

NORAD's MatchMaking Program (MMP)
India
Sri Lanka
South Africa

NORAD
DIREKTORATET FOR UTVIKLINGSSAMARBEID
NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION



Objective of the MatchMaking Program (MMP):

The objective of the Program is to establish sustainable and profitable joint ventures between Norwegian companies and companies in India, Sri Lanka and South Africa. This is achieved through the development of business partnerships which foster transfer of technology, the exchange of management and business-skills between Indian/Sri Lankan/South African and Norwegian companies. The participants' objective must be long-term, the partners should have the intention of being active owners and be prepared to take risk in the project. Pure export/import-projects are excluded.

There are no sector-based limitations in the Program.

Basic criteria for participating in the MMP:

Companies participating in the Program should have the necessary resources required for international collaboration. This includes adequate technical competence and management capacity/skills, along with adequate financial resources to fulfil the project and establish the partnership. The participants should have a long-term objective and an intention of being active owners and prepared to take the necessary risks in the project. This implies a certain size of the company in terms of turnover, adequate equity capital and long-term finances. The companies must have been in operation for more than 3 years and it is required that participation in the Program should be included in a strategic plan and approved by the Board of Directors. Norwegian companies will be charged a nominal fee of NOK 5,000 for participation in the Program.

The financial indicators used when qualifying companies for the Program are the following:

- Equity ratio: > 20%
- Annual turnover: > NOK 10.0 million* (equivalent USD 1.25 million)
- Surplus before tax: > 5% of turnover

** InRs 20.0 mill for companies in India*
ZAR 6.0 mill for companies in South Africa
SLR 20.0 mill for companies in Sri Lanka

(August 2003)

Who is responsible for the Program in Norway?

The administrative and financial responsibility for the Program rests with NORAD.
The responsibility for carrying out the Program has been contracted to Innovation Norway (for India and South Africa) and the private consulting company NB-Partner AS (for Sri Lanka). As National Contact Points they have established a joint professional network in the Norwegian counties that carry out the work of identifying companies and establishing company profiles.

Web references to the MMP:

Innovation Norway
www.invanor.no
www.nortrade.com
NB-Partner AS –
www.nb-partner.no
NORAD –
www.norad.no



How the MMP works:



Identification Phase

Experienced consultants in Norway and India/Sri Lanka/ South Africa will search and identify companies who are relevant and interested in participating in the Program. In order to be approved for participation the company will present a preliminary profile and a plan of action to show its intentions to reach the objective.

Support First and Second Phases

Partner identification and search conducted on your behalf through experienced national and regional networks in the country concerned.

Company Profile Phase

The consultants will further assist the companies in developing their respective Company Profile documentation, which is the instrument used in the initial partner search. The Profile is appraised and approved for search by the respective National Contact Point. Further the company must make a project plan describing the intention of participating in the Program.

In each country National Contact Points or Source-Partners work actively to find partners. When a potential company is located, a matching Company Profile is worked out and returned to the first applicant. If it is not possible to find a match in 3 months, the profile becomes inactive.

It is important that all companies who participate in the MMP are kept informed about the progress and status. Hence, when a company receives a matching profile, it should confirm receipt by return, 10 days at the latest. Within a month the company should decide whether the match is of interest to follow-up and inform the other party.

Support First and Second Phases

Partner identification and search conducted on your behalf through experienced national and regional networks in the country concerned.

Company visit Phase

If your company decides to proceed, it will be offered financial support to make the first visit including assistance from consultants. The visit should be carefully prepared, and a pre-feasibility study should be worked out during the visit to envisage potential critical paths in establishing the intended project.

Support Third Phase

Visit to potential partner(s) after having received "matching" profiles from the country concerned.NORAD will cover up to 80 per cent of the cost of this visit, however, limited to NOK 50.000 for travels to Sri Lanka and South Africa and NOK 55.000 for travels to India. Specific guidelines for such travel grants are available upon request.

Companies in India/Sri Lanka/South Africa may obtain a travel grant equivalent to NOK 20.000 to visit a potential partner in Norway.

Feasibility study and Collaboration Phase

When a MMP-process implies establishing an investment motivated activity, the Norwegian company may apply for NORAD-support for business co-operation as described below.

Additional NORAD Support – Fourth Phase

NORAD´s support scheme can enable the partners to utilise broader financial support in the start-up phase of the venture:

- Feasibility Studies, the company will be provided with funding to conduct studies with a selected joint venture partner to assess the viability of the project and further steps up to the signing of an agreement. The company may require assistance from consultants. Max. 50% grant.
- Support for training of employees and temporary management assistance: Max. 50% grant.
- Support for investment in environmental protection: Max 80% grant.
- External assistance from consultants.

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