

## Notat

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From: The Norwegian Ministry of Labour and  
Social Affairs

Date: 04.12.2015

To: EFTA Surveillance Authority

Case no.: 14/5013

Responsible: Berit Crosby

### **Ad hoc aid for the development of software for speech recognition in Norwegian (Bokmål and Nynorsk), in accordance with the Commission Regulation (EU) No 651/2014 of 17 June 2014 (The General Block Exemption Regulation)**

#### **Introduction**

With reference to Commission Regulation (EU) No 651/2014 of June 2014 (The General Block Exemption Regulation), the Norwegian Government has awarded 12,72 MNOK aid to Max Manus AS for the development of speech recognition software in Norwegian (Bokmål and Nynorsk). The measure falls within the category of experimental development (article 25 of GBER).

#### **Aim and objectives**

The purpose of the aid is to obtain software for speech recognition in Norwegian. Such software is already available in major languages such as English and German. The aim of the Ministry is to make the possibilities that come with speech recognition available in Norwegian, for the general public, people with disabilities and the educational and business sectors.

#### **Sectors and activities eligible for aid**

The measure was announced in an open competition on Doffin/TED. Small, medium-sized and large undertakings in all sectors eligible for aid had the opportunity to apply.

#### **Form of aid**

The aid is given as a direct grant.

#### **Incentive effects**

Commercial actors have not found it profitable to develop such a program in Norwegian, as Norway is a small country with a limited market for the sale of licenses. Speech recognition in Norwegian will thus, to our knowledge, not be developed unless it is partially funded by the public authorities. Contact with potential developers has confirmed the impression that the program will not be developed unless aid is granted.

There is a high level of risk for the undertaking, as it is extremely uncertain what kind of demand there will be in the Norwegian market for the software in question. The Norwegian market is also a very small market. While maintenance costs are relatively similar for different languages, the income of the undertaking is decided by the sale of licenses, which depends on the target population. International undertakings would thus, in the absence of public funding, prefer to invest in languages that relate to broader markets.

While the profit of the project for the undertaking is uncertain, the development of speech recognition in the Norwegian language will be of importance to many individuals. It could contribute to a higher employment rate and a lower share of people standing outside the labour market due to disabilities, which will also have important economic effects for the State in the longer run.

### **Aid intensity**

The maximum reward was set to 13 MNOK. The aid intensity for each beneficiary shall not exceed 25 % of the eligible costs for experimental development. The aid intensity may be increased as follows:

- By 10 percentage points for medium-sized enterprises and by 20 percentage points for small enterprises. A medium-sized enterprise is defined as an enterprise which employs fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. A small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.
- By 15 percentage points if one of the following conditions are fulfilled:
  - (i) the project involves effective collaboration:
    - between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or
    - between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;
  - (ii) the results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software.

The total of eligible costs is 21,2 MNOK and the granted amount is 12,72 MNOK, which equals an aid intensity of 60 %. Max Manus AS in Norway employs less than 50 persons and has less an annual turnover of less than EUR 10 million. The company will cooperate with Max Manus AS in Denmark and parts of the project will take place in Denmark. Max Manus will also cooperate with the Norwegian university of science and technology (NTNU), which is a research organization that disseminates knowledge.

### **Publications**

The Norwegian Government will ensure that all publication and information requirements will be met according to GBER article 9. All relevant information on approved aid will be published online.