

Federal Ministry of Education and Research

Announcement

Regulations governing the funding of international collaborative projects under the National Bioeconomy Strategy

“Bioeconomy International 2020”

of 7 May 2020

1 Aim and purpose of funding, legal basis

1.1 Aim and purpose of funding

The Federal Ministry of Education and Research (BMBF) intends to support the implementation of the National Bioeconomy Strategy¹ in an international context by funding collaborative R&D projects which involve foreign partners. The Federal Government’s National Bioeconomy Strategy was published in January 2020 and is based on the former National Research Strategy BioEconomy 2030 and the National Policy Strategy on Bioeconomy. It aims to support the transformation of the largely fossil resources-based economy into a sustainable bio-based economy that focusses on natural material cycles. In this context, research is regarded as the key to identifying and exploiting the potential of bioeconomy. The research funding provided by the BMBF focuses on six building blocks of which the first, “Biological knowledge as the key to the bioeconomy”, has particular relevance for these funding regulations (see section 2 below).

The new bioeconomy strategy provides substantial support towards the use of various biotechnological processes in industry. Companies are already increasingly introducing sustainable processes and products in order to remain competitive. Implementing the bioeconomy should, however, not interfere with efforts to secure global nutrition. Already today, competition is increasing in many countries for the use of natural resources (land and water) and agricultural products for different purposes (nutrition, industrial material, energy). In addition, there is an increasing global demand for food and feed, timber and various types of agricultural products which directly or indirectly affects global land use, the climate, biodiversity and major ecosystem services.

Realizing the bioeconomy as a sustainable bio-based economy requires not only national and European initiatives – it also requires global initiatives. Global cooperation is needed to achieve the objectives set out for establishing the bioeconomy. This is the purpose of the

¹ <https://www.bmbf.de/files/bio%c3%b6konomiestrategie%20kabinett.pdf>

Bioeconomy International funding activity. Funding will be provided for research and development projects that are carried out in close cooperation with relevant foreign partners on core issues of the bioeconomy in order to strengthen international collaborations and to establish active, sustainable partnerships. In the context of bioeconomy, systemic approaches and socioeconomic aspects are important criteria in addition to technological issues and development goals.

These funding regulations are issued within the context of the implementation of the National Bioeconomy Strategy² of 15 January 2020.

1.2 Legal basis

The Federal Government will award grants in accordance with these funding regulations, sections 23 and 44 of the Federal Budget Code (BHO) and the administrative regulations adopted thereunder as well as the regulations governing applications for expenditure-based grants (AZA) and/or cost-based grants (AZK) of the Federal Ministry of Education and Research (BMBF). There is no legal entitlement to a grant. The granting authority will decide freely after due assessment of the circumstances and within the framework of the budget funds available.

Under these funding regulations, state aid will be granted on the basis of Articles 25 and 28 of the 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 on the Functioning of the European Union (General Block Exemption Regulation – GBER) (OJ L 187 of 26 June 2014, p. 1) in the version of the Regulation (EU) 2017/1084 of 14 June 2017 (OJ L 156 of 20 June 2017, p. 1). Funding is provided in accordance with the Common Provisions set out in Chapter I GBER, in particular taking account of the definitions given in Article 2 of the Regulation (cf. Annex for the requirements of state aid legislation applying to these funding regulations).

These funding regulations apply in conjunction with the National Bioeconomy Strategy (<https://www.bmbf.de/bioeconomy>) and the documents linked there.

2 Object of funding

Funding will be provided for research, development and innovation projects (R&D&I projects) which have been selected in a competitive procedure. Funding is provided within the context of the National Bioeconomy Strategy³ of 15 January 2020 and its guidelines and strategic objectives. The strategy formulates implementation objectives with defined building blocks for research funding in order to achieve the strategic objectives.

² <https://www.bmbf.de/files/bio%c3%b6konomiestrategie%20kabinett.pdf>

³ <https://www.bmbf.de/files/bio%c3%b6konomiestrategie%20kabinett.pdf>

The submitted outlines should be for international projects that will support the national bioeconomy activities funded by the BMBF and contribute to the achievement of the National Bioeconomy Strategy's funding objectives. Furthermore, the collaborative projects should relate to at least one of the building blocks for research funding mentioned in the strategy:

- 1) *Biological knowledge as the key to the bioeconomy (microorganisms, algae, fungi, bacteria, plants, insects, etc.);*
- 2) *Converging technologies and interdisciplinary cooperation (digitalization, artificial intelligence, nanotechnology, automation, miniaturization, etc.);*
- 3) *Limitations and possibilities of bioeconomy;*
- 4) *Translation into real-life application (value creation networks, etc.);*
- 5) *Bioeconomy and society (interactions, conflicting interests, etc.);*
- 6) *International research cooperation.*

The topics included in the building block "Biological knowledge as the key to the bioeconomy" form a core priority of the call for proposals. Among others, these concern:

- a) *Activities for the understanding and modelling of biological systems;*
- b) *Project outlines for researching and establishing novel production organisms for primary and industrial production;*
- c) *Research approaches for the development or further development of innovative biotechnological process engineering concepts for bio-based production systems; and*
- d) *Research activities geared towards the sustainable production of biogenic resources.*

Funding cannot be provided for projects primarily aimed at characterizing and/or optimizing the cultivation of primary agricultural products in the partner country. Funding can also not be provided for project outlines focussing exclusively on bioenergy (i.e. the use of biomass for energy purposes). However, research projects on biological C1 fixation/use with the help of microorganisms are exempted and can be funded. Further information on the topics eligible for funding can be obtained from the responsible project management organization (see 7.1 below).

International cooperation within the collaborative projects and the benefit it generates for both countries in the implementation of the National Bioeconomy Strategy are the focus of the Bioeconomy International funding activity. Cooperation must occur on an equal footing with regard to the envisaged sharing of responsibilities, the partners' competences and the utilization of the project results, allowing all countries involved to benefit equally. The funding activity also provides an opportunity to implement project ideas which were developed as part of measures to prepare collaborations. For further information on the National Bioeconomy Strategy please visit <https://www.bmbf.de/bioeconomy>.

Funding will be provided for German partners in international consortia (see section 3 Funding recipients). Cooperation projects with partners from Argentina, Australia, Canada, Chile, China, Colombia, India, Malaysia, Russia and Viet Nam are particularly desirable. Funding cannot be provided for cooperation with partners from EU countries.

Each foreign partner must confirm its financial commitment in a binding, signed letter (excluding collaborations with Colombia, see below). These financial commitments must be uploaded in addition to the project outlines via the web portal www.bioeconomy-international.de.

It is now possible for Colombian partners to receive matching funding from the Colombian science ministry (Ministerio de Ciencia, Tecnología e Innovación, Minciencias) for the following topics:

- *Discovery, utilization and production of innovative secondary metabolites for industrial purposes;*
- *Research, innovation and development for the upgrading of agriculture residues/biomass.*

Projects related to both thematic fields may also take into account market integration and business perspectives.

The project outlines must be uploaded via the German web portal for these funding regulations (www.bioeconomy-international.de). The German-Colombian consortia will be evaluated and selected in consultation with representatives of the Colombian Minciencias.

3 Funding recipients

Applications may be submitted by universities, non-university research institutions, federal and *Länder* institutions with R&D responsibilities as well as commercial companies. Applicants are required to have a plant or branch (company) or another entity to act as funding recipient (university, non-university research institution) in Germany at the time of payment of the grant. Small and medium-sized enterprises (SMEs) within the meaning of this call are companies that meet the requirements of the EU definition of SMEs (cf. Annex I of the GBER or the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C(2003) 1422 (2003/361/EC): <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32003H0361>)

The funding recipient will declare its classification according to Annex I of the GBER to the granting authority in its written application for funding.

Research institutions which receive basic funding from the Federal Government and/or the *Länder* can only be granted project funding supplementary to their institutional funding to cover additional project-related expenditure or costs under certain conditions.

For more information on the conditions for when state aid is or is not deemed to be involved, and the extent to which funding can be provided without constituting aid, please consult the Commission communication “Framework for State Aid for Research and Development and Innovation” (OJ C 198 of 27 June 2014 p. 1 ff); with particular reference to section 2.

4 Special prerequisites for funding

The partners in a collaborative project will set out the terms of cooperation in a written agreement. Collaboration partners which are research institutions within the meaning of Article 2(83) GBER must ensure that companies do not receive any form of indirect aid as part of the collaboration. The provisions of section 2.2 of the Commission communication concerning the Community Framework for State Aid for Research and Development and Innovation of 27 June 2014 (OJ C 198 of 27 June 2014, p. 1) must be observed in this regard. Before a funding decision on a collaborative project is taken, the cooperation partners must prove that they have reached a basic consensus on further criteria stipulated by the BMBF (cf. BMBF leaflet no. 0110).⁴

A consortium agreement must be concluded between all (national and international) partners which must accord with the provisions of BMBF leaflet no. 0110. A combined cooperation and consortium agreement may be concluded provided that the requirements of leaflet no. 0110 are met. The DESCAs Model Consortium Agreement (<http://www.desca-2020.eu>) may be used as a guide.

5 Type, scope and rates of funding

Funding will be awarded in the form of non-repayable project grants. The amount awarded per project will depend on the requirements of the proposed project and on the available budget.

Funding will be awarded to cover the following project-related expenditure and/or costs:

- *Staff;*
- *Investments necessary to implement the project;*
- *Consumables;*
- *Official travel (only travel by the funding recipient);*
- *Expenditure on property rights protection;*
- *Award of contracts.*

Grants for commercial companies and for projects of research institutions which fall into the category of economic activities⁵ will be calculated on the basis of the eligible project-related costs. As a rule, up to 50% can be covered by government grants, taking into account state aid legislation (see Annex) and depending on the project's relevance to application. The BMBF's policy requires an appropriate own contribution of at least 50% towards the eligible costs incurred.

⁴https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare; under "BMBF/Allgemeine Vordrucke und Vorlagen für Berichte".

⁵ For the definition of economic activity please refer to section 2.1 (margin no. 17) of the Community Framework for State Aid for Research and Development and Innovation of 27 June 2014 (OJ C 198 of 27 June 2014, p. 1).

The basis for calculating the grants for higher education institutions, research and science institutions and similar establishments which do not fall into the category of economic activities is the eligible project-related expenditure (in the case of the Helmholtz centres and Fraunhofer, eligible project-related costs), which can receive up to 100% coverage in individual cases, taking into account state aid legislation.

In the case of non-commercial research projects at higher education institutions and teaching hospitals, a flat-rate grant amounting to 20% of total expenditure will be awarded in addition to the eligible expenditure.

The determination of the respective eligible costs must take account of the GBER (see Annex).

The calculation of the respective rate of funding must take account of the GBER (see Annex).

As a rule, the maximum duration of the projects to be funded is three years.

For further information on the type and scope of funding please see the BMBF guidelines for application (https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare&formularschrank=bmbf).

6 Other terms and conditions

The *Nebenbestimmungen für Zuwendungen auf Kostenbasis des Bundesministeriums für Bildung und Forschung an gewerbliche Unternehmen für Forschungs- und Entwicklungsvorhaben* (NKBF 2017) (Auxiliary Terms and Conditions for Funds Provided by the Federal Ministry of Education and Research to Commercial Companies for Research and Development Projects on a Cost Basis) will be part of the notification of award for grants on a cost basis.

Notification of award for grants on an expenditure basis will include the *Nebenbestimmungen für Zuwendungen auf Ausgabenbasis des Bundesministeriums für Bildung und Forschung zur Projektförderung* (NABF) (Auxiliary Terms and Conditions for Funds Provided by the Federal Ministry of Education and Research for the Promotion of Projects on an Expenditure Basis) and the *Besonderen Nebenbestimmungen für den Abruf von Zuwendungen im mittelbaren Abrufverfahren im Geschäftsbereich des BMBF* (BNBest-mittelbarer Abruf-BMBF) (Special Auxiliary Terms and Conditions for the Drawdown of Funds by means of the BMBF's Indirect Drawdown Procedure) if funds are provided in a drawdown procedure.

For the purpose of conducting progress reviews within the meaning of administrative regulation 11a pertaining to section 44 BHO, funding recipients are required to provide the data necessary for the progress review to the BMBF or the institutions charged with such tasks without delay. The information will be used exclusively for the purposes of supporting research and any subsequent evaluation; it will be treated confidentially and published in anonymized form, so that it is not possible to trace it back to individual persons or organizations.

Funding recipients are expected to ensure open electronic access if they publish the results of the research project in a scientific journal. This can be done through publication in an

electronic journal which is accessible to the public free of charge. If the results are initially published in a way which does not provide the public with free electronic access, the article must be made publicly available free of charge by electronic means, following an embargo period where appropriate (secondary publication). Embargo periods for secondary publication should not exceed twelve months. The BMBF expressly welcomes secondary open access publication of scientific monographs resulting from the project.

7 Procedure

7.1 Involvement of a project management organization and request for documents

The BMBF has currently entrusted the following project management organization with implementing the funding measure:

Project Management Jülich (PtJ)

- Bioeconomy -

Forschungszentrum Jülich GmbH

52425 Jülich

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Any relevant changes will be announced in the Federal Gazette (*Bundesanzeiger*) or in another suitable form.

Further information is available from the project management organization. Forms for funding applications, guidelines, leaflets, information and auxiliary terms and conditions are available on the Internet at "Formularschrank BMBF" (https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare&formularschrank=bmbf) or can be obtained from the project management organization. The electronic application system "easy-Online" (<https://foerderportal.bund.de/easyonline>) must be used for drafting formal applications.

It is recommended that potential applicants contact the responsible project management organization at an early stage.

7.2 Two-phase application procedure

The application procedure consists of two phases.

7.2.1 First phase: Project outline

In the first phase, project outlines must be submitted in English to Project Management Jülich in electronic form using the web portal www.bioeconomy-international.de. The project outlines must contain all the information needed to enable the panel of experts to form a final opinion based on the criteria listed below. Further information about the content and structure of the outline is available at www.bioeconomy-international.de.

In the case of research collaborations, the project outlines must be submitted in consultation with the proposed collaboration coordinator.

In addition, signed letters from all foreign partners must be submitted. Each letter must contain a binding financial commitment of the respective partner. The letters are to be uploaded on the web portal separately from the project outline. They must contain information about the motivation of the project partners, the activities the partners will carry out in the project and how the funding of these activities will be secured (funding through ongoing projects, institutional/company funds, application for financial support, etc.).

The upload of the project outlines on the web portal www.bioeconomy-international.de must be completed by 11 am CEST on 17 August 2020. The portal will close when the deadline is passed. The deadline for submission is not a cut-off deadline. It may not be possible to consider incomplete project outlines or project outlines received after the above date. Project outlines or parts thereof may not be submitted by email or fax.

Plans have been made to issue further calls for “Bioeconomy International”. Announcements will be published in due course on the relevant BMBF websites; relevant information can also be obtained from Project Management Jülich.

7.2.2 Selection of project outlines

The project outlines received will be checked for completeness of the required documents and compliance with formal criteria. They will then be evaluated together with external experts in accordance with the following criteria:

- *Relevance to funding objectives of the BMBF as set out in the National Bioeconomy Strategy of 15 January 2020;*
- *Added value for the implementation of the National Bioeconomy Strategy generated by the envisaged international cooperation;*
- *Relevance of the research approach; quality and originality of the proposed solution;*
- *Prospects of success and applicability of the project results (in scientific and economic terms);*

- *Excellence and expertise of the applicant and the partners involved (German and international); relevant previous activities of all partners;*
- *Adequate volume and structure of the project, quality and stringency of budget as well as time and work schedule, balance of workload and networking of partners.*

Suitable project ideas will be selected for funding on the basis of the above criteria and evaluation. Applicants will be informed in writing of the result of the selection.

7.2.3 Second phase: Submission of formal proposals and decision-making procedure

In the second phase of the procedure, the applicants whose project outlines have been successful will be invited to submit formal proposals. In the case of collaborative projects, funding applications must be submitted in consultation with the proposed collaboration coordinator.

The following details and explanations must be added to the information in the project outline, taking account of the experts' comments and recommendations:

- *Project name (in German);*
- *Summary of the project description (max. one A4 page in German);*
- *Detailed financial plan of the project (expenditure on staff, consumables, project-related travel, contract work, etc.);*
- *Milestone planning: List of envisaged (interim) results and criteria for discontinuation where appropriate;*
- *Utilization plan: Description of economic and scientific prospects and potential for commercial and scientific follow-up, indicating the time horizon of individual utilization options;*
- *Reason for funding requirement;*
- *Schedule for the drafting of the cooperation agreement between the collaboration partners.*

Formal proposals must be drafted using the "easy-Online" electronic application system (<https://foerderportal.bund.de/easyonline>). The electronically generated forms must also be sent by post to the competent project management organization bearing a legally binding signature. Submission by email or fax is not allowed.

The proposals received will be reviewed and evaluated according to the following criteria:

- *Eligibility for funding (including in respect of section 5 of these regulations);*
- *Necessity and appropriateness of requested funding;*
- *Plausibility of the explanations regarding the financial plan,*
- *Quality and informative value of the utilization plan, including with regard to the funding objectives of these regulations;*
- *Fulfilment of possible requirements resulting from the first phase and compliance with the recommended financial framework.*

After final consideration of the proposals, a funding decision will be taken on the basis of the above criteria and evaluation. Funding of the projects is subject to the proviso that the

budget funds required are available to the BMBF and that funding for the foreign partners is guaranteed.

An application for funding is only considered complete if at least the requirements of Article 6(2) GBER (cf. Annex to these funding regulations) are fulfilled.

7.3 Relevant regulations

The submission of project outlines and proposals does not establish a legal claim to funding. The approval, payment and accounting for the funds as well as the proof and examination of the proper use and, if necessary, the revocation of the award and the reclaiming of the funds awarded are governed by sections 48 to 49a of the Administrative Procedure Act (VwVfG), sections 23 and 44 of the Federal Budget Code (BHO) and the related general administrative regulations, unless the present funding regulations allow for deviation from the general administrative regulations. The German Supreme Audit Institution (*Bundesrechnungshof*) is entitled to carry out audits in accordance with section 91 of the BHO.

8 Validity

These funding regulations will enter into force on the day following publication in the Federal Gazette (*Bundesanzeiger*). They will be valid until the day of expiry of their legal basis for state aid, the GBER, to which a six-month adaptation period is added, that is, until 30 June 2021. If the period of the GBER is extended without relevant amendments concerning state aid rules, the duration of these funding regulations will be extended accordingly, though not beyond 31 December 2029. If the GBER is not extended but replaced by a new GBER or if relevant amendments are made to the content of the currently applicable GBER, follow-up funding regulations will be adopted which will comply with the then applicable exemption provisions and remain effective at least until 31 December 2028.

Berlin, 7 May 2020

Federal Ministry of Education and Research

Andrea Noske

