

## BBI JU – FAQs for Call 2018

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 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	12/04/2018	First version
2.0	04/05/2015	Minor textual updates + additional topic-specific Q&A (section 5) for topics R4, R9, R10, D1, D5, F1 and F2.
3.0	31/05/2018	Section 5: cross-topic terminology added + topic-specific Q&A for topics R4-8 & 11 (timing BIC membership), R2, R5, R10, and D3.

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## 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 [Participant Portal](#), where you can find:
  - The [BBI JU Call 2018 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.

# 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);
- In Call 2018, 6 Research & Innovation (RIA) topics (R4-8 and R11) have an additional eligibility criterion<sup>2</sup>: having at least one consortium member that is a large enterprise as well as a full BIC member on 6 September 2018 (Call closure);
- 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

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

<sup>2</sup> “The consortium must contain at least one constituent entity of the Bio-based Industry Consortium that is a beneficiary not eligible for JU funding as laid down in Commission Delegated Regulation (EU) No 623/2014”

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’?**

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 partners 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.
- **‘in kind’** contributions:
  - The costs incurred by one partner implementing the project minus the funding provided by BBI JU or any other EU programme.
  - In some actions there will always be a ‘residual’ part of the budget for which no BBI JU funding is requested (e.g. for IAs, 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 case: 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 (both BIC and non-BIC 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 [Participant Portal](#), 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 Participant Portal. Via this facility, organisations can find partners for (BBI JU and other) project ideas among the organisations registered in the Participant Portal. This facility can be accessed via:

- A [central page](#)
- Per topic. For example, when opening the [BBI.2018.SO1.D1 topic page](#) on the Participant Portal, organisations can publish partner requests for open and forthcoming topics by logging into the Participant Portal and clicking on the 'view/edit partner search' button.

[VIEW/EDIT PARTNER SEARCH](#)

#### 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 innovation actions between 9-23, and CSAs between 4-8. Similar orders of magnitude were applicable for Call 2016 and 2017 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?

Except for 6 specific Call 2018 RIA topics (see also Q 1.2), 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 Participant 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.*

On 29 March 2017, the UK submitted the notification of its intention to withdraw from the European Union and Euratom. The date of notification marks the start of the 2-year period of negotiations set out in Article 50(3) of the Treaty on European Union.

On 6 October 2017, the following was added on the [Participant Portal](#):

*For British applicants: Please note that until the UK leaves the EU, EU law continues to apply to and within the UK, when it comes to rights and obligations; this includes the eligibility of UK legal entities to fully participate and receive funding in Horizon 2020 actions. Please be aware however that the eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to be eligible to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 50 of the grant agreement.*

## 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?**

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.

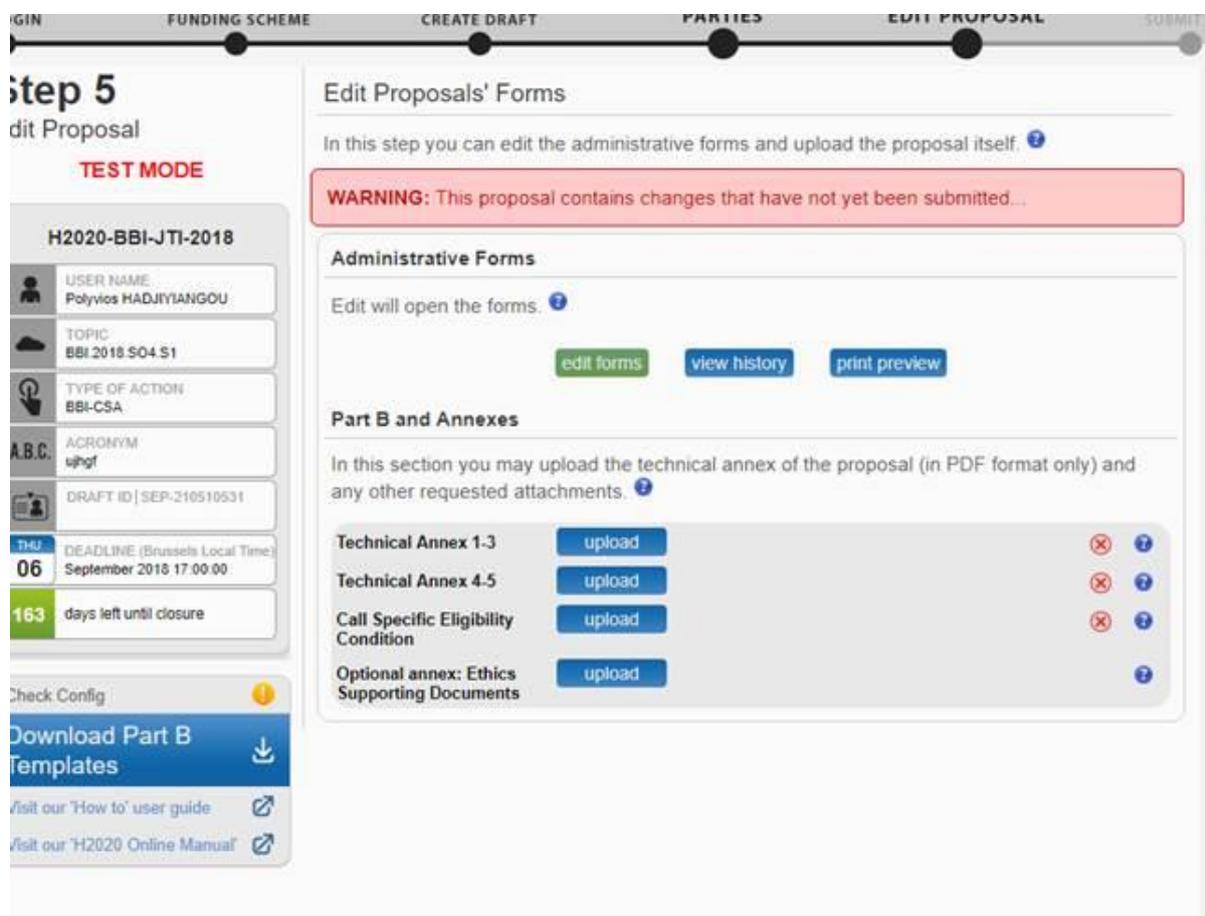
**Q 2.2.5: In which part of the proposal and how should the 'consortium own contribution' be presented (in cash, in kind, additional investments)?**

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.

For the 6 Call 2018 RIA topics with an additional eligibility criterion (Topics R4-8 and R11; full BIC member, see Q 1.2), an additional document (Excel format) will need to be uploaded / included in the proposal to check this eligibility criterion. This Excel template, entitled 'Call specific eligibility condition', can be downloaded via the 'Edit proposals' forms' step in the Participant Portal (see screenshot below). In this excel template, 4 cells need to be completed per full BIC member: PIC (9-digit Participant Identification Code), participant legal and short names, as well as country.



**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.

**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](#).

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

**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

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).

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

**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.

## 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. In Call 2018, 5 budget lines are defined (R1, R2, R3, R9, R10; R4, R5, R6, R7, R8, R11; D1-5; F1-2; and S1-3), each composed of more than 1 topic. Proposals submitted under the same budget line all compete for the budget assigned to this budget line. For example: the budget line for Call 2018 IA-DEMO Actions (topics D1-5) is € 30 million. All submitted DEMO proposals will compete for this budget. After the evaluations, *all* D1-5 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.

### 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 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).

### 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).

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

## 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.

## 5. Call 2018 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

### Introduction

How should **Life Cycle Analyses (LCAs)** be included in proposals?

This depends on the topic text. If the topic text states that “All proposals should commit to conducting, as part of the project, an environmental assessment using life-cycle assessment (LCA) methodologies...”, then an LCA should be (at least part of) a Work Package. If the topic text states that “Proposals should include a full assessment of the environmental, economic and social impacts of the developed products or processes, using LCSA methodologies...”, then an (at least) preliminary LC(S)A should be reflected in the proposal, and further LCA activities should take place during the project’s duration. For more information, please consult the topic text as well as the introduction of section 2.2.5 of the [Annual Work Plan 2018](#).

How should **‘pre- and co-normative research’** be included in the proposal?

Some topic texts state that “If relevant, proposals should also allow for pre- and co-normative research necessary for developing the needed product quality standards...”. If pre- and co-normative research is indeed relevant, applicants need to describe how this will be dealt with during a project’s lifetime, e.g. via dedicated tasks in Work Packages. The relevance will be evaluated by external experts during the proposal evaluation. For more information, please also consult the introduction of section 2.2.5 of the [Annual Work Plan 2018](#).

How should **‘industry participation’** in some topic texts be interpreted?

Some topic texts mention that “The industry should actively participate to demonstrate the potential for integrating the developed concepts into current industrial landscapes or existing plants so that the concepts can be deployed more quickly and scaled up to apply industrial-wide.” This industry participation can take different forms, typically by having industrial partners as part of the project consortium. Also take into account that more specific industry participation requirements are included in the individual topic texts.

### 5.1 CSAs

### 5.2 RIAs

RIA topics **R4-R8 and R11** have an eligibility criterion for participation, stipulating that a consortium that submits a project proposal for any of these topics must include at least one

partner that is a BIC member not eligible for receiving BBI JU funding. This means a large enterprise that is a BIC member.

**Q:** When must the BIC membership be effective to comply with the eligibility condition?

**A:** The BIC membership must be effective at the latest on 6 September 2018, the deadline for submitting proposals for the 2018 BBI JU call. Please refer to BIC to inquire about the practicalities of applying for a membership, but please be aware that according to the information provided by BIC it takes about one month to process and approve the membership application. Therefore, to be effective on 6 September 2018, **membership applications must reach the BIC office on 6 August 2018 at the latest.** Any entity interested in becoming a BIC member should contact the BIC office via [info@biconsortium.eu](mailto:info@biconsortium.eu).

BBI 2018. SO2.R2 – Develop techniques and systems to improve the performance of biocatalysts

**Q:** The topic text includes the sentence: "The specific challenge of this topics is to phenotypically link the performance of the biocatalysts to specific product formation". What is meant with "phenotypically"?

**A:** With 'phenotypically' we mean 'through a detectable' feature/characterisation of the microbe (biocatalyst). And this detectable feature should be able to tell us, provide us information regarding the performance of the biocatalyst in its 'work' to yield a specific product. On the basis of this information, we can select the best biocatalyst for a specific product or improve the performance of (some) biocatalysts (or both).

BBI 2018.SO2.R3 - Introduce new technologies to make pulping operations more resource-efficient

**Q:** The topic's scope allows to focus on one or more of 3 options: the pulping process itself, technological steps before/during, and downstream processes. Furthermore, one of the expected impacts is 'reduce the pulping energy intensity by 40 %'. If the proposal chooses not to focus on the pulping process itself: (how) will this '40%' expected impact be evaluated?

**A:** All expected impacts will need to be taken into account / will be evaluated. For example, if the proposal selects the third option (technological steps downstream of an established pulping process), the results thereof should also have a positive effect on the energy consumption. This can be achieved by *for example* either integrating (some of) the energy requirements in the downstream processing steps (DSP) with energy input in upstream steps, or by making different products in the conversion step that will require less energy in the DSP steps, or convert the ultimate residues into energy; or a combination of all.

BBI 2018.SO2.R4 - Apply advanced biotechnologies to convert biomass that contains inhibitors into high value-added chemicals and materials

**Q:** The expected impacts do not include any quantitative target (e.g. achieve smaller environmental footprint). Without a reference target,; how will this expected impact be evaluated?

**A:** This is a RIA with a low starting and envisaged end TRL (at least 3), making it challenging to quantify any targeted improvement. However, if the consortium believes it CAN specify and

quantify an improvement versus a particular benchmark, it should do so. If the expected impact is not quantified, proposals should define the level of improvement they will make and the impact that it will have on specific KPIs.

BBI 2018 SO2.R5 – Develop innovative single-step processes for conversion of a biomass feedstock into multiple readily usable intermediate streams

**Q:** how should the term 'single-step' be interpreted?

**A:** With 'single step' industry is looking for technologies and processes applying these technologies to convert the prepared biomass feedstock in one step into a slate of useable intermediate streams for further use in marketable products. This means without the need of follow-up conversion steps of side streams to yield useful compounds through a cascading mode of operation. With useful compounds we mean primarily compounds for chemicals and materials, not fuel (even though there will always be production of some (residual) streams that can only go to fuel). The purpose is to reduce the number of conversion steps; this excludes the pre-treatment and downstream separation and purification steps.

BBI 2018.SO3.R9 - Develop functional molecules for bio-based coatings outperforming existing products and meeting market requirements

**Q:** The title refers to 'functional molecules' and the scope to "bio-based components for coating formulations". One of the expected impacts is contribute to KPI5- new bio-based materials. Is the topic aiming rather at new bio-based building blocks or materials?

**A:** This is a topic in Strategic Orientation (SO) 3: the focus is on PRODUCTS. Particularly for this topic, the 'end focus' is products for the coatings market, and more specifically: products that are new, have other/better functionalities. But to get to these new products, you need the active components to make them. So, this topic should develop those components AND test them in a targeted (coating) application to prove they can/will deliver that added performance.

BBI 2018. SO3.R10 Develop bio-based packaging products that are biodegradable/compostable and/or recyclable

**Q.** The expected TRL is 5, whereas one of the expected impacts is to contribute to KPI 6: create at least two new demonstrated 'consumer' products. The SIRA definition of "consumer product" refers to products in TRL 6 or higher. How should this be interpreted?

**A.** This should be interpreted as "set the basis for" or "contribute to" 2 new consumer products.

**Q:** Is it necessary to have single-polymer solutions if the product is compostable?

**A:** No, the scope includes multi-layer/single-product solutions, provided they meet the required biodegradability/compostability/recyclability.

**Q:** Is it necessary to include the synthesis of the biopolymer in the value chain or it could modify a commercial polymer instead?

**A:** No. However, the developed solution must be bio-based, innovative and surpassing the state-of-the-art.

### 5.3 IA-DEMO

#### BBI 2018 .SO1.D1 - Improve the logistical and pre-processing steps of locally sourced biomass to serve as feedstock for the bio-based industry

**Q:** One of the expected impacts is to set a new bio-based value chain (KPI 2). According to the definitions found in the SIRA, a 'value chain' is new if any of its three segments (feedstock, processing and markets) is new. However, the topic is mainly related with logistics, transportation and pre-processing of feedstock, so it is not clear that it will necessarily deliver a new value chain. How should this be interpreted?

**A:** The key of this topic is the 'front-end' of a value chain (logistics, pre-treatment of the feedstock), indispensable for an efficient and sustainable value chain. Oftentimes, this 'front-end' needs an overhaul to meet the requirements of a new bio-based industry. Realising this overhaul will create a new feedstock supply/preparation system that will lay the basis for new value chain(s). Furthermore, as with all DEMO topics / Innovation Actions, the 'coverage of the value chain' is an evaluation subcriterion that will be taken into account during the evaluation<sup>3</sup>. Therefore, how the 'font end' could be combined with other elements of the value chain should be described in the proposal as well.

#### BBI 2018.SO2.D3 – Valorise sugars from the cellulosic and/or hemicellulosic fractions of lignocellulosic biomass

**Q:** The topic texts includes the sentence starting with "*Proposals should justify the choice of feedstock (wood types and species)...*". Does this mean that the feedstock should be wood?

**A:** No. 'Wood types and species' is put between brackets, and should be seen as an example of a potential feedstock. The paragraph above the above-mentioned sentence clearly states that 'This topic covers lignocellulosic feedstock from any suitable and sustainable source'.

**Q:** how should the term 'as is' be interpreted (e.g. "proposals may target...glucose from cellulose 'as is' ")?

**A:** The focus of this topic is the processing, the technologies applied in this/these steps; not the pre-treatment: pre-treatment is excluded as stated in the scope. This topic focuses on the steps AFTER the pre-treatment steps. The technologies may be applied on various intermediate streams after pre-treatment as described, i.e., could be 'as is' after pre-treatment, or after some first steps after pre-treatment. If a project realises technological solutions to valorise more than one of the mentioned intermediate streams, it will help to significantly improve the overall valorisation of lignocellulose and of a biorefinery processing lignocellulose. Next steps will be to see if these technologies could be applied to valorising other biomass feedstocks.

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<sup>3</sup> See [Guide for Applicants 2018](#), p 32.

**BBI 2018.SO3.D5 - Produce sustainable and cost-efficient high-performance functional ingredients from alternative sources**

**Q.** The title refers to functional ingredients and one of the expected impacts is to create at least 2 demonstrated consumer products. Is the topic aiming at ingredients, intermediate products or consumer products?

**A.** This topic aims at producing specific ingredients AND at demonstrating they can deliver the expected performance. This is a DEMO topic: the project should cover the full value chain; therefore, among others, it should also reach (out to) the market. Hence the expected impact that (at least) 'it contributes to' KPI 6.

## **5.4 IA-Flagship**

**BBI 2018.SO3.F1 - Produce on a large scale competitive bio-based building blocks, polymers and materials that outperform existing alternatives in identified market applications**

**Q:** This topic builds on a successful demonstration of an optimised value chain at TRL 6-7, producing building blocks, polymers and materials with the potential to scale up. Should all 3 components be produced (building blocks, polymers AND materials), or is one of the 3 enough? The expected impacts refer to KPI 5 (materials) and KPI 6 (products), but not to KPI 4 (building blocks).

**A:** Although not explicitly mentioned in the expected impacts / KPIs, a successful Flagship project under this topic should take into account the required building block(s) to make the targeted products and materials.

**BBI 2018.SO3.F2 - Large-scale production of proteins for food and feed applications from alternative, sustainable sources**

**Q1:** Do crops solely/mainly produced for food/feed protein can be an acceptable input?

**A1:** No. Any suitable alternative, sustainable source will do.

**Q2:** The topic mentions "...that sustainably produced feedstock streams are available in Europe, allowing to increase protein production in Europe". What is considered as 'Europe'?

**A2:** The EU Member States and the Associated Countries.

**Q3:** the topic texts requests to "contribute to KPI 6: create at least two new 'consumer' products produced from bio-based chemicals and materials". However, a proposal can choose to only focus on feed proteins. Are these considered as 'consumer products'?

**A3:** Yes.