

Guidelines for Industrial Fellow

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1. What is Industrial Fellow?

An Industrial Fellow is an industrially focussed research project with a duration of six months to two years. It is conducted jointly by a private-sector company, a research institution and a researcher with competences at a very high level.

The researcher is employed by one of the organisations and will spend all or part of his/her working time at the other organisation. Here the researcher will conduct or plan joint research, innovation and development activities promoting the researcher's career, creating value for both organisations and bringing them closer together. The activities may constitute a coherent process, though this is not a requirement.

Combined, Industrial Fellow, Industrial PhD and Industrial Postdoc comprise Innovation Fund Denmark's Industrial Researcher Programme and contribute to the Fund's overall purpose of creating growth and employment in Denmark. The Industrial Researcher Programme has the following specific purposes:

- To educate and develop research talents into industrial researchers
- To contribute to business-oriented innovation and development in Denmark
- To strengthen collaboration between research institutions and Danish companies at home and abroad
- To strengthen the mobility of research talents between private-sector companies and research institutions

The Fund finances the researcher's salary and other expenses in connection with the project.

2. Who can apply?

An Industrial Fellow project is a collaboration between a private-sector company, a research institution and a researcher. The following requirements apply to the parties:

2.1. The researcher

- Must have research competences at a very high level within the project area
- Must be employed by one of the two organisations
- Cannot be employed by the other organisation too

2.2. The company

- Must have a division geographically located in Denmark, which already employs or which will employ the researcher for the duration of the project
- Must be financially independent of the research institution
- Must be part of the private sector. To be part of the private sector, the company must:
 - Be neither a state, regional or municipal authority nor a professional body for public-sector organisations
 - Have public funding make up no more than half its revenue (including payments from citizens as imposed by law)

2.3. The research institution

- Must be able to document a significant research effort within the project area
- Must have as its main objective to conduct independent research

The research institution may be located in Denmark or abroad.

If in doubt as to whether an organisation is part of the private or public sector, the organisation can send its articles of association and latest annual financial report to erhvervsforsker@innofond.dk for assessment.

2.4. Third parties

Relevant third parties (individuals and organisations) may be affiliated to the project. Third parties and their significance to the project must be described in the application. Third parties will not receive funding from the Fund.

3. What is financed?

3.1. Salary

During the project the researcher may be employed by and conduct project activities both in the company and at the research institution.

The Fund finances part of both organisations' expenses for the researcher's salary to the extent that the researcher is employed by and works on the project in the organisation in question.

- If the researcher works on the project at the research institution only, only the research institution will receive a subsidy for salary costs.
- If the researcher works on the project at both organisations, both organisations will receive a subsidy for salary costs.
- If the researcher comes from the research institution and works on the project at the company only, only the company will receive a subsidy for salary costs. In such cases, the research institution will receive an additional subsidy for other project expenses – see section 3.3.2.

3.2. Other project expenses

The Fund makes a subsidy for other project expenses available to both the company and the research organisation. The subsidy may cover the organisation's expenses for:

- The researcher's participation in conferences at home or abroad and journeys abroad in general
 - This includes a single round trip to the destination per stay, visa, travelling insurance, lodging and participation fee. Food, daily/local transportation etc. are not covered.
- Materials
- Other employees' work on the project (does not include HR and economy functions, rent, utilities etc.)
- Publication and dissemination of research results

Please note:

- The subsidy cannot be used for equipment, apparatus or other organisations' expenses, e.g. subcontractors.
- This subsidy can be used freely during the entire project period.

3.3. Subsidies

3.3.1. Subsidies to the company

The company can choose to receive subsidies either under the *de minimis* or block exemption regulation, but not both. The amount of subsidy depends on the choice of regulation.

The subsidy will be adjusted in accordance with the extent of the researcher's employment and work on the project at the company in the project period. This is determined as the percentage of full-time employment. If e.g. the researcher is employed by and works on the project at the company to an extent corresponding to 50 % of full-time employment, the subsidy amounts will be adjusted to 50 % of the amounts below.

If the company chooses the block exemption regulation

- The Fund finances up to DKK 40,000 a month of the company's expenses for the researcher's salary, but no more than 40 % of the total salary (the sum of salary plus holiday and pension contributions).
- The Fund also covers up to DKK 10,000 a month of the company's expenses for other project costs, but no more than 40 % of the costs (see section 3.2).

In order for the company to choose this option, the research institution must defray at least 10 % of the project costs. In addition, the research institution must have the right to publish own research results from the project.

If the company chooses de minimis

- The Fund finances up to DKK 80,000 a month of the company's expenses for the researcher's total salary (the sum of salary plus holiday and pension contributions).
- The Fund also covers up to DKK 20,000 a month of the company's expenses for other project costs (see section 3.2).

In order to receive this subsidy, the company must meet the EU de minimis rules for receiving de minimis subsidies.¹ This means that the company can receive de minimis subsidies of no more than EUR 200,000 in the present and past two financial years, incl. subsidies for the Industrial Fellow project. Read more about de minimis in section 7.4 on EU state aid rules.

If the company is part of a group of companies, the requirement applies to the entire group and not just the company. A company is part of a group of companies if the company owns more than 25 % of the capital or voting rights in another company.²

Companies within fishery and aquaculture, primary production of agricultural products or road freight transport for hire or reward cannot receive de minimis aid under the Industrial Fellow programme.

1. Commission regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to the de minimis aid, as published in the Official Journal of the European Union on 24 December 2013.

2. More on groups of companies at http://ec.europa.eu/growth/toolsdatabases/newsroom/cf/itemdetail.cfm?item_id=8274&lang=da&title=The-revised-user-guide-to-the-SME-definition

3.3.2. Subsidies to the research institution

- The Fund finances up to DKK 80,000 a month of the research institution's expenses for salary, but no more than 90 % of the total salary (the sum of salary plus holiday and pension contributions).
- The Fund also covers up to DKK 20,000 a month of the research institution's expenses for other project costs, but no more than 90 % of the total costs (see section 3.2).

The two above amounts will be adjusted in accordance with the extent of the researcher's employment and work on the project at the research institution in the project period. This is determined as the percentage of full-time employment. If e.g. the researcher is employed by and works on the project at the research institution to an extent corresponding to 50 % of full-time employment, the above subsidy amount will be adjusted to 50 %.

- The research institution also receives an amount for other project expenses corresponding to the company's subsidy for other project expenses. The total amount can cover no more than 90 % of the project expenses (see section 3.2).
- If the researcher comes from the research institution and is employed by and works on the project full time at the company, the research institution also receives an additional subsidy of DKK 10,000 a month for other project expenses.

The size of the two above subsidy amounts does not depend on the extent to which the researcher is employed by and works on the project at the research institution. However, the total subsidy amount received by the research institution for other project expenses can cover no more than 90 % of the expenses.

In addition, the research institution receives an overhead of the total amount.

Please note: If the research institution, by EU definition, is a company, no more than 40 % of its expenses can be covered and it will not receive an overhead.

3.4. Overview of subsidies

To the company:

Choice of subsidy to the company	Monthly subsidy for salary	Monthly subsidy for other project expenses (25 % of salary subsidy)	Adjusted in accordance with extent of work in company	Limitations
De minimis	Up to DKK 80,000	Up to DKK 20,000	Yes	The company can receive no more than EUR 200,000 in de minimis aid in the past three years, incl. these subsidies
Block exemption regulation	Up to DKK 40,000, but no more than 40 % of salary	Up to DKK 10,000, but no more than 40 % of other expenses	Yes	The research institution must defray at least 10 % of the total project expenses

To the research institution:

Subsidies to the research institution	Monthly subsidy amount*	Adjusted in accordance with extent of work at research institution	Limitations
Salary	Up to DKK 80,000	Yes	None
Other project expenses <i>basic amount</i>	Up to DKK 20,000	Yes	None
Other project expenses <i>additional subsidy 1</i>	The same amount as received by the company for other project expenses	No	None
Other project expenses <i>additional subsidy 2</i>	DKK 10,000	No	The researcher must be employed and work full time at the company

* Can cover no more than 90 % of the expenses, see also section 3.3.2.

3.5. Examples

Example 1

Extent of work in company	Extent of work in research institution	Duration of project in months	Monthly salary
20 % of full-time employment	80 % of full-time employment	12 months	DKK 80,000

Total subsidies to the company: *The company chooses de minimis*

Subsidy for salary	Subsidy for other project expenses
DKK 192,000	DKK 48,000

Total subsidies to the research institution – add overhead to the amounts below

Subsidy for salary	Subsidy for other project expenses – basic amount	Subsidy for other project expenses – additional subsidy 1	Subsidy for other project expenses – additional subsidy 2
DKK 691,200	DKK 172,800	DKK 48,000	DKK 0

Example 2

Extent of work in company	Extent of work in research institution	Duration of project in months	Monthly salary
100 % of full-time employment	0 % of full-time employment	24 months	DKK 110,000

Total subsidies to the company: *The company chooses block exemption regulation*

Subsidy for salary	Subsidy for other project expenses
DKK 960,000	DKK 240,000

Total subsidies to the research institution – add overhead to the amounts below

Subsidy for salary	Subsidy for other project expenses – basic amount	Subsidy for other project expenses – additional subsidy 1	Subsidy for other project expenses – additional subsidy 2
DKK 0	DKK 0	DKK 240,000	DKK 240,000

Example 3

Extent of work in company	Extent of work in research institution	Duration of project in months	Monthly salary
50 % of full-time employment	30 % of full-time employment	6 months	DKK 70,000

Total subsidies to the company: *The company chooses group exemption regulation*

Subsidy for salary	Subsidy for other project expenses
DKK 84,000	DKK 21,000

Total subsidies to the research institution – add overhead to the amounts below

Subsidy for salary	Subsidy for other project expenses – basic amount	Subsidy for other project expenses – additional subsidy 1	Subsidy for other project expenses – additional subsidy 2
DKK 113,400	DKK 28,350	DKK 21,000	DKK 0

4. How to apply

The researcher must create and submit the application via e-grant.dk. Read more at www.erhvervsforsker.dk on how to submit an application and what information and appendices it must contain.

The application must include a description of the Industrial Fellow project and the individuals and organisations participating in the project. The template for the project description includes instructions on the contents of the individual sections and is available at www.erhvervsforsker.dk.

The application deadlines are continuously determined and announced at www.erhvervsforsker.dk. The Fund must receive the application before 12 noon on the closing date unless otherwise indicated on the website. The application and all communication must be in Danish or English, or a combination.

4.1. Rejection without assessment

If the application does not conform to the formal requirements and deadlines stated in the e-grant application form and in the appendix templates, or the wrong templates have been used, the Fund may reject the application administratively, i.e. without considering the research content of the application. This is also the case if the project parties do not meet the formal requirements described in section 2.

5. How the application is assessed

The application is assessed by these criteria:

- Excellence – quality of research and innovation
- Value creation
- Project efficiency
- Implementation of results

5.1. Excellence – quality of research and innovation

The project activities must:

- Include planning and/or carrying out of development, research or a combination
- Be of high scientific quality
- Have a clear novelty value
- Create scientific synergy between the company and research institution

5.2. Value creation

The project activities must have a clear novelty value with regard to the researcher's past career. For example:

- The researcher may not hitherto to a significant extent have worked in the sector (private or public) where the majority of the activities will be conducted.
- The activities will provide the researcher with a new, career-relevant network.
- The activities will be conducted in cooperation with an organisation with which the researcher has not previously cooperated.

At the same time, the activities must have a clear commercial significance for and effect on the Danish part of the company and will be assessed on whether the results contribute significantly to the company's business foundation and/or revenue.

In addition, the activities must have a clear significance for the work of the research institution. E.g., the activities may contribute to:

- Knowledge building directly increasing the research institution's competences
- Efficiency improvement
- Systematic dissemination of knowledge
- Strengthening the quality of the research institution's work or services

5.3. Project efficiency

The project must be organised in such a way that:

- It to a large extent promotes knowledge sharing and the development of networks between the two organisations.
 - Here the Fund assigns great weight to the fact that the researcher works closely together with key individuals in the organisation employing the researcher in the project period.
- The roles of the parties are clear.
- The qualifications of the participating parties meet the needs of the project.

5.4. Implementation of results

The application must contain:

- A clear plan for how the project results will be implemented or for taking the next step towards further developing the results.

5.5. Decision

An Industrial Fellow application can be approved or rejected. An approved project can begin from the date of approval and must start no later than three months after approval. If this does not happen, the Fund may retract the grant.

If the application is rejected, you will find a rejection stating the reasons for rejection on the case in e-grant. You can reapply at the next application deadline. All application material, incl. new signatures, must be resubmitted when reapplying, and a new application must be initiated in e-grant. At the same time, you must describe how the reasons for rejection have been addressed.

Please ensure that the title and abstract of the application do not contain any business sensitive information, as the Fund may make public or pass on lists containing the name of the company, project title, abstract and amount of funding applied for.

6. If the project is approved

If the project is approved, the Fund will create a grant case in e-grant. You submit accounts, reports and other written documents to the Fund via e-grant. You also request approval of project changes and communicate with the Fund's staff via e-grant.

The researcher is responsible for the communication between the Fund and both organisations via e-grant, incl. the organisations' submission of required documents via e-grant.

6.1. Launch

The researcher's terms of employment will be in accordance with an individual agreement or collective agreement. The Fund strongly encourages the company and research institution to draw up a cooperation agreement clarifying rights issues before project launch.

6.2. Payments

85 % of the total subsidies to the company and research institution is paid in advance, once both the company and research institution have signed and submitted the agreement received upon approval of the project. The parties receive subsidies via the Easy Accounts (DK: Nemkonto) assigned to the organisations' CVR Nos (company registration number).

The company and research institution receive the last part of the grant at project end when the Fund has received and approved:

- Final financial project reports from both organisations
- An audit statement on the company's final financial project report
- The final evaluation of the project

6.3. Duty to disclose all material facts and approval of changes

The company and research institution must inform the Fund immediately if there are any substantial changes in the foundation for payment of subsidies. This includes e.g. leaves of absence, major disruptions or delays and significant scientific changes. Significant scientific changes are changes of a magnitude that mean the project cannot be immediately recognised as the project originally approved.

The project can only continue if and when the Fund approves the changes. If the duty to disclose all significant facts is not upheld, the Fund may decide to cancel the subsidies and require repayment of any paid-out subsidies.

The change request is submitted via e-grant.

7. Legislative and regulatory framework

7.1. RRI and the Danish Code of Conduct for Research Integrity

The Fund emphasises Responsible Research and Innovation (RRI), which aims to strengthen the connection between research, innovation processes and results and the values and needs of society. The Fund promotes RRI in its overall strategies and via projects, and the Fund adheres to the European Commission's definition and implementation of RRI.

The Fund also supports the principles described in the Danish Code of Conduct for Research Integrity. The Fund expects that the projects it invests in adhere to the guidelines of RRI and the code of conduct.

Read the code here: [The Danish Code of Conduct for Research Integrity](#)

7.2. Open Access

The Fund has accepted the regulations in the 'Open Access policy for public research councils and foundations'. This means that publicised scientific articles that are the result of complete or partial funding from the Fund must be made publicly available to everyone via Open Access, if so permitted by the journal.

The full policy is available at: [Open Access policy for public sector research funds and foundations](#)

7.3. EU state aid regulation

Depending on the applicant's choice of company subsidy, Industrial Fellow subsidies to companies are administered either according to the European Commission's de minimis regulation for state aid or article 25 of the European Commission's General Block Exemption Regulation.

7.3.1. If the company chooses de minimis

It must be evident from the application how much de minimis aid the company has received in the present and past two financial years and from whom. The company must have received no more than EUR 200,000, or approx. DKK 1,500,000, in total in de minimis aid in the three financial years. If the Industrial Fellow grant causes the company to exceed that limit, the company cannot receive subsidies under de minimis.

How do you know whether already received funding is de minimis?

The company can receive funding through various programmes, and the funding within some of these programmes is granted in accordance with the de minimis regulation. If a programme is subject to the de minimis regulation, it must in accordance with EU law be evident from the programme regulations and in the grant notification letter to the company. In case of doubt, you may contact the authority responsible for the programme in question.

De minimis regulation in connection with mergers, business transfers and demergers

In connection with mergers and business transfers, decisions on whether new de minimis aid to the new or acquiring company exceeds the relevant limit, cf. art. 3(8) of the general de minimis regulation, must take into account all de minimis aid received by the merging companies.

When a company is demerged into two or more independent companies, the de minimis aid received before the demerger must be included under the company that benefitted from it, which as a rule is the company that takes over the activities for which the de minimis aid was applied, cf. art. 3(9) of the general de minimis regulation.

7.4. Legislative framework and transparency

Industrial Fellow is authorised by the Danish Act No 306 of 29 March 2014 on Innovation Fund Denmark. These guidelines are established in accordance with § 18, s. 2, ss. 1 in the Danish Act No 306 of 29 March 2014 on Innovation Fund Denmark and the Danish Executive Order No 1150 of 25 October 2017 on the grant function etc. in Innovation Fund Denmark.

Applicants should be aware that information may be passed on to other parties if they apply for right of access in accordance with the Danish Act on Public Information (in Danish: offentlighedsloven). Right of access may e.g. be given in the form of lists of the people who have applied and for what (applicant names, application titles and amounts applied for). With regard to the applications themselves, the Fund will – in close dialogue with the applicant (incl. companies etc.) – ensure that neither business sensitive information nor any other information which cannot be passed on according to the law is passed on.