

When will it be possible to apply for funding from the EUR 9 million that will be channeled from the 2025 State budget to support research and development in the creative industries? Does Business Finland have a new funding instrument for this?

Business Finland does not have a new funding instrument for the creative industries. This is research and development funding that companies in all sectors have been able to apply for according to Business Finland's normal funding criteria and application process. What is new is that a EUR 9 million share of Business Finland's 2025 funding authorization has been earmarked specifically for supporting R&D activities in the creative industries. Funding calls for both companies and joint Co-Innovation projects of companies and research organizations will open on January 22, 2025.

What can this funding for research and development in the creative industries be used for?

R&D funding is intended for companies seeking bold renewal and business growth in international markets. The purpose of Business Finland's R&D funding for the creative industries is to share the risk with companies carrying out ambitious projects that develop competencies to gain a competitive advantage.

R&D funding is a grant. It can be applied for by companies of any size engaged in economic activities. The company must have a team capable of steering its international growth. Business Finland does not fund one-person companies.

But Business Finland's current funding criteria and R&D funding are not suitable for companies in the creative industries, are they?

Research and development activities can improve the competitiveness of companies in any sector.

It should be noted that research and development funding cannot be used to finance a company's core business, such as a new game, TV series, film, music album, artwork or clothing collection, or routine or regular work that generates a company's normal revenue.

How is R&D funding for the creative industries different from R&D funding that has already been available from Business Finland for projects in any sector?

All R&D funding, including earmarked R&D funding for the creative industries, is governed by the same legislation, definitions and criteria. By opening two funding calls to promote research and development in the creative industries, Business Finland wants to highlight the opportunities that renewal and access to international markets can bring to the creative industries. In addition, all sectors can benefit from the know-how of the creative industries.

What is special about the creative industries' own R&D funding is that the development of products, services and business models can be supported in projects of small and medium-sized enterprises with a 35% grant instead of the normal 50% loan. Depending on the level of research and the size of the company, the grant may be lower or higher, or in the form of a loan. In addition, companies from other industries can apply for funding if the solution planned in the project is based on creative skills and at least 40% of the project costs involve know-how of the

creative industries. *Read the detailed instructions in the funding call notices that will be published after January 13, 2025, on the [Business Finland funding call page](#).*

What does Business Finland mean by research and development?

Research and development activities result in innovative products or services, production methods or business models aimed at achieving a significant competitive advantage in international markets.

A research-oriented project aims to acquire new knowledge that is at least new to the industry and that will create capabilities for further development. A research-oriented project does not itself create a finished product or service.

In a development-oriented project, a company can verify the functionality of a solution in cooperation with the customer, develop new products or services, or speed up access to the market, for example.

What are the definitions and limitations of research and development based on?

Business Finland's funding is governed by EU and national regulations. For example, Business Finland can only fund R&D activities as defined in the EU's Block Exemption Regulation.

Aid for research and development projects is based on Article 25 of the [General Block Exemption Regulation](#) and, on the national level, [Government Decree on Funding for Research, Development and Innovation Activities \(1444/2014\)](#).

The OECD guidelines for R&D activities contain five elements. The definition applies to all industries.

- the goal is to produce new information and new results
- creative problem setting, solutions are sought with new concepts and by testing of observed hypotheses
- risky; uncertainty about the results and the necessary resources
- systematic; planned, budgeted, and the implementation is monitored
- the result must be transferable and/or reproducible

On their own, one or some of the above elements do not alone satisfy the criteria for R&D activity in a way that would justify funding. In addition, companies are required to have a goal and commitment to gaining a competitive advantage in international markets.

What does it mean that competitive advantage should be sought on the international market?

A prerequisite for funding granted by Business Finland is that a competitive advantage is sought in view of the international market. Significant competitive advantage means differentiation from what competitors offer on the international market. First, identify your company's product, competitive advantage and position in the domestic market and assess whether your company has sufficient resources to enter the international market.

What is meant by industrial research or research orientation?

A project is research-oriented when it produces new information and know-how that further development work can be based on. Thus, a research project does not result in a finished product, service, production method or business model. The information produced in a research-oriented

project can later be used to develop new products, processes or services, or to significantly improve existing ones. This applies to any industry or technology.

What is meant by experimental development or development work ?

It means a significant renewal of existing products, services, production methods and business models or the development of entirely new ones. Development work means acquiring, combining, modifying and using existing knowledge and skills. However, development work is not routine or regular work.

What is meant by piloting?

Piloting is the verification of the functionality of a new solution, which is on the verge of commercialization, on a sufficiently large scale for commercial exploitation, when the functionality of the solution still involves significant uncertainties. The content of the pilot project must be research and development work. Piloting can also be carried out at a customer's premises, if it is not about a commercial delivery and the customer does not directly or indirectly finance the project. In other words, the risk of making a pilot project successful must always be borne by the beneficiary.

What is meant by a research organization in the Co-Innovation call?

A research and knowledge-dissemination organization means an entity (such as a university or research institute, a technology transfer agency, an innovation intermediary, a research-oriented physical or virtual collaborative entity), regardless of its legal status (public or private) or way of financing, whose main objective is to independently conduct fundamental research, industrial research or experimental development or to disseminate the results of such activities through training, publications or knowledge transfer.