



PRIMA - Partnership for Research and Innovation in the Mediterranean Area – Call 2018

National Rules for Participation

**Version 1.1
January 2018**

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1. Introduction

Funding Party: Malta Council for Science and Technology for and on behalf of the Foundation for Science and Technology,
Villa Bighi, Kalkara, KKR 1320
Malta

1.1 Scope and Focus

The Partnership for Research and Innovation in the Mediterranean Area (PRIMA) is an initiative launched by 19 Euro-Mediterranean Countries, including 11 EU States (Croatia, Cyprus, France, Germany, Greece, Italy, Luxembourg, Malta, Portugal, Slovenia and Spain) and 8 non-EU countries (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia and Turkey) to participate in a EU joint research and innovation programme.

PRIMA can also count on a number of other countries (including Czech Republic and Romania) that are already participating in its activities. This strongly structured and long-term committed partnership is working to enlarge the initiative to other interested Countries.

In the legal framework of Article 185 of the Treaty on the Functioning of the European Union (TFEU) this ambitious initiative is set up to build research and innovation capacities and to develop knowledge and common innovative solutions for water management and agro-food systems.

The calls will be launched inside a unique framework with two sections: Section 1 Calls will be funded from the EU contribution and Section 2 Call will be funded by the National Contributions of PRIMA participating countries. These National Rules for Participation will deal with the Section 2 Calls. Section 2 calls will encompass all priorities except the three that will be addressed in Section 1 (i.e. Priority 1.4 Water reuse and water desalination for agricultural and food production, Priority 2.2 Sustainable productive ecosystems and Priority 3.3 Implementation of innovation in the Agri-food chain, promoting higher quality, sustainability and competitiveness, with particular reference to smallholders).

For Section 2 2018 Calls, the following are the nine (9) topics that will be funded (and also their possible nexus i.e. research projects that could address issues that are cross cutting between two topics, as long as both topics are eligible for funding by the partner countries):

- **Thematic area 1**
 - Topic 1.1: Water resources availability and quality within catchments and aquifers
 - Topic 1.2: Sustainable, integrated water management
 - Topic 1.3: Irrigation technologies and practices

- **Thematic area 2**
 - Topic 2.1: Adaptation of agriculture to climate change
 - Topic 2.2: Preventing emergence of animal and plant diseases
 - Topic 2.3: Developing farming systems able to generate income, to create employment and to contribute to a balanced territorial development

- **Thematic area 3**
 - Topic 3.1: Valorising food products from traditional Mediterranean diet
 - Topic 3.2: Food safety in local food chains
 - Topic 3.3: Implications of dietary shifts and sustainable diets for the Mediterranean populations and food industry

Please consult the PRIMA Annual Work Plan for a more detailed description of each topic.

Each project proposal must be in accordance with the following:

- The proposed research project has to meet all eligibility conditions described in the call text and in the PRIMA Annual Work Plan.
- The proposal should be novel and not correspond with on-going or completed projects funded by other instruments, programmes or projects.
- Project consortia must include **at least three independent eligible legal entities**. At least one must be established in an EU Member State or a third country associated to Horizon 2020 participating in PRIMA and not being a Mediterranean Partner Country (MPC) (Cyprus, Croatia, France, Germany, Greece, Italy, Luxembourg, Malta, Portugal, Slovenia and Spain) and at least one must be established in a third country non-EU Participating State bordering the Mediterranean Sea (MPC) considered as a Participating State (Algeria, Egypt, Jordan, Lebanon, Morocco, Tunisia, Israel and Turkey).
- The proposals should strive to be balanced between the countries involved in the project as far as the volume of work is concerned.
- In every proposal, one of the entities has to act as the Project Coordinator who has the responsibility for submitting the application on behalf of the Consortium.
- There is no upper limit of eligible consortium size. Consortia may involve as many partners as necessary to achieve the project goals. However, applicants should be aware that a higher number of represented countries in a consortium will not automatically result in a positive evaluation of the proposal. There is also no upper limit of partners from the same country, unless stated otherwise in the National Regulations.
- Partners who are not eligible for funding, including partners from countries not participating in this call may participate at their own expense or if they have their own separate source of funding. The applicants have to prove (letter of intent/commitment) the willingness of other partners to fund their own activities. However they cannot coordinate a project and their contribution to the project should not be vital. They are not taken into account in the minimum requirement of eligible partners and countries in the PRIMA eligibility criteria.
- The eligibility of each applicant has to be checked according to the national criteria published in the National Regulations before submission.
- Submission will follow a two-stage procedure. For the first stage, a pre-proposal must be submitted. Successful applicants in the first stage will be invited to submit a full proposal for the second stage (see below call schedule).
- The pre-proposal and the full proposal must be submitted correctly and completely before the respective deadlines via the PRIMA electronic submission Tool found in the PRIMA website (www.prima-med.org).
- The proposal must be written in **English**.
- Each proposal submitted correctly and on time will be checked for eligibility as a whole. This means that failure of one partner within the consortium to meet the criteria will cause the entire project to be rejected.

Funding under this joint initiative is made available on the basis that an Applicant does not benefit from any other grant or financial incentive in respect of the expenses related to execution of the project.

The call schedule is shown in the table below:

| Indicative timetable for Section 2 Call for Proposals in 2018 | |
|--|------------------|
| <i>Pre-announcement</i> | 15 January 2018 |
| <i>Call publication and opening</i> | 08 February 2018 |
| <i>Submission deadline for Stage 1</i> | 27 March 2018 |
| <i>Evaluation results– Stage 1</i> | 6 June 2018 |
| <i>Submission deadline for Stage 2</i> | 4 September 2018 |
| <i>Evaluation results – Stage 2</i> | 5 December 2018 |

1.2 National Contact Points

Correspondence should be directed to:

Corinne Muscat Terribile,
The Malta Council for Science & Technology
Villa Bighi, Kalkara KKR 1320, Malta
E-mail: corinne.muscat-terribile@gov.mt

1.3 Definitions

Research and Development is defined as the systematic investigation, work or research carried out in any field of science or technology through experiment, theoretical work or analysis undertaken in order to acquire new knowledge, primarily directed towards a specific practical aim or objective, and includes:

(a) Basic Research comprising activities undertaken for the advancement of scientific or technological knowledge that may draw on existing knowledge gained from research and practical experiences and is directed to produce new materials, products and devices, the implementation of new processes, systems or services, or to substantially improve those already produced, installed or existing;

(b) Applied Research where a final specific application is in view;

(c) Development involving the use of the results of basic or applied research as aforesaid for the purpose of creating new or of improving existing material, devices, products or processes, but excludes routine or periodic design, testing and analysis of equipment or products for the purposes of quality or quantity control, routine or periodic alterations to existing products or processes, or routine activities where there is no appreciable novelty or problem resolution.

Innovation is defined as the internationally novel scientific/technological development of a technological process, product or service. Also, the definition of innovation within the same context, can also be applied to non-novel, yet step-change/ground-breaking enhancement of existing technological processes, products or services, or even the application of existing knowledge to new novel applications of these solutions to deliver step-change competitiveness through such an application

Industrial Entity is defined as a Maltese Legal Entity having more than 50% private shareholding, including but not limited to, a privately owned company or commercial enterprise the objects and activities of which include the output of a specified product and service, and have the financial means to execute the project and a potential to use the results. In addition to research and innovation contributions

and knowledge transfer, the entity may contribute to the consortium by developing, testing, commercializing or using such a product or service. Provided that a registered NGO, or a Professional Body as defined in this Section is considered as forming part of this definition.

Maltese Legal Entity means any entity created under the laws of Malta which has legal personality and which may, acting under its own name, exercise rights and be subject to obligations.

Public Entity means any Maltese Public Service Department or Maltese Public Sector Entity, or any Maltese Legal Entity which has more than 50% government shareholding. Public Service refers to all Ministries and Departments; and Public Sector Entities refers to authorities, corporations, agencies and commercial public sector entities in which the Government has a majority shareholding and that are not listed on the stock exchange. Public Entities also include foundations, local councils and public academic entities. In the case of public academic entities, this includes but is not limited to a higher education entity or a research institute, whether as a whole body or as a component unit or department within such body, provided that the entity's ongoing education and research is scientifically in line with the subject of the application being submitted during this call provided that the higher education entity must be in possession of a license for Higher Education according to the Further and Higher Education (Licensing, Accreditation and Quality Assurance) Regulations – Subsidiary Legislation 327.433. This does not include the license for a tuition centre.

NGO means any Voluntary or Non-Governmental Organisation set up in accordance with The Voluntary Organisations Act (Cap. 492 of the Laws of Malta).

Professional Body may be an organisation, an association, a chamber, society, institute or a group of professional persons not being enrolled or registered in terms of The Voluntary Organisations Act (Cap. 492 of the Laws of Malta) or not being otherwise recognised in terms of Law, and which is generally recognised and acknowledged by the professional persons it seeks to represent as their representative Body. For the purposes of this Definition, a professional person is one who has undergone a period of study at a university or a recognised institution of higher learning and has obtained the formal qualification entitling the person to practise the respective profession; and who provides a specialised service to the public, based primarily on a fiduciary relationship between himself and the party to whom he provides such service on his own personal credibility and responsibility.

Non-profit making is an entity where (a) the statute of the entity contains an express exclusion of the purpose to make profits; and (b) there is express provision in the statute defining the purposes of the entity which do not include the promotion of private interests, other than a private interest which is a social purpose; and (c) no part of the income, capital or property is available directly or indirectly to any promoter, founder, member, administrator, donor or any other private interest. Provided that if a promoter, founder, member, administrator or donor is another enrolled non-profit making organisation, the limitation in paragraph (c) shall not apply provided the availability of such income, capital or property is subject to conditions which are consistent with the general purposes of the grantor entity:

Provided further that an organisation shall continue to be deemed as non-profit making notwithstanding that: (i) it obtains a pecuniary gain from its activities when such gain is not received or credited to its members but is exclusively utilised for its established purposes; (ii) it buys or sells or otherwise deals in goods or services where such activities are exclusively related to its principal purposes; (iii) it is established for the general entertainment, pastime, education or other similar benefit only of its members; or (iv) it is established for the promotion of the social role, ethics, education and values of a trade or profession provided it does not promote the private interests of its members.

Applicant means anyone eligible for participation in a PRIMA Project in terms of these Rules for Participation and who consequently applies for funding under this joint initiative.

Project Contact Point is the individual, appointed to act on behalf of the Applicant and who is responsible for communicating with the Council about the PRIMA Project.

Eligible direct costs are those costs incurred directly by the national beneficiaries during the duration of the project and used primarily for the purpose of achieving the objectives of the project. All eligible

expenses must be incurred between the Start Date and the End Date of the Project and must be limited to the budgeted value.

Start Date means the date which is stated in the grant agreement for the official start of the project.

End Date means the date when the Project Period, having commenced on the Start Date, expires, The Project Period is the time required to execute the Project as indicated in the grant agreement.

Project Value means the entire project budget including any co-financing (25%) for industrial partners.

Project Grant means the granted funding provided.

Partner is defined as a partner in a consortium of a funded transnational project

Project Coordinator is one of the beneficiaries of a project consortium that is appointed as the single point of contact between the PRIMA-IS secretariat and/or the funding bodies and the consortium partners from proposal submission to project end. He/she will have the responsibility of ensuring that all the partners involved in the consortium are eligible and supervises the project workflow with the help of WP leaders. Additionally, he/she will be required to submit the project application on behalf of the consortium and must also compile and submit reports / deliverables to the funding bodies which in turn will relay these documents to the PRIMA-IS secretariat.

Subcontracted Activity means any activity related to the project, (including but not limited to consultancy), which is not carried out directly by a Partner or its employees, but is carried out by any third party (local or foreign) individual, company, partnership or entity, under whatsoever terms and conditions.

Consortium Agreement is a binding document among the project partners addressing at least the repartition of the tasks between partners, the sharing of intellectual property rights of the project results, the conditions of publication and dissemination of the results, the technology transfer and the exploitation of the results and any specific requirements from a funding body.

2. Eligibility for Participation

2.1 Partner Eligibility

Any Industrial Entity and any Public Entity as defined in Section 1.3 above may apply for a PRIMA funded project and will be eligible for funding subject to the terms and conditions laid out in this document.

Applicants, who fall within the definition of Industrial Entity, will be required to provide the following documents which will be considered during the national eligibility check stage:

- Memorandum & Articles of Association or other constitutive document;
- Audited financial statements for last 3 fiscal years (2 sets).

In the event that the Applicant is a start-up and the above documents are not available, the Applicant shall provide the financial projections for three (3) years signed by an auditor, including:

- an income statement,
- a cash flow statement, and
- a statement of financial position

In the event that the review of these documents may result in too high an exposure risk to the Council, the Applicant will no longer be entitled to participate in the project.

Applicants who have other funded projects with the Council and are in default, and/or have gone beyond the timelines of the project, are not eligible to participate.

Any application submitted by or including the participation of any legal person or legal entity having, in totality or in majority ownership, the same shareholders, partners or persons holding and / or exercising a controlling power in any other legal entity which will have been at any time prior to such application declared as non-compliant or defaulting on any other contract or agreement entered into with the Council, shall be automatically declared as inadmissible.

2.2 Eligibility under the State Aid Rules

This joint initiative operates under the *de minimis* State Aid regime, which stipulates that a single undertaking cannot receive more than €200,000 in aid over any 3-year period through schemes operating under this regime. Applicants are required to ensure they are eligible for the requested grant under State Aid rules before submitting an application.

For the purposes of this Section, an “undertaking” shall mean any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed.

All applications must be accompanied by a *de minimis* declaration form. Successful applicants shall also submit an updated declaration form at the time of the signing of the grant agreements, thus ensuring that the Applicant remains eligible for funding under the State Aid regime.

For the purposes of the *de minimis* Regulation, “Single Undertaking” includes all enterprises having at least one of the following relationships with each other:

- a. One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;
- b. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d. One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (a) to (d) above through one or more other enterprises shall be considered to be a single undertaking,

The terms and conditions set out in these guidelines are in line with the Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

Specific sectors (agriculture^{*}, fisheries and aquaculture[†]) are excluded from this regime and applications in these sectors are therefore outside the scope of this joint initiative. The successful Applicants are expected to sign the necessary forms before any funds are transferred and provide the necessary reports in accordance with *de minimis* State Aid regulations.

This Scheme is not available to undertakings in difficulty within the meaning of the Guidelines on State Aid for rescuing and restructuring non-financial undertakings in difficulty.

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Undertakings active in the sector of agricultural production means undertakings active in the primary production of agricultural products. Agricultural products are those products listed in Annex I to the Treaty.

† Undertakings active in the fisheries and aquaculture sector means undertakings active in the production, processing and marketing of fisheries products which covers both products caught at sea and the products of aquaculture. Fishery products are listed in Article 1 of Council Regulation (EC) No 104/2000 of 17 December 1999 on the common organisation of the markets in fishery and aquaculture products.

3. Funding Criteria

The funds for the national beneficiaries participating in the PRIMA consortium will be made available in accordance with these rules and regulations.

3.1 Project Duration

The duration of a project should be a maximum of 36 months.

The projects are expected to start not later than five months after the conclusion of the Grant Agreement.

3.2 Grant Value

The total maximum National Budget for this Call is of €500,000. There is a capping on the maximum amount a project can request for funding according to the thematic area chosen (thematic area 1 = €200,000; thematic area 2 = €150,000; thematic area 3 = €150,000).

It is within the Council's discretion to shift funds from one thematic area to the other during the scientific ranking phase.

Funding for successful project submissions will be on the basis of a periodic cash advance, and will be regulated through a contractual agreement establishing the terms and conditions governing the financing of the project.

Funding under this joint initiative is made available on the basis that an Applicant does not benefit from any other grant or financial incentive in respect of the expenses related to execution of the project.

3.3 Project Contact Point

The Maltese applicant shall appoint a Project Contact Point. The Project Contact Point shall have the following responsibilities:

- To ensure compliance with their obligations in terms of the Contractual Agreement;
- To compile Periodic Reports and Final Reports including their timely submissions and effective execution of the project;
- To execute the project activities according to set timeframes and deliverables.

3.4 Activities and Deliverables

Eligible Activities

The following activities are eligible:

- Research and Innovation actions aiming to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution. These may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment.
- Collaborative research projects that will have an impact and contribute to demand and policy driven research.
- Training and mobility will be encouraged. Projects would need to integrate in their work plan schemes for the mobility of young researchers / post graduates / post doctorates.

Mandatory deliverables

The project plan must give details of certain activities which are required by the Council's R&I Unit. These should be included as deliverables in the project proposal and include:

1. A showcase of the project to the general public by the national project partner through:
 - The publication of at least two articles per year in local newspapers or magazines. These should not contain intellectual property but should raise awareness about the project and its benefits.
 - The organisation of at least one half-day event to be held at the Council's premises or as otherwise directed by the Council's R&I Unit.
2. Reporting on project progress as per the list hereunder in line with the templates provided by the Council;
 - End of Stage Technical and Scientific reports;
 - End of Stage Financial report;
 - End of Project Technical and Scientific Report;
 - End of Project Audited Financial Report

The reports are to include sufficient evidence on the achievement of the project objectives as well as the parameters indicated in the application.

Changes to the project objectives, work-packages and all the parameters committed in the applications are to be detailed, justified and approved by the Council's R&I Unit.

Recommended deliverables

Further to the mandatory deliverables, the Council invites applications to also include deliverables as recommended below:

1. Monograph/s and/or peer-reviewed paper/s for accepted publication in international journal/s of repute based on the work carried out through the Project. The subscription levels or Impact Factor of journals are important considerations. Similar papers published on open source media would also be considered favourably.
2. Oral presentation/s at international conference/s on the work carried out through the Project;
3. The attainment of undergraduate degrees and/or postgraduate degrees and/or post-doctoral research. In cases where the project duration is insufficient for the purpose of submitting a degree, there has to be a commitment to complete the degree outside the duration of the project utilising other sources of funding.
4. Registration of a patent or other Intellectual Property Rights stemming from the Project, in Malta as well as in any other country;
5. Commercial commitments such as technology innovations to be included in a partner's existing product or service.
6. Commercial commitments such as technology transfer licences.

3.5 Confidentiality of Submissions

Unless otherwise indicated, all project application submissions except for the abstract shall be treated in strict confidence.

4. Actions to be funded

The following actions will be eligible for funding:

Research and Innovation Actions (RIA) – Action primarily consisting of activities aiming to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution. For this purpose they may include basic and applied research, technology development and integration, testing and validation on a small-scale prototype in a laboratory or simulated environment.

5. List of Eligible and Ineligible Costs

5.1 Eligible Costs

Eligible costs are those costs incurred directly by the project partner during the duration of the project and used primarily for the purpose of achieving the objectives of the project. All expenses must be incurred between the Start Date and the End Date of the project and must be limited to the budgeted value.

• Personnel Costs

The permissible number of hours funded by this Programme is not to exceed an average of 10 hours per week per existing employee, as part of their normal working hours.

There is no limit on the number of employees per project other than that the total cost of funded hours per project will not exceed 20% of the project value.

Those employees that have utilised elsewhere their allocated quota of research hours defined in their contract can apply for pro rata payment, up to a maximum of an additional 10 hours per week, for supervisory, research or management hours (overseas travel hours are ineligible) as an eligible cost of the project, if this is permissible within their contract of employment.

The hourly rate (z) is calculated using the formula:

$\text{€ } z = (\text{basic salary} + \text{allowances}) / \text{yearly weekday hours}$. Eligible salaries are pinned to the following hourly rates (including National Insurance and Inland Revenue and allowances) and personnel limits per project:

| Role in Project | Hourly rates | Limits per project |
|---|------------------------------|--------------------|
| Top Management or equivalent | € 29.11/hour to € 35.84/hour | Max 2 per project |
| Middle Management or equivalent | € 20.70/hour to € 29.10/hour | Max 2 per project |
| Senior Researcher* or equivalent | € 20.70/hour to €29.10/hour | Max 2 per project |
| Researcher [‡] or equivalent | € 11.49 to € 20.69/hour | Max 2 per project |
| Operational, technician, research support assistant or equivalent | Up to € 11.48/hour | |

The rates stated in the table above are for the year 2018. For subsequent years a 5% increase per year is allowed.

*The term 'senior researcher' is to be used for a postdoctoral researcher with a specialist and high level of local and international experience in the field. Individuals possessing a high level of experience in industry can still be considered.

*The term 'researcher' is to be used for a Bachelor's, Master's or a Ph.D degree holder and hence the hourly rate should be equivalent to the degree held by the relevant individual.

Personnel in salary brackets that are higher than those noted above will still only be reimbursed at the rates of the eligible brackets above depending on their role in the project. The hourly rates will have to be noted in the application along with the number of hours on the project per individual.

The salary of senior researchers, researchers, technicians, operators and research support assistants that are employed **specifically** for the project would not form part of the personnel costs limit of 20% of the project value. This provision is not applicable to existing personnel that are provided with separate part time contracts to extend their working hours with the entity, for the purpose of the project.

Personnel Costs related to Project Management are further limited to 10% of the project value and form part of the 20% limit set on personnel costs. Any project management which is not carried out by any of the partners shall be deemed to be subcontracting and, apart from being subject to the 10% maximum threshold detailed herein, will also be calculated as part of the 25% maximum referred to in Section 5.3 for subcontracting costs.

Students can be engaged on the project and paid an annual stipend of €6,000 when reading for a Master's degree or an annual stipend of €8,000 when reading for a Doctoral degree. Note that for every engaged student, a full-time researcher must be employed by the applicant.

Filled time sheets are to be retained for all personnel, including students, as proof of number of hours spent on the project. Documentation of the utilisation of the employees' internally funded research quota for other research activities is to be retained as this evidence may be required by the auditors.

• **Specialised equipment and research consumables**

Purchase of specialised equipment including software. Overall value of consumables typically cannot exceed 30% of project value. Proposals with consumables exceeding 30% of the project value need to be discussed at application stage.

• **Travel and Subsistence**

Applicants which are not regulated by the Public Contracts Regulations (Chapter 174.04 of the Laws of Malta) are required to obtain three quotations for purchases related to travel.

For the attendance of consortium meetings, only 1 person will be eligible to attend the meeting.

For the attendance of international conferences, only 1 person will be eligible to attend per year.

• **Other**

Other operating expenses directly related to the project.

• **Scientific information**

Access to scientific information sources including databases and publications.

Eligible Costs are to conform to the following and are subject to the final audit scrutiny:

- Any expenses incurred during the course of the project must be consistent with the principles of economy, efficiency and effectiveness.
- In the event of purchases of any value, private entity partners are required to demonstrate adequate marketing testing, obtaining three quotations from three different, independent and relevant sources.
- Public entity partners are to follow Public Procurement Regulations in their entity.

- Any calls for the recruitment of staff on a project is to be conducted in a strictly transparent manner, and is to include a public call in the form of an advert published in a Sunday newspaper (minimum size of advert: 2 columns by 8cm) and interview process.
- Commercial transactions between any Applicants or consortium partners, or between any Applicants or a consortium partner and a company with similar shareholding to a consortium partner, is not allowed.

5.2 Eligible indirect costs

Overheads will be covered at 10% of direct eligible costs, excluding the costs of (1) subcontracting; (2) items of equipment above €5000; and (3) consumables above €500. It is to be noted that for equipment, the capping of €500 is per piece while for consumables, the capping of €500 is for the total amount of consumables.

5.3 Subcontracted Activities

Subcontracted activities shall be allowed up to a limit of 25% of the project value, provided that prior approval is attained from the Council before subcontracting to ensure fair procurement procedures.

5.4 Ineligible Costs

The following expenditure shall be considered as ineligible costs:

- Expenses related to loans, interest, etc
- Recoverable value added tax.
- Expenses which are recoverable through other funding mechanisms.
- Re-purchase of equipment originally procured through other funding mechanisms.
- Purchase of equipment from partners or their subsidiaries.
- Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project.
- Any activity related to the reproduction of a commercial product or process by a physical examination of an existing system or from plans, blueprints, detailed specifications or publicly available information.
- Standard office equipment.
- Personnel hours for travelling.

5.5 Co-Financing

The following rates of co-financing shall be applicable:

The financial contribution to a Partner which falls under the definition of Public Entity shall be 100% of eligible costs incurred by that Partner.

The financial contribution to a Partner which falls under the definition of Industrial Entity shall be limited to 75% of eligible costs incurred by that Partner. Therefore, such a Partner must contribute the remaining 25% to the Project. It is not possible for a Partner to cover the contribution of 25% 'in-kind'.

A partner that falls under the definition of NGO or Professional Body and is considered as a profit making entity, will also be limited to 75% of the eligible costs incurred by that Partner whilst the financial contribution to non-profit making NGOs and Professional Bodies shall be 100%.

6. Evaluation

Project applications will be first checked for eligibility by both the PRIMA call secretariat as well as the individual participating countries. Proposals that pass the eligibility check will then be scientifically evaluated by PRIMA in accordance with their stipulated evaluation criteria (following Horizon 2020 Rules).

6.1 National eligibility criteria

As a second step, the Call Secretariat asks the National Authority to check and confirm the eligibility of Applicants participating in a proposal consortium according to these rules and regulations.

To receive funding, Applicants must be eligible for funding by the national funding organisations participating in the call. All participants in a bidding consortium should check their eligibility in these Rules at the earliest possible stage.

The Council may undertake a due diligence exercise through its contractors for the purpose of administrative compliance.

6.2 Scientific Evaluation

The evaluation process is stipulated in the PRIMA Call Announcement. Only proposals that have passed the eligibility checks will pass to the scientific evaluation phase. The evaluation committee will review by itself the different projects according to evaluation criteria. The final selection of funded projects is performed by the Call Board based on the ranked list provided by the Scientific Advisory Committee. All the Applicants will be informed by the Call Secretariat of the final results and a Scientific Advisory Committee report will be sent.

All proposals submitted will be treated confidentially by the PRIMA Partners and their appointed evaluation experts.

7. Post Selection Process

7.1 The Grant Agreement

For each project approved for funding, individual **Grant Agreements** will be signed between the successful Applicant and the Malta Council for Science and Technology. This Agreement will act as the basis for project funding and will regulate the transfer of funds to national beneficiaries based on these regulations.

Following the final decision taken by the PRIMA Board of Trustees, the Call Secretariat will present all necessary documents to the Council in order to start in-parallel contract negotiations

with the national beneficiaries which have been selected for funding. The final consortium agreement must be signed before the conclusion of the national Grant Agreement.

The Project Coordinator has to decide with the project partners on a common starting date for the project and send this information to all the funding bodies involved in funding this project in order to ensure that the National Contracts are synchronised in time to cover all the periods of the project.

A copy of the Consortium Agreement binding the project partners will be required so that the National funding body will know how the project tasks will be distributed.

The PRIMA Call Secretariat will be responsible for the overall monitoring of the projects according to the terms set out in the Terms of Reference.

The Council reserves the right not to proceed with signing any National Grant Agreement in the event that it results that doing so would be too high an exposure risk to the Council.

The Project Contact Point must provide two (2) images related to the project and an abstract upon signing the Grant Agreement. These will be used to publicise the award.

7.2 Start Date and End Date

The project will start on a pre-determined date as agreed by all the respective parties and determined in the Grant Agreement.

In view of the particular nature of the Grant Agreement, the said agreement will not be signed simultaneously by all parties but will be signed by all the parties separately. Each party will signify the date of signing and the Grant Agreement will come into force on the date on which the final signature is made thereon (hereinafter the "Agreement Date").

Between the Agreement Date and the Start Date, the Project Contact Point should ensure that all activities required for a smooth project start are completed.

To be eligible for funding, all expenses must be incurred between the Start Date and the End Date of the Project.

7.3 Double Funding

Funding under this joint initiative is made available on the basis that the Applicant has not benefited and will not benefit from any other grant or financial incentive of whatever nature, applied for and/or utilised for the same scope as that subject of the funding requested under this joint initiative. Provided that, in the case where the application covers work that is part of a larger project, the Applicant must submit a table as an appendix to the application form that shows a comprehensive list of the items of work and the source of funding for each item.

The Applicant will be required to sign a declaration to this effect and authorising the Council to exchange essential information related to the project with other funding agencies, both local and overseas, for any necessary checks.

8. Funding, Management and Progress Monitoring

8.1 Allocation and Disbursement of Funding

Following the termination of the project or expiry of the Grant Agreement, the Project Contact Point will be required to submit a Final Technical Project Report for the whole project, thus covering the work undertaken.

For the purpose of funding and reporting, a project submission shall be divided into a number of Stages. Each Stage shall be of 12 months duration. Funding for any one Stage shall not exceed 80% of the total project financial contribution due. Total financial contribution over the lifetime of the project shall not exceed the funding limit as established in the Grant Agreement, irrespective of actual expenditure. The periodic funding will be allocated according to the following schedule:

1. For the first Stage, the Council will make an initial advance payment of 100% of the due financial contribution in relation to that particular Stage. This will be calculated on the Applicant's component of projected expenditure for that Stage, and include both direct and indirect costs.

In the case of a single-Stage project (one 12 month period), the Council will make an advance payment to the Applicant equivalent to 80% of the due financial contribution calculated on the projected costs. This will include both direct and indirect eligible costs.

2. At the end of each Stage, the Project Contact Point will be required to submit a Technical Stage Report and a Financial Stage Report to the Council with details of actual expenditure over the past stage, together with an updated forecast of projected expenditure for the following stage.

Both stage reports have to be approved by the Council's R&I Unit before moving to the next stage. This should be in line with the templates for stage and final reports as provided by the Council.

3. For the second and subsequent Stage, the Council will calculate the due financial contribution in relation to that particular Stage based on the Financial Stage Report submitted. This contribution will be calculated as forecast eligible expenditure, adjusted for any overspend or underspend of the preceding Stage.
4. Except for the final Stage of the project, the Council will make an advance payment equivalent to 100% of the due financial contribution in relation to that particular Stage, calculated as in bullet (3) above
5. For the final Stage of the project, the Council will make an advance payment of up to 80% of the due financial contribution calculated as in bullet (3) above. However, the Council shall retain 20% of the total project grant to be transferred only upon successful completion of the project.
6. Following the termination of the project or expiry of the Grant Agreement, the Project Contact Point will be required to submit a Final Technical Project Report together with a Final Financial Report for the whole project, thus covering the work and expenditure undertaken. The Final Financial Report needs to be audited by a certified auditor appointed by the Applicant and approved by the Council's R&I Unit once submitted. The audit should determine the total eligible costs and compare these to the funds forwarded. The Council reserves the right to appoint an auditor to audit the Project Financial Audit as submitted.
7. As soon as the verifications and audits are finalised and cleared the Council will release the retention money due. In the case of overpayment, the Applicant will be required to refund the under-spend amount to the Council within a specific timeframe, or as agreed to with the Council.

The Council reserves the right to alter the funding parameters as deemed appropriate.

8.2 Dissemination & Externalisation

Any articles and text material related to the project should include the words:

'Project <Project Name> funded through PRIMA initiative of Members States, Associated Countries and Participating Countries'

Any websites or printed material related to the project should also include the Council logo, and the PRIMA logo. Such material should follow the specifications described in the Council's and PRIMA Guidelines.

During the term of Agreement and for five (5) years thereafter, the Applicant shall include and prominently feature the Council and PRIMA in any publicity related to the project.

All publicity material shall be vetted and approved by the Council's R&I Programmes Unit before publication and should make mention of PRIMA and the Council. In the case where printed material is published without a mention of PRIMA and the Council, the Applicant shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. This is also applicable for published material produced by persons who are not members of the PRIMA call. In the case where such publicity does not mention the PRIMA joint initiative and the Council, associated costs will be considered ineligible.

Within 12 months from the end of the Project, the Applicant shall publish, at least one (1) research paper based on the work carried out throughout the Project in a pre-peer reviewed open access repository.

8.3 Reporting

On the last day of a stage, an End of Stage Technical Report is to be presented to the Council. An End of Stage Financial Report is then to be submitted within one month from the end of the stage.

On the last day of the project, the Project Contact Point is required to submit a Final Technical Project Report. Audited accounts are to be presented within one month from the end of the project.

The Council reserves the right to request additional project-related information.

Approval of the stage reports allows the beneficiary to proceed with the next stage of the project. Approval of the final reports permits the release of the retention.

In the event that a project is found to be in breach of the Grant Agreement or to materially depart from the submitted application, the Council reserves the right to discontinue the award and the Applicant may be required to refund the Grant in part or in full. In any such event, the Council may also exclude an Applicant from participating in future calls.

The applicant shall set a schedule for quarterly progress meetings with the Council's R&I Unit to take place as part of the reporting work package.

The templates provided by the Council's R&I Unit should be used to develop the End of Stage Technical and Financial Reports as well as the Final Technical and Financial Reports.

The End of Stage Technical and Financial Reports shall contain the following details:

- (i) An account of project activity and achievements over the past stage compared with the originally submitted application;
- (ii) An account of actual expenditure over the past stage compared with the originally submitted budgeted expenditure. All financial reports must be signed by the person responsible for the financial management, and assembled as per the instructions in the Grant Agreement;

- (iii) An updated forecast of project activity and projected achievements for the following stage;
- (iv) An updated forecast of projected expenditure for the following stage;

The beneficiary shall appoint an auditor to conduct a detailed financial audit, following the completion of the project. The audit will consist of, at least, the following checks:

- Accounts
- Physical inventory
- Time-sheets and payslips / employee contracts
- Receipts for all equipment and consumables
- Bank statements for the Project Account

8.4 Accountability

The beneficiaries shall keep a separate project bank account and records, clearly distinguishable from their other accounting records. All relevant expenses must be recorded in these accounts.

Eligible expenses must have been determined in accordance with the usual accounting and management principles and practices of the Applicant. Direct eligible costs must be backed up with the relevant documentation as specified in the Grant Agreement.

8.5 Supervening Circumstances

The Project Contact Point is obliged to immediately advise the Council's R&I Programmes Unit of any internal or extraneous significant event which might affect the validity or implementation of the project. This obligation applies to the entire period between the submission of the Project Application and the completion of the project.

The Council's R&I Programmes Unit shall then, at its own discretion either give such directives as it deems necessary for the furtherance of the project or re-assess the project in its entirety accordingly.

Failure on the part of the Project Contact Point to respect this obligation may lead the Council to suspend or terminate funding for the project and request a refund of funds already paid out.

If during the course of a project a partner withdraws from the PRIMA Project Consortium, the Applicant will immediately advise the Council's R&I Programmes Unit. In this event, the relevant articles of the PRIMA Project Consortium Agreement and the National Grant Agreement shall apply.

8.6 Default

If the implementation of a project becomes impossible or if the Applicant fails to implement it, the Council shall be entitled to collect refunds of money already paid out.

8.7 Interpretation of Rules

This document endeavours to establish comprehensive and unambiguous rules governing participation in the PRIMA initiative. However, should circumstances arise where the rules are inadequate, unclear, ambiguous or conflicting, the Council's R&I Programmes Unit shall exercise its discretion in the interpretation of the rules through the setting up of an *ad hoc* committee.