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Innovation Funding Agency Business Finland

Low carbon built environment: Innovation funding call

The funding call applies to the built environment and construction, including design, planning, permit processes, construction, the design and manufacture of building products, the built heritage, building systems, property maintenance, the real estate business and building management, connections to the infrastructure and energy efficiency, and service providers. The project parties do not necessarily have to come from these sectors, but the results of their projects must be connected to measures that contribute to the low carbon built environment and construction, adaptation to climate change, and climate change mitigation.

Description of the innovation funding call

The funding call is connected to the Sustainable Growth Programme for Finland, which is part of the EU's Recovery and Resilience Facility (RRF). The programme will be carried out between 2021 and 2023. Projects must be completed by 2025. RRF funding promotes renewal in business and the competitive edge of Finnish companies based on sustainable solutions. The funding call is primarily intended for companies seeking international growth and research organizations that support their development. Municipalities and other public organizations can be funded through support for innovative public procurement if the procurement has an impact on development in the sector.

For which themes can funding be applied?

The goal is to boost the deployment of technologies, services and operating models that combat climate change and support low carbon practices in the construction sector, change operating methods, and increase productivity. Buildings, building products and construction constitute a significant sector in responding to questions related to climate change mitigation, low carbon practices, and the circular economy. Projects may be associated with energy efficiency, climate and environmental solutions, new energy solutions or the low carbon built environment, and related digital solutions. Responding to challenges calls for cross-sector expertise and networks between different parties.

For which projects can funding be applied?

In the funding call for a low carbon built environment, Business Finland provides funding for new creative research through aid. The aid is intended for independent research projects of companies or co-innovation projects conducted with research organizations. Municipalities and other public procurement units can apply for support for innovative public procurement.

Projects funded through aid:

- create new competence and information for companies and partnership networks
- take greater risks than normal and, if successful, involve a high market potential
- often require more development afterwards to commercialize the results

For SME research projects, Business Finland's aid covers up to 50 percent of the total project costs. The aid is up to 40 per cent of the total project costs for midcap and large companies and typically 70 per cent for research organizations. Read more about research and development funding:

- SMEs and midcaps: <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/research-and-development/research-development-and-piloting>
- Large companies: <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/research-and-development/research-development-and-piloting-big-companies>
- Research organizations: <https://www.businessfinland.fi/en/for-finnish-customers/services/funding/cooperation-between-companies-and-research-organizations>
- Municipalities (in Finnish): <https://www.businessfinland.fi/suomalaisille-asiakkaille/palvelut/rahoitus/tutkimus-ja-kehitysrahoitus/innovatiiviset-julkiset-hankinnat>

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https://julkaisut.valtionuuvosto.fi/bitstream/handle/10024/162935/VN_2021_22.pdf?sequence=1&isAllowed=y

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Applicants can also connect their project to the development areas defined in roadmaps for leading companies and, in this way, become part of leading companies' ecosystems. Read more about the partnership model funding call and the roadmaps for leading companies:

<https://www.businessfinland.fi/en/whats-new/calls/2021/partnership-model-funding-call-for-companies-and-research-organizations>

Special criteria set out in Finland's Sustainable Growth Programme (RRF funding)

In its funding decisions, Finland complies with all valid state subsidy regulations and guidelines, as well as technical guidance C(2021) 1054 final on the application of Do No Significant Harm (DNSH). **No funding will be granted for projects that promote the use of fossil fuels.** In projects within the scope of the EU Emissions Trading System (ETS), estimated greenhouse gas emissions must be below the benchmark value, defined as a requirement for free allocation in Commission Implementing Regulation (EU) 2021/447.

The projects to be funded must meet the selection and eligibility criteria set out in the technical guidance on the application of DNSH (2021/C58/01).

The investment and reform package for the low carbon built environment supports the green transition by 100%. Projects that promote the green transition must fulfil the following criterion set for the fulfillment of the 100% climate change objective in intervention field 022 in Annex VI of Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility: *"Research and innovation processes, technology transfer and cooperation between enterprises **focusing on the low carbon economy, resilience and adaptation to climate change.**"* In addition, part of funding is connected to the provision of services that promote climate change and low carbon objectives in accordance with intervention field 027 (*support to enterprises that provide services contributing to the low carbon economy and to resilience to climate change including awareness-raising measures*).

In the selection criteria for projects to be funded in this funding call (investment P1C3I2), harmfulness to the environment or biodiversity is an exclusionary condition, and applicants must demonstrate the harmlessness and the fulfillment of climate change mitigation and adaptation in their project. Projects must either be based on a verifiable solution that promotes low carbon principles or produce operating models and tools to implement and designate a low carbon economy. The knowledge base and its increasing digital rate, as well as material and production innovation, enable the decreased use of virgin materials and, therefore, help to preserve the environment.

How to apply for funding?

Basic applicant and application information is completed in Business Finland's online service.

- Select the funding service.
 - Companies: "Research, development and piloting" or "Co-innovation"
 - Research organizations: "Co-innovation"
 - Public service providers: "Innovative public procurement"
- Under "Programs and other connections", select "RRF – Finland's Sustainable Growth Programme" for your application and then the "RRF – Low carbon built environment" identifier in the menu.
- Respond to the questions related to environmental impact. Every project provided with RRF funding must fulfill the "Do No Significant Harm (DNSH)" requirements. The EU RRF requires that no measures do any significant harm to the environment.

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Funding schedule

According to the preliminary plan, a total of EUR 32 million of funding will be granted in 2021, 2022 and 2023. Business Finland will make funding decisions following normal selection criteria. **Applications must be submitted by 15 October 2021 for funding granted in 2021, and by 31 March 2022 for funding granted in 2022.**

Projects provided with RRF funding must be completed no later than December 2025.

Contact us!

Please contact our funding services or Business Finland's contact person well before submitting your application: Ilmari Absetz, Virpi Mikkonen, Sini Uttu. E-mail addresses: firstname.lastname@businessfinland.fi

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APPENDIX: More information about the DNSH requirement

Every project provided with RRF funding must fulfill the "Do No Significant Harm (DNSH)" requirements. The EU's Recovery and Resilience Facility (RRF) requires that no measures do any significant harm to the environment. An activity is considered to do significant harm

- a) to climate change mitigation,
 - *if it leads to significant greenhouse gas emissions;*
- b) to climate change adaptation,
 - *if it leads to an increased adverse impact of the current climate and the expected future climate on the activity itself or on people, nature or assets;*
- c) the sustainable use and protection of water and marine resources if it is detrimental
 - *to the good status or the good ecological potential of bodies of water, including surface water and groundwater; or*
 - *to the good environmental status of marine waters;*
- d) the circular economy, including waste prevention and recycling, if
 - *it leads to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources, including non-renewable energy sources, raw materials, water, and soil during one or more stages of the product lifecycle, also regarding the durability, repair, updating, reuse, or recycling of products;*
 - *it significantly increases the generation, incineration or disposal of waste, apart from the incineration of non-recyclable hazardous waste; or*
 - *the long-term disposal of waste may cause significant and long-term environmental harm;*
- e) pollution prevention and control,
 - *if it leads to a significant increase in emissions of pollutants into air, water or land, compared with the situation preceding the start of operations; or*
- f) the protection and restoration of biodiversity and ecosystems if it
 - *is significantly detrimental to the good condition and resilience of ecosystems; or*
 - *detrimental to the conservation status of habitats and species, including those of Union interest.*

Instructions and examples on how to respond to DNSH questions are available at:

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:C:2021:058:FULL&from=EN>

Extensive DNSH pre-assessments prepared during the preparation of Finland's Sustainable Growth Programme are available in Annex 3 to Finland's Sustainable Growth Programme document:

<https://julkaisut.valtioneuvosto.fi/handle/10024/163363>