

# **General terms and Conditions for International Projects approved after 1 February 2018**

# General terms and Conditions for International Projects

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## 1. Introduction

### 1.1 About International Programmes co-funded by Innovation Fund Denmark

Innovation Fund Denmark's (IFD) purpose is to advance research, development, testing and validation of innovative solutions for the benefit of growth and employment in Denmark, as well as to solve societal challenges.

The programmes IFD invest in must create a clear societal value and/or economic value in Danish public and private companies and/or for beneficiaries in society e.g. citizens, the state, regions and municipalities.

IFD can organise and participate in international programmes if such activity can strengthen Danish research and innovation. IFD prioritise international programmes, in close dialogue with national stakeholders, according to RESEARCH2025 (FORSK2025 read it [here](#)) and in accordance with IFD's international strategy. Read it [here](#).

IFD encourage all types of partners to participate in international projects.

### 1.2 Reader's guide and contact persons

The present guidelines set out the General Terms and Conditions for International Projects

In addition to these general terms, applicants are required to read:

- The relevant call text(s) describing the specific framework for the programme and applications. In addition, applicants should consult the material referred to in the call texts.
- After applying for the international programme on the international portal, Danish participants in an international project must register on e-grant and upload their international application. The applicant will get further information from IFD.

The General Terms and Conditions for International Projects focus on issues where IFD's terms and administration vary from the Terms and Conditions for the Danish Grand Solutions programme. The Terms and Conditions and Guidelines for Grand Solutions apply for all issues not mentioned in the present document.

If an application results in a subsequent approval and IFD investment, a reference to national templates will be included in the grant agreement informing about the grant and the grant conditions<sup>1</sup>.

## 2. General Considerations

### 2.1 Definition of international co-financed projects

An international co-financed project is, in this context, defined as a project where the Danish partner is funded and regulated by IFD and foreign partners are financed or regulated by foreign national funding

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<sup>1</sup> The legal background for an IFD investment is Act on Innovation Fund Denmark no. 306 of March 29, 2014, amended in Act no. 384 of April 26, 2017 and Executive Order no. 1150 on awarding of grants etc. by Innovation Fund Denmark of October 25, 2017., the call description for the particular call

organisations and the overall framework of the particular programme: E.g. EU co-financed programmes (ERA-nets and JPI's), bi- and multilateral programmes, EUREKA projects or similar programmes.

The General Terms and Conditions for International Projects (General Terms) apply to grants awarded by IFD to Danish participants in international cooperation projects where reference is made to General Terms. The General Terms may be waived by written agreement with IFD.

Only registered legal Danish entities are eligible for investments from IFD in an international project. Foreign partners can be subcontracted after approval by IFD.

If the Danish or foreign partner(s) self-finance their part of the project other terms can be agreed upon.

### **3. Registration in E-Grant**

Danish participants in a co-financed project using common application form must register individually on the e-grant portal. After the call date an e-mail with an invitation to register will be sent to all Danish participants.

Registration on the e-grant portal is a pre-condition for possible future investment from IFD.

Danish participants in bi- or multilateral projects using IFD's e-grant application form are automatically registered.

### **4. Conditions for bilateral programmes without centralised application and evaluation**

In bilateral programmes without centralised application and evaluation procedures, but with national application and national assessment an application form for Danish participants will be available on the e-grant portal.

Such applications are assessed based on the criteria in IFDs Guidelines for Grand Solution section 2.6 Assessment criteria.

IFD can decide to include external peers for a scientific and technical assessment in addition to its internal assessment. IFD can further decide to include an interview as a part of the national assessment procedure.

If peer assessments are included in the assessment process they will be sent to the Danish coordinator in a consultative procedure.

IFD assessment criteria will be identical to IFDs Grand Solution assessment criteria as defined in the Guidelines for Grand Solutions. Read the guidelines [here](#).

## 5. Conditions for Payments

1. IFD's investments can be reimbursed on a quarterly basis to SME's and a semi-annual basis for other participants, unless otherwise agreed.
2. The progress report must be submitted every six months unless otherwise agreed.
3. The auditor's statement must be submitted annually.

In parallel with the national reporting, each programme may have its own rules for progress or mid-term reporting at project level.

Danish project partners must fill in a final report on completion or termination of the project. In some programmes a similar programme specific final report can replace IFD's final report.

If the final report is received by IFD or the programme secretariat, IFD can demand reimbursement of the investment.

IFD grants do not cover VAT or other turnover tax unless this has been specifically mentioned in the Grant Agreement letter. In those instances where the grant is taxable, the grant does not cover such taxation. All issues regarding taxation are referred to SKAT.

All costs shall be reported after deduction of possible discounts, bonuses, etc.

## 6. Rules for an Undertaking in Difficulties

According to EU's state aid rules under the General Block Exemption Regulation (GBER), IFD cannot provide subsidy to so-called 'undertakings in difficulty'<sup>2</sup>.

The full definition can also be found [here](#).

## 7. Payments of EU Grants etc.

In international programmes where a share of the investment is contributed by a third party (such as EU, the Nordic Council or another international/national agency) it will be included in IFD's investment the recipient does not have to have separate accounts for IFD's and EU's share of the expenditure.

In international programmes where a third party's contribution is not included in IFD's investment the recipient might be requested by the international programme secretariat to have costs reimbursed directly to them.

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<sup>2</sup> The European Commission's definition of an undertaking in difficulty is defined in article 2, no. 18 of Commission Regulation (EU) No 651/2014 of 17 June 2014.

It will be clearly stated in the Grant Agreement letter whether the third party co-funding will be covered by IFD or directly by the third party organisation.

## 8. The Content of the National Reports

**Progress report:** The national progress report is prepared by each Danish grant beneficiary for a semi-annual period. The progress report includes a red, yellow, green portfolio management on WP level and an updated GANTT diagram. The progress report must be approved by IFD and is a precondition for IFD's continued release of payments.

**National Financial Report:** The periodical financial report must be prepared by each Danish beneficiary specifying their costs. The periodical financial reports can be prepared quarterly for SME's and semi-annually for other organisations unless otherwise agreed. The financial report must be submitted to IFD no later than 60 days following the end of each period. The periodical financial reports must be signed by the project manager listed in the grant.

The periodical financial reports shall only include costs paid during the period and eligible costs related to the project listed in the grant.

**Annual Audit report:** Private enterprises, GTS-institutes, private organisations or public organisations not audited by the National Court of Auditors (Rigsrevisionen) must annually have all costs claimed in the financial reports controlled by an independent certified auditor.

Universities and other public research institutions audited by Rigsrevisionen must have their cost claims audited by their internal financial controller.

In bi- or multilateral programmes fully funded by IFD a minimum cost of 500.000 DKK or less annually need not be audited. Irrespective of this provision, IFD reserves the right to require that the accounts for a given period be subject to audit.

The cost of the audit is an eligible cost for IFD investment.

For a more detailed audit instruction see Guidelines for Audits and Re-budgeting. See here ([Link coming soon](#)).

**Final report:** At the end of the project a Final Report must be submitted to IFD from each of the Danish participants no later than 60 days after completion of the project. The last instalment of the investment will be released when the final report is received.

**E-grant:** Templates for the above mentioned reports are available from the IT portal e-grant. In some programmes semi-annual progress reports or individual final reports can substitute the national reports. It will be specifically mentioned in the grant letter if a programme progress report or final report can substitute a national report.

**Other reporting requirements:** Danish project participants shall – upon request – provide additional information as deemed necessary by IFD, Rigsrevisionen or other relevant authorities in order to verify the use of the funding and the progress of the project.

## 9. Investment Rates

Grants from IFD are in general administrated in accordance with EU Commission Block Exemption regulation for state aid (GBER)<sup>3</sup>.

If the IFD investment is spent on eligible costs for which the grant recipient has previously received state aid, the aid already received must be included in the total aid amount, when assessing compliance with the aid intensity and maximum amount limit.

State aid received by the grant recipient in the form of public grants, including EU co-finance, must be included in the assessment of aid intensity and the maximum amount limit.

The maximum investment rates by IFD including possible public co-funding follows the rates that apply to IFD's Grand Solutions programme unless other rates are specifically stipulated in IFD's guidelines for the particular programme.

The general maximum investment rates incl. possible EU' co-funding is indicated in the table below.

The global maximum for IFD investment to cooperation projects is 75% of the total project costs. In international projects the total costs are calculated on basis of the total project costs including the foreign partner's contribution. IFDs funding rate is calculated excl. possible EU co-funding.

Applicant typology		Investment rates for Innovation Fund Denmark					
		Actual costs Salary max 1.000 DKK per hour		Actual costs X institute rate	Public organisations		
		SME's	Large Enterprises	GTS	Universities & University Colleges	Public Hospitals	Other public organisations
Industrial Research	Grant	75%	65%	60%	90% + 44% overhead	90% + 3,1% overhead	90% - no overhead
Experimental Development	Grant	33%	25%	60%	90% + 44% overhead	90% + 3,1% overhead	90% - no overhead

**Optional:** As an alternative to the above public investment under the GBER, Danish SME's can choose to be financed according to The European Commission's de minimis regulation no. 1407/2013.

<sup>3</sup> EU Commission's Regulation (EU) No. 651/2014 of 17 June 2014 The General Block Exemption Regulation for State Aid – "GBER". For more information read [here](#).

If the de minimis regulation is applied, the maximum investment for the SME in a three year period is 200.000€ (app. DKK 1.5 mil). Under the de minimis regulation salary is calculated on the basis of a fixed hourly rate of DKK 750 (app. 100€) per hour including overhead. Other costs are calculated as actual costs without overhead. IFD's funding rates for de minimis is 60% for SME's of the calculated cost for basis and industrial research and 33% for SME's for experimental research activities.

**IFD and EU's investment in Eurostars projects:** The maximum investment in Eurostars projects is DKK 2.25 mil. (300.000€) if only one Danish partner participate and DKK 3.75 mil. (500.000€) if more than one Danish partner participates in the project. A Danish partner participating in a Eurostars project can as a maximum receive up to one partner is 300.000€ in public investment.

Eurostars is a programme focused towards research intensive SME's, but also open to other types of participants. If a Danish public partner or a large enterprise participating without having a Danish SME participating on an even basis, the investment rate is reduced by 50%.

## **10. Rights to Project Results and Information Activities and Quotations of IFD**

A signed consortium agreement shall be sent to IFD and to the programme secretariats prior to the start of the project. The results originating from the project - including the economic benefits hereof - belong to the partners as agreed in the consortium agreement.

When the project is mentioned in printed or electronic material, the programmes and IFD's logos must be used. A reference to the IFD investment and EU co-funding must be highlighted in the text.

IFD and the international programme secretariats reserve the right to collect information on the economic and professional project results by the Danish participants after the completion of the project.

## **11. Renunciation of the Grant**

The beneficiary may renounce the grant or parts of the grant if the consortium agreement is terminated before the expected termination date. If the partners agree to terminate the agreement before it expires, IFD and the international secretariat shall be contacted immediately so further payments can be stopped.

## **12. Changed Circumstances with the Grant Recipient**

Legal or major organisational changes within the Danish participant's organisation impacting the planned execution of the project must be reported to IFD and the programme secretariat. Organisational changes could include closure or radical refocus of the organisation, changes of key personal and contact persons, change of SME-status, loss of equity etc.

The grant recipient must state to which extent the changed circumstances may influence the further progress of the project.



Based on this information, IFD, foreign funding agencies and the programme secretariats must assess whether the changed circumstances have changed the basis for IFD's initial grant approval. IFD can in accordance to agreement with the programme secretariats decide that the grant can be terminated. The part of the approved funding that has not yet been paid after the changes may be cancelled.

If the grant recipient informs IFD or if IFD is otherwise informed about changed circumstances with the grant recipient, further payments will be suspended until IFD has assessed the new information.

### **13. Non-Compliance**

Requirements and timelines for reporting for applicants must be in compliance with the executive order<sup>4</sup>. If the requirements and timelines for reporting are not in compliance, an applicant can be rejected administratively.

Following these requirements, the grant recipient who fails to comply with IFD's or the programme rules and procedures or the provisions of the grant, can have their remaining funding from IFD renounced. IFD may further demand that funding which has already been paid is reimbursed.

Examples of non-compliance are gross and prolonged negligence or recklessness by the grant recipient in observing the provisions of the grant and these rules and procedures. Thus, it is considered to be gross and persistent negligence:

- If the grant recipient does not submit the missing material within the deadline regarding interim accounts, professional report or auditor's statement.
- If the grant recipient uses the approved funding for a purpose other than the purpose described in the grant.

If the grant recipient has obtained or expects to obtain funding and/or guarantees from other public schemes, including EU schemes or municipal schemes for the same activities, IFD must be notified immediately. Such funding/guarantees might be offset in the investment which IFD provides or has provided, thus the maximal co-financing percentage/the guarantee coverage offered by IFD and others is identical to the maximal co-financing IFD can provide without such alternative cofunding. Violation of this provision may lead to a demand for reimbursement of the entire IFD and EU investment.

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<sup>4</sup> Executive order §22 in Act 384 on Innovation Fund Denmark of April 26 2017 and in §5 & §6