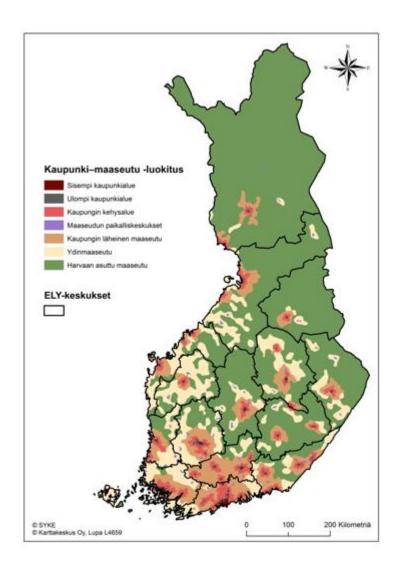
Incentives for Development of Entrepreneurship in Rural Areas through the RDP for Mainland Finland 2014-2020

**ENRD Seminar on the Rural Business Innovation, Brussels 30.3.2017** 

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#### Urban and Rural Areas in Finland 2014-2020



Urban-rural classification – detailed information about regions

**Detailed Version Based on Geographical Information Systems (GIS):** 

#### Urban-rural classification



Sparsely populated rural area

# Rural Development Programme 2014-2020

**RDP** supports the corporate innovations by improving the competitiveness of the rural economy, so the employment opportunities and quality of life in rural areas can be improved and matched to the development of rest of Finland.

Funding schemes for **rural SME**'s in the context RDP are aligned with EU 2020 Growth Strategy. We have to able to demonstrate, *for example*, what has been done to promote **research and development (R&D)** and also **innovation** by answering the following questions in 2019 and in the ex-post evaluation report:

- 23. To what extent has the RDP contributed to achieving the EU2020 headline target of investing 3 % of EU's GDP in research and development and innovation?
- 30. To what extent has the RDP contributed to fostering innovation?

Funding and aid is provided for rural SMEs for **feasibility studies**, **tangible and intangible investments** and **business start-ups** including **innovative experiments**.

#### M06.2 Business start-up aid

Business start-up aid - launching support for rural areas helps entrepreneurs and enterprises in the early stages of their businesses.

The goal is to renew and increase the diversity of rural business structures in emerging sectors.

The key issue is that your business supports the **vitality of the countryside** and **creates new opportunities for making a living** – for you as an entrepreneur and as employment for others.

Launching support is divided in three sub-categories:

- 1) Launching support for businesses is intended for the **establishment of new business operations in the countryside.**
- 2) Launching support is also available for **micro and small enterprises** that have been operating for at least 3 years and are **reinventing their businesses**, and for agricultural companies with respect to their business operations outside the agricultural sector.
- 3) Support can also be granted for **trials** conducted in preparation for setting up a business as well as renewing the existing one. → "**experiments**"

#### M06.2 Business start-up aid

As a basic requirement, the intended business operations must be full-time and must meet the requirements for continuous and profitable operations.

To apply for support, you need sufficient know-how and a feasible business plan.

You can obtain funding in order to acquire business start-up consulting, product development projects, production pilots, the preparation of marketing plans, marketing trials or internationalisation investigations just to name these few examples.

Basic launching support is EUR 5,000–35,000, paid in two or three instalments.

Support for trials is EUR 2,000–10,000.

The support has a lump sum character.

The amount of support granted depends on the desired scope of business operations and the relevance, number and costs of the actions to be taken.

The size of the grant also takes account of the novelty value of the business activities in question.

More information available in English: <a href="https://yrityssuomi.fi/en/palvelu/-/palvelu/perustamistuki">https://yrityssuomi.fi/en/palvelu/-/palvelu/perustamistuki</a>

## M06.2 Business start-up aid - Selection Criteria

In particular, criterion 5 covers the evaluation of the cross-sectoral objective concerning innovation:

- 1) Location of the projected company (15%)
- 2) Jobs created by the projected company (10%)
- 3) Regional and spillover effects of the projected company (10%)
- 4) Market area for the products and services of the projected company (10%)
- 5) Novelty value of the company's activities (20%)
- 6) Realistic and detailed nature of the projected company's business plan (25%)
- 7) Additional points awarded for other special features that can be identified in the measure to be supported, including special features which support cross-sectoral objectives that concern the environment and climate change mitigation and adaptation (10%)

# M06.2 Business start-up aid - Case Meoline Oy

Meoline Oy received grant for conducting a trial. Aid made possible to test a floating buoy for real time heavy metals monitoring devise. Trial was needed as company is seeking to offer heavy metals monitoring services also in the natural waters. Company is expecting to have new customers in order to grow the business. Trial period included piloting trip to Chile and South-America as well as participating a fair in England.

Heavy metals analyzer using traditional electrochemical analysis to measure real-time heavy metal concentrations from industrial discharge waters in ppb levels. The analyzer is especially tailored to work reliable in harsh and remote locations. Measurement can be also arranged to locations without electricity by utilizing solar panels and battery technology.

#### **Project characteristics:**

- RDP 2014-2020
- Oulujärvi Leader Ry Leader Group
- business start-up aid for trial (M06.2)
- environmental products and services, international customers, innovation
- company was established in 2015

More information available in English: www.meoline.fi

# M06.2 Business start-up aid – Case Meoline Oy



## M04.2 & M06.4 Aid for Feasibility Studies

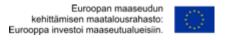
In addition to aid for "traditional" tangible investments, such as constructing business facililities and acquiring new or second-hand machinery and equipment, aid is also made available for conducting feasibity studies.

Feasibility studies are needed for **investigation of planned tangible investment** to provide **additional information** before deciding on implementation. In this way a company can make an investment plan and make sure that the planned investment will be successful.

Tangible investments and feasibility studies **promote in a way SME's research and development work** as well as **product and process innovations** even though only feasibility studies on actual research projects are considered part of R&D.

SME's don't usually have own special "R&D department" so they need to buy these services from outside of the company:

- Companies processing and marketing agricultural products (Annex I) with fewer than 250 people regardless of their location can receive 40 % aid for conducting a feasibility study.
- Food processing companies (Non Annex I) and companies in any other sector outside agriculture with fewer than 50 employees and located in rural areas can receive 50 % aid for conducting a feasibility study.
- Aid for feasibility studies is granted as de minimis aid.



## M04.2 & M06.4 Aid for Feasibility Studies

Qqvacomp Oy received grant for conducting a feasibility study. Company was planning to build a test production line and needed to investigate what kind of machinery and equipment is needed and where it can be aacquired. As a result suitable machinery and equipment was found.

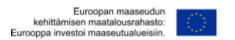
Aqvacomp is a new type of biocomposite that utilises pulp fibre from the forest to reinforce plastic materials. The company has received an Innovation Award (WPC NFC Innovation Award 2015 nova) for it's innovation concerning cellulose fibre-reinforced polystyrene for music instruments those composites have the potential to replace the use of a number of rare and threatened wood species.

The feasibility study was recognized as a Best Project of the Year 2016 by Joutsentenreitti Leader Group.

#### **Project characteristics:**

- RDP 2014-2020
- Joutsenten reitti Leader Group
- feasibility study (M06.4)
- bio-economy, resource efficiency, low carbon economy, sustainable development, international customers from Europe and Asia, innovation, new jobs
- company was established in 2014

More information available in English: <a href="http://www.aqvacomp.fi/en/">http://www.aqvacomp.fi/en/</a>



## RDP 2007-2013 - Case Kyrö Distillery Company

World's best rye gins and whiskies from Finland. The Kyrö Distillery Company is the fastest growing company in the Finnish food and beverages sector. It's Turnover is1,19 million euros and the Growth rate is +909,2 %. More information available in English: <a href="http://www.kyrodistillery.com/">http://www.kyrodistillery.com/</a>





## M01 Knowledge Transfer and Information

SMEs operating in agricultural primary production or the processing or marketing of agricultural produce, the support rate including other public funding will be 90% of eligible costs.

For training that targets the forestry sector (small enterprises), the support rate including other public funding will be 90% of eligible costs.

For training that targets other small rural enterprises, the support rate including other public funding will be 70% of eligible costs.

#### Project for a Group of Enterprises

If the training is targeted at a limited number of enterprises other than agricultural and forestry sector companies, support may be granted to a group of enterprises by allocating it to participating enterprises as de minimis support. Including other public funding, the support rate is at maximum 75% of eligible costs.

M16 Co-operation: For a group of enterprises consisting of no more than ten companies, the support can be granted by allocating it to the participating companies as de minimis support. Including other public funding, the support amount may not exceed 75% of the eligible costs.

# M07 Development of Rural Services and Villages including Broadband Investments

Small scale broadband infrastructure investments will be implemented in rural areas where connections are not available on a commercial basis.

Supported broadband infrastructure is technology neutral, but the network must guarantee a connection speed of 100 Mbit/s. Projects are non-profit (for public use), implemented via state aid rules (GBER art. 52).

The beneficiaries are organisations under public and private law, including municipalities, associations, organisations and co-operatives.

44 investments projects on going already and over 30 projects are waiting for the project decision. Over 80 broadband projects were financed from RDP 2007-2013.

The support rate for investments for public use is either 50 % or 70 % of eligible costs depending on the annual revenue of the operator concerned.

52 % of Finnish households have access to a fast broadband connection of 100 Mbps. The supply rate of fast broadband using fibre-optic technology is approximately 31%.

https://www.viestintavirasto.fi/en/statisticsandreports/statistics/2013/availabilityofhighspeedbro adbandconnections.html

#### RDP 2014-2020 Project Data Base

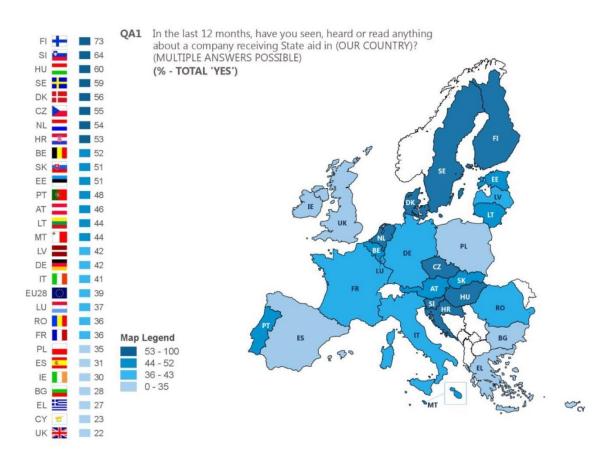
RDP 2014-2020 Project Data Base promotes innovation by sharing information about the projects.

https://tietopalvelu.mavi.fi/QvAJAXZfc/opendoc.htm?document=Published/raportointi.qvw&Sheet=SH\_HR\_Fl&anonymous=true



#### **Shared Ideas Promote Innovation**

Report on Perception and awareness about transparency of state aid - Special Eurobarometer 448 (July 2016): Respondents in Finland (73 %) have heard about a company receiving state aid.



#### **Thank You!**



#### **Thank You!**

