

InnoExplorer Guidelines

Please note: This document is an unofficial translation of the InnoExplorer guidelines and not a legally binding document. In case of conflict between the Danish and English version of the InnoExplorer guidelines, the Danish version take precedence over the English version.

English version of guidelines published: August 2019

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1. InnoExplorer – in brief

InnoExplorer targets employees at public research and educational institutions and hospitals who have research results with commercial potential. The results are at a pre-commercial stage and thus require maturation and strengthening of the idea's commercial or societal potential.

The aim of the InnoExplorer programme is to strengthen the utilisation of knowledge and research results from the above-mentioned institutions with a view to facilitating increased knowledge-based entrepreneurship. This is done via projects that reduce the commercial and/or technological risks, bringing the research results closer to the market.

InnoExplorer invests between DKK 500,000 and 1.5 million (including overhead) in each project, and the project may last up to 12 months. The activities of the project aim at de-risking the project idea and uncover the potential of the research results by e.g. execution of tests to further evaluate the commercial or societal potential of the idea.

The investment covers expenses for the employees' wages, project related costs and other expenses specified below. The investment is paid out to the institution that employs the project manager, and a precondition for applying for an InnoExplorer project is therefore that the institution has been involved in the application process and finds that the project and the given knowledge or results are of a high quality and hold great commercial or societal potential.

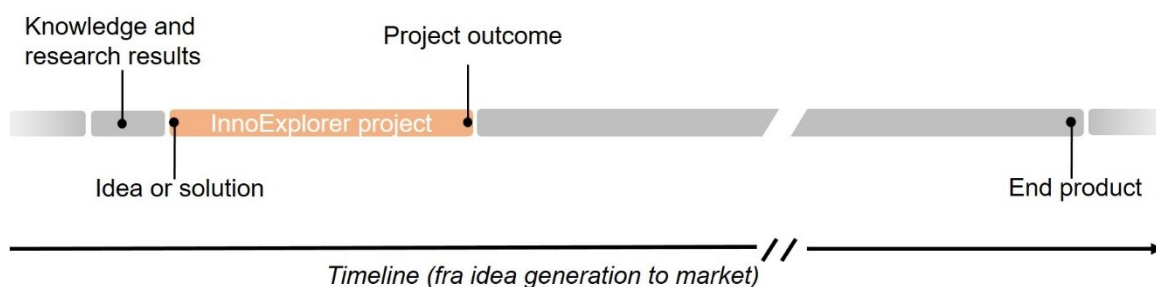


Figure 1: Explanation of nomenclature

2. Who can apply?

Anyone wishing to apply for an InnoExplorer project must meet the following eligibility criteria:

Terms of employment and team

You must be employed at a Danish public hospital or a Danish public research and educational institution and conduct research in connection with your employment. You can apply as an individual or as a team (maximum 6 members in the team). If several individuals apply together, they must appoint a project manager who will act as Innovation Fund Denmark's (IFD's) contact person. If you apply as a team of which not all members are employed at the same institution, the disbursement will be made to and administered by the institution where the project manager is employed (the primary institution). Wages for researchers employed at other public research institutions or fees for other persons who participate in the project must be invoiced to the primary institution. The project manager is responsible to IFD regarding project performance, working towards the goals described in the application, and for responsible use of the grant.

Knowledge and research results

Applicants must have played a main role in producing the knowledge or the results on which the project is based upon. The results may be published, kept secret, or form the basis of an application for intellectual properties (IP). It is not a prerequisite that an expected IP application process has been initiated, since the the project results may strengthen future IP.

Other requirements

At the time of application, the applicant or the team applying for an InnoExplorer project cannot have founded a company based on the knowledge or the results on which the project is based. Similarly, such a company cannot be founded in the project period.

3. What does InnoExplorer fund?

Project activities may include:

- Exploration of potential application areas
- Enhancement of the ideas' commercial or societal potential
- Reduction of specific risk-elements, which will bring the idea closer to market
- Prototype testing
- Preparation of business case
- Establishment of teams or partnerships for further business development, e.g. entering into an agreement with Contract Research Organizations (CROs), a mentor or advisor with insight into the specific niche area

The InnoExplorer grant does not fund research projects, requisitioned research or retention of scientific staff.

The following types of expenses may be included:

- **Wages for employees at the institution** – the project covers the time spent working on project activities. Only direct project activities are covered; time spent on administration etc. is expected to be covered by the overhead.
- **Fees for externals/services** – the project covers other relevant individuals' work on the project as well as services which the institution are unable to provide. This could be researchers at other institutions participating in the project or consultancy services such as market surveys, CRO services, tests which the institution are unable to conduct and expenses for IP advice.
- **Expenses for materials and equipment rental costs** – the project can cover materials purchased specifically for the project and rental of equipment, laboratories or similar not already available at the institution. Standard equipment and consumption materials such as office supplies and standard laboratory materials are included in the overhead.
- **Overhead** for the institution, cf. below.

Overhead is included as a separate item in the budget and calculated as a fixed percentage of the project costs. The rates are as follows:

Danish institutions (including universities and governmental research institutions) which are subject to the regulations on funding-financed research activities in the budget guidelines from the Danish Ministry of Finance: 44 %

Public hospitals in Denmark: 3.1 %

InnoExplorer may cover up to 100 % of the relevant project expenses. The institution may co-finance a part of the project budget chosen by the institution, the objective being to increase the economic efficiency of IFD's investment.

4. How to apply?

There are approx. four application rounds a year. Application dates are set on an ongoing basis and announced on the [IFD InnoExplorer website](#)

The application

The application must be completed in the electronic application system [e-grant.dk](#). The application can be in Danish or English. Once the application has been created, others can be invited to fill in the application.

The application consists of an application form accessed and completed via e-grant.dk. Various information must be added to the form, just as appendices must be attached:

- Presentation (max. 15 PowerPoint slides)
- Budget
- Declaration of support from institution

The **presentation** is the primary information about the project and it therefore forms the basis of the assessment and is also used in a potential project presentation to the InnoExplorer panel. It may hold a maximum of 15 slides and must include the following information:

- **Project description** – presentation of idea or solution as well as the results on which the project is based upon; including the most important data, describing the research or innovation excellence of the idea. Furthermore, a description of the project's potential, activities, outcome, value creation, risk-reduction and expected results must be included.
- **Project plan** – illustration of activities and milestones, including an outline of the expected activities after the InnoExplorer project has ended.
- **Commercialisation strategy** – a description of the plan for taking the idea or solution further in the development process towards full utilisation of the research results. Including a description of the expected end product and the commercialisation plan for ultimately reaching the market or how the Danish society otherwise will benefit from the project. In this connection, please provide a plan for IP, if relevant.
- **Business potential** – a description of the scope of the idea, the expected demand, competitors, the market, and value proposition of the solution.
- **Team** – competences and experiences of the individuals who will be working on the project and may be affiliated hereto, including which competences are critical at which point in the process. Including a description of competences, which are not currently present, but eventually will be necessary in the team.

The **budget** is completed in the Excel template available on the InnoExplorer website or in the course of the application process via e-grant.dk.

The **declaration of support** from the institution must confirm that the institution believes the project to be highly qualified and promising in the form in which it is submitted, and that the institution is prepared to

commit itself to supporting the project towards its completion. The declaration of support must be completed in the template available on the InnoExplorer website or in the course of the application process via e-grant.dk.

Each institution have selected a contact person and the persons authorised to fill in and sign the declaration of support. A list of those responsible for declarations of support at the individual institutions and contact persons is available at <https://innovationsfonden.dk/en>.

Applications that fail to meet the formal requirements, including applications that are not submitted via e-grant.dk, will be rejected and not be considered.

5. Assessment criteria

If the applicants and the application meets the formal requirements, the project will be assessed based on the following criteria:

- I. Quality of research, development, and innovation
- II. Business potential and value creation
- III. Project efficiency
- IV. Implementation

Emphasis is placed on:

I. Quality of research, development, and innovation

- That there is a great deal of clarity as to what outcome, service, end product the idea will ultimately result in
- That the need is rendered probable, e.g. through involvement/dialog with future customers
- That the knowledge, technology, methods and / or novelty used in the project is well described and of high quality - also in relation to "state of the art" and competing solutions
- That the project's expected results are clearly different from what else is on the market

II. Business potential and value creation

- That the market or application and position of the project vis-à-vis competing solutions have been clarified
- That there is a clear connection between an unmet need, the project outcome and value
- That the value creation of the project in the long term will result in significant economic growth and employment or value in a Danish company and/or for the Danish society
- That the idea through the InnoExplorer project gets closer to the market or for the benefit of society in another way

III. Project efficiency

- That the project's activities and costs are reasonable, realistic, and sensible considering the risk-reduction in the project and the potential for subsequent commercialisation and utilisation
- That the desired investment matches the expected commercial or societal gains and the project risks
- That the plan clearly shows that the project activities are closely connected to the idea/technology, and that the plan is logically constructed, targeted, and has clear quantitative milestones
- That the planned activities will lead to a reduced risk during the project

IV. Implementation

- The team composition and feasibility of successfully implementing the project
- That there is a realistic strategy for further development towards commercialisation or utilisation after the project has been completed

It is possible and may be a good idea to divide high-risk projects into smaller sub-projects, thereby reducing the risk associated with an investment. When the ongoing sub-project is finished, it is possible to apply for a new sub-project.

6. Processing of applications

IFD will review all submitted applications and determine whether they meet the formal requirements, including whether they contain the information that is critical to an assessment of the idea as described in sections 4 and 5 above. As a rule, all applications that meet the formal requirements will be invited to present their project, on the basis of the submitted presentation, for the IFD's InnoExplorer panel.

IFD's InnoExplorer team has the option of evaluating the received applications on basis of the assessment criteria and decide which applications should be given the opportunity to present to the InnoExplorer panel. Thus, applicants can receive a rejection solely based on the submitted application.

Panel meetings are held on fixed dates in each application round, these are published on the InnoExplorer website. It is therefore a precondition for the application to be processed in the relevant round that the team can attend the days in question. It is expected that all applicants will be notified whether they are invited to present at a panel meeting no later than 14 days prior to the meeting.

At the panel meetings, 10 minutes are allocated for the project presentation. The presentation is based on the submitted 15 powerpoint slides. The presentation is followed by 15 minutes for the subsequent dialogue between the applicant(s) and the InnoExplorer panel. The panel will have 4 to 6 panel members with broad experience in research, development, innovation, business development, and entrepreneurship.

The panellists have pre-evaluated all the applications presented at the panel meeting. These preliminary assessments are supplemented with the input provided at the presentation itself, upon which the InnoExplorer panel recommends the project for rejection or commitment. IFD's Board of Directors, who makes the final decision. The project can start immediately after acceptance if the commitment letter, and must **be started no later than 2 months after acceptance.**

7. During the InnoExplorer project

If the project is approved, a series of tasks must be completed and a series of conditions must be met in the project period. The ongoing administration of the InnoExplorer project will be undertaken via e-grant.dk.

Accounts, reporting, and disbursement

Investment for the InnoExplorer project will be disbursed to the institution that employs the project manager. An instalment of 85% of the total amount will be disbursed at the start of the project period. By the end of the project, the project accounts and a professional evaluation presentation must be submitted via e-grant.dk. The remaining 15 % of the investment will be disbursed when IFD have approved the project accounts and professional evaluation presentation.

Expenses related to the budget items *fees for externals/services* and *materials and rental of equipment* must be documented via invoices. Only expenses listed in the project budget or approved by IFD in connection with re-budgeting can be covered. All expenses must be defrayed within the project period. Further information on accounting will be evident from the letter of commitment.

Under wages for employees at the institution incurred wage expenses calculated on the basis of the annual gross wage, including superannuation, insurance, holiday pay etc. may be included. The gross hourly wage is calculated on the basis of an annual number of working hours of 1,628 hours for full-time employees. The calculated gross hourly wage of the individual employee cannot exceed DKK 1,000. The number of hours each employee spends on the project must be recorded internally. Please note that the institution accepts responsibility for any project employment of individuals working on the project. This means that IFD does not cover wage expenses if the expected hours are not incurred due to termination of the project, illness or other.

Audit

The final accounts must be audited. For state-funded self-governing institutions, where the audit responsibility in accordance with the Danish Act on Audit of State Accounts lies with Rigsrevisionen, audit must be conducted by the institution's financial controller and be signed by a thus authorised member of staff at the institution. For regional institutions, an authorised accountant must audit the accounts. Rules regarding audit will be evident from the letter of commitment.

Ongoing evaluation and final evaluation meeting

IFD reserves the right to call the team to a review meeting during the project period. If IFD finds that the project is not progressing sufficiently, IFD may discontinue the project and demand that any unspent investment is returned.

At the end of the project, an evaluation presentation must be submitted via e-grant.dk, which describes the project's progress, outcome, and the immediate plans for continuing the project. The IFD may choose to convene an evaluation meeting to hear more about the project.

Changes

It is possible to make adjustments during the project period, e.g. activities, collaborators or the allocation of the budget. Changes must be approved by IFD. To obtain approval the changes must be reasonably substantiated. Requests for changes must be submitted via e-grant.dk, and is further described in the letter of commitment.

The applicants and institution are obligated to inform IFD if the project is not progressing as planned, including if parts of the project cannot be completed within the agreed framework. If IFD finds that the project or prerequisites for the project have changed significantly, IFD may choose to terminate the project and demand that any unspent investment is returned to IFD.

Conditions concerning the presentation of accounts, use of investment, reporting and disbursement are described in more detail in the letter of commitment.

8. Publication of information

Applicants should be aware not to include business sensitive information in the title of the application, as IFD may publish or pass on lists containing the name of the applicant, the name of the institution, the title of the project and the investment applied for in submitted applications.

Applicants should also be aware that other parties may request subject access to any submitted InnoExplorer applications and other case documents. In such events, IFD, in dialogue with the applicant, will ensure not to disclose any business sensitive information or other information which, in accordance with the law, cannot be disclosed.

9. State aid rules

It is a prerequisite for participating in the programme that the project activities do not constitute economic activities, cf. the EU state aid rules. The main project activities must therefore constitute independent research and development. The results of the project must be published or communicated broadly. The institution is responsible for identifying a form of publication or communication suitable for dissemination of the project results. Applicants may temporarily postpone such publication to make use of the opportunities for IP protection.

If the project results hold commercial value and the institution wishes to transfer this value to the research team or others, the institution is obligated to ensure that the transfer is based on market terms. In connection with the transfer of project results, all profit from the results must be reinvested in the non-economic activities of the institution.

Conditions for repayment of any improper use of funding are stated in the letter of commitment.