

# The Act on the Innovation Fund Denmark

We Margrethe the Second, by the Grace of God Queen of Denmark hereby proclaim:

Folketinget (the Danish Parliament) has adopted and We with Our consent hereby enact the following Act:

## Part 1

### *Purpose etc.*

**1.-(1)** The Innovation Fund Denmark – a fund for strategic research, advanced technology and innovation, shall be established by the Minister for Higher Education and Science as an independent body within the government administration.

**(2)** The Fund's activities shall be financed by grants issued under the annual appropriation acts. The Fund may receive additional grants and gifts from other sources than the appropriation acts.

**(3)** The Minister for Higher Education and Science shall issue a grant letter to the Fund annually on the basis of the annual appropriation acts.

**(4)** On a quarterly basis, and after submission of the appropriate documentation, the Minister for Higher Education and Science shall reimburse the Fund for its payments of duties pursuant to the VAT Act (non-deductible input VAT) that the Fund pays from the funds mentioned in subsection (2) for the procurement of goods and services.

**(5)** The Fund shall present financial statements and be audited pursuant to the regulations applying for central government.

**2.-(1)** The purpose of the Innovation Fund Denmark shall be to provide grants for the development of knowledge and technology, including advanced technology, which leads to enhancement of research and innovative solutions for the benefit of growth and employment in Denmark.

**(2)** In particular, the Fund shall provide support to solutions to specific challenges for society and enhance research and innovation work in enterprises, including small and medium-sized enterprises.

**3.-(1)** The Fund shall provide grants for strategic and challenge-driven research, technological development and innovation which contribute overall to increasing

- 1) the share of innovative enterprises;
- 2) the share of investments by private-sector enterprises in research and development; and
- 3) the share of highly skilled employees in enterprises.

**(2)** The Fund's grant-making shall support

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- 1) the coupling of high-quality research with innovation, including cooperation on research, technological development and innovation between knowledge institutions and enterprises;
- 2) Danish participation in international cooperation on strategic and challenge-driven research, technological development and innovation; and
- 3) maturing of promising research results and inventions with a view to faster dissemination, use and commercialisation of knowledge.

**(3)** The Fund may

- 1) make grants to public-private partnerships;
- 2) decide to make grants as co-funding with other public and private grant-makers;
- 3) decide to allocate up to 20 per cent of its annual grant through international fora, if these fora award open-competition grants after specialist assessment; and
- 4) participate in international fora as part of the Fund's grant-making capacity.

**(4)** The Fund may require co-funding from applicants.

**4.** The Fund itself shall lay down a limited number of instruments within the scope of its purpose and within the framework laid down by the annual appropriation acts.

**5.-(1)** The Fund shall approve the grant-making procedure and perform a specialist assessment of incoming applications for individual ministers awarding of governmental research grants that are not basic grants linked to a specific institution or grants for research-based public-sector services. The individual ministers shall then distribute the funds among the applicants that the Fund has deemed worthy of support.

**(2)** Upon request, the Fund shall assist other public-sector and private-sector institutions with specialist assessments of grant-making procedures and incoming applications prior to grant-making by said institutions.

## **Part 2**

### *Board of directors*

**6.** The Fund shall be headed by a board of directors which makes all decisions, including regarding the payment of grants for the development of knowledge and technology, cf. Part 1.

**7.-(1)** The board of directors shall consist of one chairperson and eight members.

**(2)** The chairperson and the members of the board shall be appointed by the Minister for Higher Education and Science in their personal capacities following open announcement.

**8.-(1)** A majority of the board members, including the chairperson, shall have experience from the private business sector. At the same time, a majority of the members shall be either recognised researchers or knowledgeable in research, and carry out research activity, cf. section 2, nos. 1 and 2 of the Act on the Research Advisory System etc.

**(2)** The board of directors shall be composed such that it represents experience from

- 1) technological development and innovation in the private business sector, including in small and medium-sized enterprises;
- 2) strategic and challenge-driven research, including public-private research and innovation cooperation;
- 3) use and commercialisation of research results;
- 4) innovation funding and research funding, including injection of capital for enterprise development; and
- 5) international activities on research, technological development and innovation.

**9.-(1)** The members of the board of directors, including the chairperson, shall be appointed for a period of up to three years. Re-appointment shall be possible until a member has been appointed for a total of six years, cf. however, subsection (2).

**(2)** In exceptional circumstances, the Minister for Higher Education and Science may extend the periods of appointment for the members of the board of directors, including the chairperson, for a limited period in addition to the periods stated under subsection (1).

**10.-(1)** To a certain extent, the board of directors may delegate its powers

- 1) to committees, cf. Part 3;
- 2) to the Secretariat, cf. Part 4; or
- 3) to the Ministry of Higher Education and Science or to a government authority under said Ministry.

**(2)** The board of directors shall set out the more detailed framework for the delegated powers in an authority document to be published on the Fund's website.

**11.-(1)** The board of directors shall prepare rules of procedure, shall design the Fund's strategy including impact measures every third year, and shall submit an annual review of its activities.

**(2)** The rules of procedure, the strategy and the annual review of the Fund, cf. subsection (1), shall be made public on the Fund's website after the Minister for Higher Education and Science has been informed.

### **Part 3**

#### *Committees*

**12.** The board of directors shall establish a limited number of committees to assist with specialist assessments and to make grants for the development of knowledge, technology and innovation etc.

**13.-(1)** The number of committees shall be kept to a minimum, and all task-specific committees shall be discontinued once their task has been completed. The board of directors shall determine the mutual scope of the activities of the committees.

**(2)** The board of directors shall appoint chairpersons and members of the committees.

**(3)** The committees shall be composed such that the competences of their members reflect their specialist and functional tasks. The members of committees that are to assess grant applications shall collectively have the competence to assess the quality, impact and relevance the applications.

## **Part 4**

### *Secretariat*

**14.** The board of directors shall establish the Secretariat of the Fund.

**15.-(1)** The Secretariat shall be subject to instructions imposed by the board of directors.

**(2)** The Secretariat shall provide support for the Fund's activities, in particular award of grants by the Fund and its follow-up on grants awarded.

**(3)** By further agreement with the Ministry of Higher Education and Science, the board of directors may decide that the Secretariat shall accept tasks on behalf of the Ministry.

**16.** The board of directors may decide that defined administrative functions shall be performed by the Ministry of Higher Education and Science as agreed from time to time.

**17.** The Fund shall pay the necessary costs of the Secretariat within the framework of the annual appropriation acts. On the recommendation of the board of directors, the Minister for Higher Education and Science shall approve the extent of costs and the management and location etc. of the Secretariat.

## **Part 5**

### *Grant-making function*

**18.-(1)** The Fund shall make decisions on grants within the framework laid down by the annual appropriation acts. Decisions shall be made through the award of grants in open competition on the basis of sound and prior published criteria with emphasis on e.g. quality, impact and the relevance of applications.

**(2)** The grant-making function of the Fund shall be managed according to uniform guidelines set out by the board of directors. These guidelines, which are to be made public, shall safeguard that applications for research activities are assessed by recognised researchers, cf. section 2, no. 1, of the Research Advisory System etc. Act, with relevant involvement of external referees.

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**(3)** A grant shall be made to a person or a legal entity according to the Fund's assessment and proportional to the specific instrument.

**19.** The application procedures of the Fund shall be simple, flexible and commensurate with the complexity of the individual instrument and the size of the grant.

**20.** The Fund shall establish a flexible model for follow-up and evaluation of projects which have received a grant, with a view to helping ensure progress in the projects.

**21.** The Fund shall coordinate its grant-making function with other relevant public-sector and private-sector grant-making authorities, including regional authorities. This duty to coordinate shall apply to the combination of instruments and themes as well as to planning of the administration.

**22.** Following a proposal from the board of directors, the Minister for Higher Education and Science may stipulate more detailed regulations regarding the grant-making function, including regulations

- 1) on the financial and administrative terms required by the Fund as a condition for the award and use of a grant;
- 2) on the Fund's invitation for applications and requirements in this respect;
- 3) on formal requirements, in particular on digital communication and on time limits;
- 4) that failure to comply with formal requirements may lead to the rejection of an application;
- 5) on the Fund's terms and conditions for the presentation of financial statements by grant recipients, reporting on the project and auditing, including requirements that grant recipients take part in evaluations also after cessation of the grant; and
- 6) on lapse of grants and repayment of grants in situations in which the grant holder has violated the conditions of the grant.

## **Part 6**

### *Right of appeal*

**23.-(1)** Decisions by the Fund may not be brought before another administrative authority, cf. however subsection (2).

**(2)** Legal matters in connection with decisions by the Fund in its capacity as grant-making authority, cf. however section 18(1), may be appealed to the Minister for Higher Education and Science.

**24.** In the event that the board of directors has delegated powers of decision about the administration of awarded grants to another government authority under the Ministry of Higher Education and Science, cf.

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section 10(1), no. 3, decisions by said authority in pursuance of the delegated powers may be appealed to the Minister for Higher Education and Science.

**25.** Appeals pursuant to section 23(2) and section 24 shall be submitted in writing before four weeks after the decision has been notified to the person in question.

## **Part 7**

### *Supervision etc.*

**26.-(1)** The Minister for Higher Education and Science shall carry out supervision of the Fund.

**(2)** The Minister may request any information from the Fund which the Minister considers necessary to exercise this supervision duty. The Minister shall have access to review the Fund's administrative and financial systems, financial statements and activities in general at all times.

**(3)** The Minister for Higher Education and Science may decide that the Fund shall take part in evaluations of its activities.

**27.-(1)** After consultation with the relevant minister, the Minister for Higher Education and Science may authorise a government authority to be set up under the auspices of the Ministry or other government authorities to exercise the powers vested in the Minister for Higher Education and Science pursuant to this Act.

**(2)** The Minister for Higher Education and Science may lay down regulations on access to appeal decisions made in accordance with authorisation pursuant to subsection (1), including that it shall not be possible to appeal the decisions.

**(3)** The Minister for Higher Education and Science may lay down more detailed regulations on the exercise of powers which another government authority, after consultation with the relevant minister, becomes authorised to exercise under subsection (1).

## **Part 8**

### *Entry into force and transitional provisions, etc.*

**28.-(1)** This Act shall enter into force on 1 April 2014.

**(2)** The Minister shall appoint a transitional board of directors after entry into force of the Act up to 1 January 2015.

**(3)** Until the board of directors has been appointed, the Minister for Higher Education and Science may make decisions regarding all financial and administrative matters.

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**(4)** Programme committees established by the Danish Council for Strategic Research and the Industrial PhD Programme Committee (IPPC) established by the Danish Council for Technology and Innovation shall continue as grant committees until the board of directors decides otherwise pursuant to the provisions in Part 3.

**(5)** Once the board of directors has been appointed, the board may set up two senior committees:

- 1) The Committee for Strategic Research.
- 2) The Committee for Innovation.

**(6)** Grant-making for strategy and challenge-driven research, technological development and innovation as well as follow-up on grants already awarded, shall continue with the application of existing instruments, announcements, provisions and guidelines etc., until the board of directors decides otherwise, cf. Part 2.

**(7)** The first review of the Fund, cf. section 11(1), shall concern the period from entry into force of the Act up to and including 31 December 2015.

**29.** This Act shall not extend to the Faeroe Islands and Greenland.

*29 March 2014*

Under our Royal Hand and Seal

MARGRETHE R.

/ Sofie Carsten Nielsen