



**SmartPilots**  
Interreg Europe



European Union  
European Regional  
Development Fund

# **Regional Action Plan**

## **Helsinki Uusimaa Region**



**Pauliina Tukiainen and Mika Härkönen, VTT**  
**Kristiina Heiniemi-Pulkkinen, Helsinki Uusimaa**  
**Region**

**March 28th, 2018 | Interregional Seminar 5, Milan, IT**

# Policy context

## Finland's operational programme 2014-2020

### "Sustainable growth and work 2014–2020 Finland's Structural Fund programme"

#### 1. Competitiveness of SMEs (ERDF)

- Generating new business
- Improving transport and logistic connections that are important to SMEs (only in Eastern and Northern Finland)
- Promoting growth and internationalisation of enterprises
- Promoting energy efficiency in SMEs

#### 2. Producing and using the latest information and knowledge (ERDF)

- Development of the centres of research, expertise and innovation on the basis of regional strengths
- Strengthening innovation in enterprises
- Developing solutions based on renewable energy and energy-efficient solutions

#### Helsinki-Uusimaa

#### Regional Programme 2.0

- Human wellbeing and competence
- Successful and responsible business
- Climate-aware and diverse region

#### Smart Specialisation in the Helsinki-Uusimaa Region

- Cleantech
- Health and wellness
- Digitalising industry
- Citizen city

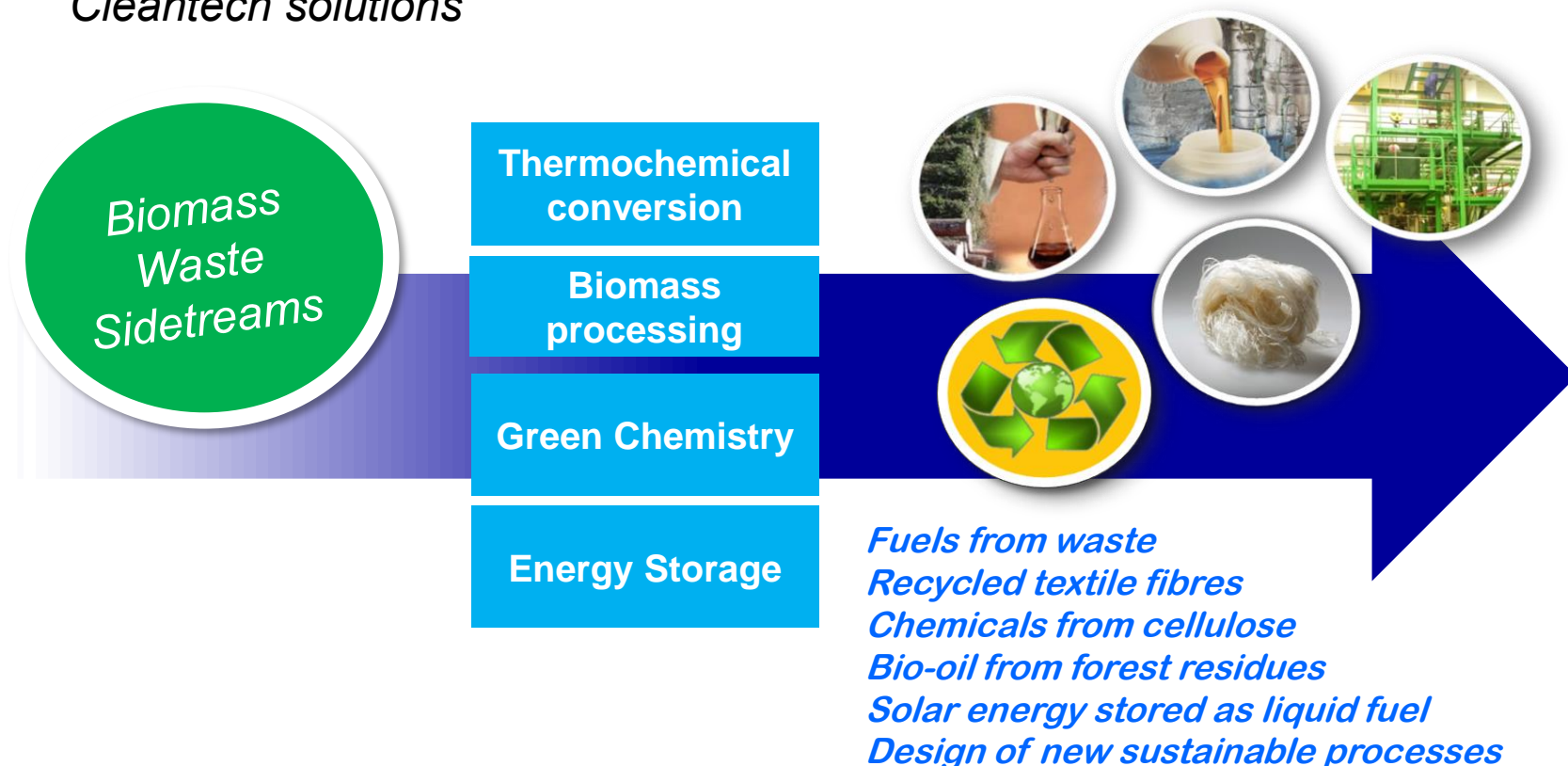
In SmartPilots project aims of the VTT and Helsinki-Uusimaa region are to find out

- How to facilitate and support long term investment for VTT Bioruukki pilot plant
- How the access of industry and other users to open technology infrastructures is supported best

The SmartPilots project brings together relevant stakeholders from the region, to facilitate building up of a dynamic policy – actor - end user interface, and to benchmark with and learn from other pilot plant experiences within the consortium.

# Bioruukki pilot ecosystem – An integrated enabler to accelerate business in bio and circular economy

*One of Smart Specialization goals defined for 2014-2020 is to make the Helsinki-Uusimaa Region the “leading European platform for the development of Cleantech solutions”*



# Gaps in Infrastructure funding in Helsinki-Uusimaa

## Starting point for action plans

- In Finland currently **no large investment instrument** exists and no big capital investments in buildings and equipment are directly financed by the Academy of Finland or by Tekes, it would be needed to fill the funding gap by combining national and European funding.
- **High dependency on special funding from TEM** – Ministry of Economic Affairs and Employment. Important to find new funding sources.
- **Access to ERDF in Helsinki-Uusimaa region is very limited**, as well towards direct and indirect support mechanisms, region will not access Seal of Excellence because of limited ERDF budget.
  - Not available for investments and industry.
- **The key player that finances piloting activities of companies is Tekes**, the Finnish funding agency for innovation.
  - There is a shift in support focus from large firms to SME's. Funding schemes and policies for pilot activities need to take this more into account.
  - Shift from grants to loans.
  - Tekes funding has dropped by 30 % in 2011-2016 due to budget cuts.
- **Finland is a small open economy.** It is key to aim **to attract SME's from Europe** and beyond as to be able **to provide services in a sustainable way and promote European economy.**
  - SME instrument encourages SME's to invest in own assets rather than stimulating subcontracting or partnerships with existing infra.
  - New funding instruments for **cross regional co-operation** needed

# Policy influencing

**VTT Bioruukki has with this project influenced the strategies guiding the regional developing and financing.**

- **Pilot facilities as means to boost business from circular economy are mentioned in both the Helsinki-Uusimaa Regional Programme (accepted by the Council of Helsinki-Uusimaa Region 5.12.2017) and the update of the regional Smart Specialisation strategy (2017).**
- **The use of structural funds in Helsinki-Uusimaa is guided by Finland's operational program, by the Regional Programme and by the Smart Specialisation strategy.**



# Action 1 - Influencing funding models to support Bioeconomy transformation and piloting

## The background

*Commitment and **long-term assurance of the political landscape** is essential for RI development. Large-scale strategic investments in RDI infrastructures require one-of-a-kind approaches when organising their funding. With tight national budget constraints, big investments often not only need the **support from policy but also of politicians.***

## Actions

- *Meetings with stakeholders to discuss and influence possibilities to develop new funding models to support Bioeconomy transformation and launch new calls with focus of bioeconomy and/or piloting.*
- *Identify means to increase cross regional and international collaboration.*



# Action 1 - Influencing funding models to support Bioeconomy transformation and piloting

## Stakeholders to be included:

- 1. Ministry of Employment and the Economy (TEM) is responsible for Finland's Structural Funds programme as well as bioeconomy policies. VTT is operating under the mandate of TEM.*
- 2. Helsinki-Uusimaa Regional Council, which is also the intermediate body for the ERDF funds in Southern Finland*
- 3. Business Finland – the Finnish Funding Agency for Innovation provides funding for R&D&I and loans for market entry activities.*
- 4. VTT Technical Research Centre of Finland Ltd (pilot plant owner)*
- 5. City of Espoo, development of business and innovation ecosystem around Bioruukki*

## Expected impact and results of the policy improvement

- New funding calls with focus of Bioeconomy and piloting
- Development of new funding instruments

## How will the implementation of this action be monitored

- Number of meetings arranged with different stakeholders.
- Number of new funding calls/instruments with focus of Bioeconomy, piloting and/or innovation platforms.





# Action 2 - ERDF funding to support development of new business models and facilitate bioeconomy infrastructure development

## The background

*The efficiency and coverage of national and European funding for setting up, operating and developing a SPF are partly lacking. Gaps exist in terms of funding opportunities for the range of investment needs occurring and combining different funds synergistically. Combination of different infrastructure and development funding is crucial for infrastructure development, first time in 2016 ERDF funding was granted to VTT for developing new infrastructure services (TeKiDe).*

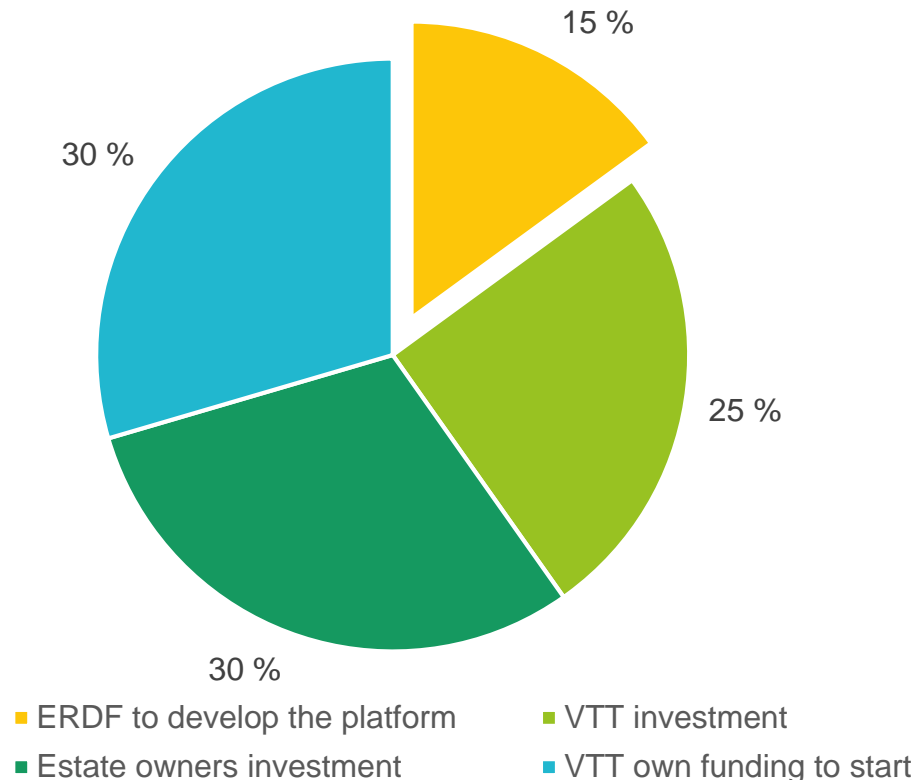
## Actions

- *Influencing new call topics for ERDF current program.*
- *Launching of new service platform e.g. green chemistry platform for SME's and other clients.*
- *Collecting and implementing learnings from TeKiDe and other related projects.*



# ERDF funding as part of the TeKiDe ecosystem for recycling of textile fibres in Bioruukki

2 M€ used to build and start, 15% ERDF



## The TeKiDe ecosystem

- Pilot hall modification and up-grade
- Pilot scale cellulose fibre production equipment investments and installation
- Commissioning and testing of the equipment
- Collaborative public R&D projects within the value chain
- Contract research with a start-up technology company

# Action 2 - ERDF funding to support development of new business models and facilitate bioeconomy infrastructure development

## Stakeholders to be included

1. *Helsinki-Uusimaa Regional Council, which is also the intermediate body for the ERDF funds in Southern Finland.*
2. *VTT Technical Research Centre of Finland Ltd (pilot plant owner)*
3. *City of Espoo, development of business and innovation ecosystem around Bioruukki*

## Expected impact and results of the policy improvement

- Influence that bio and circular economy and/or piloting are included into upcoming calls
- Development of Bioruukki business and innovation ecosystem
  - New clients to Bioruukki pilot facility
  - New services created (Bioruukki)

## How will the implementation of this action be monitored

- Number of new funding calls with focus of Bioeconomy and piloting.
- Number of new Bioruukki clients
- Number of identified best practices from TeKiDe project



# Action 3 - Participate to Bioeconomy interregional partnership to strengthen collaboration between SmartPilots regions

## The background

*Interregional cooperation is a key element to avoid duplication of efforts at EU level and to ensure capital & service efficiency & effectiveness. Helsinki-Uusimaa and VTT have participated in the **DG REGIO** call for an interregional partnership in bio-economy, which has been approved as one of the S3P platforms for industrial modernization. This will end of the year lead to some investment propositions, in the area of bio aromatics and gas fermentation.*

## Actions

- *Identify specific bottlenecks for realizing interregional investment plans*
- *Draft investment action plans*
  - *Bioaromatics*
  - *Gas fermentation*
- *Lessons learned from viable investment propositions in the area of the bioaromatics and gas fermentation for future ERDF OP*

# Action 3 - Participate to Bioeconomy interregional partnership to strengthen collaboration between SmartPilots regions

## Stakeholders to be included

1. *DG Regio (& other regions participating to the action)*
2. *Helsinki-Uusimaa, Regional Council*
3. *VTT Technical Research Centre of Finland Ltd (pilot plant owner)*

**Budget:** DG REGIO funding budget 200 000€ for services.

## Expected impact and results of the policy improvement

- Improved funding instruments for cross regional piloting
- New investment funding opportunities in new program period

## How will the implementation of this action be monitored

- Number of Investment ready business propositions to boost bio-economy
- New funding opportunities included in new program period



**Questions?**

**Remarks?**

**Suggestions?**



**SmartPilots**  
Interreg Europe



**Thank you!**

Questions welcome

