Annex: Project description - Study of innovation, productivity and sustainability in Norway

This study is part of *Output Result 3.2.1.2* in the *2019-20* Programme of Work and Budget of the Committee for Agriculture of the Organisation for Economic Co-operation and Development (OECD). It will follow the OECD framework for *Analysing policies to improve agriculture productivity growth*, sustainably (OECD 2015).

Focus of the study
Given the 2017 OECD Innovation study of Norway, an evaluation of the integration of agriculture in the general innovation system is appropriate. The main questions is whether Norway's policies contribute to taking advantage of opportunities in the agro-food economy in an optimal way and whether there is a need for adjusting policies to improve innovation and investments in the sector?

The country review of Norway will include a particular focus on all dimensions of the Agriculture Innovation System. How do actors, institutions and governance work together in creating a valuable innovation system? Is the mix of public and private investment in innovation good? How can knowledge flows between AIS actors be further developed, and is the adoption of innovations well organized? International co-operation is also an important part of this.

Themes of the study by the headlines of the framework:
Many areas of the framework have already been analysed and the study will use this available information, as appropriate. The main focus of this study should be on key current and emerging policy issues, and the relevant areas of policy interest.

Overview of the food and agriculture situation
Norway`s situation has a number of specificities: its geographical characteristics (only 3 % agricultural land), small scale family farm structure, high cost country, net importing country and a small market (5 mill. people) that's well integrated with the EU through the EEA-agreement. The main agricultural policy goals are food security and food safety, agriculture throughout the country, creating more value added, sustainablility and providing public goods.

A key question is how can Norway best use its scarce natural land resources in the future when the bio-economy and circular economy will be even more important than today?

Economic stability and trust in institutions
The basis for this chapter is already described in *OECD reviews of Innovation Policy – Norway 2017.*

Investment in the food and agriculture system The basis for this chapter is described in *OECD reviews of Innovation Policy – Norway 2017*. When it comes to regulatory environment, there is a point that Norway, in some areas like SPS, use EU-regulations.

Under the heading of regulatory environment, the study will explore competition policy aspects (including the question of market power/concentration in the food value chain) in the context of its effects on innovation.

Capacity building and services for the food and agriculture system

The OECD Economic Surveys – Norway 2016 has a chapter on rural development policies and agricultural policies that could be the basis for the description under point on infrastructure and rural development policies. As regards to labour market and education and skills policies, this is closely linked to the agriculture innovation system mentioned below.

Agricultural policy (domestic and trade-related)
The PSE database and the yearly Monitoring and Evaluation exercise is the basis for this chapter. Norway was also an object for a Trade Policy Review in WTO in June 2018, and descriptions of Norwegian policies could also be taken from there. Policy recommendations from OECD in this field are well known, but this study should also take into account the actual situation in Norway and its policy goals. Policies on climate change and ecosystem services are of special interest.

The agricultural innovation system (AIS)
Norwegian agriculture has a number of actors and instruments that help to increase innovation in the sector. The study will focus on actors at all levels of research and development, corporate support and advisors on individual farms. The study should look at how the actors in the innovation systems in agriculture work together and how public efforts are linked to private initiatives. The study will look at knowledge flows, collaboration efforts and effects of the work. The study should also look at how these systems are positioned to meet key development trends related to digitalization, technology development and the bio-economy.

There should be a focus on the link between AIS and education and skills policies. To what degree does education and skills policies match needs on farms and in the industry? What kind of "skills-gap" do we have?

Forestry in Norway is closely linked to farming since forests are a part of land use in most farms. Forest policies are however different from agriculture policies. While the focus of the report will be on agriculture policies, a short description of forestry and forestry policies will be included. Since forestry is an obvious part of the bio-economy and the agriculture innovation system is almost the same for both farming and forestry, it is natural to analyse the innovation system for both sectors.

Timetable
The study will start up with a seminar in Norway in the last quarter of 2019. The report will be finished by the first quarter of 2021.