

Green Labs DK

Call for applications for

Green Labs DK

2010-2011

June 2010

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June 2010

**Green Labs DK
2010-2011**

Call for applications

Green Labs DK calls for applications for setting up new large-scale test facilities for tests and demonstration of new climate technologies. The vision of the government is that Denmark become a *“green technology laboratory”*, where green enterprises have the right conditions in the entire chain of innovation from research and development to demonstration and onward to the market. Therefore, the government has allocated DKK 210 mill. in total to support the establishment of a small number of Green Labs, where enterprises can demonstrate and test new green technologies under realistic conditions¹. Test facilities must be of international class and be able to attract both Danish and foreign development and demonstration activity.

In 2010, the call for applications for funds is for 2010 (DKK 60 mill.) as well as 2011 (DKK 70 mill.), provided that funds for 2011 are finally decided as expected in the Finance Act for 2011, and provided that a sufficient number of qualified applications are submitted in this round to fully utilise the total framework of DKK 130 mill. Implementation is expected to take place at the beginning of 2011. The remaining DKK 80 mill. of the funds already agreed on will be allocated in 2012 with expected calls for applications in the course of 2011.

The deadline for this application round is Wednesday **20 October 2010 at 3.00 pm**. Applications for this round will not be accepted after this deadline.

The application must be submitted electronically to email address: greenlabs@ens.dk. The application must follow the template, see section C.

An application can be made for funding for Green Labs for all types of climate technologies, which can contribute to making Denmark independent of fossil fuels. This includes primarily Green Labs concerning efficient exploitation of energy and use of RE technologies. The assessment of the applications received takes into account whether it can be documented that the relevant area has a significant need for test and demonstration activity, an important global potential for the commercial dissemination of the technology, a robust business model for operating the facilities, in addition to facilities of high international standard.

Private enterprises are to be the driving force in development of the new Green Labs. The programme aims at considerable private financing of at least 50 per cent. With regard to the model selected for allocation of state aid in relation to existing EU regulations, it has been decided that the programme is only to support Green Labs, which is owned by organisations that are run without profit (non-profit), such as independent institutions, universities or technological service institutes (GTS's).

Partners within the same area of technology are encouraged to submit joint applications for the purpose of assembling a group of participants behind each Green Lab which is as broad and relevant as possible.

Applications must be in Danish or English.

¹ See the Finance Act for 2010.

To be considered for funding, the application must comply with the objective and requirements of the programme, see section A of the call for applications. As a help for applicants, a template has been prepared which the applicant must use in connection with preparing the application, see section C of the call for applications.

As a programme, Green Labs DK must be approved by the European Commission under the provisions for state aid. The secretariat has been in regular contact with the Commission on the establishment of the scheme. However, there are general reservations for any new requirements pending final approval by the Commission.

A. ABOUT THE PROGRAMME

1. Objective

The main objective of Green Lab DK is to ensure development and demonstration of new technologies for the purpose of supporting energy-policy objectives on security of supply, independence from fossil fuels, consideration of the global climate, a cleaner environment and cost efficiency. The programme is also to promote exploitation and development of the commercial potential in this area for the benefit of growth and employment in Denmark.

In this round of applications, funding an application can be made for all types of test and demonstration facilities which contribute to meeting the objective of making Denmark independent of fossil fuels, see also section B.

2. Procedure

The Minister for Climate and Energy has decided to let the Board of Energy Development and Demonstration Programme (EUDP) assess the application and make decisions on allocation of the funds. The legal basis is expected to be secured by the end of 2010, see also item 6.

In order to be taken into consideration, applications must initially comply with the following requirements:

- formal requirements;
- political relevancy requirements with regard to targets ;
- requirements for an area of special interest, organisation etc.;

If an application submitted *does not comply with these requirements*, the application can be rejected without further comment.

On the basis of an overall assessment of compliance with the requirements for the applications and a number of other assessment criteria, the Board will decide which applications are to be accepted, see section B.

The qualitative assessment of the Board on the listed requirements and criteria will be a decisive factor in the decisions of the Board as to which applications will be accepted.

During processing of applications, the Green Labs DK secretariat may consult with external experts, who will be under obligation to process all application material with confidentiality. Applicants will be given the opportunity to comment on any external assessments before the Board makes a decision on the application.

3. Submission of application

The application must have been submitted via greenlabs@ens.dk no later than

- **20 October 2010 at 3.00 pm.**

Other information *may* be enclosed as **annexes**, such as more detailed descriptions of the facilities, a report on organisation, financing agreement, a more detailed business plan, a development strategy and CVs. However, all important matters must be described directly in the application.

The application must be in **Danish** or **English**.

Any special requirement for **confidential** treatment of parts of the application can be agreed with the secretariat to the extent allowed for by the Public Access to Documents in Administrative Files Act.

As a general rule, the Green Labs DK Secretariat will **publish** a list on the website of all applications received, including the project title, the name of the applicant and the amount applied for. The secretariat will not take further initiative to disseminate information about applications. Following the completion of the application round, a more detailed description of all Green Labs receiving funding will be published.

4. If funding is awarded

4.1 Acceptance of commitment

The Board expects to make a decision on applications received regarding funding commitment or rejection at the beginning of 2011.

Once they have received a commitment of funding, successful applicants have **one month** to accept the commitment on the terms and conditions applicable to receiving the funding. In addition to the *General Terms and Conditions for Funding*, see item 6, there may be specific terms in the notification of commitment.

4.2 Coordination, reporting and accounting obligations

The commitment holder is financially and professionally responsible for the establishment of test and demonstration facilities, operations and further development. This means that the commitment holder *coordinates* all financial and professional relationships with other participants and any collaboration partners.

A commitment involves an obligation *to report* about the process and to provide other information about the project in the establishment phase and the subsequent operating period to the extent required in order to comply with the requirements in this call for applications or in the EU state aid regulations. Further reporting requirements will be stipulated in the commitment as requested.

Funding can be cancelled in full or in part, or repayment can be demanded, if the recipient has provided incorrect information or withheld information which is significant for the funding. Funding can also be demanded repaid if the recipient of funding does not comply with the requirements of this call for applications, see section B.

There may also be penalties for incorrect or misleading information or withholding information of significance in connection with applications for funding or utilising funding in contravention of the terms and conditions for utilising funding. Other requirements can be determined in the commitment.

The establishment of a Green Lab will be completed by a *final report* which is to include *final financial statements reviewed and checked by an auditor*.

Any mention of the results of the project in the press etc. must state that the project has received funding from Green Labs DK. The first press release must be drafted in collaboration with the secretariat.

4.3 Payment of funding

Funding can be paid quarterly on the basis of a statement of all costs incurred which are eligible for funding.

A condition for funding is that *the activity does not commence* prior to a commitment of funding.

5. Other funding schemes in the climate and energy field

Funding for research, development and demonstration in the climate field is also provided by the following Danish schemes:

- **Energy Technology Development and Demonstration Programme (EUDP) 2010**
In 2010 there will be a call for applications for funding for research and/or demonstration of new energy technology, primarily within renewable energy and efficient exploitation of energy. The call for applications will be announced on www.ens.dk/eudp.
- **ForskEI – Environmentally friendly technologies for electricity generation (Public Service Obligation (PSO)) 2011**
In 2010 there will be a call for applications for funding for research and development and demonstration of environmentally friendly technologies for electricity generation. The call for applications will be announced on the Energinet.dk website at www.energinet.dk
- **ForskVE- spreading small RE technologies (Public Service Obligation (PSO)) 2011**
In 2010 there will be a call for applications for funding for spreading small RE technologies (photovoltaics, wave power and biogas). The call for applications will be announced on the Energinet.dk website at www.energinet.dk
- **EIForsk – Efficient utilisation of electricity (Public Service Obligation (PSO)) 2011**
In 2010 there will be a call for applications for funding for research and development and demonstration regarding efficient utilisation of electricity. The call for applications will be announced on the Danish Energy Association website www.elforsk.dk/<http://www.elforsk.dk>
- **The Danish Council for Strategic Research 2010**
The Danish Council for Strategic Research provides funding for research into energy and the climate. Calls for declarations of interest will be announced on www.fi.dk

Furthermore funding is available for projects in schemes which are *not* limited to the energy field:

- **The Danish National Advanced Technology Foundation 2010**
The Danish National Advanced Technology Foundation supports development of advanced technology and targeted utilisation of advanced technology. More information is available at www.højteknologifonden.dk
- **Innovation Foundation 2010**
The foundation supports green transition and commercial innovation. The foundation aims to promote market maturation of green solutions. Calls for applications will be announced on www.Fornyelsesfonden.dk
- **The Green Development and Demonstration Programme (GUDP) 2010**

The GUDP aims to create more coherence between research, development and demonstration of knowledge in the fields of foodstuff, agriculture, fishing and aquaculture. Calls for applications will be announced on www.fvm.dk.

- **The environmental technological action plan 2010**

The plan is particularly aimed at supporting development, testing and demonstration of new environmental technological solutions. Efforts focus on water, air pollution and waste management. Calls for applications will be announced on www.ecoinnovation.dk.

There are also the following international programmes in the climate field:

- **EU Framework Programme for Research**

Under the EU 7th Framework Programme (2007-2013) funding is available for energy research etc. More information is available at www.rammeprogram.dk. ([Danish website](#)).

- **EU Intelligent Energy – Europe**

The EU Framework Programme for Competition and Innovation (CIP), "Intelligent Energy – Europe II" offers funding for improvements in market conditions for RE projects, and regional funds under the EU Structural Fund can provide funding for demonstration activities etc. See ec.europa.eu/energy/intelligent

Further information on the EU programmes is available from the EuroCenter at the Danish Agency for Science, Technology and Innovation, see for instance www.fi.dk/internationalt/eus7rammeprogramforforskning/kontakt-eurocenter ([Danish website](#))

- **Nordic Energy Research**

Further information at <http://www.nordicenergy.net/>

6. Legal basis and total funding

The Finance Act 2010 (section 29.22.02 and text comment no. 109) includes both granting and pecuniary authority for the Minister for Climate and Energy to lay down criteria and further regulations on the call for applications.

The Minister for Climate and Energy has decided to let the EUDP Board prioritise and allocated funding from Green Labs DK, and therefore will submit a bill in autumn 2010 that delegates this competence to the EUDP Board (amending the EUDP Act no. 555 of 6 June 2007).

Against this background, in early 2011 an Executive Order will also be prepared with a number of general terms and conditions for funding under Green Labs DK.

B. Requirements and assessment criteria

In addition to the formal requirements and the objects of the legislation, the applicant must comply with a number of requirements for the contents of applications. Applications, which comply with these requirements, will subsequently be assessed on the basis of a number of assessment criteria.

1. Requirements

Areas of special interest

The Minister for Climate and Energy has decided to make the target on independence from fossil fuels an area of special interest in this application round. In the current election period, the government will present a target for when Denmark is to become independent of fossil fuels, as well as a plan for how to meet this target. This will be based on the report by the Climate Commission, which is to be concluded in the autumn 2010. As part of the strategy, significant energy savings and a considerable expansion of renewable energy must be implemented.

As a consequence of the area of special interest, Green Labs DK will not treat proposals concerning climate change adaptation and reductions of climate-gas emissions from agriculture in this application round. Instead reference is made to other schemes such as the Environmental Technological Action Plan, the GUDP and the Innovation Foundation, see item 5 in section A.

Organisation and pricing

Private enterprises are to be the driving force in development of the new Green Labs. The programme aims at considerable private financing of at least 50 per cent. However, EU state aid regulations only allow for very low rates of state aid in situations where a Green Lab is owned by private enterprises. To take account of the possibility for applying higher rates of state aid, the Minister for Climate and Energy has decided to place special requirements on the organisation of Green Labs so that they fully comply with the EU state aid regulations for the area. Therefore there is a requirement that ownership of the new Green Labs will only be placed in organisations operating without private gain in mind (non-profit), e.g. independent institutions, universities or technological service institutes (GTS's).

This means that private funding in connection with establishment cannot be with private gain in mind, and that it must be ensured that any value increase in private assets as a consequence of the establishment of the new facilities does not fall to others than the organisation owning the relevant Green Lab. This may be the case where, as part of the financing, private parties invest user rights for existing or future private plant or installations etc. When organising Green Labs, it is however possible to give contributors particularly favourable terms in relation to obtaining access to using the facilities, e.g. in the form of discounts or to a limited extent pre-emptive rights to use the facilities. However, it is also important to ensure fair and open access for other enterprises, and the extent of any discounts must also comply with the relevant state aid regulations, see also the item below.

This also means that in the subsequent operational phase, the new Green Labs must ensure that all revenues are used to develop the Green Lab. The price for use of Green Labs must be reflected in the actual costs associated with the specific use and must also include a fair margin. Full transparency in pricing must be ensured. In the commitment, specific requirements for documentation of costs and prices can be established.

As a consequence of the state aid regulations, it is also a requirement that the entire state aid is channelled to the end-users over time, i.e. to enterprises in the form of discounts on use of the facilities. The new Green Labs will be responsible for ensuring compliance with the existing EU regulations on state aid in connection with calculation of the maximum size of discounts. Further regulations on discounts are laid down in EU Framework for State Aid for Research, Development and Innovation, see also annex 1. In this connection, it should be emphasised that these are maximum support rates, and that the new Green Labs must determine the specific size of the discounts within this framework. The commitment will stipulate specific requirements for documentation of channelling the state aid in the form of discounts.

In connection with the organisation of the new Green Lab, fair, open and non-discriminatory access to facilities must be ensured for all enterprises in Denmark and abroad, e.g. via consumer councils and similar. The organisation of the facilities must guarantee a high degree of openness, particularly in relation to small and medium-sized enterprises.

Domicile in Denmark

Funding may only be given to private and public enterprises or knowledge institutions domiciled in Denmark.

2. Assessment criteria

Applications fulfilling the requirements above will be assessed qualitatively based on the following criteria

Denmark as a green technology laboratory

Green Labs DK must contribute to realising the Danish government's vision of Denmark as a green technology laboratory. The new Green Labs must be targeted at enterprises' needs to carry out tests and demonstration of new climate technologies and must be established in areas with both national and international growth potential, allowing the facilities to become international centres which can attract activities from other countries as well. This may include further development of existing facilities, and the facilities may spread across several geographical locations in Denmark.

The programme does not apply a fixed funding rate, as there is an intention that private funding should be at least 50 percent. Private own funding may possibly be paid in cash, interest free loans or "in kind", i.e. making facilities, apparatus, personnel, rights etc. available.

The following is rendered special priority

- that Denmark has a clear stronghold in this area
- that there is a documented and unfulfilled need for test and demonstration facilities in Danish enterprises
- that significant private co-funding is included and preferably of at least 50 percent

A sustainable organisation

Unlike other project-oriented programmes, Green Labs DK must lead to the establishment of permanent centres of high international standard. This presupposes applicants will have a robust business plan, which will render probable that ongoing operations can be financed by revenues from users of the new facilities. In addition, applicants must document professional management and marketing initiatives for the facility.

The following is rendered special priority

- that facilities have a well-defined customer target and a robust business model which render probable further development and growth in the use of facilities.
- that facilities are managed and marketed professionally in Denmark and abroad.

Coherence in the innovation system

The new Green Labs will be part of a large innovation system. Therefore it is important that the new Green Labs underpin coherence in the entire innovation system and ensure that knowledge is collected in order to be included in a broader usage at universities and similar institutions. Establishing Green Labs DK must be done at the same time as establishing the Innovation

Foundation, which provides financial support for market maturation of technologies that have been tested and demonstrated, see item 5 section A. Synergy with market maturation activities, which are not directly supported by this programme, must therefore be considered a benefit.

The following is rendered special priority

- that universities, approved technological service institutes (GTS's) or similar research institutions take part in the establishment of a Green Lab
- that the new Green Labs are established and operated in connection with activities, contributing to subsequent market maturation and marketing

Connection to business development strategies

The regional growth fora play a vital role in developing new business clusters. Therefore it is considered an advantage, if growth fora are included in the development of test facilities, so that these also support regional business development strategies, including existing or planned business clusters.

The following is rendered special priority

- that the new Green Lab is established collaboratively with and/or is co-funded by a growth forum

See more about requirements and assessment criteria in the table in annex 2.

C. Template for application

A template has been designed for the application, which includes a number of sections reflecting the criteria in section B. The applicant must use this template when preparing the application. The applicant must respond to *all* of the items directly in the application. Any detailed technical descriptions, business plans and similar may be enclosed as annexes. If the applicant finds some of the items irrelevant with regard to the specific proposal, a short explanation for this must be given under the item.

1. Proposal

1.1 Proposal title

- Give the project a short, meaningful and readily comprehensible title.

1.2 Technology area and cluster

- Describe technology area and cluster.

1.3 Short description of the objective of the facilities

- Describe the objective of the facilities in non-technical and readily understandable language.

1.4 The proposal budget

- Outline the total budget for the proposal and the funding applied for.

1.5 Are other programmes being applied to?

- State whether the application for funding has been sent to or is being processed in other programmes as well.

2. Applicants

2.1. Applicant and contact person

- Name of the applicant.
- Name of a contact person.

2.2 Other participating enterprises/institutions

- State any other participating enterprises/institutions.

2.3. Summary

A Summary of no more than one page of professional and commercial perspectives in the establishment of a Green Lab. The summary is to give an overall impression of the proposal, but without references to documentation. The summary is therefore to cover all significant parameters with regard to:

- objective
- main activities
- users and
- targets, i.e. potentials with regard to the energy-technology and commercial output of the proposal.

3. Facilities

3.1 Description of the relevance of the facilities

- On the basis of a description of the technology area's current stage of development, the applicant must account for the proposal under application, including the relationship of the facilities with the need for testing and demonstration in this area in Denmark and abroad.

3.2 Description of development of the facilities towards market

- The applicant must give a comprehensive description of a plan for the whole establishment process up to final taking into use of the facilities, stating relevant milestones.

4. Climate and energy policy goals

4.1 Contribution to climate and energy policy goals

- The applicant must account for in what way and to what extent the proposal will support energy and climate policy goals, particularly including the transition to a society independent of fossil energy and the goal to turn Denmark into a green technology laboratory.
- The significance of the proposal for realisation of the commercial potential in this area must be quantified as far as possible.

4.2 Research, development and demonstration strategies in the energy field

- The applicant must account for how the project relates to any current technology strategies.

The assessment of the project will examine whether the project aims at the strategy goals, where such goals have been set, or at other focus areas with high energy-

technical level and significant potential for financial growth. Research, development and demonstration strategies have been set up within the following areas: Biomass for combined heat and power, fuel cells, photovoltaics, wind energy, efficient exploitation of energy, hydrogen technologies, liquid biofuels, wave energy technologies, oil/gas and solar heating, see www.ens.dk/da-DK/NyTeknologi/strategier/Sider/Strategier.aspx

5. Market

5.1 Incentive effect

- The applicant must account for how funding for Green Lab will encourage users/recipients to increase their level of activity and/or ambition for research, development and innovation/demonstration.

5.2 Market potential for technology

- The applicant must account for the potential of the technology area on the global market.

5.3 Target group and added value for users

- The applicant should identify the final target group and describe the needs the facilities will meet for potential customers.
- The applicant must clearly account for the added value the facilities will provide for the user. This could be a financial added value such as lower price, or quicker access to the market etc.

5.4 Analysis of competition

- The applicant must clarify the competitive situation for the relevant facilities both in Denmark and abroad and give reasons for why these are not adequate.
- The applicant must describe similar facilities in Denmark, the EU and globally.
- The applicant must compare with possible competitors' facilities and assess the likelihood that users will demand the specific project facilities of the new Green Labs.

5.5 Market potential for facilities

- The applicant must establish the size of the expected test and demonstration market on market introduction (scope and turnover).
- The applicant must, qualitatively and quantitatively, account for the trends in the supply and demand for test and demonstration facilities in this area together with an assessment of the potential of the facilities.

5.7 Marketing plan

- The applicant must give a comprehensive description of a plan for marketing the facilities in Denmark and abroad, etc.
- In this connection the applicant must account for:
 - When the facilities are to be launched.
 - Where the facilities are to be launched (locally/regionally, nationally/internationally),
 - How the facilities are to be introduced to the identified target group. This must include sale and distribution channels etc.
- The applicant must account for which participant(s) is/are to market the facilities after the establishment of the facilities.
- The applicant must account for the existence of any barriers to sales and how these will be overcome.

Green Labs DK must disseminate knowledge about Denmark as a technological laboratory, in Denmark and abroad. In this context, the applicant must be prepared to

cooperate with the secretariat about disseminating knowledge about the Green Labs DK programme and the associated Green Labs.

6. Organisation and funding

6.1 Organisation/management and professional competence

- The applicant must give a detailed description of the organisation of the facilities, including ownership structure.
- The applicant must account for the future management and staff, both during the establishment and the later operation phase.
- The applicant must account for how to ensure reasonable, open and non-discriminatory access to facilities, including any special terms of access for enterprises, which have contributed financially to funding the facility.
- Management experience must be documented.

6.2 Funding

- The applicant must account for:
 - the amount applied for,
 - the private co-funding of the project, as well as
 - the extent to which other public subsidies are involved, including from regional growth fora.

Private co-funding may be paid in cash, interest free loans or “in kind”, i.e. making facilities, apparatus, personnel, rights etc. available.

- The applicant must enclose agreements on private co-funding between the actors behind the application.

6.3 Capital expenditure and operating costs in the project period

- The applicant must present a detailed budget for capital expenditure and operating costs for the establishment period for which funding is applied.
- Expenses in the budget must be identifiable in relation to the expense categories applied in section D under the description of eligible costs.

6.4 Public/private collaboration and researcher training

- The applicant must describe the degree to which the project is based on collaboration between private and public actors, including universities, GTS's or regional actors from growth fora.
- Furthermore, there should be information about education elements such as researcher training (PhD) in the proposal.

6.5. Market maturation

- The applicant must account for the degree to which the facilities can function in connection with activities, contributing to subsequent market maturation and marketing (e.g. certification, showroom and similar), and whether applications are being planned for funding of programmes, e.g. the Innovation Fund, which supports market maturation initiatives.

6.6 Operation and development opportunities after the establishment period

- The applicant must account for operation of the facilities, including the opportunities for attracting activities, which can contribute to paying operating costs.

- A budget for the first five years of the operating period must be outlined
- The applicant must assess the risks associated with the budget, and how these can be minimised.
- The applicant must account for the facilities' development opportunities, including the opportunities to attract activities from outside Denmark.
- A development plan must be outlined for the facilities for the next ten years, including an assessment of the consequences for turnover and employment associated with the facilities.

6.7 Prices and channelling state aid to users

- The applicant must account for the expected prices for services.
- The applicant must account for how the support is to be channelled to the users in the form of discounts, including the expected size of discounts and any special discounts for enterprises, which have contributed financially to funding the facility (see guidelines on EU regulations on maximum limit values on discounts in section C).
- The applicant must draw up a model and a time frame for channelling the entire state aid to users.

D. Eligible costs and transfer of discounts

1. Eligible costs

- As a general rule funding is awarded for:
 - *Costs of machinery and equipment.*
 - *Costs of buildings.*
 - *Acquisition of land and related costs.*
 - *Case-processing by the authorities* in connection with building projects, environmental approvals and similar.
 - *Payroll costs and other costs incurred directly* as a result of the establishment, as well as for *general costs* incurred directly as a result of the establishment (overhead). Funding of payroll costs is awarded on the basis of the *actual* payroll costs of the persons involved in the project. The secretariat may request documentation for salaries paid and for calculation of the overhead rate applied.
- Fixed overhead rates do not apply for private enterprises. The overhead rate must be calculated on the basis of the enterprise's actual calculated joint expenses, and the applicant must be able to provide documentation of the overhead in the form of a statement.

Funding is not awarded for:

- The establishment of new institutions or continuation of existing institutions through grants etc. for *operating expenses*.

- Operating expenses in connection with partnerships, as these are expected to be paid by the participating parties.

When processing the applications, the Board may carry out a specific assessment of the expenses which are considered relevant to support in relation to the specific application.

3. Fees and taxes

Funding received from Green Labs DK is exempt from VAT. Therefore, the amount applied for must be stated net of VAT. Funding received from Green Labs DK is subject to a *notification obligation* to the Danish tax authorities.

4. Channelling state aid to users (discounts)

As described in section B, the Danish Minister for Climate and Energy has decided to require that Green Labs be organised without profit (non-profit). In addition to this, the entire state aid must be channelled to the users over time in the form of discounts for use of the facilities. The discount must comply with the regulations for funding in the EU Framework for State Aid for Research and Development and Innovation, the framework is available in the Official Journal of the European Union (2006/C 323/01) or at www.ens.dk/da-DK/NyTeknologi/om-eudp/Lovgrundlag/Sider/Forside.aspx. The EU definition of enterprise size is given in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (see guide in annex 1).

Insofar as support from Green Labs DK is paid in contravention with the EU Framework for State Aid for Research and Development and Innovation, there may be demands to refund the support. The more detailed regulations for channelling the entire support, including requirements about reporting and control, will be laid down in the commitment document.

ANNEX 1

LIST of funding rates in EU Framework for State Aid for Research and Development and Innovation

This annex outlines the main points in the EU provisions with regard to funding rates. For more detailed information about the EU regulations, see the respective documents.

1. Table of EU intensities of aid

	Small enterprises	Medium-sized enterprises	Large enterprises
Basic research	100 %	100 %	100 %
Industrial research	70 %	60 %	50 %
Industrial research that involves - collaboration between enterprises for large enterprises: cross-border collaboration or collaboration with at least one small or medium-sized enterprise - collaboration between an enterprise and a research institution or - dissemination of results	80 %	75 %	65 %
Experimental development	45 %	35 %	25 %
Experimental development that involves - collaboration between enterprises for large enterprises: cross-border collaboration or collaboration with at least one small or medium-sized enterprise or - collaboration between an enterprise and a research institution	60 %	50 %	40 %

Source: EU Framework for State Aid for Research and Development and Innovation (2006/C 323/01), point 5.1.3 (see www.ens.dk/da-DK/NyTeknologi/om-eudp/Lovgrundlag/Documents/Rammebestemmelser-jan-2007.pdf)

As a general rule, the above maximum support intensity applies to all users. The main activities of research institutions are usually of a non-economic nature and are as such not covered by the limitations above.

2. EU enterprise size

EU's definition of enterprise size comprises:

Size	Staff headcount	Annual turnover	Balance-sheet total
	and		or
Large enterprise	≥ 250	> EUR 50 mill.	> EUR 43 mill.
Medium-sized enterprise	< 250	≤ EUR 50 mill.	≤ EUR 43 mill.
Small enterprise	< 50	≤ EUR 10 mill.	≤ EUR 10 mill.

The definitions are given in Commission Recommendation 2003/361/EC of 6 May 2003 or in the Commission's summary at the following link

www.europa.eu/legislation_summaries/enterprise/business_environment/n26026_da.htm

Requirements for the number of employees as well as for annual income must be met in order to stay in a category. In contrast either requirements for annual income or requirements for an annual balance-sheet total must be met in order to stay in a category.

3. Enterprise by type of relations according to the EU

To establish an enterprise's placing on the list of enterprise size, the enterprise must determine its connection.

The Commission uses three concepts:

- whether the enterprise is an autonomous enterprise
- whether the enterprise is a partner enterprise, or
- whether the enterprise is a linked enterprise.

More information is available in the Commission's guide at the following link

www.europa.eu/legislation_summaries/enterprise/business_environment/n26026_da.htm

Page 16 and onward.

4. Practice regarding funding for research institutions

According to the EU provisions, the primary activity of *research institutions* are usually of non-economic nature, notably education, the conduct of independent research and development, and dissemination of research results (point 3.1.1. of the EU Framework for State Aid for Research and Development and Innovation). Activities like these are not subject to the provisions on funding rates as stated under item 1 in this annex.

For such activities, up to 85% funding can be awarded according EUDP practice.

Approved technological service institutes ('GTS's) are considered as private enterprises when determining a funding rate.

ANNEX 2

Table of requirements and assessment criteria

Requirements	<p><i>It is a requirement that:</i></p> <ul style="list-style-type: none"> ➤ the Green Lab under application contributes to achieving the objective of independence from fossil fuels ➤ the Green Lab under application is owned by organisations, operating without profit (non-profit) ➤ the private co-funding in connection with the establishment is carried out without a private profit, and that all revenues from the new Green Labs are used for developing the organisation which owns the facilities. ➤ the entire state aid in the operating period is channelled to the users in the form of discounts ➤ the organisation of the facilities guarantees a high degree of openness particularly in relation to small and medium-sized enterprises. ➤ owners are private and/or public enterprises or knowledge institutions domiciled in Denmark 			
	DK as a technology laboratory	A sustainable organisation	Coherence in the innovation system	Connection to business development strategies
Assessment criteria	<p><i>The following is rendered special priority:</i></p> <ul style="list-style-type: none"> ➤ that Denmark has a clear stronghold in this area ➤ that there is a documented and unfulfilled need for test and demonstration facilities in Danish enterprises ➤ that significant private co-funding is included and preferably of at least 50 percent, and 	<p><i>The following is rendered special priority,</i></p> <ul style="list-style-type: none"> ➤ that facilities have a well-defined customer target and a robust business model which render probable further development and growth in the use of facilities. ➤ that facilities are managed and marketed professionally in Denmark and abroad. 	<p><i>The following is rendered special priority:</i></p> <ul style="list-style-type: none"> ➤ that universities, approved technological service institutes (GTS's) or similar research institutions take part in the establishment of a Green Lab ➤ that the new Green Labs are built and function in connection with activities, contributing to the subsequent market maturation and marketing 	<p><i>The following is rendered special priority:</i></p> <ul style="list-style-type: none"> ➤ that the new Green Lab is established collaboratively with and/or is co-financed by a growth forum