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Federal Ministry of Education and Research

Announcement under the Federal Government's Strategy for the Internationalization of Science and Research

Regulations governing the Joint German-Russian funding competition with the "Russian Foundation for Assistance to Small Innovative Enterprises" (FASIE) in the area of applied, industry-related research and cooperation between innovative SMEs

12 January 2016

1. Funding purpose and legal basis

1.1 Funding purpose

The prominent role innovations play both for our prosperity and our quality of life as well as for tackling global challenges is highlighted in the new High-Tech Strategy "Innovations for Germany" from 2014. Good ideas need to be translated quickly into innovative products and services. This process can be supported and accelerated by harnessing the innovation potential of international partners for joint developments

Cooperation in research and innovation is a key element of the "Strategic Partnership in Education, Research and Innovation" between Germany and Russia. Research-performing enterprises in Germany can benefit from Russian strengths in basic and applied research in joint development projects. Both countries are committed to improving the framework conditions for innovations, amongst others a closer interlinking between science and economy.

In this context, an agreement was concluded in December 2007 for the fostering of German-Russian collaborations in the area of applied, industry-related, innovative research and development. So far, the German Federal Ministry of Education and Research (BMBF) and the Russian Foundation for Assistance to Small Innovative Enterprises (FASIE) have published five calls for the support of joint German-Russian R&D projects in various technological fields. On the basis of the evaluations of the previous calls, BMBF and FASIE continue this successful funding programme with a new call round.

The objective of the funding measure is to promote innovative German-Russian collaborative projects focusing on emerging technologies.

This funding programme is carried out under the Federal Government's Strategy for the Internationalization of Science and Research and the BMBF's International Cooperation Action Plan and aims to foster the cooperation with the Russian Federation through strategic project funding. Knowledge exchange and joint developments are expected in the long run to form the basis for mutual market access and for lasting economic cooperation.

1.2 Legal basis

Project grants will be awarded in accordance with these funding regulations, the BMBF's standard terms and conditions for grants on expenditure or cost basis and the administrative regulations under Sections 23 and 44 of the Federal Budget Code (BHO). There is no legal entitlement to funding. A decision on the award of funding will be made after due assessment of the circumstances and within the limits of the budget funds available.

The funding under these regulations fulfils the requirements of Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (General Block Exemption Regulation – GBER) (OJ L 187 of 26.6.2014, p. 1). The funding is therefore compatible with the common market within the meaning of Article 107(3) of the Treaty on the Functioning of the European Union (TFEU) and exempt from the obligation to inform under Article 108(3) TFEU.

In accordance with Article 1, 4. (a) and (b) of the GBER, undertakings which are subject to an outstanding recovery order following a previous Commission decision declaring an aid illegal and incompatible with the common market are ineligible for funding.

2. Object of funding

The object of funding will be high-risk industrial research and pre-competitive development projects that are cross-technology and application-oriented, e.g., the development of a prototype or a demonstrator. These R&D projects must be assigned to the topics mentioned below and important for the company's positioning on the market. The essential aim is to support accelerated technology transfer from the pre-competitive area into practical applications in cooperation with Russian researchers.

Funding will be assigned to cross-disciplinary research and development projects which in accordance with the funding purpose described above address one of following areas together with partners from the Russian Federation:

1. Biotechnologies and applied health research
2. Nanotechnologies
3. Environmental technologies
4. Optical technologies

The projects are expected to have great practical relevance and set out strategies for the political, societal and economic implementation of research findings. Furthermore, the projects should contribute to scientific exchange between the partner countries and international networking.

3. Funding recipients

Recipients of funding may be universities or non-university research institutions as well as small and medium-sized enterprises (SMEs)* that are active in Germany, as well as other institutions which provide contributions to research and fulfil the funding purpose and funding prerequisites. Research institutions which receive joint basic funding from the Federal Government and/or the Länder can be granted project funding alongside their institutional funding only under certain conditions for additional project-related expenditures/costs.

4. Prerequisites for funding

Applications can be submitted by consortia consisting of at least three partners, one on the Russian side and two on the German side. The Russian project partner will receive funding from the Foundation for Assistance to Small Innovative Enterprises (FASIE). Grants are provided to the German project partners by the BMBF.

The funding is meant for joint R&D projects, in which progress towards a product and / or process is made, with the enterprise in a leading role. On the German side, at least one SME and a university / non-university research institution should be involved. Funding of individual projects or joint projects involving solely academic partner organisations is not intended.

Proposals that are submitted for funding should have potential for long-term and sustainable cooperation with Russia.

The terms of cooperation between the partners in a collaborative project must be laid down in a cooperation agreement. Before a funding decision can be taken, the cooperation partners must prove that they have reached a basic agreement on certain criteria stipulated by the BMBF. For further details, please refer to BMBF form 0110, which can be found at:

(https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare – under "Allgemeine Vordrucke und Vorlagen für Berichte")

Participation at future evaluation activities will be mandatory, grant recipients will be obliged to provide information necessary for the assessment of the success of the funding programme. This might include participation at BMBF workshops.

* According to the EU's definition of SMEs: The category of micro, small and medium-sized enterprises consists of enterprises which employ fewer than 250 people and which have either an annual turnover not exceeding €50 million, or an annual balance sheet total not exceeding €43 million. Within this category, the following definitions apply: Small enterprises are defined as enterprises which employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed €10 million. Micro enterprises are defined as enterprises which employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed €2 million. In general, most SMEs are autonomous since they are either completely independent or have one or more minority partnerships (each less than 25%) with other enterprises (see 2.3.1, p. 16). If that holding rises to no more than 50%, the relationship is deemed to be between partner enterprises (see 2.3.2, p. 20). Above that ceiling, the enterprises are linked (see 2.3.3, p. 23). This definition of SMEs is based on Annex I of Regulation (EU) No. 65/2014.

Source: https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare (Bereich BMBF/Allgemeine Vordrucke und Vorlagen für Berichte/Vordruck Nr. 0119) and http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm

5. Type, scope and rates of funding

Funding for the German partners will be provided as non-repayable project grants.

Usually, projects can receive up to €150.000 from the German side for both partners (including a 20% flat rate for universities if appropriate) for as a rule up to 24 months.

Grants for universities, research and science institutions and similar establishments on the German side will be calculated on the basis of the eligible project-related expenditure (grants for Helmholtz centres [HZ] and the Fraunhofer Gesellschaft [FhG] will be calculated on the basis of the project-related costs eligible for funding), up to 100% of which can be covered in individual cases.

For research projects at universities and university a flat rate of 20% will be granted additionally to the eligible expenditures. Please note that the maximum funding sum mentioned above includes the flat rate.

For the calculation of grants for enterprises the GBER has to be taken into consideration. The GBER allows differentiated supplements for SMEs, which can lead to a higher rate of funding.

The following are envisaged as eligible expenditures/costs for grant funding:

- a) Labour costs for R&D personnel
- b) Materials, resources, literature/publication costs, rent, costs for filing and obtaining patents, for the joint marketing of expertise, services of external organisations, etc.
- c) Travel expenses (tickets for Germans to Russia and for Germans traveling to project meetings in Germany, per diem allowance for Russians in Germany, visa costs)
- d) Workshops in Germany (accommodation, transfer, catering, room rent, documents)

German applicants should refer to the detailed conditions described in the German call text published on the website of the International Bureau (<http://internationales-buero.de/de/4048.php>).

Basic facilities or basic equipment is not eligible for funding.

6. Other terms and conditions

The Nebenbestimmungen für Zuwendungen auf Kostenbasis des BMBF an Unternehmen der gewerblichen Wirtschaft für Forschungs- und Entwicklungsvorhaben (Auxiliary Terms and Conditions for Funds Provided by the BMBF to Commercial Companies for Research and Development Projects on a Cost Basis – NKBF 98) will be part of the notification of award for grants on a cost basis.

The Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung (ANBest-P) (General Auxiliary Conditions for Grants Provided for Projects on an Expenditure Basis) and the Besondere Nebenbestimmungen für Zuwendungen des BMBF zur Projektförderung auf Ausgabenbasis (BNBest-BMBF 98) (Special Auxiliary Terms and Conditions for Funds Provided by the BMBF for the Promotion of Projects on Expenditure Basis) will form part of the notification of award of grants on an expenditure basis.

7. Procedures

7.1 Involvement of a project management organization and request for documents

On the German side:

The following project management organization is currently entrusted with the implementation of the funding activity on behalf of the Federal Ministry of Education and Research (BMBF):

DLR Project Management Agency
European and International Cooperation
Heinrich-Konen-Straße 1
53227 Bonn
Internet: <http://www.internationales-buero.de>

Contact persons:

For subject-related information on biotechnologies and applied health research, please contact:

Stefan Klumpp
Phone: +49 228 38 21-2038
E-mail: stefan.klumpp@dlr.de

For subject-related information on nanotechnologies including materials research, please contact:

Dr. Karin Kiewisch
Phone: +49 (0)2 28-38 21-1855
E-mail: karin.kiewisch@dlr.de

For subject-related information on environmental technologies, please contact:

Maria Josten
Phone: +49 228 38 21-1415
E-mail: maria.josten@dlr.de

For subject-related information on optical technologies, please contact:

Dr. Jörn Gruenewald
Phone: +49 (0)2 28-38 21-1457
E-mail: joern.gruenewald@dlr.de

For administrative information, please contact:

Iryna Ibel
Phone: +49 (0)2 28-38 21-1803
E-mail: iryna.ibel@dlr.de

Applicants are recommended to contact the project management organization for advice. The organization will provide further information and details.

On the Russian side, the Foundation for Assistance to Small Innovative Enterprises (FASIE) is entitled to implement the funding measure:

Foundation for Assistance to Small Innovative Enterprises (FASIE)

1 Obydensky per, 1, bld 5

119034 Moscow, Russia

Olga Levchenko

Phone: +7 495 231 38 51

E-Mail: Levchenko@fasie.ru

Projects can be funded by the Russian Foundation for Assistance to Small Innovative Enterprises (FASIE) in accordance with the Russian Federation's legal regulations on project funding and the Fund's own funding regulations within the limits of the budget funds available.

Recipients of funding may be innovative small enterprises in accordance with the definition valid in the Russian Federation (Art. 4 of FEDERAL LAW NO. 209-FZ or 217 FZ). Collaborative projects between small innovative enterprises and universities or research institutions are encouraged. The enterprise will be the main applicant.

Projects can receive up to €150,000 from the Russian side for up to 24 months (co-financing of 50 % of the grant amount is required from the Russian company).

Eligible costs on the Russian side are:

- a) Labour costs
- b) Travel expenses within Russia
- c) R&D services of external organisations
- d) Materials, resources and accessories
- e) Equipment / Plants
- f) Other expenses (office rent, equipment, telephone costs and bank services)

7.2 Submission of formal applications for funding and decision-making procedure

On the German side, the application procedure consists of two phases.

German and Russian applicants wishing to form a consortium need to prepare an outline describing the joint project (including documentation of the joint intention of all partners) and submit it on time via the German coordinator to the DLR Project Management Agency (German applicant).

Russian applicants will have to apply in parallel via the electronic submission system of FASIE at:
<http://online.fasie.ru>

For administrative reasons, the Russian deadline is one week later than the German deadline. There is no second phase on the Russian side.

Applications submitted by one side only cannot be considered.

On the German side, project outlines have to be submitted via the electronic project outline tool PT-Outline and the formal applications in the 2nd phase must be drafted using the "easy-Online" electronic application system.

7.2.1 Submission and selection of project outlines

In the first phase, project outlines are to be submitted in written and / or electronic form by

8 April 2016 at the latest

using the online project outline tool "PT-Outline" (https://secure.pt-dlr.de/ptoutline/app/users/login/FASIE_VI). The project outline has to be preceded by a cover letter in which representatives of all project partners confirm their approval as well as the correctness of the information in the project outline by legally binding signature.

It may not be possible to consider project outlines received after the above mentioned submission deadline.

The German partners, represented by the coordinator, have to submit a joint project outline, compiled for expert assessment, comprising a maximum of 10 pages of A4 (incl. appendices) to the DLR Project Management Agency (see German version of the call). Project outlines can be submitted in either German or English. In case of English, a German summary is obligatory.

The project outline should address the following aspects:

- I. Information about the project coordinator and the German and foreign project partners
- II. Meaningful summary (objectives, research foci, exploitation of results)
- III. Scientific framework of the project
 - a) Planned measures for the implementation of the objectives of the funding programme mentioned in Section 2)
 - b) Description of the scientific goals of the project as well as the innovative potential
 - c) Current state of the art
 - d) If applicable: involvement of further partners
- IV. International cooperation within the framework of the project
 - a) Added-value of the international cooperation
 - b) Contributions by the international partners, access to international resources
 - c) Experience of the involved partners in international cooperation, former cooperation
- V. Sustainability of the project / exploitation plan
 - a) Expected scientific results
 - b) Consolidation of the cooperation with the partners in Russia
 - c) exploitation (e.g. economic exploitation, target groups, market potential, potential competitors, market entry barriers, existing patents, plans for distribution / sharing of generated IPR)
 - d) Planned extension of the cooperation to other institutions and networks
- VI. Description of the planned steps within the cooperative project

The project outlines received will be evaluated independently by experts in Russia and in Germany in accordance with the following criteria:

- I. Compliance with formal prerequisites for funding
- II. Accordance with the objectives of the funding programme (cf. Section 1) and the object of funding (Section 2), *including innovative potential of the proposed project*
- III. Scientific Criteria:
 - a) Scientific quality and originality
 - b) Thematic connection with the BMBF programmes

- c) Qualification of the applicant and participating partners
- d) Scientific benefit and exploitability of the expected results
- IV. Criteria for international cooperation
 - a) Formation of new partnerships
 - b) Experience of the applicant with international cooperation projects
 - c) Consolidation of bilateral partnerships
 - d) Quality of the cooperation and added-value for the partner institutions
- V. Plausibility and feasibility of the project (Security of financing, work plan, time frame)

Projects will be evaluated based on the criteria mentioned above. The joint projects will be chosen on the basis of the evaluation on the Russian and on the German side by the joint Council of funding parties. The result of the selection round will be conveyed to the joint coordinator in writing.

Applicants have no legal claim to the return of their project outlines and of any other documents which they may have submitted in this phase of the procedure.

7.2.2 Submission of formal applications for funding and decision-making procedure

On the German side:

In the second phase of the procedure, applicant institutions whose project outlines have been reviewed positively will be invited to present a formal application for funding.

Formal applications must contain:

- I. A detailed project outline
- II. A detailed work plan and timetable
 - a) Feasibility of the work plan
 - b) Plausibility of the timetable
- III. Details on the financing of the project
 - a) Adequacy and necessity of the funding
 - b) Security of the financing of the project over the entire project duration

The work plan and time-table will be assessed in particular according to the criteria mentioned under 7.2.2 (II) and (III).

Additional requirements of scientific nature or due to funding regulations, or recommendations by evaluators for the project implementation have to be observed and implemented in the formal applications.

In case of several German partners, formal applications have to be submitted after consultation with the German coordinator.

Formal applications must be drafted using the "easy-Online" electronic application system. In all cases, it is essential that the formal application includes a project description in German which should not exceed 12 pages.

Guidelines, leaflets, further information and auxiliary terms and conditions are available at https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare&formularschrank=bmbf

BMBF reserves the right to consult experts for the final funding decision. No legal entitlement can be derived from the submission of a formal application. Applicants have no legal claim to the return of their formal application. The final funding decision will be made according to the criteria and assessment mentioned above.

7.3 Regulations

Questions concerning the approval and payment of and accounting for funds as well as proof and examination of proper use and, if necessary, revocation of the award and reclaiming of the funds awarded are governed by the administrative regulations pertaining to section 44 of the Federal Budget Code (BHO) and sections 48 to 49a of the Administrative Procedure Act, unless deviation is permitted under the present funding regulations.

8 Entry into force

These funding regulations will enter into force on the day of their publication in the Federal Gazette (*Bundesanzeiger*).

Bonn, 12 January 2016

Federal Ministry of
Education and Research
by order
Michael Schlicht.
