Finnish approach to EMFF innovation financing

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Background

In the 2007-2013 programme period aquaculture production has stagnated, the competitiveness of all fisheries sectors is weak.

Project-based development which has not been able to solve complex challenges hindering the growth of the Finnish fisheries sectors.

The level of investments to the RDI work in the enterprises is low.

Utilization of international research financing is fairly low.

EMFF 2014-2020 SWOT:

Strong and determined actions to RDI needed
EMFF strategy: shift from project-based approach to the target orientated and long-term development model

**Level of trust and commitness between operators**

**Project-based development**

Challenge:
How to keep up the continuous development if the trust of operators have to be build up every time. Ability to react changing situations?

**Learning networks or innovation ecosystems**

First focus on building the trust between operators

Operators work together towards joint vision and develop and utilize new innovation and knowledge together.
Main features of the "innovation programmes"

• Focus on the jointly identified and formulated **impact** objectives which are crucial from the sector’s point of view.

• Work is based on public-private partnerships.

• Trust and freedom. Strategic steering.

• Continuous evaluation and monitoring of the operational environment (accurate situation analysis and causalities behind the development)

• Results are preconditions for long-term financing (external evaluation and financing in 2-phases)
Current financing model pilot and RDI projects

Applications
Selection
Implementation
Results

New concept for financing

Defining the objectives
Creation of networks
Implementation & steering
Results
Phase 1 (application phase)

- Opening the call
- Evaluation of the applications and applicants (selection criteria)
- “Preliminary” selection of the programmes

Phase 2 (negotiation phase)

- Feedback to the project plan, eligibility issues and etc.
- Adoption of the content and targets of the innovation prog.
- Granting decision

MA & IB

Beneficiary

- Building the network, submitting the application and draft project plan
- Developing of the project plan, network contracts, steering structures and etc.
Network vs. beneficiari

Research institute

University

Enterprise

Research institute

University

NGO

NGO

Beneficiary

Partner contract & financial transactions & audit trail

Network
Selected innovation programmes

1. Sustainable growth of aquaculture
   • Off-shore and RAS aquaculture

2. New value-added products from under utilized species
   • Herring and cyprinids + side streams

3. Partnership between fishermen and scientists
   • Seal problems, modern data collection (PPP) and continuity of SSF

4. Environmental programme
   • Healthy fish stocks
   • Knowledge based regional fisheries planning and management

5. Marketing programme
   • Image and cooperation of the value chain
   • Export
Enhancing the public-private partnership

- Finland doesn’t use maximum aid intensities in the private investments (aquaculture 40 % and processing 20 %)
- Possibility to give higher aid intensity if the enterprise commit a 5-years partnership deal with the research institute
  - Important investment from the sector’s point of view
  - Identified joint R&D topics, access to data and place
  - Take into account needs of the research in the investment
Preliminary results
Evaluating the added value of innovation programmes

Key questions

1. Quality of networks
2. Amount of external financing and spin-offs
3. Progress towards to the defined impact objectives
1. Network of aquaculture programme

Public institute

Enterprises & NGO

Lännenpuolen Lohi Salmonfarm Laitakarin Kala

Kalavesi Konsult Oy Kalavesi Consultants Ltd
2. Financing and spin-offs

Financing of aquaculture innovation programme: 3,0 million euros

External granted ”top-up” financing after two years:
  • National financing for public RDI: 2,5 million euros
  • Other EMFF financing for public RDI: 0,5-1,0 million euros
  • International RDI financing: coordination of Horizon project
  • Enterprise spin-offs: 3-4 EMFF projects and 4-5 strategic partnerships

On the process:
  • EMFF for public RDI: 0,5 million euros
  • Enterprise spin-offs: 2 EMFF application
  • International research financing: about 4 million euros
3. Progress towards impact objectives

**Objective:** Sustainable growth of the aquaculture production

1. New capacity or applications in process:
   - RAS: 1 000 tonnes
   - Off-Shore: 2 500 – 3 000 tonnes
   - More to come…

2. New environmental innovations improve the sustainability of productions
   - Recirculation feeds in the off-shore ("Baltic blend" fish feed)
   - Modern monitoring systems ensure the objective evaluation of the effects of marine aquaculture (satellites, dataloggers, modelling etc)

3. Economical performance of the sector
   - Good level in marine aquaculture, RAS has still challenges but improving
Ongoing external evaluation

- Evaluation focuses on:
  1. Preparation of financing model, targets and steering structures (ministry)
  2. Impact and functioning of the innovation programmes (projects)

- Evaluation results are used for
  - Deciding on the financing of the next phase
  - Preparing of EMFF 2021-2027 operational programmes

- Results are available in June 2019
Thank you!