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Nordic Innovation

Call for proposals: Innovative Nordic Health and Welfare Solutions

– Towards a Nordic ecosystem for health innovation

The aim of the call is to unite and strengthen efforts across the Nordics in order to develop a Nordic ecosystem for health innovation. A strong Nordic ecosystem can create opportunities for Nordic businesses through a closer connection between developers, demanders and test environments in a larger region. Providing developers in the region with the most relevant partners irrespective of country, chances are that they will get further faster. The ambition is to foster scalable solutions that through interaction with the needs of users and the Nordic healthcare sector are well positioned for export to a growing world market for innovative healthcare solutions. Employee-driven innovation and the development of solutions that are needed by the healthcare sector are integrated aspects of this initiative.

In cooperation with:

Tekes



1. Introduction

Nordic Innovation together with Tekes (FI), Vinnova (SE), Innovation Norway (NO) and Rannis (IS), invites consortia of organisations¹ to submit proposals for Nordic collaboration projects in the field of health innovation.

The call is launched as part of the lighthouse project “Innovative Nordic Health and Welfare Solutions” initiated by the five Nordic ministries for business.

Nordic Innovation and partners have reserved a total of NOK 25 million to fund projects under this call.

Funding decisions will be made based on evaluation of the incoming project proposals according to defined criteria.

Deadline for project proposals is Monday 20 October 2014 at 10 am CET.

Nordic Innovation reserves the right to adjust the call text until one (1) month before application deadline. We therefore encourage all potential applicants to closely monitor the website of the call: www.nordicinnovation.org/healthcall2014

2. Background and motivation

The challenge of an aging population, more lifestyle diseases and chronic patients, and the ever-increasing expectations of the population as to what the health system should treat and solve, has placed health and welfare on the innovation policy agenda in every Nordic country. All the Nordic countries see opportunities for innovation and market shares in the global economy in this field.

The primary task for the public healthcare sector today is not to be a driver of innovation, but to provide services, to cure and secure the health and wellbeing of citizens. However, to solve the future challenges it is necessary for the public health sector to become more innovative and to adapt new solution. They must interact with the private sector in a way that makes suppliers of products and services meet the long-term needs of the healthcare sector. The publicly financed health sector in the Nordic region has the power and size to define its needs, and a responsibility to find lasting, smarter ways of doing things and to create an environment that allows entry of new tools and methods.

The Nordic Council of Ministers of Business have decided in the Nordic Cooperation Programme for Innovation and Business Policy 2014-2017 to launch the lighthouse project “Innovative Nordic Welfare Solutions”. The project is one of five lighthouse projects in the cooperation programme, and is owned by the five Nordic ministries of business, represented by the Norwegian and Swedish ministries.

The mission of the lighthouse project is to position the Nordic region as world leading within innovative health and welfare solutions. In addition to needs-driven innovation in a broad

¹ Organisations in a wide sense including companies. See more under “Who can apply?”

sense, focus in the project is on business development and export, and on creating a Nordic infrastructure for collaboration between test beds, clusters, networks, companies and demanders. The project builds on the previous lighthouse project “Innovation in the health sector through public procurement and regulation”, and expands focus beyond procurement to test beds, competitions, standards etc. The lighthouse project aims to both develop better public services and contribute to development of the Nordic supplier industry with the goal of export to the rest of the world.

The call shall contribute to the fulfilment of the overall objective of the lighthouse project. The partners behind the call would like to see projects that contribute to a Nordic infrastructure for health companies² and developers, a Nordic market and ecosystem that encourages scalable solutions, suitable for a Nordic market and beyond, and Nordic cooperation projects on export and needs-driven innovation.

3. Rationale for working on a Nordic level

There are several good reasons to work at a Nordic level within the health and welfare field:

Nordic market

The Nordic countries face many of the same healthcare challenges, but different solutions are developed for different health organisation to solve almost identical problems. This is especially the case when it comes to welfare technology/IT solutions. This problem of fragmented demand can be reduced through more uniformly expressed needs and closer cooperation on the demand side, and developing scalable solutions for a Nordic, European or global market.

Nordic ecosystem and infrastructure

There are many important parts in the ecosystem. Some examples are hospitals, universities, established medtech companies, entrepreneurs, clusters, Technology Transfer Offices (TTOs), test beds, investors and funding bodies. In a specialised health and welfare technology setting, ideas should flow to the right partners independently of Nordic borders. In order to drive innovation, we need to increase cooperation and match needs and insights with ideas, talent and capital. The Nordic region has great research in this field and companies are ready to take on the challenge. Nordic cooperation will enable better insights in common Nordic challenges and needs, a greater pool of ideas, a greater market for companies and solutions, and the critical mass to attract international investments.

Nordic sharing

Sharing insights, lessons and best practice will take us further faster. Instead of everyone inventing the wheel, we can do it together and save costs and time. There is a clear business

² Companies in this call refers to all types of companies from startups, entrepreneurs, developers, to small and medium sized companies and to more established companies unless otherwise stated or given from the logical context.

case for shared cost and learning when developing new tools and practices and testing these in real life.

Nordic brand

Although each Nordic country has its unique history and knowledge in this field, there are many common values and characteristics that could be the foundation for creating a strong Nordic brand for welfare solutions developed in the region. This could be helpful for businesses with export ambitions.

4. A Nordic ecosystem for health innovation

There are system weaknesses regarding innovation in the healthcare sector. In the field of needs-driven innovation, market failures are quite apparent. This is primarily related to lack of information and knowledge, and a lack of interaction between users and producers. Companies with a smart way of interacting with professional buyers and users in their development stages, have a competitive advantage. This is more and more the case, as user-centric solutions and ability to integrate with existing advanced technology and processes are prerequisites for success. Effective tools for innovation in the interaction between supply and demand are therefore highly desirable and demanded in order to unleash the innovation potential within the Nordic health and welfare area.

Looking at it from the supply side, it could be valuable for companies providing healthcare technology and solutions to have an infrastructure where clusters, researchers, companies and entrepreneurs collaborate and interact across borders. From the demand side, new processes and innovation environments in the public sector are needed to meet future challenges by getting in dialog with the supply side and trying new methods. Finally, to get the interaction between supply and demand to work on a cross-national level, tools like test beds, methods for strategic procurement, competitions and standards are important elements.

5. Four types of projects under this call

Although the main focus of this call is to create an ecosystem with special emphasis on test beds, business development and export, strong applications in other areas of health innovation are welcome as well.

Nordic Innovation encourages applicants to keep qualities of solutions developed in the Nordic region (possible link to export brand) in mind when developing their projects (such as patient empowerment, user involvement, design and sustainability).

Projects should preferably contribute to build a foundation for the future. Communication and dissemination of results should be part of all projects.

The four types of projects described below can apply for funding through this call for proposals (the funding is not pre-distributed between the four types). There are clear links between test beds, business development and branding. Applications combining two or more of the “project types” are also welcome.

Nordic test bed³ cooperation

Employees in the healthcare sector are important sources of ideas for private companies in the health sector. For businesses, it is important to test their ideas in a live health and welfare setting, getting feedback from real users (both health professionals and patients/customers). By engaging in testing and implementation of new products and solutions, hospitals and organisations in the elderly care field can improve their innovation capacity and market knowledge.

This project type is inspired by Sweden's experiences from programmes led by Vinnova on test beds and innovation centres.

The following elements are examples of what could be part of a project:

- Strengthened cooperation and coordination between test beds in the Nordics
- Cross-border Nordic test bed consortia with the aim of taking a leading position internationally
- Strong and coordinated services in thematic areas where there is potential for growth and export for the Nordic business environment

Business development and new business models

Connecting with the right type of capital, competence and partners is crucial for companies, including startups, to proceed in the development process. This can be in stages like commercialisation, access to finance or testing of solutions.

The following elements are examples of what could be part of a project:

- Cross-border cooperation between clusters, universities or other organisations to create a seamless Nordic service ecosystem for Nordic companies in the healthcare field
- Working with needs-driven innovation, we welcome projects with business development through interaction/dialogue with public sector or customer needs on a Nordic level
- Efforts to ensure that solutions and business models developed in the Nordic region are scalable to a Nordic market and beyond

Export/branding

Nordic Innovation welcomes innovative project proposals on joint promotion of export from the Nordic region. This could be linked to creation of a strong Nordic health innovation brand.

Nordic Innovation will not support export initiatives for individual companies.

Organisations that today work to promote export of health and welfare products, services, technology and solutions from the Nordic countries, are encouraged to apply.

³ Test beds, test labs, test facilities, living labs, innovation centres etc. A wide definition will be applied, and both hospital and municipal care are part of the scope.

Export could also be an integrated part of project proposals on test beds and business development.

Nordic Innovation plans to work together with interested partners to identify the characteristics of Nordic solutions in a way that contributes to the development of a brand that could be of value in an export context.

Other themes

Test beds, business development and export are the main themes for this call. But we do also welcome high quality projects in other fields of health and welfare innovation within the frame of the description of the lighthouse project in the Nordic Cooperation Programme for Innovation and Business Policy (see link at our call site www.nordicinnovation.org/healthcall2014).

Some topics that could be the basis for successful project proposals are needs-driven innovation, e-health, service innovation and solutions targeted for the Nordic geography (sparsely populated areas).

6. Target group, requirements, time schedule, evaluation, contact

Target group

The target group for the call is a wide range of organisations engaging in health innovation. In addition to public sector organisations such as hospitals, regions, municipalities and agencies, we are aiming for test beds, business clusters, TTOs, innovation centres, private equity investors, funding bodies, export promotion bodies and universities. Participation of private sector organisations is encouraged both as project owners and participants. As we emphasise the significance of active participation of project owners, consultancies should not take the role of project owner or project leader.

Timeline

<i>Time</i>	<i>Activity</i>
June 2014	Launch of call
August 2014	Opening of application portal
4 September 2014	Matchmaking meeting
20 October 2014	Deadline for submitting proposals
November 2014	Evaluation by expert committee
December 2014	Decision by Nordic Innovation's board
Q1 2015	Contract signing and startup

Projects are expected to start early 2015 and finish no later than the end of 2017.

Evaluation criteria

The main characteristics of the three criteria used in evaluation of applications are described below:

Quality (50%)

- A concrete innovative result (new concept, process, product or service) that helps solve a challenge of relevance to the call text – making a contribution to a Nordic ecosystem for health innovation
- Clearly defined added value through Nordic cross-border cooperation
- Nordic brand value and/or scalability beyond Nordic markets
- Integration of user needs
- Strong and balanced project consortium
- Realistic and clearly defined project management and planning
- Visibility/dissemination of results

Experience and competence (30%)

- Strong connection with key national activities and “frontrunners” in the specific thematic area of the project
- Experience with international cooperation
- The qualifications and track record of the project team with regard to carrying out the proposed project

Budget (20%)

- Total cost of the project
- Partner financing
- Partner in kind participation
- Reasonable cost structure

Requirements for all proposals

- It is an absolute requirement to include partners from at least three Nordic countries, with a reasonable workload balance between the countries. There may be several partners within each country
- The project must clearly demonstrate the Nordic added value of the project (the extra value generated by Nordic cooperation)
- Nordic Innovation funding is in the form of a grant
- Nordic Innovation will cover a maximum of 50% of the project costs. The part of the project that is not financed by Nordic Innovation must be covered by the project participants themselves, or by other funding sources. Each partner applying for funding under the project is responsible for adhering to state aid rules
- National co-funding in the project must be dependent on Nordic Innovation funding
- The project period cannot exceed 36 months
- Only applications submitted through Nordic Innovation’s application form will be accepted

State aid rules

There are some doubts with regard to whether grants from Nordic Innovation should be regarded as state aid subject to EU and EEA law. Pending clarification from the Nordic countries, Nordic Innovation has decided to follow state aid rules, currently merely de minimis, and will proceed with the “grants” as described below:

State aid rules only apply to project participants that conduct economic activity. If a project participant does not conduct economic activity, grants can be given without further consideration.

Definition of economic activity: Any activity consisting in offering goods and/or services in a given market is an economic activity. In this context, the fact that the activity in question is termed ‘social’ or is carried on by a non-profit operator is not in itself enough to avoid classification as an economic activity.

The project partners that will receive funding from Nordic Innovation must be prepared to be eligible for de minimis state aid under Regulation 1407/2013 or 360/2012 (de minimis Regulations) as the funding from Nordic Innovation is planned to be granted as de minimis aid under these regulations⁴.

In practice, the de minimis regulations set an upper ceiling for state aid an organisation can receive within 3 fiscal years:

De minimis ceiling

For grants to fall within the de minimis ceiling, the following should apply for each project participant:

- Aid of no more than EUR 200 000/ 500 000 shall be granted over a period of three years
- The three-year period corresponds to three financial years
- Applicants that conduct economic activity are responsible for documenting that they are eligible for de minimis funding

Ineligible costs

Costs that are not eligible for funding include in particular (in case of co-funding, please check with relevant organisations for further specificities and guidelines):

- Basic research
- Investments in individual companies
- Independent freelance activities
- Writing applications
- Costs for procurement of equipment

⁴ Commission Regulation (EC) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, published in the Official Journal of the European Union L 352/1 on 24.12.2013

- Overtime costs
- Salary increases
- Indirect taxes and duties, including VAT
- "Return on capital employed", including dividends and other distributions of profits
- Provisions for possible future losses or charges
- Costs related to any interest
- Provisions for doubtful debts
- Unnecessary or ill-considered expenses
- Marketing, sales and distribution costs for products and services
- Leasing costs (or part thereof) where the leasing arrangement has the effect of unnecessarily increasing the charge made to the project (e.g. where the cost without interest of the leased equipment is higher than if purchased)

Cooperation with partners outside the Nordic region is favourable. However, only Nordic partners can be financed by Nordic Innovation.

Proposals can be written in English or a Scandinavian language.

Funding from national funding agencies

Nordic Innovation is cooperating with the Finnish national funding agency Tekes in this call. Finnish partners participating in Nordic project consortia may apply for funding from Tekes. Consortia involving Finnish partners should present their full application to Nordic Innovation, and the Finnish partner(s) should prior to this be in dialogue with Tekes about national funding. More information on Tekes' general terms, conditions and applying for funding is available at www.tekes.fi/en/funding or can be obtained from programme manager Raimo Pakkanen raimo.pakkanen@tekes.fi

More information and matchmaking

There will be a Nordic matchmaking meeting 4 September 2014.

More information about matchmaking will be posted on our website <http://www.nordicinnovation.org/healthcall20142014> together with background information and other key documents. Changes and key information for applicants will also be posted on the website.

Contact information

For questions, please contact:

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