



Information for applicants for the funding announcement for Centres for Research-based Innovation (SFI-IV) – Final funding announcement (June 2019)

This document, together with the funding announcement and the document *Centres for Research-based Innovation (SFI) – Requirements and Guidelines (January 2019)*, provides applicants with important information about the SFI scheme as a funding instrument and sets out the requirements to be met.

It is important for all applicants to study the funding announcement closely and familiarise themselves with the current requirements and guidelines.

1 Introduction

The establishment of a Centres for Research-based Innovation (SFI) scheme was proposed in 2004 in a study conducted by the Research Council of Norway. The Government followed up the proposal to establish the SFI scheme in Report No. 20 (2004–2005) to the Storting: *Commitment to Research*.

The SFI scheme is a competitive national initiative in which the Research Council grants status and funding as an SFI centre. The first funding announcement for the SFI scheme (SFI-I) was issued in June 2005. Fourteen centres began their activities in spring 2007 and were concluded in 2015. A second funding announcement was issued in 2010 (SFI-II), and seven additional centres were launched in 2011. In response to a funding announcement issued in 2014, a third group of 17 centres (SFI-III) started up in 2015.

The Research Council has decided to carry out a new round of funding for the SFI scheme in 2019 (SFI-IV).

2 Objectives and main features of the SFI scheme

Objectives and main assessment criteria

The overall objective of the Centres for Research-based Innovation (SFI) scheme is to enhance the ability of the business sector to innovate and create value through a greater focus on long-term research.

The SFI scheme seeks to:

- Facilitate active, long-term cooperation between innovation-oriented, R&D-performing companies and prominent research groups.
- Promote the development of outstanding industry-oriented research clusters that are an integral part of dynamic international networks and that enhance the internationalisation of the Norwegian business sector.
- Encourage and enhance researcher training and the transfer of knowledge and technology in areas with major potential for future value creation.

The SFI scheme is characterised by broader objectives, a longer-term perspective and a more targeted focus than other innovation-related instruments administered by the Research Council. The scheme provides the R&D-performing component of the Norwegian business sector with the opportunity to take a longer-term perspective, enhance continuity and reduce risk in their research initiatives. For the research groups, the scheme makes it possible to achieve long-term development of expertise through research of high international calibre conducted in close cooperation with companies. The scheme is also intended to enhance quality and efficiency in the public sector.

When selecting centres for SFI status and funding, importance will be attached to their potential to generate innovation, business development and sustainable value creation within the centre's thematic priority areas. The scientific merit of the research must be of high international calibre.

Other main features of the scheme

The formal applicant and host institution for a Centre for Research-based Innovation (SFI) must be an approved Norwegian research organisation, while companies and public entities participate as user partners. Multiple research organisations may take part as research partners.

An SFI centre is a time-limited research centre which is not defined as a separate legal entity. The SFI centres may have a period of operation of eight years; however, an extension beyond the first five-year period will be dependent on the positive outcome of an evaluation conducted after approximately 3.5 years.

The responsibility for centre financing is shared by the Research Council, the host institution and the partners, and is regulated by specifically designated requirements and provisions. The host institution and the partners responsible for the establishment of a centre must commit to long-term involvement in the centre's activities and financing.

The Research Council cannot allocate state aid under the SFI scheme. Projects under the auspices of the centre are to be carried out as effective collaboration between the partners. Companies must cover their own costs and are not allowed to receive indirect state aid either.

All research conducted by the centre, including research funded by the user partners, is to be long-term in nature and is expected to promote increased innovation capacity and provide a basis for greater value creation. The centre's research results are to be openly accessible. This will not preclude the implementation of measures to protect commercially viable results, e.g. patenting before publishing.

Supplementary information

Further details about the SFI scheme and what is required of applicants may be found in the document *Centres for Research-based Innovation (SFI) – Requirements and Guidelines* (January 2019).

Evaluation of the SFI scheme

An independent evaluation of the SFI scheme conducted in 2017¹ concluded that the scheme has performed well and achieved overall high satisfaction among participants. The scheme lays a good foundation for close collaboration between companies and research groups. The SFI centres have been successful in educating and employing a greater number of academic staff, and the research being conducted is generally of high quality. The evaluation also reported somewhat more critical findings, however, related to the scheme's contribution to innovation, commercialisation and internationalisation. It pointed out that the company partners were not involved enough and that there was less genuine research collaboration between actors than expected. The Research Council

¹ Evaluation of the Scheme for Research-based Innovation (SFI). DAMVAD, 31 January 2018.

has reviewed relevant findings and recommendations from the evaluation and incorporated these into the scheme and follow-up activities relating to future SFI centres.

Overall budget for the SFI scheme

The overall budget for the 24 SFI centres in operation in 2017 was NOK 736 million. The allocation from the Research Council for 2017 was NOK 288 million, which was 39 per cent of the total SFI budget.

3 Details about the funding announcement

Available funding

The intention is to start up at least 10 new Centres for Research-based Innovation (SFI) in autumn 2020. The annual allocation from the Research Council to new centres is expected to be up to NOK 120 million.

This new round of SFI funding coincides with the Research Council's introduction of more active portfolio-based management, and it may be possible for strong SFI applications to receive funding outside the SFI scheme budget. This will apply to areas where there is a specific, unmet need for the development of knowledge, e.g. knowledge development for addressing the major societal challenges or the restructuring of Norwegian trade and industry.

General information

The Norwegian-language call for proposals is the legally binding version.

The funding announcement for applications for SFI status encompasses all thematic areas that may be of importance for innovation and value creation in the business sector. All proposed centres that satisfy the overall criteria for SFI centres may apply for funding. All applicants must describe how the proposed centre will expand upon or complement other established centres or large-scale initiatives.

When selecting centres for SFI status and funding, importance will be attached to their potential to generate innovation, business development and sustainable value creation within the centre's thematic priority areas. The scientific merit of the research must be of high international calibre.

Main requirements and conditions for SFI centre funding

A description of the main requirements stipulated for conferral of SFI status may be found in the document *Centres for Research-based Innovation (SFI) – Requirements and Guidelines* (January 2019). All applicants are encouraged to familiarise themselves with these requirements and guidelines.

Please note the following changes and clarifications in relation to previous SFI funding announcements:

- The formal applicant and host institution must be an approved Norwegian research organisation.² The establishment of an SFI centre must be viewed in the context of the research strategy of the host institution.
- The inclusion of companies in the centres' activities is one of the requirements of the SFI scheme. Public entities may participate alongside companies in the centres' activities. Each centre must have at least three user partners, and these must always include company partners.
- All user partners are to actively participate in the governance, financing and research activities at the centres, and must conduct significant innovation activities of their own as well as be able to take advantage of the research results when developing their activities.

² For a list of approved research organisations, see [the Research Council website](#).

- Financial contributions from private companies and other user partners must comprise at least 50 per cent of the Research Council's annual contribution.
- The host institution and other research organisations may contribute additional funding to highlight their strategic basis and commitment.
- The host institution and partners are to decide among themselves how the partners are to contribute, based on each one's size, role and prerequisites. The amount of any own financing from the research organisations will not be weighted in the application review process.
- An SFI centre is a time-limited research centre with a period of operation and funding of maximum eight years. Each centre will receive an annual allocation from the Research Council of NOK 10–12 million per year.
- The Research Council cannot allocate state aid under the SFI scheme. Support awarded to research organisations may only be used in connection with the organisations' non-economic activities.³ The Research Council requires companies to keep separate accounts for the economic activities and the non-economic activities. Companies must cover their own costs and are not allowed to receive indirect state aid either. Projects under the auspices of the centre are to be carried out as effective collaboration between the partners.

Applications that do not comply with the main requirements and conditions stipulated for SFI centres will be rejected.

Other requirements and expectations under this funding announcement

Long-term research perspective

All research conducted by the centre, including research funded by the user partners, is to be long-term in nature and is expected to promote increased innovation capacity and provide a basis for greater value creation. As a general rule, the centre's research results are to be openly accessible. All applicants must clearly explain what steps the proposed centre will take to address the need for open, long-term research.

Innovation and commercialisation

SFI centres are expected to have the active participation of companies and when relevant public entities. The exchange of staff members between partners is also expected. All SFI centres must have clear, targeted plans and procedures for how to facilitate and encourage innovation and how they will define, map and follow up research results that have innovation potential. All applicants must clearly explain how proposed centres will address innovation and commercialisation issues.

Internationalisation

A secondary objective of the SFI scheme is to promote the development of outstanding industry-oriented research clusters that are an integral part of dynamic international networks and that enhance the internationalisation of the Norwegian business sector. There are clear expectations for SFI centres to incorporate international participation and collaboration. An SFI centre may include international partners under the same terms and conditions as Norwegian partners, provided that the international partners also help to achieve the centre's objectives and the overall objectives of the SFI scheme. An SFI centre is expected to incorporate international researcher exchange and research stays abroad. SFI consortium partners are further expected to take active steps to participate and achieve success in international research arenas, e.g. under the EU framework programmes. All applicants must clearly explain how proposed centres will address internationalisation.

Participation of public entities

³ For more information about state aid rules, see the [Research Council website](#).

Although the SFI scheme is targeted towards the Norwegian business sector, public entities may also participate in an SFI centre together with companies. This kind of collaboration is relevant in a number of areas where there are major national and international market opportunities for the Norwegian business sector, such as in the health care and transport sectors. Public entities in this context can be demanding user partners and problem owners. R&D collaboration within an SFI centre may also provide companies and research organisations with access to data, equipment, test arenas and more that can be valuable for the centre. Applicants must clearly explain the role of any public entities and how they will actively participate in the centre's activities.

The SFI scheme is flexible

The SFI consortium participants are to decide among themselves how the partners are to contribute, based on each one's size, role and prerequisites. Contributions from consortium participants may be provided in the form of direct funding, in-kind resources through concrete collaborative activities, or infrastructure that is essential to performing the centre's research activities. Thus the scheme is highly flexible with regard to encouraging the involvement of large, internationally-oriented enterprises as well as of small and medium-sized companies. The Research Council assesses each application and its consortium on the basis of the centre's objectives, focus of activities and how these will be tailored to the challenges to the research and innovation ecosystem in the relevant area. All applicants must clearly explain the active role of each consortium participant based on its size and prerequisites.

Sustainable societal and business development

The UN Sustainable Development Goals are the global work plan for eradicating poverty, combatting inequality and halting climate change by 2030. The long-term research activities of the various centres enable the SFI scheme to promote increased, more sustainable value creation as well as restructuring of the Norwegian business sector. The SFI scheme will help to meet major societal challenges in other areas as well. All applicants must clearly explain how the centre will promote sustainable societal and business development. When assessing grant applications, and assuming that all factors relating to scientific merit and relevance are essentially equal, the Research Council will give priority to applications that can make a significant contribution towards promoting sustainable societal and business development.

Researcher training – including research stays abroad and collaboration with trade and industry

The SFI scheme is to encourage and contribute to researcher training in areas where recruitment of highly educated, qualified personnel is important for renewal and value creation. The scope and profile of the researcher training must be adapted to the needs of the business sector and, when relevant, the public sector for knowledge and expertise in the centre's area of focus. Researcher training may be organised and financed wholly or partially within the centre or through cooperation with a university or university college in some other way. Training within an SFI centre encompasses master's and doctoral students as well as post-doctoral research fellows. All applicants must clearly explain how and to what extent the centre will contribute to researcher training in its area of focus.

Research stays abroad are a vital part of researcher training and all research fellows working in an SFI centre should obtain international experience. All applicants must explain how they plan to address this. The Research Council's policy document on recruitment to research⁴ sets out the guiding principles to be followed.

⁴ *Recruitment to research - The Research Council's policy 2016–2020* is available on the [Research Council website](#).

Collaboration with the business sector or other user partners is a vital part of researcher training for all research fellows working in an SFI centre. All applicants must explain how they plan to facilitate such collaboration.

Gender balance

There are eight women directors at the 24 current SFI centres. This is a substantial improvement compared to previously, but it is desirable to increase the proportion of women directors even more. All applicants are encouraged to nominate qualified women as centre directors and senior researchers. As a general rule, research institutions should integrate relevant gender equality considerations into the planning and preparation of their applications for SFI status. When assessing grant applications, and assuming that all factors relating to scientific merit and relevance are essentially equal, priority will be given to applications with a high percentage of women in leadership positions.

Archiving of research data

The host institution and the partners together are responsible for selecting the archiving solution(s) to use for storing research data generated in the centre, and must specify the planned solution(s) in connection with the revised grant proposal.

4 Mandatory outlines

The first phase of the application process required the submission of mandatory outlines. The main aim of this process was to ensure that applicants did not put too much work into applications for SFI status that would clearly not be competitive. The submission of outlines also serves as a tool to help large institutions to prioritise and rank their various initiatives, and helps the Research Council to tailor the assessment process for the final application phase.

Some 100 outlines for SFI centres were submitted by the deadline. The Research Council provided written feedback to each host institution in June 2019.

5 Final funding announcement

Only applicants who submitted a mandatory outline by the 4 April 2019 deadline are qualified to seek funding under the final funding announcement. Applications for SFI status that are not based on an outline submitted for that deadline. Applications that are based on a submitted outline but that clearly do not comply with the requirements and guidelines designated for SFI centres will also be rejected, as will applications that do not fulfil the requirements set out below.

The application submission deadline for the final funding announcement is **25 September 2019, 13:00 CEST**.

Completing the application

Applications for SFI status are to be submitted online via the eSøknad online submission service using the application type specified in the funding announcement. Information about how to complete the application form and requirements for the application are described in the guidelines provided in the online application form.

The document *Centres for Research-based Innovation (SFI) – Requirements and Guidelines* (January 2019) provides information about the costs for which funding may be sought in an SFI centre. A detailed budget must be provided in the application form. The grant application form sets a limit on

the number of years that can be entered. You must therefore enter a detailed annual budget for (at least) the first five years as well as an overall budget for the final years.

Generally, applicants must comply with the Research Council's rules related to approved project expenses, including guidelines for calculating payroll and indirect expenses in the budget. Applicants from institutions in the university and university college sector are to use the TDI model (common full costing methodology) for budgeting of project costs. Applicants from the research institute sector are to use their hourly rates as reported to the Research Council.

Mandatory attachments to the application:

- The project description
- Letter of intent from the host institution
- Letters of interest from the partners
- CVs for key personnel

Optional attachment to the application:

- Recommendations for referees

The grant application, including all attachments, is to be submitted in English.

The grant application will only be made accessible to persons who have signed a declaration of confidentiality.

The earliest permitted project start is 1 September 2020.

The project description (mandatory attachment)

The project description is not to exceed 20 pages including the list of references, and it is not possible to upload a project description that exceeds this limit. The page format must be A4 with 2 cm margins, single spacing and Arial, Calibri, Times New Roman or similar 11-point font. It is permitted to use 9-point font for references and figure text. Websites and documents to be accessed via links in the project description will not be included in the application review process.

The template for project descriptions must be used, and is available for download in the call for proposals.

Letter of intent from the host institution (mandatory attachment)

The host institution's top-level administration must attach a signed letter of intent (one to two pages in English) stating that the institution will assume the obligations to be set out in a contract with the Research Council to host an SFI centre. The letter must also describe how the research conducted at the centre constitutes part of the host institution's scientific strategy.

Letters of interest from all partners (mandatory attachment)

A signed letter of interest (one to two pages in English) from each user partner and research partner must be attached to the application. The letters of interest must include the following:

- The partner must confirm its intention to participate actively as a partner in the centre and describe how this will be done.
- The partner must give grounds for its interest in participating in the centre. How will the centre's activities benefit the partner and create opportunities that would not be possible without the centre?
- What potential for generating innovation and sustainable value creation does the partner anticipate in the centre's projected results, and how will these research results be applied?

- The partner must summarise its contribution to the centre in the form of knowledge and expertise as well as any funding, facilities, and own resources throughout the centre's period of operation.
- The partner must describe its own long-term R&D plans in the context of the centre (strategic basis).

CVs for the centre director and key personnel (mandatory attachment)

CVs must be submitted in English for the centre director and other key personnel. Up to eight CVs may be attached. Any additional CVs will not be included in the application review process. Each CV must not exceed four pages, and it will not be possible to upload CVs that exceed this. The page format must be A4 with 2 cm margins, single spacing and Arial, Calibri, Times New Roman or similar 11-point font.

The templates for CVs must be downloaded from the call for proposals. Each of the maximum eight CVs must use one of the two designated templates. Applicants are advised to prioritise the CVs and information of the greatest relevance to a grant application for SFI status and funding.

Recommendations for referees

Applicants may submit an attachment in which they propose the names of up to five international referees to assess the application. The referees must fulfil all impartiality requirements in relation to the application.⁵ Applicants must provide the name, title, email address and mailing address of each referee. The Research Council is under no obligation to use the applicant's proposed referees.

Assessment criteria for grant applications

When selecting centres for SFI status and funding, importance will be attached to the potential to generate innovation, business development and sustainable value creation within the centre's thematic priority areas. The scientific merit of the research must be of high international calibre.

The Research Council will assess grant applications on the basis of three main criteria: Excellence, Impact and Implementation. These main criteria will be assessed by international referees. The assessment of each main criterion will be provided in the form of an oral evaluation and a mark (scale of 1–7).

A more detailed description of the three main criteria is provided in the call for proposals.

The Research Council will further assess the relevance of the grant proposals relative to the guidelines of the call, including the centre's national contribution and profile, the manner in which it reflects the scientific strategies of the host institution, the added value of organising the activities as a centre within its research area, and how the proposed centre will expand upon or complement other established centres or large-scale initiatives.

Overall assessment and selection

The starting point for the overall assessment and final selection of grant applications will be the assessment and marks assigned for the three main criteria and the relevance of the grant applications to the requirements and guidelines stipulated in the call for proposals.

When assessing grant applications, and assuming that all factors relating to scientific merit and relevance are essentially equal, the Research Council will give priority to applications that:

- have a high percentage of women in leadership positions;

⁵ See the Research Council website for the rules regarding [impartiality in administrative proceedings](#).

- can make a significant contribution towards promoting sustainable societal and business development;
- are in areas where there is a specific, unmet need for the development of knowledge, e.g. knowledge development for addressing the major societal challenges or the restructuring of Norwegian trade and industry.

When selecting centres to be granted SFI status, consideration will also be given to the overall business-related profile of the portfolio of industry-oriented research centres receiving Research Council funding.

The Executive Board of the Research Council will take the final decisions regarding the conferral of SFI centre status and allocation of funding.

6 Additional information

Anticipated results, impacts and societal outcomes of the SFI scheme

At the overall level, societal outcomes of the SFI scheme will include: renewal and restructuring of the Norwegian business community; a more profitable, R&D-active and innovative business sector; better structured, business-oriented and innovative research groups; improved business-sector access to highly educated, qualified personnel; and more business-relevant educational programmes at universities and university colleges.

The SFI scheme helps to provide a considerable boost in research groups' competence in areas of importance to the Norwegian business sector. Additionally the scheme enables host institutions and collaborating research groups to further develop their innovation culture and increase their understanding of the needs of the business sector and other users. One anticipated impact for the business sector and other user partners is a stronger network with the research community and a more widespread culture for using research.

The SFI scheme utilises the Research Council's general quantifying mechanisms, performance indicators and system of marks for measuring and evaluating whether the SFI scheme and its individual centres are steering their activities and working in the right direction with respect to achieving objectives. The centres also develop their own performance indicators. The Research Council collects special reports from the centres on relevant indicators that are not part of the Research Council's general system. The midterm evaluations of the centres provide a systematic review of the results and achievement of objectives of the individual centres and the SFI scheme as a whole.

The SFI scheme in relation to other schemes and funding instruments at the Research Council

The SFI scheme is a key component of the Research Council's set of innovation-oriented funding instruments, and supplements other existing application types such as Innovation Projects and Collaborative and Knowledge-building Projects by providing a longer-term perspective and broader scope. It is especially important for companies that are looking to gain a leading international position. The Research Council seeks to enhance coordination between the national funding instruments that are designed to promote innovation and commercialisation.

In 2009, the Research Council established the *Centres for Environment-friendly Energy Research (FME)* scheme based on the SFI model. The SFI scheme also has much in common with the Research Council's *Centres of Excellence (SFF)* scheme, which was introduced in 2003 to enhance the scientific quality of Norwegian research.

The SFI, FME and SFF schemes all seek to promote basic research of high international standard and to increase internationalisation. These centre schemes also represent a long-term investment in research with the aim of developing dynamic research communities. The centres are intended to generate added value for the participating groups and the expertise and recruitment they involve is to create ripple effects which will have an impact far beyond the lifetime of the centre. While the SFF scheme focuses on scientific merit alone, the SFI and FME schemes address the knowledge needs of the business sector.

The SFI scheme must also be viewed in light of the regional *Norwegian Centres of Expertise (NCE)* scheme, the *Global Centres of Expertise (GCE)* scheme and the *Norsk katapult* [Norwegian catapult] support scheme. Centres under these schemes are relevant for collaboration with SFI centres. The Research Council will work to ensure good coordination between these schemes.