

Brazil's First Offer of Funds for Research Gets Inundated by Requests

Contributed by Marina Ramalho
Monday, 27 November 2006

An unprecedented scheme launched by Brazil's Science and Technology Ministry on September 6 to fund innovation activities has received an overwhelming response from companies seeking to benefit from it.

As many as 900 companies filed 1,075 proposals to the ministry by the closing date of October 24 - representing US\$ 866 million (1.87 billion reais) worth of funding requests.

This is more than six times the size of the fund available - US\$ 139 million for a period of three years.

"It was a very good surprise. As a new support mechanism with a short time to receive proposals, we didn't expect the scheme to receive so many projects," said Odilon Marcuzzo, president of FINEP (the Studies and Projects Fund) which is responsible for the scheme.

It is Brazil's first public tender to companies offering support for research and development of innovative products and processes. The successful applications will be announced next month.

Proposals must be related to HIV/AIDS, hepatitis, semiconductors and software, nanotechnology, biotechnology, biomass or renewable energy, or the aerospace sector.

In line with the 2004 Brazilian innovation law companies will have to cover a proportion of a project's costs, which varies according to company revenue.

For instance companies with a gross revenue under US\$ 1.1 million must provide 5% of a project's total cost. Those with a revenue exceeding US\$ 27 million will have to provide between 50 and 60 per cent of the costs.

Of all the proposals submitted, more than half were from software and semiconductor companies. Surprisingly, small and medium companies - with less than US\$ 5 million in gross revenue - accounted for 84.2% of the projects.

This is noteworthy, Marcuzzo said, as the ministry expected most applications to come from large companies, which are thought to be more involved in research activities.

"It can be used as a good justification for us to request more money to the program," he said.

Brazil launched two other schemes to boost innovation activities in companies earlier this year.

The first earmarked US\$ 70 million for small and medium companies associated with regional partners. The second, launched this month, will assign US\$ 28 million to subsidize researchers' salaries in companies.

SciDev.Net - www.scidev.net