Funding schemes for Norwegian innovation projects

Helge Kildal, Innovation Norway

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**Innovation Norway**

- Established 19 December 2003 and started up activities January 1, 2004
- It was a merger of four organisations: The Norwegian Industrial and Regional Development Fund (SND), the Norwegian Trade Council, the Norwegian Consultative Office for Inventors (SVO) and the Norwegian Tourist Board.
- 750 employees in Norway and abroad. The Head Office is located in Oslo.
Objective of Innovation Norway

"Promote private- and socio-economic profitable business development throughout Norway by encouraging innovation, internationalisation and profile-building."

Primary target groups:
Entrepreneurs and SMEs with ambitions and an international potential for growth.
Seamless service, based on customer needs

-- From idea to the international market place --

- Financing (grants, loans, stipends, equity capital, guarantees)
- Provide advice and consultancy
- Initiate network and contribute to knowledge dissemination
- Profiling (delegations, participation in trade fairs)

Eureka funding sources in Norway

- Main funding source in Innovation Norway is Industrial Research and Development Contracts (IFU). This requires that the projects are aligned with IFU strategy.
- Other funding sources:
  - SkatteFUNN (tax rebate)
  - Different user programmes organized by the Norwegian Research Council
  - Nordic Innovation Center
  - Other public support schemes
Drivers for innovation

- Research on new technology
- Unmet user demands
- New regulation or political decisions
- Price competition

Our focus is user driven innovation

- Time from idea to market is then shorter
- Return on invested capital is higher than for technology driven innovation

Objectives of Industrial Research and Development Contracts (IFU):

- Develop new products or services with a substantial market potential.
- Establish new partnerships.
- Strengthen internationalisation.
- IN support should be a trigger and the value added should take place in Norway.

No application deadlines and no limitation on subject fields.
Public and Industrial Research and Development Contracts (OFU and IFU)

Offer:
New products or solutions

Requirements:
Are not met by existing products in the market

Innovative Norwegian supplier

Technology
• SME with ambitions to grow

Profitable partnership

Market driven innovation
• Level of innovation
• Market potential

Demanding customer

Public or private enterprise
• Market knowledge/access
• Specifications
• Reference

OFU/IFU grant

Funding conditions: Normally 1/3 from each of the partners - the supplier and the demanding customer - and 1/3 from Innovation Norway.

➢ Innovation Norway sign a contract with the supplier who has a binding agreement with the customer.

➢ The local Innovation Norway offices are responsible for evaluating the OFU/IFU proposals and also for the final decisions on grants of less than 2 million NOK. Larger grants are decided by the head office.
Yearly OFU/IFU grants

2006 – Size of the supplier companies
2006 – OFU/IFU grant per project

155 projects

2006 – OFU/IFU grants to different sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>IT</th>
<th>Mechanical technology</th>
<th>Maritime technology</th>
<th>Biotechnology</th>
<th>Health</th>
<th>Building and constr.</th>
<th>Offshore</th>
<th>Environment</th>
<th>Renewable energy</th>
<th>Marine technology</th>
<th>Material technology</th>
<th>Other</th>
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</thead>
<tbody>
<tr>
<td>Grant (mill. kr)</td>
<td>50</td>
<td>45</td>
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<td>5</td>
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<td>15</td>
<td>10</td>
<td>5</td>
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</table>
Programme evaluation in 2006:

- In the 10 year span 1995-2005 1,4 milliard NOK has been spent. The projects have resulted in a total turnover of the supplier companies of about 1,4 milliard NOK in 2005!
- 44% of the companies reported that the projects have reached commercial success.
- Technological success is of the order of 75-95%.
- About 50% of the supplier companies are less than 5 years old.
- Close to 70% of the projects would not have been started or would have been carried out a slower pace without the grant from IN.
- The supplier companies that obtain the best results are characterized by: A large percentage of employees with higher education, a clear innovation strategy, cooperation with a foreign company and the demanding customer is active in the project.
Web-site with guidelines for Norwegian Industrial Research and Development Contracts

http://www.innovasjon.norge.no/templates/Page_Meta____56138.aspx

Thank you for your attention!