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EEA & Norway Grants and the Private Sector
in Romania and CEE (2009-2014)

Disclaimer

The presentation has been drawn up on the basis of information and data obtained from the websites of EEA Grants and Innovation Norway and/or other relevant sources, as listed within the different sections of the presentation.

The purpose of this presentation is to provide general information on the subject concerned. Winnovart does not guarantee the accuracy or reliability of the information provided herein. Furthermore, the information is subject to change without notice, and therefore Winnovart is not responsible for any subsequent modifications or updates.

NOTE: The focus of this presentation is on private sector enterprises. The information relating to the private sector has been extrapolated and/or inferred from publicly available information. With projects still in progress under the programmes, the current estimations and/or statistics may possibly be updated in the upcoming months.

Objectives

This presentation addresses private sector enterprises interested in opportunities with EEA & Norway Grants on the CEE market.

We aim to provide a general overview of the EEA & Norway Grants mechanism based on publicly available information as of September 2015, with a focus on the following topics:

- **General background and history of EEA and Norway Grants in Europe**
- **The participation of the private sector within the EEA and Norway Grants programmes**
- **Analysis of the Romanian private sector's involvement**
- **Overview of the Green Industry Innovation (GII) programme and allocations**
- **The implementation of the GII programme in Romania**

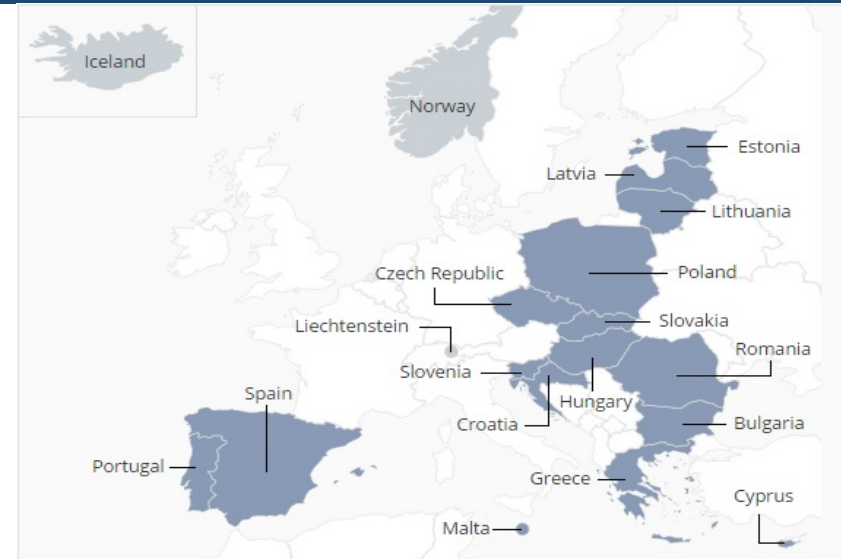
EEA & Norway Grants Overview



Official Programme logos / Source: eeagrants.org

The EEA & Norway Grants

... is the contribution of Iceland, Liechtenstein and Norway to reducing economic and social disparities and to strengthening bilateral relations with 15 EU countries in Central and Southern Europe.



Source: eeagrants.org

Why - Through the European Economic Area (EEA) Agreement, Iceland, Liechtenstein and Norway are partners in the Internal Market with the 28 EU member states. The EEA & Norway Grants aim to help reducing disparities between EU-member states, by targeting on areas with clear needs in the beneficiary countries and in line with national priorities and wider European goals.

Promoting Cooperation - The primary objective of the EEA & Norway Grants is the Strengthening of bilateral relations between the donor and beneficiary countries.

What and where - The EEA Grants and Norway Grants are set up for a certain period. For the period 2009-2014, €1.79 billion has been set aside under the Grants. The EEA Grants are jointly financed by Iceland, Liechtenstein and Norway, who contribute according to their size and economic wealth (Norway ~ 94%, Iceland ~ 5%, Liechtenstein ~1%). The Norway Grants are financed by Norway alone. For the following financing period (2014-2021), €2.8 billion will be set aside for both EEA and Norway Grants.

Timeline

EEA Agreement 1994

- Brings together 28 EU Member States and the three EEA EFTA States – Iceland, Norway and Lichtenstein
- Five year funding schemes by the EEA - EFTA States have been in place since 1994.

The Financial Mechanism 1994-1998

- The funds addressed Greece, Ireland, Northern Ireland, Portugal and Spain
- Approximately €119.6 million

Financial Instrument 1999-2003

- The funds addressed Greece, Ireland, Northern Ireland, Portugal and Spain
- Approximately €119.6 million

The EEA & Norway Grants 2004-09

- Ten new member states joined the EU and the EEA in 2004 and two more - Romania and Bulgaria - in 2007.
- Approximately €1.3 billion

The EEA & Norway Grants 2009-14

- Addressing 15 beneficiary countries and one more – Croatia – in 2013.
- Approximately €1.79 billion

The EEA & Norway Grants 2014-2021

- Addressing 15 beneficiary countries
- Approximately €2.8 billion

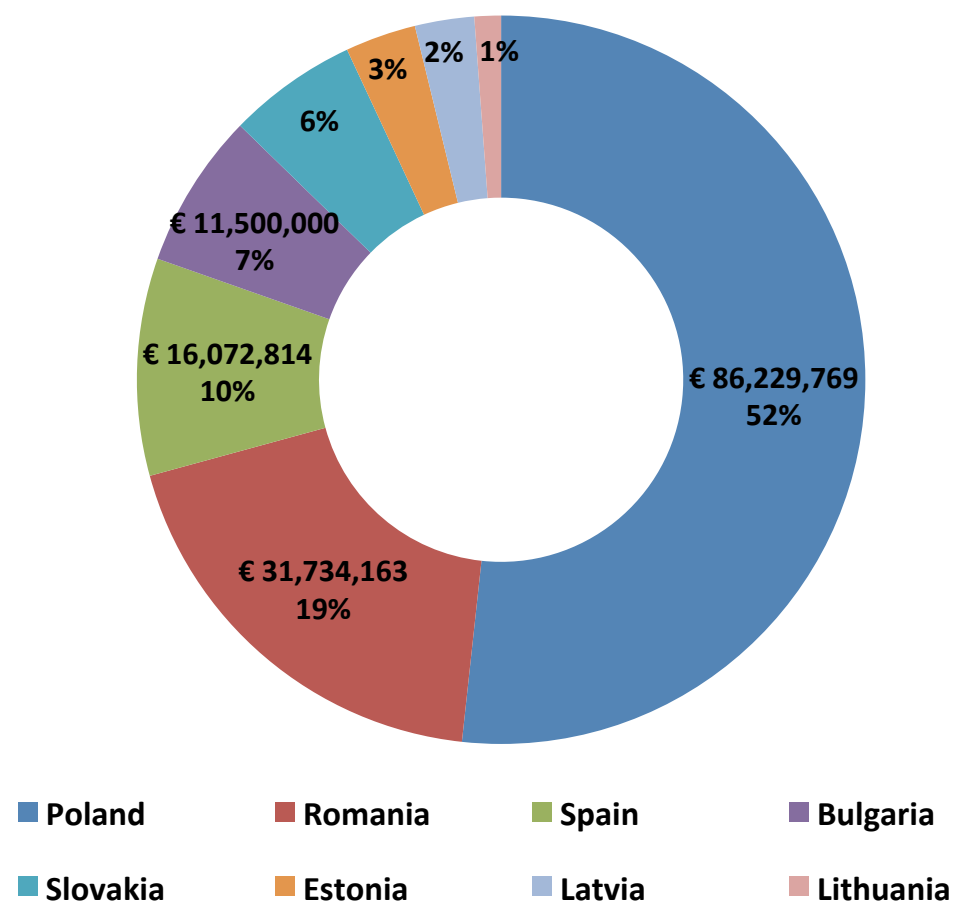
EEA & Norway Grants and the Private Sector

- EEA & Norway Grants cover beneficiaries from both the public and private sectors.
- To date, the private sector (enterprises) has accessed grants within the following six programmes:
 - **Green industry innovation**
 - **Adaption to climate change**
 - **Energy efficiency**
 - **Environmental and climate change-related research and development**
 - **Renewable energy**
 - **Research in priority areas/Bilateral research cooperation**
- There is a clear link between the private sector and **‘green business’ funding**, with the latter having a broad definition and scope. This essentially reflects the EEA’s approach to private sector enterprises: **“Good for business, good for environment”**.

EEA & Norway Grants and the Private Sector

- The private sector has accessed to date **€166,732,346** in grants for approved projects.
- Therefore, private sector enterprises have received **23%** of the total allocations for the aforementioned six programmes.
- The private sector in Poland has received the most funding with a value of **€87,229,769**. This is followed by Romania, where private sector enterprises have accessed grants worth **€31,734,163**.

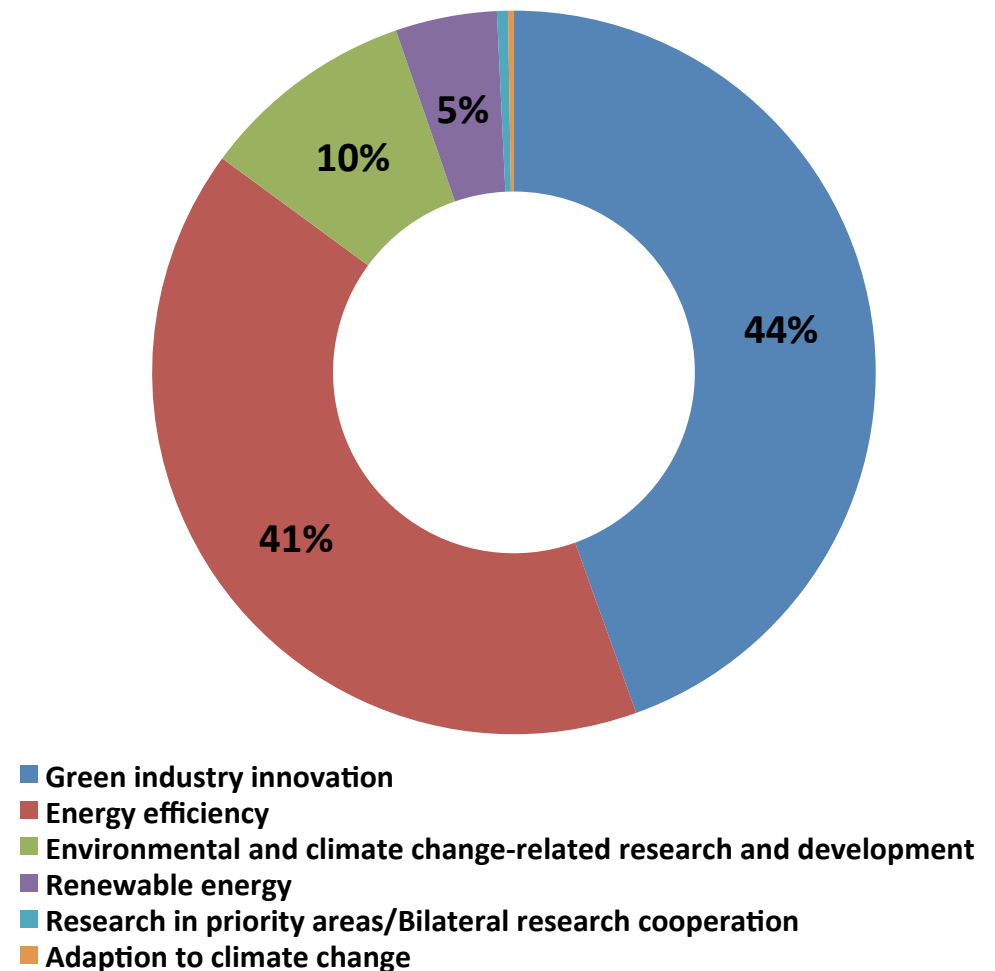
Grants to the Private Sector per Beneficiary State



EEA & Norway Grants and the Private Sector

- The largest programme addressing private sector enterprises is the **Green Industry Innovation** programme with businesses from eight member states accessing **€74,214,538**. The second largest is the **Energy Efficiency** programme with approved projects from the private sector accessing **€67,631,813**. As per the available information from the EEA, the main beneficiary of the latter programme has so far been Poland.
- Private sector enterprises are also eligible for the **“Research in Priority Areas/Bilateral Research Cooperation”** programme, where seven beneficiary states have been allocated **€133,331,438** in grants. Therefore it is a **generous** and **important** source of funding for research. So far, universities and institutes have accessed most of the funding and participation from private sector enterprises has been low. To date, enterprises have only accessed **€817,829** in grants, but the **future potential for enterprises is significant**.

Grants to the Private Sector per Programme



Grants to the Private Sector per Programme

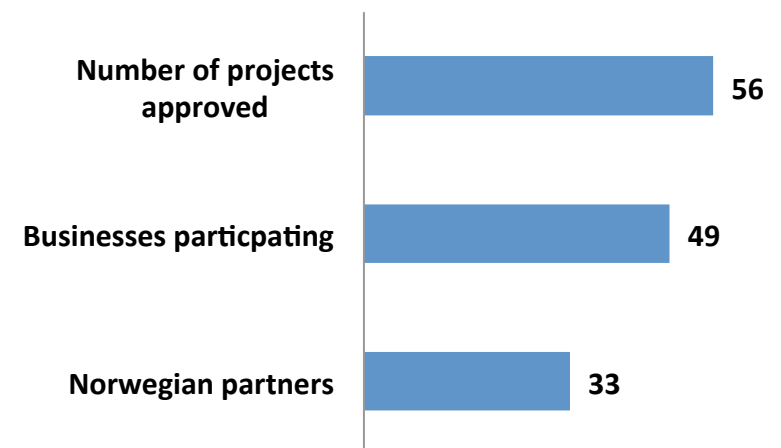
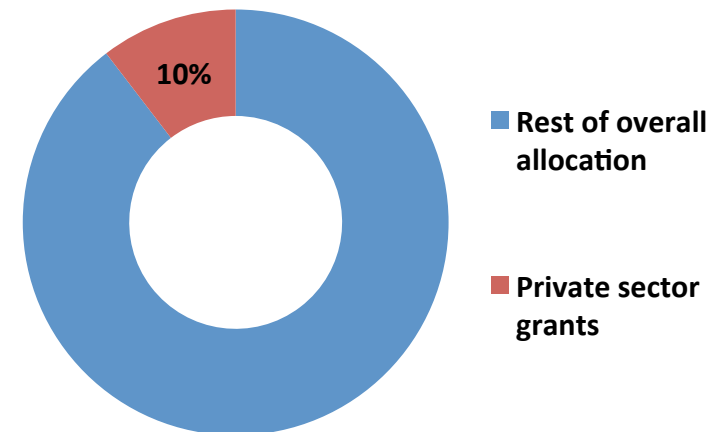
Programme	Total Allocation	Grants to Private Sector (Enterprises)	Countries Participating
Green industry innovation	€ 127,680,985	€ 74,214,538	Bulgaria, Estonia, Latvia, Lithuania, Poland, Romania, Slovakia
Energy efficiency	€ 173,822,245	€ 67,631,813	Poland
Environmental and climate change-related research and development	€ 18,215,000	€ 16,072,814	Spain
Renewable energy	€ 201,266,245	€ 7,557,941	Latvia, Poland, Romania
Bilateral research cooperation	€ 133,331,438	€ 817,829	Poland
Adaption to climate change	€ 71,460,101	€ 437,411	Latvia

Source: EEA Grants <http://www.eeagrants.org/>; Innovation Norway <http://www.norwaygrants-greeninnovation.no/>

The Private Sector in Romania

- The participation of the Romanian private sector with EEA & Norway Grants has been limited to the **Green Industry Innovation** and the **Renewable Energy** programmes.
- Thus far, the private sector has accessed **€31,734,163** in grants for approved projects. The largest project was awarded **€ 1,499,985**.
- There were **56 approved projects** involving **49 businesses**. Out of these, **33 projects** had Norwegian partners.
- The projects ranged from disruptive technology innovations and improving waste management to boosting production efficiency and the implementation of renewable energy projects.
- Considering that the total allocated funding for Romania is **€305 million**, the private sector has only accessed **10.4%** of the allocated grants.

Private sector (enterprises) participation

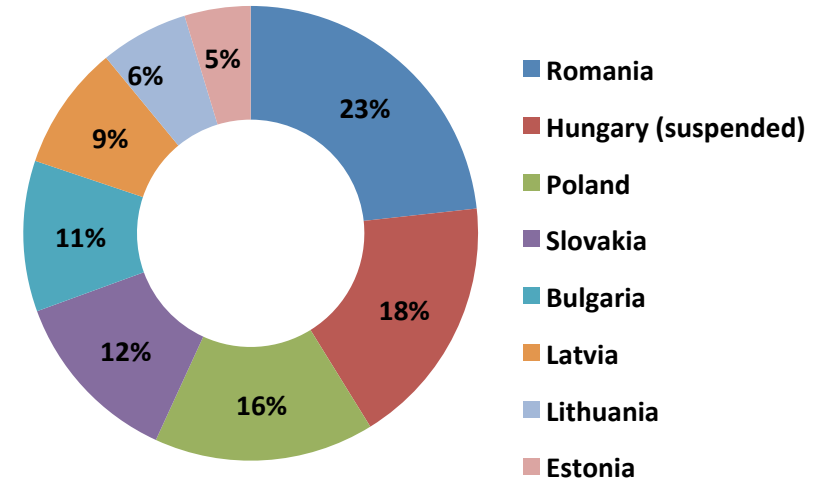


Source: EEA Grants <http://www.eeagrants.org/>

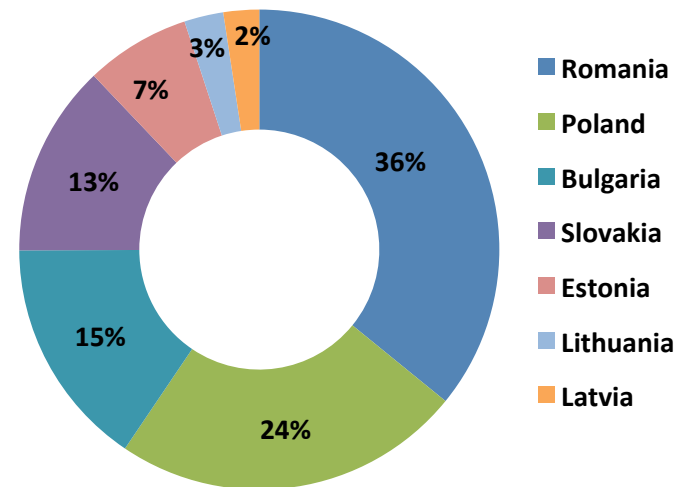
Green Industry Innovation - Overview

- Green Industry Innovation (GII) is the flagship innovation programme of Norway Grants scheme that addresses private sector enterprises across all the target markets.
- The programme has allocated **€ 127,680,985** to eight member states. Around **58%** of the allocated grants (**€ 74,214,538**) has been accessed by approved projects (since the available information is still being updated, an increase is expected in the near future).
- The focus of this programme is **greening of businesses across sectors and industries** – “good for business, good for environment.
- Typical project outcomes included are:
 - Environmental technologies successfully adapted for use in new areas;
 - Improved green products and services;
 - Eco-initiatives related to material efficiency and improved waste management;
 - Innovative initiatives to increase the efficiency in business operations;
 - Green jobs created

Allocations (2009-2014)



Approved Projects (2009-2014)



Source: Innovation Norway <http://www.norwaygrants-greeninnovation.no/>

Green Industry Innovation – Overview Beneficiary States

Country	Grants allocated	% of allocation	Grants for approved projects	% of approved projects
Romania	€ 29,700,000	23%	€ 26,621,210	36%
Hungary (suspended)	€ 22,880,000	18%	0	0%
Poland	€ 20,000,000	16%	€ 17,500,000	24%
Slovakia	€ 16,073,985	13%	€ 9,606,500	13%
Bulgaria	€ 13,699,000	11%	€ 11,500,000	15%
Latvia	€ 11,328,000	9%	€ 5,242,974	7%
Lithuania	€ 8,000,000	6%	€ 1,959,804	3%
Estonia	€ 6,000,000	5%	€ 1,784,050	2%
Total in grants	€ 127,680,985		€ 74,214,538	

Source: EEA Grants <http://www.eegrants.org/>; Innovation Norway <http://www.norwaygrants-greeninnovation.no/>

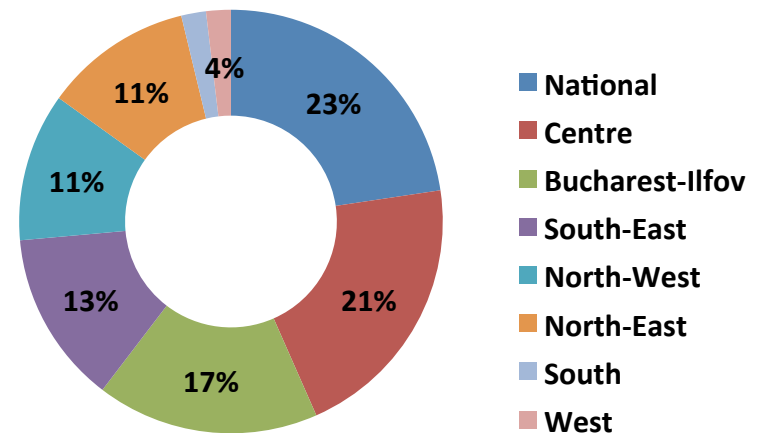
Green Industry Innovation in Romania (2009-2014)

- Romania has been allocated grants worth **€29,700,000**. The programme has been the largest source of funding for the private sector so far, considering that **83.9%** of the grants the private sector has accessed overall has been through the GII programme.
- Enterprises can apply for grants either under the **Individual Project Scheme (IPS)** or the **Small Grants Scheme (SGS)**. The latter specifically targets small and medium enterprises (SMEs).
 - **IPS** applications are eligible from **€200,000** up to **€1,500,000**.
 - **SGS** applications are eligible from **€50,000** up to **€200,000**.
- A total of **53 projects** belonging to **46 businesses** have been approved.
 - IPS: 27 projects
 - SGS: 19 projects
- So far, the grants allocated for approved projects amount to **€26,621,210**.
 - In the IPS, the largest grant was €1,499,985 and the smallest was €210,000.
 - In the SGS, the largest grant was €200,000 and the smallest was €55,000.
- Romania has accessed to date **89.6%** of its allocated GII funding.
- **Innovation Norway** is the GII programme operator in Romania.

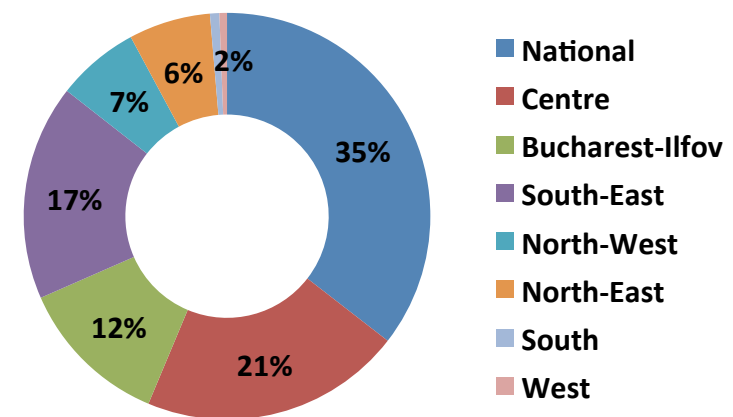
Regional Distribution of Approved Projects and Grants

- Most projects and grants have been awarded with the objective of being carried out at national level.
- The largest regional beneficiary was the Centre region, followed by Bucharest-Ilfov and the North-West region.
- The South-West region was not covered.

Approved Projects per Region



Grants per Region



Region	# of Approved Projects	Total amount of Grants
National	12	€ 9,450,000
Centre	11	€ 5,542,000
Bucharest-Ilfov	9	€ 3,225,000
South-East	7	€ 1,752,225
North-West	6	€ 1,731,000
North-East	6	€ 4,562,985
Sud	1	€ 198,000
Vest	1	€ 160,000

Final Remarks - Overall

- Private sector enterprises are eligible to access grants within numerous programmes. They have had **considerable successes** within some programmes, such as Green Industry Innovation. Yet, the extent of participation has been **limited** compared to NGOs and public institutions.
- The **potential** for private sector enterprises is very much **substantial**. For example, the “**Research in Priority Areas/Bilateral Research Cooperation**” programme presents a noteworthy opportunity for enterprises to expand upon their entrepreneurial innovation through R&D by accessing exceptionally generous grants.
- The potential for funding and the size of the grants, as well as valuable partnerships from donor countries, demonstrate that there are **significant benefits** for private sector enterprises. This has been evident with the Green Industry Innovation programme which was fully utilised by enterprises to reap its rewards.
- Currently, the EEA & Norway Grants are currently underestimated and underused by the private sector. Nonetheless, as awareness of the programmes increases, it is certain that enterprises will boost their participation closer to its overall potential.

Final Remarks - Romania

- The private sector within Romania has been the **most successful** in accessing grants within the Green Industry Innovation programme, where enterprises have so far received a total of **€26,621,210** out of an allocation of €29,700,000.

Future perspectives

- On 17 July 2015, the EEA donor states have reached an agreement with the EU for the 2014-2021 financing period.
- The donor states will contribute **€221,100,000** per year to the EEA Grants, and Norway will contribute **€179,100,000** per year to the Norway Grants. Consequently, a total of **€2,801,400,000** will be set aside for the seven-year financing period.
- There will be **15 beneficiary states**. This means one less beneficiary state will be eligible for the Grants compared to the 2009-2014 financing period. **Since it will be 15 of the least preposterous EU member states, it may assumed until more concrete information appears, that Spain will not be eligible for the upcoming financing period.**
- The breakdown of programmes for the public and private sector is not known yet. However, there will be a greater focus on innovation, and most probably on 'green innovation', keeping in line with the EEA's position of **"good for business, good for environment"**.