



Tekes Funding for Public Research – Reform 2012

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Public research funded by Tekes

- Tekes provides funding for public research projects, which have significant novelty in the fields of technology, services, business and working life.
 - Projects incorporate a high standard of expertise, development of new knowledge and a vision of how results will be utilised commercially or in society
 - Project results are public
 - A vision for utilization is required from the beginning in every project
- Research projects are often prepared and implemented in close cooperation with parties who may utilise the results.
 - A wider interest in the project content is demonstrated by third-party funding available for the project and the willingness of funders to participate in the project steering group
- Tekes emphasizes large projects with close international cooperation and collaborative projects that bring research teams or branches of science together.

Why reform the funding for public research?

- Key challenges of the Finnish innovation system are
 - utilisation of the research results
 - promotion of entrepreneurship
 - economic growth through renewal (regeneration) of industries (creative destruction)
- ⇒ Tekes funding for public research can overcome these challenges without abandoning proven forms of cooperation between the business and research communities.
- ⇒ The reform is planned together with researchers and industry in order to increase the impact that funding has in promoting entrepreneurship, regeneration of industries and utilisation of research results.

Growth and wellbeing from renewal

- Tekes funds research, development and innovation projects for forerunners
 - Sustainable economic growth and wellbeing require continuous renewal of businesses
 - The primary target groups for Tekes funding are enterprises which are pursuing international growth as well as forerunners which contribute to renewal of industries and public research
 - Tekes encourages its customers to promote their radical ideas and reforms.
 - Tekes will allocate part of its funding to strategic focus areas which provide great potential for renewal and growth
- Funding for different customer groups
 - Two-thirds of funding is allocated to companies' R&D and innovation projects
 - One-third of funding is allocated to projects by universities, institutes of higher education and research institutes = **funding for public research**

Objectives of funding

- Tekes encourages its customers to execute such multidisciplinary research cooperation that creates new business activities and world-class expertise.
 - Tekes provides funding for research that creates new expertise (knowledge) and contributes to renewal of industries
 - Tekes provides research funding for the universities of applied sciences with an objective to promote knowledge transfer to the SMEs
- Tekes directs its funding for
 - generating knowledge that creates conditions for successful innovation activities
 - transferring results and knowledge into innovation activities of companies
 - transferring expertise from the international science community to Finnish organizations
 - emergence of research-based growth companies and business operations
 - development of strong research groups in important future areas of expertise

Public research funding reform

Something familiar...

- Tekes funding for public research has been and will be strongly focused on what businesses require and value.
- Tekes programmes and funding for Strategic Centres for Science, Technology and Innovation (SHOK) will continue as part of Tekes' funding for public research.
- Finland Distinguished Professor Programme will also remain as part of the Funding for public research.

...something new

- In addition to the above, there is a need for new operating models and initiatives
 - to foster the emergence of new research-based growth companies and business areas from research projects
 - to develop new expertise and competences in areas that are foreseen important.

New project types starting in 2012

- **Public research networked with companies**
 - Research closely linked to industries and businesses to develop expertise and solutions to their identified needs
- **New knowledge and business from research ideas**
 - Simultaneous development of a research idea and preparation of its commercialisation as a new business operation
- **Strategic research openings**
 - Creation of new knowledge and competences in areas of expertise that expected to be important for businesses in the future
- **The Finland Distinguished Professor Funding (FiDiPro)**
 - The unique characteristic of FiDiPro funding is its aim to attract distinguished researchers to work in Finland
 - FiDiPro funding can be granted for any of the aforementioned project types

Public research networked with companies 1/2

- Projects are related to Tekes programmes or they are executed in parallel with companies' own research projects
- Funding decision and general terms and conditions remain essentially as they have been so far
 - Support for project's steering group's role and utilisation of research results will be reinforced
- The terms “strategic research” and “applied research” will no longer be used to distinguish different types of projects
- Requirements for co-funding and/or other commitment of third-parties that potentially utilize the results will be indicated in each call for proposals
 - In most cases, the level of required co-funding is 10 %. This may vary (higher or lower) between calls for proposals

Public research networked with companies 2/2

- Project must incorporate third parties (companies) who will potentially utilise project's results and who demonstrate their interest and commitment to the project. The level of commitment will be evaluated through
 - cooperation during the preparation of the project proposal
 - participation and interaction in the project's steering group
 - co-funding provided to the project by third parties
 - or other contribution essential to the execution of the project
 - the scope of the companies' parallel development projects

- FiDiPro projects can be listed under this project type
 - Minimum requirements for industrial participants are to participate to the preparation of the project proposal and to show commitment to steering group work

Strategic research openings 1/3

- Two options for funding

1. Small strategic research opening, funded through a one-time grant

- Tekes funding up to EUR 350 000/2 years
- May develop into a large strategic opening

2. Large strategic research opening

- Funding granted in periods, continuation is dependent on achieving set intermediate goals and general development of theme's relevance
- Duration typically 5 to 10 years

- Target groups include world-class research groups and such research groups that have credible potential to become world-class players in their field
- Tekes expects that the beneficiary organizations show strong commitment to projects
 - Commitment does not necessarily mean that the theme must be stated as a strategic focus point of a university or research institution

Strategic research openings 2/3

- Requirements for project content
 - The research topic must be a bold new opening with a perspective that connects things in a new way
 - The consortium must combine a diverse variety of expertise
 - Key researchers must have a vision of the future competence needs, the significance of those competences to the renewal of industries and the ability to expand the impact of the competences
 - Close-knit international cooperation and broad multidisciplinary execution will raise the level of funding, they may become preconditions for continuation of funding as the project progresses
- Project may include tasks for preparation of commercialisation of the results
- The project's steering group consists of a broad range of experts and it may be added with new expertise along the project
- No third-party co-funding is required in this project type
- Tekes shall specify the topics and themes in each call for proposals

Strategic research openings 3/3

- Large strategic research openings are funded in phases / periods
 - The content and resources of a project must develop during its life cycle. Project content may become more focused than originally planned
 - At the end of each period there is an interim assessment with a genuine evaluation whether to continue funding against
 1. achieved results
 2. new stated objectives (and paths towards them)
 3. credibility of the achieved results with respect to the project plan of the new funding period and project continuation
- Only the most promising projects will be funded after the period assessment

New knowledge and business from research ideas 1/3

- Funded projects shall include two elements:
 1. Research produces significant new knowledge and expertise relevant to utilisation of the research idea
 2. Preparation of commercialization of research results as new business shall occur parallel to research.

- During preparation for commercialisation, potential paths for utilisation of research results are examined and the most promising path and method is chosen
 - Starting-up a new business
 - Utilisation as a new business in an existing company

- As the research project progresses it may mature to be funded as a public research networked with companies

New knowledge and business from research ideas 2/3

- Requirements for project content:
 - The research portion of a project should be focused on matters relevant to commercialisation of the idea
 - Resourcing and planning of preparation for commercialisation are realistic and credible
 - Preparation for commercialisation plays a significant role in projects ($\geq 30\%$ of the budget in all periods)
 - The research shall develop the idea further in ways that increase its utilisation potential and significance (the achievements will be evaluated in the assessment preceding the decision to continue funding)
- Element in favour of funding: the research organisation has a sound process for commercialisation of research ideas
- The project steering group consists of selected experts. The group shall include an outside expert specialised in commercialisation
- This project type does not require co-funding from third parties

New knowledge and business from research ideas 3/3

- The research funding is granted in phases / periods when necessary
 - At the end of each period there is an interim assessment with a genuine evaluation whether to continue funding against
 1. achieved results
 2. new stated objectives (and paths towards them)
 3. credibility of the achieved results with respect to the project plan of the new funding period and project continuation
- Only the most promising projects will be funded after the period assessment

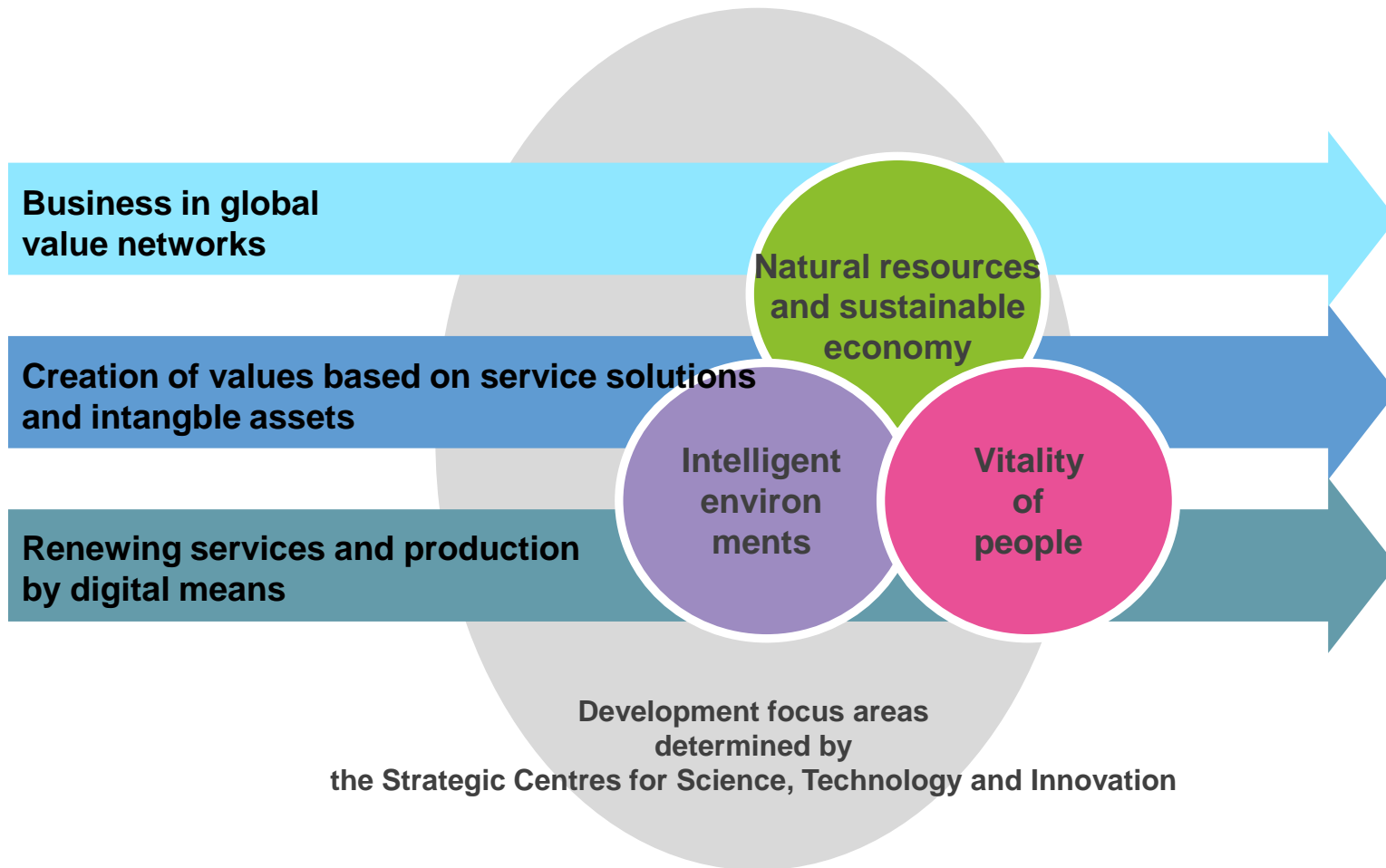
Eligible costs in the preparation for commercialisation

- Proof of Relevance (POR) of the research theme from the perspective of commercialisation
- Screening the level of available technologies
- Novelty studies
- Definition of customer value
- Reviews of competitors and competing solutions
- Studies about related intellectual property rights (IPR)
- Studies about freedom-to-operate (FTO)
- Protection of intellectual property (excluding maintenance costs)
- Experimental Proof of Concept (POC) of the research idea to be commercialised
- Studies about financing models
- Screening of necessary (personnel) resources
- Business model studies
- Preliminary business plans
- Screening of the contractual situation related to commercialisation
- Other activities aiming at preparing the commercialisation of the research idea

Focus areas and public research

- Tekes allocates majority of its **funding for public research** into selected focus areas
 - “*New knowledge and business from research ideas*” projects may however be funded outside of selected focus areas
 - When a research project is part of a joint project including companies’ and research organisations’ projects, where the total budget of company projects is greater than the total budget of research projects, it is possible to apply for funding also outside of selected focus areas

Focus areas



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Applying for public research funding

- There shall be focused calls for proposals
 - When a research project is part of a joint project including companies' and research organisations' projects, where the total budget of company projects is greater than the total budget for research projects, research funding should be applied for at the same time as companies apply for funding for their own R&D projects. The set call deadlines for public research do not limit application for research funding for these projects
 - ← Application for funding of company R&D and innovation projects is continuous

- The deadlines for the public research funding calls in 2012 can be found [in Tekes website](#)

Funding levels for public research as of 1.1.2012

- Funding levels
 - Normal level 60%, additional incentive 10%
- The additional incentive will be granted when the project has a broad scope and it is executed in close international collaboration
 - Close international collaboration means that
 - Either the project is executed as a joint effort (common project plan) with international partners, who have a credible financing plan concerning their part
 - or
 - The project includes international researcher mobility at least 2 person years. The content and objectives of the researcher mobility must be described in the project plan
 - Broad scope means that research combines several disciplines or areas of expertise and the effort of Finnish partners is at least 5 person years
- The project type “New knowledge and business from research ideas“ will benefit the additional incentive
- Projects of innovation oriented public research will benefit the additional incentive
- Exceptions
 - Innovation system research may be granted 95% funding
 - The funding level may be 100% in scientific grand projects based on international agreements.

Transition period from the present system to a new one

- Past provisions of public research funding have been applied to decisions made until 31.12.2011
- New project types have been adopted in the beginning of 2012
- Projects with funding decisions made before 2012 will be completed as such
 - This will also apply to decisions for new periods for projects with the original funding decision made before 2012

Further information about the public research funding reform

- Tekes Strategy
 - [Growth and wellbeing through renewal](#)
- Public research reform (in Finnish)
 - [Information about the reform](#)
 - [Application times for public research 2012](#)

www.tekes.fi/en