

EKF Green Accelerator

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Introduction

To support the Danish export-oriented business community and mitigate risks related to the green transition, the Danish Government has allocated funds to support mature green solutions by a Danish company or Danish Company Alliances, with the ambition to pave the way for an economic recovery that can contribute to sustainable investments in the green transition.

EKF Green Accelerator is an initiative launched as part of a political agreement to reboot Danish exports based on recommendations from Danish businesses, which was launched in October 2020. The purpose of the Facility is to increase Danish green exports. More specifically, it will support the preparatory work for green projects with export potential, but which are yet to find the right structure and format. The EKF Green Accelerator will contribute to the financing of i) preparatory business activities and ii) secondments and short-term visits of Danish advisers and experts, including the posting of EKF financing advisers to selected Danish representations abroad to support maturation of projects with potential for Danish exports. This Application Guide only describes the procedures for the applying for EKF Green Accelerator's financial support related to i) preparatory business activities. The objective of the EKF Green Accelerator is

to help Danish companies to take crucial steps into new markets by providing financial support to mature Danish export solutions, which have a ready foreign market. Danish companies can make a significant contribution to reigniting growth in the Danish export market by stimulating sustainable growth and employment opportunities abroad and in Denmark.

The financial support per project can be between DKK 300,000 and 5,000,000. Company Alliances that apply for financing of their projects can do so without all companies in the alliance applying for financial support. The Facility will reimburse 70% of expenses incurred in the case of a single company applying and 80% of expenses incurred in the event of a Company Alliance applying once the completion process is finalised. No advance payment will be made.

The EKF Green Accelerator will help Danish companies address the key barriers to enter new markets by providing financial support to pay for services and related hardware necessary to realise the export order.

November 2021

What is the EKF Green Accelerator?

The EKF Green Accelerator will support Danish Companies or Company Alliances, consisting of large, small and medium-sized companies, and contribute to the financing of consultancy services which will enable the export of mature Danish green and sustainable solutions. Only proven technologies and solutions beyond proof of concept stage can receive the EKF Green Accelerator support. This Facility follows EKF's general assessments of export transactions, including e.g. that export transactions follow the UN guiding principles for human rights and business (UNGP), etc.

The maximum financial support per company is DKK 1,500,000 and DKK 5,000,000 for the Company or the entire Company Alliance (when not conflicting with EU's "De Minimis state aid" regulation). The EKF Green Accelerator will reimburse 70% of expenses incurred in the case of a single company applying and 80% of expenses incurred in the case of a Company Alliance applying upon completion of all project activities and

submission of final completion report. The Facility will not pay any advance payments. Once a grant amount is approved, no additional funds will be made available. The Company or Company Alliance will be responsible for ensuring that the completion of the project happens within the agreed budget and timeframe. All taxes and duties must be borne by the Company or Company Alliance, and shall not be financed from the grant awarded. The total expected amount available under the EKF Green Accelerator is DKK 85 million. The Facility will be operational until the funds are exhausted.

The overall objective of the EKF Green Accelerator is to provide financial support to already mature Danish export solutions, thereby supporting Danish companies in their final push to enter new foreign markets. **The expected impact** is the attainment of new export orders amounting to DK 1.400 million and the retention or creation of 850 Danish jobs.



Results Chain of the EKF Green Accelerator

Who can apply for support?

The EKF Green Accelerator is open for Applications from Danish companies or Company Alliances that consist of companies registered in Denmark. To qualify, the Danish companies must meet certain minimum requirements related to their financial and technical capacities.

The minimum requirements pertaining to the applicant company or overall Company Alliance are:

- › In case of a single applicant, the applicant company must be registered in Denmark and must be an SME
- › In case of a Company Alliance, the Company Alliance can only consist of private companies registered in Denmark
- › A Company Alliance must consist of at least two companies registered in Denmark, of which one must be a SME
- › A Company Alliance must appoint a lead company registered in Denmark, which will be the focal point for the project vis-à-vis EKF. In case of a single Company, this company will take on such responsibilities. The companies which form a part of the alliance will all be equally liable for the fulfilment of the potential contractual obligations if entering a Grant Agreement with the EKF Green Accelerator.

The minimum specific requirements for the applicant company or the companies which form part of a Company Alliance are:

- › Any company applying (as a single company or as a part of an Alliance) must have been registered in Denmark for at least 3 years
- › Any company applying (as a single company or as a part of an Alliance) must be able to document at least five full-time equivalent staff according to a company annual audited report for the most recent financial year
- › Any company applying (as a single company or as a part of an Alliance) must be able to pass an initial ESG and KYC screening by EKF
- › The single company applying or the lead company of an Alliance must be able to document turnover greater than DKK 10 million according to company annual audited report for the most recent financial year
- › The lead company must be able to document export volume greater than DKK 5 million in the most recent financial year

The following supporting documents must be submitted as a requirement:

- › In case of a Company Alliance, a Memorandum of Understanding between the companies forming the alliance must be submitted (no formal requirements to content or format)
- › Audited company annual report for the most recent financial year for the single company or Company Alliance members (all companies part of the alliance)
- › Declaration confirming that the support is not conflicting with EU De Minimis principles

The following supporting document is optional:

- › Sustainability Policy from the company or each company forming part of the alliance



What can the Facility support?

The EKF Green Accelerator will reimburse 70% of the total project budget in case of a single company applying and 80% of the total project budget in case of a Company Alliance applying. The maximum reimbursement can be DKK 1,500,000 per company or DKK 5,000,000 for the entire Company Alliance, if applicable. It is assumed that the applicant has already a mature solution ready to go to market, which means

that the proposed project must be an export opportunity already developed and tested by the Company or Company Alliance. Initial market studies and analyses cannot be financed under the EKF Green Accelerator. There are no geographical requirements, but it is considered an advantage to apply for support in countries where Denmark already has an established strategic sector cooperation.

Eligible project activity costs:

Refundable Expenses	Description
Consultancy Services to address identified gaps / bottlenecks	Studies and Analyses
	Technical reviews / feasibility studies
	Market analyses
	ESG review, conformance and compliance review
	Legal reviews and advice
	Advice on patent applications (not the patent application itself)
	Training and Capacity building
	Capacity building, awareness creation and peer-to-peer knowledge exchange
	Site visit for identified customer(s) and key decisionmakers
	Awareness creation related to the solution
	Advocacy
	Mapping of relevant decision-makers / actors
	Contact with relevant decision-makers / actors – events
	Monitoring of relevant administrative / political initiatives / legislation
	Preparation and execution of local advocacy campaigns related to the green solution
	High level events related to promotion of the specific green solution
	Monitoring of relevant administrative / political initiatives / legislation
Project Management	Internal project management related costs shall not exceed more than 10% of the <u>total budget for the project</u> .
Travel and Accommodation	Economy class. According to Danish government rules (www.ec.europa.eu/international-partnerships/system/files/per-diem-rates-20200201_en.pdf)
Auditor Expenses	Auditor expenses related to final disbursement. The Request for Disbursement must be submitted to the Danish company's auditor for examination
Products (hardware / software / design / equipment)	Costs associated with the purchase or inclusion of products directly related to approved project activities (studies and analyses, training and capacity building and advocacy) shall not exceed more than 30% of the total budget for the project. If the products included in the budget are sold by companies within the alliance or closely associated companies, then the equipment has to be traded at cost price. Profits or development costs are thus not to be included.

The Facility cannot financially support (the list below is not exhaustive):

Non-Refundable Expenses	Description
Wage costs	Wage costs of the Danish single company or companies in the Company Alliance (exception is project management costs – maximum 10% of the project budget)
Normal, direct sales promotions	Ordinary sales and marketing
Operating costs / Auxiliary costs	Expected to be covered by the participating stakeholders
Regulatory procedures	Implementation of regulatory procedures in connection with construction cases, environmental approvals and the like
Infrastructure and patents	Construction, Infrastructure, approval of patents and similar

Financial support from the EKF Green Accelerator is subject to the European Union's "De Minimis state aid" regulation, which allows for aid of maximum EUR 200,000 to be provided from public funds to any business enterprise over a rolling three-year period. Companies applying for support must submit a Declaration confirming that the support through this Facility is not conflicting with the EU State aid regulations

The minimum requirements for the Project Activities are:

- › The solution must be considered "Green" based on the EKF Green Accelerator definition (see section "How do we define Green Solutions?")
- › Development stage (maturity) of the solution, including the technology, should be proven and ready to go to market
- › All project activities must be completed within 12 months of the project's start date and must commence within 6 months from the time of grant commitment
- › The project is expected to generate export volume 10 times the grant value within 24 months from the time of project start
- › Additionality in some form is a requirement. The Applicant must be able to argue why the project activities in the described form would not be implemented without support from the Facility.
- › The solution must be able to pass an EKF ESG Screening

- › Service Providers (consultants) contracted to perform the project activities will be screened for compliance and business integrity standards
- › Solutions must not have a significant adverse effect on Climate Change Mitigation, Climate Change Adaptation, Blue Economy (i.e. sustainable use and protection of water resources and the ocean), Transition to Circular Economy or Protection and Rehabilitation of Biodiversity and Ecosystems
- › The creditworthiness and risk of the export country/countries will be screened, taking into consideration the proposed project activities and the export solution. Please consult the following link on the EKF website for further information. Please note that a high risk country classification does not necessarily mean that your application will be disqualified: www.ekf.dk/en/countries

The following supporting documents will be required to submit:

- › Declaration confirming that the support is not conflicting with EU De Minimis principles

The following supporting documents are optional to include to demonstrate the likelihood of an export sales order:

- › Letter of Intent from potential Customer(s)
- › Letter from a relevant Danish representation in the countries i.e. Embassy and consulate, confirming that the solution is aligned with strategic engagement by Danish government

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How do we define Green Solutions?

The solution is aligned with one or more of the following criteria constituting the EKF Green Accelerator's definition of green solutions (A, B and C - based on the EU Taxonomy and Denmark's Green Future Fund). As part of the application, the Company Alliance must provide supporting material on how their solution, service or product is aligned with one or more of the following criteria.

A. Green Solution:

- › Solutions which have the potential to reduce greenhouse gas emissions nationally and/or internationally, including the timing of the implementation of the Community
- › Solutions that can increase energy and resource efficiency throughout or parts of the value chain, such as through circular economy
- › Solutions that decouple the use of fossil fuels and fossil bases the materials throughout or part of the value chain
- › Solutions that promote, protect and/or support climate, environmental and natural conditions, including the use of water resources, biodiversity and other ecosystem services
- › Solutions to address food shortages and/or water scarcity and/or other climate, environmental and natural challenges in the food and water sector
- › Supporting solutions, including symbiosis and sector collaborations that enable or accelerate other green solutions.

B. Other Green Solutions. Solutions within other green transition areas such as:

- › Climate change adaptation
- › Blue economy projects, i.e. sustainable use and

- › protection of water resources and the ocean
- › Transition to circular economy
- › Protection and rehabilitation of biodiversity and ecosystems

C. Greener alternatives. Solutions greener than existing alternatives, replacing or substituting these. Examples include the following areas:

- › Measuring and testing instruments for green solutions
- › Renewable energy facilities
- › Carbon capture utilisation, Power to X technologies
- › Energy savings, including energy efficiency in buildings
- › Energy storage and energy regulation systems
- › Re-charging stations and recharging infrastructure
- › Electrifying personal transport
- › Recycling of rare metals
- › Reduced footprint for the food production industry
- › Industrial size biogas facilities with high share of (animal) waste
- › Reduced consumption of water and chemicals
- › Facilities to reuse certain raw materials and reuse of components



How to apply for support?

Applications for support should be submitted through the online SmartME system. Applications submitted through other channels will not be accepted.

Submission Procedure:

1. Applicant checks the minimum requirements and the assessment criteria in this Application Guide
2. The single company or lead company responsible for the application registers on the online SmartME application system through the website: www.ekf.dk/markedsmoedning
3. The lead company creates and submits the Application in SmartME

General rules for submission

- › Applications received after the submission deadline will be rejected
- › Applications must be submitted online on the SmartME system - no other form of submission is allowed
- › Applications shall be submitted in English
- › All financial information included in the Applications shall be in DKK
- › EKF reserves the right to reject any Application until signing of the Grant Agreement.

The EKF Green Accelerator has launched three application rounds and is expected to launch further three in 2022:

	Open for application submissions	Deadline for application submissions	Estimated notification of grant award
Application Round 4	17 January 2022	18 February 2022	End of March
Application Round 5	25 April 2022	20 May 2022	End of June
Application Round 6	03 October 2022	04 November 2022	Beginning of December

SmartME

Detailed registration and submission guide for SmartME

The registration process on the SmartME system is as follows:

- › Follow this link to register for the Call for Applications: www.ekf.dk/markedsmoedning
- › Register by providing your first and last name, email address and your chosen password as well as your location. You may also be required to provide a mobile number for authentication
- › An e-mail with login credentials will be sent to the registered e-mail address
- › Sign in to the system and begin developing your Application
- › Company Alliances can at any time log out of the system and return to the same access point as all work will be saved in real-time, as it is entered.

IT Support

Visit the EKF Green Accelerator online management system (SmartME) helpdesk for technical problems. The SmartME helpdesk support function is located on the application page once the Applicant has logged into the system. The helpdesk responds to queries within 48 hours.

Data Protection

All data entered into the SmartME system is secure. All the operations and practices regarding the collection, storage and processing of personal information are in accordance with the EU Data Protection Directive 95/46/EC and the Danish law.





How is the Application assessed?

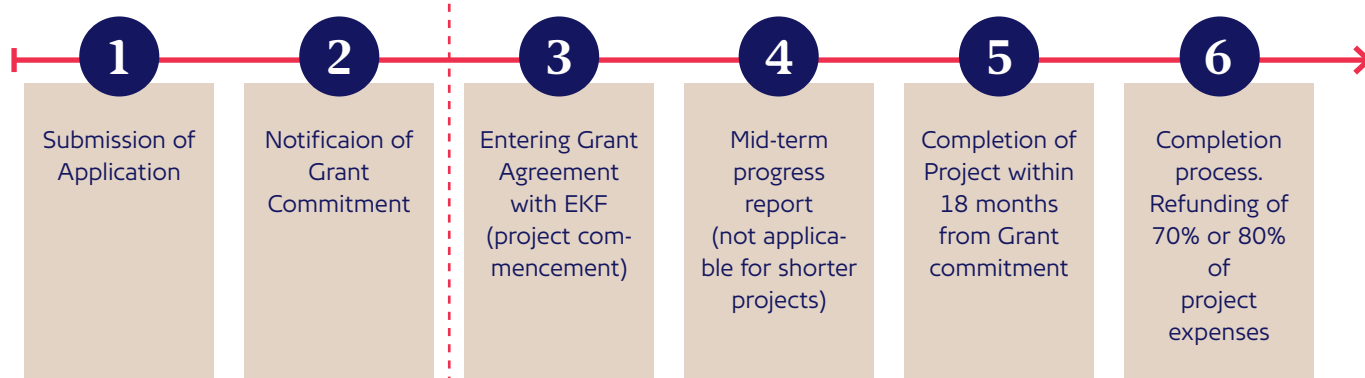
The total maximum score is 100 points. The Applications meeting the minimum requirements will be assessed based on the following assessment criteria and corresponding maximum scores.

Single Company or Company Alliance (15 points):	
Number of SMEs forming part of the Company Alliance	Including <i>more</i> than one SME in the Company Alliance will be considered an advantage (please note that this is only applicable for Company Alliances)
Export Preparedness	It is considered an advantage if more than 50% of the single company or total Company Alliance turnover for the most recent financial year is export oriented
Project Activities and Solution (85 points):	
Preidentified customer	A specific customer (an existing legal entity) has been identified and has expressed interest in the product or solution offered by the Company Alliance. The creditworthiness and credit risk of the identified customer(s) will be assessed
Solution is aligned with strategic engagement by Danish government	Solution is aligned with strategic engagements by the Danish government on global markets (e.g. fits with Danish strongholds and with active engagement in the area by Ministry of Foreign Affairs or other Danish government agencies)
Market and business case	Potential of the market for proposed solution described. Is the business case COVID-19 resilient?
Export Potential	Expected export volume compared to grant value, within 24 months from the time of grant commitment. The applicant must explain the likelihood of successfully securing the export order (commercial circumstances backed by the unique or important features of the product / solution), and how the export order will be distributed among the respective Company Alliance Partners, and potentially other Danish companies.
Purpose, Activities and Time schedule	Assessment of how the project activities will contribute or directly overcome the identified gaps or bottlenecks. Project content and probability for success
Risk mitigation measures	Project related risk assessment and mitigation measures
Project management capacity	Clear breakdown of responsibilities between each Alliance Partner during project implementation (only relevant for Company Alliances). Brief presentation of key staff profiles, and their respective roles in implementing the project. Analysis of how such project management constellation increases the chances of successfully securing an export order.
Project management setup COVID-19 compatible	Innovative ways of overcoming travel restrictions e.g. video inspections, use of drones, local partners etc.
Capacity of Service provider(s)	Profile and experience of identified service providers to realise the activities.
Budget and financing	Project activities and expenses must be aligned. Budget size must be proportional to expected results. Risks and assumptions for major cost categories should be defined
Additionality of Facility support	Applicant must explain why the project activities in the described form would not be implemented without support from the EKF Green Accelerator. If possible, the applicant should explain any potential long-term changes e.g. within the regulatory framework, standards, capacities, and perceptions caused by the project activities.

What are the requirements if your project receives a grant commitment?

Application Process

Implementation



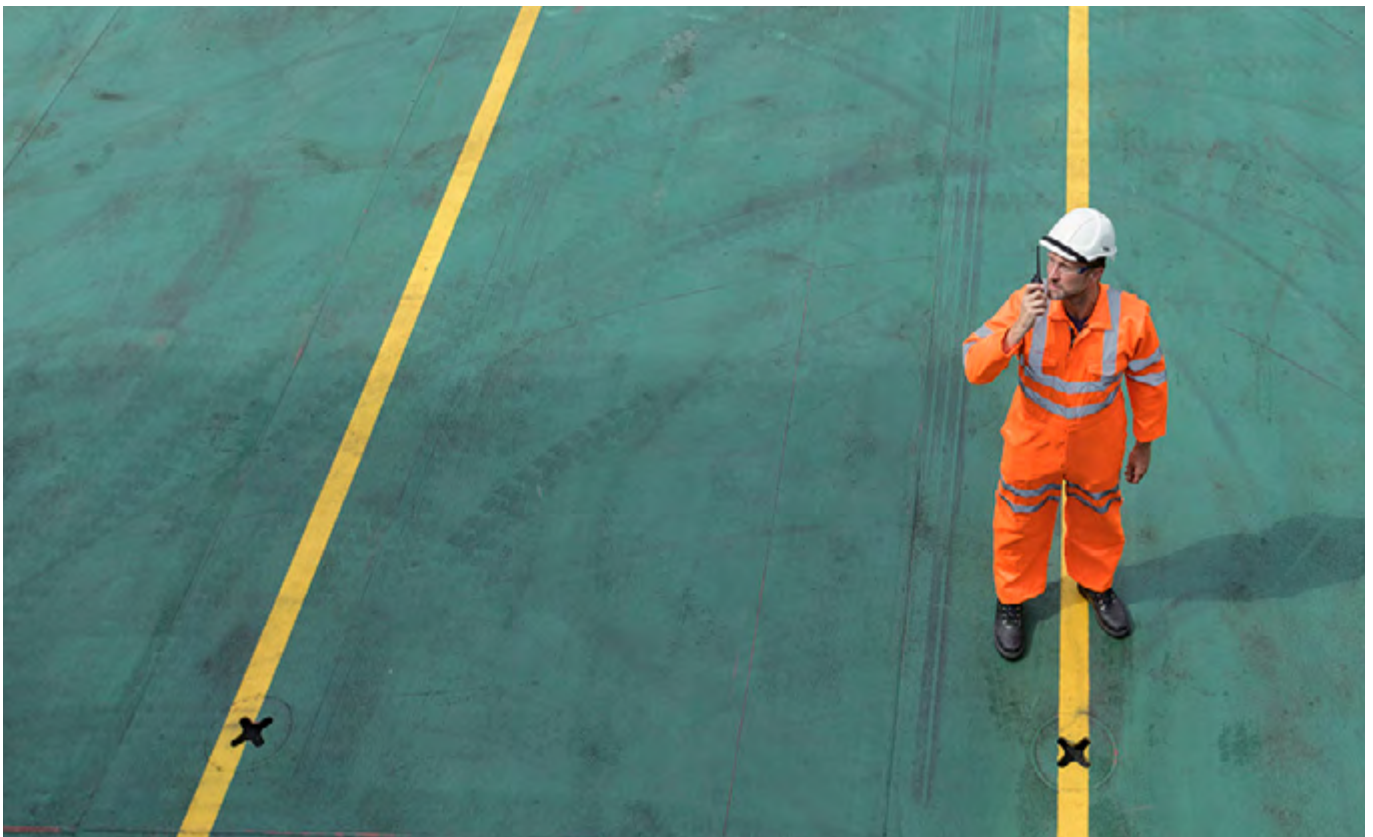
- › As own contribution is considered 30% for single company grantees and 20% for Company Allowances, the disbursement of the Facility will be reimbursement of 70% of the total project budget in the case of a single company grantee and 80% of the total project budget in the case of a Company Alliance. Full disbursement procedures will be made available to the selected Company Alliances/Grantees.
- › Reporting consists of a mid-term progress report (2 pages) and final completion report (5 pages) to EKF according to the stated results and associated indicators in the Application (both quantitative and qualitative). Mid-term progress report is not required if the project duration is less than 6 months.
- › The Company Alliance will contribute to possible additional monitoring and evaluation (lessons learnt) events, stories, surveys, etc.
- › The completion process will include a report, an audit, and a debriefing on project implementation.
- › EKF reserves the right to conduct a sample audit / due diligence when deemed necessary.
- › The Company Alliance will adhere to the project duration timeline and the expense celling. In the case of an expense overrun of the overall project budget, the Grantee is required to cover the excess expenses from its own funds, which are considered as additional counterpart contributions.
- › The overall project budget must not be exceeded. Cost overruns within individual budget lines below 10% is acceptable without notification to the EKF, as long as the overall project budget is not exceeded and as long as the budget is compliant with the overall guidelines for refundable expenses (i.e. less than 30% on products, less than 10% on project management costs).

**Where to find
additional
information?**

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- › Questions and requests for clarification may be submitted to the email: markedsmodning@ekf.dk
 - › All questions and the corresponding answers will be published on the Facility website's FAQ page: www.ekf.dk/markedsmodning

Disclaimer

These guidelines are designed to provide general information to potential Applicants (single Companies or Company Alliances). The information provided in these guidelines is for informational purposes only and is not intended to be a source of advice with respect to the material presented. EKF does not warrant or make other forms of promises as to any results that may be obtained by using the content of these guidelines. EKF disclaim any and all liability in the event any information proving to be inaccurate, incomplete or unreliable, or result in any losses or not being awarded the EKF Green Accelerator grant commitment. The use of these guidelines implies your acceptance of this disclaimer.



Glossary of key terms

Glossary of key terms

Term	Definition / Explanation
Assessment Criteria	Defined criteria used to assess and rank Applications
Company	Single entity applying for support
Company Alliance	Group of companies applying for funding, one of which must be an SME
Company or Company Alliance Contribution	Company or Company Alliance's own funds contributing to the realization of the Facility financially supported project
Due Diligence	Verification exercise to confirm the information submitted by Company Alliance
EKF	Denmark's Export Credit Agency
Eligibility Criteria	Defined minimum requirements to be fulfilled by an Application to be considered for funding
Entity	Institution, company, or organization that has legal rights and obligations
ESG	Environmental, Social and Corporate Governance
Facility Manager	Consultant in charge of managing the EKF Green Accelerator
Grant Agreement	Contract signed between EKF and the single company or lead company
Grant Beneficiary	Successful Company or Company Alliance which has signed a Grant Agreement with EKF
Grant Committee	Committee that consists of representatives from EKF which makes strategic decisions for the Facility, including grant awards for Applications
Grantees	Successful Company Alliances who have signed a Grant Agreement with EKF
Grantor	Denmark's Export Credit Agency
KYC	Know Your Customer
Lead Company	Main entity heading the Company Alliance (if applicable)
Refundable Expenses	Expenses which can be financed through EKF Green Accelerator financial support
Solution	The proposed business product or service to be exported

