

2nd Brazilian Swedish Workshop in Aeronautics and Defence



May 28-29, 2015



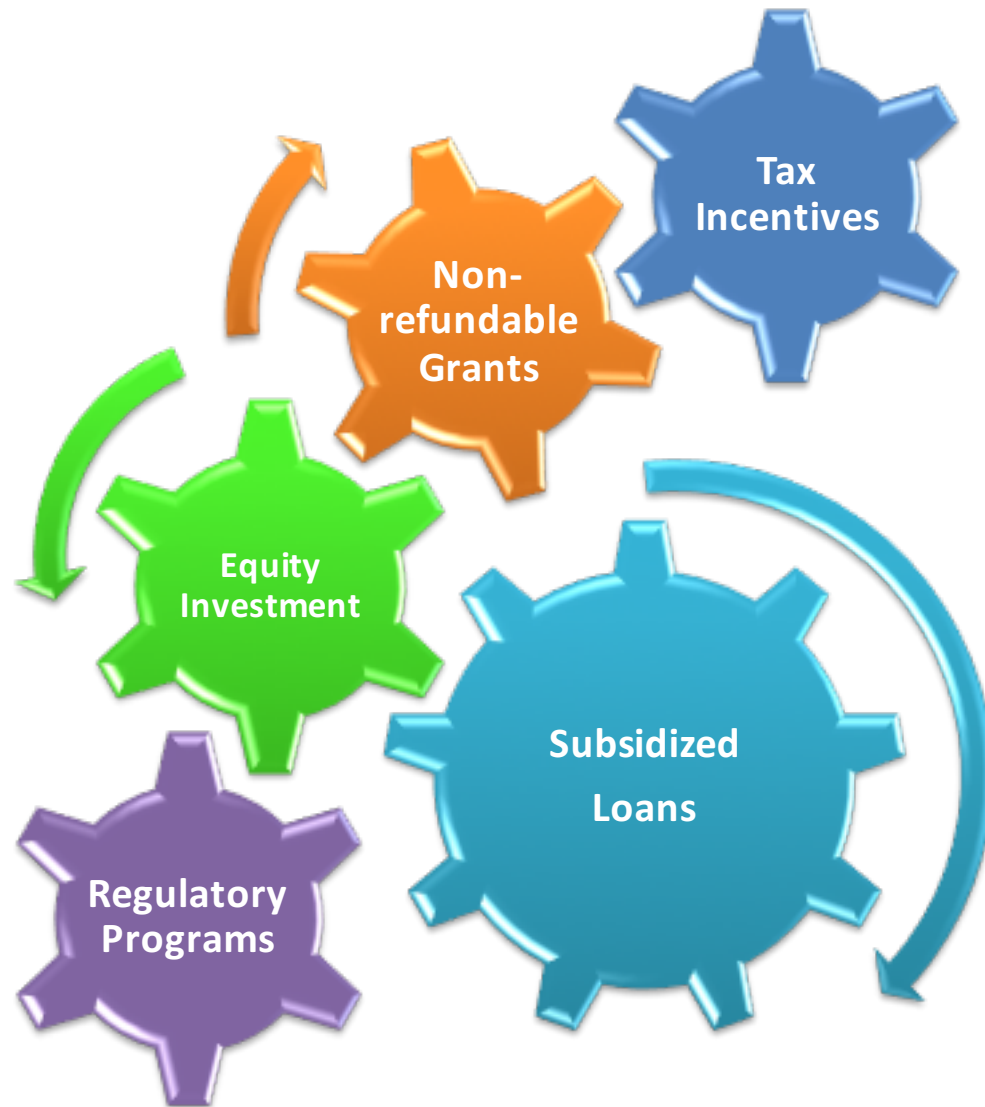
R,D&I Programs and Incentives in Brazil

Rafael Levy

Agenda

- Overview of the National Innovation System
- Trends
- Types of programs:
 - Tax Incentives
 - Grants
 - Loans

Types of Programs



Types of Programs



Subvention (Companies)
Sectorial Funds (STIs)



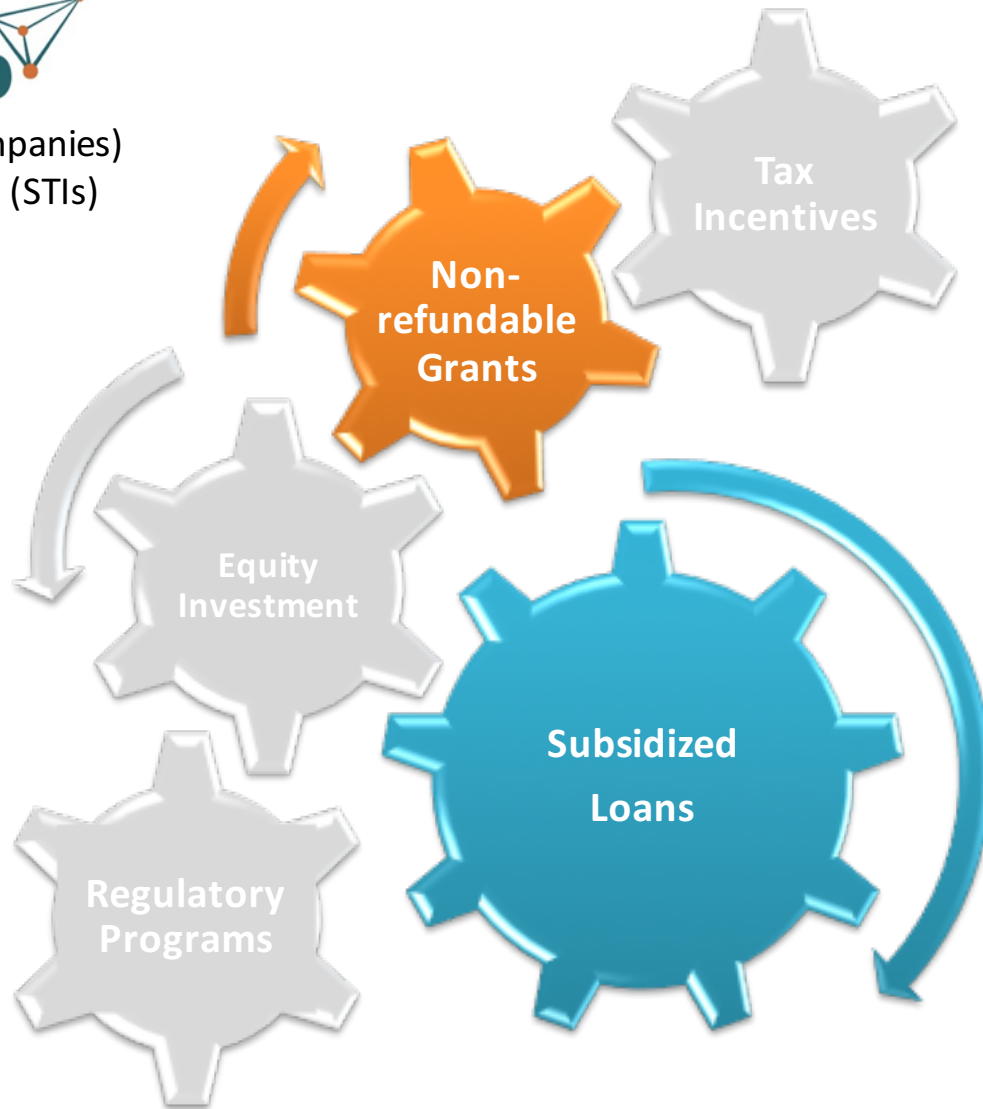
PIPE (SMEs)/
PITE (STIs)



Editais Sesi/SENAI



Research Scholarships



Lei do Bem



Inova Brasil / 30 dias
Inovacred



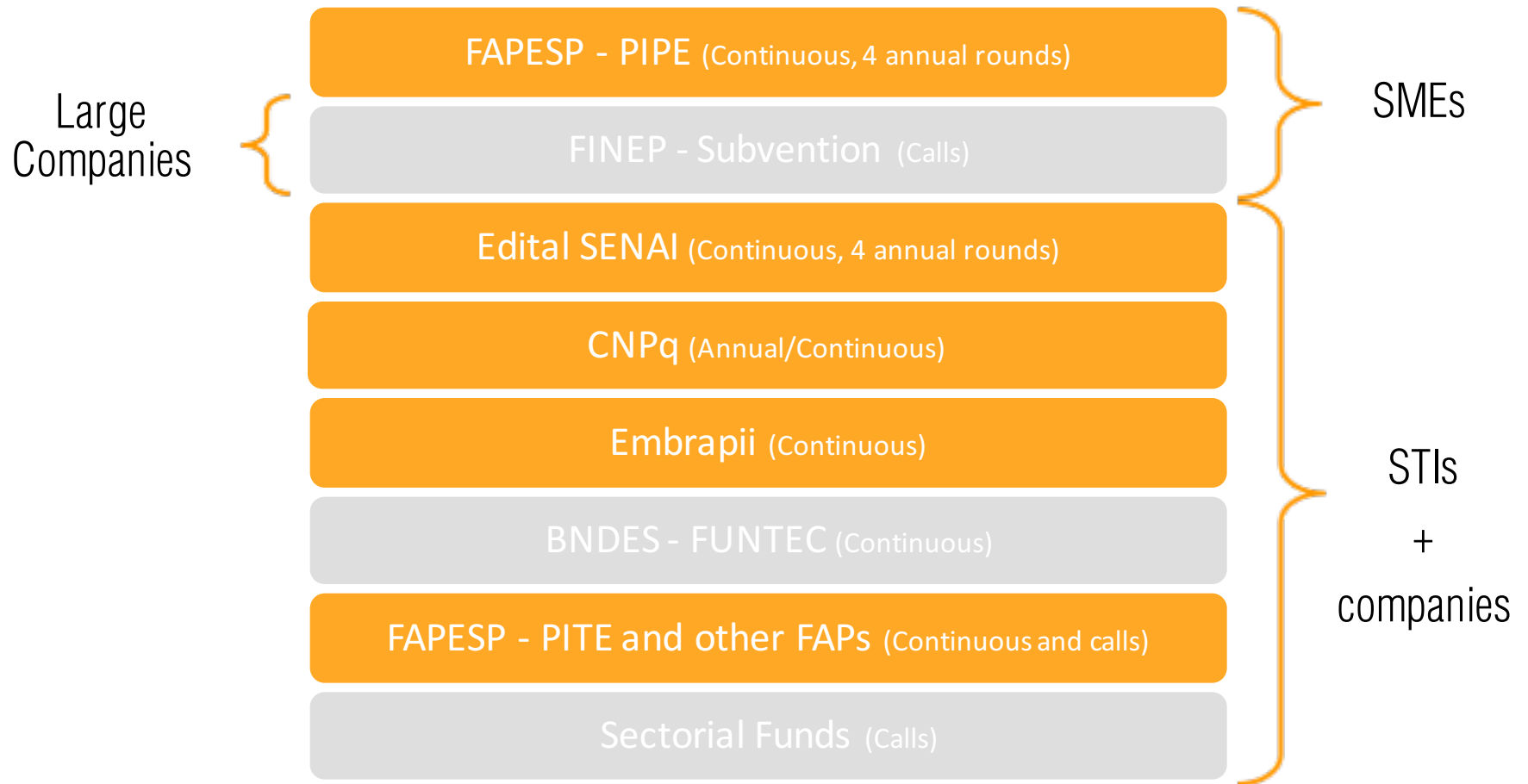
Inovação Tecnológica /
PSI

Trends

- Focus on low-interest rate loans as the main mechanism of incentive (increasing resources on this programs)
- Limited non-refundable grants:
 - Usually dependent on calls with no regular calendar
 - Mostly focused on universities or non-profit Science and Technology Institutes (STIs)
 - Require cash financial counterpart
- Combination of multiple programs in single calls (Inova Empresa)
- Some initiatives to speed up the approval process (FINEP 30 dias)
- Centralized operation of federal resources focused on larges companies. Decentralized resources for small and medium companies to the states.

Non-refundable Grants

Main programs





PIPE

"Research in Innovative Small Business "

Type

- Non-refundable support to researchers in small companies

Project term

- Up to 33 months in two stages

Target

- Small Business (less than 250 employees)

Stages and Counterpart

- Stage 1 – Technical Viability– max: R\$ 200k
- Stage 2 – Research Project – max: R\$ 1 M
- Stage 3 – Industrial and Commercial Development – not funded by FAPESP
- Doesn't require counterpart

Main feature

Non refundable grant for scientific/technological research in small businesses.

4 cycles of analysis per year:

3/8/2015

3/11/2015

Subvenção Econômica

TRL

1

2

3

4

5

6

7

8

9



Value

Between R\$ 500,000.00 and R\$ 10,000,000.00

Type

Non-Refundable Grant

Main feature

Non refundable grant for research & development expenses in innovation project carried out in company

Destination

Companies

Request

Annual Call since 2006

2013/14: Inova Empresa

Since 2013, only included within the thematic calls of Inova Empresa

No calls open in 2015

Application

Electronic form on FINEP website



EDITAL SESI-SENAI



Type

- Non-refundable grant

Target

- Any size of company
- Funds operated by SENAI

Resources

- R\$ 41 millions / year
- R\$ 400k / project

Timing

- Continuous flow, 3 evaluation committees per year

Main feature

Non-refundable grant for R,D&I projects by companies in partnership with SENAI or SESI units



FAPESP PITE / Other FAPs



General characteristics

- Partnership between FAP and Company. Both commit to invest in R&D projects in STIs
- FAPESP does joint call FAPESP/Company for projects from local STIs.
- Projects need to be approved by both FAPESP/Company
- Grants go to STI, FAPESP matches 1:1 funding from the company

Main aspect

- ❖ Non-refundable grant to R&D projects in non-profit STIs in partnership with companies

Destination

- Partnership with company
- Grants from FAPESP can go only to STI (FAPESP favors universities)

Counterpart

- 1:1 matching FAPESP/Company

Timing

- FAPESP is open for partnerships at anytime. Need time to sign agreement
- After call is published, specific schedule to receive/approve projects



Main aspect

- ❖ Non-refundable grant to R&D projects in non-profit accredited STIs in partnership with companies

General characteristics

- EMBRAPII accredits existing STIs to be part of the program
- Government funds 1/3 of projects done at Embrapii's STIs
- Company must provide at least 1/3 counterpart
- Remaining funding must come from STI, other sources or company (doesn't need to be in kind)
- These proportions are AVERAGE for each STI, so specific projects can have different rates (min 10% from company)
- Companies where funding comes from regulatory programs must match at least 50% of the project cost.

Destination

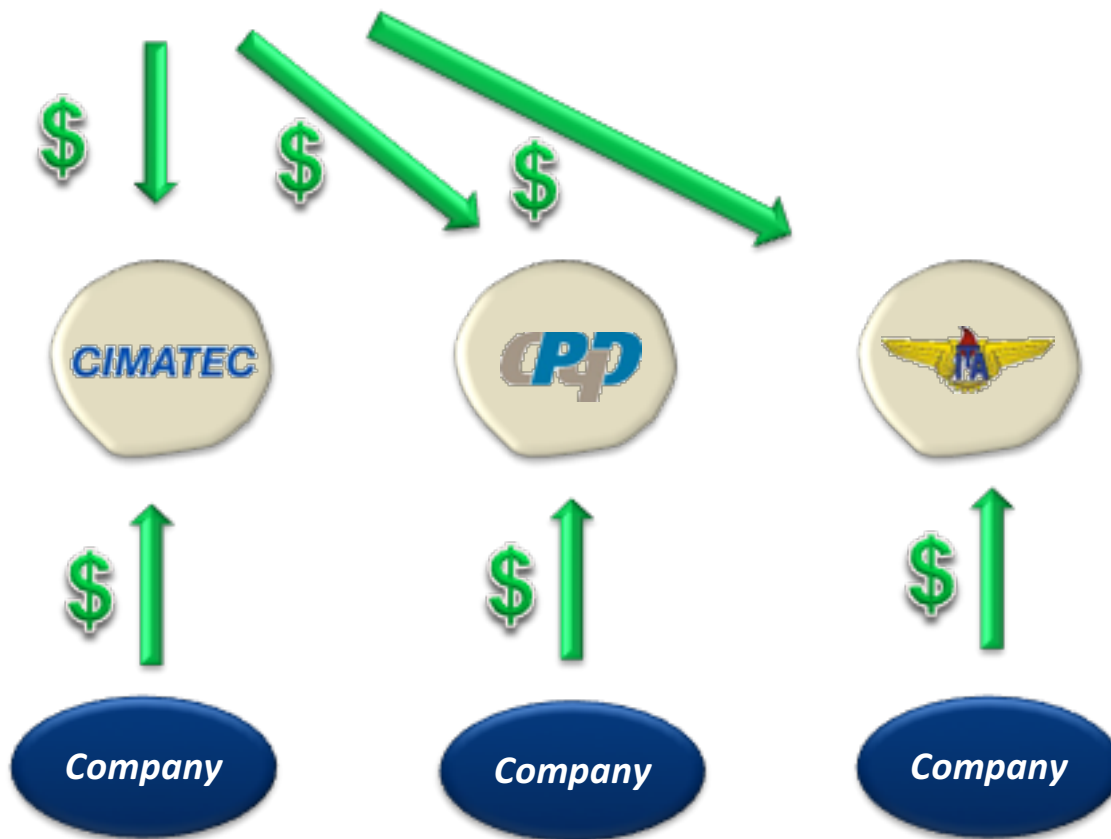
- Accredited STIs
- Projects in partnership with companies

Counterpart

- 1/3 of Project in average

Timing

- Calls for accrediting STIs
- Projects: continuous





Type

- Non-refundable grant - scholarships

Target

- STIs
- Companies

Counterpart

- Depending on call – can reach 20%

Main feature

Non-refundable research grants as scholarships for R&D projects carried out in non-profit institutions or companies





FINEP/BNDES Loans



Main aspect

- ❖ Loans with low interest rate for R&D and Innovation projects in companies

General characteristics

- Refundable Loans with subsidized interest rates
- Conditions:
 - Interest rate starts at 6% pa
 - Up to 4 years grace period
 - Up to 12 years total term
- Most widely available type of funding nowadays

Destination

- Companies

Counterpart

- 10% to 30%
- Require collateral

Timing

- Continuous
- From 60 days to 1 year time to approve



Main aspect

- ❖ TREND: “Umbrella” calls for R&D projects executed in Brazil focused in low-interest loans

General characteristics

- “Umbrella” calls involving several government agencies in a single call:
 - FINEP
 - BNDES
 - Specific Ministries (Health, Environment, Communications, etc)
- After presentation of Business Plan, government will propose Joint Support Plan using different funding programs:
 - **Low-interest rate loans**
 - **Grants for companies**
 - **Grants for Universities**
- Main focus on LOANS, grants are usually a very small part of the resources (2% to 10%) of each call

Destination

- Leader companies: require minimum revenues and Equity
- Partner companies or STIs can participate but only as a partner of a leader company

Counterpart

- At least 10% of total

Timing

- Specific calls focused on sectors of the economy.
- First wave in 2013 and new wave in Q1 2014

Rafael Levy
levy@allagi.com.br

www.allagi.com.br