

# JOINT PUBLIC CALL BETWEEN FINANCIADORA DE ESTUDOS E PROJETOS (FINEP) OF BRAZIL, AND THE RESEARCH COUNCIL OF NORWAY (RCN)

PUBLIC SELECTION OF COOPERATIVE PROJECTS BETWEEN RESEARCH INSTITUTIONS AND COMPANIES

## 1. INTRODUCTION

In accordance with the Memorandum of Understanding between the Research Council of Norway (RCN) and Financiadora de Estudos e Projetos (Finep), Brazil, signed in Rio de Janeiro, November 2014, the following document is made between the Parties of the Agreement on the terms and procedures for its implementation: regarding Finep-RCN joint call in 2018, with project start in 2019.

## 2. OBJECTIVES

The joint call aims at increasing research-based cooperation between research institutions in Brazil and Norway. Finep and the RCN, represented by the research program PETROMAKS 2, wish to support projects developed as a collaborative effort in both countries with relevance for the offshore petroleum industry.

The joint projects should lead to research-based activities that benefit Brazilian and Norwegian research institutions, supply industry and end-clients within the petroleum sector.

Scholarly publications are expected from the collaborative projects, in addition to project results that are relevant for implementation within the industry in both countries.

The grant resources will be conditioned to the specific processing flow of each of the Parties (i.e. Finep and the RCN). The sequence of this process is as follows: technical/scientific analysis, financial analysis and legal analysis, approval and contracting.

## 3. TARGET GROUP

### Applicants

Applications will be accepted from research institutions.

### Norway

The applicant must be a university, university college or a research institute, according to the Research Council's definition and specification of the concept "research institution" (see definition and list of approved research institutions on the website

[https://www.forskningradet.no/en/General\\_application\\_requirements/1184159007037](https://www.forskningradet.no/en/General_application_requirements/1184159007037) ).

### Brazil

- a) The institutional arrangement must be composed, at least, of a Scientific, Technological and Innovation Institution (ICT), as defined by the Brazilian Law 10.973, from December 2<sup>nd</sup>, 2004 (definition updated by Law 13.243, from January 11<sup>th</sup> 2016). The ICT will be the Executive

Institution, responsible for coordination and technical execution of the part of the project that will take place in Brazil.

In the event of more than one executing institution, the Main Executive Institution shall be responsible for the technical coordination of the project. The general coordinator of the project must belong to the permanent staff of the Main Executive Institution.

- b) The Proponent Institution, responsible for the managing and financial execution of the part of the project that will take place in Brazil, may be the ICT itself or an ICT Support Foundation. After the signature of the Brazilian financing instrument, the proponent institution will be referred to as Covenant Institution.

The non-profit private law institutions will only be able to participate as proponents on the present Joint Public Call if they present a declaration of regular operation during the last three years issued in the year of 2018, according to what is explained on article 72, subsection VII, from the law 13.473, published on August 08<sup>th</sup> 2017 – LDO 2018, having as a reference the predicted date for the publishing of this Joint Public Call final results.

Federal institutions must integrate the Integrated Administration System of the Federal Government (Portuguese acronym – SIAFI).

#### **Definitions:**

**Scientific, Technological and Innovation Institution (ICT)** is every direct or indirect public administration organ or entity or a non-profit legal entity of private law, constituted under Brazilian laws, with headquarters and forum in the country, that includes in its institutional mission or in its social or statutory objective the basic or applied research for scientific or technological purposes or the development of new products, services or processes.

**Support Foundation** is the foundation created with the purpose of giving support to research, educational and extension projects, institutional, scientific and technological development projects and projects that stimulate innovation, registered and accredited in the Ministry of Education and in the Ministry of Science, Technology and Innovation, pursuant to Law No. 8.958 from December 1994 and other pertinent legislation at the state, district and municipal levels.

#### **Collaboration of industrial partners**

The project must include the participation of at least one Brazilian company (which will be referred to as co-financing intervener institution) and at least one Norwegian company.

- a) The co-financing intervener institution in Brazil must:
- Be interested in implementing or using the project results;
  - Participate on the project with disbursement of financial resources, which will be subject to FINEP's analysis, according to its criteria;
  - Have had some operational activity during 2017;
  - Present satisfactory economic-financial situation (the financial analysis will be elaborated based on the income statements of the last three financial exercises, contemplating at least the balance sheet and the income statement);
- b) The Norwegian company must:

- Document that the knowledge acquired from the project will be important to its future production or development of products or services;
- Play an active role on the management of the project.

### **Regarding the project group**

The Norwegian and the Brazilian institutions/companies who receive public funding within the same international consortium cannot belong to the same economic group. An economic group is defined as a gathering of institutions/companies with major control by the same physical or legal person.

The participation of other companies and ICTs on the project will also be subject to evaluation, not being, however, a mandatory requirement for financing approval.

The project must present collaboration elements between Brazilian and Norwegian institutions. There should be a balance between these institutions regarding potential intellectual property rights (IPR) emerging from the project. This balance shall be clear in the project presentation, since it will be considered during the process of analysis and evaluation of the proposal.

## **4. THEMATIC AREAS**

The Parties are launching a call for proposals in the following priority areas relevant for the offshore petroleum industry:

- Environmental technology, including, but not limited to:
  - Energy efficiency technology and reduction of greenhouse gases emission
  - Reduction of environmental risk from offshore petroleum operations
  - Oil spill preparedness
- Increased oil recovery (IOR), including, but not limited to:
  - Mapping, release and transportation of immobile oil
  - Reservoir and fluid characterization for improved volumetric sweep
  - Optimized, combined methods for increased oil recovery
- Exploration
  - Large-scale integrated geologic and geophysical modelling
  - Geophysical methods for data acquisition
- Cost-efficient drilling and intervention, including, but not limited to:
  - Drilling automation
  - Technology and knowledge for increasing the number of drilled production wells
  - Completion systems for IOR
  - Increased safety and reduction of environmental impact from drilling operations
- Production, processing and transport technologies, including, but not limited to:
  - Subsea power supply and distribution
  - Multiphase pipeline flow and flow assurance
  - Fluid characterization - mechanics and management of produced water
  - Integrity management and monitoring, including sensors for control and early failure detection

## 5. PROJECTS FUNDING

Finep and the RCN will use their own financial instruments to support the participants in the project, according to their norms, which can be found at <http://www.finep.gov.br> and <http://www.forskningsradet.no>.

The funding from Finep and the RCN will be in the form of grants.

Finep will fund the Brazilian applicants and the Brazilian project partners eligible for public support. Likewise, the RCN will fund the Norwegian applicants and the Norwegian project partners eligible for public support.

Eligible costs and expenses may vary according to the regulations in Brazil and Norway. Applicants must read the regulations as posted on the Finep and the RCN websites, or contact the respective national contact points in Brazil and Norway (see details in the “Contacts” section) for information.

The number of funded projects will strongly depend on the number and quality of the submitted applications and the available funds.

### **In Brazil:**

Financial support for each of the applicants will be given according to Finep’s established conditions.

Non-reimbursable financial resources from economic subvention will be committed by the National Fund for Scientific and Technologic Development (Portuguese acronym – FNDCT) up to the global limit of R\$ 10.000.000,00 (ten million reais).

Only a part of each selected project in this process will be supported by Finep, being the rest supported by the company or company group responsible for the selected project as a minimum mandatory contribution, as disposed on the regulation document for Brazilian applicants that is part of this joint call.

### **In Norway:**

The RCN, represented by PETROMAKS 2, will allocate up to NOK 20 million for this joint call.

The Norwegian funding will be distributed through the application type Knowledge-building Project for Industry (KPN). Please find the description of the application type along with rules and regulations for this type of project on the web page

[http://www.forskningsradet.no/en/Knowledgebuilding\\_project\\_for\\_industry/1253963988225](http://www.forskningsradet.no/en/Knowledgebuilding_project_for_industry/1253963988225). It is important to emphasize the following:

- Only universities, university colleges and research institutes according to the Research Council's definition of approved research institutions are eligible applicants and can receive public funding.
- The industrial partners must cover their own costs and contribute with additional cash to cover costs at the research institutions. The total amount of support from the Research Council of Norway cannot exceed 4 times the cash financing from Norwegian industry partners.
- The funding from PETROMAKS 2 to the Norwegian applicant will be given in compliance with the EU state aid rules. The funding shall be allocated to non-economic activities at the Norwegian research institution.

## 6. GENERAL REQUIREMENTS

- The duration of each bilateral project will be from 3 to 4 years.
- There must be at least one Brazilian and one Norwegian research institution in each project presented, supported by at least one company from each respective country.
- The research project should aim to contribute with relevant knowledge and competence for its implementation in the offshore petroleum sector in both countries.
- The maximum amount of public funding an applicant in Brazil or Norway may apply for, is half of the total available funding from the respective agency, Finep or RCN. For example, the Norwegian part of a project may not apply for more than NOK 10 million.
- The tasks in the work plan should be clearly assigned to each partner as well as the allocated resources and the required resources to implement the project.
- The project must be balanced between participants and be significant for both countries.
- Both Brazilian and Norwegian applicants must submit their proposals to the agencies from their respective country, Finep or the RCN. Any proposal presented to just one of the agencies will be rejected.

## 7. THE REVIEW PROCESS AND THE JOINT ASSESSMENT CRITERIA

The Brazilian and Norwegian research institutions that will collaborate on a project need to submit one proposal each to their respective funding organization. Thus, each project will be based on two proposals, one in Brazil and one in Norway.

The proposals will be submitted in Brazil and Norway according to the procedures in Finep and the RCN, respectively. Therefore, the proposals in the two countries will not be identical. However, the two proposals should contain an attachment which will be identical in both countries, with information about work packages that will take place in the two countries, costs and financing in Brazil and Norway. The attachment will be filled out according to a predefined template. All of the proposals must use the template for this attachment provided by Finep and the RCN and available in the call texts at the links <http://www.finep.gov.br> and <http://www.forskningsradet.no>.

For a project to be funded, the proposals need to have a good score in the evaluation processes of the two countries. Finep and the RCN will use their own respective procedures for evaluating the proposals, but will use criteria in line with the following list:

- Research level
- Scientific merit
- Qualification of the executing staff
- Implementation plan and resources parametrization
- Relevance and benefits to the business and the industry
- International cooperation
- Dissemination and results communication
- Relevance of the proposal to the call

## 8. SELECTION PROCESS

The applicants in Brazil and Norway will submit separate proposals to Finep and the RCN, respectively, and each agency will follow its usual processing flow. This includes the technical, financial and legal analysis, approval and contracting.

After Finep and the RCN have conducted their separate evaluations of the submitted proposals, the representatives of the two agencies will meet to decide upon which projects to fund in both countries.

It is understood that a project proposal needs to have a good score in both countries to be considered for funding.

The goal for both countries is to compose a portfolio of projects, rather than funding one single project. Applicants should consider that when designing the projects.

For further information, Brazilian applicants may check the document with the regulation and details of the procedures to which they will be submitted. This document is available among the other ones released for this call.

## 9. TIMETABLE

Deadline for submission of proposals	12 <sup>th</sup> of September, 2018
Exchange of lists of applications between Finep and the RCN	19 <sup>th</sup> of September, 2018
Exchange between Finep and the RCN of their respective review results	23 <sup>rd</sup> of November, 2018
Joint selection decision	14 <sup>th</sup> of December, 2018
Disclosure of preliminary results	14 <sup>th</sup> of January, 2019
Deadline for submitting appeals for reconsideration (Brazilian participants only)	24 <sup>th</sup> of January, 2019
Final results	22 <sup>nd</sup> of February, 2019
Beginning of contracting process	25 <sup>th</sup> of February, 2019

In the event of changes on the timetable, those will be announced in due course.

## 10. REPORTING

The project managers in Brazil and Norway will submit reports to their respective agency, Finep or the RCN.

### In Brazil:

National project coordinators must present reports describing the project progress every six months. In order to be able to receive the following disbursements, it is also necessary to present financial reports about the project. These details are defined on the contract signed with FINEP if the proposal is selected to be supported.

### In Norway:

The project manager must submit progress reports twice a year, in June and December. To qualify for payments from the RCN, one must also submit project financial reports once a year.

Details regarding these reports will be defined in the contract if the project is selected for funding.

## **11. OMISSIONS**

Situations that are not covered in this document will be evaluated jointly by members of FINEP and the RCN designated as national points of contact, within 10 (ten) business days of the presentation by electronic message addressed to any of the two (see section 13) with copy to the other.

## **12. MISCELLANEOUS**

When establishing contracts and agreement documents with the project representatives in both countries, Finep and the RCN will follow the established procedures and regulations in Brazil and Norway, respectively. If the contractual process leads to a reduction in the public funding from one of the funding agencies, or other changes in a project in one of the countries, this should be communicated to the other funding agency as quickly as possible.

## **13. NATIONAL CONTACT POINT**

### **In Brazil**

Finep

Cristiane Abreu

E-mail: [edital\\_finep\\_rcn@finep.gov.br](mailto:edital_finep_rcn@finep.gov.br)

### **In Norway**

The RCN, PETROMAKS 2

Andreas Q. Nielsen

Tel.: +47 22 03 74 27

E-mail: [aqn@rcn.no](mailto:aqn@rcn.no)