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**Project Agreement**

**V1.0**

**<XX-XX-2025>**

**Between**

TRACE

Kongsvangs Alle 29

8000 Aarhus C

Denmark

Company registration number 42901768

(in the following called TRACE)

and

Lead Project Participant acting on behalf of all Project Participants

[Name of Lead Project Participant]

[Address]

[CVR Number]

(in the following called Lead Project Participant)

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# Background and purpose

In order to achieve the goals of the Climate Act the Danish Government has allocated funds for research and innovation via four Innomission Partnerships. Innovation Fund Denmark has been assigned the responsibility of allocating the funds via the four mission-driven research and innovation partnerships.

TRACE is a non-profit association whose overall purpose is to promote circular economy with a focus on plastics and textiles. The purpose shall be realised by bringing together relevant actors who can help accelerate the green transition through the development of innovative and result-oriented solutions that contribute to Denmark’s achievement of its goals within the green transition, have a global effect and strengthen Danish business development.

TRACE has in an Investment Agreement entered between Innovation Fund Denmark and TRACE been given the responsibility to administer and allocate funds to projects within the Innomission Partnership “Innomission 4” on behalf of Innovation Fund Denmark.

The purpose of this Project Agreement is to inform the Project Participants of the Grant Decision and the conditions for the financing within the framework of the Investment Agreement and the rules and guidelines applicable to the Project.

# The Grant Decision of TRACE

The board of directors of TRACE has on 07.10.2024 decided to grant funds to the following project:

[Project Name]

Maximum amount granted: [Investment amount kr.]

Project Start and End: [Project Start] – [Project End]

Name of Lead Project Participant: [Name of the Lead Project Participant] with authority to sign on behalf of the Project Participants.

Name of Project Manager from Lead Project Participant [Insert name of Project Manager]

# Legal Basis of the Grant

The grant allocated constitutes public funds. This means that the grant shall comply with both EU and Danish state aid regulations.

Grants covering research and innovation activities are granted pursuant to article 25, 2(a), 2(b) and 2(c) of The General Block Exemption Regulation[[1]](#footnote-2) (GBER). If applicable funding of Project Activities can also be granted pursuant to the rules on non-economic activities or as de minimis aid pursuant to the general de minimis notice[[2]](#footnote-3)

# Complaints

TRACE is as a private association not subject to the rules pertaining to public law. However, objections to TRACE's failure to comply with the requirements of impartiality, equal treatment, hearing of the parties, and objective assessment in connection with the administration of funds can be sent to IFD at [kontakt@innofond.dk](mailto:kontakt@innofond.dk) within 4 weeks from receipt of the Grant Decision.

# Conditions for receipt of the grant

On the following pages, you can read the conditions for the grant.

# Definitions

**Administrator** shall mean the legal entity appointed by TRACE and approved by Innovation Fund Denmark to receive and administrate the investment from Innovation Fund Denmark.

**Audit Instruction** shall mean the instruction issued by Innovation Fund Denmark and applicable for funding of the Project under the Innomission Programme.

**Budget** shall mean the budget as approved by TRACE in connection with this Project Agreement including any later amendments approved by TRACE.

**Grant Conditions** shall mean terms and conditions applying to a specific grant received under this Project Agreement.

**Guidelines Innomission** shall mean the guidelines issued by Innovation Fund Denmark and applicable for funding of the Project under the Innomission program.

**Innovation Fund Denmark** or **IFD** shall mean the Innovation Fund Denmark established by the Minister for Higher Education and Science pursuant to the Act on the Innovation Fund Denmark no. 306 as of 29 March 2014.

**Lead Project Participant** shall mean the legal entity with authority to sign the Project Agreement on behalf of all Project Participants and that holds the obligation to ensure that all Project Participants in the Project that receive funding from TRACE sign the Collaboration Agreement.

**Membership Partners** shall mean the Partners that pay membership fee to the TRACE Association and thereby is eligible to vote at the annual General Assembly Meetings

**Partner** shall mean a legal entity that is a member of the TRACE Association.

**Project Activities** shall mean the activities covered by the grant and described in the Budget and Project Plan.

**Project Plan** shall mean a plan that comprises a project description and a Gantt Chart that outlines the Project Activities with milestones for each activity as approved by TRACE in connection with this Project Agreement including any later amendments approved by TRACE.

**Project Participant** shall mean a Partner participating in a Project.

**Project Partners** shall mean the ad hoc members that are only a Partner of TRACE in connection with the completion of the Project. Project partners do not pay membership fee to the TRACE Association and is not eligible to vote at the annual General Assembly Meetings of TRACE.

**Third Party** shall be understood as any individual or legal entity except for the Project Participants, TRACE, the Administrator and the IFD.

# Project

Any funding received by the Project Participants, shall be used in accordance with the Grant Conditions described below and found in the Trace Guidelines applicable for the call, the Audit Instruction, as well as any other information from the IFD or TRACE regulating the implementation of the project.

# Preconditions

TRACE has based its decision on the Project Participants having all declared that

* the applicant is not an undertaking which is subject to an outstanding recovery order following a previous European Commission decision declaring an aid illegal and incompatible with the internal market cf. GBER article 1, point 4(a),
* the applicant is not an undertaking in difficulty as defined in GBER article 2, point 18 and
* The receipt and use of the funds do not contravene applicable national or international sanctions.

# Membership of the TRACE Association

It is only the lead partner that will sign under this project agreement, therefore, all the partners in the project must register as Non-paying members of the TRACE Association during the term of the Project. By becoming members of the Association the partners are agreeing to the articles of the Association.

The TRACE administration will automatically register all partners as non-paying members in the TRACE Association. The partners will receive a receipt after registration. TRACE administration will contact all partners regarding the advantages of full membership, I.e. becoming paying members.

More information about TRACE Association membership can be found in Exhibit I.

# General Grant Conditions for Implementation of the Project

The Project Activities, cf. the application, must be carried out within the Term of the Project stated above and otherwise carried out in accordance with the project description, the Project Plan and the Budget. The approved Project Plan and approved Budget are attached as Exhibit II and III. The Project Participants are obliged to establish a steering committee for the Project and appoint a project manager.

The Project Participants are obliged to carry out the Project in a bona fide manner using the resources, which in accordance with the Budget, have been allocated to the Project in the best possible (but commercially reasonable) way.

The Project Participants shall not provide any guarantee that the Project leads to specific results. But they shall carry out the Project in accordance with this Project Agreement.

The Project Participants shall contribute the required materials, staff, facilities, equipment, etc. to the Project as described in the Project Plan. The Project Participants shall drive forward the Project, making the best possible use of the resources allocated to the Project.

Project Participants shall acknowledge and recognize the:

* Danish Code of Conduct for Research Integrity: <https://ufm.dk/en/publications/2014/files-2014-1/the-danish-code-of-conduct-for-research-integrity.pdf>
* Open Access policy for public-sector research councils and foundations: <https://ufm.dk/en/research-and-innovation/cooperation-between-research-and-innovation/open-access/Publications/councils-and-foundations>
* URIS Guidelines: <https://ufm.dk/publikationer/2022/afrapportering-udvalg-om-retningslinjer-for-internationalt-forsknings-og-innovationssamarbejde>

# Collaboration Agreement

The Project shall be governed by a Collaboration Agreement if the Project involves more than one Project Participant. The Collaboration Agreement must be signed by all Project Participants before any payments can be made to the Project Participants. The Collaboration Agreement must include the Project Plan and Budget. The Collaboration Agreement shall include all elements necessary for proper governance of the Project including responsibilities, powers and a description of the steering committee of the Project as well as the name of the project manager. Furthermore, the Collaboration Agreement must regulate how the Project handles confidential information, IPR, publications, etc.

The Collaboration Agreement shall comply with the Trace Guidelines applicable for the call. It is the responsibility of the Lead Project Participant to facilitate the negotiation leading to a Collaboration Agreement being entered between the Project Participants concerned.

A Collaboration Agreement complying with the relevant guidelines and this Project Agreement is a condition for funding. TRACE shall not be a party to the Collaboration Agreement, but the Collaboration Agreement shall be approved by TRACE before it is signed.

# Responsibility of the Lead Project Participant

The Lead Project Participant is obliged to monitor compliance by the Project Participants with their obligations under this Project Agreement and the Collaboration Agreement.

The Lead Project Participant is obliged to collect and submit reports, other deliverables (including financial statements and related certifications) and other documents requested by TRACE.

Further, the Lead Project Participant is obliged to participate in the activities listed in Exhibit IV.

# Changes to the Project

The Lead Project Participant is obliged to inform TRACE about any changes/deviations (Scientific and financial) to the Project, including changes in the enterprise size used to calculate the aid intensity in the Budget. Changes to the Project Activities, the milestones of the Project Plan (including extension of the Term of the Project), or changes to the Budget must be approved by TRACE in writing in accordance with the applicable guidelines. See the Innomission Guidelines.

If TRACE approves of new Project Participants, the Lead Project Participant must ensure that the new Project Participant becomes a member of TRACE (Partner) and signs an accession agreement as an appendix to the Collaboration Agreement.

# Communication and Use of Names

Project Participants shall ensure that references to Project Activities in various media, publications, reports, or other material published containing reference to the Project or the TRACE Association and/or results achieved in connection with the Project clearly indicate that the work is part of TRACE by using the TRACE logo (can be found on the official website for TRACE: TRACE.dk). Further, reference shall be made to IFD and the IFD logo must be used. The requirement to use the logos may be exempted in scientific publications to the extent that there is no custom for using a logo in such publications.

# Administrator

TRACE has appointed University of Southern Denmark (SDU) as Administrator. SDU will act on behalf of TRACE in connection with the receipt and review of accounts and requests for payment of allocated funds and a number of other administrative tasks. TRACE will inform the Lead Project Participant of the contact details.

# Audit of Projects

The grant is public funds. This obliges the Project Participants to spend and audit the use of funds in accordance with good public auditing practices[[3]](#footnote-4) as described in the Audit Instructions from IFD.

Project Participants shall be obliged to hand in audit reports and any documentation requested by TRACE. Reports and documentation shall follow the instructions in the relevant TRACE Guidelines and/or the Audit Instruction from TRACE.

If the grant is not used in accordance with this Project Agreement, applicable legislation, and the Guidelines and Audit Instructions, TRACE is obliged, as a starting point, to demand full or partial repayment of the grant with interest in accordance with applicable laws on the repayment of public funds. Other legal proceedings may take place.

# Safekeeping of Documents and Financial Records

The European Commission may ask for documentation for up to 10 years from the payment of public funds. Project Participants are advised to keep relevant documents and financial records for up to 10 years after payment of the last instalment in the Project.

# Evaluation of Projects

Project Participants shall be obliged to participate in the evaluation of the Project, including any spot checks conducted during and after the end of the Project.

# Consent to Publication of Data on Project Participants and Projects

The Project Participants hereby consent to the IFD and TRACE publishing the names of the Project Participants, the Project title and duration, and key figures from the investment, including the size of the investment, in the database Research Portal Denmark (<https://forskningsportal.dk/>), on IFD’'s website (www.innovationsfonden.dk), in IFD’s publications and on TRACE’s website.

# Compliance with the Project Agreement and Laws on Public Subsidies

TRACE has reviewed the application and budget and has ascertained that the Project Participants are relevant for the implementation of the Project, that the Project falls with the theme for investment in the call, that the Project contributes to the fulfilment of the targets described in the Roadmap and that the rules on state aid are complied with.

The Project Participants are responsible that all laws pertaining to receipt of public subsidies are complied with during the Project. This implies ensuring that state aid rules, including the rules on cumulation of public subsidies and maximum aid intensity, are complied with in connection with the implementation of the Project.

The Project Participants shall provide TRACE with all relevant documentation and information requested in order to control that all rules regulating the grant has been complied with.

# Liability

TRACE administers and allocates the funds based on instructions from IFD and within the framework of the Investment Agreement entered into with IFD. TRACE cannot be held liable for any loss caused to a Project Participant or to a Third Party as a consequence of the administration and allocation of funds, including for gross negligence.

# Governing law

The Project Agreement shall be governed by Danish law, with the exception of Danish conflict of laws rules where such rules would lead to application of the law of another country.

Any dispute arising between the parties concerning this Project Agreement, including its interpretation and application, and which cannot be amicably settled, must, in so far as is possible under the Administration of Justice Act, section 225 and section 227 be brought before the Maritime and Commercial High Court as court of first instance.

# List of Exhibits

Exhibit I: Membership in TRACE Association

Exhibit II: Project Plan as Approved by TRACE

Exhibit III: Budget as Approved by TRACE

Exhibit IV: List of Specific Duties for Lead Project Participants During the Project

# Exhibit I: Membership in TRACE Association

# A close up of a green tree AI-generated content may be incorrect.

TRACE is a non-profit association whose overall purpose is to promote a circular economy with a focus on plastics and textiles. The purpose shall be realized by bringing together relevant actors who can help accelerate the green transition through the development of innovative and result-oriented solutions that contribute to Denmark’s achievement of its goals within the green transition, have a global effect, and strengthen Danish business development.

As it only is the lead partner that will sign under this project agreement, therefore all the partners in the project must register as Non-paying members of the TRACE Association during the term of the Project. By becoming members of the Association the partners are agreeing to the articles of the Association.

**The TRACE administration will automatically register all partners as non-paying members in TRACE Association. The partners will receive a receipt after the registration. TRACE administration will later contact all partners regarding the advantages of full membership, I.e. becoming paying members.**

# TRACE Members

TRACE members are the Partners that pay membership fees to the TRACE Association and thereby are eligible to vote at the annual General Assembly Meetings and get the benefits of the full TRACE membership. By becoming a member of TRACE, the partners can join the TRACE network of innovators and leaders shaping the future and creating a circular infrastructure throughout the circular vision.

You can find more information about registration as a TRACE member, on the TRACE homepage, under [member registration](https://trace.dk/member/join-the-membership-of-trace-and-be-a-part-of-the-transition-towards-a-circular-economy/).

# TRACE Project Partners

TRACE project partnersare the ad hoc members that are only Partners of TRACE in connection with the completion of the Project. Project partners do not pay membership fees to the TRACE Association and are not therefore eligible to vote at the annual General Assembly Meetings of TRACE.

For more information about the TRACE Membership see the [TRACE homepage](https://trace.dk) or contact the TRACE secretary or administrator.

# Exhibit II: Project Plan as Approved by TRACE

<Add the latest version of the Project Plan as Appendix. If there are any changes to the project plan after the original application for example start date/end date etc. the plan needs to be approved by TRACE>

# Exhibit III: Budget as Approved by TRACE

<Add the latest version of the Budget as Appendix. If there are any changes to the budget after the original application the new updated budget needs to be approved >

# Exhibit IV: List of Specific Duties for Lead Project Participants During the Project

As part of the TRACE Partnership the TRACE Lead Project Participants (especially the PI) are required to:

# Project Initiation:

* Engage in an onboarding half-day meeting where there will be an introduction to TRACE, a presentation on the role as PI, including synergy work across projects, reporting related to the project, and how to save and share all documents on the TRACE Teams site.
* Each TRACE project is provided with a project-specific TRACE Teams site where all the project-relevant documents and deliverables **must** be submitted. It is the responsibility of the Lead Project participants to ensure that all the project-relevant documents are uploaded to the TRACE Teams.
* The Lead Project participant must pay for one Microsoft Project License (Relevant to TRACE). The License is needed for updates in the Microsoft Project Gantt Chart in Teams.

# Communication:

* It is the Project Lead’s responsibility to continuously communicate progress and results in the project in the form of both scientific publications and updates on Trace's website, LinkedIn, and/or other platforms.
* It is assumed that the project manager prioritizes communication as an essential part of the project's output, prepares an operational communication plan, and allocates resources for communication.
* When communicating, ensure that references to Partnership activities in various media clearly indicate that the project has received funding from Trace and Innovation Fund Denmark (IFD). Any publication, report, or other material published by the projects and containing references to the project results should state that the Partnership has received funding from Trace and IFD. Remember also to include the Trace and IFD logo in the materials. Note! The IFD/Trace logos may be omitted in scientific publications, etc., to the extent that it is not customary to use the logos.

# Collaboration and synergies:

* Engage in 2-3 PI full-day meetings per year where we coordinate synergies and collaboration between the TRACE projects. Furthermore, the PI must expect some preparation and planning related to the synergy work.
* Yearly partner survey– The project partners will receive a yearly partner survey from TRACE. The survey is used for collecting feedback and measuring the pulse from the ongoing Trace projects

# Reporting:

* Status reporting and project status meetings: The project lead is obliged to report project status to the TRACE Management 2 times a year, with the official TRACE status reporting templates (At the end of April and at the end of October).
* The report includes bi-yearly financial, scientific, and synergy reporting from each project and a status meeting with the TRACE Direction to discuss and review the project status.
* The April status report is part of the Innomission annual reporting to The Innovation Fund Denmark and includes therefore both scientific/synergy reporting and also the annual financial reporting (Regnskab) and external audit when relevant.
* The October status reporting is internal in TRACE and includes a scientific/synergy reporting and internal economy check.
* Final reporting: At the end of the project the projects are obliged to send in the final report for the project. The final report has to be sent in three months after the project ends.
* It is recommended that there will be organized a final workshop or conference in the projects to disseminate the results. Please remember to invite the TRACE secretariat to these events.

1. EU-Commission Regulation (EU) No. 651/2014 of 17. June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty with later amendments. [↑](#footnote-ref-2)
2. EU Commission Regulation No. 2831/2023 of 23 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid [↑](#footnote-ref-3)
3. The Act No 101 of 2012-01-19 on Audit of Government Accounts [↑](#footnote-ref-4)