

NOTE

Instruction for pre-approval applications

In order to streamline the pre-approval process for development projects between foreign suppliers of military products and services and Danish defence industrial companies, applicants are advised to read this instruction before filling out the template and spreadsheet found on the DBA website. Please note that all requests for pre-approval should be based on the DBA template and spreadsheet.

The instruction guides you through the template and spreadsheet and draws attention to the type of information needed in relation to projects that relate to ICCs, which are signed under the administrative guidelines of 1st of July 2014. Projects in relation to ICCs which are signed before 1st of July 2014 are asked to ignore the question relating to the scope of the relevant ICC, cf. point 2 below.

Please note that the examples in the instruction are only indicative. Additional information might be needed. In general the applicants are asked to add extra information if in doubt. In case the DBA requires additional information in order to process the request for pre-approval, the foreign supplier and/or the Danish company will be contacted directly.

Project description template (MS Word)

0. Formalities

Name of project

Please state an instructive name for the project that is non-technical.

Request date

Date of submittal to the DBA. The formal pre-approval process does not start until the template and spreadsheet is formally submitted to DBA via e-mail or mail services to the relevant case worker.

ICC case ref.

The ICC's case ref. is found in the upper right corner of page 1 in the ICC. The ICC case ref. is used to identify the relevant case in DBA's case handling system.

Product/service in ICC

The name of the product or service is found under article 1 of the relevant ICC. The name of the product or service is used to identify the relevant ICC.

Confirmation from the CEO of Danish company

When sending the request for pre-approval, the applicant should attach a confirmation from the CEO of the involved company in Denmark which states that the company in Denmark is committed to and accepts the details of the development project, cf. article 7.1 in the ICC.

1. Introduction to the project

This section should give a clear overview of the project in question, including the product or service to be developed, the activities taking place in the project, the objectives and success criteria, and the competencies and responsibilities of both the foreign supplier and the Danish company in each phase. Please also outline applying lay-man terminology the challenges and the intended use case that the project will address.

2. Scope of the relevant ICC

According to the administrative guidelines, industrial co-operation activities should be “*aimed at maintaining and developing industrial competences and capabilities within specific strategic areas in the National Defence Industrial Strategy which are necessary for development, production, maintenance, operation and performance of tasks related to the acquisition or corresponding defence equipment*”, cf. article 3.2.2.

The applicant is therefore asked to argue why the project is believed to be within the scope of the relevant ICC, i.e.:

- That the project concerns defence equipment following the definition under EU law (directive 2009/81 / EU’s Common Military List)
- That the project is related to the acquisition or corresponding defence equipment.
- That the project is related to one or more of the strategic technology areas mentioned in the ICC.

When evaluating whether a project is within the scope of the relevant ICC, the DBA will take the arguments from the applicant as its starting point. If in doubt about the validity of these arguments, the DBA may consult the Ministry of Defence.

3. Product/service in scope

This section should outline in detail the product /service to be developed along with any relevant visuals or graphic illustrations. Please also outline any relevant technical standards, certifications, STANAG, etc. needed. Please also note the expected TRL of the product/service.

4. Business model for the Danish company

This section should describe the basic commercial relation in the co-operation between the foreign supplier and the Danish company. How will the project position the Danish company in the supply chain of the foreign supplier? Will the Danish company be supplying the final customer directly with its own products/services? The template lists eight archetypical business relations and DBA asks for the project parties to choose one or more of these archetypes and expand the argument. This section should also describe the business model for the Danish company, the expected sales channels, customers and markets.

5. Project phases, transfers and IP

This section should outline the project and all its phases through development and testing to the production stage. All transfers to the Danish company should be described in relation to the aim of the project. The section should also include a description of the IP aspects of the project and if any transfers of IP between the project parties take place (IP rights fully or partially, licensing agreements, right to usage or similar). Specifically, the DBA requires a complete description of the issue of IP in relation to the transfers of technology and/or unique know-how from the foreign supplier to the Danish company. Finally, the section should include a description of any legal or commercial restrictions on the Danish company in relation to the project.

6. Forecasted follow-on sales

This section should include a forecast for the follow-on sales volume of products/services related to the project for the Danish company. Please provide a forecast covering the full lifetime on the market for the product/service developed in the project. Please divide the follow-on sales forecast into separate streams listing expected sales directly to the foreign supplier vis-à-vis third parties. This is done in order for DBA to assess a potential 50 % milestone bonus on the sales going directly to the foreign supplier.

Spreadsheet with business case (MS Excel)

0. Formalities

Project parties

Please list the names of the project parties involved.

Name of project

Please state an instructive name for the project that is non-technical.

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1. Phases

Development projects can be organized in many different ways depending on the nature of the project. A typical set-up involves one or more development phases followed by a serial supply phase where the Danish company sells the developed product to the applicant company or third parties.

2. Activities

The applicant is asked to describe each activity in such detail that it will be possible for the DBA to assess the nature of the activity and attribute the correct multiplier. When in doubt about the needed level of detail, please add extra information. The examples below show some of the information to be included:

- Transfer of technology: What is being transferred? How is the technology transferred in practical terms? Details about ownership/IP rights and if export authorization is needed. How is the value of the technology calculated?
- Funding: Description of the activity or items being funded and how it is used in the project.
- Advisory services: Description of the service and its relevance for the project. How is the service provided? By whom? Where? If man hours: number of hours, period, cost-definition applied. Please break down the total hourly cost into the various cost components included.
- Making facilities available: What is being made available? Market value of the facility made available for free? Description of the activity and its relevance for the project? Where does it take place?

3. Milestones

Please list how the individual activity is considered to be delivered to the Danish company. I.e. 'workshop completed' or 'technology transferred'.

4. Date of activity

This column should contain the expected timeline for the activities. The following approach can be used: 'Project start + 3 month', 'Project start + 6 month' etc. Specific dates are not requested. Rather DBA requires a timeline linked to project start.

Please note that the reported starting date of the project as well as the reported milestone dates will form the basis of the DBA pre-approval.

5. Cost

This column represents the net cost of the activity before multipliers are applied.

6. Remarks

Any additional remarks to the individual activity can be included in this column.

7. Requested multiplier

Adding multipliers to a project is a prerogative of the DBA and will be done by evaluating the project activities in light of the administrative guidelines. As a starting point, however, the applicant is asked to suggest multipliers for the individual activities. The multipliers have to be within the limits set forth in the administrative guidelines. Please note that the multiplier levels are considered a maximum. Additional information of the different multiplier levels as well as the details reg. the milestone bonus can be found in the FAQ on DBA's website.

8. Offset value

This column represents the offset credit value of the activity.