

# Innovation collaborations

## Biosolutions Zealand II Innovation fund

The innovation fund in Biosolutions Zealand II is now open for applications for funding for innovation collaborations within biosolutions. Applications may be submitted for a total budget of up to DKK 1,000,000, of which DKK 500,000 is funding from Biosolutions Zealand (i.e. a funding percentage of 50%).

In this document, applicants can find the information they need to write and submit an application.

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## The vision for the Biosolutions Zealand Lighthouse Project

Biosolutions Zealand will be an international business beacon for developing sustainable solutions to global challenges.

Biosolutions Zealand is well underway in helping to build demonstration, scale-up and testing facilities that will eventually enable a relatively seamless transition from laboratory level to proof-of-business without having to look outside the country's borders or make major investments in their own facilities. This will make the region an attractive hub for Danish and foreign companies within biosolutions.

The goal is also to build an ecosystem that supports the industry, with a special focus on small and medium-sized enterprises.

## Purpose of the innovation collaborations

In continuation of the vision, we want to stimulate and develop the innovation ecosystem within biosolutions in order to support collaboration between companies and to connect them with the strong research environments in Denmark. A key component of this is the innovation fund, which provides the opportunity to support the **development and testing of innovative biosolution products, solutions or concepts up to a finished prototype.**

Therefore, in this project round we are once again opening a fund to support innovation collaborations where SMEs can collaborate with each other, large companies and knowledge institutions. The partnership requirements have been loosened in this round compared to last – more information under Requirements, framework and funding.

## About the funding

A grant of DKK 12.5 million has been awarded to support innovation collaborations to be carried out during 2024-2026. The funding is granted by the Danish Business Promotion Agency and comes from the EU's Regional Fund. They are administered by the Danish Business Authority under the rules of the Regional Fund. The eligibility rules can be found [here](#).



The aid in Biosolutions Zealand II falls under the De minimis regulation, i.e. a grant recipient may receive up to €300,000 over a period of three financial years (lifted from €200,000 as of January 1, 2024) including the aid applied for from Biosolutions Zealand. If this limit is exceeded, the Commission may demand repayment of the grant with interest. Other limits apply to companies in primary production and fisheries/aquaculture - read more under Guidelines.

NOTE: Funding is not available for commercial activities such as sales, marketing or operations.

## Technical framework for innovation collaborations

Biosolutions are defined as solutions based on the technological utilization of organic raw materials and biological systems for the development and production of various products. This includes cellular agriculture, fermentation and biorefining technologies as well as supporting technologies to improve biomanufacturing using, for example, artificial intelligence, photonics, etc.

The innovation collaborations must be within the following framework, which is defined in collaboration with the end-users in different industries. The framework represents a holistic view of the structure of a biosolutions process chain.

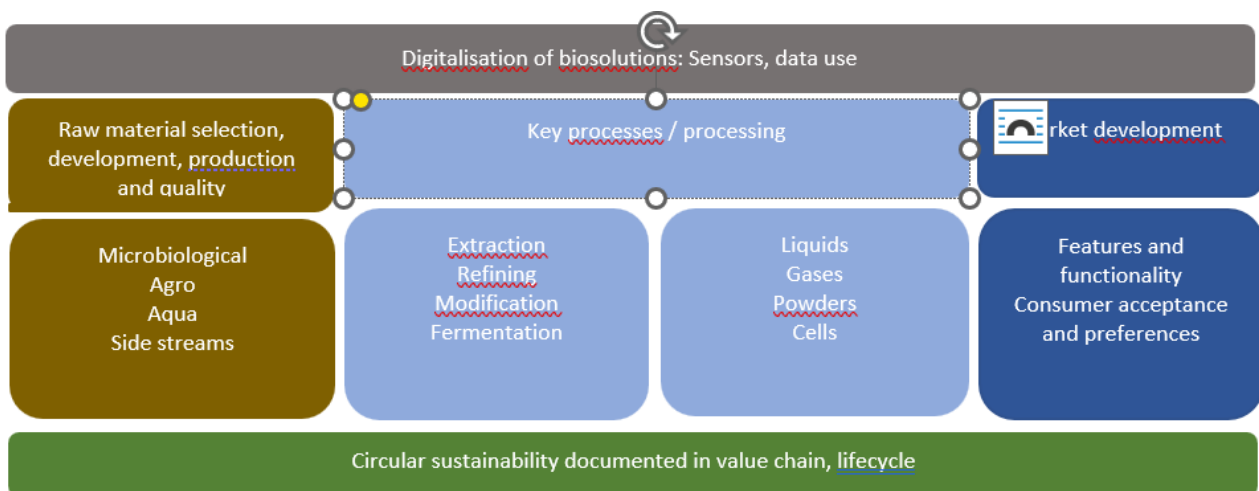


Figure 1: Technical framework for innovation collaborations

The technical framework focuses on areas that offer concrete development potential and challenges, such as:

### Raw material selection, - development, - production and - quality:

Better understanding of the potential of plant raw materials in the development of new products, including the importance of the choice of variety for the raw materials' properties and use.

- Plant breeding techniques (traditional as well as biotechnological) for developing plants as raw materials for new applications or improving existing ones.
- Better understanding of how to manage the natural variation within raw materials before, during, and after processing.
- Analysis, handling and treatment of bio-streams for inclusion in biosolution processes.

### Development, selection and testing of microbiological production organisms for fermentation:

- Development and application of fermentation technologies and processes for the production of food or food ingredients, feed or feed ingredients, plant protection products, bioplastics or bio-based building materials, CO<sub>2</sub> capture and storage, water or air purification or other types of applications.

### Biorefining:

- New or improved refining of bio-resources, e.g. side streams from existing agricultural or food production and process streams from other industries.

- Extracting high-value products from bio-resources such as alternative proteins, polyphenols, etc. and improving various properties e.g. digestibility.
- Developing technologies to improve energy efficiency, logistics, inventory stability or anything else in existing processes or products.

#### **Core processes and processing:**

- Raw materials are processed using biosolutions into finished products in a series of interconnected upstream and downstream processes. Each process consists of many unit operations and reactions, all of which play a role in the final product. An essential element of biosolutions innovation is the development of new and better processes and technologies that create the foundation for entirely new products and more efficient production.

#### **Market development and consumer acceptance:**

- Consumer acceptance of new biosolution products. Development and testing of products that match existing consumer preferences in terms of functionality and features.
- Building knowledge on how market and consumer preferences can be developed to achieve a faster market penetration.

#### **Digitalization of biosolutions:**

- Use of digital technologies to accelerate biosolutions throughout the value chain, such as sensor monitoring or other technologies that can generate and manage data to optimize yield and efficiency, enhance raw material quality and ensure sustainability documentation.
- Developing new methods, technologies or applications in data collection and AI that will create new opportunities for better biosolution processes.

#### **Sustainability:**

- Climate: New products must have an optimal climate footprint. Therefore, it will be essential that realistic and robust assessments of the climate footprint of products and processes can be developed to improve it.
- Circularity: There is a need to focus on the use of waste and side streams, both as input to production, but also during/after own production with a focus on optimal cascade utilization.
- Waste reduction: Development of products or solutions that, for example, extend the shelf life of food or otherwise reduce waste in different value chains.
- Environment: Developing new bio-based products and solutions that are more environmentally friendly than the fossil-based ones on the market today.

Each innovation collaboration must address one or more challenges within this thematic framework. If you are unsure whether your project is eligible for funding within the thematic framework, please contact us for clarification.

## Requirements, frameworks and funding

### Project type and purpose

We can support the development and testing of new innovative solutions that strengthen the international competitiveness of the participating companies. The business-oriented projects must involve innovation collaborations where actual solutions, concepts or prototypes are developed.

### Partnership requirements

- The partnership must involve a minimum of two partners.
- The lead applicant must be an SME.
- Other partners can be other SMEs, large companies and/or knowledge institutions.
- Partners must have a Danish CVR number.

More information under Guidelines below.

### Expected duration and end date

Projects can start from April 1, 2024 and must be completed and reported by June 30, 2026.

### Funding and financing

- The funding percentage in the projects is 50% - the rest of the budget must come from private co-financing in the form of documented hours.
- The project overhead is 15%.
- You can apply for up to DKK 1,000,000 in total budget per project (i.e. up to DKK 500,000 in funding from Biosolutions Zealand including overhead).
- Companies can receive a maximum of 50% funding and knowledge institutions 100% (the total funding in the project cannot exceed 50%).
- Each partner must have at least 10% of the budget.
- How the funding percentages are set for each partner within the specified limits is up to the partnership. Please note that if a partner chooses to agree to a funding percentage of 0, it must be assessed whether they gain a commercial advantage, which is considered indirect state aid. If so, the indirect state aid must be calculated and a De minimis declaration must be signed. If they simply make themselves available as a test partner and do not obtain a specific commercial advantage, there will be no indirect state aid. In the event of a grant, this must be declared in writing in an email to Food & Bio Cluster Denmark.

## Evaluation criteria

The following criteria, listed randomly (not all criteria are required to be met), will be the focus of the evaluation and approval process:

### **The project proposal's contribution to the rollout of Biosolutions Zealand:**

- To what extent does the project address the key challenges within the professional framework of Biosolutions Zealand?

### **The partnership:**

- Is the partner group considered to have the necessary skills to carry out the applied project and introduce it to the market eventually?
- Is a knowledge institution included in the partnership?
- Is there an end-user company in the partnership?

### **The level of innovation:**

- To what extent is new knowledge or new technology being developed or applied?
- To what extent is this an innovative collaboration between companies, knowledge institutions and/or facilities?

### **The contribution of the project proposal to the further strategic development of Biosolutions Zealand as an international business beacon:**

- To what extent is it assessed that the project results can be spread to other companies/actors within biosolutions nationally and internationally?
- To what extent does the partnership demonstrate local ownership and support in combination with the involvement of the most relevant partners, regardless of their geographical representation.

### **The market potential:**

- To what extent is the project based on specific business challenges and/or -potentials within biosolutions?
- To what extent is the proposal considered to have market potential?
- To what extent is the proposal considered to have economic potential?

### **Sustainability of the project proposal:**

- To what extent is the project assessed to contribute to the Structural Funds' objective of promoting sustainable development?

### **Special target figures in relation to. Region Zealand and collaboration with knowledge institutions**

It is a requirement from the Danish Business Authority that at least 20% of the funds must be distributed to companies with a CVR number in Region Zealand and that 30 out of 40 project-participating companies collaborate with a knowledge institution. In addition to the above evaluation criteria, these target figures will be taken into account in the allocation of funds.

## Information obligation and payout time

In the event of receiving a grant, it is important to note the following:

### The obligation to provide information

With this type of regional fund support comes an obligation to inform the public about the project, e.g. on your website or social media, and to include the relevant logos in all communication material (including email signatures). Read more about the information obligation at [Erhvervsstyrelsen's website](#).

### Payout time

Grant payments in this type of project are made twice a year and can be up to six months after submission of reporting for a six-month period. This means that the first payment can potentially be made up to a year after the project activities start. Grants are not paid out in advance.

## Application and grant process

**Applications and attachments must be submitted electronically via the link below:**

<https://podio.com/webforms/28887431/2338176>

See a guide on how to fill out the application and budget form further down under Guidelines.

Applications will be reviewed by an independent evaluation panel of academic experts from research and industry assembled by Food & Bio Cluster Denmark. The evaluation panel processes the applications in accordance with general administrative law rules of impartiality and recommends them with a grade to the Biosolution Zealand steering group, which constitutes the grant panel.

Applicants will receive a response 1-2 months after the deadline. Approved innovation collaborations may only start when the lead applicant has received a letter of approval, when all formal documents have been completed and submitted, and when a kick-off meeting with the associated representatives from Biosolutions Zealand has been held.

The pool is open as long as there are project funds left. We expect that there will be funds for four deadlines, but please note that there is a possibility that the last deadline(s) listed above will be dropped if there are many good applications in the first rounds. We therefore encourage you not to wait unnecessarily long to apply.

## Contact

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## Application guidelines

### The partnership

There must be a minimum of two financial partners in the project. The lead applicant (Partner 1) must be an SME or entrepreneurial company. An SME has fewer than 250 employees and an annual turnover of less than EUR 50 million. See the definition of an SME here: [Brugervejledning til definitionen af SMVer.](#)

All participating companies in the project must have a CVR number. OBS: Participating persons/employees must be employed in the CVR number.

Everyone entered in the application form and budget is a financial partner in the project.

Read more about knowledge institutions/GTS institutes, large companies, primary producers and actors working with fisheries or aquaculture below.



Knowledge institution & GTS	Large companies	Companies from the primary production sector
<p>A knowledge institution or GTS institute can advantageously participate as a partner in a collaboration.</p> <p>The purpose of their participation is to increase the degree of innovation and strengthen the innovation capacity of the SME or entrepreneurial company</p>	<p>Large companies can participate as a third partner in a collaboration.</p> <p>The purpose of large companies' participation must be to strengthen the innovation capacity of SMEs or start-ups, e.g. by gaining access to valuable knowledge or raw materials, or for testing solutions.</p> <p>Large companies can receive support if they can sign a De minimis declaration. If they are unable or unwilling to do so, they can only participate as a test facility and knowledge provider without support, and thus may not receive a commercial benefit (state aid). In this case, they must declare that they do not receive a commercial benefit from participating in the project.</p> <p>They can co-finance with their hours.</p>	<p>Companies from the primary sector can participate in a collaboration if the project involves collaboration between this company and companies from other sectors. The primary sector cannot be the sole focus of the initiative, and companies from the primary sector cannot be the only target group for the initiatives.</p> <p>Primary sector participation can, for example, be relevant when developing new solutions for agriculture or where primary production provides input for the development of new solutions. See the next page for a more detailed description of their participation options.</p> <p>Primary sector companies may not apply as lead applicants.</p>

## Special rules if you are a primary producer or work in fisheries and aquaculture

All businesses that grow/harvest/catch are included in the definition of 'primary producer'. This definition is independent of the possibility of receiving agricultural, hectare or other support. Regardless of a company's role in an innovation collaboration, their status as a primary producer will need to be determined based on industry code, company purpose and operations.

Any work with seaweed and algae that goes beyond harvesting, such as cleaning, filtering and processing, falls under the definition of "fisheries and aquaculture".

A company that only produces tools, equipment, including machinery - is not covered by the the definition of fisheries and aquaculture or primary producer, regardless of what it produces for. For example, the production of machinery for harvesting seaweed or for arable farming; in this case, a company whose sole purpose is to produce machinery would **not** be defined as either "primary producer" or "fisheries and aquaculture".

A business can be covered by both definitions, being both a primary producer and also covered by "fisheries and aquaculture" - this would be a business that has e.g. farming, fishing and processing of fish as its purpose.

## Primary producer

The aid can be granted under the De minimis rules that apply to companies in the agricultural sector. This means that the total amount of aid to each company may not exceed EUR 20,000 over a period of three financial years.

When participating in a project, the company must complete, sign and date a "De minimis declaration for the agricultural sector". In addition, the amount must be reported to the Danish Agricultural Agency.

Primary producers cannot be the main applicant in projects. See the eligibility rules:

*Companies from the primary sector can participate in projects if the project involves collaboration between these companies and companies from other sectors. The primary sector cannot be the focus of the initiative and companies from the primary sector cannot be the sole target group for the initiatives<sup>1</sup>.*

Primary sector participation can be relevant when developing new solutions, technology, machinery etc. for agriculture, or where primary production provides input for the development of new solutions. However, primary producers must not be the only customers for the product/concept/solution afterwards - in that case, it is important that there are also end customers in e.g. agro-industry or other industries.

## Fisheries and aquaculture

The aid can be granted under the De minimis rules, which apply to companies in the fisheries and aquaculture sector, which means that the total aid to each company may not exceed EUR 30,000 over a period of three financial years.

The company must complete, sign and date a "Declaration on De minimis in the fisheries and aquaculture sector". In addition, the amount must be reported to the Danish Agricultural Agency.

Contact Food & Bio Cluster Denmark for more information.

## Project activities - what is eligible and what is not?

The innovation collaboration must focus on experimental development of a new concept, prototype, solution or product within the following areas:

- Product or process innovation
- Marketing or organizational innovation

Activities in the project may include:

- Analysis and clarification phase to test whether the project idea can be developed, including research and knowledge building.
- Development phase to develop first prototypes for new products or solutions, including testing and analysis.

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<sup>1</sup> [Vejledning om støtteberettigelse \(erhvervsstyrelsen.dk\)](#) side 8.



- Test phase, where the concept is tested/tried among a relevant target group (e.g. users, customers, employees) and/or feasibility/security tests - **always with the aim of using this knowledge for further development.**

There must be a focus on collaboration between the participating partners to create knowledge sharing and an increased level of knowledge in the development.

There must NOT be established sales of the product to be developed. Nor may sales of the product be established during the project. In that case, the funding will lapse from that point onwards.

Funds may NOT be used for commercial activities such as production, upscaling, marketing and sales, business development and distribution. Do not apply for regulatory approval, such as food safety or patents. However, it is allowed to investigate if there are any special conditions that may have an impact on the development of the solution.

Your day-to-day running of the company is **not** project-relevant activities, this includes e.g. employment interviews, board management, administration, sales, marketing, logistics, website etc.



## Hourly rates

The co-financing in the projects is done through the registration of hours in the project. It is possible to apply two different rates:

Standard rate	Actual salary
<p>For project employees and project participants (companies and knowledge institutions), a <b>standard rate of DKK 373 per hour</b> can be applied. The rate is adjusted annually with price and wage developments. You must either register hours per month or use a part-time contract. When using a part-time contract, you must still be able to account for your hours spent.</p> <p>A maximum of 160 hours can be reported per month.</p>	<p>For project employees and project participants (companies and knowledge institutions), <b>actual salary</b> can be used, <b>calculated from the monthly pay slips</b> for the month in question. If actual salary is used, only part-time contracts can be used. When using a part-time contract, you must submit your payslip every month and you must still be able to account for your hours spent.</p> <p>A maximum of 135 hours per month can be reported per month.</p>
<p><b>GTS rates:</b> Every year on May 1, a rate is calculated for each GTS institute, on the basis of which the hourly wage is calculated. Therefore, 15% overhead for GTS institutes is not included.</p>	

## Are you participating in multiple EU Regional Fund projects?

Please note that if you or your employees/colleagues participate in other projects under the EU Regional Fund rules, such as Beyond Beta, Innovationskraft or others, there is an overall limit on the number of hours each employee can put into the project. This is added up across the projects by the Danish Business Authority. The limit is 135 hours across projects when using actual salary and 160 hours when using the standard rate.

## Correctly filling out and submitting the application form

The documents you need to fill out and submit when applying are:

- Application form (Word)
- Activity and budget form (XLS)
- De Minimis for participating companies
- SME or Small Business Declaration, for each participating company

In the application form you will be asked to describe:

1. The project – i.e. the overall purpose and content of the project.
2. Expected results.
3. The market potential as well as the business case and plan for market introduction in the longer term (after the end of the project).
4. Partners and team.
5. Type of innovation.
6. Which of the participating companies expect to be able to introduce a new product or solution to the market after the end of the project period.

1. The project's contribution to Biosolution Zealand's further strategic development – i.e. how does the project help build the position of strength in biosolutions within the Zealand Region and Denmark.
2. Previous project collaborations among the partners and how these may differ from the applied innovation collaboration

Be sure to fill out the application form briefly, accurately and inside to the allowed number of characters. Avoid spending too much space on describing generic and well-known issues and keep the description specific to the current innovation collaboration.

The application form is available in both Danish and English and both languages may be used.

On the day of the deadline you can submit until midnight.

The application must be submitted via the link below:

<https://podio.com/webforms/28887431/2338176>

## Correct completion of budget and activity schedule

The activity and budget form is in an Excel sheet, which you **must** upload together with your application (see example on the next page).

You must describe:

1. The activities in the project period.
2. Performance targets for the individual activities.
3. The budget broken down by partner for the activity concerned.

The project budget should be based on the number of hours each partner expects to spend on the project and on the activities concerned. An overhead of 15% is automatically added for each partner.

No support is given to consultants or external costs. Both are covered by the 15% overhead.

A maximum of 50% of the total amount applied for can be paid to the project. The remaining 50% is made up of your co-financing in the form of hours spent in the project. There may be different funding rates for the participating partners. However, SMEs may receive a maximum of 50% support and knowledge institutions 100%.

In Food & Bio Cluster Denmark, we also have the basic rule that each financial partner must have at least 10% of the budget, as well as 10% in support to ensure documentation of participation in the cooperation. However, this is not applicable to large companies.

## Completion of the De Minimis Declaration

Since the funds from Biosolutions Zealand are public funds, it falls under state aid. Receipt of the aid is therefore only possible through the application of the de minimis rules. The participating SMEs MUST therefore include a De Minimis declaration when the project is applied for.

It should be stated whether the company has benefited from De Minimis aid during the current and the two preceding years. De minimis aid must be included from the moment when the company has acquired the right to receive the aid, i.e. a date of grant, regardless of whether payment is made later.

Companies can obtain a maximum of €300,000 in any period of three financial years (as of January 1<sup>st</sup>, 2024), which includes the current year and the previous two years.

When filling out the De Minimis declaration, please note the following:

All information on page 1 must be provided:

1. Fill in Company name, CVR, P-number and Project title: "Biosolutions Zealand II Innovation og skalering"

All fields on page 2 must be provided:

1. I/we declare: In this financial year and the two previous financial years to have received: Enter here the total amount granted to the company within the three years in question. You should not include what you apply for to Biosolutions Zealand as this has not been granted yet.
2. Below you will find out in which projects you have received the grants. If you have received from more than two projects, please enclose an appendix with all information.
3. Remember to fill in the fields with a "0" if no De Minimis aid has been received so far.
4. **Signature and date MUST be written by hand.**
5. Remember to fill out one for each participating company.

Large companies must also fill it out, **unless** they participate as test partners with 0% in support and without receiving special commercial advantages through their participation in the project.

**NOTE:** If you are a **primary producer**, you must fill out a special De minimis declaration, the same applies if you work in **fisheries and aquaculture, including seaweed and algae**.

Under the rules on de minimis aid, a company in the agricultural sector (primary producer) can receive up to EUR 20,000 as de minimis aid over a period of 3 financial years.

The rules on de minimis aid mean that a company in the fisheries and aquaculture sector can receive up to EUR 30,000 as de minimis aid over a period of 3 financial years.

Contact Food & Bio Cluster Denmark for further information.

## Completion of the SME Status Declaration (Erklæring om SMV status)

All participating SMEs must complete a declaration that they are indeed an SME when applying.



Remember again **the date and signature in hand** of the person entitled to sign on behalf of the company.

