

**FUNDING CALL FOR PROMOTING RESEARCH AND DEVELOPMENT IN THE CREATIVE INDUSTRIES AND LEVERAGING THE KNOW-HOW OF THE CREATIVE INDUSTRIES**

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## **1. Background**

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

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

## **2. Who can apply**

The funding is intended for innovative R&D projects that create international competitive advantage and significant business potential.

Companies engaged in economic activities, regardless of their size, can apply for funding, but we do not fund one-person companies. However, funding cannot be granted for natural persons. For this reason, private traders ("toiminimi" in Finnish) cannot be funded.

The applicant is not required to be a creative industry company, but the content of the development project must utilize the know-how of the creative industries.

The beneficiary must have potential for profitable business operations and growth. The organization must have credible human and financial resources for the implementation of the R&D project and the utilization of the project's results in its business.

## **3. Funding criteria**

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

With regard to the content of the funded projects, the key evaluation criteria are their innovative nature and the impact of the expected results on the international competitiveness of the Finnish creative industry. All companies that meet the minimum criteria will not automatically

receive funding. When making its decisions, Business Finland always evaluates the company's business as a whole: innovativeness at least at the national level, the solution's competitive advantage, the team, and the adequacy of funding. We will also assess the applicant's expertise and ability to implement the project as well as the implementation plan of the project.

A prerequisite for Business Finland's funding is that the company has a credible overall financing plan for the project. The company must have the financial capacity to commercially utilize the results of the project and continue operations after the end of the project.

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

We cannot grant your company funding if:

- your company has not submitted the financial statements to the Finnish Patent and Registration Office, or the financial statements have not been audited in accordance with the Auditing Act,
- your company has not submitted an up-to-date statutory notification of beneficial owners to the Trade Register
- your company has tax debts for which a payment plan has not been agreed with the tax authorities
- your company has arrears, payment defaults or other outstanding financial obligations related to previous loans granted by Tekes or Business Finland
- your company does not have the appropriate permits to utilize the results (environmental permit, chemical permit, FIN-FSA authorization, etc.)

#### 4. Amount of funding

The project's focus on research and the size of the company both affect the amount of funding.

- **For research-oriented** [luovat-alat-qa.pdf](#) projects, the grant is 50% for SMEs and 40% for midcap/large companies.

Please note that for large companies, funding is only granted to research-oriented projects with which the large company seeks a global competitive advantage. A large company should spend at least 40% of the total project costs to purchase services from SMEs and/or research organizations.

The minimum grant amount is EUR 50,000, in which case the total cost of the project is EUR 100,000.

Aid can be granted for critical research activities that aim at least to acquire new information in the relevant sector and create capabilities for later development, but that do not yet result in a finished product or service.

- **For development-oriented projects**, the grant is 35% for SMEs and 25% for midcap companies.

The minimum grant amount is EUR 50,000, in which case the total cost of the project is EUR 143,000.

Development-oriented projects significantly renew existing products, services, production methods, and business models or develop entirely new ones.

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

## **5. Eligible costs**

The content and goals of the project determine which project costs are eligible. In research and development projects, eligible cost types include:

- salaries and wages
- Indirect personnel costs (at most 50% of salaries and wages allocated to the project)
- Overheads
- travel expenses
- costs of materials and supplies
- Equipment purchases
- Equipment depreciation
- Equipment rents
- Purchased services

R&D funding is intended to cover the costs of research and development. As part of the project, Business Finland may fund customer and market analyses related to the solution being developed, as well as other measures supporting the utilization of the solution being developed, such as the development of the organization's operations or management. The portion of these measures cannot exceed 20% of the approved cost estimate.

Funding cannot be used for the following, among other things:

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

Costs are accepted starting from the day on which Business Finland has received the application. Only procurements and work ordered or agreed upon in writing after submitting the funding application are eligible for the project. These are also eligible if the contract includes a condition that the procurement is canceled if the funding decision is negative.

Further information about Business Finland's funding terms and conditions: [Funding for companies' research and development activities](#)

## 6. Applying for funding

You should complete the basic applicant and application information in [Business Finland's online service](#).

1. In the online service, go to the Candidate tab and select your organization type, referring to its size category: Startup/SME/Large.
2. On the Organization tab, please enter your Business ID and the name of your project.
3. On the Funding Service tab, please choose: "Research, development and piloting"
4. Basic Information for Application tab: Please check that the basic information as well as the responsible person, cost statement contact person, and contact person for the application have been entered correctly. From the "Program and links" menu, select: **Creative industries funding call for companies**
5. The company's current status: Briefly describe the current status of your organization and its operations. What does your organization do and when did its operations begin? Please attach an accounts ledger no more than two months old (income statement and balance sheet) and a cash flow forecast. Use the Excel template provided in the online service. In addition, attach an annual profit and financing forecast.
6. Growth Vision: Describe the company's plans for the future: How do you plan to develop your operations over the next years and what actions are you taking to implement your plan?
7. Project Goals tab: Ignore the first question (project goals). Regarding the impacts of the project, describe how the project will promote the beneficiary's business and/or the business of other actors in the creative industries.
8. Project Implementation tab: Enter the project schedule and attach a project plan as a DOC file.
9. Budget and Funding: Divide the costs and provide a clarification on the self-financing of the project.

## 7. Application schedule

The funding call for companies will begin on **January 22, 2025** and applications must be submitted by **May 31, 2025**. Decisions on which projects will be funded will be made as soon as possible after the submission of the applications. If necessary, the application period can be extended.

## **8. Further information**

Before you apply for R&D funding in the online service, please answer briefly (max 2 A4 pages) the following questions. Your answers will enable Business Finland's expert to advise your company when planning a project/application.

Send your answers with the subject line "Funding for companies" by email to [luovat@businessfinland.fi](mailto:luovat@businessfinland.fi), and our experts will get back to you as soon as possible.

- Assess the turnover aimed to be achieved by the project in international markets in monetary terms.
- What are the target countries, and on what basis have they been chosen?
- What is the problem to be solved?
- What is the preliminary proposed solution?
- What other competitive alternatives have you identified in the targeted international market? Who is the end-user of the solution?
- What are the concrete and measurable objectives of a successful project?
- How will the results of a successful project be utilized?
- Concretization of the project: what kind of work packages does the project consist of? Also, describe the financing and human resource needs for the project, as well as the source of own financing required for the project.