



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida

2025

GUIDELINES

DANIDA INNOVATION & BUSINESS EXPLORER

GUIDELINES 2025

INTRODUCTION

As laid out in Denmark's development policy and humanitarian strategy, The World 2030, Denmark will invest in inclusive, sustainable growth and development in the developing countries, focusing on energy, water, agriculture, food and other areas where Denmark has special knowledge, resources and interests. This will contribute to creating sustainable communities with economic freedom, opportunities and jobs – especially for the young people. It will also benefit Danish economy, trade and investments.

Moreover, fighting climate change is a strategic priority for Denmark. Amongst the Sustainable Development Goals selected to be Denmark's global development policy key issues are Goal No. 7 (sustainable energy) and Goal No. 13 (climate).

Many Danish companies have a strong focus on innovation, design and technology, making them well-positioned to capture a part of the business opportunities in developing countries. Danida Innovation & Business Explorer offers financial support to Danish companies, including start-ups that wish to investigate concrete business opportunities contributing to the achievement of the Sustainable Development Goals and the Paris agreement. Priority will be given to applications that have an impact on combatting the climate crisis.

The total budget allocated for Danida Innovation & Business Explorer in 2025 is DKK 5 million.

2025

Ministry of Foreign Affairs of Denmark

Department for Green Diplomacy & Climate klima@um.dk

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WHAT IS DANIDA INNOVATION & BUSINESS EXPLORER?

The purpose of Danida Innovation & Business Explorer (DIBE) is to address local development needs with a focus on the Sustainable Development Goals and the Paris agreement. DIBE enables Danish companies to carry out commercial activities in developing countries where business and investments are often associated with relatively high costs and risks.

DIBE offers financial support to Danish companies to conduct activities in developing countries such as studies, market research, workshops, testing and to prepare business plans that will lead to a commercial engagement.

There are six principles for support:

1. The proposed project must be part of the Danish company's core business.
2. It is a requirement that the Danish company's planned commercial engagement has the potential to create local development, and that it will address local development needs with a particular focus on contributing to achieving the Sustainable Development Goals and the Paris agreement.
3. DIBE support is available in countries classified by the World Bank as lower-middle or low income economies, and where there is a Danish mission.
4. If the applicant is an established company, it must possess the financial and technical resources required for implementation of the planned commercial engagement.
5. If the applicant is a start-up, it must possess relevant competencies and be able to demonstrate concrete results acquired through successfully having completed previous activities of similar nature. If the start-up has obtained financing targeting start-ups¹ it would be considered positively.
6. An applicant company can apply on behalf of an alliance consisting of a total of maximum of three commercial and/or non-commercial

¹ Relevant programs are for instance Innovation Fund Denmark's Innobooster or financing under Vaekstfonden, or other relevant public and private entrepreneur supporters, accelerators and incubators.

partners. In this case, the alliance will have to submit a joint declaration documenting the alliance. No overhead will be provided to partners in the alliance. The applicant company will sign the grant agreement on behalf of the alliance.

Danida Innovation & Business Explorer provides financial support to Danish companies in connection with the company's (or alliance's) investigation of a concrete business opportunity in certain developing countries that could lead to trade, partnerships, projects or investments.

The 2030 Agenda for Sustainable Development will serve as a framework for the implementation of the facility. The 2030 Agenda consists of 17 Sustainable Development Goals (SDGs) and 169 associated targets, mobilizing all countries and stakeholders, including businesses, towards their achievement. The SDG's can be found on this [link](#).

Projects to be considered for support must be in support of the national development plans of the project country. Focus should be on contributing to sustainable growth including responsible business in accordance with the principles of the UN Global Compact ([link](#)) and the UN Guiding Principles on Business and Human Rights ([link](#)).

Responsible business is essential to achieve the Sustainable Development Goals. Project proposals should specify one or more of the SDGs that the project will address and how. For concrete tools such as the SDG compass and inspiration, please go to the UN Global Compact website ([link](#)).



IN WHAT COUNTRIES ARE DANIDA INNOVATION & BUSINESS EXPLORER AVAILABLE?

Danida Innovation & Business Explorer operates in the following countries (see table 1):

Table 1:

Low Income Countries ²	Lower Middle Income Countries
Ethiopia Niger Somalia Tanzania Uganda	Bangladesh Egypt Ghana India Indonesia Jordan Kenya Lebanon Morocco Myanmar Nigeria Pakistan Palestine Philippines Ukraine Vietnam

² The World Bank classifies the world's economies into four income groups — high, upper-middle, lower-middle, and low. This assignment is based on Gross National Income (GNI) per capita (current US\$) calculated using the [Atlas method](#). The classification is updated each year on July 1st.

EU STATE AID RULES

Financial support under Danida Innovation & Business Explorer is subject to the European Union's *de minimis State aid regulation*³, 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 statement of support received during the previous three years.

The regulation does not apply to aid for fisheries and aquaculture, or the primary production of agricultural products. A specific ceiling of EUR 100,000 applies to road transport. Possible support to projects within these sectors will be subject to an assessment of the specific project and its potential to distort competition and negatively affect free competition and trade between EU Member States.

³ KOMMISSIONENS FORORDNING (EU) Nr. 1407/2013 af 18. december 2013 om anvendelse af artikel 107 og 108 i traktaten om Den Europæiske Unions funktionsmåde på de minimis-støtte.

WHO CAN APPLY FOR SUPPORT?

Danida Innovation & Business Explorer is open for applications from companies registered in Denmark. The Danish company should have the necessary professional, organizational and financial resources to plan, implement and follow-up on the project in the project country. The Ministry of Foreign Affairs will make an assessment of the Applicant's resources as part of the evaluation of the application.

To qualify the company must not have outstanding debt to the public authorities. Moreover, the company should submit annual accounts in accordance with accounting category B, C or D as defined in the Danish Act on Accounts⁴.

The applicant must possess the financial and technical resources required for implementation of the planned commercial engagement. If the applicant is a start-up it must possess relevant competencies and be able to demonstrate concrete results.

In addition, the Danish company must meet certain requirements related to the company's financial and technical capacity as well as prior experience from working in developing countries as outlined below.

The minimum requirements if the applicant is an established Danish company are:

1. Minimum DKK 1 million in equity according to the most recent audited annual report
2. Minimum of five (5) full time employed professional staff according to the most recent audited annual report⁵

If the Danish company is a start-up the above minimum requirements do not apply.

Applications received from start-ups will instead have to document a professional

⁴ Lov om erhvervsdrivende virksomheders aflæggelse af årsregnskab mv. (årsregnskabsloven),

<https://www.retsinformation.dk/forms/r0710.aspx?id=158560#Afs2>

Companies submitting accounts following accounting category A will normally not be eligible for support. The same is the case for single proprietorships and very small businesses operating as an association or as a cooperative with limited liability below certain thresholds as defined in the Danish Act on Accounts.

⁵ At the request of the Ministry of Foreign Affairs the company must also submit other relevant documents to the Ministry to document the number of full time employed professional staff, e.g., salary sheets.



business plan and that the start-up possesses relevant competencies to plan, implement and follow-up on a DIBE project. Such competencies would be acquired through successfully having completed activities in other business projects demonstrating business acumen and relevant experience for activities envisioned.

Applications received from start-ups that do not meet these requirements will not be considered for support.



WHAT DOES DANIDA INNOVATION & BUSINESS EXPLORER SUPPORT?

Danida Innovation & Business Explorer gives financial support to costs related to an **exploration of a specific business opportunity** in one of the developing countries listed on page 5. This means that the proposed project must be an opportunity already identified by the company. It is therefore assumed that the company already has a basic knowledge of the project and the country concerned.

The maximum financial support is 50 % of the total actual costs with a maximum of DKK 500,000. For established companies the minimum financial support is DKK 250,000. For start-ups the minimum financial support is DKK 100,000.

The Danish company can apply for financial support to:

1. The company's expenses for salary and fees for work carried out in the developing country, as well as related international travel and accommodation expenses (see fixed hourly rates below). The work must be carried out by the Danish company's permanently employed professional staff.
2. The project cost/budget can include up to 80 hours work in Denmark for preparation and completion of the project. Other costs incurred in Denmark are not refunded.
3. The Danish company may supplement its technical capacity with technical consultancy services provided by consultants (see fixed hourly rates below). It can be consultants who are normally associated with the Danish company or professional consultants in the developing country. The budget for consultancy services eligible for support must not exceed 20 % of the total budget.
4. Specific activities (non-salary) in the developing country in relation to the company's/the alliance's further exploration and identification regarding business opportunities in the local context. This includes workshops, costs in relation to demonstration projects and testing of equipment or products/services locally. The budget for activities eligible for support must not exceed 20 % of the total budget and is non-salary costs only.

Financial support is not given to:

1. Cost of staff employed by the Applicant's foreign subsidiaries or affiliated companies is not eligible for support.



2. General initial market studies and analyses cannot be financed under Danida Innovation & Business Explorer.
3. Danida Innovation & Business Explorer does not support activities or product areas as listed on the European Development Finance Institutions Exclusion List (Annex 1).
4. Consultancy service for project administration is not covered by Danida Innovation & Business Explorer.
5. Time spent outside the developing country, including costs incurred in Denmark, for preparation or completion of the project is not eligible for support beyond the 80 hours mentioned above.
6. Equipment and other expenses related to the activities are not eligible for support.
7. The cost of possible assistance by the Trade Council is not eligible for financial support from Danida Innovation & Business Explorer. Assistance from the Trade Council can be provided in accordance with the terms and conditions as specified on the Trade Council's website ([link](#)).
8. Costs related to local travel in the project country are not eligible for support.
9. No overhead will be provided to Danish companies or other partners applying as part of an alliance.

Fixed hourly rates and calculation of eligible costs:

Eligible costs for approved activities are calculated by multiplying the number of hours by a fixed hourly rate⁶ of DKK 463 to cover salary costs. The rate is multiplied by two to cover travel and accommodation expenses. The rate for external consultants includes 100 % overhead.

If a Danish company applies on behalf of an alliance, the hourly rates and calculation of eligible costs applies to all partners as if they were all company staff.

Danida reimbursement will be made to the signing partner only, who has applied on behalf of the alliance.

- The maximum number of hours is 8 hours per day and 40 hours per week.
- International travel time may be included in the budget with a maximum of 8 hours per day.

The fixed hourly rates are as follows:

1. Danish company staff including international	DKK	926
2. Consultant fee including travel	DKK	1.389
3. Consultant fee excluding travel	DKK	926
4. Preparation and completion	DKK	463
5. Danish company staff that live in or are posted long term in the project country ⁷	DKK	463

⁶ The fixed hourly rate is based on information from Statistics Denmark.

⁷ If staff in the Danish company live in or are posted long term (more than three months) in the project country their hourly rate excluding travel is DKK 463. Local travel in the project country does not justify having Danish company staff who live in or are posted long term in the project country on travel budget.

Example: The Danish company has applied for support to conduct a feasibility study involving three company employees and two consultants. The study will take place over a period of six months, and will involve several international travels. One of the consultants is located in the developing country.

Name	Position	Travel	Activities	Rate	Budget
H. Hansen	Production Manager	64	320	926	355.584
P. Petersen	Marketing Manager	32	320	926	325.952
N. Nielsen	CFO	16	40	926	51.856
O. Olsen	Consultant	16	60	1389	105.564
J. Jones	Consultant	0	40	926	37.040
Preparation and completion			48	463	22.224
Specific activities (non-salary)		Expenses related to activity			
Workshop		Location rental and catering			12.500
Total budget					910.720
Total financial support budget					455.360

HOW TO APPLY FOR SUPPORT?

Applications for support should be submitted to the Ministry of Foreign Affairs of Denmark.

- Applications can be submitted throughout the year until 15 October 2025.
- Applications must be submitted as one pdf document by e-mail to klima@um.dk
- The Application Form available on this [link](#) must be used.

The application has annexes and compulsory information, which must be filled in and submitted with the application. The complete application includes:

- Application form, signed by two authorized representatives of the company
- de-minimis declaration signed by an authorized representative of the company
- Curriculum vitae for company staff and consultants
- Restanceerklæring from SKAT/Gældsstyrelsen or service attest from erhvervsstyrelsen.dk
- Company annual audited report for the most recent financial year

If the Danish company applies on behalf of an alliance, a joint declaration documenting the alliance must be submitted together with the application.

Do not include company brochures and technical documents with the application.

Companies are welcome to contact the Department for Green Diplomacy for questions concerning the Guidelines and Application Form. However, the Ministry will not be able to provide guidance concerning the formulation of the application as this would constitute a conflict of interest in connection with the evaluation of applications.

Please note that an application submitted by the Danish company to the Ministry of Foreign Affairs and related correspondence is subject to Danish Access to Public Information Act⁸.

⁸ Lov om offentlighed i forvaltningen

HOW IS THE APPLICATION ASSESSED?

The process and criteria for assessment of applications will depend partly on whether the applicant is a start-up or an established company.

If the Applicant is an established company the following process and criteria for evaluation applies:

- Applications will be checked to confirm that the financial equity is more than DKK 1 million, that the number of full time professional staff is 5 (five) or more, that the project is not on the EDFI Exclusion List, and that all required documents are included and have been duly completed.
- Applications that do not comply with the administrative requirements will not be considered further.
- Applications that meet the administrative requirements will be evaluated according to the criteria described below.
- Applications that in the opinion of the Ministry of Foreign Affairs best meet the criteria for support will be offered financial support within the total amount available at the time of application.

Criteria for evaluation of applications:

1. Evaluation of the Danish company in relation to the proposed project

- The Danish company's financial capacity, relevant technical experience and international experience will be considered as part of the assessment of the application.
- The company's financial capacity will be rated against development of key figures on liquidity, return on assets and equity ratio as published on proff.dk.
- The rating of the technical capability will be based on the proposed project in relation to the company's experience and capacity and whether the proposed project is part of the company's core business.

2. Evaluation of the project proposal

- Assessment of how the application demonstrates compliance with the

developing country's development strategies, and how it may lead to sustainable growth, including responsible business conduct.

- Assessment of how the application envisages that the proposed project will contribute to one or more of the Sustainable Development Goals as well as how the project has the potential to scale and contribute to the achievement of the Paris agreement.
- Assessment of how the proposed project is envisaged to become a commercially viable business venture.

3. **Cost effectiveness**

- Assessment of how the proposed activities and outputs are related to the proposed budget in a cost effective manner.

If the Applicant is a start-up the following process and criteria for evaluation applies:

- Applications will be checked to confirm that the project is not on the EDFI Exclusion List, and that all required documents are included and have been duly completed.
- Applications that do not comply with the administrative requirements will not be considered further.
- Applications that meet the administrative requirements will be evaluated according to the criteria described below.
- Applications that in the opinion of the Ministry of Foreign Affairs best meet the criteria for support will be offered financial support within the total amount available at the time of application.

Criteria for evaluation of applications:

1. Evaluation of the Danish company in relation to the proposed project

- The Danish company's financial capacity and relevant technical experience will be considered as part of the assessment of the application. Applications received from start-ups will have to provide relevant documentation and references on how the company has acquired and possesses relevant competencies to plan, implement and follow-up on a DIBE project.

- Such competencies could be acquired through successfully having completed relevant and similar business activities, however not necessarily from a developing country. Previous experience demonstrating ability and knowledge of the business described in the project would be considered favorably.
- Funding obtained from among others Innovation Fund Denmark's Innobooster or financing under Vaekstfonden, or other relevant public and private entrepreneur supporters, accelerators and incubators would be an advantage.
- The company's financial capacity will be evaluated against development of key figures on liquidity, return on assets and equity ratio as published on proff.dk.
- The rating of the technical capability will be based on the proposed project in relation to the company's experience and capacity and whether the proposed project is part of the company's core business.

2. **Evaluation of the project proposal**

- Assessment of how the application demonstrates compliance with the developing country's development strategies, and how it may lead to sustainable growth, including responsible business conduct.
- Assessment of how the application envisages that the proposed project will contribute to one or more of the Sustainable Development Goals as well as how the project has the potential to scale and contribute to the achievement of the Paris agreement.
- Assessment of how the proposed project is envisaged to become a commercially viable business venture.

3. **Cost effectiveness**

- Assessment of how the proposed activities and outputs are related to the proposed budget in a cost effective manner.

The Ministry's assessment of the applications will under normal circumstances take approximately eight weeks.

Applications will be assessed according to the following criteria:

Criteria	Weight	Weight
Evaluation of the Danish company		40 %
Financial capacity	25 %	
Technical capability	25 %	
International experience	50 %	
Evaluation of the project proposal		50 %
Compliance with country development strategies	20 %	
Contribution to SDGs and the Paris agreement	50 %	
Commercial viability	30 %	
Cost effectiveness		10 %

Each criterion will be rated according to the following scale:

- Very good 100 points
 - Good 90 points
 - Satisfactory 70 points
 - Not satisfactory 40 points
- Applications with a total score below 70 points will not be considered for support.
 - Applications with a total score above 70 points will be approved for support as long as there are funds available.
 - Applicants, whose application cannot be accommodated, will receive a letter.
 - Applicants, whose application has been approved, will receive a letter stating the overall conditions for support and the amount granted. The application, including budget and annexes, thereby becomes the legally binding documents governing the grant given by the Ministry of Foreign Affairs.

HOW TO GET STARTED? AND HOW TO REPORT ON RESULTS?

The project should be initiated no later than three months after the approval by the Ministry of Foreign Affairs. The approval will take effect when the Ministry has received the applicant company's acceptance of the terms and conditions by signing and returning a copy of the Ministry of Foreign Affairs approval letter to klima@um.dk

Please note that the commitment can only be used for activities taken place after the Ministry of Foreign Affairs has received the signed approval from the Danish company.

As a general rule the project should be completed within a maximum of 12 months from the approval date.

It is a requirement that the Danish company arranges a meeting with the Embassy of Denmark in the project country in connection with the first visit to the country. The Embassy will provide the Danish company with relevant country specific information and general advice concerning the project.

Moreover, the Danish company is required to arrange a debriefing meeting with the Embassy to report on the preliminary results of the study and the company's plan for further activities by the end of the project.

HOW TO COMPLETE THE PROJECT AND CLAIM FUNDS?

As a condition for disbursement of financial support to the Danish Company it must document that the project has been carried out in accordance with the approval by the Ministry of Foreign Affairs.

Therefore, the Danish company must prepare the following documents as completion material. The company must use the relevant templates, which can be found on the Ministry of Foreign Affairs' webpage or downloaded from this [link](#).

1. Completion Report with a description of the activities and results of the project
2. Request for disbursement
3. The Auditor's report made by the Danish Company's own auditor

Therefore, prior to submitting the completion material, the Request for Disbursement must be submitted to the Danish company's auditor for examination together with the following vouchers and documents to obtain the Auditor's report:

- Vouchers for international flights (incl. all boarding passes)
- Invoices from consultants with specification of hours worked and proof of payment
- Time sheets for company employees and pay slips

The Auditor's report, Completion Report and the Request for Disbursement must be submitted as one pdf document to the Ministry of Foreign Affairs, Department for Green Diplomacy & Climate by e-mail to klima@um.dk.

At the request of the Ministry of Foreign Affairs the company must also submit other relevant documents to the Ministry.

WHO TO CONTACT?

For information please contact:

Ministry of Foreign Affairs of Denmark, Department for Green Diplomacy & Climate (KLIMA)

Asiatisk Plads 2
1448 Copenhagen Denmark

klima@um.dk

+45 33 92 00 00



Harmonized EDFI Exclusion List

According to The European Development Finance Institution (EDFI) “Principles for Responsible Financing”, EDFI members have mutually agreed on the following Harmonized EDFI Exclusion List for co-financed projects:

EDFI Members will not finance any activity, production, use, distribution, business or trade involving:

1. Forced labor¹ or child labor²
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
 - a) Ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;
 - b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or
 - c) Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).

¹ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

² Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

³ Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

⁴ High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See <http://www.hcvnetwork.org>).

⁵ This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

⁶ For companies, “substantial” means more than 10 % of their consolidated balance sheets or earnings. For financial institutions and investment funds, “substantial” means more than 10% of their underlying portfolio volumes.

3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.

4. Destruction³ of High Conservation Value areas⁴
5. Radioactive materials⁵ and unbounded asbestos fibers.
6. Pornography and/or prostitution
7. Racist and/or anti-democratic media

8. In the event that any of the following products form a substantial part of a project's primary financed business activities⁶:

- a) Alcoholic Beverages (except beer and wine);
- b) Tobacco;
- c) Weapons and munitions; or
- d) Gambling, casinos and equivalent enterprises.