



PRIMA Proposal Writing Assistance Scheme 2020

National Rules for Participation – State Aid

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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 funding R&I projects in the field of Water Management, Sustainable Agriculture and Food.

This PRIMA proposal writing assistance scheme has been launched to provide opportunities for entities, intending to submit a PRIMA pre- / full proposal as a coordinator of a consortium, to engage a service provider (local or foreign) who can support the applicant through the pre / full proposal writing and/or submission stages.

1.2 National Contact Point

Correspondence should be directed to:

The Malta Council for Science & Technology
Villa Bighi, Kalkara KKR 1320, Malta
E-mail: prima.mcst@gov.mt

1.3 Definitions

Applicant means anyone eligible to apply in terms of these Rules for Participation and who consequently applies for funding under this scheme.

Arm's length means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm's length principle. Having family ties or a personal relationship between the service provider and the applicant will lead to a breach of the arm length principle.

Council refers to the Malta Council for Science and Technology

Letter of intent is a document outlining the understanding between two or more parties which provides the basis for future legally binding agreements (in this case, an official letter of approval). Re-imbusement of funds is subject to satisfying the criteria listed in Section 2.2 of the national rules.

Linked enterprises are enterprises which have any of the relationships with each other outlined in Annex I 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.

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

Non-profit Organisation 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.

Operating base in Malta means if the legal entity:

- a. owns, leases, or has been given the right of use by a third party, an adequate premise from where to conduct an eligible economic activity in the region of Malta;
- and
- b. employs at least one person that is based in Malta and is liable to pay income tax in Malta.

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 Lead Agency 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 Lead Agency. Can also be referred to as **Principal Investigator**.

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 herself/himself and the party to whom s/he provides such service on his own personal credibility and responsibility.

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.

Research and knowledge-dissemination organisation means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy preferential access to the results generated by it;

Single Undertaking includes all enterprises having at least one of the following relationships with each other:

- i. One enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- ii. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- iii. 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;
- iv. 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 (i) to (iv) above through one or more other enterprises shall be considered to be a single undertaking,

Undertaking covers any entity engaged in an economic activity within the meaning of Article 107 TFEU, regardless of its legal status and the way in which it is financed.

2. Eligibility for Participation

2.1 Applicant eligibility

The applicant must be an undertaking that carries out an economic activity within the meaning of Article 107 TFEU registered as one (1) of the following:

- i. A limited liability company established within the European Union and with an operating base in Malta.
- ii. Public entity

- iii. Research and knowledge dissemination organisations (such as academia or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities)
- iv. NGO
- v. Non-Profit Organisation
- vi. Self-employed
- vii. Professional Body
- viii. Cooperatives

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.

Funding under this scheme 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 scheme.

2.2 Application eligibility

An application is considered eligible for funding if:

- The submitted pre- / full proposal is successfully submitted through the PRIMA online submission platform
- The National Application Form is successfully submitted to the Council by the imposed deadline (applicable only to the pre-proposal stage). The National Application Form submitted shall need to be complete and also includes all the relevant supporting documents.
- The submitted pre- / full proposal shall need to be coordinated by an entity that satisfies the eligibility criteria of Section 2.1
- The submitted pre- / full proposal shall need to satisfy the eligibility criteria found in both the National Rules for the Section 2 2020 Calls, the eligibility criteria imposed by the PRIMA secretariat as well as that of the other foreign partners in the consortium.

If these eligibility criteria are not met, no re-imbusement of funds will be issued.

2.3 Exclusions

No support may be provided to undertakings engaged in activities specifically excluded under the applicable State Aid regulations (vide Section 5).

3. Submission of Applications

3.1 Application Process

The Proposal Writing Assistance Scheme Application form is to be submitted via eusubmissions.mcst@gov.mt. All the relevant annexes will need to be submitted with the application form for the form to be considered for further processing.

3.2 Submission Deadline

Deadline for submission of the application form coincides with the deadlines imposed by PRIMA for the submission of the preproposal. However, applicants under this scheme must keep in mind that service provider engagement and work on the proposal writing cannot start before the Letter of Intent signed by the Council as otherwise the costs will be rendered ineligible. Thus, it is advisable that the application is sent well in advance of the deadline in order to offer enough time for the engaged service provider to provide the desired outcome.

3.3 Budget

The total maximum budget available for the running of this scheme is €50,000. If the budget is exhausted prior to the submission deadline/s, the scheme will be automatically closed for the year. The amount of funds provided to per pre- / full proposal to a service provider, must be equivalent to the current market prices for such a service (quoting separately for the pre-proposal and full proposal respectively). The applicant shall need to provide the Council with three quotations for the service. The cheapest option will need to be chosen (except for specific scenarios where the cheapest option is not possible. In such cases, a justification shall need to be provided and is subject to prior approval from the Council.)

4. Eligible Costs

Eligible costs under the PRIMA proposal writing assistance scheme are the costs related to the fees of service providers for proposal writing and / or consulting services fees.

The aid intensity shall be equal to 100% of the costs incurred and will be provided through a re-imburement process. The costs incurred for the writing of the pre-proposal and full proposal need to be quoted separately. The re-imburement of each stage will take place separately subject to the following confirmations for each stage:

- Pre- / full proposal is submitted and coordinated by a National entity
- Pre- / full proposal has met the eligibility criteria of PRIMA Call 2020 National Rules for Participation (not applicable for Section 1 submissions)
- Pre- / full proposal has met the eligibility criteria of the National Rules of the other participating countries (not applicable for Section 1 submissions)
- Pre- / full proposal has met the eligibility criteria of the PRIMA secretariat

The beneficiary must follow procurement regulations and must also provide evidence that the services were value for money (three quotations and track record of selected service provider).

The applicant must need to consider that no conflict of interests exists with the chosen proposal writer/s or consulting service. A conflict of interest (COI) exists if the appointed service provider/s;

- has already been involved in the preparation of the PRIMA proposal writing assistance scheme application form prior to the approval of the Council.
- stands to benefit directly if the proposal is positively evaluated. Providing market research information to the applicant will not be considered a COI
- the costs incurred for the service provider do not meet the conditions outlined in the arm's length principle
- is a director / trustee / partner of the applicant or involved in the management of the applicant's entity or is an employee of the same entity

The PRIMA proposal writing assistance scheme will be implemented in line with the **de Minimis** Regulation and is subject to the state aid clauses defined in Section 5.

5. Applicable State Aid Regulation

This scheme will provide assistance to undertakings that carry out an economic activity within the meaning of Article 107 TFEU and will be implemented in line with [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 \(the de minimis Regulation\)](#).

The total amount of *de minimis* aid granted to a single undertaking shall not exceed the amount of €200,000 over any period of three consecutive fiscal years. The total amount of *de minimis* aid granted to a single undertaking performing road freight transport for hire or reward shall not exceed €100 000 over any period of three fiscal years.

This aggregate maximum threshold applies in principle to all economic sectors with the exception of the agriculture and fisheries sectors for which different thresholds and criteria apply. The term 'undertaking' includes also all companies in a group (which fall under the direct or indirect ownership or control of the same ultimate parent company) and relevant partner and linked enterprises as defined in Annex I of Commission Regulation (EU) No 651/2014). This period covers the fiscal year concerned as well as the previous two fiscal years. 'Fiscal year' means the fiscal year as used for tax purposes by the undertaking concerned.

This maximum threshold would include all State aid granted under this aid scheme and any other State aid measure granted under the *de minimis* rule including that received from any entity other than the Malta Council for Science and Technology. Any *de minimis* aid received in excess of the established threshold will have to be recovered, with interest, from the undertaking receiving the aid.

The *de minimis* declaration form must be filled in and submitted together with the application form.

Assistance approved under this aid scheme is NOT:

- i. Aid granted to undertakings active in the fishery and aquaculture sector, as covered by Council Regulation (EC) No. 104/2000.
- ii. Aid granted to undertakings active in the primary production of agricultural products.
- iii. Aid granted to undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
 - a. Where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned.
 - b. Where the aid is conditional on being partly or entirely passed on to primary producers.

- iv. Aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity.
- v. Aid contingent upon the use of domestic over imported goods.
- vi. Aid for the acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

Where an undertaking is active in the sectors referred to in points (i), (ii) and (iii) above as well as in other sectors falling within the scope of the *de minimis Regulation*, the Council will ensure a separation of the activities or distinction of costs. Only those sectors eligible for assistance under the *de minimis Regulation* will be assisted. Activities in the sectors excluded from the scope of the *de minimis Regulation* will not benefit from assistance under this aid scheme.

In terms of Article 5 of the *de minimis Regulation*, *de minimis* aid granted under this initiative may be cumulated with *de minimis* aid granted in accordance with Commission Regulation (EU) No 360/2012 up to the ceiling laid down in that Regulation. It may be cumulated with *de minimis* aid granted in accordance with other *de minimis regulations* up to the relevant ceiling fixed in terms of these National Rules for Participation.

de Minimis aid which is not granted for or attributable to specific eligible costs may be cumulated with other State aid granted under a block exemption regulation or a decision adopted by the Commission.

6. Evaluation

The applications received will be evaluated on the following criteria:

- Proposed project idea is in line with one of the eligible PRIMA call topics and regulations of the 2020 Call
- Profile of pre-identified consortium partners (if already identified), including their track record in relation to R&I projects as well as the diversity amongst the consortium partners (i.e. a healthy mix of academic, public and private partners). If consortium partners have been identified, letters of support need to be sent together with the application form
- A proposal of at least 3 potential proposal writers or consulting services providers (depending on the level of assistance required) together with their proven track record including a list of other European funded projects that they have supported in the past
- Applying entity profile / track record in relation to the undertaking of R&I projects

The evaluation criteria and relevant thresholds are specified in Annex I of these rules and downloaded from the Council's website.

7. Post-selection Phase

Once an application is selected for funding, a Letter of Intent will be signed by the Council. This Letter of Intent shall act as the basis for issuing of funding and the corresponding regulations that need to be abided by the successful Applicant.

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

The re-imbusement for the pre-proposal assistance costs will be disbursed to the successful Applicant once the eligibility criteria have been satisfied.

The re-imbusement for the proposal assistance costs will be disbursed to the successful applicant once the eligibility criteria have been satisfied.

8. Interpretation of Rules

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

9. Confidentiality of Submissions

Unless otherwise indicated, all application submissions shall be treated in strict confidence.

The data collected by the Council via the application for the aid and its subsequent processing by the Council to evaluate data subject's request for aid under the Scheme is in line with:

- i. The National Rules for Participation;
- ii. 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 (*de minimis* Regulation);
- iii. Data Protection Act, Chapter 586 of the Laws of Malta and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
- iv. The legitimate basis to process personal data submitted by the data subject by virtue of his/her written application for aid is Regulation 6 (1)(b) of the General Data Protection Regulation ("GDPR"), as 'processing is necessary in order to take steps at the request of the data subject prior to entering into a contract'.

Further information may be found within the application form.