

## Indo-Swedish Circular Economy call

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Indian Industry component to be supported  
through BIRAC: Process Flow and Terms

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## **Background**

Circular economy (CE) has become an innovative and popular scientific topic which represents an economic system with the objectives of reduction in waste and consumption of resources. Transitioning towards a 'circular economy' is seen as crucial for sustainable development, since reuse, remanufacturing and recycling contribute to the long-term use of materials and other resources, and thereby limiting the excess extraction of virgin resources. The Indo-Swedish Circular Economy call is a platform to support innovation and research based technical solutions spanning from basic and applied which may be close to market and will enable the shift of society to a sustainable circular economy, and make it take off at large scale. The projects should be focused on how they contribute to increased sustainability. demonstration activities, including feasibility studies etc.

The objectives of the program are to:

- Bilateral effort to support research and innovative projects that are highly relevant for a transition towards a circular economy
- Contribute to increased sustainability i.e., knowledge, products, services, processes

## **Purpose of the cooperation**

During the last few years in several joint India- Sweden committee meetings i.e.science and technology meeting during May 2019, high- level policy dialogue on innovation during Swedish state visit during December 2019 and during prime ministers' meetings from both countries, the value on circular economy was acknowledged.

Based on above the Coordinating Agencies from India and Sweden aimed to undertake this opportunity to announce an Indo-Swedish Circular Economy call. This is to foster and strengthen the area of mutual interest, in accordance with respective national laws, rules and procedures by realizing a research and innovation call for collaborative projects consisting of project members from both India and Sweden. The Call is a collaboration between

- Department of Science and Technology (DST), Government of India,
- Department of Biotechnology (DBT), Government of India,
- Ministry of Earth Sciences (MoES), Government of India,
- Biotechnology Industry Research Assistance Council (BIRAC)
- Formas, the Swedish government research council for sustainable development,
- Forte, the Swedish Research Council for Health, Working Life and Welfare
- the Swedish Research Council,
- the Swedish Energy Agency and

- Vinnova, Sweden's innovation agency.

### **Areas to be supported under call:**

The call welcomes proposals within a broad range of areas. The broad areas may be seen in the main call document. BIRAC support to Indian Industry will be provided for the below mentioned sub -area:

#### **Lifesciences and Health**

Only applications falling within the above-mentioned priority areas having industry component will be considered by BIRAC.

### **Proposal Submission**

- The Call for Proposals will be advertised on DBT and BIRAC website. The applicant needs to submit an online application for funding by registering and logging-on the DBT website.

**For the sub theme (Life Sciences and Health: please apply through this link;**

**<https://dbtpromis.nic.in/Login.aspx>**

#### **Steps for submission:**

- Please login to eProMIS account (<https://dbtpromis.nic.in/Login.aspx>)
- Go to International Cooperation-Bilateral Programs area
- Open Call link for Indo-Sweden Joint Call on Circular Economy
- Submit proposal.

**The Call window inviting proposals will be open till 17<sup>th</sup> August 2022**

### **Eligibility criteria for the industry (to be funded by BIRAC):**

1. Company(ies)\*incorporated under the Companies Act, 2013 or Limited Liability Partnership (LLP)\*\* incorporated under the Limited Liability Partnership Act, 2008.
2. For Company: Minimum 51% of the shares of the Company should be held by Indian Citizens holding Indian passport [Indian Citizens do not include Person of Indian Origin (PIO) and Overseas Citizenship of India (OCI) holders].
3. For LLP: Minimum half of the persons who subscribed their names to the LLP document as its Partners should be Indian citizens.
4. The Applicant Company/ LLP should:
  - Have adequate in-house facility to address the project implementation(which shall be evaluated during the site visit) or
  - Incubated at any of the recognized Incubation Facility
  - Should not have been pronounced as Defaulter company by any creditor or is

under any liquidation or IBC process

- Not have withdrawn any sanctioned project nor any of its earlier projects have been terminated due to breach of any of funding conditions.

(A self-declaration on absence of this condition on ineligibility should be submitted by the proponent)

### **Project team**

Project teams must consist of minimum of three partners, including at least one from each country.

**Indian Side-**a maximum of three participating organizations are allowed.

**Swedish side-** a maximum of eight participating organizations are allowed.

More organizations may be involved as consultants in the project if it is found to be relevant for the project goals.

The Project coordinator from each nation is responsible for submitting the application (both on Indian and Swedish side) and will be the contact point for the project.

### **Intellectual Property (IP)& Commercialization**

The applicant will have to disclose the background IP associated with the projects. Any foreground IP generated during the course of the project may be mutually decided between the collaborating partners.

### **Assessment of Applications**

Assessment of applications will be as per the details provided in main call text. If recommended by the committee a pre sanction site visit may be undertaken at the company site.

### **Financial concurrence and signing of agreement by DBT/BIRAC**

The proposal will be shortlisted and evaluated as per the details mentioned in the main document. Once the proposals are finalized based on the joint evaluation meeting, following steps will be followed at BIRAC:

- Financial due diligence for the company will be done by BIRAC as per existing BIRAC norms.
- Financial concurrence will be processed based on recommendation of Evaluation committee, submission of proposal on Birac portal and quotation / cost estimates for company component by BIRAC followed by approval of competent authority
- The amount financially concurred for the company will be communicated to DBT.

- Sanction Order will be issued by DBT to all parties with final milestones and budget.
- BIRAC will process a separate Grant in aid agreement (GLA) with company.

Note: MOU between applicants will be furnished before sanction order is issued by DBT which will be independent of any of the funders to reflect the mutual agreement aspects of the fund recipients, specifically roles and responsibilities, IP ownership for academia/company, dispute resolution etc.

### **Terms & Conditions and Requisites for Fund Disbursement**

- a) The funding support offered by BIRAC to the Indian Industry will be in the form of 100 % grant-in-aid. There is no cap on funding. The fund disbursement will be milestone based and will be released in 4 installments (with two technical milestones) in case of 12 months project and 5 instalments (with three technical milestones) in case of projects with a duration of more than 12 months. The details of the releases will be there in the GLA signed between BIRAC and company.
- b) Agreement of funding: On announcement of Award, all concerned applicants need to sign the GLA with BIRAC. The start date will be communicated after the GLA is signed by all parties.
- c) In addition to signing of agreement between all the concerned parties, following requirements need to be completed before the first instalment can be released:
  - i. A Board Resolution needs to be passed for acceptance of the Grant-in-aid offered by BIRAC
  - ii. Opening up a No-Lien Account with a scheduled/nationalized Bank

### **Project Monitoring & Mentoring**

- i. Review of progress: The projects sanctioned will be monitored/and mentored regularly (twice a year) by an Expert Committee (EC) constituted by DBT & BIRAC and annual evaluation will be performed by common International technical expert committee (ITEC) between Indian and Sweden side. Site visits for Indian applicants may be conducted by specially constituted Project Monitoring Committees (PMCs) comprising two to three technical experts (from the EC ) and will be subject to recommendation of EC/ITEC.
- ii. Reporting of Progress: On Successful completion of each Milestone, the applicant is required to submit a detailed Milestone Completion Report (MCR) as per prescribed format. The progress is assessed by the committee (PMC/EC/ITEC) for

its completion. On recommendation of the PMC/EC/ITEC, the next Milestone budget is released.

The Applicant has to submit a duly certified Statement of Expenditure for the Budget available for the specific milestone being reported upon.

- iii. Release of instalments: First installment (30%) will be released once the (GLA) has been signed between BIRAC and company. This may vary on the observation and recommendation of the concern committee. The last installment is released on completion of the project and submission of the project report (~ 10%) and after all financial due diligences are complete. The remaining installment with 20%+20%+20% (for projects with duration of more than 12 months) or 30%+30% (for projects with duration of 12 months) release depending on the duration of project. The subsequent releases will be done based on recommendation of committee and UC- SOE submitted by Industry.
- iv. The Fund Recipient shall submit the Utilization Certificate (UC) and Statements of Expenses (SOE) duly audited by a Chartered Accountant for the expenditure incurred towards the Project for every half year period, ending 30th September and 31st March, to BIRAC, within a month of closure of the accounts for the respective half year, in the format provided by BIRAC. The CA shall also certify that there has been no change in the shareholding pattern and if there is any change, the particulars shall be specified.
- v. The Fund Recipient shall submit audited Annual reports along with the audited balance sheets and profit & loss accounts to BIRAC within seven months of the completion of the financial year ending 31st March till the completion of the Project Duration.
- vi. Allowable expense: The expenditure done after signing of the GLA should only be included in the project. All expenditure should be made as per the details mentioned in the GLA. The equipment list should strictly match with those given in the GLA. All expenses are to be done out of the no-lien account only.

### **Funding Mechanism**

Projects must be budgeted on a milestone basis. Funding will be awarded for approved timeline, subject to the applicant complying with agreed milestones.

#### **Allowable costs include:**

##### **Non-Recurring Cost**

- Equipment and Accessories

## **Recurring Cost**

- **Manpower** (PIs from industry can claim their salary from project funds in case they are not availing the salary from any other sources)
- **Consumables**
- **Travel**
- **Contingency**
- **Outsourcing**

### **Non-allowable costs:**

- Civil construction work
- Any Litigation/ Opposition/ Infringement cost.
- Overhead
- Expenses related to company compliances

## **Foreclosure and Termination**

- i. In case, during the Project Duration, if it is found that the Project or any Project component is not likely to lead to successful completion, committee may decide to foreclose the Project or the Project component as warranted. The decision of the BIRAC shall be final in all respects. The Fund Recipient shall submit detailed accounts of funds received and utilized. The Company shall immediately refund any grant-in-aid unutilized out of BIRAC's disbursements to BIRAC, at its discretion, allow deduction of, the future committed expenses to third party vendors on pro-rata basis according to the quantum of BIRAC's funding. If the Fund Recipient likes to continue the Project at its own cost, it would be able to do so without restrictions from BIRAC after complying with these provisions
- ii. The Fund Recipient may, before the completion of the Project, terminate this Agreement by giving three months' notice in writing to BIRAC. BIRAC may also terminate this Agreement by written notice in the event of "the Fund Recipient" committing breach of any term of this Agreement and either not rectifying it to the satisfaction of BIRAC or not satisfying BIRAC about its inevitability within a specified period. In the event of termination of the Agreement, no further disbursement shall be made by BIRAC. The Company shall be liable to return immediately the amount of Grant-in-aid already availed of from BIRAC with



additional simple interest at the rate of 12 (twelve) per cent per annum within 30 (thirty) days of termination of the Agreement. Interest on the quantum of funding assistance shall accrue from the date of release of the grant in aid assistance. In case of failure to repay, without prejudice to any other rights under this Agreement, the amount can be recovered by initiating any procedure available in Law.

### **Extension in the duration of the project**

Extension of projects is DISCOURAGED. Request for extension of project on account of Change in Coordinator/Principal Investigator, delay in purchase of equipment, hiring of manpower, submission of Milestone Completion Reports, Statement of Expenditure (SoE), Utilization Certificate (UC), or any other financial/technical document by the company/collaborator necessary for release of funds by BIRAC will NOT BE ENTERTAINED.

Request for extension of milestone/project can be considered (without any additional financial implications) only in selective cases where accomplishment of technical milestone is prolonged due to delay in securing regulatory approvals, or where the relevant committee feels that some additional studies are needed to take the project to a logical conclusion/product development or due to any other technical reasons not envisaged at the time of submission of proposal. However, such request must be communicated to BIRAC before the scheduled date of completion of milestone/project with proper justification.

### **Acknowledgement**

The funding support by BIRAC shall be duly acknowledged when publishing/showcasing/or presenting project particulars or outcomes.

Disclaimer: Acknowledgement by BIRAC shall not make liable for manufacturing, Commercialization and other product related liability.

### **For Further details**

#### **Contact:**

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