

Report of the Executive Board for 2000

Support for Norwegian research gained considerable momentum in 2000. The downward trend in research allocations was reversed, but there is still plenty of latitude for improvement before the long-term growth targets are reached.

In Report No. 39 (1998-99) to the Storting (Norwegian parliament), the White Paper entitled "Research at the beginning of a new era", the Government came out in favour of Norway reaching the OECD average for research and development (R&D) expenditure within five years. The Storting underlined these escalation ambitions once again during its deliberations on the Revised State Budget for 2000, and research was a focal point during the negotiations on the State Budget for 2001. On the whole, research received a great deal of favourable political attention during the year under review, but allocations have not yet been increased sufficiently to implement the requisite expansion.

In the Revised National Budget for 1999, the Government proposed that a national research and innovation fund of NOK 3 billion be established. This marked a breakthrough in the efforts to bolster Norwegian research. In the National Budget for 2001 and the autumn's budget negotiations, the fund was increased to NOK 7.5 billion. The fund will be administered by the Research Council, and will address objectives not adequately taken into account by the state budget. Among other things, the yield on the fund will be used to fund Norway's upcoming Centres of Excellence (CoE) scheme.

The Government's proposed state budget for 2001 entailed that overall R&D allocations would be increased to NOK 10.3 billion, a nominal growth rate of 5.1 per cent. The Research Council's budget was increased by approximately 14 per cent. It was proposed, *inter alia*, that a new incentive instrument be introduced for the private sector purchase of R&D services. The budget settlement also gave the universities an additional MNOK 200 for readjustment and other measures.

In 2000, the Executive Board focused on improving the quality of Norwegian research. The Centres of Excellence (CoE) scheme is one of several policy instruments applied in this context. A study of the CoE scheme was commissioned by the Ministry of Education, Research and Church Affairs, which asked the Research Council to draw up a scheme. Following a comprehensive dialogue with "Research Norway", the Research Council submitted a proposal which received the ministry's full support. The Executive Board considers this an example of the vital role the Research Council can play in soliciting advice from research communities and passing it on to the ministries.

The Executive Board underscores the importance of fostering co-operation and interaction between the Research Council, the authorities and the research communities. The Executive Board confirms that progress has been made in terms of forming a consistent view of research policy among these groups, and considers it a paradox that the progress achieved thus far has not been more strongly reflected in the allocations.

Panels of international experts evaluated several Norwegian research communities in 2000. The evaluations show, *inter alia*, that there is considerable inequality in Norway when it comes to research in the natural sciences, that there is not enough high-quality research, and that there is too little basic research performed in a number of areas. The evaluations give a good idea of the state of Norwegian research, based on evaluations of Norway's status in the areas in question as compared with international standards.

The Executive Board takes a favourable view of the evaluation of the Research Council, which was initiated in 2000 and will be completed in 2001. One goal is to be able to use the evaluation to implement changes and improvements in the Research Council's ways of working and organisation.

A new Executive Board for was appointed in autumn 2000, when the Executive Board chaired by Managing Director Halvor Stenstadvold completed its term of office. The new Executive Board, chaired by Director Frøydis Langmark, met for the first time in October, and had held two meetings by the end of the year. The new Executive Board endorses the work done by its predecessors, and attaches considerable importance to further developing the contact and dialogue established with researchers and politicians.

One of the new Executive Board's first important duties was to appoint new Research Boards, which play a key role in the actual implementation of the Research Council's strategies. The Research Boards were appointed at the Executive Board's meeting in February 2001.

Strategic efforts

The Research Council's strategic efforts are based on the assumption that research efforts must be stepped up to ensure Norway's future national welfare, wealth creation and quality of life. This work hinges on the Storting's explicit goal to reach the OECD average for research spending as a percentage of GDP by 2005.

In 2000, strategic efforts resulted, *inter alia*, in the progress made on CoEs. In June, the Executive Board submitted its recommendation to the Ministry of Education, Research and Church Affairs, which gave its final approval for the CoE scheme in January 2001. According to plan, the first CoEs will be awarded contracts in May 2002.

During the year, the Research Council began drafting a new strategy for the Research Council and Norwegian research. The strategy will be developed by conducting an extensive research policy debate in the Research Council's governing bodies, which include large parts of "Research Norway" through the Research Boards. There will also be discussions with key external bodies. The new strategy is scheduled for completion in 2001.

The Major Research Initiatives for 2002 are follow ups of the proposals made by the Storting and the Government to augment Norwegian research, giving priority to certain themes. The Research Council has pointed out that it will require additional budgetary allocations of MNOK 650 in 2002 to reach the escalation targets required to reach the OECD average. In addition, MNOK 150 must be allocated to follow up the Hervik Committee's recommendation, and MNOK 50 more for petroleum research.

During the year, the Research Council focused on pointing out the exceptional opportunities which exist in the marine and health sectors. The marine vision and the medical and healthcare sector's opportunities have been presented in Research Council publications, and they have a catchment area that extends far beyond research communities *per se*.

The Research Council also started a project to examine quality-enhancement measures using the Research Council's other policy instruments.

Advisory services, dialogue and interaction

The Research Council generally impacts research policy through its dialogue with the Ministry of Education, Research and Church Affairs (KUF) and the Ministry of Trade and Industry (NHD), although interaction with other ministries and bodies, such as the individual ministries' research

committees, is also extremely important. The Research Council will strive to achieve more active co-operation and a closer dialogue with the Government's Research Committee.

In 2000, the Research Council worked hard to lobby the funding authorities to increase research allocations, but the Government found itself unable to fully accommodate these wishes in the draft budget. In the Storting's debate on the Revised National Budget, the Opposition asked the Government for a more aggressive research plan, and research was given an entirely new priority during the autumn's negotiations for a budget settlement. The result was, *inter alia*, that the universities' budgets were increased, thanks in part to lobbying efforts made jointly by the Research Council and the institutions.

In 2000, the Research Council participated actively in planning the Simula Research Laboratory, an ICT centre which will be a key element of IT Fornebu. The plans were made jointly with the four Norwegian universities, the research institutes, the Norwegian Computing Centre and Sintef. The Simula Centre will be located in the terminal building at of Oslo's former international airport at Fornebu. The terminal is to be ready for occupancy in autumn 2001. The Council also co-operated with the University of Oslo regarding the establishment of a new IT building, a policy instrument designed to increase the institution's capacity to educate ICT experts. At year end, the matter was in the hands of the Ministry of Education, Research and Church Affairs. The Research Council also endorsed the work on a national plan for functional genome research (FUGE), which was initiated in November 2000 and presented already in January 2001.

In its comments on the Mjøs Committee's Report, the Research Council was generally favourable to the intentions behind many of the proposals, but it was pointed out that the recommendations also have several weaknesses. In particular, the comments emphasise the need to increase recruitment to Norwegian research, to improve management at all levels, to have a division of institutions which ensures quality and focus, and to find a better funding model.

The Research Council's comments strongly support the main points in the Hervik Committee's proposals for measures to promote industrial research. Among other things, the Committee advocated a general scheme to fund 25 per cent of industrial research efforts, within certain parameters. The Research Council made considerable efforts to boost industry's interest in research, and it was gratifying to note that many enterprises have shown a formidable, positive change in their attitude to R&D in recent years.

International activities

In 2000, the Research Council took a pro-active approach to the challenges facing the Norwegian research system in terms of internationalisation. All divisions took part in the work, which resulted in a joint report containing recommendations and proposals for measures. The Executive Board discussed the proposed measures in April, and considered the document to be a sound foundation for more concrete efforts.

The EU is in the process of strengthening the role it plays in research policy and plans to set up a common European Research Area – the ERA. The Research Council is of the opinion that it is important for Norway to clearly signal its desire to be an active participant in building a knowledge-based Europe. After consulting with other bodies entitled to comment, the Ministry drew up Norway's comments to the ERA.

Experience from the EU's 5th framework programme for research, technological development and demonstration activities (RP5) indicates that Norwegian applications have done exceptionally well

in the environmental sector, but that activities ought to be stepped up in certain other areas. The 5th Framework Programme will extend until year-end 2002.

Following consultations with a large number of research groups, the Research Council has drawn up its initial views on the content and structure of a 6th Framework Programme for research. The Research Council's Executive Board adopted the recommendations, which were subsequently submitted to the Ministry of Trade and Industry. Norway, and the Research Council, will make active efforts to influence the content and structure of the upcoming framework programme.

Norwegian enterprises and R&D groups joined 18 new EUREKA projects in 2000. The Norwegian project portfolio is widely diversified, and many of the Research Council's programmes contribute financial support.

TAFTIE (The Association for Technology Implementation in Europe) has become a valuable co-operative body in which the Research Council participates actively in the exchange of knowledge about how to develop good international projects. A total of 15 technology-oriented research organisations belong to TAFTIE.

The Nordic research councils have intensified their co-operation in recent years. The Research Council is, *inter alia*, represented on the Nordic Industrial Fund's Board of Directors, and is involved in a joint project with the Research Councils of Sweden and Finland. In June, the Executive Board accompanied the Research Council's administration on a two-day study tour to Helsinki. The purpose was to study strategies, organisation, experiences and key research policy issues in Finland, *inter alia*, by visiting Nokia.

In November, Norway's maritime R&D community was represented in Singapore at a four-day event organised jointly for players from the two countries. The event was a link in the implementation of an agreement between the Research Council and Maritime Port Authority of Singapore regarding research and educational co-operation in the maritime sector.

Information, the media and public relations

One high-priority task for the Research Council is to increase the general public's knowledge and understanding of the role of research, and the Council uses a variety of policy instruments to achieve this. Among other things, the Research Council is the initiator of "Research Week", a nation-wide public relations campaign which set a new record in 2000 with 850 separate events and 125 local organisers.

In connection with Research Week 2000, the Market and Media Institute (MMI) conducted a poll which indicated that 70 per cent of the respondents were aware of Research Week, and were interested in hearing or reading about research and research results. The survey polled attitudes among a cross-section of the population, aged 15 or more.

Research Council Day at the Oslo Concert Hall on 22 September attracted approximately 1000 participants, and was used to demonstrate the vast diversity of the research being done in the marine sector. The Research Council's Prize for Outstanding Research was awarded to Professor Nils Christian Stenseth, Department of Biology, University of Oslo, for his impressive contributions to population ecology. The "Worth Knowing" editorial board at the National Broadcasting Corporation's P2 radio station won the prize for the Outstanding Dissemination of Research Results.

Media efforts were intensified in 1999 and further pursued in 2000. Media attention focused on the topics which have been given high priority by the Research Council, with special emphasis on "An ocean of opportunities" and on the thematic research initiative for medicine and healthcare. There is still room for improvement in terms of favourable media attention, not least, by rendering the vast diversity of the Research Council's activities more visible.

The magazine "Forskning" ("Research") was increasingly cited in other media in 2000, and a considerable increase was noted in the number of hits on the Internet version, launched in 1999.

In early 2000, the Curious George Club for children celebrated its 10th anniversary with 100,000 members. The club devoted special attention to the 6-13 age group during the year. A user survey indicates that schools use the Curious George Magazine extensively. Nearly 200 classes took part in the competition for "Curious George of the Year".

In 2000, the Public Relations and Information Division prepared the first version of the Research Council's electronic subscription service on the Internet, which was launched in February 2001. Registered users will receive news, announcements, press releases, job vacancies, etc. by e-mail.

Prospects for the future

The Storting's deliberations on the White Paper on Research and the growing awareness that research is crucial to society, have helped build a strong foundation for the Research Council's further activities. In the years ahead, the Research Council will continue its efforts to bring Norway up to the OECD average for R&D spending at the very least. Great efforts will be made to follow up the White Paper's emphasis on basic research and the four thematic research *initiatives marine research, information and communications technology, medical and healthcare research and research in interface between energy and the environment.*

Of the additional thematic research initiatives it is the marine sector which has the greatest potential for economic development. Biotechnology and petroleum technology also stand out as exceptionally important fields of research. The national plan for functional genome research is a good point of departure for future expansion in basic research, the marine sector, medicine and healthcare and important industrial areas.

The evaluations of disciplines and institutes constitute a good basis for any future re-ranking of priorities. In future, the Research Council will be even more strict in giving priority to the very best research communities, as they have the potential to become even better. Moreover, it is a strategic goal to build up national expertise in selected, essential areas where Norway is not sufficiently strong today.

The Research Council will continue to advocate less earmarking of research funding over the ministries' ordinary budgets, and encourage better co-ordination between research policy and the public research budgets. The current scheme involves extensive earmarking, which contributes to a rigid system which to some extent conflicts with aspirations regarding quality, a long-term perspective and creativity. The Research Council supports the sector principle when it comes to research funding.

The Executive Board supports the affirmative attitude to research which has been expressed in political circles, and attaches considerable importance to focusing more attention on research issues. It is especially important to continue strengthening the universities, whose financial situations are so strained that the Research Council has actually had to accept a large part of the responsibility for funding fellowships.

The Research Council's work is based on a system with more than 1000 appointees who invest tremendous efforts. The Executive Board expresses its appreciation to the research boards, programme committees and other representatives for the excellent work they did in 2000. The Executive Board would also like to thank the administrative staff for their dedicated efforts and impressive results.

The Research Council has three main areas of activity:

- advising the government and the Storting (Norwegian parliament) on research policy issues, based on thorough analyses of the current status and future needs of Norwegian research;
- funding research through research programmes and various types of allocation schemes;
- facilitating the development of strong long-term networks among the various agencies, enterprises and organisations in Norway's research system.

Results of the year's activities

Research Council revenues aggregated MNOK 3 214 in 2000. Grants from the ministries totalled MNOK 3 135 of that amount.

Operating expenses, including both administrative and R&D expenditure, added up to MNOK 3 167. MNOK 217 was carried over to 2001, compared with MNOK 166 from 1999 to 2000.

The Research Council earned a net profit for the year of MNOK59.

The Research Council and the working environment

The Research Council conducted its third employee survey in 2000. The results of the survey were good, showing general progress since the previous survey. The Research Council has initiated a number of measures to ensure a good working environment, including social events, a fitness room for the employees, a corporate cabin in the mountains, bicycle/ski days, etc.

The statistics for absence due to illness indicate a total rate of 4.2 per cent in 2000, down slightly from 1999. No cases of work-related illnesses or on-the-job accidents were reported.

The Research Council's administration

The Research Council is headquartered in Oslo. The Research Council's activities do not pollute the outdoor environment.