

**Federal Ministry
of Education and Research**

Call for proposals

Regulations governing the funding of African-German collaborative projects in the field of water security in Africa (WASA); initial phase – southern Africa

7 December 2020

Safe access to sustainable water sources and protection against water-related natural hazards or diseases are an essential element in improving living conditions in Africa. Compared with other areas of the world, the population of Sub-Saharan Africa currently has by far the lowest level of access to safely managed water supplies (only 24% compared with 94% in Europe and North America, according to the UN SDG 6 Synthesis Report 2018). The dynamic economic and population growth in many countries in the region also entails an increase in water demand. At the same time, the region is severely affected by the impacts of climate change. Joint action using innovative approaches based on the analysis of changing conditions and previous barriers to implementation is urgently needed in order to support economic development and political stability. In this context, research and education can play a substantial role in achieving the United Nations Sustainable Development Goals (in particular SDG 6 – Water and Sanitation).

1 Aim and purpose of funding, legal basis

1.1 Aim and purpose of funding

The overarching objective of this funding measure is to make a lasting contribution to improving water supply and wastewater management systems in Africa. The funding measure will support the joint measures that were developed within the scope of the Federal Government's Round Table on the Internationalization of Education, Science and Research in cooperation with African partners and participating federal ministries (Federal Ministry of Education and Research, Federal Foreign Office, Federal Ministry for Economic Cooperation and Development, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Federal Ministry of Food and Agriculture, Federal Ministry of Transport and Digital Infrastructure, Federal Ministry for Economic Affairs and Energy).

The guiding principle behind this funding measure is to support African and German partners to develop projects together from the very beginning, to enable a synergetic and integrated approach through the involvement of different ministries and political representatives as well as to pursue the development of a long-term approach based on the intended utilization process that leads from knowledge generation to demonstration and implementation to transfer into practice and long-term adoption.

Funding will be awarded in multiple phases which run consecutively:

- Initial phase (fifteen months)
- Main phase (up to four years), separate funding regulations will be announced for this phase

A decision will be made in due course regarding the additional establishment of a second main phase in consideration of the results achieved by that time.

This call for proposals governs the initial phase of the funding measure on water security in Africa in southern Africa. The specific aim of the initial phase is to work together with African partners to develop regional strategies for implementing the main phase and to clarify medium-term opportunities for additional funding and supplies from African and German partners.

The purpose of this funding is to carry out investigations into improving water security in southern Africa, including the necessary events and networking activities, as well as to prepare and submit the abovementioned strategy for the main phase. Funding may only be used for the activities described in Section 2.

The funding measure is carried out within the framework of the Federal Government's Strategy for the Internationalization of Education, Science and Research. In addition to this, the current Africa Strategy pursued by the Federal Ministry of Education and Research (BMBF) aims to strengthen cooperation with African partners in tackling global challenges, establishing long-term and high-quality infrastructures for scientific work, strengthening regional and continental collaboration, developing innovation potential and new markets and in enhancing the profile of the Federal Republic of Germany as a key partner for Africa in the fields of education and research.

The funding measure is part of the BMBF strategy "Research for Sustainable Development" (FONA).

The funding measure contributes to the successful implementation of the African Union's Agenda 2063 and its Science, Technology and Innovation Strategy for Africa 2024 (STISA 2024). At a broader level, it is also expected to result in significant contributions to realizing the UN Agenda 2030 (Sustainable Development Goals), national climate goals (NDCs) and national adaptation plans and strategies.

1.2 Legal basis

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

Under these funding regulations, state aid will be granted on the basis of Article 25 (2) of the Commission Regulation (EU) No 651/2014 of 17 June 2014 Declaring Certain

Categories of Aid Compatible with the Internal Market in Application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (General Block Exemption Regulation – GBER) (OJ L 187 of 26 June 2014, p.1) in the version of the Regulation (EU) 2017/1084 of 14 July 2017 (OJ L 156 of 20 June 2017, p.1) and Regulation (EU) 2020/972 of 02 July 2020 amending Regulation (EU) 1407/2013 as regards its prolongation and amending Regulation (EU) 651/2014 as regards its prolongation and relevant adjustments (OJ L 215 of 7 July 2020, p.3). Funding is provided in accordance with the Common Provisions set out in Chapter I GBER, in particular taking account of the definitions given in Article 2 of the Regulation (cf. Annex for the requirements of state aid legislation applying to these funding regulations).

2 Object of funding

Innovative regional solutions for improving water security in Africa are to be developed and demonstrated within the scope of the WASA funding measure. The measure aims to develop new processes, products and services in the following fields:

- Sustainable water resources management
- Water infrastructure and water technology
- Hydrological forecasting and projections

As described in Section 1.1, funding will be provided in two phases.

In the initial phase, funding will be awarded to research work that serves to develop concepts and prepare for the main phase. Among others, the following activities are eligible for funding:

- Background studies on local need for action and the demand for research and development in the selected field
- Documentation of lessons learned from previous activities in the water sector
- Exploratory on-site investigations
- Trips and events that contribute towards establishing consortia for the main phase
- Identification of key African stakeholders and institutions mandated for implementation activities, relevance for their current strategies and their interest in the selected topic
- Clarification of synergies with the activities and strategies of German federal ministries in southern Africa
- Capacity development measures (e.g. research stays)
- Preparation of an implementation plan for the main phase including time schedule and participation options for African partners, German federal ministries or their executive agencies

In the initial phase, funding will either be awarded to individual projects, in which the applicant applies for and manages the funding on behalf of other stakeholders

(subcontracting, see Section 5), or to collaborative projects with multiple sub-projects on the German side.

To begin with, plans for the main phase should be designed to run for a four-year period. The first main phase will primarily focus on research and development work, capacity development as well as demonstration and innovation activities. It is essential that non-academic partners and businesses are involved in the main phase. As described in Section 1.1, it may be possible to conduct a second main phase in which research aspects will become subsidiary to implementation, transfer and consolidation activities.

This will mean that measures can be implemented to cover the entire utilization process from analysis of R&D demand to data collection and knowledge generation to implementation and long-term consolidation.

Plans for the main phase will be required to include at least the following elements:

- Description of an innovative research approach aimed at increasing water security in Africa
- Description of the measures intended to promote capacity building
- Description of regional-specific demand in Africa and the added value for African-German cooperation
- Description of key African stakeholders and mandated institutions, relevance for their current strategies and their interest in the selected topic
- Description of their association with existing and planned activities of German stakeholders in Africa, particularly with regard to the BMBF-funded SASSCAL centre
- Work and time schedule including participation options for African partners, German federal ministries or their executive agencies

Further details concerning the requirements of the main phase will be publicized in a separate set of funding regulations and at informational events.

It is important that the links between water, energy and food are taken into consideration across all fields, as well as the aspects of monitoring and data management and the transfer of R&D into practical application.

In addition to this, the projects should also make a tangible contribution to fostering young research talent and developing the capacities of partners in Sub-Saharan Africa.

In particular, funding will be granted to research work that is conducive to developing norms and standards. In general, it should be noted that the practical application and implementation of regulations and laws is a particular problem in southern Africa such that new approaches and incentive systems are necessary (enforcement tools).

One instrument that has become increasingly successful in establishing innovative processes is partnerships between German municipal water and wastewater management companies and their counterparts in African partner countries.

Participants in the WASA programme are called upon to identify possible links with the SASSCAL science service centre and to incorporate these in the concept development process (particularly with regard to integrating participants in the SASSCAL graduate programme). Likewise, possible links are to be considered with global water data centres as well as the UN International Centre for Water Resources and Global Change.

Within the scope of this BMBF funding announcement for the initial phase of the programme, funding will be awarded to research work in the three fields outlined above. The three fields and examples of research gaps were developed as part of a co-design process between African partners and partners of the Federal Government Round Table and are described in more detail below. Project applications can refer to one of these fields or a combination of multiple topics; in this case, one field should be chosen as the main focus of the project.

2.1 Sustainable water resources management

Within the context of the ongoing integrated water resources management process, improvements to the overall clean water supply and access to sanitation facilities in southern Africa are a top priority. One particular challenge in this regard is that nearly all of Africa's major rivers run across national borders and intergovernmental agreements and commissions are still in the process of being set up or have only taken minimal action to date. In addition to this, demand is growing in the agricultural sector. Although less than 10% of agricultural land is currently irrigated, this sector is already the largest consumer of water. Irrigated areas are being expanded in many places due to climate change and in order to increase food and biomass production. Long-term sustainability of use and the effects on water-dependent ecosystems need to be considered more carefully in planning processes.

The following issues serve as examples of research and development work:

- New approaches to transboundary water resources management
- Sustainable irrigation plans at catchment level
- Research on good governance, particularly with regard to fair water pricing structures and the regulation of agricultural and general water consumption
- Integrated water resources management that considers and addresses the entire value creation chain
- Adaptive, urban water management that considers and addresses dynamic growth and informal settlements
- Effective use of new digital technologies and hydroinformatics in water management processes
- Adapting water management processes to handle the impact of climate change (e.g. bush encroachment, fire, drought, flooding)

2.2 Water infrastructure and water technology

In response to substantial population growth and climate change, there is an urgent need for intelligent innovations for water infrastructure and water technology that are tailored to match local needs, capabilities and acceptance levels, both in urban and rural areas.

In order to ensure successful long-term operation, all technologies must be appropriately adapted to meet the local needs and capacities specific to southern Africa, both in terms of operation and maintenance as well as costs and operator models. It is also important to take a multifunctional, socially inclusive and integrated approach to infrastructure planning.

The following issues serve as examples of research and development work:

- New technologies and infrastructure plans for access to sustainable water supplies and wastewater management systems
- Appropriately adapted, scalable environmental technologies for improving water usage efficiency, water storage and water quality in agricultural production
- Technologies for utilizing alternative water resources such as sustainable use of groundwater reservoirs, wastewater reuse, brackish water, rainwater or seawater
- New strategies for the establishment and long-term operation of decentralized systems and nature-based solutions
- Adapting water infrastructure and technologies to increase resilience and handle the impact of climate change

2.3 Hydrological forecasting and projections

Adapting water management to accommodate climate change and climate protection measures is essential for sustainable development and fundamental to achieving the objectives of Agenda 2030, the Paris Agreement and the Sendai Framework for Disaster Risk Reduction. Possible behavioural and management measures include implementing a forecasting and warning system, drawing up emergency plans, establishing an integrated rainwater management system or drought planning. Construction activities are also required (both technical and nature-based) to ensure appropriate protection levels. It seems appropriate to shift focus from straightforward natural disaster and extreme events recovery (“post-disaster mentality”) towards making stronger associations with the topics of foresight, prevention and preparation.

The following issues serve as examples of research and development work:

- Studies of regional distribution and future development of water demand in agriculture, energy production, mining, industry and urban centres
- Innovative modelling and measurement systems for monitoring and simulating surface water conditions and groundwater bodies that factor in relevant weather and climate information
- Increasing the reliability and detail of climate change impact assessments

- Developing innovative early warning systems against droughts and floods, based on weather and climate information and adapted to local conditions
- Integrated management of water-related disasters – fast, safe action, technological measures, use of social media, local information systems
- Optimized use of hydrological resources by means of advanced monitoring technology and remote sensing

3 Funding recipients

Applications may be submitted by commercial companies, universities, research institutions, local, *Länder* and federal authorities as well as associations and other social organizations. Applicants are required to have a plant or branch (company) or another entity to act as funding recipient (university, research institution, local, *Länder* or federal authority, association or other social organization) in Germany at the time of grant payment.

Small and medium-sized enterprises (SMEs) within the meaning of this call are companies that meet the requirements of the EU definition of SMEs (cf. Annex I of the GBER or the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C (2003) 1422) (2003/361/EC):

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003H0361&from=EN>).

The funding recipient will declare their classification according to Annex I of the GBER or the Commission's Recommendation to the granting authority in its written application for funding.

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

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

4 Special prerequisites for funding

For the initial phase, the consortium must comprise at least one German partner and at least one partner from one or more of the following countries in southern Africa: Angola, Botswana, Namibia, South Africa, Zambia, Zimbabwe. In principle, it is also possible to include partners from other countries in southern Africa, whereby the complexity of the

overall project should be kept to a manageable level and practical feasibility must be ensured.

During the initial phase, it is already important to consider that the participating African partners will have to commit to making their own contributions (financial or in-kind, e.g. staff, material or premises) in the subsequent first main phase of the WASA programme. African project partners must participate in the project activities of the main phase on an equal basis in various respects (expertise, work sharing, exploitation of rights, etc.). The project must be implemented in a collaborative effort between all partners. Funding opportunities in the respective partner countries should therefore be investigated.

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

5 Type, scope and rates of funding

Funding will be granted in the form of a non-repayable grant for project funding amounting to a maximum of EUR 150 000 for each individual or collaborative project and will generally be awarded for a period of 15 months.

Grants for commercial companies and for projects of research institutions which fall into the category of economic activities² will be calculated based on the eligible project-related costs. As a rule, up to 50% can be covered by government grants, taking the requirements of legislation on state aid into account (see Annex). The BMBF's policy requires that applicants make an appropriate contribution of their own of at least 50% towards the eligible costs incurred.

Grants for higher education institutions, research and science institutions and similar establishments which do not fall into the category of economic activities will be calculated based on the eligible project-related expenditure (or eligible project-related costs in the case of the Helmholtz centres and Fraunhofer); in individual cases, up to 100% of expenditure can be covered, taking the requirements of legislation on state aid into account.

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

¹ https://foerderportal.bund.de/easy/easy_index.php?auswahl=easy_formulare; under "BMBF > Allgemeine Vordrucke und Vorlagen für Berichte" (only available in German).

² For the definition of economic activity, see no. 17 of the Framework for State aid for research and development and innovation.

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

Applications can be made for the following:

- a. Financial resources to cover staff required for the project
- b. Project-related materials and funds for equipment (see applicant guidelines)
- c. In duly substantiated cases, funding for contracts with third parties

Insofar as funding is awarded to African partners through subcontracts, care must be taken to ensure that intellectual property rights are devised in accordance with the principles of equal usage and that partners are able to make independent use of the project results locally.

- d. Travel and stays by German and African researchers and experts

The following applies to the funding of travel by researchers and experts on the German side:

The costs/expenditure for travel to and from the project partner's location will be covered including the necessary visas (economy class for air travel) and the expenditure/costs for stays and travel within Germany in accordance with the applicable rules of the respective institution or company.

The following applies to the funding of travel and stays by foreign researchers and experts involved in the project:

The costs/expenditure for travel to and from the project partner's location in Germany (economy class for air travel) will be covered. Stays in Germany will be subsidized at a fixed rate of EUR 104 per day or EUR 2 300 per month and a per diem rate of EUR 77 for any additional days in a subsequent month. The day of arrival and day of departure are counted together as one day. Contributions to health insurance and, if applicable, other types of insurance are included in this allowance and are to be paid by the foreign partner themselves.

- e. Travel expenses for international events

In duly substantiated cases, funds can be granted for travel to international events, e.g. for participating in international, project-relevant conferences held in the home country or abroad.

- f. Workshops

Workshops with existing partners or aimed at opening up new potential for cooperation may receive the following support in Germany and in the partner country:

Funding will be provided to cover various expenditure and/or costs related to the organization of workshops. Grants can be provided towards expenses such as guest accommodation, travel transfers, provision of workshop documents, adequate hospitality and rental of premises (as necessary). The exact volume of the grant depends on the size of the event and the number of foreign guests. In such cases, per diem allowances (see d. above) will not be granted.

Alternative measures are to be prepared for all planned activities which may be adversely affected by the coronavirus pandemic, such as trips and workshops, so as to ensure that the objectives of the project can still be achieved. The COVID-19 information provided on websites published by the Federal Foreign Office, the Federal Ministry of Health, the Federal Ministry of Education and Research and the Federal Government provide guidance and support to help evaluate situations.

As a rule, no funding will be provided to cover any of the costs of the participating institutions' normal basic equipment.

The GBER must be taken into account when determining the respective eligible costs (see Annex).

6 Other terms and conditions

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

Notification of award for grants on an expenditure basis will include the *Nebenbestimmungen für Zuwendungen auf Ausgabenbasis des Bundesministeriums für Bildung und Forschung zur Projektförderung* (NABF) (Auxiliary Terms and Conditions for Funds Provided by the Federal Ministry of Education and Research for the Promotion of Projects on an Expenditure Basis).

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

Funding recipients are expected to ensure open electronic access if they publish the results of the research project in a scientific journal. This can be done through publication in an electronic journal which is accessible to the public free of charge. If the results are initially published in a way which does not provide the public with free electronic access, the article must be made publicly available free of charge by electronic means, following a suitable embargo period where appropriate (secondary publication). Embargo periods for secondary publication must not exceed 12 months. The BMBF expressly welcomes secondary open access publication of scientific monographs resulting from the project.

7 Procedure

7.1 Involvement of a project management organization, application documents, other documents and use of the electronic application system

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

*Project Management Agency – Resources, Circular Economy, Geosciences
Project Management Agency Karlsruhe (PTKA)
Water Technology
Karlsruhe Institute of Technology (KIT)
Hermann-von-Helmholtz-Platz 1
76344 Eggenstein-Leopoldshafen
Germany*

*DLR Project Management Agency (DLR-PT)
European and International Cooperation
Heinrich-Konen-Straße 1
53227 Bonn
Germany
Website: <http://www.internationales-buero.de>*

*For more information about the subject of the call, please contact:
Dr Leif Wolf
Phone: +49 721 608 282 24
Email: leif.wolf@kit.edu*

*For questions relating to administrative matters, please contact:
Lydia Bartuli
Phone: +49 228 382 118 28
Email: Lydia.Bartuli@dlr.de*

Applicants are recommended to contact the project management agencies for advice about their application. The agencies will provide further information and details.

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

Forms for funding applications, guidelines, leaflets, information and auxiliary terms and conditions are available online (in German only):

https://foerderportal.bund.de/easy/easy_index.php?auswahl=formularschrank_foerderportal&formularschrank=bmbf

Alternatively, these can be obtained directly from the above-mentioned project management organizations.

Applicants must use the “PT-Online” electronic tool for drafting project outlines (https://ptoutline.eu/app/wasa_2020) and the “easy-Online” electronic application system

for drafting formal proposals (<https://foerderportal.bund.de/easyonline>) (both only available in German).

7.2 Two-phase application procedure

The application procedure consists of two phases.

7.2.1 Submission and selection of project outlines

In the first phase, project outlines are to be submitted electronically by 31 March 2021 at the latest.

Project outlines for collaborative projects must be submitted in consultation with the proposed project coordinator.

The deadline for submission is not a cut-off deadline. However, it may not be possible to consider project outlines received after the above date.

In order to facilitate coordination with the various partners, the project outline should be submitted in English. A one-page summary in German is also required.

Project outlines must not exceed 12 pages (including German and English summaries).

The project outline should include the following aspects:

- I. Information about the project coordinator and the German and foreign project partners
- II. Informative summary (objectives, research priorities, exploitation of results) in German and English
- III. Scientific background of the project
 - a. Planned activities for implementing the funding measure goals set out in Sections 1 and 2
 - b. Description of the project's scientific objective
 - c. Information about the current state of science and technology
- IV. International cooperation within the scope of the project
 - a. Added value of international cooperation
 - b. Relevance for strategies and objectives of African institutions
 - c. Contributions made by international partners, access to international resources
 - d. Expertise of the participating partners

- e. Experience of the participating partners in international cooperation, previous collaborations
- V. Long-term impact of the measure/utilization plan
 - a. Expected scientific results
 - b. Consolidation of cooperation with partners in southern Africa
 - c. Relevance for activities and objectives of German federal ministries in Africa
 - d. Plans for expanding cooperation to other institutions and networks
- VI. Description of proposed steps within the cooperation project
- VII. Estimated expenditure/costs

In order to ensure that the project can be successfully implemented, the project outline must also include a description of alternative options for all project activities which may potentially be adversely affected by the coronavirus pandemic.

The outline must clearly show how all the partners will be involved in the project's tasks and results. The protection of intellectual property rights also plays an important role in this context.

The project outlines received will be evaluated externally based on the following criteria:

- I. Fulfilment of the formal prerequisites for funding
- II. Compliance with the funding objectives of the call as stated in Section 1 and the object of funding outlined in Section 2
- III. Technical criteria
 - a. Relevance for the objectives of the call, BMBF policy objectives and the strategies of the African partners countries
 - b. Scientific and technical quality of the approach
 - c. Originality of the scientific and technical concept
 - d. Prospects for commercial utilization and success of the project (planned use of results in practical application, transferability of the approach, feasibility of achieving the project objectives, contribution towards establishing rules, standards and norms)
 - e. Expertise of the applicant and the German and international partners involved
- IV. Criteria concerning international cooperation
 - a. Establishment or long-term consolidation of bilateral/international partnerships
 - b. Quality of cooperation and added value for the partner institutions

c. Potential to support young researchers

V. Plausibility and feasibility of the project (financing, milestones, time frame)

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

7.2.2 Submission of formal proposals and decision-making procedure

In the second phase of the procedure, the applicants whose project outlines have been successful will be invited to submit formal proposals. At a minimum, an application for funding must fulfil the requirements of Article 6 (2) GBER (cf. Annex) in order to be considered complete.

The “easy-Online” electronic application system must be used for drafting formal proposals (taking into account the requirements set out in the Annex) (<https://foerderportal.bund.de/easyonline>, only available in German).

Funding applications for collaborative projects must be submitted in consultation with the proposed project coordinator.

In addition to aspects included in the project outline, formal proposals must also include the following information:

- I. A detailed (sub-)project description
- II. A comprehensive work and time schedule
 - a. Feasibility of the work schedule
 - b. Plausibility of the time schedule
 - c. Utilization plan
- III. Detailed information about the financing of the project
 - a. Appropriateness and necessity of requested amount of funding
 - b. Security of overall financing during the entire project period

The work schedules and financing plans will primarily be evaluated in accordance with the criteria listed under 7.2.2 (II and III).

The formal proposals must observe and fulfil any topic-specific or funding-related requirements and/or evaluators’ recommendations for the implementation of the project.

All formal proposals must include a project description in German. This should not exceed 15 pages.

A funding decision will be taken following final consideration of the application on the basis of the above criteria and evaluation.

7.3 Relevant regulations:

The approval, payment and accounting for the funds as well as the proof and examination of the proper use and, if necessary, the revocation of the award and the reclaiming of the funds awarded are governed by sections 48 to 49a of the Administrative Procedure Act (VwVfG), sections 23 and 44 of the Federal Budget Code (BHO) and the related general administrative regulations, unless deviation from the general administrative regulations is allowed under the present funding regulations. The *Bundesrechnungshof* (German SAI) is entitled to carry out audits in accordance with section 91 of the BHO.

8 Validity

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

These funding regulations will be valid until the day of expiry of their legal basis for state aid, the GBER, plus a six-month adaptation period, that is, until 30 June 2024.

Bonn, 7 December 2020

Federal Ministry
of Education and Research

Dr J. Mahlberg
Dr H. Löwe

Annex:

These funding regulations are subject to the following requirements of legislation on state aid:

1 General prerequisites for funding

The aid is only lawful if all the prerequisites of Chapter I GBER and the prerequisites in Chapter III applicable to the designated category of state aid are fulfilled in line with Article 3 GBER and if the national courts are obliged to order the repayment of unlawful state aid in accordance with the rulings of the European courts.

In applying for funding under these funding regulations, applicants commit themselves to actively cooperate in complying with the requirements of state aid legislation. Thus, applicants must, upon application or subsequently, provide information and documentation requested by the funding provider as evidence of credit worthiness and conformity with state aid requirements. Furthermore, applicants must cooperate with any procedures of or at the European Commission and comply with all requirements of the Commission.

A prerequisite for the granting of state aid under an aid scheme exempted by the GBER is that this has an incentive effect within the meaning of Article 6 GBER. State aid is considered to have an incentive effect if the beneficiary has submitted a written application for the aid in the Member State concerned before work on the project or activity starts. The application for aid must include at least the following information: name and size of the company; description of the project including its start and end dates; project location; project costs; type of aid (e.g. grant, loan, guarantee, repayable advance payment or capital injection) and volume of public financing needed for the project.

State aid on the basis of the GBER will not be granted if there are grounds for exclusion under Article 1 (2 to 5) GBER; specifically, this applies if the company is subject to an outstanding recovery order following a previous Commission decision declaring certain aid inadmissible and incompatible with the internal market or if the company is an “undertaking in difficulty” as defined in Article 2 (18) GBER. Only companies that were not already in difficulty on 31 December 2019, but which became or become undertakings in difficulty during the period 1 January 2020 to 30 June 2021, are exempted from this restriction in accordance with Article 1 (4)(a) GBER.

European legislation requires that every individual aid exceeding EUR 500 000 must be published on a special website (cf. Article 9 GBER).

In individual cases, the funding received may be monitored by the Commission in line with Article 12 GBER.

Under these funding regulations, state aid is granted in the form of grants in accordance with Article 5 (1 and 2) GBER.

The GBER restricts the granting of state aid for economic activities in the following areas to the corresponding maximum amounts stated below:

- EUR 40 million per undertaking, per project which mostly involves fundamental research (Article 4 (1)(i)(i) GBER); that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of fundamental research
- EUR 20 million per undertaking, per project which mostly involves industrial research (Article 4 (1)(i)(ii) GBER); that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of industrial research or within the categories of industrial research and fundamental research taken together
- EUR 15 million per undertaking, per project which mostly involves experimental development (Article 4 (1)(i)(iii) GBER); that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of experimental development
- EUR 7.5 million per study for feasibility studies in preparation for research activities (Article 4 (1)(i)(vi) GBER)

The rules concerning cumulation set out in Article 8 GBER must be observed when determining whether these maximum amounts (notification thresholds) are respected. The maximum amounts may not be circumvented by artificially splitting up projects with related content. Partial approval up to the notification threshold for aid is not permitted.

2 Scope/rates of funding, cumulation

The following provisions of the GBER apply to these funding regulations, in particular concerning eligible costs and state aid intensities; the following eligible costs and intensities set out the overall thresholds within which eligible costs and rates of funding for projects involving economic activity can be granted.

If aid is granted under Article 25 GBER, the following additional passage should also be included:

The funded part of the research project must fall completely within one or more of the following categories:

- Fundamental research
- Industrial research
- Experimental development
- Feasibility studies

(cf. Article 25 (2) GBER; definitions according to Article 2 (84 ff.) GBER)

For the purpose of classifying research work as fundamental research, industrial research and experimental development, please refer to the relevant information in no. 75 and footnote 2 of the Framework for State aid for research and development and innovation.

The eligible costs of each research and development project must be allocated to the relevant research and development categories.

Eligible costs in accordance with Article 25 (3) GBER are as follows:

- Staff costs: for researchers, technicians and other supporting staff to the extent employed on the project (Article 25 (3)(a) GBER)
- Costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible (Article 25 (3)(b) GBER).
- Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project (Article 25 (3)(d) GBER)
- Additional overheads and other operating expenses (including costs of materials, supplies and similar products), incurred directly as a result of the project (Article 25 (3)(e) GBER)

Pursuant to Article 25 (5) GBER, the aid intensity for each beneficiary must not exceed the following rates:

- 100% of the eligible costs for fundamental research (Article 25 (5)(a) GBER)
- 50% of the eligible costs for industrial research (Article 25 (5)(b) GBER)
- 25% of the eligible costs for experimental development (Article 25 (5)(c) GBER)
- 50% of the eligible costs for feasibility studies (Article 25 (5)(a) GBER)

Insofar as the prerequisites stated in Article 25 (6) GBER are fulfilled, the aid intensities for industrial research and experimental development may be increased up to a maximum 80% of the eligible costs as follows:

- by 10 percentage points for medium-sized enterprises
- by 20 percentage points for small enterprises
- by 15 percentage points if one of the following conditions is fulfilled:

The project involves effective collaboration

- between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70% of the eligible costs, or
- between an undertaking and one or more research and knowledge-dissemination organizations, where the latter bear at least 10% of the eligible costs and have the right to publish their own research results.

The results of the project are widely disseminated through conferences, publications, open access repositories, or free or open source software.

Article 7 (1) GBER requires that the eligible costs be supported by documentary evidence which must be clear, specific and contemporary.

For the purpose of calculating aid intensity and eligible costs, all figures used must be taken before any deduction of tax or other charge.

For the purpose of complying with the maximum permissible aid intensity, the rules concerning cumulation set out in Article 8 GBER must be observed in particular.

The cumulation of several aid measures for the same eligible costs/expenditure is only allowed in exceptional cases as specified below:

Where European Union funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the Union that is not directly or indirectly under the control of Member States and therefore does not constitute state aid (including the European Structural and Investment Funds among others) is combined with state aid, only the latter will be considered for determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected, provided that the total amount of public funding granted in relation to the same eligible costs (including centrally managed Union funds) does not exceed the most favourable funding rate laid down in the applicable rules of European Union law.

Aid with identifiable eligible costs exempted by the GBER may be cumulated with: (a) any other state aid, as long as those measures concern different identifiable eligible costs; (b) any other state aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under the GBER.

Aid without identifiable eligible costs may be cumulated with any other state aid without identifiable eligible costs, up to the highest relevant total financing threshold fixed in the specific circumstances of each case by the GBER or a decision adopted by the Commission.

State aid exempted under the GBER may not be cumulated with any de minimis aid in respect of the same eligible costs if such cumulation would result in an aid intensity or aid amount exceeding those laid down in Chapter III of the GBER.