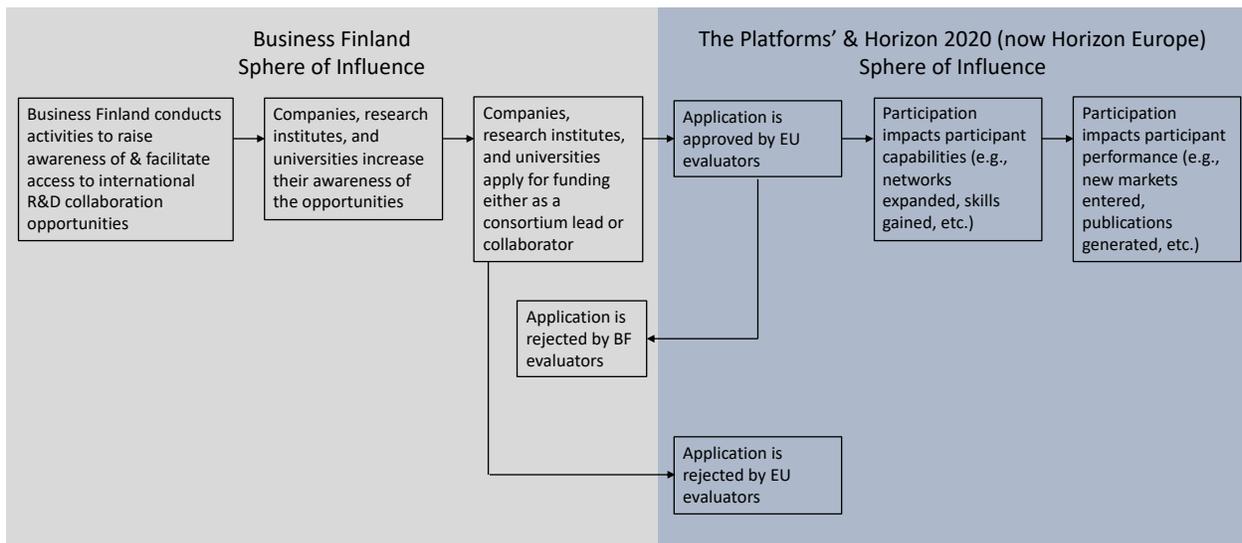


Figure 1. Pathways to Impact

#### 3.2. Methodologies

The study combines multiple methods to analyse the efforts of Business Finland and the added value of participating in the international R&D opportunities made available through the platforms and Horizon 2020 (now Horizon Europe). The evaluation progressed from analysis of internal Business Finland documentation and documentation about the various platforms and programmes under consideration, to internal interviews conducted with Business Finland staff, external stakeholder interviews, benchmarking interviews, survey research, and quantitative

<sup>2</sup> Horizon 2020 (now Horizon Europe) participants were excluded from the surveying element of the evaluation, and subsequent impact analyses, as applications submitted under those programmes are not submitted directly to Business Finland.

analysis. The evaluation findings were presented to the Steering Group for validation, and then the report was finalized. The main methods and data sources are the following:

- **Literature study & document review** – internal Business Finland documents, previous evaluations of the platforms and other grey literature for context; specific information and guidance notes made available by the Eureka Secretariat and the European Commission
- **Internal interviews** – semi-structured interviews conducted with Business Finland personnel for context, institutional overview, process flows, client journey mapping
- **External interviews** – semi-structured interviews conducted with Business Finland stakeholders for context, the role of Business Finland, and the role of the platforms and Horizon 2020 (now Horizon Europe) in the Finnish innovation ecosystem
- **Company interviews** – semi-structured interviews conducted with Finnish companies
- **International benchmarking interviews** – semi-structured interviews conducted with representatives of Business Finland contemporaries from Sweden (Vinnova) and Austria (FFG) for the purposes of identifying best practices
- **Survey** – harvesting activities, outcomes, and impacts from past participants in the Eurostars Programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters.<sup>3,4</sup>
- **Quantitative and statistical analysis** – applicant data, survey, company performance data, for results, outcomes
- **Network analysis** – mapped relationship among the participants and their collaborators as a result of the four platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters)
- **Domestic Benchmarking** – comparison of the impacts of the platforms to domestic Finnish program impacts on select metrics

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<sup>3</sup> A total of three survey respondents indicated that they had most intensively participated in the Eureka Networks and were surveyed about their experiences with that platform. Where it is not otherwise stipulated, the results for these respondents are combined with the results for the Eureka Clusters.

<sup>4</sup> Horizon 2020 (now Horizon Europe) participants were excluded from the surveying element of the evaluation, and subsequent impact analyses, as applications submitted under those programmes are not tracked domestically by Business Finland.

## 4. Platforms and Programmes Offering International R&D Collaboration Opportunities

### 4.1. Overview

Finland offers an extensive slate of national programs to support the R&D and internationalization efforts of Finnish innovators. In addition to these national efforts, the European Union (EU) and inter-governmental organizations such as the Eureka Secretariat also offer international R&D collaboration opportunities, funded through various platforms and programmes, which are intended to support both the advancement of research and the development of networks among innovators from across the EU. The ultimate objective of these funding opportunities is to ensure that European research and innovations remain competitive and continue to drive economic growth for the countries of the EU.

Business Finland, in its capacity as the EU Research and Innovation Programmes (EUTI) office, operates as the official liaison for the EU Framework Programmes for Research and Technological Development (EU Framework Programmes) in Finland. Additionally, the organization liaises with both the European Commission and the Eureka Secretariat to support the delivery of other EU and inter-governmental platforms. This positions Business Finland as the natural authority for EU-level R&D related programmes and platforms within the Finnish innovation ecosystem. As a result, Business Finland is responsible for raising awareness of, and facilitating access to, these funding opportunities.

Though this function can take on many forms, it most frequently occurs through the provision of online or in-person training and information sessions, workshops, or networking events or via one-on-one advisory sessions between Business Finland personnel and clients seeking to conduct R&D and expand their international networks.

For the purposes of this assignment, the platforms evaluated are the Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters. The past Horizon 2020 and the current Horizon Europe programmes are also touched upon in an exploration of the advisory services provided by Business Finland personnel. In the following sub-sections, the platforms and programmes are described in more detail.

#### 4.1.1. Horizon 2020 and Horizon Europe

Horizon 2020 and Horizon Europe are the two most recent iterations of the EU Framework Programmes for Research and Technological Development (EU Framework Programmes). The EU Framework Programmes began in 1984 and were designed to encourage collaborative research across Europe. Initially, each of the programmes spanned a five-year period, though with the start of Framework Programme 7 in 2007 this shifted to a seven-year cycle. Horizon 2020 ran from 2014-2020 and was recently replaced by Horizon Europe, which will run from 2021-2027.

Horizon 2020 consisted of three main research areas, referred to as pillars. Pillar 1, Excellent Science, aimed to reinforce and extend the EU's science base through the provision of funding to individual researchers, supporting collaborative research, facilitating the cross-border and cross-sector mobility of researchers, and enhancing research infrastructure. Pillar 2, Industrial Leadership, aimed to speed up the development of technologies and innovations, as well as the growth of European small and medium enterprises (SMEs). Pillar 3, Societal Challenges, supported research that sought to address major societal concerns across seven themes, such

as food security, climate action, and societal inclusion.

The budget for Horizon 2020 was EUR 80 billion, of which EUR 1.52 billion or 1.9% of the total budget was captured by Finnish applicants. Approximately 19% of the Horizon funding allocated to Finland was secured by Finnish SMEs for a total of EUR 280.7 million over the seven-year period.<sup>5</sup> The Horizon 2020 budget was allocated on the basis of competitive calls that were administered centrally by the European Commission. The proposals submitted in response to these calls by individuals, organizations, or consortia were evaluated by independent experts, with the aim of providing a response within eight months. In Finland, the participation success rate (number of participations in funded projects vs. number of participations in applications) is 14.21%, as compared to the EU average of 15.28%.<sup>6</sup> Retaining much of the structure of Horizon 2020, Horizon Europe (2021-2027) has a budget of EUR 95.5 billion.

To ensure that the initiatives previously funded through Horizon 2020, and now funded through Horizon Europe, are known and accessible to potential participants, each participating country is required to establish a network of National Contact Points (NCPs). There is a separate NCP for each section, theme, and challenge available under Horizon 2020 (now Horizon Europe). Each NCP is expected to be an expert in the objectives, principles, and content of the program for which they are the specialist, while also having a working knowledge of the other aspects of the Horizon 2020 (now Horizon Europe) programming. For their specific section, theme, or challenge, the NCP circulates information, organizes information sessions, offers assistance to applicants, assists with partner search, and explains administrative procedures. Additionally, the NCPs are expected to offer training about their specific section, theme, or challenge to the intermediaries and other information multipliers within the innovation ecosystem in their country. In Finland, the NCPs are drawn from both the Academy of Finland and Business Finland.

The network of NCPs is coordinated by the EU Research and Innovation Programmes (EUTI) office, the official liaison for the EU Framework Programmes for Research and Technological Development (EU Framework Programmes) in Finland. In addition to overseeing the NCP network, the EUTI provides information on the opportunities available through Horizon 2020 (now Horizon Europe), as well as instructing potential participants on the application processes and requirements.

#### 4.1.2. Eurostars Programme

The Eurostars Programme was launched in 2007 and is one of the largest international funding programmes for SMEs wishing to collaborate on R&D projects to create innovative products, processes, or services for commercialisation.<sup>7</sup> The objective of the programme is to enable collaborations and increase access to international markets. The expectation of funded projects is that the resulting product, process, or service should be ready for market two years following the conclusion of the Eurostars project.

Funding for the programme is sourced from both the EU, which provides 25% of the funding (through an EU top-up mechanism under Pillar 2 of Horizon 2020<sup>8</sup>) and the national budgets of participating countries, which provide 75% of the funding. In Finland there is no stated total

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<sup>5</sup> <https://webgate.ec.europa.eu/dashboard/extensions/CountryProfile/CountryProfile.html?Country=Finland>

<sup>6</sup> Data provided by Business Finland, based on the European Commission application database dated 2.8.2021

<sup>7</sup> <https://www.eurekanetwork.org/countries/canada/eurostars/>

<sup>8</sup> <https://ec.europa.eu/programmes/horizon2020/h2020-section/innovation-smes>

budget for the Eurostars Programme.

The details of the Eurostars funding allocations differ greatly between participating countries, making the programme more or less attractive to potential applicants. Each application for the Eurostars Programme must be led by an SME and must involve participants from at least two countries. In addition to SMEs, the projects can involve universities, research institutes, and large corporations. Table 1 offers a brief overview of the Finnish approach, as well as the approach taken in Sweden and Austria.

Table 1. Eurostars Funding Approach by Country<sup>9</sup>

Type of Participant	Finland	Sweden	Austria
SME	<ul style="list-style-type: none"> <li>• 50% of project costs</li> <li>• No maximum</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of project costs</li> <li>• EUR 5M maximum</li> </ul>	<ul style="list-style-type: none"> <li>• 60% of project costs for small companies</li> <li>• 50% of project costs for medium companies</li> <li>• EUR 500K maximum</li> </ul>
Large corporation (< 300M)	<ul style="list-style-type: none"> <li>• 40% of project costs</li> <li>• No maximum</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of project costs</li> <li>• EUR 2M maximum with no Swedish SME</li> <li>• EUR 5M maximum with Swedish SME</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of project costs</li> <li>• EUR 500K maximum</li> </ul>
Large corporation (> 300M)	<ul style="list-style-type: none"> <li>• 40% of project costs</li> <li>• EUR 60K maximum</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of project costs</li> <li>• EUR 2M maximum with no Swedish SME</li> <li>• EUR 5M maximum with Swedish SME</li> </ul>	<ul style="list-style-type: none"> <li>• 30% of project costs</li> <li>• EUR 500K maximum</li> </ul>
Research Institute or University	<ul style="list-style-type: none"> <li>• 70% of project costs</li> <li>• EUR 70K maximum with 1 Finnish SME</li> <li>• EUR 140K maximum with 2 or more Finnish SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• 70% of project costs</li> <li>• EUR 2M maximum with no Swedish SME</li> <li>• EUR 5M maximum with Swedish SME</li> </ul>	<ul style="list-style-type: none"> <li>• 40% of project costs with no Austrian SME</li> <li>• 60% of project costs with Austrian SME</li> <li>• EUR 500K maximum</li> </ul>

Following an eligibility check to ensure that applications fulfill both the EU eligibility criteria as well as any criteria stipulated by the participating countries, applications to the programme are independently reviewed by three international expert evaluators. This evaluation process is implemented by the Eurostars/Eureka Secretariat on behalf of the participating countries and the EU (who pays for the evaluation service). In parallel with the evaluation performed by the three remote experts, the national funding bodies perform a 'Legal and Financial Viability Check' on project applicants from their countries to determine if each applicant is eligible to receive public funding and if they have the financial capacity to undertake their part in the project. In Finland, this check is performed by Business Finland. The overall application success rate for the Eurostars Programme is 28.9%. In Finland the 2021 application success rate was 21.7%.

<sup>9</sup> <https://www.eurekanetwork.org/countries/finland/eurostars/funding>

### 4.1.3. Ecsel Joint Undertaking

The Ecsel Joint Undertaking, which has recently transitioned to the Key Digital Technologies (KDT) Joint Undertaking, brings together participants from the public sector, industry, and academia in the interests of developing a globally competitive electronics components and systems industry in the EU.<sup>10</sup>

The platform is co-funded by the European Commission and the participating national funding bodies, and primarily supports large (over EUR 10 million) and close to market projects. In the event that the proposed projects require investment beyond the funds available through the Ecsel Joint Undertaking, the funds may be combined with those from other EU sources such as the European Structural Investment Funds.<sup>11</sup> This blending of funds allows for projects of a much larger scale than many of the other platforms. Since the start of the Ecsel Joint Undertaking in 2014, a total of 67 projects involving over 2,100 participants have received a total of EUR 1.6 billion.

In Finland, approximately EUR 7 million are committed annually to supporting Finnish involvement in the Ecsel Joint Undertaking.<sup>12</sup>

### 4.1.4. ERA-NETs

In March 2000 the EU endorsed the objective of creating the European Research Area (ERA) to foster better coordination of public research systems within the EU, encourage private-public partnerships, and enable the free exchange of researchers, knowledge, and technology. To further these objectives, the European Commission introduced the European Research Area Networks (ERA-NETs) in 2002 to encourage the creation of close, long-term links between national research programmes in their collective pursuit of shared goals. As such, the initial objective of the ERA-NETs was to support the establishment of networks in a bottom-up fashion where participants decided on the areas of interest.

Under EU Framework Programme 7 (2007-2013) the ERA-NETs shifted to a top-down strategy with the introduction of ERA-NET Plus. ERA-NET Plus offered no funding for the networking activities that had previously been core to the ERA-NETs under EU Framework Programme 6 (2002-2006), and instead focused only on the implementation of joint calls, which tended to favour well-established multinational consortia. ERA-NET Plus was co-funded by the EU and the national funding bodies in the participating countries. This arrangement allowed the European Commission to influence the themes addressed through the transnational research projects.

Under the most recently concluded framework programme, Horizon 2020 (2014-2020), the ERA-NETs once again shifted priority as the programme became the ERA-NET Co-fund. The core element of the ERA-NET Co-fund is still the implementation of one joint call with top-up funding from the European Commission, but under the newest iteration of the programme other joint activities may also be funded provided they contribute to improved coordination between the national research programmes.

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<sup>10</sup> [https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/ecsel\\_en](https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/ecsel_en)

<sup>11</sup> [https://www.ecsel.eu/sites/default/files/2020-02/ECSEL\\_Funding\\_actions\\_long\\_Report.pdf](https://www.ecsel.eu/sites/default/files/2020-02/ECSEL_Funding_actions_long_Report.pdf)

<sup>12</sup> <https://www.ecsel.eu/sites/default/files/2020-02/ECSEL%20JU%20Work%20Plan%202020%20%28v7%2014%2002%202020%29.pdf>

Business Finland is involved in facilitating Finnish involvement in 1) ERA-MIN, a network of 26 European and non-European research funding organisations focused on strengthening the non-fuel and non-food mineral raw materials community (e.g., metallic, construction, and industrial minerals), 2) M-ERA.NET, a network consisting of 29 EU member states and associated states as well as 6 non-European countries focused on addressing technologies and applications related to surfaces, coatings, composites, additive manufacturing, or integrated materials modelling, and 3) Smart Energy Systems ERA-NET, a network focused on developing technologies and solutions in thematic areas like smart power grids, regional and local energy systems, heating and cooling networks, digital energy, and smart services. To offer a sense of scale in comparison to the other platforms and programmes evaluated, Business Finland allocated EUR 1 million to the M-ERA.NET 2021 funding call.<sup>13</sup>

#### 4.1.5. Eureka Clusters

Orchestrated by the Eureka Secretariat, the Eureka Clusters platform is a long-term intergovernmental initiative to support strategically important thematic research, development, and innovation communities in close cooperation with national public authorities, to create economic strength and societal benefit for the countries involved. Involvement in the themed clusters is open to large companies, SMEs, universities, research institutes, and end users. The clusters are funded solely by the national funding made available by participating countries. There is no EU funding involved. In Finland there is no stated total budget for the Eureka Clusters.

The funding calls issued by the clusters take a flexible, bottom-up approach, wherein the applicants are not constrained by any particular call themes provided the proposed project aligns to the overall objectives of the cluster. The proposals may involve any number of co-applicants, although they must involve participants from at least two countries.

Though Finland participates in other clusters, the country is most actively involved in four of the Eureka clusters: 1) ITEA, which focuses on software innovation, 2) CELTIC-NEXT, which focuses on next generation telecommunications, 3) PENTA, which focuses on micro and nanoelectronics, and 4) EURIPIDES, which focuses on smart electronic systems. Penta and Euripides merged in 2021 into a new joint Eureka Cluster, branded as Xecs.

#### 4.2. Distribution of Funding Through the Platforms & Programmes

Comparing the funding allocated to projects through each of the four platforms (the Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters) and Horizon 2020, Figure 2 demonstrates the difference in scale between the various platforms and programmes.

Largest by far, a total of approximately EUR 200 million was distributed annually into the Finnish innovation ecosystem through Horizon 2020 over the programme's seven-year period, of which EUR 60 million was allocated annually to private sector companies in Finland. In contrast, applicants from across the Finnish innovation ecosystem have secured a total of approximately EUR 11.3 million per year through the Eureka clusters and networks, whereas applicants have secured approximately EUR 6.6 million in funding annually through the Ecsel Joint Undertaking. Operating at a considerably smaller scale, are the ERA-NETs and the Eurostars Programme.

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<sup>13</sup> <https://m-era.net/joint-calls/joint-call-2021/participating-countries-regions-call-2021>

Applicants have secured approximately EUR 3.3 million annually through the ERA-NETs facilitated by Business Finland, and approximately EUR 2.1 million annually through the Eurostars Programme. It should be noted that the ERA-NETs, the Ecsel Joint Undertaking, and the Eurostars Programme were funded, at least in part, under the Horizon 2020 umbrella. In contrast, the Eureka Clusters are funded entirely through national budgets.

To further explore the distribution of funding, the funding allocations were segmented by the type of recipient, company versus research entity, in Figure 2, and segmented by size of recipient in Figure 3.<sup>14</sup>

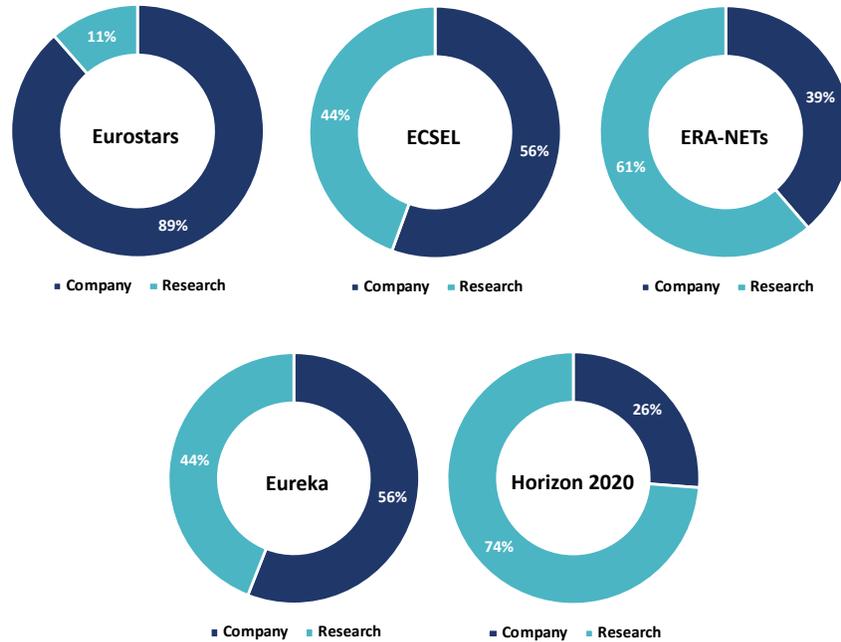


Figure 2. Funding Distribution by Type of Recipient

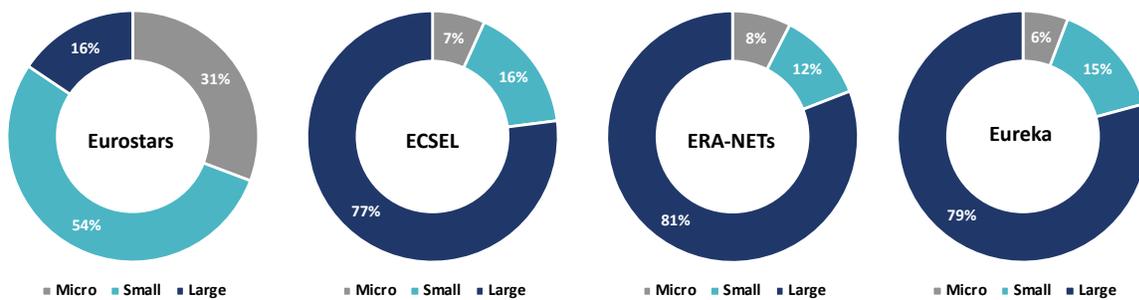


Figure 3. Funding Distribution by Size of Recipient<sup>15</sup>

These distributions are roughly aligned to the objectives of the various platforms. The Eurostars Programme is intended to support small and medium enterprises (SMEs) in their efforts to conduct collaborative R&D with international partners and based on the distributions in Figures

<sup>14</sup> In Figure 2 and 3 ‘Eureka’ refers primarily to Eureka Cluster projects.

<sup>15</sup> Horizon 2020 data pertaining to the size of participants is not available through the EU dashboard.

2 and 3 the funding is being allocated to the appropriate targets. In contrast, the majority of funds distributed under the research-focused ERA-NETs have been allocated to research entities.

The Horizon 2020 data made available by the EU demonstrates a similar trend of alignment between the programme’s objective and the distribution of funds, as depicted in Figures 2 and 4. In keeping with the core objective of Horizon 2020 to support collaborative research, the majority of the recipients of Horizon 2020 funding in Finland have been researchers, research institutes, or universities. Of the twenty organizations that have received the most money through Horizon 2020, only three are private corporations.

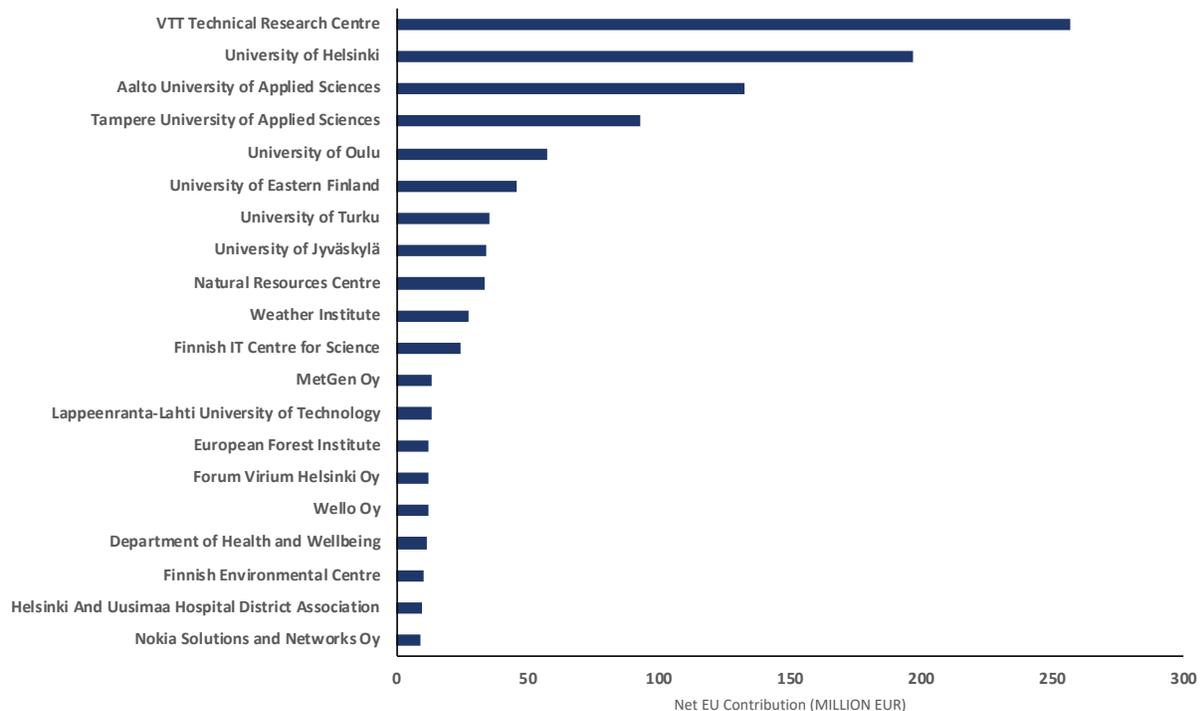


Figure 4. Top 20 Finnish Recipients Through Horizon 2020

When the application rates are considered in Figure 5, a slight disparity emerges between the platforms. The Eurostars Programme has an acceptance rate half that of the Ecsel Joint Undertaking, and a third of the ERA-NETs acceptance rate. The overall Horizon 2020 acceptance rate for Finnish applicants (number of participations in funded projects vs. number of participations in applications) was 14.21%, which is lower than the acceptance rates for the platforms, but only slightly lower than the rate (15.28%) for the whole Horizon 2020 programme.

When application acceptance rates are segmented by the size of applicant, Figure 6 reveals that micro, or very small, companies are at a disadvantage across the three platforms for which the data is available. The likelihood of the smallest companies having a project approved for funding under any of the platforms is considerably lower than it is for larger applicants.

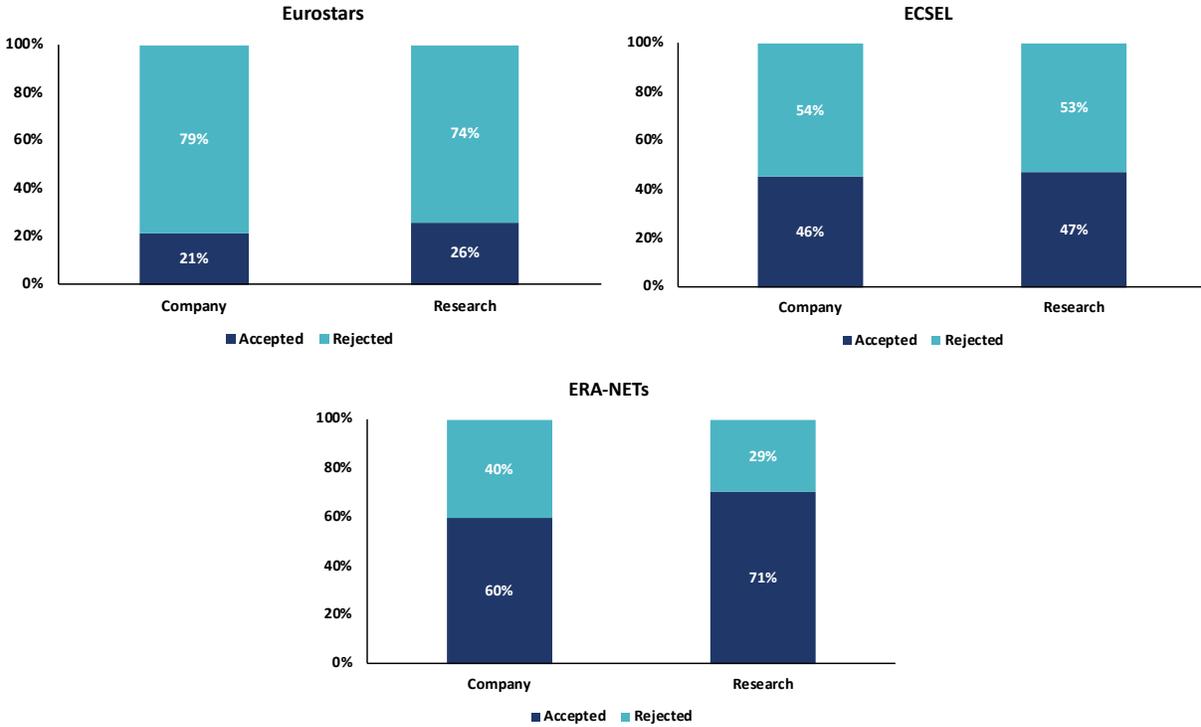


Figure 5. Application Acceptance Rate by Type of Applicant<sup>16</sup>

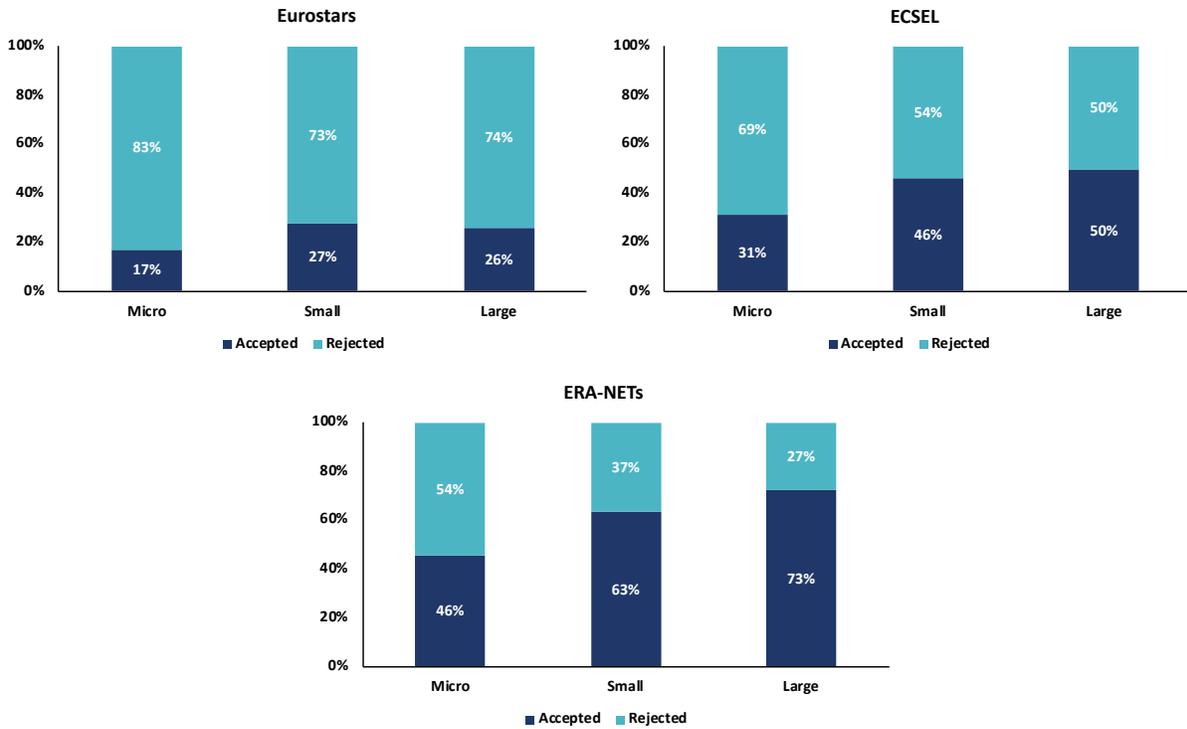


Figure 6. Application Acceptance Rate by Size of Applicant

<sup>16</sup> Application acceptance and rejection data was not available for the Eureka Clusters.

## 5. Evaluation Findings

### 5.1. Relationship to National Funding Programmes

In order to better contextualize the role of the international R&D collaboration opportunities made available through the platforms (the Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters) and Horizon 2020 (now Horizon Europe), their relationship to the national funding programmes available in Finland must be taken into consideration. According to Statistics Finland, a total of EUR 2,286.6 million was budgeted for R&D in the state budget for 2020, of which EUR 763.3 million was allocated to universities and universities of applied science.<sup>17</sup> An additional EUR 575.6 million was allocated to Business Finland, EUR 524.8 million was allocated to the Academy of Finland, and EUR 210.3 million was allocated to government research institutes, including VTT Technical Research Centre of Finland.<sup>18</sup> However, the portion of the 2020 Finnish national budget for R&D that was devoted specifically to international R&D programmes totalled approximately EUR 88 million,<sup>19</sup> as approved by the Government during the annual budgeting process.<sup>20</sup> Table 2 provides the breakdown of these investments.<sup>21</sup>

Table 2. Finnish National Budget Allocations to International R&D in 2020

Budget Area	Total Allocation of National Funds for 2020 (EUR)
National contributions to transnational public R&D performers	18,800,000
National contributions to Europe-wide transnational public R&D programmes	55,600,000
National contributions to bilateral or multilateral public R&D programmes established between Member State governments (and with candidate countries and EFTA countries)	4,300,000
Other R&D funding for international players (no ERA dimension)	9,300,000

During this same year a total of EUR 21.7 million was allocated to projects through the platforms (Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters), and approximately EUR 200 million was allocated through Horizon 2020. Table 3 provides the distribution of funding allocations in 2020.

Table 3. 2020 Funding Allocations through the Platforms & Programmes in Finland

Platform	Total Allocation of R&D Funds for 2020 (EUR)
Eurostars Projects	808,900
ERA-NETs	1,078,000
Eureka Clusters	9,714,829
Ecsel	10,127,033
Horizon 2020	200,000,000

<sup>17</sup>[https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_\\_ttt\\_\\_tkker/statfin\\_tkker\\_pxt\\_11ba.px/chart/chartViewLine/](https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__ttt__tkker/statfin_tkker_pxt_11ba.px/chart/chartViewLine/)

<sup>18</sup>[https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin\\_\\_ttt\\_\\_tkker/statfin\\_tkker\\_pxt\\_11ba.px/table/tableViewLayout](https://pxnet2.stat.fi/PXWeb/pxweb/en/StatFin/StatFin__ttt__tkker/statfin_tkker_pxt_11ba.px/table/tableViewLayout)

<sup>19</sup> [https://www.stat.fi/til/tkker/2021/tkker\\_2021\\_2021-02-25\\_en.pdf](https://www.stat.fi/til/tkker/2021/tkker_2021_2021-02-25_en.pdf)

<sup>20</sup> <https://vm.fi/en/the-budget>

<sup>21</sup> Budget values provided by Heidi Pirkola, Statistics Finland.

Based on the figures presented above, it is evident that though they comprise only a portion of the total funding available for R&D in the Finnish innovation ecosystem, the platforms and Horizon 2020 (now Horizon Europe) represent a significant portion of the funding available for the purposes of collaborating internationally on R&D projects. Given the relatively small domestic market in Finland, these opportunities to internationalize are crucial for growing Finnish companies to expand their international networks, and ultimately sustain the growth of their business through exports.

The interviews conducted with Business Finland personnel and external stakeholders revealed a similar narrative. The international R&D collaboration opportunities are perceived as valuable mechanisms for internationalization despite representing a small proportion of the total R&D funding made available to companies, universities, and research institutes in Finland. However, given the plethora of funding opportunities and supports offered, the platforms and to a lesser extent Horizon 2020 (now Horizon Europe) run the risk of being lost in the fray.

Within Business Finland alone, there are over thirty funding instruments to support the development, advancement, and internationalization of Finnish innovations. These instruments range from Innovation Vouchers, which provide SMEs with small grants to purchase essential external expertise from service providers, to large scale multi-partner co-innovation projects, which provide funding for consortia of Finnish companies and research institutes to develop new knowledge and innovations to serve as a basis for international business activities.<sup>22</sup>

Business Finland also offers an extensive array of advisory services to aid in the internationalization of Finnish companies. With advisors in over forty countries, Business Finland is well positioned to help Finnish companies find appropriate market opportunities and build their networks abroad. Further, the account leads assigned to support and assist key accounts within Business Finland's client roster often leverage their own networks of innovation support organizations (e.g., Vinnova in Sweden) to facilitate international connections for their clients. These types of programs and supports can act as competition for the international R&D collaboration opportunities funded through the platforms (the Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters) and Horizon 2020 (now Horizon Europe).

Further, the majority of internal and external interviewees noted that the national funding programmes are perceived within Finland's innovation ecosystem as being easier to access than the funding available through the platforms and Horizon 2020 (now Horizon Europe). Many interviewees, both internal and external to Business Finland, commented that the application procedures for the national funding programs are less time consuming and more straightforward. They are also perceived to be iterative in nature, wherein the applicant is given the opportunity to adjust and amend their application after submission under the guidance of Business Finland personnel. The companies interviewed indicated that the level of assistance offered during the application process for national funds made those funding opportunities much more approachable and attractive, as they felt assured throughout the process that they would eventually receive the funding from Business Finland. As one interviewee noted, *"Business Finland is very communicative and accessible during the application process for national funds compared to the experience of applying for funding from the EU, which is like sending your application into an institutional black hole."*

Interviews with business coaches and account leads at Business Finland revealed a similar

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<sup>22</sup> <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/cooperation-between-companies-and-research-organizations/co-innovation>

narrative. Clients for whom the funding was essential to the continuation of the business are often steered towards Business Finland funding instruments because the funding decisions are controlled entirely by Business Finland and are made more expeditiously. As it is the objective of the client-facing coaches and leads to help address the needs of their clients, which often requires facilitating access to funding, the certainty of the Business Finland funding instruments is a more appealing option than the relative unknown of the platforms and Horizon 2020 (now Horizon Europe).

Interviewees, both internal and external to Business Finland, also noted that in the past there has been little effort made in Finland to align the national funding programs and the funding available through the platforms and Horizon 2020 (now Horizon Europe) into a cohesive funding strategy. Compared to what Vinnova and FFG are doing in Sweden and Austria, at Business Finland three of the four platforms (Eurostars, Eureka Clusters, ERA-NETs) have not yet been sufficiently integrated in the respective thematic priority departments, and therefore stand at the margins of the organization's strategic priorities.

In Austria efforts are made to synchronize the deadlines for national funding calls and the calls issued via the platforms and Horizon 2020 (now Horizon Europe), particularly for the Eureka Clusters. This allows applicants to submit their proposals to both national and international funding schemes, as appropriate. While it would not be considered full alignment, this consideration for the relationship between the two levels of funding signals the importance of the platforms and Horizon 2020 (now Horizon Europe) in the Austrian innovation ecosystem.

Interviews with Vinnova revealed a more nascent, though improving, alignment between national funding instruments in Sweden and the calls issued via the platforms and Horizon 2020 (now Horizon Europe), as efforts are being made to shift in this direction. The goal in Sweden's innovation ecosystem is to enable better coherence across the funding streams so that the funding instruments are all pulling in the same direction rather than competing with each other. This has led to questions around how the regional funding can prepare applicants for national funding, which in turn prepares applicants for funding opportunities beyond Sweden.

In Sweden, the Eureka Clusters (ITEA, Celtic-next, Xecs, and Smart) are included as integral elements of the country's strategic priority areas and are coordinated under thematic cooperation circles. On top of bringing networking and high-level connections to project participants, Vinnova uses the Eureka Clusters as small industrial ecosystems contributing to feed and refresh Vinnova's strategy.

It is expected that these harmonization efforts will be further facilitated by the introduction of Sweden's national strategy for participation in Horizon Europe, which was proposed by Forte, Formas, the Swedish National Space Agency, the Swedish Energy Agency, the Swedish Research Council, and Vinnova. Building off of this proposal, the Swedish government has set both an overall goal and eight more specific goals for Swedish participation in Horizon Europe. The strategy also focuses on how research funders, universities, and project participants can contribute to achieving the goals.<sup>23</sup> As a result, Swedish organizations now have a clear understanding of how their work and funding programmes can roll up into the broader national objectives, and ultimately the broader objectives set out through Horizon Europe.

The situation in Finland appears to be shifting as well, with the introduction of the National Roadmap for Research, Development, and Innovation (the Roadmap) in 2020. The Roadmap calls for a more intentional approach to leveraging the funding made available through the

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<sup>23</sup> <https://forte.se/en/news/new-national-strategy-for-swedens-participation-in-horizon-europe/>

platforms and particularly Horizon 2020 (now Horizon Europe). As described in a document outlining the objectives and targets of the Roadmap, *“The share of EU and international funding in total R&D funding will be increased. In support of this, led by the Ministry of Economic Affairs and the Economy, a concrete action plan will be drawn up for the period 2021–2027 in order to utilise the RDI funding sources of the EU (Horizon Europe, Digital Europe, the European Defence Fund and InvestEU). The ministries encourage RDI organisations applying for funding to strengthen their capacity to apply for and utilise international RDI funding.”*<sup>24</sup> This objective is tracked through the ‘European Union Horizon 2020 RDI funding in Finland and reference countries’ follow up indicator, which tracks the proportion of the total Horizon 2020 (now Horizon Europe) funding secured by Finland as well as the relationship between the funding secured and the number of Finnish research full-time equivalents.<sup>25</sup>

Additionally, the Roadmap calls for increased collaboration for the purposes of R&D and points to a greater alignment between national and international efforts as a way to facilitate such partnerships, *“Cooperation between higher education institutions, research institutions, companies and other RDI actors needs to be strengthened. To support this, a new partnership model will be developed, grouping national programme funding into larger packages and linking sources of EU and other international funding more strongly to support activities.”*<sup>26</sup>

As demonstrated through the Roadmap, Finland is becoming increasingly interested in leveraging the funding made available through the platforms and Horizon 2020 (now Horizon Europe) as an enabler of national R&D objectives. So, while alignment between national funding schemes and international funding schemes is not as advanced in Finland as in Sweden or Austria, the country is placing an increased emphasis on developing a more cohesive strategy for R&D than it has in the past.

## 5.2. Role of Business Finland in Raising Awareness of International R&D Collaboration Opportunities

### **Internal Efforts to Raise Awareness About Horizon 2020 (now Horizon Europe)**

Both Business Finland and the Academy of Finland, through the NCP network, have a role to play in raising awareness about Horizon 2020 (now Horizon Europe), however it is Business Finland through the EU Research and Innovation Programmes (EUTI) office that is ultimately responsible for the dissemination of information about these most recent iterations of the framework programmes. Interviews with companies reveal that the diligent efforts within Finland to raise awareness about opportunities available through Horizon 2020 have been very effective. Respondents noted that the information sessions hosted by the EUTI, which offered information about the Horizon 2020 programme, were particularly helpful in understanding the available opportunities.

In support of the launch of Horizon Europe, a series of twenty-four webinars, training sessions, and workshops have been hosted over the past year by the EUTI in an effort to raise awareness

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<sup>24</sup> <https://okm.fi/documents/1410845/22508665/The+National+Roadmap+for+Research,+Development+and+Innovation/e9566011-2acc-35b2-7b45-279387991430/The+National+Roadmap+for+Research,+Development+and+Innovation.pdf?t=1590136969000>

<sup>25</sup> <https://okm.fi/en/rdi-roadmap/follow-up-indicators>

<sup>26</sup> <https://okm.fi/documents/1410845/22508665/The+National+Roadmap+for+Research,+Development+and+Innovation/e9566011-2acc-35b2-7b45-279387991430/The+National+Roadmap+for+Research,+Development+and+Innovation.pdf?t=1590136969000>

of Horizon Europe. These sessions have been complemented by an additional forty-one sessions held by the various National Contact Points (NCPs) on more specific topics pertaining to each NCP's area of expertise under Horizon Europe. A total of approximately 3,000 individuals or organizations have participated in these events. To reach a larger audience in Finland, the EUTI manages a LinkedIn group with over 1,300 members and an active Twitter account with over 1,100 followers, through which additional information on the Horizon 2020 (now Horizon Europe) opportunities is provided.

Though no causal relationship can be drawn between the awareness raising efforts in Finland and the funding secured by Finnish applicants, data provided by the EU reflects an increase in funding under Horizon 2020 when compared to Framework Programme 7 (FP7). The overall budget for Horizon 2020 was 1.5x larger than the budget under FP7, however Finnish applicants secured 1.8x more funding under Horizon 2020 than under FP7.<sup>27</sup>

To offer an international comparison to the Business Finland efforts to raise awareness of the international R&D collaboration opportunities made available through Horizon 2020 (now Horizon Europe), interviews were conducted with representatives of Vinnova in Sweden.

These interviews revealed that Vinnova has taken a similar approach to that undertaken in Finland. The agency has developed a genuine digital media strategy that drives awareness through their employees' LinkedIn and Twitter accounts. Vinnova also hosts a considerable number of on-line awareness and matchmaking meetings. In addition to these digital strategies, the internal efforts at Vinnova rely heavily on the NCP structure. Each NCP in Sweden is expected to build up their own network of potential applicants for specific section, theme, or challenge under their purview. The NCPs activate these networks on a regular basis, bringing the potential applicants together for webinars, meetings, and networking events. These efforts lay the groundwork for pulling together appropriate consortia in response to the funding calls, in addition to strengthening the domestic Swedish networks in key sectors. It should be noted that Swedish applicants have only secured 1.3x more funding under the larger Horizon 2020 budget than under FP7.

### **Internal Efforts to Raise Awareness About the Platforms**

Within the Finnish innovation ecosystem, Business Finland has historically been responsible for raising awareness of the international R&D collaboration opportunities made available through the platforms (the Eurostars programme, the Ecsel Joint Undertaking, the ERA-NETs, and the Eureka Clusters). Interviews with Business Finland personnel reveal that subject matter experts within the organization hold an unparalleled depth of expertise about the platforms. This was confirmed through the external interviews. Yet, as the external interviews revealed, the knowledge of these subject matter experts is not being effectively communicated to the front-line personnel of Business Finland or out into the Finnish innovation ecosystem.

This is in part due to the limited resources allocated within Business Finland to bring awareness to the platforms, leaving the organization to rely instead on passive marketing efforts. For example, the Eurostars Programme is explained on the Business Finland website and a webinar is held annually in advance of the funding call to demonstrate the online application portal and offer insight to potential applicants to increase their chances of success. In both cases, it is incumbent upon the potential applicants to seek out the information from Business Finland.

The Ecsel Joint Undertaking relies on a blended approach employing passive marketing through

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<sup>27</sup> <https://webgate.ec.europa.eu/dashboard/extensions/CountryProfile/CountryProfile.html?Country=Finland>

the Business Finland website, wherein funding calls and matchmaking events hosted in other countries are listed. Business Finland has at times also sent out a newsletter, by leveraging the Business Finland customer relationship management (CRM) system, to alert potential applicants of a new funding call. However, the efficacy of these efforts is limited as the CRM system of Business Finland does not track each clients' sector in detail and therefore targeted outreach to companies with a focus on electronic components and systems is not possible. The Ecsel Joint Undertaking team at Business Finland make up for this by sending emails directly to specific companies in their networks for which the new funding call may be of interest. While this approach has proven to be effective, as the Ecsel Joint Undertaking funding calls are perennially oversubscribed, it requires that a company be known to Business Finland in order to be made aware of the funding opportunities. Further, the risk of such an approach is that the same companies are repeatedly made aware of, and subsequently apply to, the Ecsel Joint Undertaking, while at the same time, limited efforts are made to involve new companies.

The results of the survey of successful applicants conducted as part of this evaluation, provides additional insight into the value of the increased efforts to raise awareness of the Ecsel Joint Undertaking.<sup>28</sup> As depicted in Figure 7, 95% of Ecsel Joint Undertaking participants that indicated they needed help in accessing timely information about the available funding opportunities reported that Business Finland provided adequate or excellent support. In contrast, 50% of the Eurostars Programme participants that required similar assistance reported that Business Finland provided adequate or excellent support.

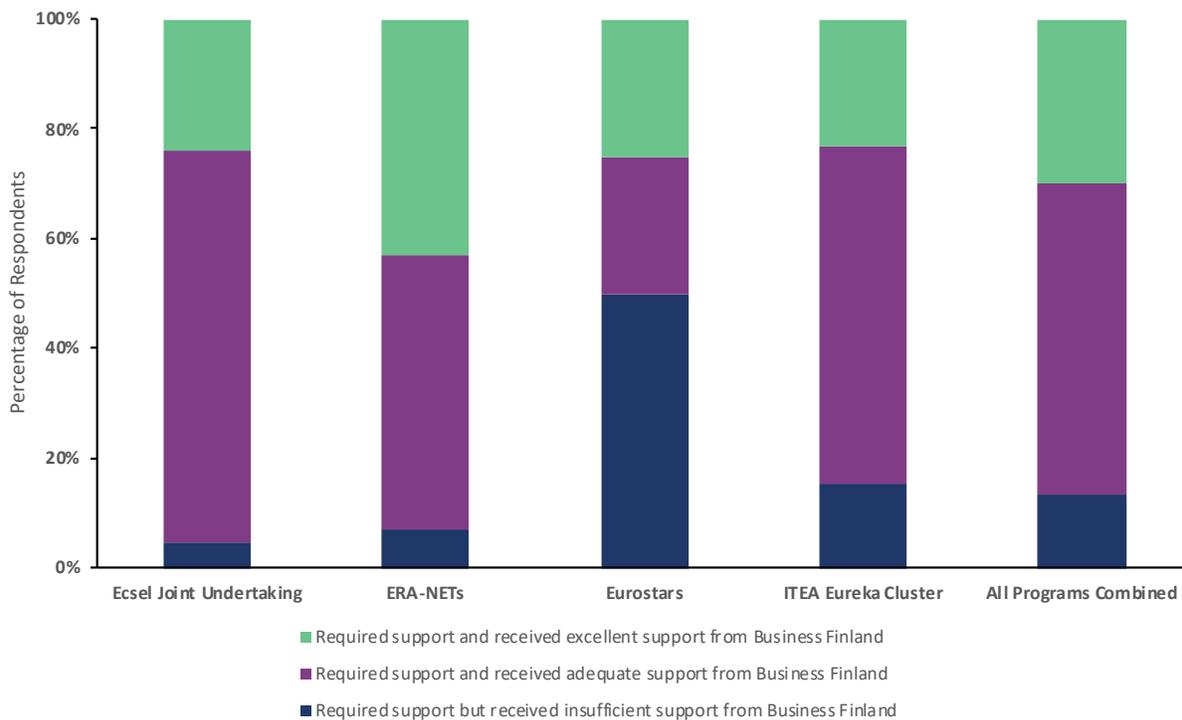


Figure 7. Level of Support Provided to Participants Requiring Timely Information About International R&D Collaboration Opportunities

<sup>28</sup> The overall survey response rate was 25%. Assuming a 95% confidence level, which is industry standard, the omnibus survey-wide confidence interval is 9.75.

However, overall across the four platforms 87% of past participants that reported needing help in accessing timely information about the available funding opportunities felt that Business Finland had provided adequate or excellent support.

To offer an international comparison to the Business Finland efforts to raise awareness of the international R&D collaboration opportunities made available through the platforms, interviews were conducted with representatives of the Austrian Research Promotion Agency (FFG).

In the past, FFG employed a similarly passive approach to marketing opportunities for collaboration through the platforms to the Austrian innovation ecosystem. Efforts consisted primarily of providing information on the FFG website about upcoming calls, and in some cases sending emails directly to companies known to FFG. The results of these efforts were lacklustre and tended to consistently attract the same set of companies to the calls.

However, when Austria took over the Eureka Chairmanship in mid-2020 a decision was made at FFG to revitalise interest in the Eureka Clusters operating in Austria. Over the course of 2020, promotional events and activities were hosted by FFG to help raise awareness of the opportunities available through the Eureka Clusters. The organization also raised the profile of the clusters through social media outreach, the sharing of success stories through their website, and the promotion of funding calls on the FFG homepage.

Most notably, in 2020 FFG launched an EU funding opportunities newsletter, which allowed anyone to sign up to receive regular updates on upcoming EU level funding calls. The managers of the platforms within FFG provide content for the newsletter in which the calls are detailed and described. Not only has this democratized the access to this information within Austria, as now all interested parties receive the same information at the same time, it has also helped to pull the expertise of the platform managers out into the innovation ecosystem where it can be used by potential applicants to make decisions about which programmes and platforms to pursue.

Prior to 2021, the Eureka Clusters received approximately ten applications annually. Following the increased efforts of FFG to raise awareness of the clusters, a total of 34 applications have been submitted.

### **Raising Awareness About Horizon 2020 (now Horizon Europe) by Leveraging the Ecosystem**

By the virtue of having a distributed NCP network the EUTI has been able to establish strong regional ties. Over the course of the past year, the EUTI and the NCPs have participated in 53 events hosted by other organizations across Finland, including the Academy of Finland, universities & research institutes, innovation intermediaries such as incubators and accelerators, as well as consultancies such as Spinverse in the interests of raising awareness of Horizon Europe across a broader audience. Topics for these events cover overviews of the whole Horizon Europe initiative, information sessions to help potential applicants understand the funding calls, instructions about how to apply for funding under Horizon Europe, as well as walking applicants through the evaluation criteria.

In addition to leveraging their own distributed NCP network, Vinnova in Sweden has taken a slightly different approach to leveraging the regional ecosystem. Vinnova is a partial funder of the EU SME organization in Sweden, the sole objective of which is to involve more Swedish SMEs with international ambitions in Horizon Europe, the European Innovation Council

Accelerator, Eurostars, and the European Innovation Fund.<sup>29</sup> Founded in 2015, EU SME has advisors located across Sweden, which act as the key contact for the SMEs in their region, providing advice and guidance as they evaluate the options for funding. The advisors are not directly involved in the writing of applications but are empowered to offer support and feedback while an SME is formulating their application content. Additionally, the EU SME provides post-award support to successful applicants as they initiate their projects and report on the results.

### **Raising Awareness About the Platforms by Leveraging the Ecosystem**

Another avenue for Business Finland to bring attention to the opportunities for international R&D collaboration made available through the platforms is through the leveraging of regional entities across Finland, such as the Centres for Economic Development, Transport, and the Environment (ELY Centres), research institutes, and universities. Each of these organizations has their own networks of potential applicants and are viewed by their own respective communities as sources of information on funding instruments. However, interviewees noted that although applicants are sometimes made aware of international R&D collaboration opportunities by universities and research institutes, the ELY Centres are typically underutilized as a lead generation source. An ELY Centre, which is already a source for internationalization advice and funding within their respective region, has the potential to be a very effective advocate for participation in projects funded by the platforms, provided Business Finland keeps them sufficiently updated about upcoming funding calls and changes to the application requirements.

In contrast to the more centralized approach of Business Finland, FFG relies heavily upon the European Enterprise Network (EEN) offices located regionally in Austria and hosted by Regional Development Agencies. The EEN not only helps spread awareness about the international R&D collaboration opportunities by inviting the platform managers to present at regional events, but also facilitates access to the platforms by assisting applicants in their search for partners. Partner search is a core function of the EEN, so these regionally located offices are the natural fit for offering this type of assistance without duplicating efforts within the FFG organization. One of the lessons learned from the Austrian experience is that active decentralization to well-anchored regional players is an effective and efficient mechanism for awareness raising, as it relies on the existing structures and resources in place within the regions.

A similar narrative emerged in Sweden. In their efforts to raise awareness of the EU platforms, Vinnova relies heavily on the broader innovation ecosystem of Sweden. Vinnova regularly leverages the networks of other innovation intermediaries (e.g., regional development offices, university and research institute grant offices, etc.) to bring awareness of the platforms out into the ecosystem. Vinnova has also made a concerted effort to engage universities, and to a lesser extent research institutes, in the international R&D collaboration opportunities available through the platforms. These efforts are facilitated by Sweden's long history of strong collaboration between university researchers and the private sector, which makes the private-public partnership approach inherent in the international R&D collaboration projects funded via the platforms a natural fit for the universities.

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<sup>29</sup> <https://eusme.se/>

## **Awareness Raising Results & Complicating Factors**

As a result of the limited marketing efforts in Finland, the opportunities for international R&D collaboration made available through the platforms are not well known by potential applicants in Finland's innovation ecosystem. Interviews with Business Finland personnel, as well as external stakeholders, indicate that companies rarely request the platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, or the ERA-NETs) by name.

As both the internal and external interviews revealed, the issue of limited name recognition for the platforms is further compounded by the tendency of companies to focus on their internal objectives or challenges, rather than thinking in terms of specific instruments. Instead of asking for information about a specific platform, companies rely on the expertise of the business coaches and account leads within Business Finland to direct them towards the funding instrument that is most appropriate. It should be noted that the business coach and account lead roles were introduced into Business Finland in 2020, following the merger between Tekes and Finpro in 2018 to form the now Business Finland.

Despite the recent introduction of their roles, the business coaches and account leads are required to familiarize themselves with the details of thirty funding instruments made available through Business Finland to identify the ones most appropriate to the needs of the company. Interviews with business coaches and account leads revealed that because the platforms are so rarely leveraged by clients and the staff receive so little training on them, the platforms are not typically top of mind for the client facing elements of Business Finland.

The situation is considerably better for Horizon 2020 (now Horizon Europe), due to the awareness raising activities such as the webinars and events, the social media efforts of the EUTI and NCPs, and the distributed network of NCPs. As a result, potential applicants are sufficiently aware of the programmes to inquire about them directly. Recently, efforts have also been made within Business Finland to train the client facing personnel on Horizon 2020 (now Horizon Europe), however resources for this internal training have been limited and the success of these efforts moderate.

The opportunities for international R&D collaboration through both the platforms and Horizon 2020 (now Horizon Europe) also represent a considerable undertaking for any applicants and offer a slower time to money when compared with the more agile national funding instruments. As such, the business coaches and account leads often find themselves directing clients towards the national funding instruments instead of the platforms or Horizon 2020 (now Horizon Europe). As a result, the chance to market these international collaboration opportunities directly to clients is underutilized within Business Finland.

The situation is much the same in Sweden and Austria – as both countries report myriad national funding instruments in addition to the platforms and Horizon 2020 (now Horizon Europe). However, at FFG, rather than requiring each client facing individual within the organization to have knowledge of all funding options, FFG provides a funding hotline staffed with experts to answer funding-related questions from clients as well as internal staff. The organization also provides a user-friendly funding opportunity search tool on their website that allows potential applicants to distill the multitude of funding instruments down to a shortened list of options based on information such as the target sector, type of applicant (e.g., SME, researcher, etc.), and willingness to participate in collaborative projects.<sup>30</sup>

Vinnova has taken a different approach and instead addresses this issue by having highly

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<sup>30</sup> [https://www.ffg.at/ffg-wegweiser?consortium%5B%5D=1&archiv=2&sort\\_by=title&sort\\_order=ASC](https://www.ffg.at/ffg-wegweiser?consortium%5B%5D=1&archiv=2&sort_by=title&sort_order=ASC)

integrated teams within the organization. These thematically based teams allow individuals with national funding instrument expertise to work closely alongside those with expertise on the platforms and Horizon 2020 (now Horizon Europe) and to collaborate in the provision of support to companies and researchers.

In addition to the profusion of support instruments in Finland, the complexity of the Business Finland organizational chart also limits the ability of the organization to effectively share information both internally and externally. Much of the client support is provided by the business coaches and account leads as it is their role to help clients understand the various funding options available to them, though clients may also be directed towards the EU funding services team within Business Finland, the appropriate NCP for a given specific section, theme, or challenge under Horizon 2020 (now Horizon Europe), or the expert for a particular platform. The internal interviews suggested that this lengthy, and at times branching, services supply chain within Business Finland can cause confusion and slow down the process for applicants. A similar narrative was shared by companies that elected not to pursue funding through the platforms or Horizon 2020 (now Horizon Europe). As one company noted, *“We did not proceed with Eurostars because we did not receive a clear policy from Business Finland on whether or not our partner would be approved. Because of this we were reluctant to invest in submitting a Eurostars application.”*

From the interviews it is clear that the navigation by external parties across the new Business Finland organization (resulting from the merger between Tekes and Finpro in 2018) is not that easy, despite the availability of a virtuous customer interactions system involving account leads and business coaches. It seems there is a profusion of entry doors, and a risk of confusing or overlapping roles, between platform experts, account leads, business coaches, ecosystem leads, the NCPs, and the EUTI. The additional dual agency (the Funding body and the Executive Agency) is adding more complexity than simplification.

The survey results indicate that 73% of past participants were unsure which platform or funding instrument would be most appropriate for their needs and looked to Business Finland for guidance. However, the majority of those that were able to navigate the complexity of the organization and connect with the right Business Finland personnel were pleased with the support they received. As depicted in Figure 8, 83% of respondents in need of assistance in selecting instruments reported that Business Finland provided them with adequate or excellent support in this regard. As one respondent noted, *“We were very happy about the support from BF while figuring out should we try to participate in ITEA or not. [Business Finland] gave excellent insight and was able discuss about options in very high confidence and technology level. Very happy about the support!”*

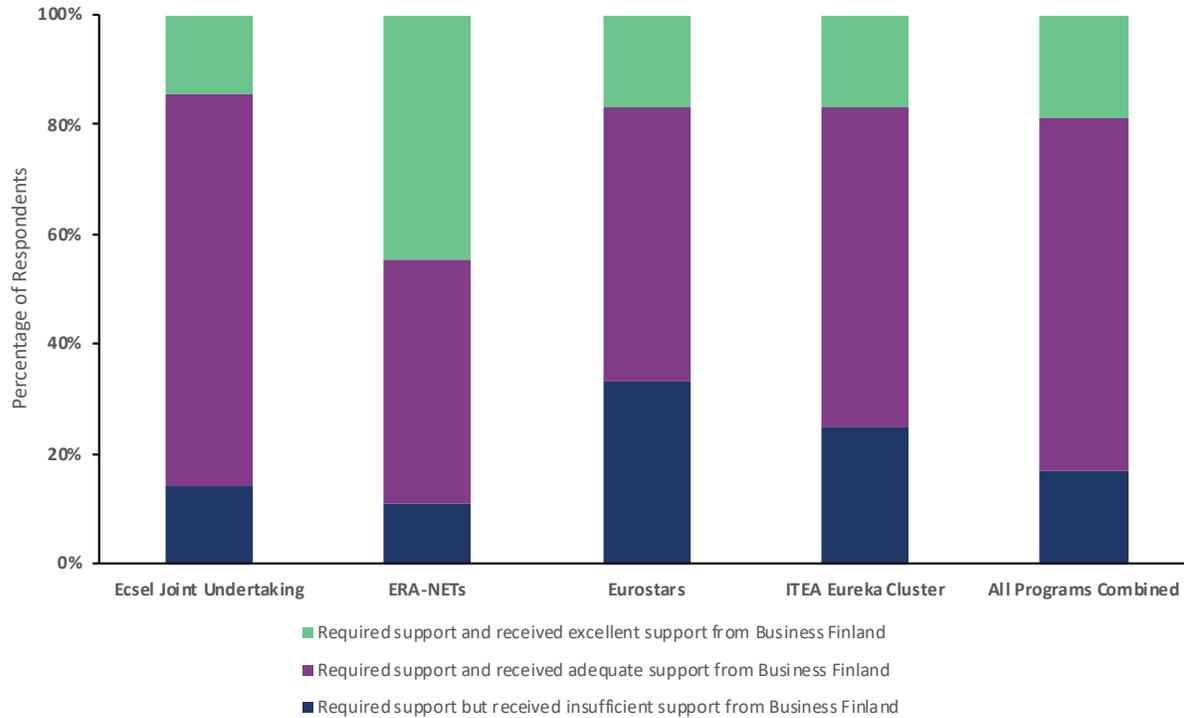


Figure 8. Level of Support Provided to Platform Participants Requiring Assistance Selecting International R&D Collaboration Opportunities

### 5.3. Level of Support Provided by Business Finland During Application Process

Once a potential applicant has been made aware of the wide array of funding instruments at their disposal and has, with the help of Business Finland personnel, narrowed down the options to the precise instrument that will best address their needs and help them to meet their objectives, the application process begins. In the event that a national funding instrument has been selected, this process is straightforward, efficient, and is sufficiently flexible to allow for the application to be revised and resubmitted.

The application process for the international R&D collaboration opportunities made available through either the platforms or Horizon 2020 (now Horizon Europe) is considerably more involved. First, applicants must identify appropriate partners with which to collaborate for the purposes of the proposed project. As noted by both internal and external interviewees, this step is often a considerable barrier for potential applicants. Small companies typically have smaller networks and are reliant on the networks of their leadership or board of directors, while researchers typically lack industry connections within their networks. Indeed, as evidenced in Figure 9, the survey results for the platforms suggest that applicants of all sizes, and from both research and industry, require assistance in identifying appropriate domestic and international collaborators for their proposed projects. Though not included in the survey, past participants in Horizon 2020 (now Horizon Europe) also referred to the importance of a robust network from which to draw project partners.

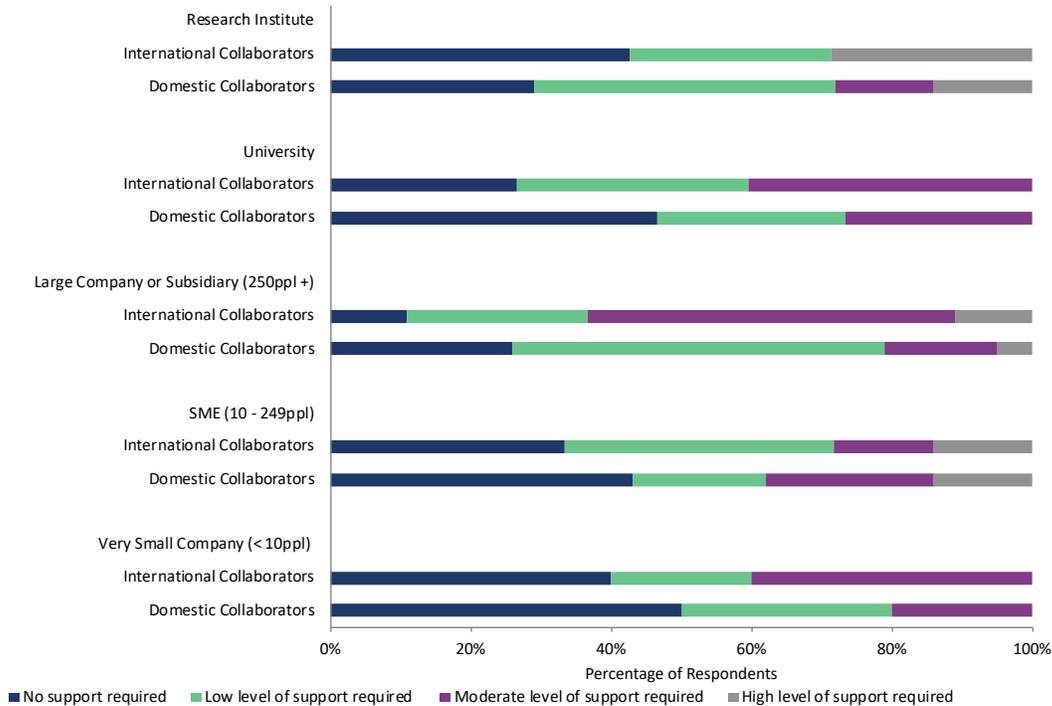


Figure 9. Level of Support Required by Platform Participants in the Search for Collaborators

Based on the survey responses, in general Business Finland provides adequate support to address this need. In the case of universities and SMEs however, which reported requiring a high level of support from Business Finland in their search for appropriate project collaborators, 64% of universities and 43% of SMEs reported that Business Finland had not provided sufficient support. As one university respondent noted, *“Communication and support during the application and project phases were good, but I am a little envious of how FFG or EIT arranges networking events before the call is opened or to gauge how relevant for example an ERA-NET on a certain topic would be to their stakeholders.”* Potential applicants that lack their own robust networks rely on Business Finland to provide them with opportunities to expand their networks and connect with potential collaborators.

In contrast, 29% of large companies or subsidiaries reported that Business Finland provided exceptional support as they sought domestic partners. Figure 10 depicts the level of support provided by Business Finland in facilitating introductions to collaborators.

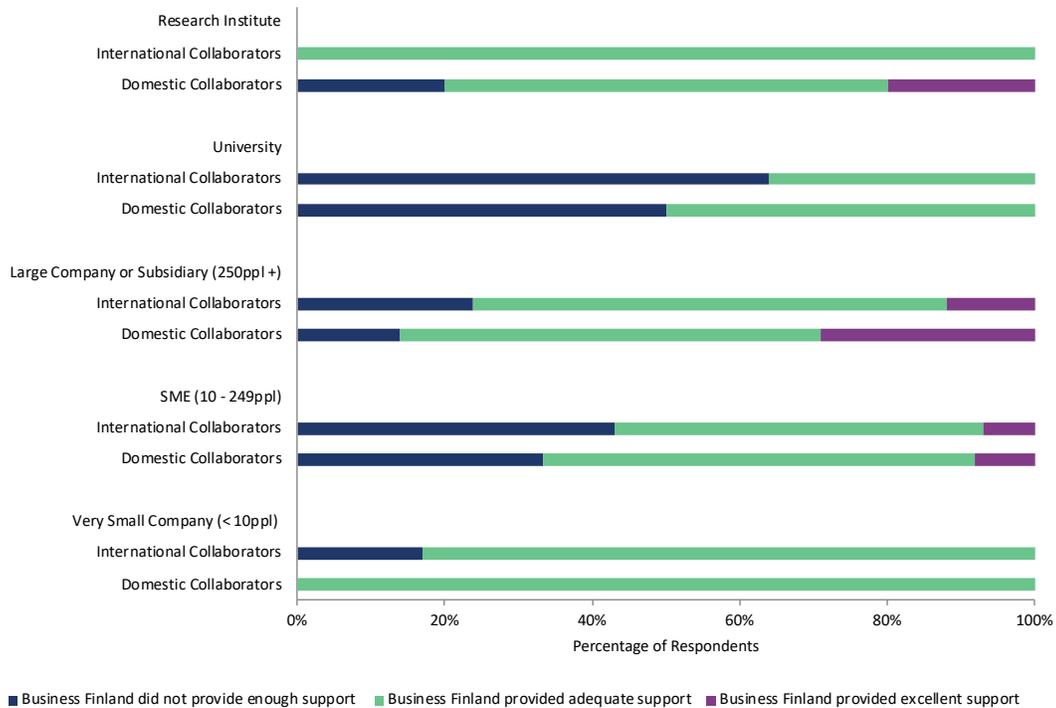


Figure 10. Level of Support Provided by Business Finland by Platform Participants to Connect with Collaborators

Further, the vast majority of respondents reported that they required assistance in setting up the working relationships amongst the project members. This trend was consistent across all respondent types, with the exception of research institute respondents, of which a minority reported a need for assistance in these administrative matters. Interviews with past participants in international R&D collaboration projects funded through the platforms confirm this sentiment, frequently stating that the complexity of bringing such large project teams together is both difficult and time consuming.

Interviewees also note that it is especially difficult for first time applicants, which may underestimate the challenge in addressing key issues such as ownership structures for intellectual property developed during the course of the project. To this end, 69% of respondents reported that Business Finland provided adequate or exceptional support (depicted in Figure 11).

Of those that reported a lack of support from Business Finland in the establishment of working relationships with project collaborators, university respondents accounted for 38%. Based on the interviews with university representatives, this is in part a reflection of the rarity with which researchers and industry collaborate, which makes establishing these types of collaborations more challenging for university researchers who may not be used to the nuances of corporate R&D efforts.

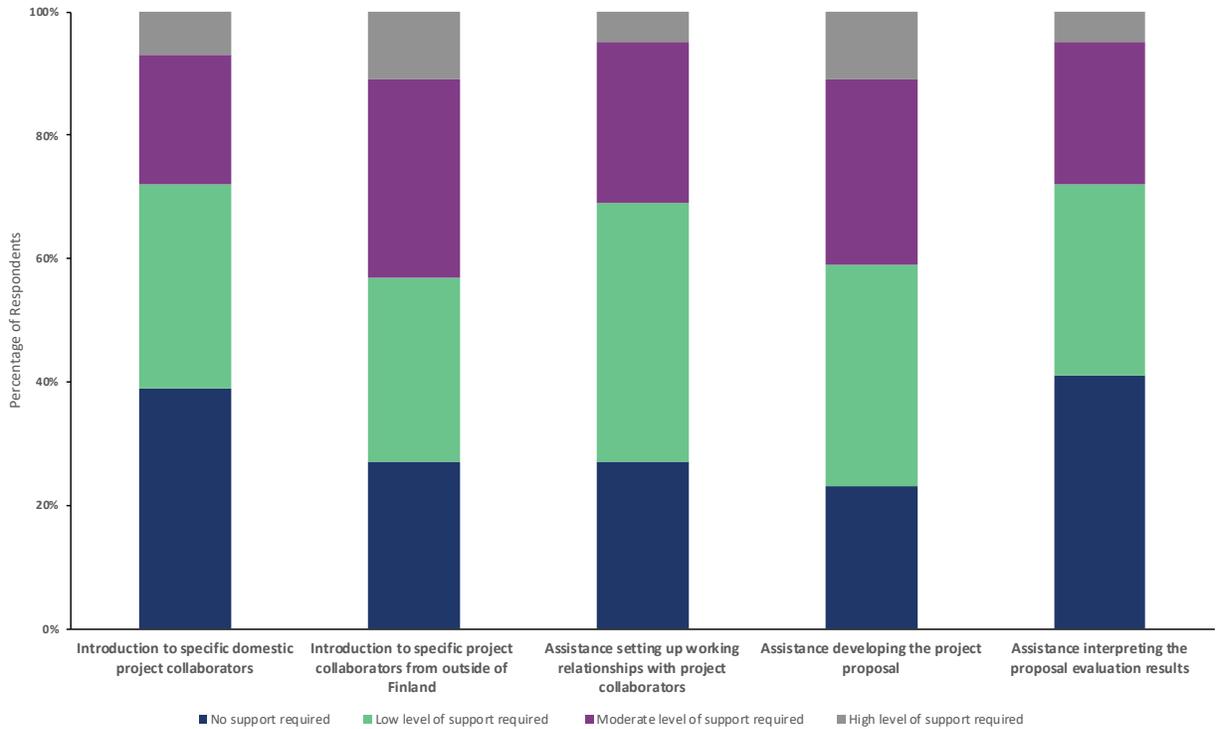


Figure 11. Level of Support Required by Participants During the Application Process for the Platforms

The area in which applicants are seeking the greatest level of assistance is in the actual development of their project proposal. As depicted in Figure 11, 77% of respondents reported a need for support in this area. Notably, the need for assistance with proposal development was largely consistent across all respondent types, with a majority in each group expressing a desire for this type of support.

This was further confirmed through the external interviews. Interviewees noted that the development of proposals is an infrequent corporate activity, and as a result most companies do not have the necessary internal competencies to develop a successful proposal. In order to compete with proposals developed by more experienced applicants many companies elect to use the services of proposal consultants. As one respondent noted, *“Typically, interpretation of call texts and creating an application that aligns to the call is not a core competence of technology developers. Companies specialized in this are helpful. Our interest is to focus on technology development and all administrative actions that can be outsourced are contributing to the efficiency of our innovation activities.”*

The prevailing perspective, especially for earlier stage or leaner companies, is that any activity that is not tied directly to the advancement of their innovation or to revenue generation is an unnecessary distraction that should be outsourced. In the same way that these companies outsource their accounting or legal needs to firms specialized in those areas, they look to external experts to assist in the development of proposals.

Interviews with university representatives reveal that their research communities have a slight advantage in the event that they are the lead applicant on the proposal, as they receive support from their university services department in the writing of the non-technical components of their

proposals. The universities offer this type of support because it allows their researchers to remain focused on advancing their research, rather than focusing on the crafting of lengthy proposals.

In Figure 12 the degree to which Business Finland is helping applicants to develop their project proposals is depicted, as are the other areas of support provided by Business Finland during the application process. Of those that indicated they required assistance in developing their project proposal, 29% reported that Business Finland provided them with excellent support, though none were involved in the Eurostars Programme. As one ITEA participant noted, *“Business Finland provided good support to get the application in such shape that it will be accepted,”* while an Ecsel Joint Undertaking participant provided the following feedback through the survey, *“Business Finland encouraged us to apply [for] Ecsel funding and was very supportive throughout whole applying process.”* Based on the internal and external interviews, this level of support is provided primarily to companies that are known to Business Finland and are considered key accounts.

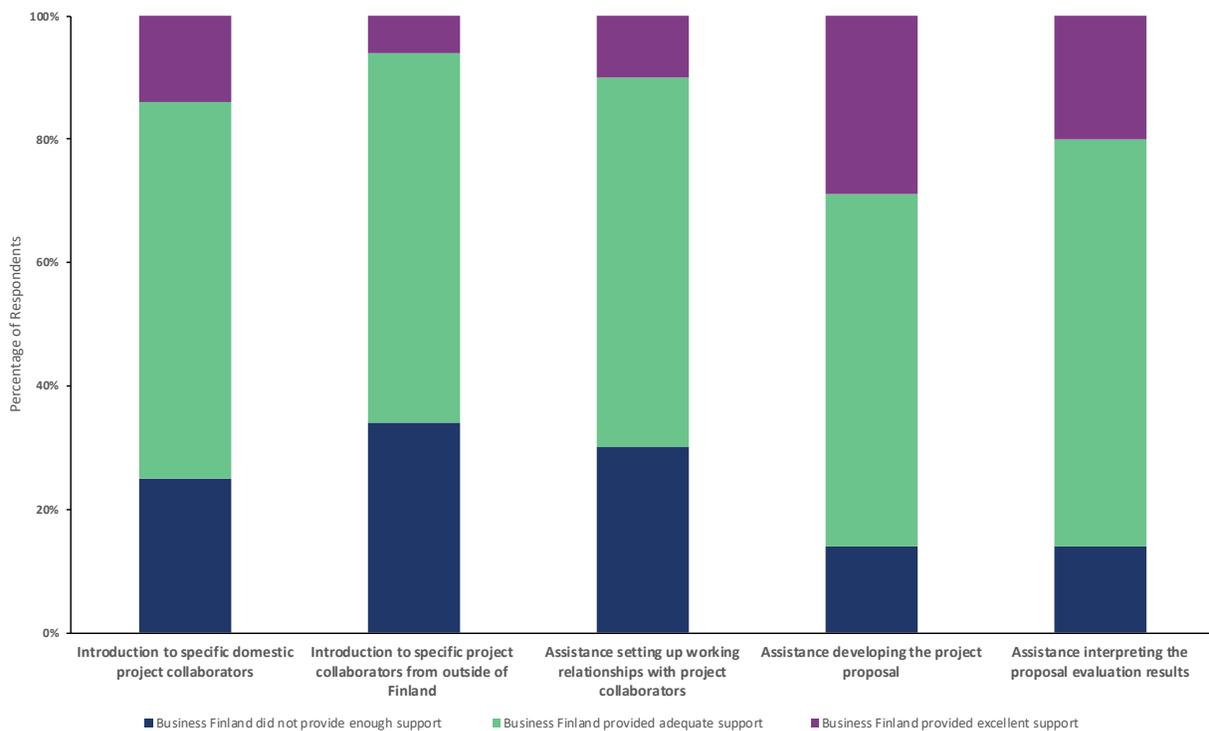


Figure 12. Level of Support Provided by Business Finland to Participants During the Application Process for the Platforms

Assistance interpreting the evaluation results is the area of support least required by applicants. Interestingly, the few that require a high level of support in this regard are evenly distributed across the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters and Networks, and the ERA-NETs. As depicted in Figure 12, 86% of those that required assistance interpreting the proposal evaluation results reported that Business Finland provided adequate or excellent support.

## 5.4. Factors that Affect Application Success

To better understand the factors that affect whether or not an application will be approved for funding, an analysis of the secondary data on past applicants to the platforms was conducted.<sup>31</sup> An initial t-test analysis explored the relationship between application acceptance and the location within Finland, annual turnover, or number of employees of the applicants. None of these factors emerged from the analysis as statistically significant predictors of the decision to fund, or not to fund, a particular project. This suggests that, overall, applicants of any size or from any location in Finland have an equal opportunity to have their application accepted by the platforms.

However, the external interviews consistently pointed towards the importance of past experience applying for, and participating in, international R&D collaboration projects funded through the platforms or Horizon 2020 (now Horizon Europe) as a precursor for future application success. A number of related themes emerged.

First and foremost, interviewees noted that first time applicants are at a considerable disadvantage because they lack an understanding of, and appreciation for, the application rules and procedures. While this is true for all first-time applicants to any funding instrument, the disparity in the experiences of applying for Business Finland national funding instruments and the experience in applying to the platforms or Horizon 2020 (now Horizon Europe) exacerbates this situation in Finland. Critically, the process of applying for national funding is iterative, wherein the applicant is given a number of opportunities to revise and amend their proposal until it is suitable for submission. In contrast, once an application for either the platforms or Horizon 2020 (now Horizon Europe) is submitted no further adjustments are allowed. If the application fails to meet the threshold approval levels it fails to be funded. Interviewees noted that first-time Finnish applicants to the platforms typically lack an appreciation for the finality of these procedures. In contrast, the application training provided by the EUTI and the NCPs was identified by past participants in Horizon 2020 (now Horizon Europe) as being helpful in raising their awareness to the application procedures.

Additionally, interviews revealed that there is a limited awareness within the Finnish innovation ecosystem of the dual application requirement for the platform applications. Not only are applicants obligated to fulfill the requirements of the call issued by the relevant platform, they are also required to meet the national Business Finland funding criteria. While this dual application procedure is not unique to Finland, interviewees noted that first-time applicants often overlook the implications of the process on the viability of the proposal collaborators. In the event that a project collaborator fails to meet the Business Finland funding criteria, the applicant is forced to remove themselves from the consortium, which may at times lead to the dissolution of the consortium entirely.

As a result of this nuanced complexity of the application process, interviewees also noted that success in prior applications makes companies, researchers, and organizations more appealing as future co-applicants. It is much easier to coordinate a project in which all collaborators have a tacit understanding of both the requirements of the application process and the realities of actually executing an international collaborative R&D project funded through one of the platforms or Horizon 2020 (now Horizon Europe). As a result, organizations or individuals with past success are often sought out to collaborate on new proposals.

In an effort to determine the degree to which the suppositions of the interviewees impacted the

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<sup>31</sup> Secondary data provided by Business Finland from internal CRM system.

actual acceptance rates of Finnish proposals, a linear regression was conducted on the application data for the platforms provided by Business Finland. Taking into account both past platform application experience and the history of applicant success, and controlling for influential observations, the analysis revealed that projects are more likely to be funded if at least one of the Finnish collaborators on the project has either a strong track record of application success or has past application experience and therefore familiarity with the application process.

Another factor determining success in applications to either the platforms or Horizon 2020 (now Horizon Europe) that emerged from the external interviews is the strength of the applicant's network. A successful application in support of an international R&D collaboration project requires a strong, well thought out value chain. This value chain is demonstrated through the inclusion of appropriate partners whose role within the project closely aligns to their expertise.

However, in order to source such partners, applicants must draw upon a considerable network, which most SMEs and researchers lack. Further, it is difficult for more recently founded SMEs to break into established networks within Finland, let alone abroad. Notably, this sentiment was shared in interviews with companies, research institutes, and universities as the research community, especially early career researchers, may lack existing networks as well as the knowledge of where to find particular skillsets either in Finland or abroad.

## 5.5. Impact of Participation in International R&D Collaboration Opportunities

In order to fully assess the degree to which the international R&D collaboration opportunities facilitated by Business Finland are of added value to participating companies, research organizations, and universities, an exploration of impact was conducted for the four platforms: the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs. As Horizon 2020 (now Horizon Europe) applications are sent directly to the European Commission, Business Finland has no visibility into who has applied and as such participants in Horizon 2020 (now Horizon Europe) were excluded from the impact assessment.

Following a logic model approach for the assessment of impact, the platforms achieve long-term impacts in the form of socio-economic benefits by helping companies, research organizations, and universities to improve their performance. These performance improvements occur as a consequence of the impact that the platforms have on improving the capabilities of participating organizations. Through the funding of international R&D collaboration projects, the platforms are expected to have directly impacted the capabilities (e.g., knowledge, skills, and connectivity) of the participants, and indirectly impacted their performance.

Overall, the vast majority of participants have derived benefit from participation in the projects funded through the platforms, and more often than not the impacts on the capabilities and performance of participants are considerable. What is particularly noteworthy are the points of divergence between the platforms, which represent areas of strength particular to each one. Also important is the alignment between these areas of strength and the stated objectives of the platforms. For example, the technology focused ITEA Eureka Cluster has the greatest impact on improvements to participants' technical capabilities. In contrast, the research focused ERA-NETs have the greatest impact on enhancing the research networks of participants.

### 5.5.1. Impact on Participant Capabilities

As shown in Figure 13, participants in projects funded through the platforms attribute considerable improvements to their capabilities. Seven measures were used to assess these impacts. Of note is the important role that the platforms play in helping improve participants' international operational expertise. This measure encompasses the impact of the platforms on participants' knowledge of the skills required to internationalize; knowledge of how to manage actions in target markets; ability to acquire international customers; and knowledge of distribution models for products or services in target markets. This suggests that while the platforms may be funding projects intended to develop and advance specific innovations, participants are also gaining transferable skillsets that will remain relevant well beyond the conclusion of the project. Given the relatively small domestic market of Finland, it is imperative that companies with aspirations for growth have the internal capacity to expand internationally and the international R&D collaboration projects funded through the platforms are helping to improve that capacity in the Finnish marketplace.

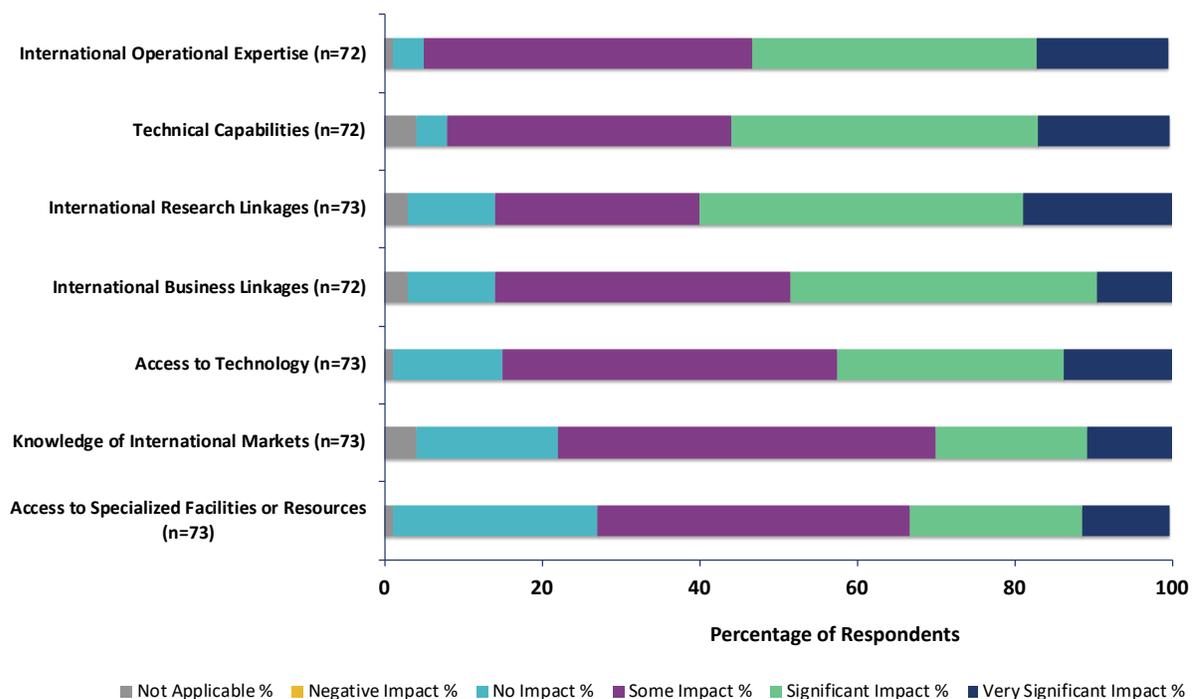


Figure 13. Impact of the Platforms on Participant Capabilities

To further explore the impacts achieved by each of the platforms, Figure 14 depicts the impacts on capabilities segmented by platform and serves to highlight the specific strengths of each.<sup>32</sup>

<sup>32</sup> Impact is captured using a five-point Likert scale for each measure. Average impact is calculated using the following weights: 'Negative impact' 0, 'No impact' 2.5, 'Some impact' 5.0, 'Significant impact' 7.5, 'Very significant impact' 10.0.

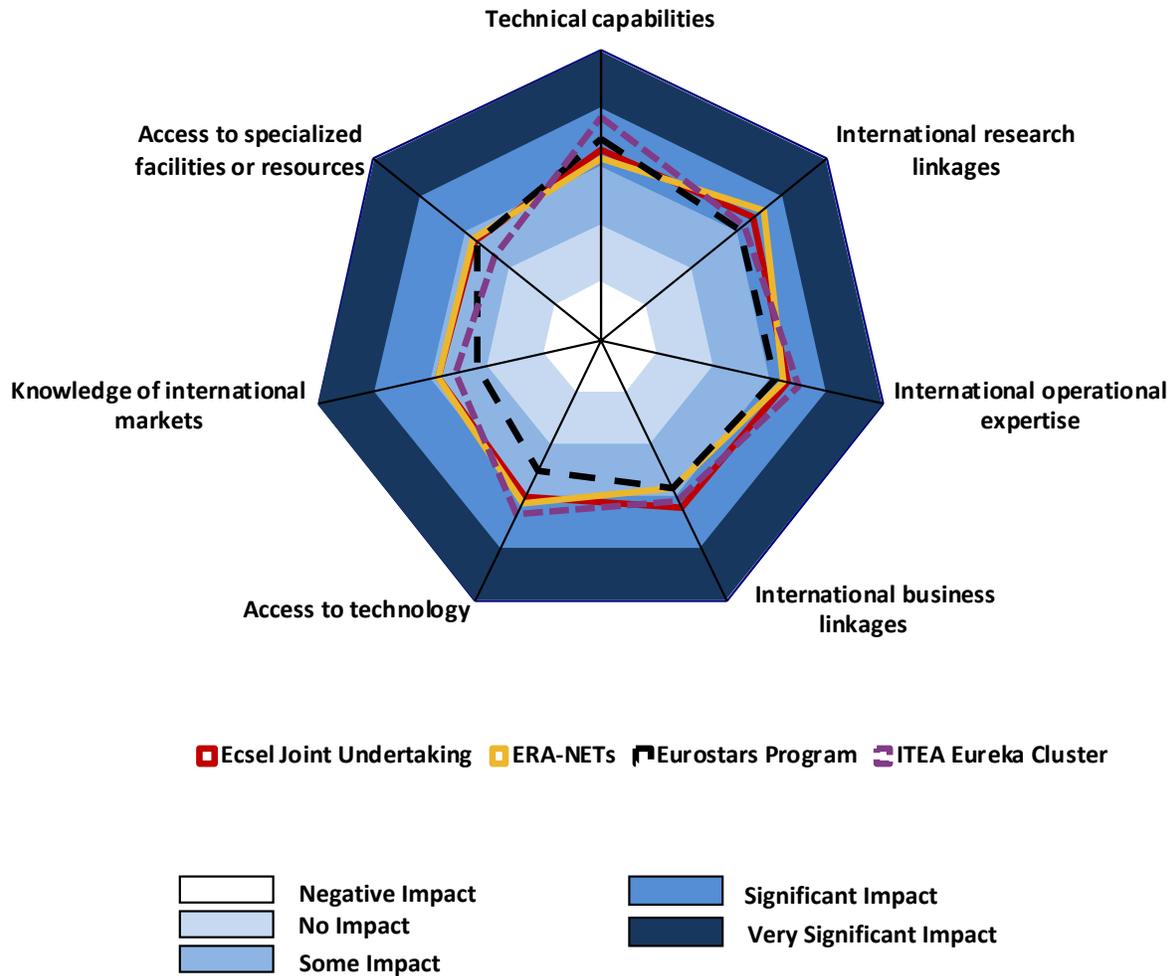


Figure 14. Impact on Participant Capabilities Segmented by Platform

The ITEA Eureka Cluster, which focuses on software innovation, is attributed with the greatest impact in terms of improvements to participants' technical capabilities. For the purposes of this assessment, technical capabilities encompass strategic technical or research-related capabilities that led, for example, to the adoption, abandonment, or de-risking of research, technology translation, commercialization, product development, or service delivery; the identification of internal technical competency gaps and appropriate mitigation solutions; the development or validation of theories, methods, research techniques, concepts, technologies, or services; and the creation of new intellectual property. Additionally, the ITEA Eureka Cluster is attributed with the greatest impact on participants' ability to access technology held by project collaborators, as well as improvements to their international operational expertise. Given the emphasis of the Eureka Cluster platform on enabling the development of a collaborative R&D ecosystem, it is encouraging to see that project participants are gaining access to innovative technologies, while enhancing their own technical and operational capabilities in the process.

The ERA-NETs have most significantly impacted the ability of participants to engage with international research organizations, access specialized facilities or resources, and improve their knowledge of international markets. This is particularly noteworthy as universities

represent the largest group of ERA-NET participants that responded to the survey. Facilitating international connections for the research and academic communities of Finland is a value-add of the ERA-NET program, especially when compared to the more popular European Research Council funding, which funds individual researchers rather than collaborative projects. As noted by one university respondent, “Generally, the ERA-NET experience helped us to strengthen our industry collaboration and research portfolio. The networks established through ERA-NET have been utilized in follow-up projects afterwards too.”

The impacts on capabilities are further segmented by respondent type in Figure 15.

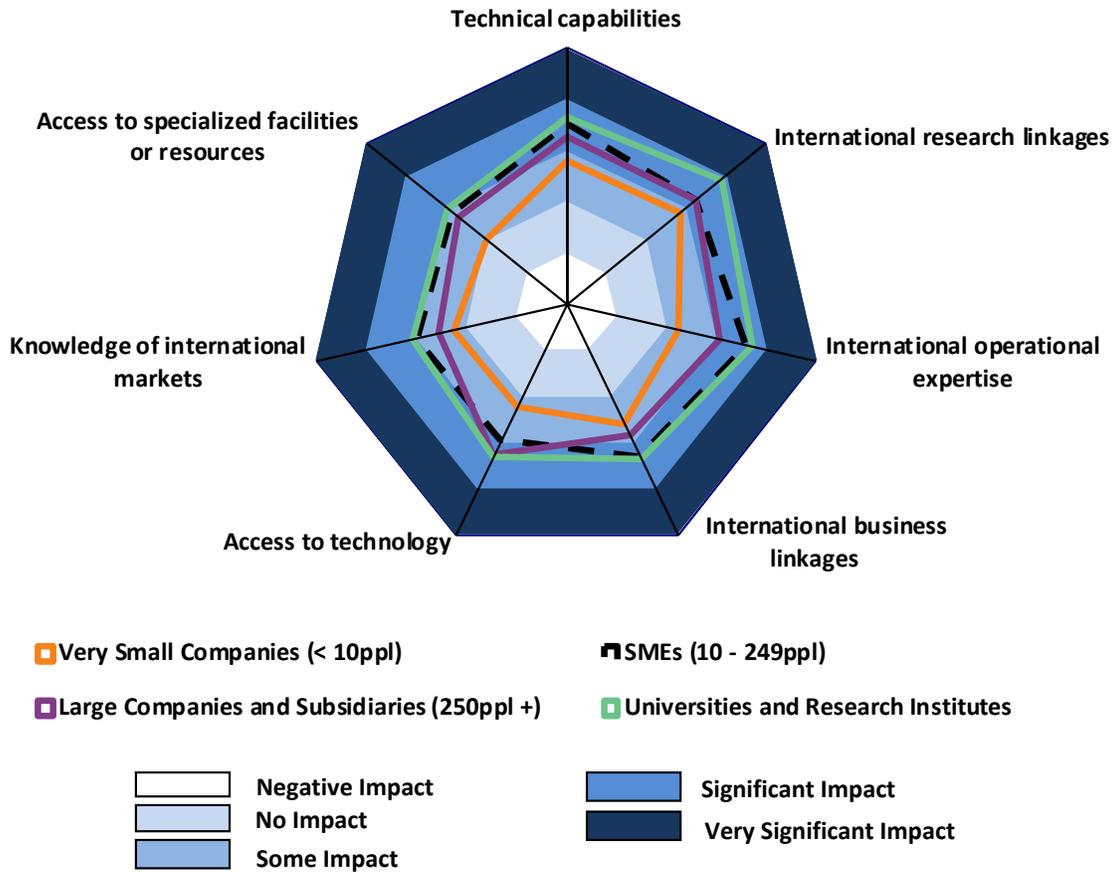


Figure 15. Impact of the Platforms on Participant Capabilities Segmented by Type of Organization

This segmentation reveals a considerable disparity in the impacts of the platforms on companies with fewer than ten employees and the impacts on all other groups of respondents. This suggests that for a participant to fully benefit from the international R&D collaboration opportunities, the participating entity must possess a minimum level of absorptive capacity. Without the internal ability to absorb and make use of the new knowledge, skills, and connections facilitated by participation in the projects, the benefits are greatly diminished. This aligns to the expectations of the Business Finland personnel interviewed, many of whom noted that with the exception of the Eurostars Programme, the platforms are not appropriate for small or newly formed companies.

It should be noted however, that small and medium enterprises (SMEs) frequently attribute the platforms with greater impact in comparison to the larger companies. This is especially apparent in terms of improvements to their international operational expertise and their ability to connect with businesses located internationally.

To further contextualize the impacts achieved, the results for the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs have been benchmarked against a number of national Finnish programs previously assessed by The Evidence Network Inc. (TEN). The purpose of this analysis is to provide greater insight into the additionality achieved by the international R&D collaboration platforms, in comparison to the more individualistic national funding instruments previously assessed.

The sample is comprised of twenty-one Finnish programs all of which provide internationalization advice and support. Due to the focus on companies in the previous programs evaluated by TEN, the university and research respondents have been excluded from the respondent sample for the four platforms for which impact data was gathered. The measures selected for benchmarking are those that most closely align to the objectives of the platforms and include:

- Impact on international operational expertise: knowledge of the skills required to internationalize; knowledge of how to manage actions in target markets; ability to acquire international customers; and knowledge of distribution models for products or services in target markets
- Knowledge of international markets: knowledge of high-growth international market segments, key customers, distributors, sales channels, or other important marketing-related knowledge; knowledge of new business opportunities in international markets; and knowledge of key legislation and regulations relating to market entry or operations in target markets
- Impact on international business linkages: access to customers, suppliers, business partners, service providers, channel to market partners, or other relevant businesses such as contract manufacturers located internationally
- Impact on international research linkages: relationships with research- or technology-intensive organizations such as technology transfer or commercialization centres, or corporate research partners located internationally; ability to collaborate with scientific, technical, or research personnel located internationally

Overall, the results of this analysis are very encouraging and demonstrate the value add of the international R&D collaboration projects funded through the platforms. As depicted in Figure 16, the platforms are well above average in terms of their impact on improvements to the international operational expertise of company participants.

For context, the domestic programme that had the greatest impact on participants provides substantial funding as well as access to advisory services to high-growth, rapidly internationalizing Finnish companies. The programme has three phases. In the preliminary phase young and innovative companies that are pursuing rapid international growth prepare a comprehensive business plan or improve an existing plan. This phase lasts a maximum of six months and the available funding for each company is a maximum of EUR 50,000. In the following phase, Phase 1, the company may submit a development plan for funding, which is typically about EUR 250,000. Companies accepted into Phase 1 must be small in size, less

than six years old, and devote a minimum of 15% of their expenditures to research or development. Once a company has achieved the objectives set out in Phase 1 and has been deemed an attractive investment proposition by an external evaluation panel of investment experts, it may apply for Phase 2 funding. The aim of the second phase of funding is to accelerate and enhance international growth of the company's operations. During Phase 2, companies may receive a maximum of EUR 750,000.

The second ranked programme offers support to SMEs to help them start exporting and gain success in international markets. The core of the programme is to encourage Finnish SMEs to see and act upon concrete business opportunities identified in international markets. The third ranked programme offers grants or loans to Finnish companies, primarily SMEs, in support of their internationalization efforts.

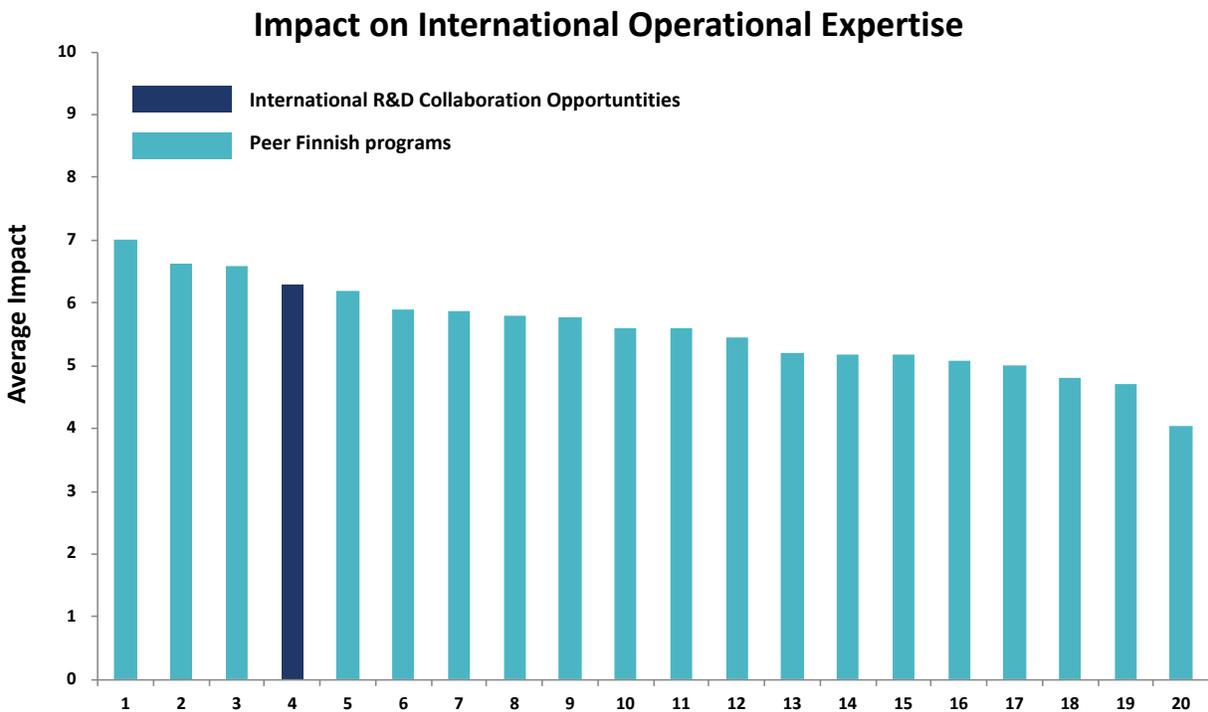


Figure 16. Benchmark Comparison of the Average Impact Attributed to the Platforms on the International Operational Expertise Measure

In comparison to the peer programmes, the platforms have a moderate impact on participants' knowledge of international markets. As depicted in Figure 17, the platforms are ranked in the middle among the peer Finnish programmes. Again, the highest-ranking programme couples access to advisory services with substantial funding provided to high-growth, rapidly internationalizing Finnish companies. This is followed by a programme that provides embedded advisory services to Finnish companies seeking to expand their presence in the United States, as well as a number of sector specific programmes that enable companies to pursue growth in pre-specified target markets with verified business opportunities for Finnish companies. One of the key themes of the programmes that perform well on this measure is a greater emphasis on providing a 'soft-landing' for Finnish companies as they seek to internationalize into specific

markets abroad. This is to be expected, as an in-depth understanding of the nuances of a particular market requires more than simply collaborating with partners operating there.

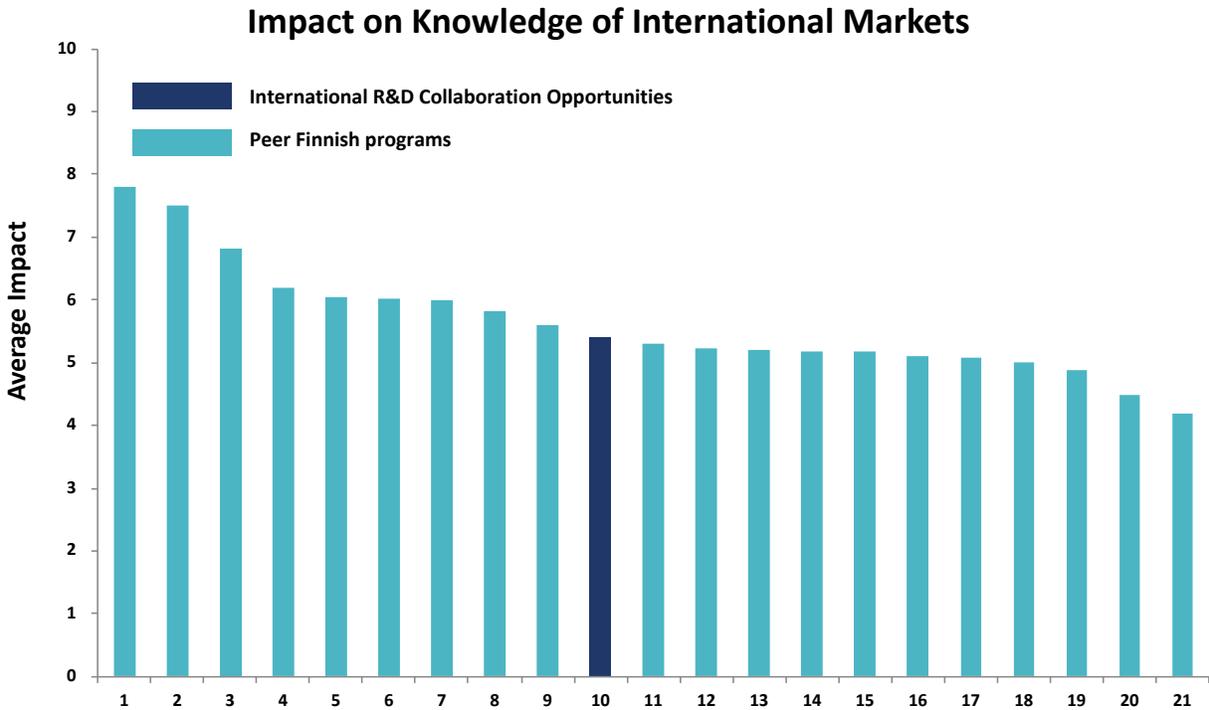


Figure 17. Benchmark Comparison of the Average Impact Attributed on the Knowledge of International Markets Measure

One of the core elements of the platforms under evaluation is the role they play in facilitating connections between Finnish companies and companies located internationally. To participate in the international R&D collaboration projects funded through the platforms requires that these types of international connections be made, as having identified project collaborators from other countries is a pre-requisite for the application. As such, the second ranked position of the platforms as depicted in Figure 18 is to be expected. Notably, however, the top-ranked programme offers sector specific networking opportunities to participating companies in an effort to connect them to domestic and international partners.

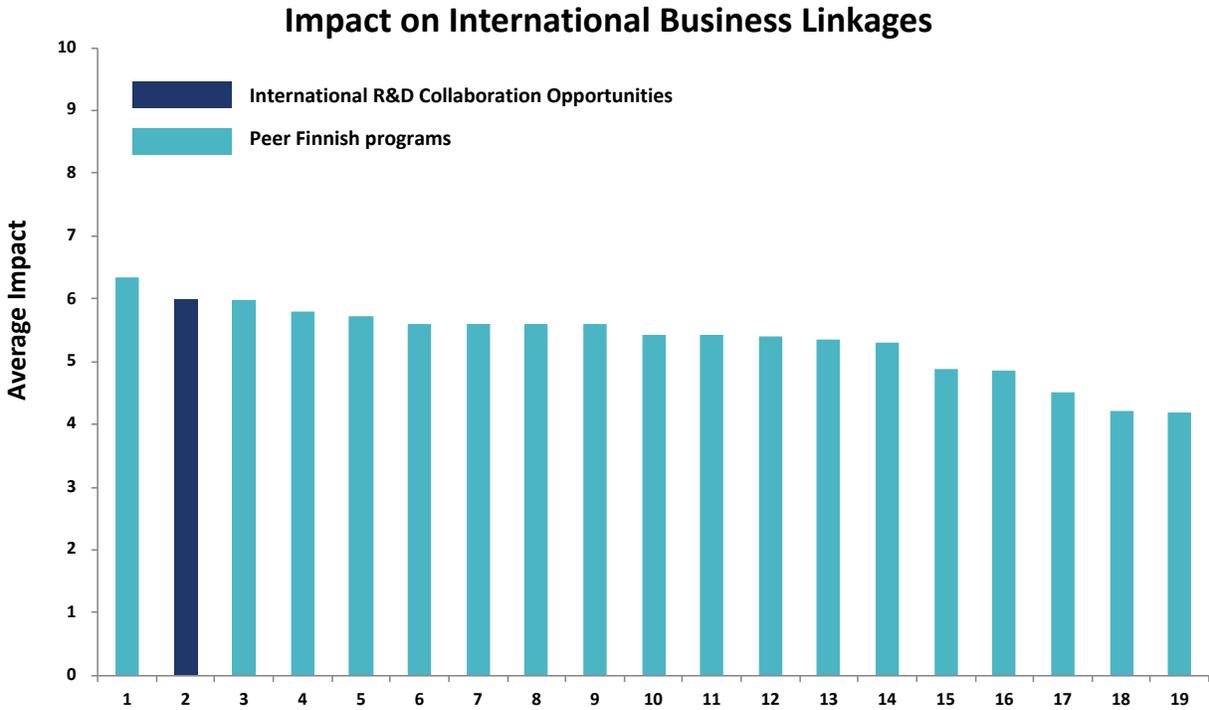


Figure 18. Benchmark Comparison of the Average Impact Attributed on the International Business Linkages Measure

Additionally, as shown in Figure 19, the platforms have the greatest impact on facilitating connections to international research institutes or individual researchers in comparison to the peer Finnish programmes. This is a particularly valuable area of strength for the platforms, as connecting Finnish companies to cutting-edge research being conducted internationally is a core element of the platforms, serves to enhance the knowledge and innovativeness of participants, and aligns closely to the objectives of Finland’s National Roadmap for Research, Development, and Innovation.

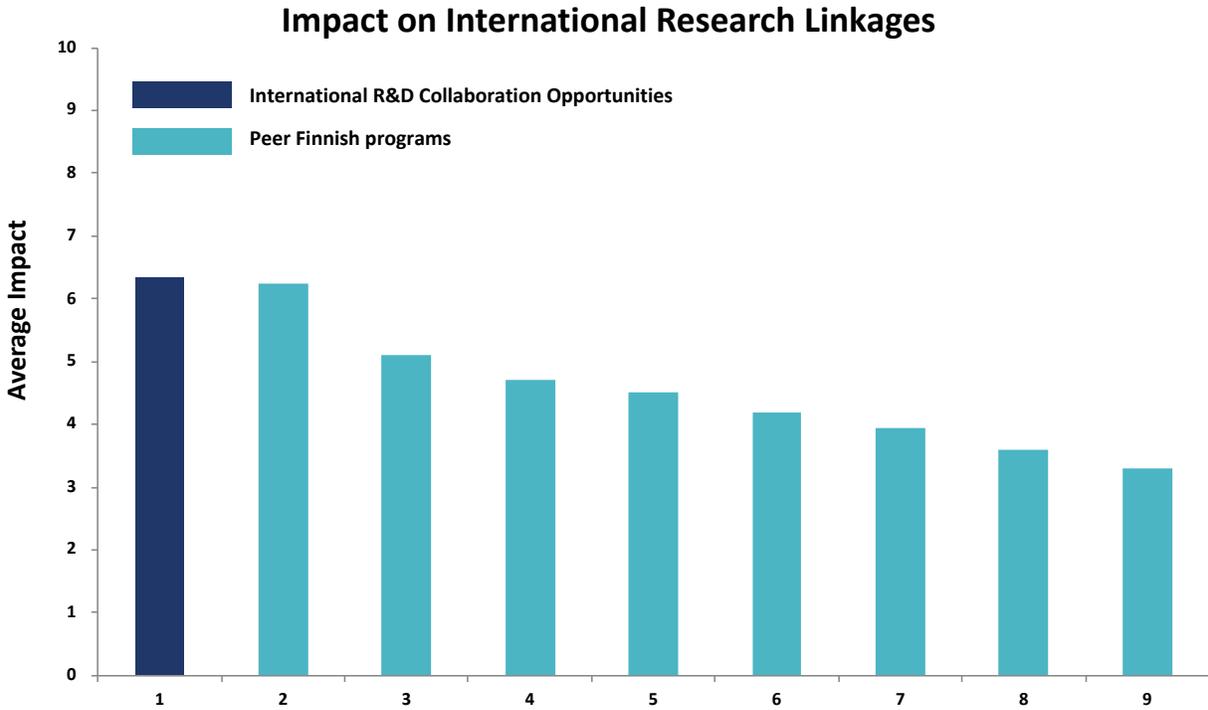


Figure 19. Benchmark Comparison of the Average Impact Attributed on the International Research Linkages Measure

### 5.5.2. Impact on Company Performance

The platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs) are having a considerable positive impact across a wide array of performance measures. Figure 20 depicts the impact of the platforms on the performance of participating companies. Eleven measures were used to evaluate these impacts. Of particular note is the impact of the platforms on the participants' engagement with new partners for the purposes of product or service development and export. Although the greatest number of respondents reported that the platforms had a positive impact on their engagement with new partners, a limited number of respondents reported that this impact had been 'very significant'. In contrast, although a slightly smaller number of companies attributed the platforms with impacts on their investments in R&D, a considerable percentage reported that the platforms have had a 'very significant' positive impact on their decision to do so.

Overall, however, the platforms are having the greatest impact on the areas of performance that most closely align to the broad objectives of international R&D collaboration. Though each platform has more nuanced objectives, the consistent intent of all platforms is to encourage companies to invest in R&D and engage new partners in an effort to bring new products, processes, or services to market. That participation in the projects is having any impact on more distantly related measures such as making the companies more attractive as they seek private financing or increasing their annual export revenues is laudable.

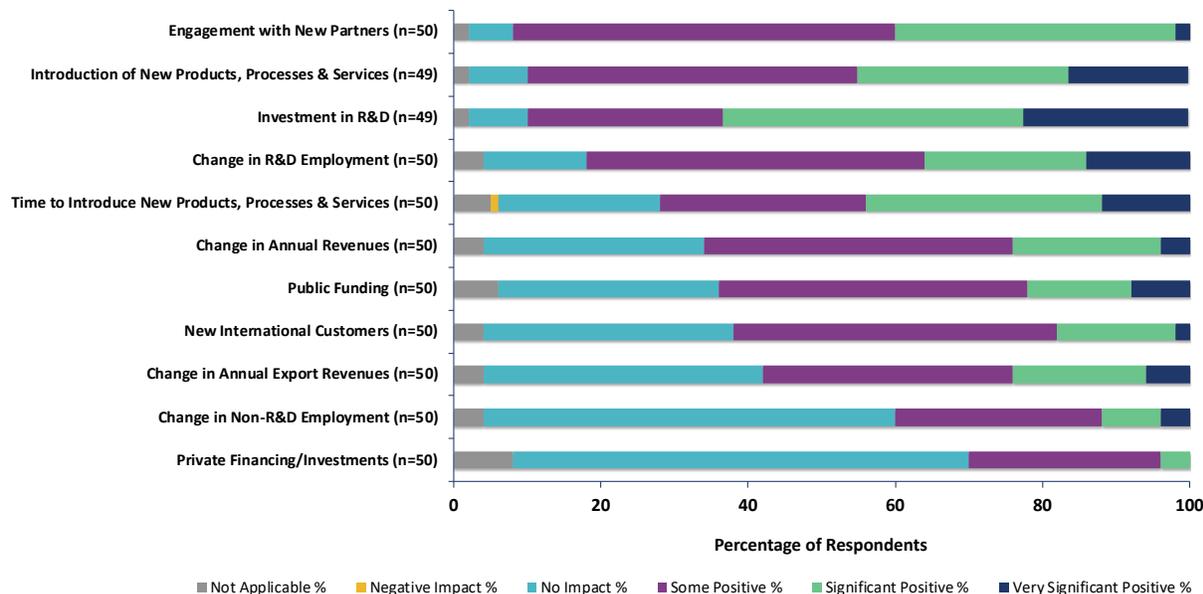


Figure 20. Impact of the Platforms on Company Performance

To further explore the impacts achieved by each of the platforms, Figure 21 depicts the impacts on performance segmented by platform and serves to highlight the specific strengths of each.<sup>33</sup> The Eurostars Programme is having a considerable impact on facilitating engagement with new partners for the purposes of product or service development and export. As this platform is designed to enable partnerships for small companies as they seek to internationalize, it is encouraging to see that participants report significant impact on this measure. Figure 21 also points to the strength of the Ecsel Joint Undertaking in terms of facilitating the introduction of new products, processes, or services to market, reducing the time required to do so, and in encouraging the employment of additional personnel for the purposes of R&D.

Given the research rather than market focus of the ERA-NET projects, it is understandable that this platform has a limited impact on the performance of the participating companies as many of the market performance improvements occur long after the research is conducted. As reported by one participant, “[The ERA-NET] is a very good instrument to perform collaborative research. The consortia are not too large, ensuring good communication and cooperation between partners.”

<sup>33</sup> Impact is captured using a five-point Likert scale for each measure. Average impact is calculated using the following weights: ‘Negative impact’ 0, ‘No impact’ 2.5, ‘Some impact’ 5.0, ‘Significant impact’ 7.5, ‘Very significant impact’ 10.0.

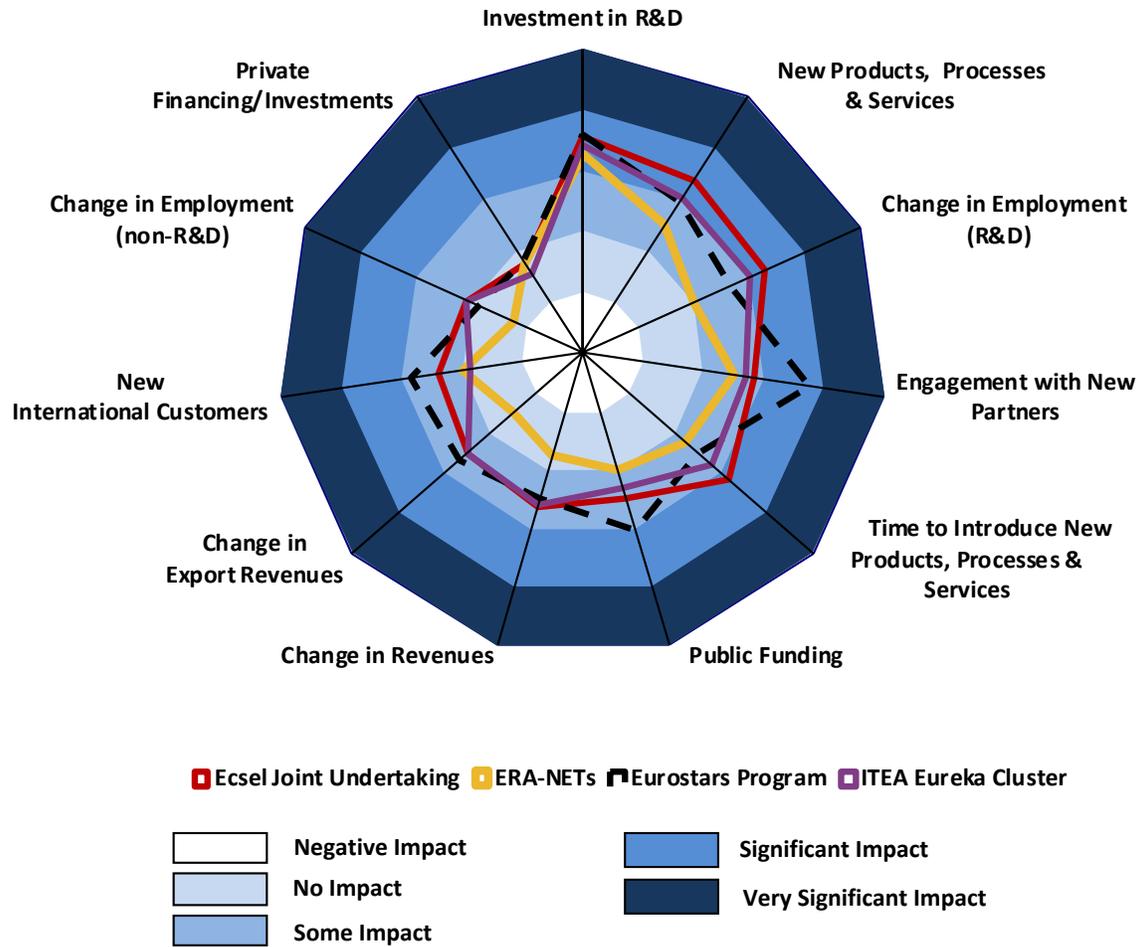


Figure 21. Impact on Company Performance Segmented by Platform

As depicted in Figure 22, the size of the participating company has a great deal to do with the attribution of impact. With the exception of impact on the attraction of private financing or investment, in which very small companies report a slightly higher level of impact, the platforms had the greatest impact on the performance of SMEs. Although the projects funded through the platforms typically involve large corporations as well, the greatest additive value is being realized by the participating SMEs.

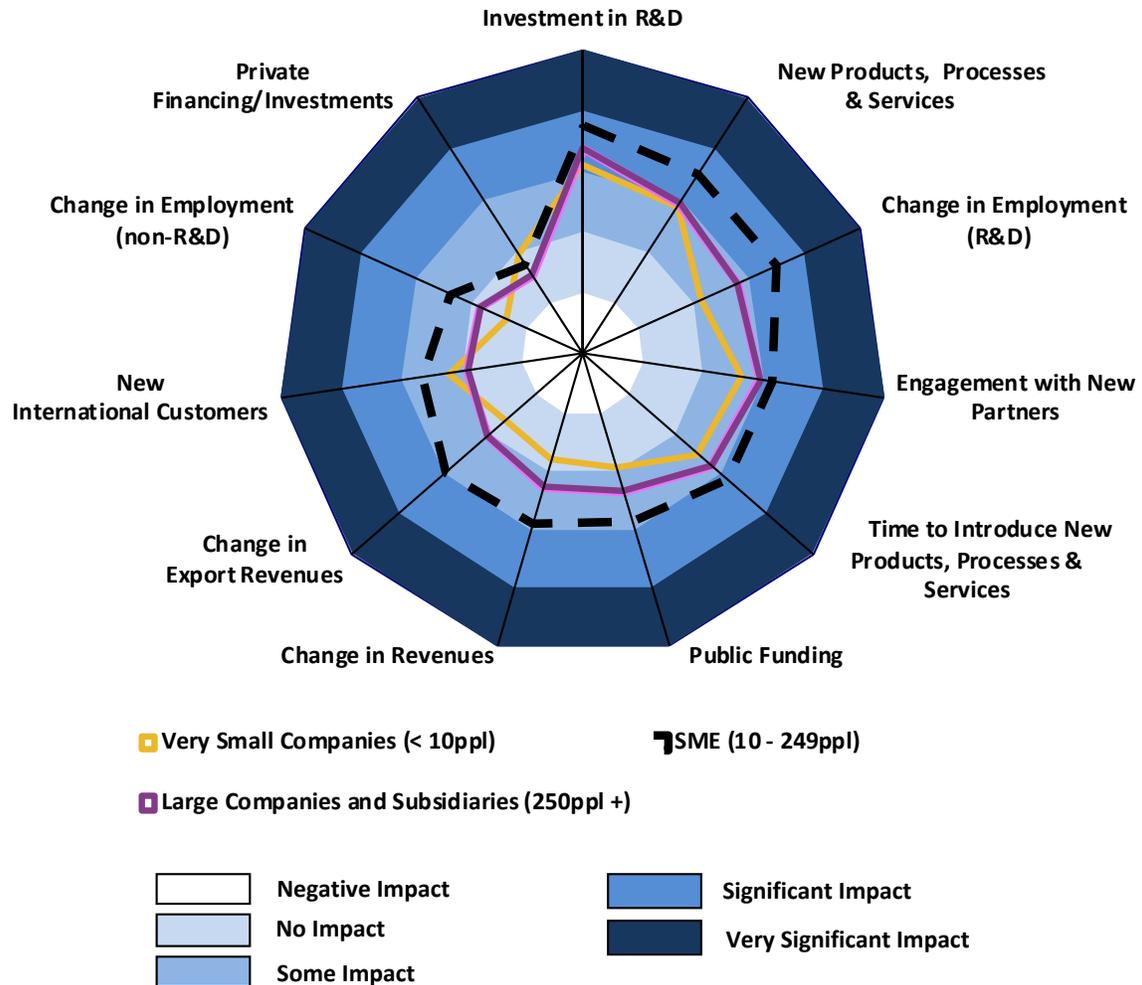


Figure 22. Impact of the Platforms on Company Performance Segmented by Company Size

### 5.5.3. Impact on Research Institute and University Performance

As the measures of performance for the research and academic community differ from those of industry, the impacts of the platforms on the performance of research institutes and universities are explored separately from the impact on the performance of companies. Five measures were used to evaluate these impacts. As evidenced in Figure 23, the platforms are having the greatest impact on the publications of researchers. Given the importance of publishing within the research community, this should be viewed as a meaningful value-add of the platforms. Additionally, researchers attribute the platforms with improvements to their networks through the engagement of new partners. Interviews with university representatives revealed the importance of a broad network of potential partners for researchers in their search for both use cases and funding.

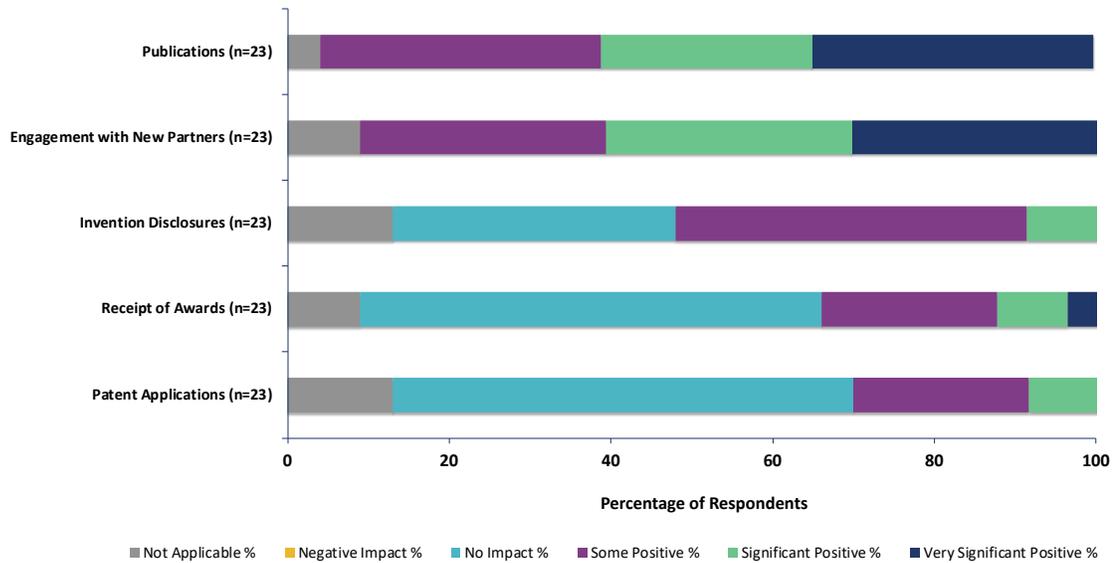


Figure 23. Impact of the Platforms on Research Institute and University Performance

To further explore the impacts of the platforms on the participating research institutes and universities, Figure 24 depicts the impacts on performance segmented by platform and serves to highlight the specific strengths of each.<sup>34</sup> Notably, researchers attribute the ITEA Eureka Cluster program with the greatest impact on their engagement of new partners, while the more research focused ERA-NETs are attributed with the greatest impact on publications. As noted by one respondent, “[The ITEA Cluster] is important for creating international networks with companies and research organisations. [The platform] gives a good picture of the technical development situation in Europe.”

<sup>34</sup> Impact is captured using a five-point Likert scale for each measure. Average impact is calculated using the following weights: ‘Negative impact’ 0, ‘No impact’ 2.5, ‘Some impact’ 5.0, ‘Significant impact’ 7.5, ‘Very significant impact’ 10.0.

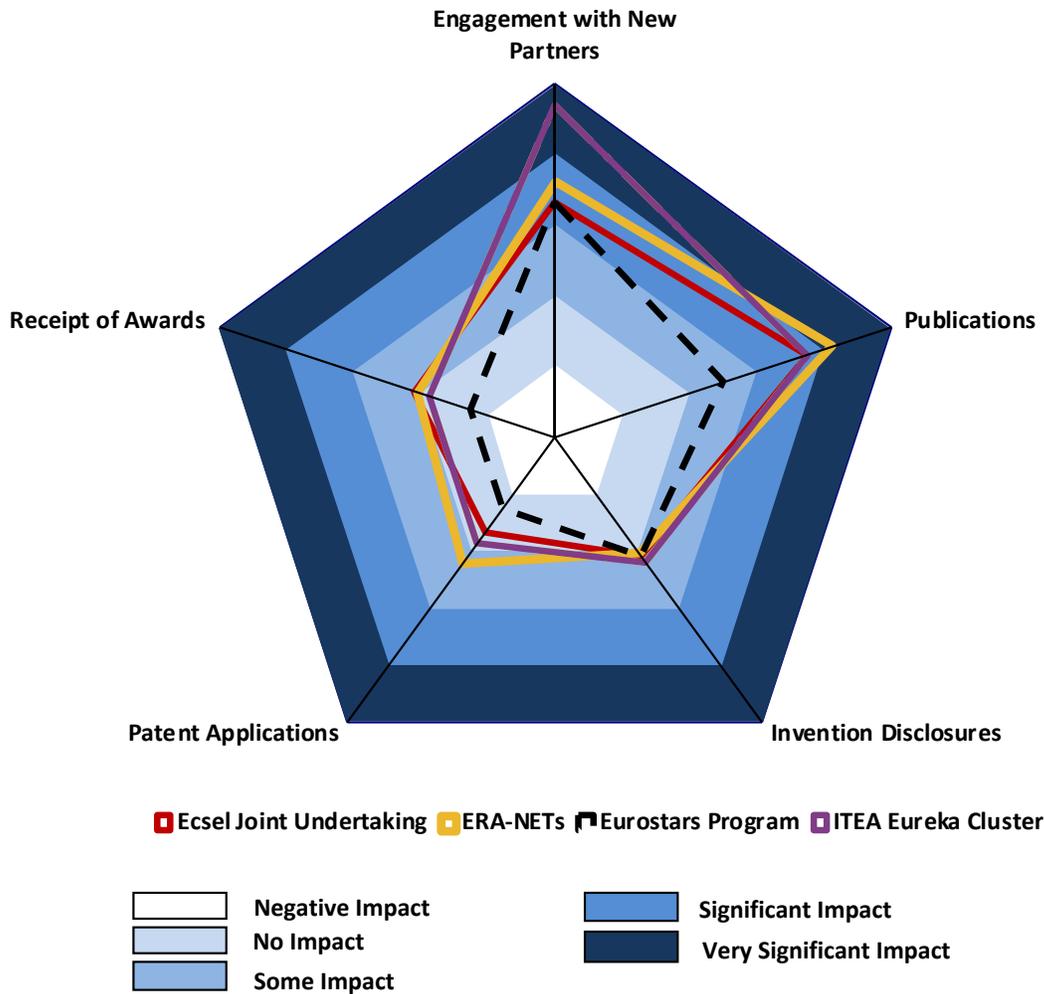


Figure 24. Impact on Research Institute and University Performance Segmented by Platform

#### 5.5.4. Role of the Platforms in Enhancing Networks

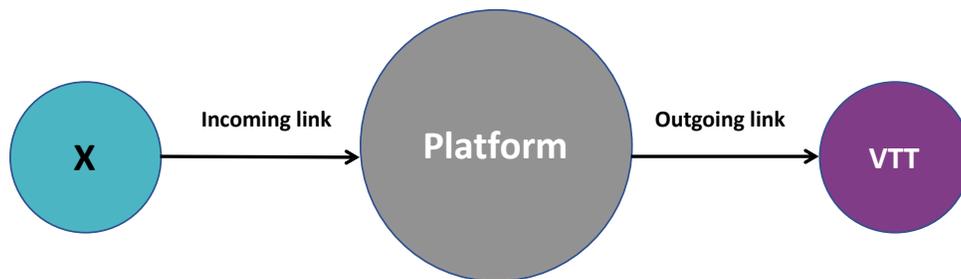
As an exploration of the networks developed by each of the platforms, an analysis of all company, university, and research institute respondents was conducted to determine the role that each platform plays in the ecosystem. The resulting relationships are mapped in Figure 26. It is important to note that Figure 25 does not reflect the network in its entirety; it is a depiction of the platforms' role within the network based on the information provided by survey respondents. Respondents were first asked to identify their key collaborators within the ecosystem and then to indicate the role that the platforms may have played in establishing or bettering those connections. To this end, it is expected that each of the large collaborator nodes (e.g., VTT, Aalto University, etc.) will have their own networks, which are not depicted in the figure below.

In Figure 25, the color of the nodes is based on the type of organization. The platforms are represented as the grey focal nodes in the diagram. Dark blue represents large company respondents to the survey; light blue represents the SME respondents to the survey; gold represents the university respondents to the survey; green represents the research institute respondents to the survey, and purple represents the collaborators (organizations, companies, or consultants with which respondents reported having collaborated).

The lines connecting each of the nodes are an indication of the connections that exist within the ecosystem. There are incoming links (the lines with arrows pointing towards each platform) connecting each respondent to the platform in which they participated. Outgoing links are the lines with arrows pointing away from each platform or respondent. Outgoing links occur from: 1) the platform to the collaborators to which a platform has connected the respondent, or 2) the respondents directly to their collaborators, indicating that their engagement with the collaborators did not take place through the platforms. The logic used to create the networking diagram is as follows.

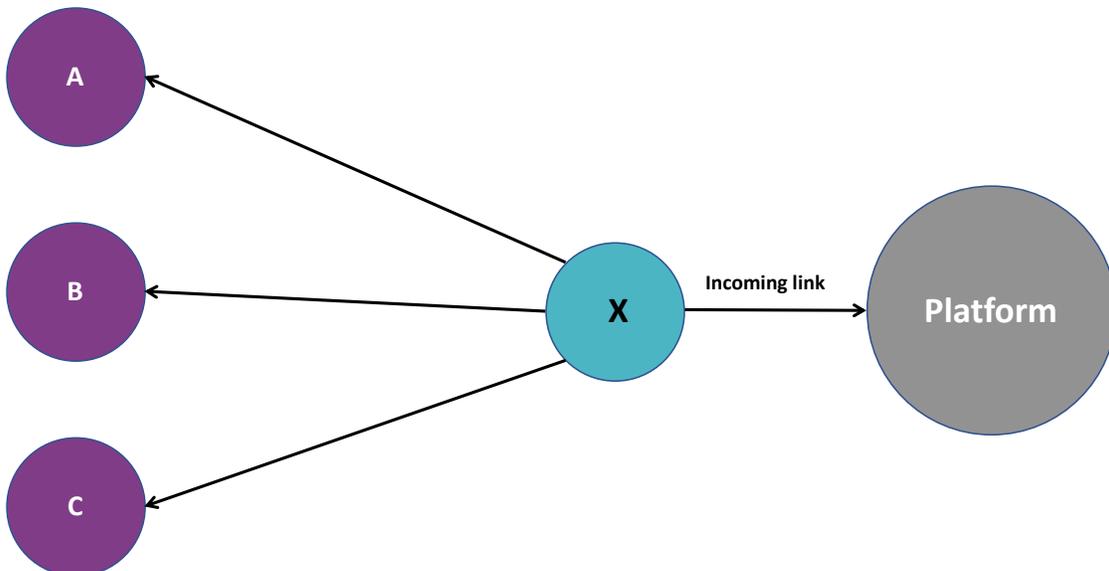
**If the platform helped the collaboration take place:**

As an example, we see in the following diagram that SME X has collaborated with VTT, and such collaboration has been facilitated by their participation in the platform.



**If the platform has not helped the collaboration take place:**

As an example, we see in the following diagram that SME X has three key collaborators A, B, and C, however, these collaborations have not been facilitated by the platform. Organization X is still linked to the platform as a past participant, but the connections to collaborators A, B, and C, do not flow through the platform.



## Results of the Networking Analysis for the Platforms:

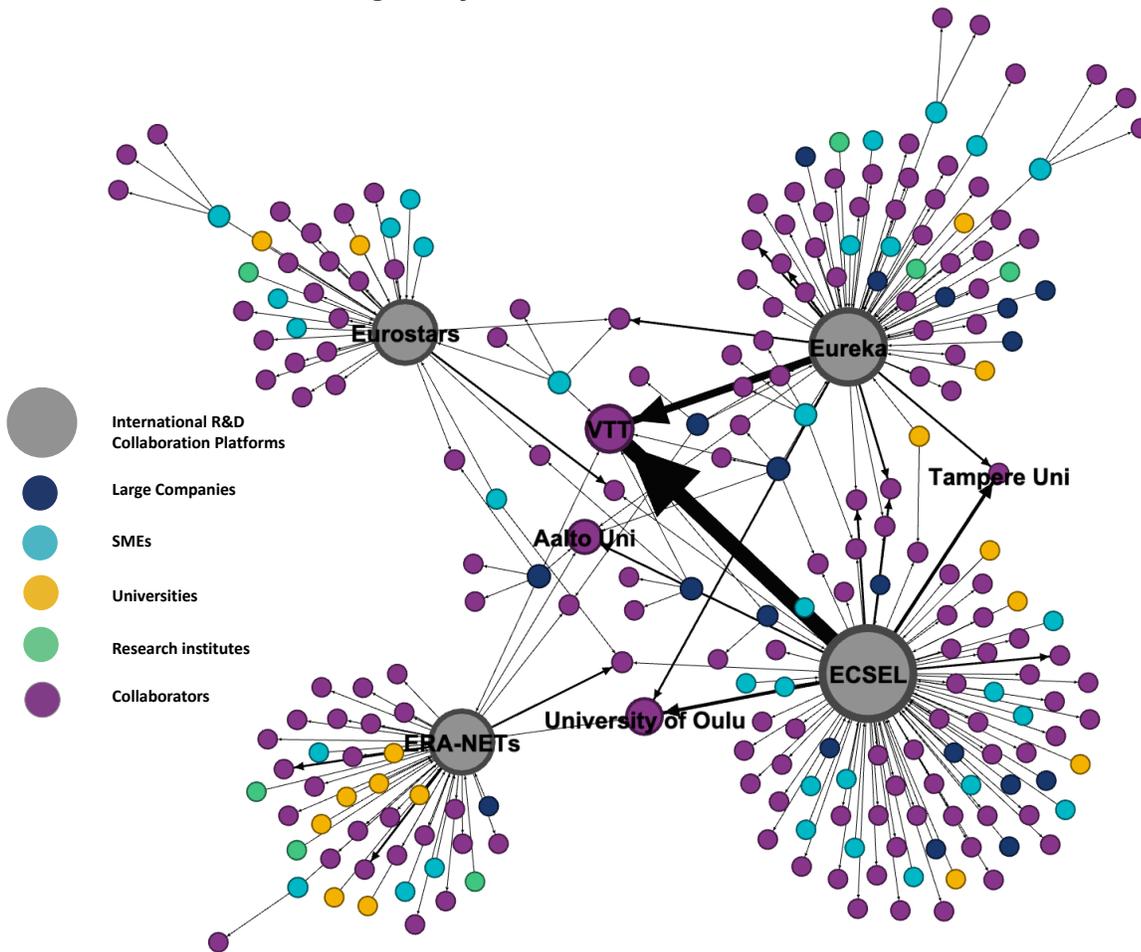


Figure 25. Networks Facilitated or Enhanced by the Platforms

By virtue of having responded to the survey, all responding organizations are deemed to have a connection to their respective platform and therefore in Figure 25 there is an incoming link from each survey respondent to their respective platform.

A significant number of respondents indicated that the platform in which they participated played a role in connecting their company or organization to one of their key collaborators. These connections are denoted by the arrows pointing away from the platform focal nodes. It is evident that the platforms play integral roles in the networks of many of the participants.

However, in a small number of cases, the respective platform did not play a role in establishing or advancing the connection between the survey respondent and one of their key collaborators. In other words, these connections would have existed in the absence of the respondent's involvement in the platform. These nodes are found on the periphery of the diagram. The rarity of these cases in the diagram is an indication of the important role played by the platforms in helping to establish and strengthen connections for participants.

In addition to the role of platforms, the other organizations that emerge from this analysis as important nodes in network are: VTT, Aalto University, Tampere University, and the University of Oulu. Notably, Figure 25 demonstrates the importance of the Ecsel Joint Undertaking, and to a lesser extent the Eureka Clusters, in connecting project participants to VTT. The scale of VTT's involvement in these platforms was confirmed both through the secondary data and interviews with VTT personnel. As one of the most active European research institutes participating in international research programmes, VTT's role as a key node for participants in the platforms is to be expected.<sup>35</sup> However, as noted during the interviews with past participants, there is a perception that VTT has become the default lead applicant within Finland in proposals to the platforms, as well as collaborative projects under Horizon 2020 (now Horizon Europe). This assertion is supported by an exploration of the funding distribution into Finland under Horizon 2020 in Figure 26, which again demonstrates the prominent position of VTT, and the role played by the organization in drawing EU funding into Finland. It should be noted however, that interviewees shared concerns about the unintended consequences of a state-owned enterprise wielding such power within the Finnish innovation ecosystem as it centralizes much of the innovation in Finland, as well as the access to EU-level and international collaborators, with VTT. The primary concern being that companies known to VTT and within the VTT network seem to be more likely to be identified as collaborators on proposals and gain access to funding for their innovations, creating the perception of an inner circle of innovators in Finland.

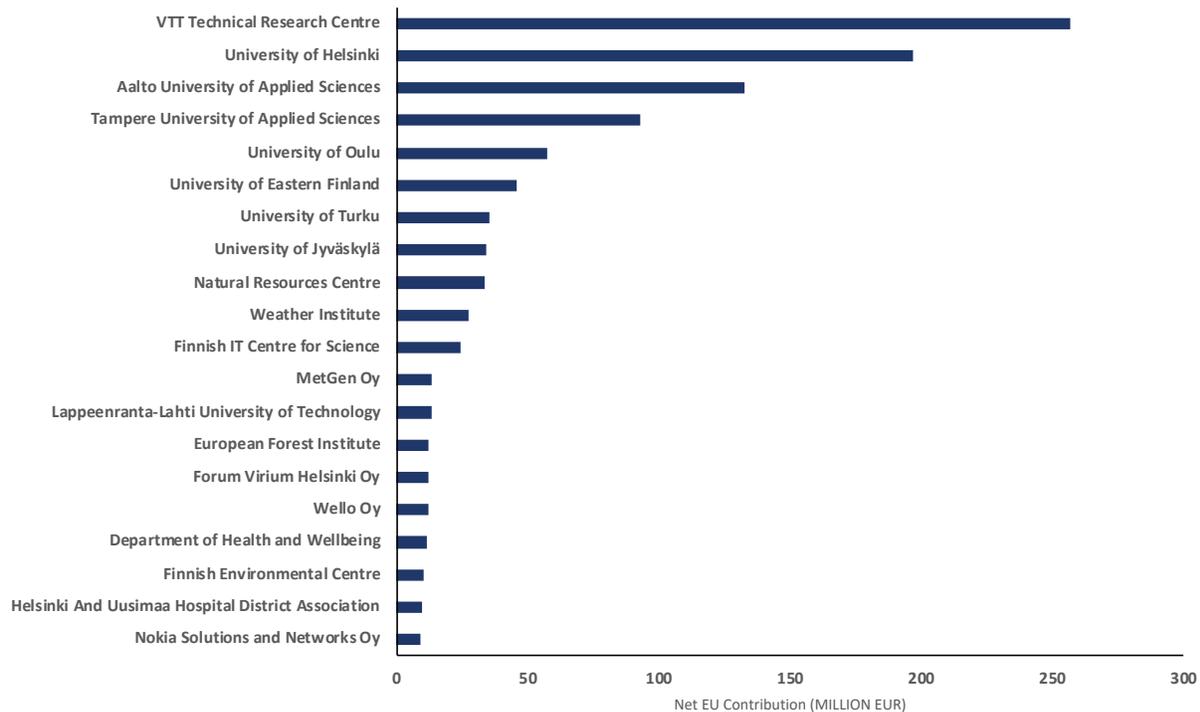


Figure 26. Funding Distribution into Finland Under Horizon 2020

<sup>35</sup> <https://www.vttresearch.com/en/vtt-company>

## 6. Conclusions

### 6.1. The Platforms

According to the evidence gathered, the platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs) have not been well known in the Finnish innovation ecosystem. This is to be expected as limited resources are committed within Business Finland to raising awareness of the funding opportunities available through the platforms and marketing efforts are largely passive. The limited marketing efforts are coupled with the perception that the funding available through the platforms is difficult to obtain, and considerably more difficult to obtain than the funding available through Finland's national funding instruments. As a result, the platforms are underutilized as a tool to advance R&D in Finland.

However, for those that were made aware of the platforms, the support provided by Business Finland in their pursuit of funding was valuable and participation in the funded projects through the platforms is highly impactful. The results of the evaluation indicate that the platforms are having a considerable impact on the capabilities, linkages, and performance of the participants in the funded projects. Further, the greatest impacts achieved by each of the platforms are aligned with their respective objectives; with the ERA-NETs having the greatest impact on research related linkages, the ITEA Cluster having the greatest impact on the technical capabilities of participants, and Ecsel having the greatest impact on the business linkages of participants. However, the impacts are not universally realised by all participant groups as very small companies with fewer than ten employees report less impact than respondent organizations of all other sizes. This suggests that in their outreach efforts, Business Finland may wish to steer very small companies towards other funding instruments and away from the platforms. Small and medium enterprises (SMEs) on the other hand, are the group most impacted by their participation in the platforms and should be encouraged to pursue funding through these instruments.

### 6.2. Horizon 2020 (now Horizon Europe)

The EUTI and the NCP network have made a concerted effort to raise awareness about Horizon 2020 (now Horizon Europe) by actively marketing the programmes. By hosting regular informational events via webinar and through leveraging existing regional support structures to co-host such events, information about Horizon 2020 (now Horizon Europe) has been disseminated across Finland. Based on the evidence gathered through the interviews, potential applicants find the information shared during these events to be helpful as they seek to determine which funding instrument is most appropriate for their purposes. The information provided also helps to clarify what is required in the application process, which ultimately sets applicants up for greater success.

## 7. Recommendations

### 7.1. Raise Awareness of the Platforms

Based on the gathered evidence, the platforms are impactful for those that participate. Business Finland should not be afraid to ‘make some noise’ about them. However, at present, Business Finland is underutilizing a number of avenues for raising awareness of the platforms.

First and foremost, efforts should be made within Business Finland to ensure that client-facing personnel are sufficiently knowledgeable about the available platforms, the target audiences of each platform, and the benefits of the platforms. While it is unreasonable and unnecessary to expect that all business coaches and account leads will become experts in the platforms, they should be able to recognize situations in which the platforms would be an appropriate fit for a company or researcher. The provision of internal training on the platforms would help increase the one-on-one marketing of the platforms to potential applicants.

A number of strategies exist to help Business Finland in this effort. In Austria, FFG has implemented a funding hotline staffed by experts in the funding instruments available domestically and at the EU-level. The hotline is available for companies, researchers, and internal FFG staff and has proven a useful resource for the organization. Another tool used by FFG is an online form that poses a brief list of questions to the respondent and narrows down the funding options to a succinct list of relevant instruments.

In Sweden, Vinnova addresses this knowledge translation issue by having highly integrated teams within the organization. These thematically based teams allow individuals with national funding instrument expertise to work closely alongside those with expertise on the platforms and Horizon 2020 (now Horizon Europe) and to collaborate in the provision of support to companies and researchers.

In Finland, the NCPs for Horizon 2020 (now Horizon Europe) are expected to not only be fully conversant in the section, theme, or challenge for which they are the specialist, they are expected to be sufficiently knowledgeable about the other opportunities available through the programme and who to contact to pursue them. This ‘no wrong door’ approach taken by the NCPs is facilitated by the provision of regular training sessions and updates on programming. Similar training sessions could be provided to business coaches and account leads on a regular basis to help raise their awareness of the platforms.

Additionally, the opportunity exists to make better use of the decentralized, regionally located organizations in the Finnish innovation ecosystem such as regional development centres and universities. These organizations have existing relationships with the companies and researchers in their local communities and are in an excellent position to identify potential applicants. However, this requires that these organizations be sufficiently knowledgeable about the platforms to effectively refer appropriate potential applicants to Business Finland. Both benchmarking organizations, FFG and Vinnova, make significantly greater use of the regional support structures available in their countries and in both cases, these increased regional activities have proven effective in raising awareness and increasing participation in the platforms. In Finland, the EUTI and the NCPs have established effective working relationships with the regionally located organizations in service of raising awareness of Horizon 2020 (now Horizon Europe). This suggests that the regional organizations are willing to assist in these awareness raising efforts and could subsequently be leveraged by Business Finland in raising awareness of the platforms.

Finally, Business Finland should consider less passive marketing efforts to raise awareness about the platforms. Even small efforts, such as more prominently displaying the platforms on the Business Finland website, sharing success stories through social media, or offering a newsletter focused on EU level initiatives, platforms, and funding opportunities can be very effective in helping potential applicants understand and make use of the opportunities available. More intensive activities such as hosting workshops, seminars, or other events have also proven very effective for FFG in elevating the Austrian ecosystem's awareness of the platforms and similar efforts could be made in Finland as well.

## 7.2. Leverage the Platforms and Programmes to Support Finland's Innovation Objectives

The innovation policy of Finland, as articulated by the Ministry of Economic Affairs and Employment of Finland, aims to create an environment that encourages enterprises to develop bold innovations, and embrace renewal and international growth.<sup>36</sup> In support of this, the National Roadmap for Research, Development, and Innovation (the Roadmap) was introduced in 2020 to articulate how Finland aims to create the innovative environment laid out in the national policy. The Roadmap calls for, among other things, Finnish actors to be well prepared to utilise European and other international funding. Finland must gain access to effective research, development, and innovation networks and support the activities that take place in them. This requires support for building networks, competence and advice on applying for funds, as well as sufficient domestic matching funds.<sup>37</sup> From this excerpt, it is evident that there is considerable alignment between the innovation policy objectives of the country and the opportunities offered through the platforms and Horizon 2020 (now Horizon Europe).

Not surprisingly, the national Finnish innovation objectives are expanded upon in the mandate of Business Finland to 1) help companies grow and succeed globally, develop solutions for the future, and renew their business operations boldly, 2) promote collaboration between companies and research groups so that new endeavors can develop into international business ecosystem, and 3) develop Finland into the most attractive and competitive innovation environment in the world. Again, the international R&D collaboration opportunities made available through the platforms and Horizon 2020 (now Horizon Europe) are uniquely aligned to contribute towards Business Finland's core objectives. At the heart of each platform and programme under evaluation is the importance of collaboration both nationally and internationally in order to leverage the combined strengths of the European Union members to produce world-class science and technology.

At present however, the platforms are underutilized in Finland. For example, there is no maximum budget stipulated for the Eurostars programme, and yet only twenty-three applications were submitted to the platform in 2021, of which five were approved for funding. Given the alignment between the innovation goals not only of Business Finland but of the country as a whole, the positioning of the platforms in particular as an afterthought represents a considerable missed opportunity.

Ultimately this has led to an ecosystem of researchers and innovators that infrequently consider

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<sup>36</sup> <https://tem.fi/en/innovation-policy#:~:text=The%20Finnish%20innovation%20policy%20aims,are%20the%20foundation%20for%20innovation.>

<sup>37</sup> <https://okm.fi/documents/1410845/22508665/The+National+Roadmap+for+Research,+Development+and+Innovation/e9566011-2acc-35b2-7b45-279387991430/The+National+Roadmap+for+Research,+Development+and+Innovation.pdf?t=1590136969000>

EU-level funding. While many Finnish companies strive to internationalize, few include the platforms or Horizon 2020 (now Horizon Europe) as part of their internationalization strategy.

Moving forward, Business Finland should position the platforms and Horizon Europe as key instruments to fulfill the innovation objectives of participants, Business Finland itself, and the country as a whole.

### 7.3. Assistance for First Time Applicants

As both the interviews and the secondary data analysis demonstrate, first time applicants are at a significant disadvantage when applying for international R&D collaboration project funding through the platforms and Horizon 2020 (now Horizon Europe). While a great deal of effort is made by the EUTI and the NCPs to inform potential applicants about the application process and evaluation procedures for Horizon 2020 (now Horizon Europe), the support available for applicants to the platforms is considerably more limited. As a result, first time applicants to the platforms tend to lack an understanding of the application and evaluation procedures, an appreciation of the difficulty in identifying the right partners for their proposed project, and the internal resources and capabilities to develop a compelling proposal. Though these are all skills gained through trial and error, applicants that fail in their first attempt may be turned off of EU-level funding forever. When this happens often enough in a relatively small innovation ecosystem like Finland, word spreads that EU-level funding has too high a rate of rejection and other potential applicants may be discouraged from applying.

To help first time applicants overcome the learning curve required to be successful, Business Finland has a number of options at their disposal. At a minimum, Business Finland could increase the number of training sessions addressing the topic of how to develop a successful application for the platforms to more closely mirror the efforts made by the EUTI and the NCPs in the support offered to first time Horizon 2020 (now Horizon Europe) applicants.

Alternatively, Business Finland could offer additional ‘hand-holding’ support to first time applicants to the platforms. This could be achieved either through the allocation of core Business Finland personnel, or by leveraging the regionally located organizations to provide more intensive support to first time applicants. Providing this additional support would serve to even the playing field between researchers and the private sector applicants, as the universities and research institutes in Finland already provide support to their researchers in the development of their applications.

Another option is the use of innovation vouchers to offset the cost incurred by companies to source external expertise when applying to the platforms for the first time. Much in the same way that smaller, younger firms do not have in-house accounting or legal expertise, they should not be expected to have deep in-house expertise in the area of EU-level applications. The outsourcing of much of the application activity to organizations with embedded expertise in this area (e.g., research institutes, university service centres, consultants, etc.) would allow applicants to remain focused on their core business and growth objectives.

As a final alternative, Business Finland could facilitate connections between first time applicants and experienced applicants in the same industry. Although targeted matchmaking between potential applicants to ensure that at least one project partner has prior application experience would be ideal, the limited resources of Business Finland make this challenging. Instead, however, the same objective could be achieved through the establishment of a genuine mentor-mentee relationship, in which the experienced applicants help guide the development of the

application drawing on their past experiences, or through a more casual approach in which first time applicants and those with experience are given the opportunity to network and share experiences.

## 8. Appendices

### 8.1. Internal Interview Summary

To provide insight into the operations, processes, and efforts of Business Finland pertaining to the platforms and Horizon 2020 (now Horizon Europe), a series of semi-structured interviews were conducting with representatives from Business Finland:

- Ms. Elina Holmberg
- Ms. Eija Auranen
- Ms. Virpi Mikkonen
- Ms. Kaisa Ainala
- Mr. Kari Leino
- Mr. Kimmo Ahola
- Mr. Reijo Munter
- Mr. Heikki Uusi-Honko
- Mr. Matti Evola
- Mr. Hannu Nurmi
- Mr. Sampo Tukianen
- Mr. Sisko Sipila
- Mr. Juha Pulkkinen

A thematic analysis was conducted on the results of the interviews and the themes are presented below.

#### General Themes

- **Volume** – the EU platforms represent a non-significant portion of the funding support provided by Business Finland to companies and organizations
- **National Funding** – national funding dominates in both supply and demand, as it is perceived to be easier and faster to obtain
- **Business Finland Structure** – complexity and fragmentation of new Business Finland structure causes internal confusion and concern around EU platform ownership and responsibilities of staff
- **Marketing** – efforts are limited; EU platforms are absent from the Business Finland website; Business Finland network of innovative companies has not been activated to its full extent; regional actors have not been fully activated to help spread the word about the EU platforms
- **Product Mix** – the EU platforms are diluted when the full breadth of the Business Finland instrument portfolio is taken into account; misalignment between the usual ‘bottom up’ approach of Business Finland and the ‘top down’ themes of the EU platforms
- **International Character** – international connectivity is an asset but the international matchmaking efforts of Business Finland are not being optimized
- **HR Allocations and Incentives** – global lack of precise understanding of these EU platforms across the organization; EU platforms are perhaps not considered a strategic priority for the top management of Business Finland
- **Support for Applicants** – the “International R&D collaborative programs” services supply chain is made of a lot of entities/depts/people: EUTI (coordinated by BF), NCPs (BF, AKA, TEM, other Ministries), EEN-Enterprise Europe Network (BF, Turku SP, Helsinki Chamber), BF Business Coaches & Account managers, BF programs’ managers; client facing staff are confronted with the large portfolio of Business Finland support instruments, of which the programs are a small minority; no support provided for application consultants
- **Metrics and Impact** – questions are raised about the significance of the impact of some of the programs for Finland; this consideration appears to be influenced by the sub-critical scale at which some of the programmes operates (Eurostars, some Eureka Clusters, Era-nets)
- **Programs as a Route to Networking** – programs are positioned as opportunities to connect into European networks

- **Program Budget** – with the exception of Eurostars and Ecsel, the (voluntary) absence of clear upfront information about the budget made available by BF for these programs might be a factor explaining the limited interest
- **Capability Enhancement** – BF regularly states that the process of preparing applications is a source of capacity building and uplifting of experience/expertise, even in case of funding rejection
- **Iterative Application Experience** – Finnish applicants are used to the iterative approach to Business Finland funding instruments, which contrasts with the international R&D collaboration funding instruments

### Themes Specific to the Eurostars Programme

- Central (out of Finland) evaluation
  - There is a lack of trust of BF in the centralized evaluation by the Eureka Secretariat
  - Despite of the availability of adequate guidelines & operating system, the way the (very general & conventional) criteria are scrutinized lead to a non-convincing result: not good enough, not innovative enough projects (viewed from the BF perspective)
- Uniqueness & value-added
  - The Eurostars product appears to be unique in its field, and theoretically attractive for SMEs, but there is rather little interest from Finnish SMEs
  - The competition between Eurostars and National Programs for Innovative SMEs is strong and the efficiency of the latter reduces the attractiveness of Eurostars
- Target groups
  - Has BF found the right customers? There might be a mismatch between the cohort of nationally-funded “highly innovative SMEs” and tentative “highly-innovative SMEs” potentially funded by Eurostars
- Red tape
  - There is too much paperwork, too much red tape, too much on-going reporting & control obligations
- Time to grant
  - The time to granting decision and to contract is too long, despite of the recognized effort of the Eureka Secretariat to make it as short as possible

### Themes Specific to the Eureka Clusters

- ITEA, CELTIC & the others
  - ITEA (and CELTIC to a lesser extent) are Clusters having reach a minimum critical mass of projects
- Complementarity with ECSEL & other JUs/EPs
  - Eureka Clusters are seen as (smaller size) *precursor* rather than overlapping programs with mainstream partnerships.
  - Penta-EURIPIDES and maybe ITEA and Celtic have some overlap with Ecsel
- Budget available and time to grant
  - BF doesn't announce financial commitment, and decides to provides grants only if selected projects are good, according to BF's views; other countries have a different approach
  - Timeline is very long.
- Thematic platform & ecosystem development functions
  - ITEA and CELTIC are excellent platforms to prepare good international projects and to work together with other national funding agencies

- The concept of nominating “ecosystem lead” if the project receives the Clusters’ label is a very interesting practice, and increases the probability that the consortium will finalize a high-impact co-innovation project
- Evaluation systems
  - There are concerns about the risk of conflicts of interest of the centralized evaluation system of some Eureka Clusters, where experts coming companies possibly being in the consortium provides opinion about the evaluation of the proposal. However, the Cluster’s public authority committee has the final word and this helps neutralizing this risk.
- Dissymmetry of processes & geography
  - Some Eureka Clusters operates as two-stages programs (ITEA), while other have only one stage (Celtic); this makes it hard for companies to understand the opportunities of the various programs

### **Themes Specific to the Ecsel Joint Undertaking**

- Strategic purpose
  - Ecsel seems to better fit (than the other 3 programs) with BF global strategy; there might be several explanations: (a) this is a sector of strategic importance for Finland, (b) the process is extremely selective and lands on very good/highly innovative projects, and (c) the Ecsel projects carry mid/long-term strategic development
- Target groups & beneficiaries
  - For large corporates, mid-caps and research centers
  - Too many usual suspects. Need fresh blood, especially SMEs and scale-ups
  - Very useful for SMEs as a good place to create and develop their partnership with large players
  - Not fit for too small and not (financially robust enough) companies
- Typology and complementarity with Eureka Clusters
  - To be monitored, within the framework of the new KDT Partnership, and looking ahead on how the Penta-EURIPIDES clusters evolves
- Distortion of geography
  - Ecsel is a program where there is a need for geo-strategical approach (in which the power of influence is proportional to the national co-funding): follow the Germans, Swedish, Benelux and Spanish

### **Themes Specific to the ERA-NETs**

- Strategic position in BF
  - Limited. Only a few projects (M-Eranet3, ERA-Min, Matera+)
- Level of interest from applicants
  - Very limited. Very few applications
- Practicalities and process
  - Very complex; lot of red tape
- Future perspectives
  - Limited. About to disappear

## 8.2. External Interview Summary

To provide insight into the role of Business Finland within the Finnish innovation ecosystem, a series of semi-structured interviews were conducted with representatives from Business Finland stakeholders:

- VTT
- Sitra
- Academy of Finland
- Technology Industries of Finland
- Aalto University
- University of Turku
- Spinverse
- Excedea

A thematic analysis was conducted on the results of the interviews and the themes are presented below.

### **Awareness of the Platforms and Horizon 2020 (now Horizon Europe)**

- There is limited awareness about the ERA-NET, Eurostars, Eureka Clusters, and Ecsel Joint Undertaking within the Finnish ecosystem
- Horizon 2020 and now Horizon Europe are better known
- Alignment between the needs of potential applicants and the benefits of participating in the platforms is not well understood
  - Companies tend to focus on their internal objectives or problems (e.g., the need to develop a prototype), they do not think in terms of the instruments that can help them
  - Companies also tend to think of themselves as being part of a particular industry, the EU platforms are presented in terms of themes or problems that need solving, which makes it difficult for companies to understand how they align to the funding calls
  - Researchers have a limited understanding of how the EU platforms can benefit their work
- The use of EU platforms is not baked-in to the growth strategies of Finnish companies
  - Companies seeking quick growth pursue VC or other private funding rather than using the EU platforms

### **Application Process**

- Preparing a successful application is difficult and time consuming
  - Companies that are serious use consultants to develop their proposals
  - Proposal development should be viewed by companies and researchers as an investment in their future but without assistance they are not willing to take the risk of an unsuccessful proposal
- Most companies do not have the necessary internal competencies to develop a successful proposal
  - SMEs or even staff at large companies that have never successfully applied for EU funding previously have difficulty competing with companies that have in-house or contracted expertise
  - First time applicants are at a disadvantage as they have a limited understanding of, and appreciation for, the application rules and procedures
  - There is the perception of misalignment between the Business Finland criteria for a successful application and the EU-stipulated criteria for a successful application under the ERA-Net, Eurostars, Eureka Clusters, and Ecsel platforms
  - Communication about the criteria and the evaluation results is limited

## **Networks**

- Large applications require the identification of strong, well thought out value chains (as demonstrated through project partners)
  - Most SMEs and even some large companies lack sufficient or appropriate networks
  - Many Finnish SMEs, especially those in highly technical fields, have difficulty breaking into established networks both domestically and internationally
  - Networks and collaborations developed solely for the purpose of the application often appear artificial or forced
- Difficulty in identifying appropriate partners and making connections goes both ways
  - Research organizations and researchers have difficulty knowing who to connect with from industry
  - Industry is unaware of which organizations, companies, etc. have the skillsets they require for their application
- Success in prior applications makes companies and organizations a more appealing partner in subsequent applications
  - Easier to collaborate with partners that already understand the programs

## **Relationship Between National and EU Level Funding**

- National funding is perceived to be easier to access
  - National funding is thought to have a more approachable application procedure, faster time to money, and less burdensome reporting requirements
- The connections between national programs and the EU funding opportunities are underdeveloped in Finland
  - Anecdotally, Norway is a good example of where this has been done well
- Involvement in the EU funding opportunities is perceived to be a benefit to Finland
  - EU funding opportunities are believed to lead to increased innovation, growth, and competitiveness of Finnish companies
  - Not participating means that Finland will be shut out of key European networks and access to cutting edge research results
  - Participating at the EU level is an essential first step to accessing international markets

## **Perceptions of Business Finland's Role Relating to EU Platforms**

- Access to the programs is dependent on the Business Finland advisor or account lead
  - Though the expectation is that Business Finland staff point companies towards whatever funding best suit their needs, there is the perception that Business Finland advisors and account leads would rather point companies towards national funding instruments rather than the EU funding opportunities
- Business Finland advisors and account leads do not have a clear understanding about the EU funding opportunities
- There is a perception that Business Finland provides potential applicants with only marginal additional insight about the ERA-Net, Eurostars, Eureka Clusters, and Ecsel programs above and beyond what is already available on the program websites
- Business Finland does not seem to be aware of what is coming out of Brussels so Finland tends to be behind other more connected countries
  - Constant reorganization of Business Finland in recent years may have impacted this perception
  - The innovation ecosystem no longer knows who to contact at Business Finland

### 8.3. Company Interview Summary

To provide insight into the experience of applying for, and participating in, international R&D collaboration projects through the platforms and Horizon 2020 (now Horizon Europe), a series of six semi-structured interviews were conducted with representatives from Finnish companies. A thematic analysis was conducted on the results of the interviews and the themes are presented below.

#### **Prior Experience is Key to Application Success**

- The requirements for the platform and Horizon 2020 (now Horizon Europe) applications are complex and nuanced
  - It takes practice to know what should or should not be included in the application
- Past experiences in prior roles as researchers often helps applicants be successful in their first corporate application
  - Many companies in the Finnish innovation ecosystem are started by inexperienced individuals and therefore do not have the depth of in-house expertise needed to be successful in their applications
- Though consultants can be useful if the company has not internal past experience with applications, the company is inherently the most knowledgeable about their innovation and the proposed project and is therefore the best advocate for themselves
- To help bridge the experience gap for applicants it would be helpful to connect potential applicants with past successful applicants so as to offer guidance throughout the application process

#### **A Robust Network is Both an Input and an Output of the Projects**

- Accessing EU-level funding is difficult if the company does not have a robust network
  - A strong network across the value chain for the innovation demonstrates a willingness to share the results of the project, which ultimately enhances the research and innovation community to a greater degree than siloed or secretive innovations
- VTT is the dominant player in the ecosystem
  - Companies frequently become involved in projects at the behest of VTT
  - Important to be within VTT's network if you want to be involved in EU-level projects
- The value in participating for many companies is not the funding but the access to collaborators that is made possible by participating in the projects
  - Due to the low willingness to partner on R&D of the large corporations in Finland, the projects offer an opportunity to connect with large corporates from other countries

#### **There is Value in Participating**

- Being funded at the EU-level acts as a stamp of quality for the project, participants, and the innovation
- EU-level funding can help attract follow-on funding from both private and public sources
- The sums offered through Horizon 2020 (now Horizon Europe) are larger and more flexible than the funding amounts available domestically
- Access to the consortiums is a key benefit of participating in the platforms or Horizon 2020 (now Horizon Europe)
- Participating allows companies to gain much needed experience and knowledge about the markets in their target countries
  - Particularly important given the small size of the domestic market in Finland
- Access to international markets facilitated through the platforms and Horizon 2020 (now Horizon Europe) allows companies to recoup their R&D costs

### **Efforts to Raise Awareness of Horizon 2020 (now Horizon Europe) Have Been Effective**

- Knowledge within the Finnish innovation ecosystem that Business Finland has in-house expertise related to Horizon 2020 (now Horizon Europe)
- Personnel at Business Finland offer helpful guidance to companies as they explore the available funding options
- The seminars, webinars, and information sessions for Horizon 2020 have all been very helpful
  - Would be helpful to see what a ‘bad’ application looks like during some of these sessions
- The information packages about Horizon 2020 (now Horizon Europe) are very helpful
- The EUTI does a good job at providing support and raising awareness about Horizon 2020 (now Horizon Europe)
- Some concerns around the NCPs acting as gate keepers for matchmaking events
  - Has the potential for companies to miss out on important events if the NCP has not signed off on their online profile in advance

### **National Funding is More Easily Obtained than EU-level Funding**

- It is much easier for companies to be approved for national funding through Business Finland than to be approved for EU-level funding
- There is a large number of easily accessed but small value grants made in Finland
  - Companies express an interest in larger, more strategic investments
- Applying for EU-level funding is akin to sending an application into an institutional black hole
  - In contrast, Business Finland provides a contact person, a relatively short application to complete, and a far shorter time lag between application and receipt of funding
- The timeframes for national funds are more closely aligned to the needs of innovators when compared to the time lag between application and funding for the EU-level funds
- Time put in to accessing national funds feels like an investment, time put in to accessing EU-level funds can sometimes feel like a lottery
- Despite being easier to obtain, the terms for national funding are often worse than the terms for the EU-level funding

## 8.4. Benchmarking Interview Summary

Following the series of interviews with Business Finland personnel in charge of the platforms (the Eurostars Programme, the Ecsel Joint Undertaking, the Eureka Clusters, and the ERA-NETs), as well as personnel in charge of Business Finland's efforts to provide advice on how to access EU-level programmes & funding in general, similar interviews took place with appropriate personnel from Business Finland's peer organizations in Sweden (Vinnova) and Austria (FFG).

The overarching goal behind these interviews was to contextualize the efforts of Business Finland, as well as to identify recommendable and transferable good practices to assist Business Finland in managing the way forward.

Semi-structured interviews were conducted with the following individuals:

### Sweden (Vinnova)

- Ms. Lisa Almesjö, Senior Policy Officer, International Cooperation Head of Brussels Office
- Ms. Annie Lindmark, Programme Director Eurostars – Innovation Management
- Mr. Peter Lindberg, Eureka National Project Coordinator – International Cooperation
- Mr. Frédéric Pillot, Eureka Clusters Programme Manager – International Cooperation

### Austria (FFG)

- Mr. Christian Frey, Team Leader Science & Innovation - European & International Cooperation
- Ms. Johanna Scheck, Programme Manager Eurostars - European & International Cooperation
- Mr. Michael Walch, Programme Manager Eureka Clusters - European & International Cooperation

A thematic analysis was conducted on the results of the interviews and the themes are presented below.

### **Alignment & integration between National and European programmes**

#### In Sweden

- Interviews with Vinnova personnel shows an improving level of alignment between national funding instruments in Sweden and the calls issued via the (Eureka and Eurostars) platforms and Horizon 2020 (now Horizon Europe). The goal in Sweden's innovation ecosystem is to enable better coherence across the funding streams so that the funding instruments are all pulling in the same direction rather than competing with each other.

#### In Austria

- In Austria and to a lesser extent in Sweden, Eurostars and Eureka Clusters are well aligned with National programmes, integrated in the respective thematic priority departments, therefore offering a cohesive funding strategy.

- In Austria efforts are made to synchronize the deadlines for national funding calls and the calls issued via the platforms and Horizon 2020 (now Horizon Europe), particularly for the Eureka Clusters. This allows applicants to submit their proposals to both national and international funding schemes, as appropriate.

### **Programmes' position within the Agency's strategy**

#### In Sweden

- A national Swedish strategy for EU-funds has been co-designed in 2020 by six relevant agencies, including Vinnova, who had an important role in the exercise. The existence and shared recognition of this strategy increased the (strategic) importance of EU-programmes and contributed to the fact EU-funding is considered as one of the priority, and one of the way to address societal challenges in Sweden.
- Vinnova's top management believes in the added value and singularity of Eurostars, its contribution to accelerate the generation and development of Deeptech companies and the emergence of Deeptech communities, including synergies with the EIC.
- The Eureka Clusters (ITEA, Celtic-next, Xecs, and Smart) are included as integral elements of the country's strategic priority areas and are coordinated under thematic cooperation circles. On top of bringing networking and high-level connections to project participants, Vinnova uses the Eureka Clusters as small industrial ecosystems contributing to feed and refresh Vinnova's strategy.

#### In Austria

- Several indicators (number of staff, volume of promotion effort, technical support to applicants, visibility and position in the org-chart) reveals the importance given to Horizon 2020 (now Horizon Europe) in the Agency's priorities, and at field level across the Austrian innovation ecosystem.
- At Eureka programmes' level, FFG clearly considers Eurostars and Eureka Clusters as important programmes for Austria, and treats the matter consistently by positioning them in the frontline of the programme-mix. The recent (July 2020-June 2021) Austrian Chairmanship of the Eureka organization was naturally an accelerator of Eureka programmes' position within the Agency.
- FFG also tries to position Eurostars projects as a fast-track to the EIC.

### **Marketing, visibility and awareness raising**

#### In Sweden

- Vinnova has developed a genuine digital media strategy that drives awareness through their employees' LinkedIn and Twitter accounts. Vinnova also hosts a considerable number of on-line awareness and matchmaking meetings. In addition to these digital strategies, the internal efforts at Vinnova rely heavily on the NCP structure. Each NCP in Sweden is expected to build up their own network of potential applicants for specific section, theme, or challenge under their purview. The NCPs activate these networks on a regular basis, bringing the potential applicants together for webinars, meetings, and networking events. These efforts lay the groundwork for pulling together appropriate consortia in response to the funding calls, in addition to strengthening the domestic Swedish networks in key sectors.

- A lot of noise was made by Vinnova at the launch of Horizon Europe, and intense and open multi-stakeholders consultation/awareness process was implemented

#### In Austria

- FFG also made a lot of noise at the launch of Horizon Europe, with a big national conference, followed by 6 to 8 weeks of continuous events, webinars and match-making opportunities
- Most notably, in 2020 FFG launched an EU funding opportunities newsletter, which allowed anyone to sign up to receive regular updates on upcoming EU level funding calls. The managers of the platforms within FFG provide content for the newsletter in which the calls are detailed and described. Not only has this democratized the access to this information within Austria, as now all interested parties receive the same information at the same time, it has also helped to pull the expertise of the platform managers out into the innovation ecosystem where it can be used by potential applicants to make decisions about which programmes and platforms to pursue.
- Specific initiatives were taken to reach-out new participants (first experience), so to avoid an excess of usual suspects within the various application deal-flows.
- A remarkable initiative, the FFG Academy is a dedicated high-quality training and capacity building initiative, which has not only brought enhanced capacity to applicants and potential applicants, but which contributed to the promotion and visibility of the EU-funding and collaboration activities.

#### **Networking and interacting with the ecosystem**

##### In Sweden

- In addition to actively leveraging their own distributed NCP network, Vinnova has taken the clear approach to leveraging the ecosystem by all means, including the regional ecosystem, through various channels.
- A good example is the use by Vinnova of the EU-SME organization in order to involve more Swedish SMEs with international ambitions in Horizon Europe, the European Innovation Council Accelerator, Eurostars, and the European Innovation Fund. EU-SMEs support offices, operating as an Enterprise Europe Network (EEN) network node, are spread regionally across Sweden.
- Vinnova generally uses a variety of other intermediaries to enable a multi-actors outreach, and organizes campaigns to increase the participation of local & regional actors into EU-programmes, by notably targeting sources of public sector innovations.
- Initiatives are taken to maximize interest & participation of Universities and Research Institutes, and the role of RISE (Research Institutes of Sweden) is key in liaising with technology development capabilities (Analogy with the role of VTT in Finland). A structured dialogue with University rectors is implemented, and Vinnova takes initiatives to engage with smaller Universities (beyond the top five being KTH, Chalmers, Lund, Uppsala and Karolinska)
- Parallely, Vinnova pays a lot of attention to maintain a high-level of policy dialogue and operational interactions with the private sector, not only the Swedish industrial and tech-giants, but also SMEs and start-ups, within the EU-funding & collaboration perspective; this was confirmed by the Confederation of Swedish Enterprises (EU Brussels Office). These efforts are facilitated by Sweden's long

history of strong collaboration between university researchers and the private sector, which makes the private-public partnership approach inherent in the international R&D collaboration projects funded via the platforms a natural fit for the universities.

#### In Austria

- One of the lessons learned from the Austrian experience is that active decentralization to well-anchored regional players (Regional Economic Development Agencies for example) is an effective and efficient mechanism for awareness raising, as it relies on the existing structures and resources in place within the regions.
- The stimulation of the creation of specific communities (applicants, multipliers, Ministries, RDAs, VCs, etc.) of EIC applicants and Clusters platform are good practices which increase and improve the level of interest, engagement and networking.

### **Guidance and support to applicants, and capacity building**

#### In Sweden

- As already indicated above, EU-SME advisors located across Sweden, which act as the key contact for the SMEs in their region, are providing valuable advice and guidance as they evaluate the options for funding. The advisors are not directly involved in the writing of applications but are empowered to offer support and feedback while an SME is formulating their application content, with or without private consultants' assistance. Additionally, the EU SME provides post-award support to successful applicants as they initiate their projects and report on the results.
- Vinnova also regularly organizes ad-hoc Master-Classes and Proposal Writing sessions

#### In Austria

- FFG provides a funding hotline well staffed by experts to answer funding-related questions from clients as well as internal staff. The organization also provides a user-friendly funding opportunity search tool on their website that allows potential applicants to distill the multitude of funding instruments down to a shortened list of options based on information such as the target sector, type of applicant (e.g., SME, researcher, etc.), and willingness to participate in collaborative projects.
- The FFG Academy is a master-piece of the set of guidance & support tools offered to EU-programmes applicants and potential applicants in Austria.
- However, FFG doesn't provide direct hands-on support to applicants; Business coaching and field follow-up of key-accounts are not implemented by FFG staff, but through the external EEN network, some regional economic development agencies and naturally RD&I players (TTOs, RIs) and specialized consultants.

### **Organization and human resources**

#### In Sweden

- Despite of the strategic importance given to EU and International collaboration, Vinnova allocates a rather limited number of staff (13) to EU-funding, but has

developed a lot of networking externalities with intermediaries. Vinnova doesn't provide direct hands-on support, apart from the NCPs efforts highlighted above.

- On top of EU-funding and programmes staffing, a team of geographical key-account managers facilitate the establishment of links with partners in these priority targeted countries.
- As far as Eurostars and Eureka Clusters are concerned, a “Eureka Hub” is identified within the International Cooperation department, with three full time programme leaders (Eureka + Eureka Clusters + Eurostars), organically located in several Units (International Cooperation, Digital Agenda, and SMEs); they are backed by seven part-time programme officers

#### In Austria

- All EU-programmes (Horizon Europe and all the others, including Eureka) are located and managed under one roof, the European and international Cooperation Unit, with around 40 staff (including 20 NCPs).
- Under this umbrella of 20 staffing FTE (Full Time Equivalent), FFG constituted specific communities (EIC, EIT, Eureka Clusters, ...), to which operational & dedicated staff is allocated
- The Eureka operational team is made of three to four FTEs, acting as programmes leaders (Eurostars + Eureka Clusters + other Eureka instruments).

#### **Eurostars (specific observations)**

The volume of annually-funded projects reveals the relative importance of Eurostars within the Agencies' portfolios:

- In Sweden, Vinnova declares around 30 to 35 projects per year
- In Austria, FFG declares around 15 projects per year

In Sweden, the following observations are made:

- The Agency pays attention to significantly target Start-ups and SMEs, and more generally Deeptech companies
- Vinnova is developing a Eurostars-Alumni network, which appears to generate successful results
- Vinnova utilizes the EU-SME support offices (EEN) for pre-screening and place-based capacity building
- Vinnova valorizes relevant regional/local intermediaries as Eurostars' ambassadors (Science Parks and Incubators – SISP network, for example)
- Eurostars is being used as another vehicle to address Sweden geographical priorities (The example of the enhanced Eurostars collaboration between Sweden and Switzerland)
- Vinnova's Runner-Up programme helps SMEs to improve their engagement with Eurostars

In Austria, the following observations are made:

- The current available earmarked budget for Eurostars is limited (3,5 M€/year), and the strategy is therefore to promote the emergence of high-quality projects, and to avoid over-subscription.

- FFG adopts the tactics to systematically analyze the Eurostars evaluation reports, and to promote and facilitate re-submission process (A good practice inspired by the experience shared with Innovation Fund Denmark - IFD)
- A lot of emphasis is made on capacity building and training, through the use of the FFG Training Academy
- Dedicated Eurostars events are organized to support the programme, directly by FFG and by some Regional Development Agencies (in Upper Austria for example)

### **Eureka Clusters (specific observations)**

The volume of annually-funded projects reveals the relative importance of Eureka Clusters within the Agencies' portfolios:

- In Sweden, Vinnova declares around 8 to 10 projects per year, spread across 4 clusters (ITEA, Celtic+, ECS-X and Smart)
- In Austria, FFG declares the same order of magnitude, around 8 to 10 projects per year, spread across 5 clusters (ITEA, Celtic+, ECS-X, Smart and Eurogia); recent promotional efforts (and the ad-hoc effect of the recent Austrian Chairmanship of Eureka) resulted in a significant increase of applications, reaching more than 30 applications (34); this includes 10 applications related to an inter-clusters AI (Artificial Intelligence) call.

In Sweden, the following observations are made:

- Together with Ecsel (and other EU + National programmes), the ICT-oriented Eureka Clusters (Itea, Celtic+ and ECS-X) are inserted in the Vinnova's Digital transition toolbox, and "Thematic Competence Circles"
- Similarly, the Smart Eureka Cluster is integrated as one tool within the Sustainable Industry agenda of Vinnova
- The approach is very much to consider Eureka Clusters as another mid-term instruments contributing to structure the framework for the on-going elaboration of priority strategies (Sustainable Industry, Digital transformation, Smart mobility, etc); the run for projects' funding being not the exclusive objective.
- Also, Eureka Clusters are used as vehicles to further explore partnerships within Vinnova's priority countries, thanks to the strong integration of national public authorities within the Clusters' governance, and the customizable multi-lateral character o Clusters' projects.

In Austria, the following observations are made:

- Marketing efforts consisted primarily of providing information on the FFG website about upcoming calls, and in some cases sending emails directly to companies known to FFG. The results of these efforts were lacklustre and tended to consistently attract the same set of companies to the calls. However, when Austria took over the Eureka Chairmanship in mid-2020 a decision was made at FFG to revitalise interest in the Eureka Clusters operating in Austria. Over the course of 2020, promotional events and activities were hosted by FFG to help raise awareness of the opportunities available through the Eureka Clusters. The organization also raised the profile of the Clusters through social media outreach, the sharing of success stories through their website, and the promotion of funding calls on the FFG homepage

- The volume of projects recently increased significantly, due to substantial marketing efforts and strong positioning within the FFG programmes-mix.

#### TEN RECOMMENDATIONS

1. Raise awareness and communicate dynamically
2. Adopt a true digital media strategy
3. Build communities of practice with alumni-applicants
4. Target deep-tech players in promising start-ups and scale-ups ecosystems
5. Develop a training programme and provide assistance to First Time Applicants
6. Offer regular match-making events
7. Develop internal networks within the Agency
8. Network with partnering intermediaries
9. Mobilize regional & local champions and multipliers
10. Integrate programs into a shared EU-strategy

## 8.5. Additional Survey Results

This section provides additional context to the survey results presented throughout the main report. The overall survey response rate was 25%. Assuming a 95% confidence level, which is industry standard, the omnibus survey-wide confidence interval is 9.75.

Figure A1 below provides additional insight in the distribution of survey responses across the various types of project participants. Thirty percent (30%) of respondents were representatives from small or medium enterprises (SMEs) with between 10 and 250 employees, while 31% were employed by a university or research institute.

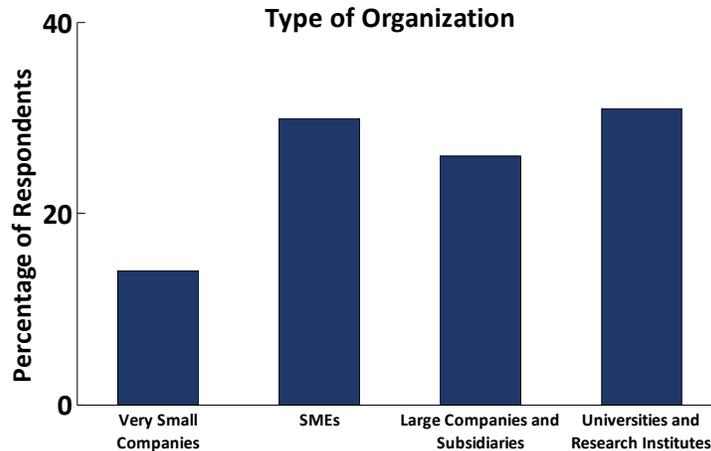


Figure A1. Respondent Type

All company respondents were asked to respond to a question about their company's plans for growth. Fifty-six percent (56%) reported that their company has a clear and ambitious plan for growth, while 42% have plans for steady growth. This ratio holds across all sizes of companies.



Figure A2. Company Growth Plans

Figure A3 provides insight into the various sources of funding used by the company respondents over the past five years (2016-2021). Respondents were allowed to select more than one response, and as a result the total percentage exceeds 100%. Ninety-eight percent (98%) of respondents rely at least in part on revenues to fund their corporate activities, while 50% rely on government grants or loans.

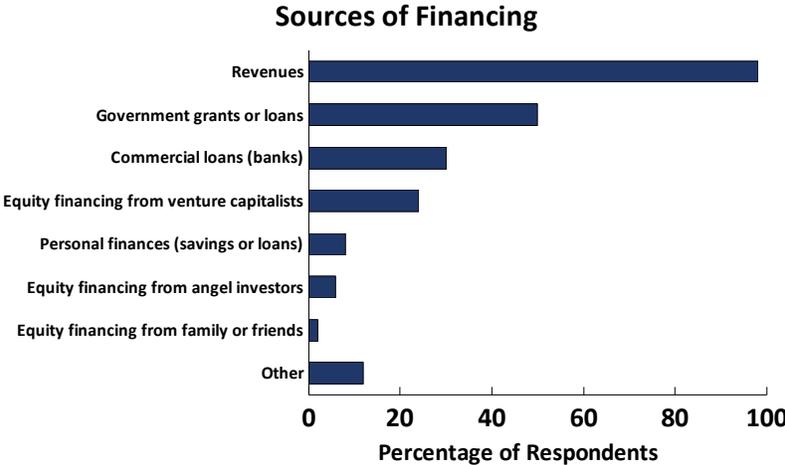


Figure A3. Sources of Financing for Company Respondents

Company respondents were also asked to report on their barriers to international growth. Respondents were allowed to select their top three responses to the question, and as a result the total exceeds 100%. The most commonly reported barrier, reported by 48% of respondents, was the very nature of their business (e.g., limited scaling opportunities). This was followed by 36% of respondents reporting that their slow time to market was a barrier to their international growth.



Figure A4. Barriers to International Growth

Figure A5 depicts the distribution of responses across the various EU platforms that were included in the survey. Thirty-five percent (35%) of respondents had participated most intensively in the Ecsel Joint Undertaking platform, while 22% participated in ERA-NETs and the ITEA Eureka Cluster, respectively.

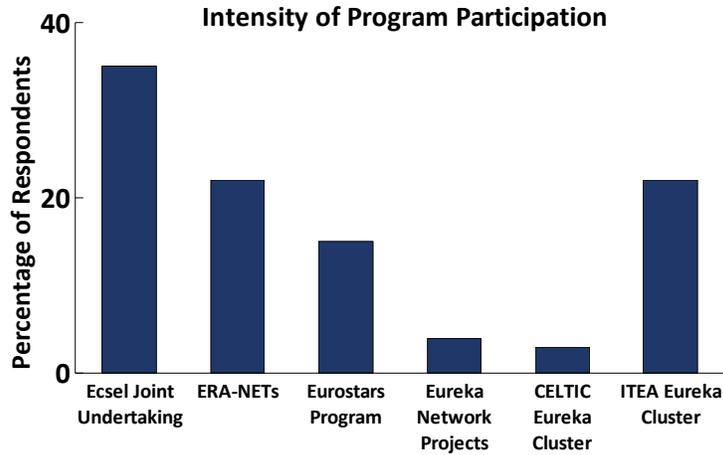


Figure A5. Platform Participation

Figure A6 provides insight into the motivations for participating in the EU platform with which they had most intensively engaged. Respondents were allowed to select their top three responses to the question, and as a result the total exceeds 100%. Sixty percent (60%) of respondents reported that they had applied to the EU platform for the purposes of securing EU funding, while 47% reported that they sought participation in an effort to access the technical expertise of their project collaborators.

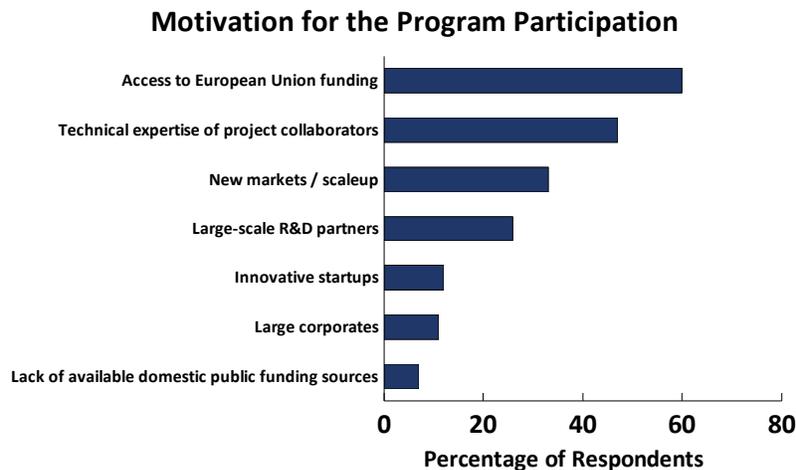


Figure A6. Motivation for Participation in the EU Platform

All respondents were asked to provide additional perspectives on the EU platform in which they most intensively participated. Ninety percent (90%) of respondents reported that the EU platform allowed them to undertake an R&D project that they otherwise would not have been able to fund, while 86% reported that the EU platform helped to expand the scale of their R&D project. Seventy-seven percent (77%) reported that the collaboration achieved through the EU platform helped them to reach their own goals. Though still a majority, the lowest percentage of respondents reported that the EU platform helped them access new market opportunities abroad.

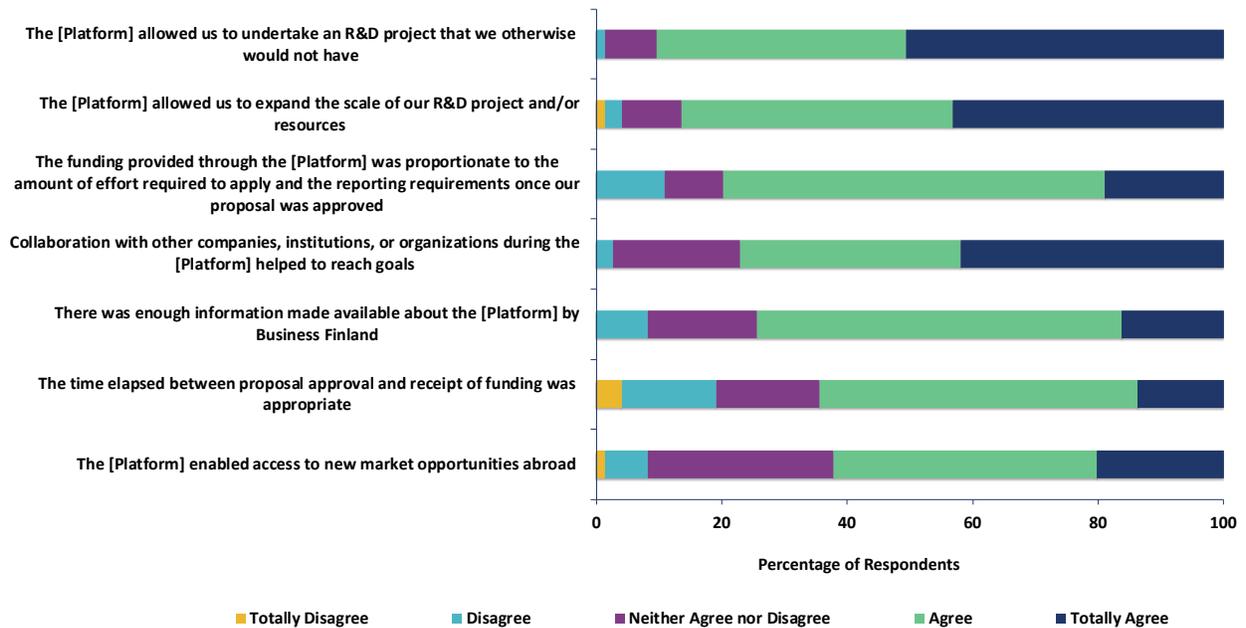


Figure A7. Additional Respondent Perspectives on the EU Platforms