

## Guidelines for Industrial PhD

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<b>1. What is an Industrial PhD?</b> .....	<b>2</b>
1.1 Eligible topics for Industrial Researcher projects.....	2
<b>2. Who can apply?</b> .....	<b>4</b>
2.1. Company and company supervisors .....	4
2.2. University and university supervisor(s).....	4
2.3. Industrial PhD candidate .....	5
2.4. Several companies in one Industrial PhD project .....	7
<b>3. What is financed?</b> .....	<b>7</b>
3.1. Subsidy to the company.....	7
3.2. Subsidy to the university.....	8
<b>4. How to apply</b> .....	<b>8</b>
<b>5. How the application is assessed</b> .....	<b>9</b>
5.1. Criteria.....	9
5.2. Decision.....	10
5.3. Project start-up and follow-up.....	10
<b>6. The Industrial PhD student's terms of employment and education</b> .....	<b>11</b>
6.1. Employment.....	11
6.2. Salary.....	11
6.3. IPR and publication .....	11
6.4. Dissemination requirement .....	12
6.5. Industrial PhD course .....	12
6.6. Leave .....	12
6.7. Completion of the Industrial PhD project .....	12
6.8. If an Industrial PhD project is discontinued .....	13
<b>7. Administration of an approved project in e-grant</b> .....	<b>13</b>
7.1. Payments and project completion .....	13
7.2. Duty to disclose and approval of changes .....	14
<b>8. Industrial PhD in the public sector</b> .....	<b>14</b>
8.1. Special conditions .....	14
8.2. Special assessment criteria .....	15
<b>Appendix 1: Legislative and regulatory framework</b> .....	<b>16</b>
<b>Appendix 2: The European Commission's definition of 'eligible costs'</b> .....	<b>18</b>

## 1. What is an Industrial PhD?

An Industrial PhD is an industrially focused research project which is conducted jointly by a private sector company, an Industrial PhD student and a university. The project must be of high research quality and have direct or indirect short- or long-term commercial significance and effect.

The Industrial PhD student is employed by a company in Denmark and at the same time enrolled at a university. The student divides her/his working time between the company and the university, and spends all working time at both places on the project and on the education. The Industrial PhD student has a supervisor at both the university and the company, and a co-supervisor at the company. The project duration corresponds to the duration of the education, which in Denmark is three years.

Industrial PhD is one of Innovation Fund Denmark's Industrial Researcher programmes and contributes to the Fund's overall purpose of creating growth and employment in Denmark and to solve societal challenges. The Industrial Researcher programmes have the following specific purposes:

- To educate and develop researcher talents into industrial researchers
- To contribute to business-oriented innovation and development in Denmark
- To strengthen collaboration between Danish companies and universities/research institutions in Denmark and abroad

The Fund finances part of the student's salary and travel expenses in the company as well as the university's supervision, equipment and other expenses for the student's education.

### 1.1 Eligible topics for Industrial Researcher projects

According to the political agreement on the allocation of the research reserve for 2021 Industrial Researcher projects must lie within the scope of one of the following three topics (cf. details below) in order to be eligible for funding by Innovation Fund Denmark:

- Ambitious and lasting green research initiatives
- Life science, health, welfare technology and clinical research
- Technology and innovation that can develop production and secure jobs in Denmark

Please note: Special Calls for Industrial Researcher might differ in rules for eligibility rules, please read more at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk).

#### **Ambitious and lasting green research initiatives**

For 2021, Innovation Fund Denmark has set aside total of 60 million DKK for Industrial PhD or Industrial Postdoc projects within the scope of this topic. Innovation Fund Denmark intends to invest these funds in strategic and challenge-driven research projects that contribute to the green transition, while at the same time making considerations to nature, the environment, biodiversity and a more sustainable society, thus enabling Denmark to achieve the government's green goals. Examples for potential investment are research projects, including inter- and transdisciplinary projects, that generate new insights into and potential solutions to green transition in the fields of

- energy production, storage and efficiency;
- agriculture and food production;
- transport;

- environment and circular economy;
- nature and biodiversity; or/and
- sustainable behaviour and societal impacts of climate change.

In order to be eligible, a project needs to make a significant contribution to the green transition, and needs to be sharp about what impact to expect from this contribution.

#### **Life science, health, welfare technology, and clinical research**

For 2021, Innovation Fund Denmark has set aside total of 79 million DKK for Industrial PhD or Industrial Postdoc projects within the scope of this topic. Innovation Fund Denmark intends to invest these funds in strategic and challenge-driven research projects that develop knowledge-based solutions and technology for life science, health and welfare technology, and clinical research, that serve the citizens' health, companies' base line and Denmark's international competitiveness. Examples for potential investment are research projects, including inter- and transdisciplinary projects, that generate new insights into

- improved efficiency in public sector services;
- reduction of societal inequalities with respect to health and disease;
- improved prevention services and treatment in the primary and hospital sector, including psychiatry;
- development of personalized medicine; or/and
- development of the digital health area, including health data, artificial intelligence and improved systems support for conducting clinical trials

In addition to technological projects, the Fund also invites humanities and social science projects that can contribute valuable knowledge related to e.g. behaviour, incentives, regulation, and market conditions.

#### **Technology and innovation that can develop production and secure jobs in Denmark**

For 2021, Innovation Fund Denmark has set aside total of 29.4 million DKK for Industrial PhD or Industrial Postdoc projects within the scope of this topic. Innovation Fund Denmark intends to invest these funds in strategic and challenge-driven research projects that can generate growth and value in Denmark, thereby creating a breeding ground for Danish companies and foreign companies based in Denmark to develop products and new knowledge-based solutions that contribute to employment and productivity for the benefit of Denmark as a whole. Examples for potential investment are research projects, including inter- and transdisciplinary projects, that generate new knowledge in the field of

- robotics and drone technology or other automated production technologies;
- artificial intelligence and digitalisation;
- digitalisation's impact on people and society;
- ethical and moral aspects of new technological development and use of artificial intelligence in a Danish context;
- physical, mental and chemical working environment; or/and
- new forms of organizations and enterprises, such as democratic and/or employee-owned enterprises, etc.

## 2. Who can apply?

An Industrial PhD project includes a company, a university and an Industrial PhD student, and should be considered a collaboration. The parties must divide the student's time in a way that fits the project and creates a relation with both the company and the university. The following formal requirements apply to the parties:

### 2.1. Company and company supervisors

The company must:

- Have a division geographically located in Denmark where the student is to be employed
- Be able to provide facilities and financial support for the project for the entire project duration
- Be financially independent of the university. That means that
  - the university may own max. 25% of the company; and
  - there must not be cash-flow from the university to the company.
- Assign a company supervisor and company co-supervisor to the project
- 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, and
  - have public funding make up no more than half its revenue (including EU funding and payments from citizens as imposed by law).

If in doubt whether an organisation is part of the private sector, the organisation can send its articles of association and the latest annual financial report to [erhvervsforsker@innofond.dk](mailto:erhvervsforsker@innofond.dk) for assessment.

If the company is not part of the private sector, it is possible to apply for an Industrial PhD in special application deadlines announced at [www.innovationsfonden.dk](http://www.innovationsfonden.dk). Please see section 8.

The company must assign both a supervisor and a co-supervisor to the project. The supervisor is the project's formal company representative and collaborates with the PhD student and the university supervisor on carrying out the project and the education. The company supervisor is responsible for the industrial supervision of the candidate. The co-supervisor ensures anchoring and implementation of the project, e.g. if the company supervisor changes jobs. It is possible to assign more co-supervisors and third parties.

As company supervisor and company co-supervisor you must

- have general experience with the project subject (research experience is not necessary);
- have extensive business sector knowledge; and
- have at least a bachelor's degree level education or considerable experience with the subject.

The company supervisor and co-supervisor do not have to be employed by the company, but must work in the private sector on a daily basis.

### 2.2. University and university supervisor(s)

The university must

- be a university or institution of higher learning in Denmark or abroad officially authorised to conduct PhD training

- assign a university supervisor to the project

The university must assign a supervisor who collaborates with the student and the company on carrying out the project and the education. The university supervisor is the project's formal university representative and is responsible for the academic supervision of the candidate.

As a university supervisor you must

- Be an acknowledged researcher within the project field
- Work in a research environment within the project field on a daily basis
- Be employed at the university and attached to the PhD school

### 2.3. Industrial PhD candidate

As an Industrial PhD candidate you must

- have a project-relevant education and master's degree;
- at least have attained a grade of 10 on the Danish scale (or equivalent for non-Danish educations) for the final thesis/examination project; and
- meet the requirements for grade point averages specified below.

It is possible to apply with a candidate, who lacks no more than six months of her/his education. If the application is approved, the candidate needs to complete her/his education and thereby meet the grade requirements within six months from approval.

#### Grade requirements for Danish educations

As Industrial PhD candidate you must live up to one of these levels for grade point average:

- For master's and bachelor's degrees combined: A weighted average of at least 8.2 on the 7-step scale or 9 on the 13-step scale
- For two-year master's degree alone: A weighted average of at least 9.5 on the 7-step scale or 9.4 on the 13-step scale

As a rule, the candidate needs a Danish two-year master's degree or a corresponding non-Danish master's degree (see below). A Danish one-year Master education with a preceding Bachelor education will not qualify directly. However, if the candidate can document supplementing experiences, these may qualify the candidate (see section "Exemption from grade requirements"). A Danish one-year Master education without a previous bachelor's education cannot qualify in itself for an Industrial PhD project.

A candidate, who did not receive a grade for their final thesis/examination project, must submit a supplemental written assessment of the final thesis or examination project. The institution's study board needs to approve officially of this statement.

The candidate will be evaluated based on complete certificates as well as a filled out grade calculation form. For details please refer to the document "Grade requirement for Industrial PhD candidates – FAQ", which together with the grade calculations form is available via [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk).

#### Grade requirements for non-Danish educations

An Industrial PhD candidate with a non-Danish education does not have to meet a certain grade requirement. Instead, the candidate must be among the top 30 pct. in the graduation class for the master's and bachelor's study programmes combined. The application must include

documentation for the ranking of the candidate. This documentation must be signed by the educational institution, and must be in Danish, English, Norwegian or Swedish.

#### **Exemption from grade requirements**

A candidate with a slightly lower grade average or thesis grade than required can be approved under the following conditions. The candidate can compensate for *either*

- a grade point average, which is max. 1.1 grade points too low (only relevant for Danish degrees), or
- a grade for the final thesis/examination project of minimum 4 (Danish 7-step scale), or
- a grade for the final thesis/examination project of minimum 7 (Danish 13-step scale), or
- a ranking, which is max. 20% too low (only relevant for non-Danish degrees), or
- a Danish one-year master's education, which otherwise meets all requirements,

if the candidate has

- as *main* author published at least one peer-reviewed, project-relevant article in an acknowledged scientific journal or an acknowledged scientific conference, or
- at least one year's worth of professional experience with the project subject, and has as *co*-author published at least one peer-reviewed, project-relevant article in an acknowledged scientific journal or an acknowledged scientific conference.

Publications and professional experience that are to be considered as compensating qualifications have to be accounted for in the candidate's CV, together with a short account of the journals/conferences reputation in the scientific field.

#### **Preliminary assessment**

Innovation Fund Denmark offers a preliminary assessment of a candidate, if the candidate has

- a non-graded education, that otherwise meets the above mentioned requirements, or
- a non-Danish education, and can document that it is impossible to acquire information about the candidate's ranking. This documentation needs to be issued by the relevant educational institution, and needs to be in Danish, English, Norwegian or Swedish.

Please note that you can be pre-assessed only if you have completed your education and received all your grades. The preliminary assessment is based on CV and complete exam diplomas. For graded non-Danish educations, please fill out the grade calculations form by converting your grades to the Danish 7-step scale (for details please refer to "Grade requirement for Industrial PhD candidates – FAQ" available via [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk)). For non-graded educations, you need to submit a supplemental written assessment of the final thesis or examination project. The institution's study board needs to approve officially of this statement. All documents need to be sent to [erhvervsforsker@innofond.dk](mailto:erhvervsforsker@innofond.dk).

Any preliminary approval will be based on the candidate's professional qualifications and will be issued on the condition that they match the project for which an application is subsequently submitted. Please note that it may take up to six weeks before you receive a decision regarding your request for a preliminary assessment. Preliminary approvals issued based on an older version of these guidelines remain effective, regardless of when the corresponding application is submitted.

#### 2.4. Several companies in one Industrial PhD project

It is possible for several companies to work together on an Industrial Postdoc project. It will be assessed if the companies combined have the financial means to accomplish the project. One of the companies must take responsibility for the project, which includes being the official applicant, employing the Industrial Postdoc, paying out salary and receiving subsidies from the Fund.

### 3. What is financed?

Innovation Fund Denmark finances part of the company's expenses for the PhD student's salary and travel activities plus the university's expenses for the project. Innovation Fund Denmark transfers the subsidy to both company and university, and the subsidy may only be used to cover the company's and university's own expenses, respectively.

#### 3.1. Subsidy to the company

Innovation Fund Denmark finances up to DKK 17,000 per month of the Industrial PhD student's salary for three years, but no more than 50 pct. of the total salary (effective salary expenses calculated based on the gross yearly salary, incl. pension, insurance and vacation).

The company also has DKK 100,000 at disposal for the Industrial PhD student's

- travels (the Industrial PhD student's participation in project-relevant conferences in Denmark and abroad, plus stays abroad in general); and
- participation in PhD courses which give ECTS credits and are not offered by the host university.

This includes a single round trip to the destination per stay, visa, travelling insurance, lodging and university fees. Food, daily/local transportation, books etc. are not covered.

Up to DKK 5,000 of the DKK 100,000 can be used for the company supervisor's project-relevant travel expenses. Another DKK 5,000 can be used for the university supervisor's project-relevant travel expenses.

For approved applications submitted before 9 March 2015, the salary subsidy is DKK 14,500 while the subsidy for stays at home and abroad is DKK 137,000. Out of this amount, the company supervisor and university supervisor may each spend DKK 7,000 on project-relevant travel expenses. Please refer to the guidelines applicable at the time of application.

If the host University for the Industrial PhD education is not located in Denmark, an additional DKK 122,000 is available for travels and stays at the university. This includes round trips to the destination, visa, travelling insurance and lodging. Food, daily/local transportation, books etc. are not covered. The host university is the university that enrolls the student during the entire education, is responsible for the education and the primary supervision, and which issues the PhD degree when the education is completed.

The company must pay all other expenses for the project, including equipment, materials and data collection. This also includes personal equipment for the Industrial PhD student, e.g. laptop, mobile phone, etc.

Please note that no more than 50 pct. of a company's overall expenses for an Industrial PhD project may be financed by public means. Read more in appendix 1.



### 3.2. Subsidy to the university

Innovation Fund Denmark provides a fixed amount of DKK 360,000 (incl. overhead) to the university, covering:

- Supervision of the Industrial PhD student
- The Industrial PhD student's work facilities at the university, including equipment, material, instrumentation (acquisition or use), and external services necessary for carrying out the university part of the project
- The Industrial PhD student's participation in relevant PhD courses at the host university
- Assessment of the PhD thesis
- Dissemination of results, including printing the thesis

For approved applications submitted before 6 July 2018, the university subsidy is DKK 360,000 for projects within the technical, fundamental, agricultural, veterinary and health sciences, and DKK 252,000 for projects within the humanities and social sciences. For approved applications submitted between 1 April 2014 and 20 January 2017, the university subsidy for non-Danish universities is DKK 450,000 for projects within the natural sciences and DKK 315,000 for projects within social sciences and humanities. Please refer to the guidelines applicable at the time of application.

If the project runs for more than three years, e.g. due to a non-Danish PhD education, the Fund will finance up to DKK 17,000 a month for the company for the last three years of the project. Likewise, the university will receive its subsidies only for the last three years of the project period.

## 4. How to apply

In an application to Innovation Fund Denmark you must describe the Industrial PhD project and the participating people and organisations. A statement concerning the project contribution to the topic of choice (cf. chapter 1.1) is a part of the application. The project's relevance for and contribution to the topic is an important criterion in the assessment of the application.

A company and a university can apply without a specific Industrial PhD candidate. If the application is approved, a qualified candidate must be found within six months from approval.

The application must include a high quality project description that accounts for the research project and the project participants. The template for the project description includes instructions on the contents of the individual sections and is available at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk).

The application deadlines are continuously determined and announced at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk). The application and all communication must be in Danish or English, or a combination of the two.

You submit the application to Innovation Fund Denmark via [www.e-grant.dk](http://www.e-grant.dk). The company supervisor sets the application up in e-grant. The university supervisor must also register at [www.e-grant.dk](http://www.e-grant.dk), and after setting up the application, the company supervisor must add him/her as participants in the application. The same applies to the Industrial PhD candidate, if the application is with a specific candidate. This is necessary in order for Innovation Fund Denmark to process the application.

Read more at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk) about how to submit an application and what information and appendices it must contain. 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, Innovation Fund Denmark 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 Innovations Fund Denmark's Industrial Researcher Committee, which consists of research and business experts within all main fields of research. The committee makes recommendations to the Fund's board, which makes the final decision.

The committee may decide to procure external assessments where additional research competences are needed. The committee and the external assessors are subject to a duty of confidentiality.

The committee usually processes applications within two months. The committee may decide to procure additional information from the applicant for the assessment. If so, processing time may be longer.

### 5.1. Criteria

The application is assessed by the following criteria:

- Relevance and contribution to the topic of choice (cf. chapter 1.1)
- Research quality
- Commercial significance and effect
- Project implementation

#### **Relevance and contribution to the topic of choice**

A project that does not lie within the scope of the topic of choice (cf. chapter 1.1), cannot receive funding and will therefore not be assessed with regard to the three other assessment criteria.

#### **Research quality**

The project must overall be at PhD level and be realistic to complete within the project period. The research quality of the project is specifically assessed with regard to:

- The news value of the research
- The quality of the description of state-of-the-art within the subject area
- The relevance and level of the theoretical foundation
- The quality of hypotheses/research questions
- The relevance and clarification of selected methods and data basis

#### **Commercial significance and effect**

The project must have a clear commercial significance for and effect on the Danish part of the company and will be specifically assessed with regard to:

- The results' expected contribution to the company's business foundation and/or revenue
- Plan and probability for implementation and commercial realisation of the results

Please note that it is not sufficient that the project promotes or brands the company or serves as a lever for additional project funds.

### Project implementation

The application must show that the project is well-organised, and that the parties are competent and relevant. The following will be specifically assessed:

- The organisation and feasibility of the project (including structure and time schedule, distribution of roles, the student's time allocation, communication and publication plan)
- That the project involves the student in both the company and the university
- The quality of the project parties' qualifications

### 5.2. Decision

An Industrial PhD application, that lies within the scope of the topic of choice, can be approved, conditionally approved, or rejected. An approved Industrial PhD project officially begins on the date of the student's enrolment into the university's PhD programme. The date of enrolment must be on or after the day of approval.

#### Conditional approval

If a project is conditionally approved, you will find a decision describing the conditions for final approval on the case in e-grant. If e.g. you have applied without a candidate, a condition will be that you find a qualified candidate. Documentation that the conditions are met is submitted to the Fund via e-grant. If the Fund finds that the conditions have been met, you will receive a letter of commitment (granting letter). The conditions must be met within six months of the decision.

#### Rejection

If a project 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, selecting the same or another topic of choice (cf. chapter 1.1.). When reapplying, you must describe how the reasons for rejection have been addressed. All application material, incl. new signatures, must be resubmitted when reapplying, and a new application must be initiated in e-grant.

### 5.3. Project start-up and follow-up

An approved project must start no later than six months after the approval. If this does not happen, Innovation Fund Denmark may retract the grant.

#### Kick-off meeting

Upon approval of the application, the company supervisor, the university supervisor and the Industrial PhD student must participate in a kick-off meeting arranged by Innovation Fund Denmark. The kick-off meeting is usually held twice a year with the purpose of preparing the project parties for a good collaboration. Read more about the kick-off meeting at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk). Supervisors who have participated in a kick-off meeting in the past three years or who live abroad are not obliged to participate.

#### Project follow-up

The university supervisor and PhD administration ensure the ongoing academic follow-up on the project, and the company supervisor ensures the anchoring of the project in the company. The Fund's follow-up accordingly focuses on the collaboration, results and effects.

1½ year into the Industrial PhD project, the student must fill out a questionnaire concerning project status and internal collaboration. The answers are to give the Fund insight into Industrial PhD project collaboration practices. The Fund may also arrange follow-up meetings with selected projects to learn more.

When the project ends, the company must fill out a final evaluation about the project's effects, results and process. Submission of the evaluation is a condition for the Fund's last payment to the company.

The Fund is not to receive any other academic reporting during the project. The Industrial PhD student's attainment of the PhD degree serves as documentation that the project has met the academic requirements of a PhD education.

## 6. The Industrial PhD student's terms of employment and education

### 6.1. Employment

In an Industrial PhD project, the company hires the student on a full-time basis, who is thus subject to terms that apply to private employment. The student's work tasks and time must be devoted exclusively to the Industrial PhD project and Industrial PhD education, and the student's employment contract must explicitly free up the student from tasks that are not directly project related. Additionally, the student's time must be divided between the company and the university in a way that fits the project while involving the student in both working environments. As a minimum, the employment must be on ordinary terms for salaried employees (DK: Funktionærbetingelser). Other terms follow any collective or individual agreements.

Any non-competition clauses or similar in the employment contract must not limit the student's possibilities for employment elsewhere. Additionally, the contract must not contain educational clauses or similar requiring the student to reimburse the company's expenses for the education if the education is discontinued, or if the student changes employment after an Industrial PhD project is ended.

### 6.2. Salary

The Industrial PhD student's total salary (the sum of salary and pension) must as a minimum correspond to the overall salary of the collective agreement for PhD fellows employed by the Danish state. You can find salary levels at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk) or on labour union websites. Questions about specific salary levels can be made to labour unions.

### 6.3. IPR and publication

The Industrial PhD student is subject to the provisions of the Danish Act on Employee Inventions while supervisors at universities and other public research institutions are subject to the provisions of the Danish Act on Inventions at Public Research Institutions.

IPR is especially relevant for the student's publications in connection with the PhD education. The Industrial PhD programme does not regulate agreements on IPR and publishing, and questions about intellectual property rights and publication should be resolved internally in the project before the employment contract is signed. The same applies to any confidentiality issues in the

thesis. These need to be clarified in advance among the project partners and should not cause the PhD defence to be postponed, or mean that the thesis cannot qualify as a PhD thesis.

For IPR agreements, the Fund's Industrial PhD model agreement may serve as inspiration. Find the model agreement at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk).

#### 6.4. Dissemination requirement

A Danish PhD education requires PhD students to gain experience in knowledge dissemination related to their PhD project, cf. the Danish PhD Executive Order part 3, § 7. The dissemination can consist of articles, presentations, teaching and other ways of exchanging knowledge at the company, university or elsewhere. The company, the student and the university determine the extent, type and content of the knowledge dissemination.

Industrial PhD students are not employed at the university and accordingly do not have any teaching obligations as per any collective agreement. However, if all project parties agree, teaching at the university can be part of the knowledge dissemination. Any dissemination activities should be agreed on internally in the project.

#### 6.5. Industrial PhD course

The Industrial PhD student must participate in the Fund's Industrial PhD course. The Industrial PhD course comprises 5 out of 30 ECTS points of PhD courses in a Danish PhD education. Participation in PhD courses is part of the student's work hours.

The student will be invited to the course in the first year of the education. Read more about the Industrial PhD course at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk). Please note that the Fund passes on personal data about the student to the course provider.

#### 6.6. Leave

You may request approval of a leave of absence for the Industrial PhD student. The request has to be submitted via e-grant.

Innovation Fund Denmark must approve the request before the leave can commence. The Fund does not provide subsidies during periods of leave, incl. parental and sick leave. The project's end date is extended by the leave period, and the subsidy is instead provided in the extended period. If the company is reimbursed by another public authority due to e.g. parental leave or the student's long term illness, it must apply for leave from the Industrial PhD project.

#### 6.7. Completion of the Industrial PhD project

The university approves the entire PhD education and confers the PhD degree once the PhD thesis has been accepted and defended in public. If the Industrial PhD student is enrolled at a non-Danish university, this university must confer the PhD degree in accordance with the national provisions of the country in question.

The university appoints the PhD Assessment Committee. At a Danish university, the PhD Assessment Committee must include at least one person with industry relevant research experience within the research field, cf. the Danish Executive Order on PhD Programmes, Part 11, § 27.

Upon a successful defence, the Fund will issue an Industrial PhD certificate to the student. To issue the certificate and pay out the final part of the university subsidy, the Fund must receive documentation for the attainment of the PhD degree via e-grant.

#### 6.8. If an Industrial PhD project is discontinued

If an Industrial PhD education is discontinued, the project participants must jointly provide a written account of the process and the reasons for discontinuation. The account must be signed by the company, the university and the student and submitted to the Fund within three months after the date of discontinuation.

The company may be required to repay any subsidy received if it discontinues the project or prevents the planned execution of an Industrial PhD education which the university and the student are still interested in and capable of continuing. The Industrial PhD student is likewise obligated to carry out the work tasks agreed upon in the application.

## 7. Administration of an approved project in e-grant

If the project is approved, the Fund will create a grant case at [www.e-grant.dk](http://www.e-grant.dk). You submit accounts, reports and other written documents to the Fund via e-grant, depending on your obligations in the project. You also request approval of project changes and communicate with the Fund's staff via e-grant.

The company supervisor is responsible for the company's communication with the Fund via e-grant, incl. the company's submission of required documents via e-grant. The university supervisor is responsible for the university's communication with the Fund via e-grant, incl. the university's submission of required documents via e-grant.

### 7.1. Payments and project completion

Subsidies to the company and the university are paid out in advance. 15 pct. are retained and paid out when the project is completed.

#### Company

The company receives 85 pct. of the overall company subsidy when the project commences. The company receives the subsidy via the NemKonto (Easy Account) attached to the company's CVR No. (company registration number).

The company receives the last part of the total subsidy at project end when Innovation Fund Denmark has received and approved:

- The final financial project report
- The auditor's statement
- The final evaluation report

The final financial report must state the company's subsidy use throughout the project. The Fund will then settle with the company. Please note that this means that the company at project end may have to repay some of the advance subsidy payment from the Fund.

The company must also submit a statement-of-truth that the total public subsidy for the company does not comprise more than 50 pct. of the company's total project expenses, cf. appendix 1.

For projects approved as per application between 1 April 2014 and 20 January 2017, company subsidies are paid in arrears based on the financial project reports which the company must submit at least once a year. The company may, however, choose to submit reports every six months. If the company has less than 20 employees, the reports can be submitted every three months. Please refer to the guidelines applicable at the time of application.

The final evaluation focuses on the project's effects, results and process. The Fund is not to receive any other academic reporting during the project.

### University

The university receives 85 pct. of the university subsidy at the project's commencement. The remaining 15 pct. is paid out when Innovation Fund Denmark has received documentation for the student's attainment of the PhD degree. If the student does not attain the PhD degree, the last 15 pct. is annulled.

### 7.2. Duty to disclose and approval of changes

The company and the university must inform the Fund immediately if there are any material changes in the basis for payment of subsidies. This includes e.g. supervisor changes, leaves of absence, major disruptions or delays, or 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 continue only if and when the Fund approves the changes. If the duty to disclose all material 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.

## 8. Industrial PhD in the public sector

If an organisation is not categorised as part of the private sector cf. section 2, it is categorised as part of the public sector with regard to the Industrial Researcher Programme.

The organisation can apply for Industrial PhD in the public sector in connection to application deadlines in the autumn call 2021. It is expected, that the sum for Industrial PhD's and Post Docs will be approximately 10 million DKK in total. Subsidy amounts are the same as for the private sector. Chapter 1.1 on eligible topics also applies to public sector Industrial Researcher projects. See the announcement at [www.erhvervsforsker.dk](http://www.erhvervsforsker.dk) when the ordinary autumn Industrial PhD's and Post Docs call will be published.

The purpose of Industrial Researcher in the public sector is to

- support research, development and innovation in the public sector through focused and application-oriented research projects;
- develop researchers with knowledge about research and development in the public sector; and
- build networks and support an exchange of knowledge between public sector organisations and research institutions.

### 8.1. Special conditions

Public sector organisations authorised to issue PhD degrees cannot function as a host company in a public sector Industrial PhD project, but can always function as a university.

Other public sector institutions, e.g. university hospitals, can only function as host companies in a public sector Industrial PhD project within a general research field (social sciences, health sciences, etc.) where they do not already have established research activities.

The company supervisors must work in the public sector on a daily basis instead of the private sector.

### **8.2. Special assessment criteria**

Commercial significance and effect are not required for a public sector Industrial PhD project. Instead, the project is assessed by its news value and usefulness to the organisation, and by how the usefulness is realised and the expected results are implemented.

Usefulness for the organisation can be, e.g.

- improving efficiency;
- knowledge building that directly improves the organisation's competences;
- systematic knowledge dissemination; and/or
- strengthening the quality of the product/service provided by the organisation.

In addition to the usefulness to the organisation, a public sector Industrial PhD project must also be useful to society. Accordingly, the project is also assessed by its broader use to society, which for example can be how the usefulness to the organisation itself

- is disseminated to other similar organisations;
- leads to better conditions of life for citizens in society; and/or
- improves conditions for the business sector.



## Appendix 1: Legislative and regulatory framework

### RRI and the Danish Code of Conduct for Research Integrity

Innovation Fund Denmark emphasises Responsible Research and Innovation (RRI) which aims to strengthen the connection between research and 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 EU 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.

The code can be read here: [The Danish Code of Conduct for Research Integrity](#)

### Open Access

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

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

### Legislative framework and transparency

Industrial PhD 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. PhD education regulations in Denmark are regulated by the Danish Executive Order regarding PhD programmes at universities and certain higher educational institutions of art (the PhD Executive Order).

Applicants must 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 be given e.g. by lists of the people who have applied, and what for (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 business sensitive information is not passed on nor any other information which cannot be passed on according to the law.

### EU state aid regulation

Industrial PhD is administered according to article 25 of the European Commission's General Block Exemption Regulation. This means that up to 50 pct. of a company's total expenses (called the 'eligible costs' by the Commission) for an Industrial PhD project may be financed by public means.

'Eligible costs' are expenses for personnel, equipment, buildings, materials, purchased knowledge, consulting advice and other operating costs incurred directly as a result of the research activity, cf. detailed definition in article 25 (3) of the Commission's General Block Exemption Regulation (attached as an appendix).

This means that if the Fund's subsidies make up less than 50 pct. of these costs, it is possible for other public authorities to provide further subsidy as long as the 50 pct. limit is not exceeded.

The Fund can subsidise an Industrial PhD project which is a subproject of other publicly subsidised research projects, as long as the total public subsidies for the company's eligible costs for the Industrial PhD project do not exceed the 50 pct. limit.

In case of additional public co-financing, there must be a documentable financial boundary between the Industrial PhD project and other activities receiving public subsidies in order that the company's auditor can certify that the co-financing limit of 50 pct. is not exceeded. There are no boundaries for private co-financing of Industrial PhD projects in the private or public sectors.

#### **State aid and public sector Industrial PhD projects**

As a starting point, EU's state aid regulations apply only for public sector Industrial PhD projects with 'economic activities', which mainly consist of offering goods and services on a market.

Read more in the European Commission's Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union (2016/C 262/01):

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN)

## Appendix 2: The European Commission's definition of 'eligible costs'

**COMMISSION REGULATION (EC) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in accordance with articles 107 and 108 of the Treaty (General Block Exemption Regulation)**

*Article 25*

### **Aid for research and development projects**

3. The eligible costs for research and development projects must fall within a specific category of research and development and include:
  - a) Personnel costs: researchers, technicians and other supporting staff to the extent that they are working on the research project
  - b) Costs of instruments and equipment to the extent and for the period it/they are used for the research project. If such instruments and equipment are not used for their full life for the research project, only the depreciation costs corresponding to the life of the research project, as calculated on the basis of good accounting practice, shall be considered eligible
  - c) Costs for buildings and land, to the extent and for the duration it/they are used for the research project. With respect to buildings, only the depreciation costs corresponding to the life of the research project, as calculated on the basis of good accounting practice, shall be considered eligible. For land, the costs of commercial transfer or actually incurred capital costs shall be eligible
  - d) The cost of contractual research, technical knowledge and patents bought or licensed from external sources, where the transaction has been carried out at arm's length as well as costs of consultancy and equivalent services used exclusively for the project
  - e) Additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project

Source: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>