

Q&A on Economics of Energy Innovation and System Transition competitive grant award call for proposals

Q: Does the project need to engage with all three of the potential partner countries (China, India, Brazil), or would just two be sufficient?

A: Two would be sufficient. The call asks for proposals to include work with *at least* two of the partner countries.

Q: Is there a requirement to engage with countries in addition to two of India, China, and Brazil?

A: No, there is no such requirement, but neither is this excluded. Plans to engage with additional countries could be considered as a positive element of a bid, provided there was sufficient evidence of the opportunity for successful engagement. Given the ODA-eligibility requirement, these countries would have to be developing countries unless they were funding their own engagement with the project.

Q: Should bids come from international consortia?

A: This is not a requirement, but it would be an advantage. The potential for successful international engagement is one of the criteria for selection.

Q: Does the requirement for the project to be ODA-eligible exclude organisations from developed countries from implementing it?

A: No. The project must be implemented for the benefit of developing countries, but there is no restriction on which countries the grant recipient organisation(s) may be from.

Q: Are prospective grant recipients expected to work with academic institutions in partner countries or directly with the governments of those countries? To what extent does BEIS expect the delivery partner and its consortium to engage researchers (including modellers) based within the partner countries? How will BEIS support the establishment of these relationships? What involvement will BEIS have in partner country government relationships?

A: Prospective grant recipients should use their own relationships and channels of communication to join up with potential partner organisations (e.g. think tanks, academic institutes, NGOs, etc) in partner countries. Contacting partner country governments and working with them directly is encouraged too, but may in practice be difficult. BEIS will support the establishment of a positive relationship between partner country governments and the grant recipient after the latter has been selected.

Q: Will BEIS require contact points in partner country governments (China, India, Brazil)?

A: No, we do not require such contact points to be provided by prospective grant recipients.

Q: Why have these three partner countries been selected, and how does BEIS know if they will be willing to be engaged in this project?

A: These countries have been selected as potential partners on the basis of their importance to the global energy transition, and the positive and collaborative relationships we have with them on energy and climate change. On the basis of these relationships, and conversations we have had with partner country stakeholders, we are confident there is good potential to engage successfully with them in this project.

Q: Could there be more than one project funded, within the overall funding envelope of £3m?

A: Our preference and expectation is to fund only one project. We do not exclude the possibility of asking bids to be combined if this would create significantly greater impact or better overall value for money.

Q: Are there specific costs that are allowed or not allowed to be funded in this project?

A: No, but all costs should be clearly relevant to the project. Bids should include an activity-based budget, with costs explained or justified as appropriate. Bids will be assessed on their overall value for money.

Q: Is any overlap or coordination expected between this project and others supported by the Prosperity Fund or International Climate Finance?

A: There is not expected to be any significant overlap, as no other project is performing the function that this project is planned to have. Positive synergies with other projects *are* expected, and if any of these can be built in to plans at the design stage of this project, and highlighted in bids, that would be helpful.

Q: Does the lead organisation in any bidding consortium have to be an academic institute?

A: No. There are no specific requirements for the kind of organisation that the grant recipient should be. What is important is that the bidding organisation or consortium should meet all the criteria set out in the call for proposals. These include capabilities for policy engagement, international relationships, and project management, as well as academic expertise.

Q: Which economic sectors should the project address?

A: This is expected to be decided during the first stage of implementation of the project.

Q: How much of the project's time and resources should be devoted to each of its stages?

A: There is no specific requirement. Prospective grant recipients should use their judgment in terms of where project resource is likely to be most effectively allocated, and reflect this in their bids.

Q: How does BEIS anticipate the delivery partner will engage with the Senior Oversight Group, and the frequency of interaction?

A: The Project Management Group (officials from BEIS International Climate and Energy Directorate and Science and Innovation for Climate and Energy Directorate), the Senior Oversight Group, and the grant recipient will meet on a quarterly basis to review progress and plans, agreeing any changes to plans that are necessary to manage risks and stay on track to meet overall objectives.

Q: For breakpoints after stages 1 and 3, how will BEIS assess "satisfactory progress against objectives and the opportunity for further successful engagement in line with the project's purpose and intended outcomes"?

A: It is expected that BEIS officials and the grant recipient will have a close working relationship. Progress will be monitored through the personal involvement of BEIS officials in project workshops, through feedback from Embassies / High Commissions, and from partner-country stakeholders. Bids should include plans for monitoring and evaluation by the grant recipient both during and after completion of the project.

Q: Is the £1-3m budget envelope inclusive or exclusive of VAT? The call does not specify whether VAT should be added on top of costs that meet the funding cap, or whether VAT should be included within our costs not exceeding £3M.

A: Any VAT that is expected to be payable should be included within the project budget, with total costs including VAT not exceeding £3m.

Q: Does BEIS expect a certain proportion of spending of the grant in partner countries?

A: There is no specific requirement for the proportion of spending that should be in partner countries. The important requirement is that the activities of the project should be for the benefit of the ODA eligible partner countries.

Q: Could you please clarify how BEIS envisages ownership of intellectual property arising from this project? Does BEIS expect new IP (e.g. new models, new software, reports) to be its own property, the property of the participating institutions, or, for example, to be open-source/open-access in the public domain?

A: When the project comes to an end, all Intellectual Property rights arising from the funding of the project will be subject to Open Government License: <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/>. Recipients will be required to include an attribution statement on all published and online materials.

Q: Is there any guidance on the length of the bidding document? Or is there a word limit? Please could you clarify the specification for bid length e.g. maximum word count for each section or total no. of pages. Should bidders use a particular font and size?

A: No. There is no word or page limit. Bids should strike an appropriate balance between informativeness and concision of communication. There is no requirement in relation to font or text size.

Q: What is the funding level proposed?

A: Bids should be for funding of between £1m and £3m.

Q: How does this call observe the State Aid criteria or is it exempt?

A: BEIS does not consider that the falls within state aid rules as the funding is for non-economic R&D activities.

Q: The timeframe between submission and project start date 'Autumn 2019' is very short. Can you please advise whether a set start date will be agreed at a later stage of the application process?

A: Yes, a start date will be agreed with the grant recipient after the decision on the grant award has been made. 'Autumn 2019' is only an indicative start time.

Q: Has the Grant Funding Agreement been finalised and will a copy of these terms be made available for reference? Or will indicative terms and conditions be published?

A: No, the Grant Funding Agreement has not been finalised. This will be finalised after the decision on the grant award has been made. The Terms of Reference document that is online as part of this Call for Proposals contains all the information we can share at this point about terms and conditions.

Q: We have a number of cost-optimisation models that are highly relevant to the aims of the programme, for example for planning a country's climate transition. Would these be classed as "economic" ones, and the kind that could be supported under the programme?

A: Yes, these would be classed as economic models. However, prospective grant recipients should consider to what extent any models they would plan to use as part of the project would be subject to the limitations of current economic approaches, and to what extent they would exploit the opportunities of new economic approaches, as described in the 'Project Background and Purpose' section of the Terms of Reference. The aim of the project is to take advantage of the latest developments in economic thinking and techniques, and apply them to the pressing problems of energy innovation and system transition. This implies a focus on understanding the processes of change, more than on comparisons of possible end states.

Q: Would it add value to the projects if links could be made with relevant UK innovators interested in the selected countries?

A: Yes.

Q: For "Expected Outputs" please could you confirm how any additional outputs will be identified and defined.

A: The Terms of Reference document indicates that outputs from the project's activities will be expected to include:

- a) At least one report for each partner country government at the end of Stage 3, to summarise and communicate the country-specific and general findings of Stages 1-3 of the project;
- b) At least one report for a wider international audience at the end of Stage 3, to synthesise and communicate the general findings of Stages 1-3 of the project;
- c) At least one new economic model to support decision-making in at least one sector in each of the partner countries;
- d) Training sessions and materials for at least ten officials in each of the partner countries.

Prospective grant recipients should indicate clearly on the bidding form all such outputs that would be delivered by each of the project's activities. Prospective grant recipients should identify and define expected outputs based on their judgment of what would be most effective in achieving the project's overall aims.

Q: Are bidders able to raise additional clarifying questions before the bid deadline?

A: Yes. Any questions should be sent by email to icemailbox@beis.gov.uk

Q: Can a joint/consortium bid be accepted?

A: Yes.

Q: Is there any preference given to SME bidders?

A: No.

Q: Can you please confirm whether the call for proposal 'Economics of Energy Innovation and System Transition' is being procured through a framework or whether it is open to any supplier?

A: This project is not being procured via a framework but will be awarded via a competitive grant process. Bidding as part of this competitive grant award process is open to any supplier.

Q: Can you please confirm whether we need to specifically fill out the template provided or can we set up our own Word document with the same sections headings?

A: A Word document with the same section headings would be acceptable.

Latest additions

Q: Can you please clarify the deadline for submission? The Contracts Finder notice states 8th September which is a Sunday.

A: The 8 September deadline on Contracts Finder is correct. This was set as a Sunday in case it helps anyone who was not able to finish by the end of Friday.

Q: Some of the overseas institutions with particularly important expertise have been invited to participate in multiple bids. To ensure their knowledge is available, we would like to confirm that it is alright if foreign universities (e.g. in India or China or Brazil) participate in more than one bid.

A: Yes, this is fine.

Q: Could you please clarify whether the £1-3M budget is inclusive or exclusive of VAT? More specifically, if a consortium includes a blend of types of delivery partners, some of whose services attract VAT, should the VAT element be included within the £1-3M budget proposed by the lead delivery partner, or will BEIS pay VAT in addition to the £1-3M?

A: As noted above, any VAT that is expected to be payable should be included within the project budget, with total costs including VAT not exceeding £3m. This applies regardless of the different types of delivery partners.

Q: Was the call with potential grant recipients recorded, and if so, is it possible to get a copy of it or the information shared?

A: All of the information from the call is recorded in this Q&A document.

Q: Under the budget and funding details heading it says "Have you received any funding from HMG in the past three years? If so, please provide details". I am wondering in how much detail you will require us to answer this question.

A: We do not require a large amount of detail in answer to this question. Please provide a short summary of overall amounts of funding and the most significant funded projects, particularly any that are relevant to the subject matter of this project.

Q: My query is in regard to the presentation of our budget; are we able to present our budget/activity breakdown quarterly rather than monthly over the potential 3 years?

A: Yes, that would be ok.