



Pesticides
J. no. 2024-45462
Ref. hefbr
28 June 2024

Standard conditions for qualifying for grants for projects on applications for the authorization of alternative plant protection products, cf. the Danish Executive Order no 1355 of 08/09/2020 on grants for projects on applications for the authorization of alternative plant protection products

1. General commitments

- (1) Grants are issued on condition that the grant applicant has investigated all aspects of relevance to the project formulation. Recipients are not, however, expected to have conducted investigations, which would in the circumstances be unusual or would incur costs that are obviously disproportionate to the size of the project,
- (2) With consideration for the limitations of (1) above, it is presumed that:
 - a) the grant applicant has carried out thorough investigations and calculations of all relevant conditions which, according to an expert evaluation, can or could be expected to be of significance to the implementation of the project, including the costs thereof,
 - b) the application's description of the project covers all services, including advisory services, planning, deliveries and work which, according to an expert evaluation based on thorough investigations and calculations, can be expected to be consumed in the implementation of the project,
 - c) the application's project description and/or planning are professionally correct,
 - d) the application's budget covers all expenses that can be expected to be incurred during the implementation of the project, in conformity with the application's description, according to an expert evaluation based on thorough investigations and calculations, and

- f) the costs of the individual services are included in the budget at competitive prices, which can be attained when purchasing under normal business conditions at the time of submitting the project application.
- (3) If grants from other parties or other co-financing of the project are included in the project application's budget, the grant applicant is responsible for ensuring that such funds are obtained. If the grant applicant subsequently obtains one or more grants from other public grant schemes, including grant schemes under the EU or other co-financing, the Danish EPA must immediately be informed thereof, cf. section 10 (1).
- (4) The grant recipient is responsible for ensuring that all permits, etc., from the relevant authorities, which are necessary for implementation of the project, are obtained before the project is commenced.
- (5) The grant recipient is responsible for third-party participation in the project, cf. section 2 (4).
- (6) If several persons in association are grant applicants, these persons share equal responsibility in all circumstances pertaining to the grant.
- (7) Grants issued on the basis of the grant applicant's project application do not limit the applicant's responsibility for the correctness and completeness of the information contained therein.

2. Implementation of the project

- (1) Grant recipients must complete their projects (a) in a scientifically correct manner, (b) in conformity with the project description of the application with any amendments and additions laid down in the letter of acceptance, (c) within the time schedule and budget, and (d) in complete conformity with the conditions attached to the grant, unless otherwise agreed with the Danish EPA.
- (2) Grant recipients must immediately notify the Danish EPA in writing of delays, difficulties, changes in the conditions of the project or abandonment thereof. In the event of delays, grant recipients shall present a revised time schedule for the Danish EPA's approval. When so requested by the Danish EPA, grant recipients shall present proposals for resolving eventual difficulties.
- (3) Changes to a project, including the time schedule and budget, can only be made with the written approval of the Danish EPA, cf., however, section 4 (2),

- (4) Grant recipients are obliged to observe all legal provisions and other public regulations, including the conditions attached to the permissions mentioned under section 1(4), which are of relevance to the completion of the project.
- (5) In connection with completion of their projects, grant recipients are permitted to take advantage of services offered by third parties, on condition that this is apparent from the project application or has the written approval of the Danish EPA. Grant recipients are responsible for ensuring the availability of the necessary information for contracts with third parties. Contracts with third parties shall conform to business practices, which are normal and expedient from the standpoint of an expert appraisal, with respect to price, guarantee, claims and responsibility. In all other respects, the grant recipient shall manage the relationship to third parties, which includes the assumption of responsibility for the quality of services, for bills and for payments. Bills from third parties shall be documented by time sheets and receipts for any costs.

3. Subsidisable costs

- (1) Grants can only be used to cover subsidisable costs. Costs are only subsidisable on condition that they are covered by the project budget and are incurred in connection with the project as laid down in section 3.
- (2) One condition attached to grants is that the subsidisable part of the project first be commenced after the grant applicant has been notified of approval of the grant. Costs that have incurred before the grant has been notified are not eligible for granting.
- (3) Costs are only subsidisable to the extent of the actual amounts within the framework of the individual budget items, however, cf. section 4 (2). Expenses for deductible incoming VAT are not subsidisable, cf. section 11 (3).
- (4) Costs of fees and salaries are subsidisable at the rates specified in the budget. Time shall be documented by time sheets stating the name, activity, duration and date of the work. The hourly rates specified in the budget are considered to cover all expenses in the case of work not specified as independent items in the budget. The costs of fees and salaries during absence due to holidays, leave and illness are not subsidisable.
- (5) If the budget includes expenses for transport, meals and overnight accommodation, such expenses will be reimbursed according to State rules on official journeys, cf. the Ministry of Finance circular of 30 June 2000, on the official journeys settlement.

4. Budget deficits

- (1) Deficits in the overall budget, including those due to price and wage increases, excess working hours or possible expansion of the scope of the project, are not subsidisable.
- (2) Redisposition of the individual budget items can only be done in accordance with a written agreement between the parties.

5. Payment of grant

- (1) The Danish EPA's payments to the grant recipient are most often made quarterly in arrears. If the duration of the project is less than a quarter, payment will be made on completion of the project. The grant recipient's requests for payment shall include a specification of the time consumed, the applicable hourly rates and all expenses defrayed, specified for the respective expense items, cf. Appendix 2 of the letter of acceptance.
- (2) The grant recipient shall return a completed project progress report (appendix 1) with each request for payment (except the final request). This progress report shall be drafted according to the Danish EPA's format for status reports, cf. appendix of the grant authorisation letter.
- (3) In the cases of projects being scheduled to run for multiple fiscal years, the letter of acceptance will cover the whole project period.
- (4) Payments are made 30 days after the Danish EPA receives the requests for payment and the completed project status report. Payment of final requests is deferred until completion of the project with the grant recipient's documentation, etc., as described in the project description and section 6, and when the Danish EPA has approved the final project accounts, cf. section 9.

6. Project article, project reports and appraisal, etc.

- (1) As a phase in the completion of the project, the grant recipient shall present complete information on the project results, the effects of the project and any other circumstances that can facilitate an appraisal of whether or not the conditions attached to the grant have been satisfied. The final report shall be written in the official EPA template (<https://mst.dk/om-miljoestyrelsen/hvad-laver-miljoestyrelsen/designguide-og-publikationer>).
- (2) The grant recipient is obliged to participate in any eventual external appraisal, as well as to provide information on the project and its results and to permit third-party in-

spection of facilities, etc., within reasonable limits, which will not disrupt the grant recipient's operating activities.

7. Project equipment, etc.

- (1) Equipment purchased solely or partly with the grant is the property of the grant recipient, cf., however, section 10 (2), unless otherwise stated in the project application or letter of acceptance.
- (2) The grant recipient shall maintain a list of equipment purchased solely or partly with the grant. This list shall be appended to the final request for payment.
- (3) During the course of the project, all equipment purchased solely or partly with the grant shall be available to the project and shall not be used for purposes unrelated thereto, unless otherwise stated in the project application or with the written approval of the Danish EPA. The grant recipient shall ensure that equipment purchased solely or partly with the grant is satisfactorily safeguarded and insured.

8. Rights to the project results, etc.

- (1) The Danish EPA shall be entitled to publish without payment of royalties reports, etc., cf. section 6., in any medium, including in books, pamphlets, articles and electronic form (including on diskette, CD-ROM, the Internet, computer programs and multimedia products), television and radio, in any language, and to reproduce copies for third-party use. If so requested by the grant recipient, the Danish EPA can, prior to publication or reproduction, exclude information to the extent permissible by Danish legislation on the right of access to documents, etc.
- (2) If the grant recipient considers an invention made in connection with the project to be patentable, the grant recipient shall immediately notify the Danish EPA thereof and of the content of such invention. If the grant recipient proceeds with a patent application without unnecessary delay, the Danish EPA will keep secret the invention to the extent permissible by Danish legislation on the right of access to documents, etc.
- (3) The grant recipient owns the rights to patentable inventions made in connection with the project, including the right of application for patents. Unless otherwise agreed with the Danish EPA, the grant recipient shall permit the use of such invention in Denmark, on conditions to be appointed with consideration for the grant recipient's commercial interests and for society's interests in the use of the invention, according to a more detailed agreement between the grant recipient and the Danish EPA.

- (4) The grant recipient shall ensure that the rights mentioned in subsections (1) and (3) do not violate the rights or copyrights of third parties or other exclusive rights, and that the grant recipient shall indemnify the Danish EPA against all demands and all costs in this context.

9. Accounting and auditing

- (1) After completion of the project, the grant recipient shall return the project accounts. If the duration of the project is of 18 months or more, the grant recipient shall also return annual accounts by 31 December or after completion of well defined work packages according to the letter of acceptance. The first year's accounts and the final accounts can cover a period of 14 months, during which the grant recipient can refrain from returning the annual accounts within the period, on condition that he informs the Danish EPA thereof in writing. The grant recipient shall present the certified accounts, cf. subsection (4), to the Danish EPA within three months after completion of the project and 31 December – alternatively after each work package.
- (2) The accounts shall only encompass subsidisable costs, cf. section 3. The accounts shall show the total financing of the project, including the grant recipient's own investment and grants from third parties.
- (3) The accounts shall specify all costs and income, in the form of a special balance sheet, which shall conform to the specifications of the budget. The costs of fees and salaries shall be reported with numbers of hours and the *per capita* hourly rates. The accounts shall in other respects be prepared in accordance with the Danish EPA's more detailed instructions.
- (4) In the case of grants of DKK 100,000 or more, the accounts shall be certified by the project leader and the grant recipient's responsible leadership, and by a chartered accountant or by the local government auditing authorities, according to the Danish EPA's more detailed instructions. In the case of state institutions and grants of less than DKK 100,000, the accounts shall be certified by the project leader and the grant recipient's responsible leadership. Auditing shall be carried out according to the auditing instructions (appendix 2).
- (5) The Danish EPA can require that all vouchers, including time sheets, be presented for inspection.

10. Reduction, termination or reimbursement of grant

- (1) The Danish EPA is entitled to a) reduce a grant, b) decide to annul the letter of acceptance and/or c) demand full or partial reimbursement with interest of paid grant funds, if (i) the grant recipient has given incorrect or misleading information or sup-

pressed information of significance to the application, (ii) the conditions and prerequisites for acceptance of the project no longer apply, (iii) the implementation of the project deviates from the project description, including the time schedule, (iv) the grant recipient disregards the conditions of the grant, (v) the project is abandoned, (vi) the grant recipient becomes incapable of implementing the project and/or (vii) third-party grants prove to exceed the ceiling presumed when the grant was issued, provided that the circumstances are significant.

- (2) If the grant recipient's operation is rented out or transferred or the subsidised assets are transferred within five years of completion of the project, or if subsidised assets are transferred to purposes other than the purposes presumed when the grant was issued, full or partial reimbursement can be demanded. However, the proportion of the grant for which reimbursement can be demanded is reduced by 1/5th for each year elapsing after payment of the grant. The grant recipient shall notify the Danish EPA in writing of any redeployment of the firm or subsidised assets, which could lead to a demand for reimbursement.

11. Information on tax and VAT in relation to grants

- (1) The grant is taxable for the grant recipient and shall be included when the grant recipient's taxable income is determined.
- (2) The grant is exempted from VAT, as the project is launched by the grant recipient on the basis of the project application, and as the grant recipient shall not supply specific services in return for the grant, cf. the VAT Tribunal's practice (see *Mn. 961* and *Mn. 962*). The grant recipient shall, therefore, not calculate outgoing VAT on the basis of the grant.
- (3) It is presumed that grant recipients who are registered for VAT deduct incoming VAT for the expenditure covered by the grant, cf. section 3 (3).
- (4) The Danish EPA wishes to point out that questions concerning taxation and VAT are decided by the tax authorities and the Customs and Tax Administration, Copenhagen. The Danish EPA therefore reserves itself against the possibility that these authorities can make decisions on tax and VAT which, after an individual appraisal, differ from the information of sections 1. and 2.

12. Inspection

- (1) During the course and after the completion of the project, the grant recipient shall facilitate access for inspection of the subsidised project to the Danish EPA and its representatives.

13. Disputes

- (1) The grant recipient and the Danish EPA shall amicably attempt to settle every dispute over the grant and the implementation of the project.
- (2) In the absence of an amicable settlement, either of the parties can refer the dispute to arbitration. The "Rules of Procedure of the Danish Institute of Arbitration (Copenhagen Arbitration)" shall apply. Each party shall appoint an arbitrator, whereas the Chairman of the Arbitration Tribunal shall be appointed by the Institute in conformity with the above rules. If, within 30 days of filing a petition for arbitration or of receiving notification such a petition, a party fails to appoint an arbitrator, the Institute of Arbitration will do so in conformity with the above regulations.
- (3) Without prejudice to subsection 2, the Danish EPA is entitled to bring demands for reimbursement before the courts of law.
- (4) All disputes between the grant recipient and the Danish EPA shall be decided according to Danish law.

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Appendix 1

PROJECT PROGRES REPORT

Ref. No: _____

1	Title of project:
2	Project Institution:
3	Periodic report for the period:
4	Expenditure during the period, cf. invoice No. _____ of ____ - ____ -202x: Amount, excluding non-deductible VAT, DKK: _____ Non-deductible VAT, DKK: _____ Total, DKK: _____
5	Brief description of work done during the course of the period:
6	Special difficulties encountered in conjunction with scientific aspects of the work:
7	Special difficulties encountered in conjunction with the economics of the project:
8	There is a reasonable correspondence between the budgeted expenses and the project's progress.
9	Date and signature:

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Appendix 2

Instruction template for auditing of project grants

This Instruction is issued under the provisions of

1. Auditing shall be carried out by a chartered accountant, by Local Government Auditing, by the Audit Directorate of Copenhagen or other municipal auditing.
 - (2) In the event of a change of auditors during the project period, the incoming auditor shall communicate with the departing auditor, who is obliged to reveal the reason for departure.
2. Auditing shall be conducted with due observance of good public auditing practice, as this concept is defined in section 3., of the *lov om revisionen af statens regnskaber m.v.* (Promulgation Act No. 3 of 7 January 1997), with a more explicit formulation in subsection 2 and sections 3.-7.
 - (2) Auditing is used to verify the correctness of project accounting and the conformity of dispositions made to the conditions of the grant, to applicable legislation and to other regulations, as well as concluded agreements and normal practice. Moreover, an appraisal is made of the extent to which due financial considerations have been observed in the administration of the funds within the scope of the project's accounts.
3. The scope of auditing depends on the grant recipient's administrative structure and business procedures, including internal supervision and other circumstances of relevance to the presentation of accounts. Further, the amount of the grant (letter of acceptance) also affects the scope of auditing.
4. During auditing, the auditor shall verify that:
 1. the project accounts are correct, i.e., without significant defects or deficiencies
 2. the conditions attached to the grant are satisfied, including the provisions of the Ministry's administrative and auditing instructions (Statutory Order No.)
 3. the grant has been used for its intended purpose
 4. the grant recipient has exhibited thrift
 5. the information on attainment of the result requirements, which the grant recipient has presented to the subsidising authority, are documented

6. the grant recipient's leadership has prepared the productivity and efficiency analyses/company accounts stipulated by the subsidising authority, and that the input data for this is reliable
- (2) Auditing is carried out by random investigations.
5. The grant recipient shall provide the auditor with all of the information, which must be considered relevant to the appraisal of the project accounts and to the auditor's appraisal of the project administration, including goals and the results attained. The grant recipient shall grant the auditor the access needed to undertake the investigations deemed necessary and shall ensure that the auditor receives the information and assistance considered necessary by the auditor in the execution of his assignment.
6. Should the auditor become aware of violations of the law or neglect of regulations of significance to the administration of the funding, it is incumbent on him immediately to inform the grant recipient thereof and to ensure that the grant recipient's leadership informs the subsidising authority thereof within three weeks. Otherwise, it is incumbent on the auditor to inform the subsidising authority. The auditor's comments shall be appended to this communication.
- (2) The same shall apply if, during his audit, the auditor becomes aware that the implementation of the project is insecure due to financial or other factors.
7. The audited project accounts shall be endorsed so as to show that the accounts have been audited in conformity with the rules laid down in this Instruction. Any reservations shall be stated on the endorsement.
- (2) The auditor shall issue an auditor's report, with his appraisal and conclusions concerning the completed audit, cf. section 4. The report can be issued in connection with the endorsement or in the auditor's records.
- (3) A copy of the auditor's report shall be presented by the grant recipient to the subsidising authority together with the endorsed project accounts.
8. This Instruction enters into force on and applies to The Instruction of is simultaneously rescinded.

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