



## **Internationalisation Partnership Awards Scheme**

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### **Rules for Participation – State Aid**



## **1.0 Introduction:**

The Malta Council for Science and Technology (MCST) is receiving proposals under the Internationalisation Partnership Awards Scheme Plus (IPAS+). The Scheme is divided into two options. Applicants are to fill in the appropriate sections of the form; they may select either Option A or Option B, or both:

- i) **Option A:** will support opportunities for collaborative initiatives between **Maltese** entities as listed in the eligibility criteria **and** at least one **foreign** counterpart of proven track record of excellence. Proposals should describe the nature of the joint activities that would be funded through the Award. Applicants are to demonstrate how the proposed activities contribute towards and align with achieving the goals of the National R&I Strategy 2020, and to describe the potential of any activities to become self-sustaining or generate longer-term outcomes.

The activities that will be funded under Option A of this Award Scheme should promote internationalisation through at least one of the following:

- the development of joint teaching curricula for Masters or PhD students.
- placements for local researchers in foreign institutions for the purposes of furthering research & innovation collaboration.
- the arrangement of strategic and targeted visits by local academics/researchers and representatives of private entities to foreign entities in order to participate in research & innovation activities of an exploratory and developmental nature.
- the organisation of seminars or workshops on a particular research and innovation area **held** in Malta that would benefit from the participation of foreign experts.
- the development of transnational research & innovation proposals for submission to third party-funders, e.g. AGRIP, EASME - COSME, EPLUS, Horizon 2020, Horizon Europe, Life Programme, etc...

- ii) **Option B:** will support opportunities for Maltese entities intending to submit a Horizon 2020 (H2020)/Horizon Europe proposal as a **coordinator** to engage a service provider (local or foreign) who will be supporting the applicant through proposal writing and submission.

In the case of Option B, the applicant needs to develop and submit an H2020/Horizon Europe proposal, as **coordinator**, to any part of the programme **open to Maltese registered legal entities**, by engaging the services of proposal writer/s or consulting services with a proven track record in proposal writing in H2020/FP7. The activities must be implemented within one (1) year period from date of the grant agreement. Unless otherwise instructed by MCST, applicants will be expected to participate in related

H2020/Horizon Europe events and trainings organised by MCST. In addition, applicants are required to set up regular meetings/consultations with the respective H2020/Horizon Europe National Contact Point.

The 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 18th December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as may be amended.

## **2.0 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 support** 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). Reimbursement 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 project.
- **Project Coordinator** is one of the beneficiaries of a project consortium that is appointed as the single point of contact between MCST and the consortium partners from proposal submission to project end. The Coordinator 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, the Coordinator 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.
- **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.

### **3.0 Eligibility Criteria**

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**

**Option A:** Eligible applicants are to partner up with international institutions with a proven track record of excellence and experience in the research and innovation field that will form the basis for cooperation.

**Option B:** Eligible applicants will be supported by a proposal writer/consultant.

Applications should be endorsed by the entity's legal representative. Applicants already featuring on MCST's non-compliance list will not be eligible to apply for this Awards Scheme.

### **4.0 Financing**

Each applicant is invited to provide a breakdown of the anticipated costs to carry out the proposed activities as part of the application form. MCST reserves the right to negotiate any amount quoted by the applicant should this be considered as being over-estimated.

The amount of the Award available to any one successful applicant is capped at €5000 per option.

## **Eligible costs:**

### **For Option A:**

- flights for travel related to the project (the total amount for each flight should be estimated as costing no more than €500 for EU countries and €1000 for non-EU countries and should be an economy class ticket);
- travel insurance;
- subsistence allowance (inclusive of accommodation) - when subsistence costs are calculated the local entity's pre-approved subsistence allowances should be used;
- catering and up to two hosted meals per day (strictly in relation to meetings, workshops and seminars hosted by the applicant in Malta); and
- information and promotional material (essential for the effectiveness and success of the collaboration).

Furthermore,

under Option A: supplementary or match-funding from the foreign partner is allowed and encouraged, as long as it does not finance the same activities that will be funded through the Internationalisation Partnership Award (IPAS+). Proposals including such supplementary or match funding from partner institutions will be prioritised.

### **For Option B:**

- proposal writer/s or consulting services fees.

For Option B, MCST will provide 100% reimbursement upon confirmation of proposal submission and confirmation of invoice and receipt by beneficiary. The beneficiary must follow procurement regulations and the council may request that the services were good value for money. eg. quotations, track record of selected service provider.

A conflict of interest (COI) exists for Option B if the proposal writer/s or consulting service;

- is involved in the preparation of the IPAS+ application.
- Is a Beneficiary in the Horizon 2020/Horizon Europe proposal to be submitted to the European Commission.
- stands to benefit directly if the proposal is positively evaluated. Providing market research information to the applicant will not be considered a COI.
- has a family / personal relationship with any person representing an applicant

- 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.

**Consumables and equipment cannot be funded under this Scheme. Expenses related to loans, interests and recoverable value added tax are also considered as ineligible costs.**

Award holders will be responsible for arranging all relevant activities including, but not limited to, travel plans, accommodation, logistics planning, insurance coverage for any participant travel, etc. The Applicant should provide an estimated breakdown of the anticipated costs to carry out the project's activities in the application form.

**No double funding** is permitted for the **same** activities carried out in IPAS+ and in conjunction with other schemes.

Participants will be funded if the amount they request falls within the allowable quota for aid under the de minimis regime, which is a maximum of €200,000 (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over 3 fiscal years per single undertaking, and this is in line with Article 3(2) of the *de minimis* Regulation.

Applicants will be required to submit a signed *de minimis* declaration form indicating any de minimis aid received during the previous two fiscal years and the current fiscal year.

### **5.0 Submission of Application Form**

Interested Applicants are to submit their application form electronically to Mr. Mark Farrugia at [mark.c.farrugia@gov.mt](mailto:mark.c.farrugia@gov.mt) with "IPAS+ - Application 2020" as a subject heading by not later than

**Option A: midnight on Friday 3<sup>rd</sup> July 2020**

**and;**

**Option B: midnight on, Friday 15<sup>th</sup> May 2020, Monday 15<sup>th</sup> June 2020 and Friday 3<sup>rd</sup> July 2020.**

The application must be dated and signed by the applicant and the legal representative. Late or incomplete applications will not be considered.

Submissions should include the following documents:

- the 'Internationalisation Partnership Awards Scheme Plus - 2020 Application Form' provided by MCST that is associated with this call.
- Under option A:
  - letters of support from all partner institutions, confirming any matching or additional funding.
  - full CVs of principal investigator/s from local and partner institution/s.
  - profile of potential partners,
  - agenda of event, activities, training etc...
- Under option B:
  - proposed project idea (project's brief) and pre-identified call topic.
  - profile of pre-identified potential consortium partners (if already available).
  - profile of at least 3 *potential* proposal writers or consulting services providers.
  - company profile/track record of the applicant's legal entity.

It is the responsibility of the applicant to ensure the timely and correct delivery of the application form to MCST. It should be noted that emails larger than **6MB** will be automatically rejected by the mail system. The applicant may make use of cloud storage.

## **6.0 Selection Process**

Applications will be assessed by a selection panel set up by MCST against the following criteria:

For Option A:

- **Quality of Project/Activity:**
  - Proposals will be evaluated on the quality of the collaboration activities with the foreign partners. Activities must either be, or be supportive of, high quality international research & innovation with the potential to yield mutually beneficial results and demonstrate innovation and interdisciplinary in the selected field of

interest. The involvement of early career researchers (i.e. at Masters or PhD level) in the implementation of the internationalisation activities will be considered an advantage.

➤ **Strength of Partnership and Leadership:**

- Projects/activities must be led by recognised experts with a demonstrated track record in research and innovation and good leadership ability. Evidence of past collaborative work between the partnering institutions, for example, joint projects or publications, and any other relevant past achievements will be considered a testament to the strength of the partnership.
- New partnerships between local and foreign entities in the interest of furthering R&I collaboration are also encouraged with the aim of fostering closer ties between local and international institutions. A convincing case should be made for the benefits of the partnership(s).

➤ **Outcomes and Sustainability:**

- Proposed activities must have significant potential outcomes, including, for example, joint publications, subsequent grant bids, development of innovative products, etc., and will build longer term international relationships based on a genuine commitment by the partners to invest in a sustained successful partnership. Evidence of the potential to attract or generate external funding will be considered an asset.

Priority will be given to well-defined proposals which demonstrates increased odds of success for securing third party-funding or which demonstrate a clear benefit to enhancing the international dimension of local research & innovation activity.

Option B:

- Excellence of the proposed project idea (project's brief) and relevance to the pre-identified call topic.
- Proven track record of the proposed consultancy individuals/firms, including a list of other Horizon 2020/FP7 projects that have been supported in the past.

- Quality of the proposed consortium partners, makeup, distribution, diversity (academic, public, private).

## **7.0 Award Duration**

Upon successful completion of the evaluation stage, it may be necessary for MCST to negotiate the amount of the Award requested in the application form. MCST retains the right to provide Awards of a different sum should the amount in the ‘breakdown of costs’ appears to have been overestimated.

The deadline for completion of the projects/activities funded through the award is one year from the starting date on the grant agreement, although projects may be completed at any point within a 1-year time frame. Upon completion of the activities/projects, the applicant is to submit a final report within 30 days according to a standard template developed by MCST. The final report will need to be accompanied by all relevant documentation, including receipts demonstrating how the award was spent. MCST retains the right to audit the financial documentation and to request further proof of expenditure of the award. Should there be a significant discrepancy between the sum of the award disbursed by MCST and the amount spent by the applicant (as substantiated through receipts or other financial documentation) MCST retains the right to request a reimbursement of the unspent funds.

Any requests for change of use of the award should be addressed in writing to Mr. Mark Farrugia at [mark.c.farrugia@gov.mt](mailto:mark.c.farrugia@gov.mt) with “IPAS+ - Request for modification 2020” as a subject heading. Such request needs to receive consent from MCST prior to being effected. Requests for extension of the award needs to be sent by a formal letter from the applicant to Mr. Mark Farrugia at [mark.c.farrugia@gov.mt](mailto:mark.c.farrugia@gov.mt) at least 2 months before the deadline of the award. The Council will review the letter and a reply should be given within 2 weeks. Request for extension cannot be for more than three months. Applicants are reminded of the importance of retaining all documents proving expenditure of the awarded funds for submission with the final report.

## **8.0 Correspondence**

Successful applicants will be required to inform Mr. Mark Farrugia at [mark.c.farrugia@gov.mt](mailto:mark.c.farrugia@gov.mt) within the R&I Programmes Unit at MCST regularly of any direct or indirect outputs resulting from this award during and beyond the lifetime of the award.

Successful applicants are also required to submit a detailed report on the activities undertaken to Mr. Mark Farrugia within thirty days from the date of completion of the activities funded by the Award. For those activities extending for the full duration of this Scheme (i.e. one year from the starting date on the grant agreement), final reports should be submitted to MCST by no later than 30 days from that date. MCST reserves the right to take any necessary legal action should such reporting not be submitted.

Reference to this award should be made on any publication, marketing or PR material that is generated in relation to the project or activity undertaken.

## **9.0 State aid**

This scheme is being 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 (OJ L 352/1), as may be amended, hereinafter referred to as 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 based on 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.

## **10.0 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'.

## **11.0 Further Information**

For further information on the Internationalisation Partnership Award Scheme Plus (IPAS+) kindly contact

Mr. Mark Farrugia as per details below:

Mr. Mark Farrugia

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R&I Programmes Unit

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