



Industrial Research and Development Contracts (IRD)

- A profitable partnership

- The IRD programme provides a support scheme for Norwegian companies (supplier) looking for joint product or technology development projects with foreign companies (client).
- The IRD programme is designed to stimulate partnerships related to product and technology development between a supplier company and a client company.



IRD-programme Targets

- To build new business relations and partnerships based on cooperation in development of new products
- To succeed in commercialization and marketing of new products
- The support from Innovation Norway shall stimulate the partnerships

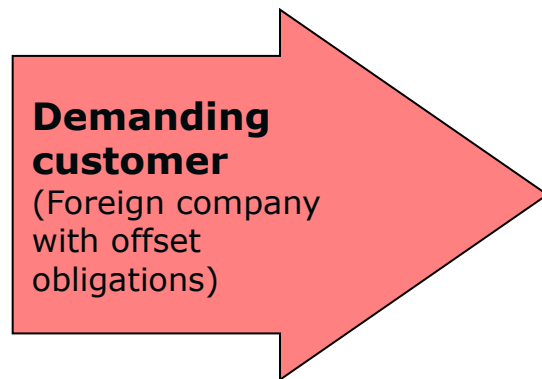
» IRD-projects and **offset**

- IRD-projects may qualify as offset if the products or technology to be developed are covered by the Norwegian offset regulations.
- Offset credits are based on the value of the foreign client company's investment into the IRD-project.
- In accordance with the offset guidelines, certain factors may be applied to the offset credits to increase the offset value.
- The Ministry of Defence has the sole responsibility for offset approval of IRD-projects and to determine offset credits and factors.

» The roles of the actors

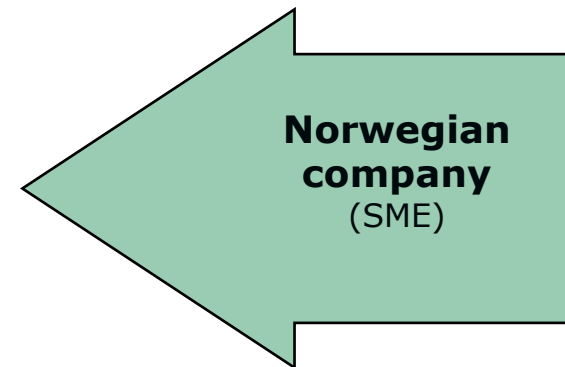
Demanding customer (Foreign company)

- States requirements for new products or solutions for a global market.
 - References and market channels
 - Foreign companies with offset obligations could be good client companies in IRD-contracts



Norwegian Supplier

- Provides product and services from R&D



Innovation Norway

- Support the business relations
- Covers part of the R&D-costs

❖ IRD-projects and **offset** -Example

Total R&D Project cost = 100 (**Time and money**)

The demanding customer (client) contributes = **40** (time and/or money)

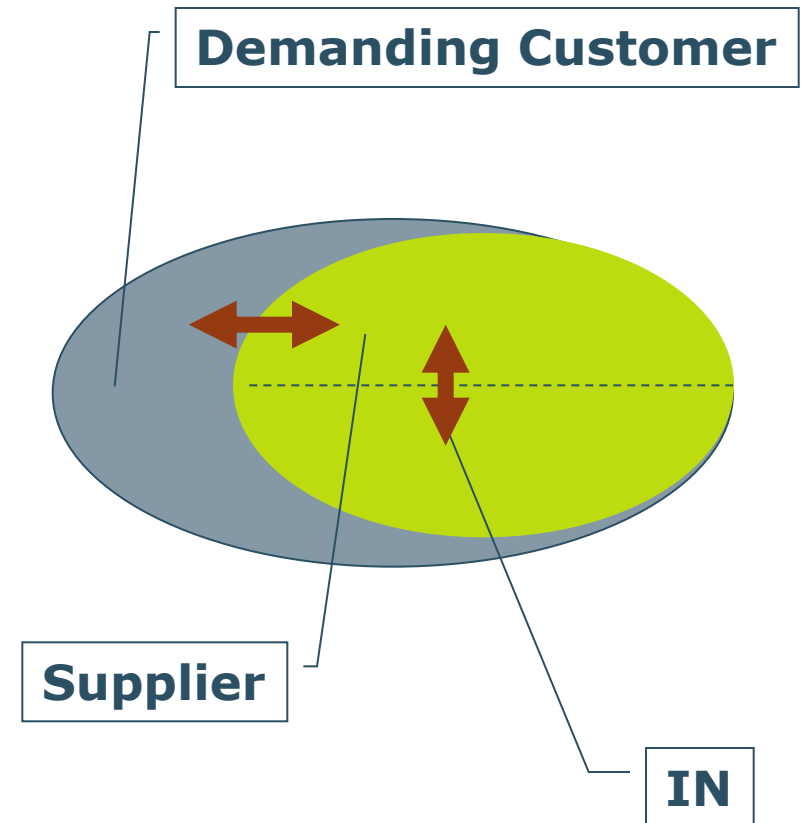
Norwegian supplier (e.g. small company) covers = 60

(IN supports the Norwegian company)

You may claim MoD for **300** in offset

Max: Step 1 $f=5$ (R&D): * step 2 $f=1.5$ (small business): => $f=7,5$

- Hence: $40 * 7.5 = 300$!



» IRD-Financial model

A pre-condition for support from Innovation Norway is that the R&D collaboration have to be balanced:

- Neither party in the contract may contribute more than 70% of project costs.
- Neither party should carry less than 30% of project costs.

The contribution from Innovation Norway is disbursed as cash grant to the Norwegian company according to certain milestones.

For more info:

www.innovasjon Norge.no/IFU

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Industrial co-operation organizational overview

