

Technical Development fund

Autumn 2015

Project grant description in English

The role of the Technical Development Fund is to support R&D project that leads to regeneration and improved competitive situation of Icelandic industry. The rules of the fund in Icelandic can be found on Rannís webpage www.rannis.is. Below is a summary description of the fund support category “Project grants” *Note! In case of discrepancy between this description and the Icelandic rules the Icelandic rules comply.*

Project grants

Project grants are intended for projects that have passed their initial stage. These grants are open to individuals, companies, universities and research institutes. Individuals who are granted a support must found a company before an agreement for project funding is signed. Subsidiary, registered in Iceland, of a foreign company can apply for project funding from the Technical Development Fund, if the project cost incurs in Iceland. The cost of purchased work or services from a foreign entity is not considered eligible cost.

The maximum contribution towards projects can amount to a total of up to ISK 45 million for a period of three years; ISK 30 million during two years or ISK 15 million during one year, which can be variously distributed during the years of support, depending on the progress of the project and its funding requirements. Up to one third of the total grant can be used for market purposes (see the Icelandic rules for definition of allowed project parts)

Applicants’ matching contribution of 50% is required. Support lasting up to three years may be applied for, although the fund’s board of directors only confirms a grant for one year at a time. Continued support depends on progress and the fulfilment of contractually agreed results.

General information

Projects awarded support must comprise one or more of the following:

- A clearly defined concept regarding the practical value and estimated potential benefit of R&D operations.
- Research and development with regard to new or improved products and services.
- The production of technical prototypes for testing and improving their technological capabilities
- The production of prototypes for the purpose of confirming reactions in promising market areas.
- The compilation of a business plan, including market research.
- The development of a company’s infrastructure.

At the end of the support year, a final report must be submitted at a negotiated date in the case of a one-year project, or an intermediate report and a revised operational and budget plan, for

a project lasting more than one year. The latest version of the company's annual financial statement should also accompany the final and intermediate report, along with a cost accounting statement and time sheets covering those years the project was funded. Provided progress is acceptable, the fund can award further support.

Ownership of results

Participants in cooperative projects supported by the fund must enter into a mutual contract with regard to ownership rights and right of use of project results. A draft copy of such a contract may be obtained from Rannís staff.

It is the general rule that ownership rights and right of use with regard to results and products is in accordance with each partner's contribution. The fund's awardees must, in so far as possible, protect ownership rights and right of use of results, since it is a precondition for the fund's awards that they support innovation which returns profit to society and improves the competitiveness of industry. In the event that support is withdrawn due to failure to fulfil obligations, the fund acquires ownership of all the results of the project which have been returned to it and is entitled to publish them unconditionally.

Progress report

One progress report is to be submitted at mid-term. The report contains a survey of total expenses accruing during the term, based on statements from each participant and confirmed and signed by the project manager. The progress of the project is to be outlined in the report which contains milestones, as well as progress criteria, agreed upon by the project manager and the Rannís project inspector when the contract was signed. Payment is authorised on condition that the Rannís project inspector accepts the progress of the project.

Interim report/Annual report

An interim report, signed by the project manager, is to be submitted at the end of the contractual year, in the case of a project which has been awarded a grant for two or three years. The interim report is equivalent to a continued proposal, which is to be assessed by the Rannís project manager who subsequently recommends a decision to the board. The interim report should be submitted at the end of the contractual year, together with; time sheets listing the costs for each work package; the total cost of the project; contributions made by the participants, including working hours; and the company's latest annual financial statement. The cost accounting statement should be in the form of a printed list of transactions made in relation to the project. Support for the next contractual year is dependent on the decision of the fund's board.

Final report

A final report, signed by the auditor of the company/institute in question and the project manager must provide a detailed survey of the progress of the project, its impediments and incentives, and clearly describe its results and outcomes. A printed list of accounting transactions for the project should be attached, along with an overview of contributions made by all participants, including working hours, and the company's latest annual financial statement. It is to be stated, furthermore, how participants envisage using the results for further development. The final report is to be accompanied by a short summary, which the fund is authorised to include in its operational report and on the Rannís home page.