



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## BBI JU – FAQs for Call 2019

In this document, you will find the most frequently asked questions (and answers) from potential applicants and proposal writers. The information in this document is based on the rules and conditions in the BBI JU General Guide for applicants, which can be found on the Funding & tender opportunities Portal (formerly known as the Participant Portal), and on the derogation with regards to participants eligible for funding by BBI JU, the BBI JU Model Grant Agreement and the Horizon 2020 Annotated Model Grant Agreement, which are available on the [BBI JU website](#) under the section 'About BBI JU - Reference documents'. This FAQ document complements but does not replace these official guidelines; in the event of different interpretations, the information provided in the official guidelines always has precedence.

For **additional questions**, please contact [info@bbi.europa.eu](mailto:info@bbi.europa.eu).

Version history		
Version	Date	Main updates
1.0	04/04/2019	First version

### Table of Contents

0. Overview of information sources .....	2
1. BBI JU terminology .....	3
2. Developing consortia / project ideas.....	5
2.1 Consortium building .....	5
2.2 From idea to proposal evaluation .....	7
3. Financial / budget-related Q&A .....	10
3.1 Cost eligibility .....	10
3.2 Project funding.....	16
3.3 Project sales & receipts .....	17
3.4 BIC contribution .....	18
4. Project timing & duration .....	19
5. Call 2019 topic-specific Q&A.....	20



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## 0. Overview of information sources

### Q 0.1: Where can I find more information about BBI JU rules and regulations?

The most relevant information sources are:

- The [BBI JU website](#), where you can find:
  - [Call-specific information](#) (e.g. General Guide for Applicants, Annual Work Plan (incl. topic texts);
  - The [BBI partnering platform](#), via which you can network with potential consortium members;
  - Other [BBI JU reference documents](#) (BBI JU Council Regulation establishing the BBI JU, BBI JU financial rules, derogation with regard to participants eligible for funding in the BBI JU Calls, Annual Work Plans, guidelines on synergies with structural funds, etc.)
  - The members of the [States Representatives Group](#) which is an advisory body of the BBI JU.
- The [Funding & tender opportunities Portal](#) (formerly known as the Participant Portal, where you can find:
  - The [BBI JU Call 2019 topics](#), incl.:
    - links to other relevant Call-related documents;
    - New since Call 2018: a [partner search facility](#), also per topic (see also Q2.1.1).
  - The [Horizon 2020 online manual](#) (as BBI JU follows most of the Horizon 2020 rules, this online manual is also relevant for BBI JU);
  - The [Annotated Model Grant Agreement \(AGA\)](#), which includes examples and definitions of commonly used Horizon 2020 and BBI JU-related terminology (eligible costs, grant amounts & timing, etc.);
  - A link to find your [National Contact Points \(NCPs\)](#) who are the first point of contact for all your questions related to EU funding.
- The [European IPR Helpdesk](#) offers free of charge, first-line support on IP and IPR matters to beneficiaries of EU-funded research projects and EU SMEs involved in transnational partnership agreements.
- The [BIC website](#) (Bio-based Industries Consortium, the private partner of the BBI JU), which provides additional services such as partnering opportunities with BIC members.
- The [EEN website](#) (Enterprise Europe Network), which offers networking and other business & research opportunities (mainly) for SMEs.



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

# 1. BBI JU terminology

## Q 1.1: What are the **main differences** between BBI JU and Horizon 2020?

The BBI JU initiative is a public-private partnership aiming at increasing investment in the development of a sustainable bio-based industry sector in Europe. This objective should be achieved by means of funding industry-driven projects in the framework of the Strategic Innovation and Research Agenda (SIRA<sup>1</sup>) This means that projects will be supported both by public funding (Horizon 2020) as well as by private contributions (the meaning of this aspect is explained in Q 1.4 – ‘consortium own contribution’) with the aim to create greater impact by leveraging private investments.

## Q 1.2: What are the differences between BBI JU and Horizon 2020 **rules**?

Although the BBI JU operates under Horizon 2020 rules, the main differences are:

- Large industry is not eligible for funding (reimbursement rate = 0%) in Research and Innovation Actions (RIAs) and Coordination & Support Actions (CSAs); see also [official derogation](#) and Q 3.2.2;
- BBI JU-specific evaluation sub-criteria (e.g. in the 'impact' evaluation criterion, evaluators will assess if/how ‘the consortium own contribution maximises the impact of the action for all the types of actions’; see also Q 1.4);
- The threshold for the evaluation criterion 'impact' is 4/5 for *all* types of actions;
- BBI JU supports proposals with end-of project TRLs ranging from 3 to 8 (= a wider range than Horizon 2020); see also Q 1.3.

## Q 1.3: What are **TRLs** (Technology Readiness Levels)?

Technology Readiness Levels (TRLs) are a method used to estimate the maturity of a technology. Using a scale from 1 to 9, technologies are ranked from 1 (basic principles observed) to 9 (actual system proven in operational environment, e.g. competitive manufacturing). More info: see heading G of the [General Annexes to the Horizon 2020 Work programme 2018-2020](#).

For BBI JU Research and Innovation Actions (RIAs), applicants should present projects with end-of-project TRLs 3 to 5 (in some RIA topic texts, more specific end-of-project TRLs are put forward). For Innovation Actions (IAs), Demonstration projects are expected to reach end-of-project TRLs 6 to 7, whereas flagships should reach TRL 8 by the end of the project. Furthermore, flagship applicants must demonstrate that by the time of the submission of their application they have been operating relative demonstration scale plants at a significant production capacity (justification should be provided in the proposal). More information can be found under question Q.2.4.

## Q 1.4: What is meant with the ‘**consortium own contribution**’ in the evaluation subcriterion ‘Extent to which the proposed consortium own contribution will help maximising the impact of the action’?

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<sup>1</sup> See <https://www.bbi-europe.eu/sites/default/files/sira-2017.pdf>



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

According to the ambition and scope of the objectives of the BBI JU, projects will be supported both by public funding (Horizon 2020) as well as by own contributions from the project participants. The 'consortium own contribution' is the private input from the consortium for which no public BBI JU funding is requested. The 'consortium own contribution' is an indication of the commitment of the consortium to support the objectives of the BBI JU, leverage private investments and maximise the impact of the action.

The consortium contribution consists of one or more of the following 3 elements (see also Q 2.2.5 on where to include these elements in the proposal):

- **'in cash' (financial contributions)** are financial transfers from one or more to one or more beneficiaries of a BBI JU project. Please be aware that this is not subcontracting between partners (strictly forbidden under Horizon 2020), or a reallocation of tasks between consortium members. Also, financial contributions can only be done between consortium members; money paid from a non-consortium member to a consortium member (or vice versa) cannot be considered as financial contributions
- **'in kind'** contributions:
  - The difference between the total costs (as described in the proposal budget) and the requested BBI JU funding;
  - In some types of actions, there will always be a 'residual' part of the budget for which no BBI JU funding is requested. In IAs for example, max. 70% of BBI JU funding can be requested. Therefore, IAs will always have a minimum of 30% 'in kind' contributions;
  - When one or more consortium members request less than the maximum possible funding (e.g. for IAs: an organisation requests 55% instead of 70%), then there is a higher 'in kind' contribution (in this example: 45%), which is a good indicator of commitment to the project and increased impact.
- **'Additional investments'** (previously named 'Additional Activities') refer to investments (e.g. infrastructure, facilities, durable equipment, etc.) performed by the consortium members that contribute to reaching the industrial objectives of the projects. They are:
  - triggered by the project (directly or indirectly);
  - not included in the BBI JU project budget, but described in part A and B of the proposal (see also Q 2.2.5);
  - contributing to the objectives of the BBI JU project and/or the BBI JU initiative as a whole. BBI JU's main objective is to develop sustainable and competitive bio-based industries in Europe. That is why BBI JU will measure the *full* impact of the BBI JU on the bio-economy in Europe, and why these additional investments (if any) need to be described in the proposal;
  - Only evaluated for Innovation Actions (IA-DEMO and IA-Flagship), under the evaluation criterion 'impact'.

## 2. Developing consortia / project ideas

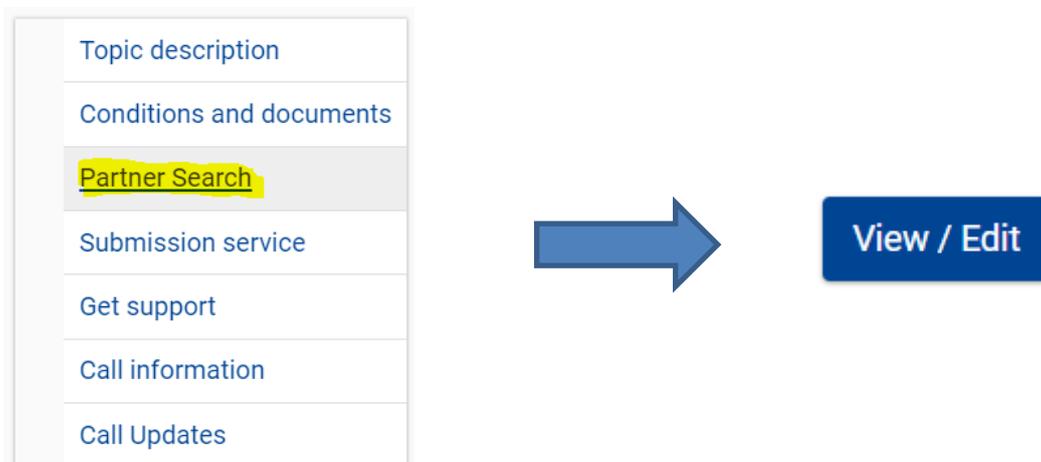
### 2.1 Consortium building

#### Q 2.1.1: Where can I find organisations to build a consortium?

The 4 most relevant information sources are the BBI JU and BIC partnering platforms, the [partner search section](#) of the Funding & tender opportunities Portal (see below), and the National Contact Points. For more information, please see Q 0.1.

Since 14 July 2017, a new [partner search facility](#) has been implemented via the Funding & tender opportunities Portal. Via this facility, organisations can find partners for (BBI JU and other) project ideas among the organisations registered in the Portal. This facility can be accessed via:

- A [central page](#)
- Per topic. For example, when opening the [BBI.2019.SO1.D1 topic page](#) on the Portal, organisations can publish partner requests for open and forthcoming topics by logging into the Portal, going to the 'partner' search section (accessible via the menu on the left side of the screen), and clicking on the 'view/edit' button.



#### Q 2.1.2: How many partners need to be involved in the consortium?

For RIAs and IAs, the consortium must be composed of at least three 'legal entities' established in at least three different Member States or Associated Countries. The entities must be independent of each other. Coordination and Support actions on the other hand can be carried out by only one 'legal entity' established in a Member State or Associated Country.

The ideal consortium size does not exist, as the consortium type and size greatly depends on the topic text and the broadness of expertise of individual consortium members. For example, the consortium size of the proposals funded via BBI JU call 2014 varied from 4 to 22 consortium members. In Calls 2015.1 and 2015.2, the selected flagship projects included between 6-11 consortium members, demonstration projects between 5-29, research and



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

innovation actions between 9-23, and CSAs between 4-8. Similar orders of magnitude were applicable for Call 2016-2018 projects.

**Q 2.1.3: Are partners from non-EU countries excluded?**

BBI JU follows the Horizon 2020 approach, and is 'open to the world'. This means that participants from all over the world, regardless of their place of establishment or residence, can *participate* in BBI JU calls. However, only participants from EU, associated and developing countries are automatically *eligible for funding*. For more information (incl. a list of associated countries), please consult the ['International Cooperation' section](#) of the Horizon 2020 online manual.

**Q. 2.1.4: Is there any legal requirement to build a consortium with private industrial partners?**

There is neither a legal requirement to build a consortium with a minimum number of industrial partner(s) nor on the minimum or maximum industry own contribution at the level of proposals. However, as BBI JU is an industry-driven programme, many expected impacts listed in the topic texts can only be effectively reached with some form of industrial involvement or support. Furthermore, the level of 'own contribution' will be taken into account during the evaluation of the project proposal (see Q 1.4).

**Q 2.1.5: What is the impact of the UK's leave referendum on BBI JU consortia?**

The [Statement](#) of 29 June 2016 of the Heads of State or Government of 27 Member States, as well as the Presidents of the European Council and the European Commission, confirms that until the UK leaves the EU, EU law continues to apply to and within the UK, both when it comes to rights and obligations. This includes the eligibility of UK legal entities to participate and receive funding in Horizon 2020 (and thus also BBI JU) actions.

See also the [FAQ section of the Funding & Tender Opportunities Portal](#), where the following Q&A regarding Brexit is provided (dd. 8 Sept 2016):

*Q: Should project coordinators of Horizon 2020 proposals dedicate a part of their proposal to addressing the potential risks as a consequence of the UK Referendum?*

*A: No. At this stage, any speculation on the consequences for the Horizon 2020 action of a withdrawal of the UK from the EU will not be taken into account in the evaluation.*



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## 2.2 From idea to proposal evaluation

**Q 2.2.1: Can BBI JU provide more information on the interpretation of topic texts, e.g. to check if a proposal idea is in line with the topic text?**

No, mainly because of the following reasons:

- BBI JU Calls follow a competitive process and in the interest of transparency and fairness the programme office cannot provide individual guidance;
- BBI JU proposals are not evaluated by BBI JU staff members, but by external experts with diverse expertise, who will evaluate each proposal individually and in a panel setting. It is therefore up to each consortium to clearly describe how their proposal ticks all the boxes described in the topic text, and to convince these external experts (not BBI JU staff) that and how the proposal's objectives, concept, expected impacts and implementation measures are in line with the topic text;
- The BBI JU topic texts are the result of many negotiations between the EU/EC and BIC (<http://biconsortium.eu/>), and include the feedback from BBI JU's Scientific Committee and States Representatives Group. Based on these inputs, the topic texts are written in such a way that they clearly explain the problem, but leave a fair amount of freedom to proposal writers to come up with a suitable solution. It is up to each consortium to convince the external experts if and how the proposal's solution is appropriate to address the challenges and expected impacts described in the topic text.
- Proposal writers have 50-70 pages to develop their idea and to convince expert-evaluators. A 1-page summary of a proposal idea might at first sight be 100% relevant for a topic text, but when described in 50-70 pages, it might NOT be relevant after all (and vice versa).

Any significant topic interpretation issues will be discussed with e.g. BIC. If clarifications on a topic (not proposal) level are necessary, they will be added to this FAQ document under heading 5 (Call 2018 topic-specific Q&A), so that this information is publicly available.

**Q 2.2.2: Can proposal writers organise a meeting with the BBI JU programme office to discuss proposal ideas?**

No, mainly because of the reasons described in Q 2.2.1, but also to ensure equal treatment of all proposals and consortia (as not all proposal writers / consortia have the resources to organise a meeting with BBI JU). However, please consult your National Contact Points (see Q 0.1) to obtain idea-specific feedback.

**Q 2.2.3: Since our project idea is very confidential, what measures are taken by BBI JU to ensure confidentiality?**

Expert-evaluators and BBI JU staff are bound by a confidentiality agreement and will incur serious sanctions in case of violations. Furthermore, BBI JU services will verify that no conflicts of interest could occur before a proposal is allocated to expert-evaluators.

**Q 2.2.4: For Innovation Actions (IAs): do I need to have existing facilities at the time of the proposal preparation / submission?**



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

The IA proposal template requires the following information on the 'readiness' to operate: *"Applicants should demonstrate the readiness of the technology for the implementation of the action. In particular, for flagships applicants must demonstrate that by the time of the submission of their application they have proven the feasibility of the technology by operating demonstration plants at scale (justification shall be provided in the proposal)."*

Therefore, the IA proposal should include a detailed description of:

- the (existing) facility/plant which will be used for the implementation of the project;
- and/or information on the level of investment (including where relevant the additional investments not funded by the BBI JU) planned for the establishment of the large scale production facility - being it a new installation, a substantial modification of an existing facility, or reconversion of old or abandoned industrial facilities - where the proposed work will be carried out. For instance, the proposal could include commitment letters of the financial partners investing in the plant (Board of the company and other financiers, e.g. bank), providing that the BBI JU project is granted.

**Q 2.2.5: In which part of the proposal and how should the 'consortium own contribution' be presented (in cash, in kind, additional investments)?**

The 'in kind' contributions can be inferred from the budget (Total costs minus requested BBI JU contribution), and do not need to be further described in the proposal.

Financial transfers between partners ('In cash') as well as 'additional investments' need to be described in 2 parts of the proposal:

- Mainly *quantitative* information should be presented in part A (Call-specific questions: 'Cash contributions' and 'Additional Investments').
- *Qualitative* information should be provided in part B, section 3.4 ('Resources to be committed').
  - For 'in cash' contributions, it should be clarified which activities (tasks, deliverables,...) will be performed via these contributions by which partners;
  - A (descriptive) summary and cost of the additional investments.

**Q 2.2.6: What is the level of detail required for the business plan and business case? Is it compulsory for all the type of actions?**

Business cases and/or plans should only be submitted for Innovation Actions (IAs; DEMO and Flagship projects), not for Coordination & Support Actions (CSAs) and Research and Innovation Actions (RIAs). Details about the business case and plan should be provided in sections 4-5 of the proposal's technical annex, and thus do not have a page limit.

The described business plan and business case should allow the evaluators to effectively evaluate the 'implementation' evaluation subcriterion 'Soundness of the business case and business plan'. Proposal writers should include as many elements as possible contributing to this part of the evaluation.

In Annex 4b of the [Guide for applicants](#), more information is provided about the business case and business plan requirements.



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

**Q 2.2.7:** (How) should 'open access' be included in the proposal?

BBI JU follows the Horizon 2020 approach regarding 'open access'. For more information, please consult the ['open access' section](#) on the Horizon 2020 online manual, as well as the [infographic](#).



Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET

## 3. Financial / budget-related Q&A

### 3.1 Cost eligibility

#### Q 3.1.1: Which costs are eligible for BBI JU funding?

All types of eligible costs for BBI JU funding are described in the article 6 of the Grant Agreement (GA). The [annotated model GA \(AGA\)](#) provides more concrete examples. Ineligible costs are detailed under Article 6.5.

As a basic rule, to be eligible, costs must be:

- Actual and incurred by the beneficiary
- Incurred during the project duration (except for costs of the final report)
- Indicated in the estimated budget in Annex 2 (budget of the action)
- Incurred in connection with the action as described in Annex 1 (proposal description)
- Reasonable and justified, and compliant with the principle of sound financial management
- Identifiable and verifiable, in particular recorded in the beneficiary's account (according to accounting standards of the beneficiary's country and to usual cost accounting practices).

Five cost categories are considered:

- A. Direct personnel costs
- B. Direct costs of subcontracting
- C. Costs of providing financial support to third parties
- D. Other direct costs
  - D.1 Travel costs and related subsistence allowances
  - D.2 Depreciation costs of equipment, infrastructure and assets or costs of renting and leasing equipment, infrastructure and assets (see also Q 3.1.6)
  - D.3 Costs of other goods and services (see also Q 3.1.7)
  - D.4 Capitalised and operating costs of large research infrastructure (see also Q 3.1.8)
- E. Indirect costs

#### Q 3.1.2: What is the difference between contractors, subcontractors and linked third parties?

Please consult the Annotated Model Grant Agreement ([AGA](#)), specifically (but not exclusively) the articles:

- 6.2 (Cost eligibility)
- 8 (Differentiation between e.g. contracts to purchase goods, works and services / subcontracts / implementation by linked third-parties)
- 10 (Purchase of goods, works and services)
- 13.1 (Rules for subcontracting action tasks)
- 13.2 (Additional eligibility price-quality ratio & no conflict of interest; see also Art. 35)

An overview is provided in the table below.

Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
Third party providing in-kind contributions	NO	YES	Costs	YES	YES	Cannot be used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10
Financial support to third parties	<b>Only if allowed in the call</b> The beneficiaries' activity consists in providing financial support to the target population			YES	NO	According to the conditions in Annex 1	Article 15

**Q3.1.3:** In general, what type of costs can be subcontracted?

As a general rule, work can be subcontracted in line with the 'best-value-for-money' principle, and provided that conflicts of interest are avoided. However, subcontracting may only cover 'a limited part of the action' (See art. 13.1 of the [AGA](#)). 'Limited part' is to be understood not in term of budget amount but as 'non-core activities of the action'; core activities are to be carried out by beneficiaries.

**Q 3.1.4:** Can engineering costs linked to a DEMO or a flagship plant be subcontracted?

If the purpose of the action is to carry out the demonstration of a process and test different e.g. fermentation conditions (the innovation lays in the micro-organism and conditions), then the engineering of the demo plant could be considered as 'non-core' activities and carried out under a subcontract.

However, if the purpose of the action is to design a specific (e.g. a purification) process and improve it at a big(ger)scale, then the plant engineering would be a core activity and should be carried out by a beneficiary.

In industry practice, the plant engineering and equipment purchase is often done through a subcontractor. Those are usually included in CAPEX (capital expenditure) and depreciated. In this case, engineering costs would be charged to the BBI JU project under 'D.2 Other costs - depreciation costs of equipment, infrastructure and assets' (the portion of the capex depreciation during project duration). See also Q 3.1.1.

**Q 3.1.5:** What if only one subcontractor is able to provide the tasks requested?

Article 13.1 of the AGA indicates that subcontractors must be identified according to best value for money rule and absence of conflict of interests. To do so, beneficiaries must follow their internal rules for awarding contracts and be able to demonstrate that the choice of



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

subcontractor follows these rules. There are specific national laws and requirements on public procurement for public bodies and contracting authorities.

If an adequate procedure has been followed to select subcontractors, it might be acceptable that only one company is able to respond to the quality requirements. In such a case, the contractor should make sure that costs charged by the subcontractor are 'reasonable, justified and comply with the principle of sound financial management' (see eligible costs – Article 6.1).

**Q 3.1.6: What is meant by 'Other Direct Costs, cost of equipment, infrastructure and other assets (D2)'?**

The beneficiary needs to define which equipment, infrastructure and other assets are necessary to implement the BBI JU action. As a general rule, the following 'D2 costs' can be considered:

- Equipment and part of the process that are necessary for the implementation of the project, and specifically used for the purpose of the project;
- Other costs linked to eligible equipment, infrastructure, such as engineering and building costs for the process included in the BBI JU project and considered as capital expenditure under the beneficiary normal accounting rules.

Equipment not used exclusively for the action. If the beneficiary does not use the equipment, assets, etc. exclusively for the BBI JU project, only the part of the equipment's or asset's 'working time' for the action may be charged (i.e. the percentage of actual use and time used for the action). The amount of use (percentage and time used) must be auditable.

*Activities and the related capital expenditure outside of the project's work plan can be presented as additional investments (see Q 1.4). They are NOT part of the project budget, but need to be described in part A and B of the proposal (see also Q 2.5.5).*

Depreciation. As a general rule, eligible costs under D2 (Depreciation costs of equipment, infrastructure and assets or costs of renting and leasing equipment, infrastructure and assets specifically used for the BBI JU project, and during the BBI JU project) are charged according to the depreciation rule. It is expected that the beneficiaries allocate the depreciable amount (purchase price) of an asset on a systematic basis over its useful life. Depreciation costs for equipment used for the BBI JU project, but bought before the project's start, are eligible if they fulfil the general eligibility conditions of Article 6.1(a). These remaining depreciation costs (when the equipment has not been fully depreciated before the BBI JU project's start) may be eligible only for the portion corresponding to the project duration and to the rate of actual use for the purposes of the project. Applicable depreciation rules must follow normal accounting rules of the beneficiary and must be in compliance with national tax law. Depreciation starts when the plant is 'in operation' (definition of 'in operation' is company-specific, and is defined in the companies usual accounting rules and validated by national tax authorities).



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

Usual depreciation rules apply, such as:

- Economic depreciation: Linear; typical depreciation is e.g. 4-8 years for R&D and demo equipment, e.g. 10 years for industrial equipment, and e.g. 20 years for buildings and full-scale production installations
- Fiscal depreciation (in countries where it is applicable and when approved by tax authorities): which allows a faster depreciation for investment of a short lifespan (e.g. demo).

Below is an example of costs of an industry project capex (capital expenditure). In the case where a part of this capex costs is charged to the BBI JU project:

- Either costs directly incurred within the BBI JU project are clearly identifiable (e.g. separate invoicing, distinct part of the plant)
- Or an appropriate accounting rule must be defined to attribute capex costs between the BBI JU project and Additional Investments. Such an accounting rule must follow eligible cost criteria of Horizon 2020 (in particular remove any non-eligible costs and indirect costs), usual accounting rules of the company and applicable laws.

Example of an industrial plant estimated capital expenditure		Million €
Engineering	Conceptual	0.5
	Basic	0.6
	Detailed	1.6
Permits		0.1
Equipment		6.5
Instrumentation & DCS		4.6
Piping & insulation		6.25
Electrical		1.0
Civil, scaffolding & steel structure		5.15
Safety measures		0.1
Labour		0.6
Contingency		0.5
Total		27.5



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

**Q3.1.7: What is meant by 'Other Direct Costs, Costs for purchase of goods and service' (D3)?**

Please consult Article 6.2 (Specific conditions for costs to be eligible / D.3 Costs of other goods and services) of the [AGA](#). Specifically:

- D.3 Costs of other goods and services (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the beneficiary) are eligible, if they are: (a) purchased specifically for the action (= BBI JU project) and in accordance with Article 10 or (b) contributed in kind against payment and in accordance with Article 11.
- Such goods and services include, for instance, consumables and supplies, protection of results, certificates on the financial statements, certificates on the methodology, translations and publications.
- Refer to the [AGA](#) for difference between subcontracting and purchase of works and services.
- What not? If considering all or some of these costs as indirect costs is part of the beneficiary's usual accounting practices, the costs cannot be charged to the action as direct costs, as they are covered by the 25 % flat rate.
- Specific cases (see [AGA](#) for reference):
  - Supplies and consumables already in stock
  - Internally invoiced costs (excluding any indirect costs, margin or mark-up)

Operations in a demo or flagship plants may include a large amount of raw material, water and energy. These are usually considered as variable/consumable cost by industry accounting practices. Raw materials, energy and consumables are eligible for the BBI JU project's direct costs if they:

- Respect the eligibility conditions under the Grant Agreement (actual, during project, recorded);
- Are not considered indirect costs under normal accounting practices;
- Are purchased specifically for the action/ in stock specifically used for the action/internally invoiced.

Costs must be identifiable and related to the action. This means that fair apportionment of e.g. energy cost is not eligible as direct cost, only measured consumption is. If beneficiaries find it relevant to include goods as direct costs, it can be recommended, in particular for new facilities, to build-in adequate measurement systems in the plant to identify the consumption for the BBI JU project. See also table on next page.

Goods type	Purchased/produced	Identifiable and specific for the project	Cost category
Energy/ electricity/ Consumables/ Raw material	Purchased	YES - Consumption for the project can be directly measured	Direct costs D.3 (specific invoice)
Energy/ electricity	Purchased	NO - Fair apportionment (estimation of consumption)	Indirect costs (included in the 25% flat rate)
Energy/ electricity/ Consumables/ Raw material	Produced/stored internally	YES – consumption measured	Direct costs D.3. At production costs (no margin, mark-up, and excluding indirect costs)
Energy/ electricity	Produced/stored internally	No – fair apportionment	Indirect costs (included in the 25% flat rate)

**Q3.1.8:** What is meant by ‘Other Direct Costs, Capitalised and operating costs of large research infrastructure (D4)’?

In line with the Horizon 2020 rules, BBI JU allows the possibility for large research infrastructure to charge as direct cost their capitalised, operating and maintenance costs. This may be of particular interest for open demonstration plants, if they comply with the criteria set out in [AGA](#) article 6.2 D.4. Detailed guidance is provided in the [AGA](#) Article 6.2.



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## 3.2 Project funding

### Q 3.2.1: How many proposals will be funded per topic?

None, 1 or more; this depends on the quality and quantity of submitted proposals per budget line, and on the topic text.

In Call 2019, 6 budget lines are defined (RIA, DEMO, CSA, and one budget line for each of the 3 Flagship topics). Proposals submitted under the same budget line all compete for the budget assigned to this budget line. For example: € 31 million is assigned to the budget line for Call 2019 IA-DEMO Actions (topics D1-4). All submitted DEMO proposals will compete for this budget. After the evaluations, *all* D1-4 proposals will be put in the same 'ranking list', and only the highest-scoring proposals will be nominated for funding. This means that if e.g. a lot of high-quality proposals are submitted for topic D1 and only low-quality proposals for topic D2, it is possible that one or more D1 proposals but no D2 proposals will be nominated for funding.

In Call 2019, the following specificities are also applicable:

- For Flagship topics, one budget line has been defined per topic: F1 (€ 15 million), F2 (€ 20 million), and F3 (€ 12 million). In other words: at least one proposal will be funded per Flagship topic if the proposal reaches all evaluation thresholds.
- All 4 CSA topic texts include the sentence "a maximum of one project will be funded under this topic".

### Q 3.2.2: which funding rates are applicable to BBI JU projects?

For Coordination and Support Actions (CSAs) and Research and Innovation Actions (RIAs), the standard (maximum) funding rate 100% of eligible costs. However, taking into account the derogation from Regulation (EU) No 1290/2013 of the European Parliament and of the Council laying down the rules for participation and dissemination in *Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)*, with regard to the Bio-Based Industries Joint Undertaking, only the following participants are eligible for funding from the Bio-based Industries Joint Undertaking for actions in the area of bio-based industries other than innovation actions:

- (a) small and medium-sized enterprises;
- (b) secondary and higher education establishments;
- (c) non-profit legal entities, including those carrying out research or technological development as one of their main objectives;
- (d) the Joint Research Centre;
- (e) international European interest organisations.

This means de facto that Large Enterprises are not eligible for funding for BBI JU RIAs and CSAs (see also Q 1.2).

For Innovation Actions (IAs), the standard funding rate is maximum 70% of eligible costs, or maximum 100% for non-profit organisations. Hence for organisations using the 70% funding rate, a minimum 30% of the eligible costs are contributed 'in kind' (see also Q 1.4).



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

**Q 3.2.3: Why should participants request less than the maximum funding rate?**

Participants may use lower funding rate than the maximum applicable funding rate (100% or 70%; see Q 3.2.2), in order to increase their in kind contribution to the project (see Q 1.2 and 1.4). By using this lower funding rate, the consortium will increase its 'own contribution', which can have a positive impact during the evaluation of the subcriterion 'Extent to which the proposed consortium own contribution will help maximising the impact of the action'.

**Q 3.2.4: When is the pre-financing paid to the consortium and how much can it be?**

There is no standard amount (or percentage) for the pre-financing payment; the amount is fixed in each Grant Agreement (GA). However, the following standard rules are applicable:

- An amount of 5% of the maximum grant amount is retained by the BBI JU from the pre-financing payment and transferred into the Guarantee Fund.
- The pre-financing will be paid to the coordinator within 30 days, either from the entry into force of the Grant Agreement (GA) or from 10 days before the starting date of the action, whichever is the latest (See art. 21.2 of the GA).
- The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in article 5.1 of the GA.
- The pre-financing remains the property of the JU until the payment of the balance (at the end of the project).

### **3.3 Project sales & receipts**

**Q 3.3.1: How should prototype and product sales in a BBI JU project be considered?**

Demo plants and some operations of flagship plants will have as purpose the production of prototypes, also called test lots, which are sold to customers to enable their further testing of the prototype for their application.

Prototypes to be considered as such should comply with the following rules:

- Sale price < production cost => no margin
- Invoiced as test lots/prototype
- No regular sales (for a given specification of the product)

If these conditions are met, sale of prototypes should be considered as 'exploiting the results of the action' and therefore not as receipts.

**Q 3.3.2: How should project receipts be considered when calculating the Final Grant?**

In particular for flagship projects, sales of a product may result from operations carried out by the beneficiary as part of the action, but also from operations occurring outside the action (e.g. additional activities and marketing and sales operations), whose corresponding costs are not reimbursed by BBI JU.

The receipts considered for a BBI JU project are therefore the sales price of the product to the customer, minus the costs incurred by the beneficiary leading to this sale and that are outside the BBI JU project (provided that such costs are not reimbursed by other EU funding programmes).



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

Receipt of the project = sales – relevant costs not included in the BBI JU project budget (eligible costs).

### **3.4 BIC contribution**

**Q 3.4.1 Do beneficiaries in BBI JU projects who are not members of the "Bio-Based Industries consortium" (BIC) need to contribute to the administrative costs of the BBI JU?**

Regulation 560/2014 establishing the BBI JU (the "BBI JU regulation") sets out that the administrative costs of the JU "shall be covered by means of financial contributions ... [by] the Union and the members other than the Union". In the BBI JU, the member other than the Union is the "Bio-Based Industries consortium" (BIC) and it is therefore BIC that should provide to the BBI JU the contribution to the JU's administrative costs.

The BBI JU regulation does therefore not provide a legal basis to impose mandatory contributions on non-BIC members that are beneficiaries of BBI JU projects in order for BIC to contribute to the JU administrative costs.

Such contributions may not be deducted from any amounts received by the coordinator as pre-financing either.

In any case, any contributions to the administrative costs of the BBI JU are not eligible costs because they are not incurred in connection with the project (action) as described in the Grant Agreement and are not necessary for its implementation.



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## 4. Project timing & duration

### Q 4.1: What is the typical project duration of BBI JU projects?

The project duration is defined by the consortium in the proposal and must be in line with the project objectives. Duration is specified in Article 3 of each Grant Agreement (GA). Typical durations for types of actions are:

- For Coordination & Support Actions (CSAs): 1-3 years
- For Research and Innovation actions (RIAs): up to 4 years.
- For Innovation Actions (IAs): 4-5 years

### Q 4.2: Can a project start before the signature of the Grant Agreement (GA)?

As a general rule, the project starts on the first day of the month following the date when the GA enters into force (GA Article 3). The GA enters into force when the last party (i.e. BBI JU) signs it.

Early start date. Exceptionally, BBI JU may agree that the action starts before it enters into force (i.e. before the grant agreement is signed by both parties), provided that the consortium requests it in its proposal and can show that there is a need to start the action earlier (e.g. an action that is dependent on environmental conditions such as a crop planting season). However, the pre-financing (see Q 3.2.4) will be paid only after entry into force of the GA.

If a fixed start date is requested, the start date of the project can never be before the date of proposal submission (EC financial regulation – Article 130). If a fixed date prior to the GA signature is requested, any cost incurred before signature of the GA is incurred at the own risk of the partner. Costs incurred before the official start date of the project are NOT eligible.

### Q 4.3: Can the project duration be extended?

The project proposal has to take into account ('risk management') possible causes of delays in the project and plan sufficient time to carry out the action.

(Only) if unscheduled and exceptional circumstances, in particular *force majeure*, arise during the project, the consortium has two options:

- Suspension of the action implementation (see Article 49.1 of the [AGA](#)): the beneficiaries may suspend implementation of the action or any part of it, if exceptional circumstances - in particular *force majeure* as defined in Article 51 of the GA - make the implementation impossible or excessively difficult. Usually the whole project is suspended to ensure that activities of the different partners remain in the same timeline.
- Extension. If some activities of the project are delayed, the consortium can request an extension of the project duration and any related modification (following article 55). This has to be duly justified.



Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET

## 5. Call 2019 topic-specific Q&A

In this part, topic-specific Q&A (if any) are addressed per 'type of action': Coordination & Support Actions (CSAs), Research & Innovation Actions (RIAs), Demonstration projects (IA-DEMO), and Flagship projects (IA-Flagship). In an introductory section, terminology-related questions that affect more than 1 topic are discussed

### Topic interpretation: novelties in AWP 2019

Compared to Calls 2014-2018, the [Annual Work Plan \(AWP\) 2019](#) provides the following additional resources regarding topic interpretation:

- In the [introduction](#) (p.22-26 of the AWP 2019), more information is provided about commonly used terminology within the BBI JU evaluation process, incl. references to relevant legislation and guidelines;
- [Table 3](#) (p.27-28) gives an overview of the standard requirements for proposals, structured per type of action (CSA, RIA, IA);
- A [topics glossary](#) (incl. references) is provided on p. 79-82, and includes the explanation of topic-specific terminology.

### 5.1 CSAs

### 5.2 RIAs

BBI2019.SO1.R1 – Use tree species and/or varieties to create new bio-based value chains

**Q1:** Are the woody species integrating shrubs formations (e.g. *Ulex europaeus*, *Ulex minor*, *Genista scorpius*, *Sida hermaphrodita*, *A. triplex*...) eligible within the category of trees for this topic?

**A1:** The topic addresses “trees” and “woody biomass”. Applicants should look at the life cycle of the biomass they are considering: if it can be cultivated and grown as a tree, used as a tree, then it is eligible for this topic.

**Q2:** Does the topic envisage the cultivation of tree species in marginal agricultural lands?

**A2:** The topic does not specify the cultivation of the candidate tree species. That is up to the applicants, as long as they identify and screen tree species that are capable of growing as new wood-based feedstock for the bio-based industry without compromising existing forest-based value chains.

### 5.3 IA-DEMO

BBI2019.SO1.D2 – Produce components for various materials, including for food and feed, from microalgae

**Q:** Can cyanobacteria and diatoms be considered as algae?

**A:** Yes.



**Submission deadline Call 2019: Wed 4 Sept 2019, 17:00 CET**

## **5.4 IA-Flagship**