



Public

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## Open call for the European Digital Innovation Hubs in Finland

European Digital Innovation Hubs (EDIHs) are Digital Innovation Hubs under the forthcoming Digital Europe programme 2021-27. The Ministry of Economic Affairs and Employment organizes a public and open call for proposals to become Finland's candidates for EDIHs. The call is open 17 Nov 2020 – 15 Jan 2021 16:00 (Finnish time).

### What are the EDIHs?

EDIHs are service centres that support the digital transformation of the public and private sectors, especially in SMEs and midcaps. Their main functions are:

- Test before invest
- Skills and training
- Support to find investments
- Innovation ecosystem and networking

EDIHs can be formed by single organizations or by consortia.

### European selection process

In the first, national phase of the selection process EU Member States propose candidate entities based on an open and competitive process. In the second phase the Commission issues a restricted call for the nationally selected candidates. Tentatively the European call will be open 28/01-27/04/2021. The Commission evaluates the proposals with the help of external experts, and makes the decision on the EDIHs. The Commission must take utmost account of the opinion of each Member State before the selection of an EDIH in its territory.

### National call process

Tuesday 17/11/2020	The call is opened
Tuesday 24/11/2020 at latest	Should you have any <u>questions</u> about the call, please send them in English to <a href="mailto:iyr@tem.fi">iyr@tem.fi</a> .
Friday 27/11/2020 at latest	<u>We urge all who are going to submit a proposal to indicate it according to the instructions below this table.</u> All who are going to submit a proposal will be signed up for the Commission's virtual EDIH networking event (tentatively 14-15/01/2021).
Monday 30/11/2020 at latest	The Ministry of Economic Affairs and Employment will publish its <u>answers</u> to questions about the call.

Friday 15/01/2021 at 16:00 (Finnish time)	The call is closed. The timely submission must include: 1) your proposal through the <a href="https://webropol.com/s/FI-EDIH-call">Webropol survey tool (https://webropol.com/s/FI-EDIH-call)</a> (a confirmation e-mail will be automatically sent after the submission) and 2) a) the <u>signed proposal confirmation form</u> and b) your <u>planned EDIH budget</u> , e-mailed as attachments to <a href="mailto:kirjaamo@tem.fi">kirjaamo@tem.fi</a> .
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### *Indication of proposal*

We urge all who are going to submit a proposal to indicate it to [iyr@tem.fi](mailto:iyr@tem.fi) on Friday 27 November at latest. Please include the following information (as requested by the Commission):

- EDIH name
- Coordinator name
- Coordinator organization
- Coordinator email
- Other email addresses
- Geographical coverage
- Postal address of the hub (if not known, please specify at least the ZIP code or city)
- Specialization: economic sector
- Specialization: technology (HPC, AI, cybersecurity, other, what?)

All who are going to submit a proposal and indicate it to the Ministry on Friday 27 November at latest will be signed up for the Commission's virtual EDIH networking event (tentatively 14-15/01/2021).

### *National process in a nutshell*

Each applicant is asked to submit:

1. By Friday 27 November 2020
  - a. Indication of intention to submit a proposal
2. By Friday 15 January 2021, 16:00
  - a. Proposal through the Webropol survey tool
  - b. Signed proposal confirmation form
  - c. Proof of capacity to sign the proposal confirmation form
  - d. Planned budget

### *Openness*

Please submit information in English. Proposal titles, applicants (all consortium partners) and summaries of proposals will be published. Act on the Openness of Government Activities (621/1999) applies to the Ministry of Economic Affairs and Employment. The EDIH proposal parts containing business secrets must be clearly marked and declared in a separate question in the proposal form, with adequate and clear arguments pertaining to each part individually. Please do not include business secrets in the summary to be published.

### **National framework and policy priorities**

[PM Marin's government programme](#) of December 2019 set the objective of creating a long-term national plan to bring about improvements in the research, development and innovation environment. The [National Roadmap for Research, Development and Innovation](#) was unveiled in April 2020. The goal is to make Finland the most attractive and competent environment for experimentation and innovation in the world, producing sustainable solutions to societal challenges.

Many parts of the government programme and the National Roadmap for Research, Development and Innovation have significance for the creation and operation of the EDIHs.

The plan calls for research and the networks that utilise it to evolve into larger competence centres and ecosystems. Finland needs internationally attractive innovation hubs and the linking of thematic

innovation networks with global value chains. EDIHs can have a role to play in these centres and ecosystems and clusters, and should support them. Innovation ecosystem activities and networking are one of the four EU-level functions defined for EDIHs.

The plan sets Finland to remain at the forefront of both the production of new knowledge and the development and application of technology. The EDIHs can facilitate, at least indirectly, the production of new knowledge and innovations, but the better and more effective application of new technology lies at the heart of their existence. “Test before invest” and other such support for digital transformation is one of the four EU-level functions defined for EDIHs.

The plan recognizes that competence must be taken care of and constantly renewed. High-level competence is the base on which innovation activities can be built. EDIHs will have skills and training as one of their four main EU-level functions.

The plan sets the objective of creating an operating environment that encourages both Finnish and foreign companies to invest in RDI activities in Finland. The Government has set the goal of increasing Finland’s expenditure-to-GDP ratio for research and development from the current 2.7 per cent to 4 per cent by 2030. EDIHs can help private companies see why they should invest in renewal and transformation as a whole and help them find financing, as is one of their main EU level functions. EDIHs can play an active role in clusters and ecosystems, and take part in the work of creating more attractive environments and networks, where further investments in RDI are profitable and effective.

The plan also emphasizes the importance of the EU for RDI activities in Finland and in utilizing the opportunities of the Union. EDIHs are a concrete example of this kind of a measure, bringing a new kind of a policy tool for digital transformation, while being aligned with national objectives and needs.

The plan sees digitalisation and the data economy as the most significant drivers of change in the coming decade. “Owing to the impact of digitalisation and the data economy, business logics are changing and new growth opportunities will open up for companies on the global market.” EDIHs will constitute an instrumental element of the digital agenda of Finland, with the objectives to increase productivity, employment, investments in the digital, stronger ecosystems and sustainability in the economy.

The Finnish EDIH network will be launched within the framework of the [AI 4.0 programme](#) (link in Finnish), which supports the acceleration of the digitalization of businesses. The programme focuses on businesses, which have advanced far in the digitalization of their operations, but which do not belong the top 10 % of companies in digital maturity and progress. This “second decile” may have focused more on the digitalization of their current products, processes and operations. They may not have right now the necessary competencies and investments in place for a more thorough transformation and scaling of their business, but they have the potential and willingness for rapid progress.

The companies of the “second decile” of digital maturity are a natural target group for EDIH operations. Furthermore, companies below this rough characterization threshold (“third to fourth decile”) can fully benefit from EDIH services. When it comes to companies still putting together their basic digital abilities, EDIH services may not be the most optimal option. The limited resources should be reserved for customers that strive for growth, internationalization and development of their business, and have the potential for that. Digitalization necessitates abilities to see new kinds of business opportunities, business models and value networks. In the same vein, the EDIH services should be designed so that they support these objectives, and help widen and deepen the population of digitally capable and competitive companies in Finland.

The EDIHs should address the shortcoming that the economy isn’t going through a digital transformation quickly and successfully enough. There are commercial products and services to help companies develop their digital operations, but simultaneously a need for services that help companies take advantage of these services on a wider basis, and develop their own abilities. At the same time ecosystems must be built for the wider and public benefit.

EDIH proposals put forward their own target groups, intervention logics and service models. This framework is presented in order to communicate government policies and priorities, and in order to support EDIH preparations.

### **National plan**

The call is open for different kinds of candidates capable of functioning effectively as members of the EU-wide EDIH network, capable of providing regional and national added value, having a sufficiently wide competence base, and offering added value to their customers in succeeding in international/global markets. Possible candidates may include both EDIHs with a national reach and structure, and EDIHs with a more regional base.

Each EDIH should be able to serve as a contact point for customers from all over Finland. If necessary, each EDIH should be able to redirect customers in the service chain as members of the wider EDIH network.

The Ministry would like to see 4 Finnish EDIHs, should funding from within Finland enable it. The plan is to submit 6-8 Finnish candidates for the restricted Commission call, but the final number will be decided in conjunction with the selection of Finland's candidates.

The call balances bottom-up initiative with national goals. The goal within the group of proposed candidates is that all are able to support the utilization of AI and the enhancement of cybersecurity. Furthermore, each applicant is required to choose or define its primary sector / application area. The same question is expected in the Commission's restricted call. Choosing the primary sector / application area does not prevent or restrict the EDIH's operations in other areas.

The national objective is to have at least the following sectors / application areas covered among Finland's candidates (but the primary sectors / application areas of Finland's candidates can be something else, too):

- manufacturing
- health and wellbeing
- private service sector

The Commission expects at least one EDIH per Member State to have expertise in AI.

There is a plan to set up a national coordination function for the chosen EDIHs. The function would provide a limited set of support services for EDIH operators, e.g. communication, marketing and joint service development. EDIH candidates are invited to present their suggestions of joint EDIH services in their proposals.

### **Selection criteria**

The proposals will be evaluated in the following areas:

1. The significance and potential of the digital transformation of the specialization area and target group for sustainable growth
2. The customer focus, clarity and potential for further evolution of the service concept and its compatibility with the general EDIH concept
3. The concreteness and cost-efficiency of the operational plan and the suitability of the division of labour of different actors of the proposal
4. The feasibility of the financing plan, including own funding sources
5. Competence base and its suitability for the chosen specialization: technological, sectoral / application area, service production and other competencies
6. The ability of the EDIH to function as an ecosystem hub and manage and develop its network management nationally and internationally
7. Strategic role of the EDIH and synergies with regional strategies and visions such as ecosystem agreements with cities (with university functions) and Regional Innovation Strategies for Smart Specialisation.

Please note that the planned EDIH budget is requested to be attached to your proposal confirmation form, sent to the Ministry, and it will be included in the evaluation as well.

The proposals will be evaluated and ranked by an evaluation panel set up for the purpose. The Minister for Economic Affairs will make the decision on Finland's EDIH candidates based on the panel's proposal.

## Funding

The currently proposed sum for Finnish EDIHs from the Digital Europe programme 2021-27 is about € 14,8 million. The programme covers 50 % of the costs, and the other half must be covered with funding from the Member States (e.g. ERDF, national, local, private or EDIHs' and its members' own funding).

No funding is attached to this call, and the selected candidates or the Finnish EDIHs are not entitled to funding from the State. Currently there is no dedicated national budget funding for EDIHs. The Ministry continues to work on funding for EDIHs in Finland.

## More information

All relevant documents for the call, including this document, can be found at [www.tem.fi/digitaaliset-innovaatiohubit](http://www.tem.fi/digitaaliset-innovaatiohubit).

The main background documents are:

- [European Digital Innovation Hubs in Digital Europe Programme](#)
- [Frequently Asked Questions: European Digital Innovation Hubs](#)
- [Useat toimijat kiinnostuneita tukemaan yritysten digitaalista uusiutumista \(in Finnish\)](#)
- [Digital Innovation Hubs in Finland](#)
- [Digital Innovation Hubs as policy instruments to boost digitalisation of SMEs](#)

Further questions:

Should you have any questions about the call, please send them in English to [iyr@tem.fi](mailto:iyr@tem.fi) on Tuesday 24/11/2020 at latest, as described in the section about the national selection process.

Other questions:

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## APPENDIX

Proposal confirmation form

## DISTRIBUTION

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Adviser Jenny Hasu (MEAE)

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