

Healthcare of the Future

Transforming Health and Care Systems Partnership - Call 2023

National Rules for Participation – State Aid

These Rules for Participation are applicable to undertakings that carry out an economic activity within the meaning of [Article 107 TFEU](#).

Version: 1

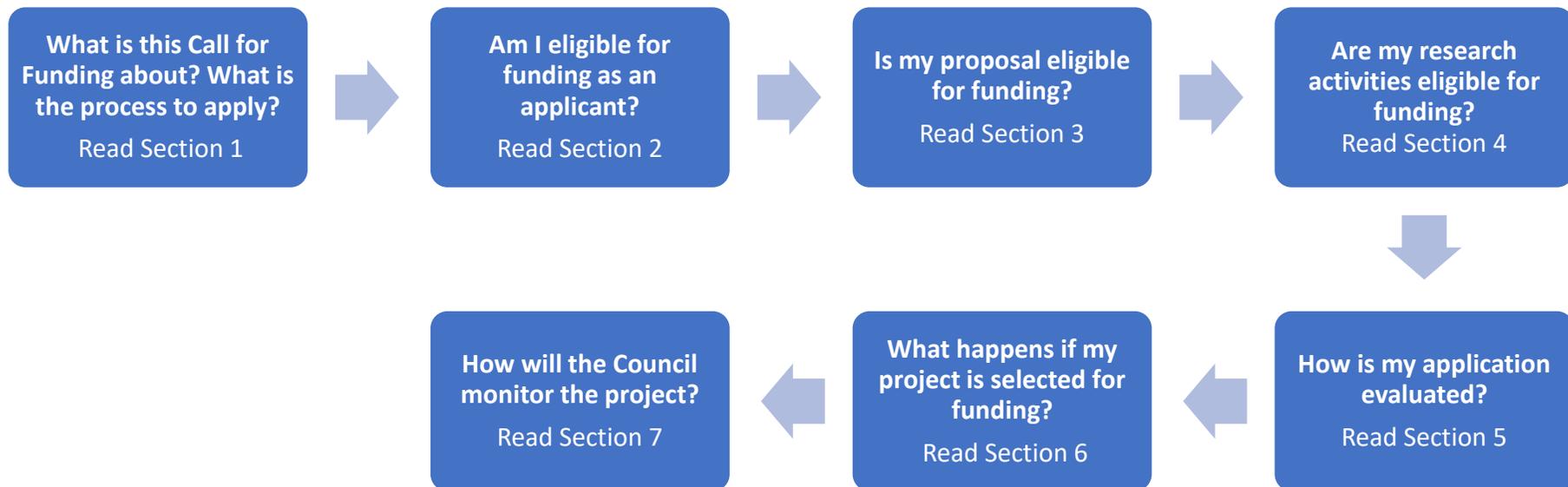
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Guide to this document



1. Introduction

The Malta Council for Science and Technology (referred to as the ‘Council’ hereafter) is administering the **2023 First Joint Transnational Co-Funded Call of the Transforming Health and Care Systems Partnership entitled *Healthcare of the Future*** for and on behalf of the Foundation for Science and Technology and is located at Villa Bighi, Kalkara, KKR 1320, Malta.

The Transforming Health and Care Systems Partnership (THCS) is a Horizon Europe Partnership that started in 2023. The aim of the THCS Partnership is to coordinate and optimize research and innovation efforts in Europe and its partner countries supporting health and care systems transformation.

This call is the first of a series of annual co-funded Joint Calls that will be launched by this Partnership to tackle priority areas drawn from the [Strategic Research and Innovation Agenda \(SRIA\)](#) of the THCS. This Joint Call shall pool national and regional financial resources through participation of ministries and funding organisations from 23 countries responsible for funding research and innovation actions in the health sector, with the financial support from the European Commission.

The first co-funded Joint Call within this Partnership is entitled “*Healthcare of the Future*” and focuses on identification, testing and implementation of models and solutions for optimisation of the complementarity of inpatient and outpatient care, supporting the transformation to people-centred services. Hospitals and other (specialized) care facilities are central in all health and care systems. The research funded by this Call will fill knowledge gaps and support the implementation of innovative solutions aiming at better organising the health and care systems of the future, with a focus on prevention, and personalised care and fostering better integration and continuity of care, including remote care when desirable/possible. A shift towards more distributed, community-based health and care facilities provides opportunities, but also a range of challenges for the health and care systems and especially for existing health care providers whose roles would be redesigned.

1.1 Definitions

Applicant	The term refers to any representative of a local entity that is eligible for participation in a Project in terms of these National Rules for Participation and who applies for funding under this joint initiative.
Beneficiary	The term refers to the Applicant whose project has been awarded and hence will be receiving funding.
Arm's length	The term 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.
Council	The term refers to the Malta Council for Science and Technology on behalf of the Foundation for Science and Technology.
Effective collaboration	The term means collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation, and share its risks, as well as its results. One or several parties may bear the full costs of the project and thus relieve other parties of its financial risks. Contract research and provision of research services are not considered forms of collaboration.
Eligible direct costs	The term refers to 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 capped at the approved requested funding value.
Eligible undertakings	<p>The term refers to undertakings planning to carry out Fundamental Research, Industrial Research and/or Experimental Development projects and must either be:</p> <ol style="list-style-type: none"> i. a partnership constituted under the Companies Act, being a partnership <i>en nom collectif</i>, <i>en commandite</i> or a limited liability company; or ii. be duly registered as a co-operative society under the Co-Operative Societies Act, iii. professional body; iv. NGOs; v. Non-profit making entities (including Foundations). <ul style="list-style-type: none"> • '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.

	<ul style="list-style-type: none"> • ‘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 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.
End Date	The term refers to the date when the Project Period, having commenced on the Start Date, expires.
In-kind	The term refers to any non-monetary contribution, such as a service or a good.
Innovation	The term 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.
Large Undertaking	The term is defined as an undertaking not fulfilling the criteria laid down in Annex I of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Article 107 and 108 of the Treaty, as amended.

Legal Entity	The term refers to any entity created within the European Union, having an operating base in Malta and which has legal personality, which may, acting under its own name, exercise rights and be subject to obligations.
Operating base in Malta	Having an operating base in Malta means if the legal entity: <ul style="list-style-type: none"> i. 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 ii. employs at least one person that is based in Malta and is liable to pay income tax in Malta.
Partner	The term is defined as an entity within a consortium of a transnational project.
Project Contact Point	The term refers to the individual, appointed to act on behalf of the Applicant and who is responsible for communicating with the Council about the Project. The Project Contact Point(s) shall have the following responsibilities: <ul style="list-style-type: none"> • To ensure effective execution of the project according to set timeframes and deliverables, as well as compliance with the obligations in terms of the Grant Agreement. • To compile Periodic and Final Technical/Financial Reports and ensure their timely submissions.
Project Coordinator	The term refers to one of the beneficiaries of a transnational project consortium that is appointed as the single point of contact between the THCS Secretariat and/or the funding bodies and the consortium partners from proposal submission to project end. The Project Coordinator will have the responsibility of ensuring that all the transnational partners involved in the consortium are eligible. He/She will be required to submit the project application on behalf of the consortium. If awarded, the Project Coordinator will be required to supervise the project workflow with the help of WP leaders and must also compile and submit reports / deliverables to the funding bodies and/or THCS Secretariat, as necessary.
Principal Investigator	The term refers to the lead researcher on behalf of the local Applicant / Beneficiary of a transnational project consortium. May be the same as the Project Coordinator and/or the Project Contact Point.
Project Grant	The term is defined as the granted funding provided by the Council.
Project Period	The term refers to the time required to execute the Project as indicated in the Grant Agreement.
Project Value	The term refers to the project budget needed by the Applicant to carry out the project, including any co-financing.
Research and Development	This term 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 to acquire new knowledge, primarily directed towards a specific practical aim or objective, and includes:

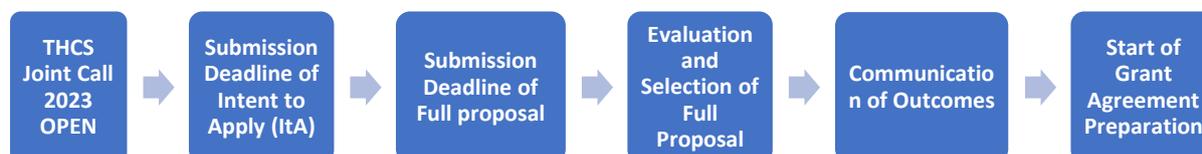
	<p>i. Fundamental Research means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view.</p> <p>ii. Industrial Research means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes, or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.</p> <p>iii. Experimental Development means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.</p> <p>Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services, and other operations in progress, even if those changes may represent improvements.</p>
<p>Research and Knowledge-Dissemination Organisation (RKDO)</p>	<p>The term refers to 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</p>

	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	<p>The term includes all enterprises having at least one of the following relationships with each other:</p> <ol style="list-style-type: none"> 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 and 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. <p>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,</p>
Small and Medium Enterprises (SME)	The term refers to an undertaking which fulfils the criteria laid down in Annex I of 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, as amended.
Start-up	The term shall be defined as an undertaking that has been established for less than five (5) years following its registration. For eligible undertakings that are not subject to registration, the five-year eligibility period may be considered to start from the moment when the enterprise either starts its economic activity or is liable to tax for its economic activity.
Start Date	The term refers to the date is stated in the Grant Agreement for the official start of the project.
Start of Works	The term refers to the earlier of either the start of works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered 'start of works'. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.
Subcontracted Activity	The term refers to 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.
Undertaking in Difficulty	<p>The term refers to an undertaking in respect of which at least one of the following circumstances occurs:</p> <ul style="list-style-type: none"> i. In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, ‘limited liability company’ refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and ‘share capital’ includes, where relevant, any share premium. ii. In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, ‘a company where at least some members have unlimited liability for the debt of the company’ refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU. iii. Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors. iv. Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan. v. In the case of an undertaking that is not an SME, where, for the past two years: <ul style="list-style-type: none"> 1. the undertaking’s book debt to equity ratio has been greater than 7.5 and 2. the undertaking's EBITDA interest coverage ratio has been below 1.0.

1.2 Call Process and Snapshot

The Call process consists of one (1) stage as per the flow chart below:



Intent to Apply

The Project Coordinator must submit a brief Intent to Apply (ItA) to the THCS Partnership Joint Call Secretariat on the Online Submission Platform by the deadline **23rd of May 2023 (14:00 CET)** as per [Call Text](#). The ItA should include a brief description of the project and of the Consortium. **Proposal without a proceeding ItA will not be eligible and will not be evaluated.**

Full proposal

The Project Coordinator must submit the full project proposal on behalf of the Consortium to the THCS Partnership Joint Call Secretariat on the Online Submission Platform as per [Call Text](#).

Malta-based Applicants are required to follow the latest version of the National Rules and check their eligibility as Applicants ([Section 2](#)), check the eligibility of their project proposal ([Section 3](#)) and costings ([Section 4](#)) and to submit a National Application Form accompanied by the relevant documentation ([Section 1.4](#)).

N.B: Applications must be submitted before the Start of Works (see definition in [Section 1.1](#)).

Project proposal will be evaluated, and Applicants will be duly informed whether their proposal was successful or not.

The selection and funding of proposals under this Programme shall be on a competitive basis.

1.3 Call Snapshot

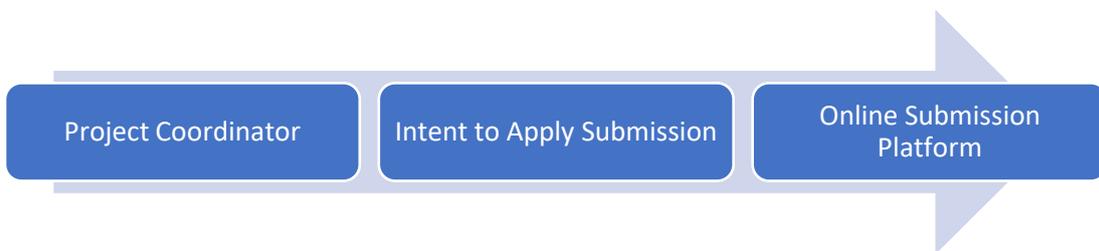
Call Text	https://www.thcspartnership.eu/funding/announcement-of-the-joint-transnational-call-for-proposals-healthcare-of-the-future-kl
Call Website	https://www.thcspartnership.eu/
Research areas	Health Policy and systems Research (HPSR) Health Technology Research (HTR) Social and Economic Research
TRL levels supported	1-7
Project Duration	12-36 months
Max. funds that can jointly be requested by Maltese	€500,000

national partner/s per project (EUR)	
Submission deadline of Intent to Apply	23 rd May 2023 (14:00 CET)
Submission deadline of Full Proposal	13 th June 2023 (14:00 CET)
THCS Online Submission Platform	https://www.thcspartnership.eu/
Submission deadline of National Application Form and relevant Annexes	14 th June 2023 (23:59 CET)
Submission MCST email	eusubmissions.mcst@gov.mt

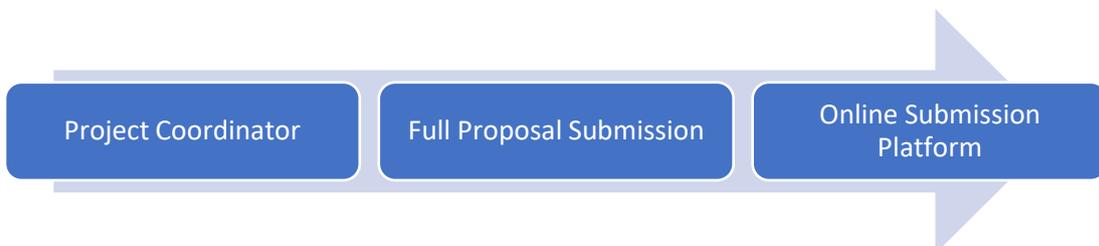
1.4 Application Submission Details

The Applicant should ensure complete compliance to these ‘Rules for Participation’ prior to applying to this Call. No amendments or negotiations are allowed after submission, unless requested by the Council. Any unapproved deviations will result in the failure of the application during the administrative check.

The Intent to Apply and the Full Proposal need to be submitted electronically by the Project Coordinator via the THCS Online Submission Platform, on behalf of the transnational consortium, by the submission deadlines indicated below.



Deadline for Intent to Apply submission:
23/05/2023, 14:00 CET



Deadline for Full Proposal submission:
13/06/2023, 14:00 CET

Additionally, a National Application Form needs to be submitted electronically by each Malta-based Applicant to eusubmissions.mcst@gov.mt, by the submission deadline indicated below.

It should be noted that attachments larger than 20MB shall be automatically rejected by the system without notification. The Applicant may make use of cloud storage transfer, but it is up to the Applicant to check that all documents have been received by the Council within the deadline. It is the responsibility of the Applicant to ensure that a confirmation of receipt is provided.



Deadline for submission of National Application Form:
14/06/2023, 23:59 CET

Submission Documents

- Only complete National Application Forms submitted by the deadline shall be considered.
- All documentation submitted must be in English.
- Each proposal will be checked for administrative eligibility before it is considered for scientific evaluation. This means that failure of one of the consortium partners to meet the eligibility criteria may cause the entire project to be rejected.
- In case of multiple submissions of the same application in the same selection round the last version submitted before the deadline will be that considered for evaluation.

Documents required for submission

Applicants need to submit a **National Application Form** accompanied by the necessary **declarations** in the form of Annexes to the Application Form. These documents will be reviewed during the administrative eligibility check, and consist of the following:

- National Application Form in MS Word (.docx) and a signed scanned copy in PDF format.
- Declarations applicable to Indirect State Aid, when an eligible undertaking is a partner in the same project consortium as a public entity and/or public research and knowledge-dissemination organisation that does not carry out an economic activity within the meaning of Article 107 TFEU.
- *Curricula Vitae* of Principal Investigator and other key researchers highlighting R&I related experience. These should clearly establish that the Consortium has the potential to carry out the assigned project tasks/activities.

- *De minimis* Declaration form (*de minimis* Applicants).
- Undertaking in Difficulty form (GBER Applicants).
- Enterprise Size Declaration form (GBER Applicants).
- GBER Research Type Declaration Form (GBER Applicants).
- GBER Budget Breakdown Form (GBER Applicants).
- Overall Detailed Budget Breakdown Form (all Applicants).

In addition,

Eligible Undertakings, including professional Bodies or NGOs, are also required to provide the following documents:

- i) Memorandum & Articles of Association or other constitutive document(s)
- ii) **Audited financial statements** for the last three (3) fiscal years. Where unavailable, applicants are to provide **Management accounts** including:
 - detailed profit and loss, and
 - balance sheet for the current year.

Eligible Undertakings that are Start-Ups, who may not have the above-mentioned financial documents, are required to provide the following documents:

- i. **Financial projections** for three (3) years signed by an independent certified public accountant, including:
 - an income statement,
 - a cash flow statement, and
 - a statement of financial position.

Eligible Undertakings that are Professional Bodies or NGOs are still required to provide constitutive documents, and may be requested to provide other documents, including but not limited to, a Statute/Deed (Authenticated) and Voluntary Organisation (VO) certificates.

Other forms of documentation can be requested during the Call Process or during the Grant Agreement Preparation phase.

For applications submitted under Regulation B (GBER) of these National Rules for Participation, additional documents may be requested including a **Research Type Evaluation Form** and a **Budget Breakdown Form based on tasks**, for further review by expert evaluators. Definitions of the research type categories can be found in [Section 1.1](#).

The aid intensity and grant amount will be awarded accordingly. Undertakings will be subjected to a Due Diligence evaluation which will make use of the documents submitted as

well as documents within public record. Additional documentation may be requested by the Council, based on the outcomes of the Due Diligence evaluation. Changes to the submitted proposal are not allowed, unless requested and/or approved by the Council.

1.5 National Contact Point

Lead Executive Annalisa Cartabia annalisa.cartabia@gov.mt 2360 2152	Alternate Executive Martina Vella martina.vella.5@gov.mt 2360 2113
Correspondence should be directed to: The Malta Council for Science & Technology Villa Bighi, Kalkara, KKR 1320, Malta Email: eusubmissions.mcst@gov.mt	

For escalated matters kindly contact Dr. Maria Azzopardi – Deputy Director (Internationalisation) on maria.azzopardi.2@gov.mt

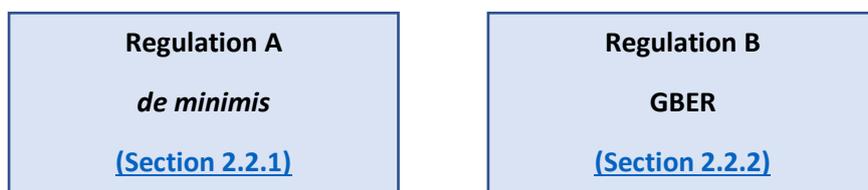
2. Applicant Eligibility

2.1 Eligibility of Entity

- These Rules for Participation are applicable to undertakings that carry out an economic activity within the meaning of [Article 107 TFEU](#).
- Malta-based Applicants that are Eligible Undertakings, with an Operating Base in Malta, as defined in [Section 1.1](#), are eligible for funding, subject to the terms and conditions laid out in the latest version of the National Rules.
- Any Applicants that are non-compliant with respect to Grant Agreement obligations, or outside approved project timelines, on other active projects funded by the Council, may be immediately deemed ineligible at application stage. Similarly, should Applicants become non-compliant during the call process, they will not be awarded funding under this programme.
- 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 (Malta-based or otherwise) which will have been at any time declared as non-compliant or defaulting on any other contract or agreement entered with the Council and remained in default, shall be automatically declared as inadmissible.

2.2 Funding Consideration

- Applicants may opt to be funded under one (1) of the following two regulations:



- Applicants are required to select their preference within the National Application Form.
- Malta-based Applicants must ensure that they are eligible to be funded under the selected Regulation before applying.
- All applications should be accompanied by the relevant State Aid declaration forms. Applicants should quantify any possible indirect State aid that may result from collaboration with partners applying under the non-state aid route, i.e., Public Entities and Public Research and Knowledge-Dissemination Organisations that do not carry out an economic activity within the meaning of Article 107 TFEU.

- Successful Applicants will be requested to update their declaration forms at the time of the signing of the Grant Agreement, to ensure that the Applicant remains eligible for funding under the State Aid regimes.

2.2.1 Regulation A: *de minimis aid*

Assistance provided under Regulation A of these National Rules for Participation is in line with the terms and conditions of 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*, as amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments (herein referred to as *de minimis* regulation (link below)).

The *de minimis* Regulation stipulates that **a single undertaking cannot receive more than €200,000 in *de minimis aid* (or €100,000 in the case of single undertakings performing road freight transport for hire or reward) over three (3) consecutive fiscal years**, including *de minimis* aid from schemes offered by entities other than the Council. This period covers the fiscal year concerned as well as the previous two (2) fiscal years. 'Fiscal year' means the fiscal year as used for tax purposes by the undertaking concerned.

Any *de minimis* aid received more than the established threshold will have to be recovered, with interest from the undertaking receiving the aid.

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

require proof of 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.

The rules on cumulation of aid as outlined in Article 5 of the *de minimis* Regulation (link below) will be respected.

More information on the *de minimis* regulation can be found on the following link:

[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 \(the de minimis Regulation\) as amended by Commission Regulation \(EU\) 2020/972 of 2 July 2020, amending Regulation \(EU\) No 1407/2013 as regards its prolongation and amending Regulation \(EU\) No 651/2014 as regards its prolongation and relevant adjustments.](#)

2.2.2 Regulation B: *General Block Exemption Regulation*

Assistance provided under Regulation B of these National Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, and by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and as may be subsequently amended (herein referred to as the General Block Exemption Regulation (GBER) (link below).

Assistance will not be granted if the aid is:

- i. related to export activities towards third countries or Member States, namely aid directly linked to quantities exported, to the establishment and operation of a distribution network or to the other current expenditure linked to export activity.
- ii. contingent upon the use of domestic in preference to imported goods.
- iii. granted 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. granted in favour of a beneficiary which is subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market.
- v. granted in favour of an undertaking in difficulty defined in terms of Commission Regulation (EU) No 651/2014 of 17 June 2014, as amended, unless the undertaking was not in difficulty on 31 December 2019 but then became an 'undertaking in difficulty' in the period from 1 January 2020 to 31 December 2021.

Aid approved by the Council in terms of these National Rules for Participation will be suspended until the undertaking has reimbursed unlawful and incompatible aid that is subject to a recovery.

Rules on cumulation of aid shall be in line with Article 8 of the GBER (link below).

In determining whether the notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the aided activity or project or undertaking shall be considered.

Where EU funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the EU that is not directly or indirectly under the control of the Member State is combined with State aid, only the latter shall be considered for determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of Union law.

Aid granted under this incentive may only be cumulated with:

- a) any other State aid, if those measure concern different identifiable eligible costs,
- b) any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not exceed the highest aid intensity or aid amount applicable to the aid under GBER.

Aid awarded under Regulation B (GBER) of these National Rules for Participation shall not be cumulated with any *de minimis* aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding those laid down in these National Rules for Participation.

For any individual aid awarded in excess of €500,000 (or for beneficiaries active in primary agricultural production, each individual aid award for such production exceeding €60 000 and for beneficiaries active in the fishery and aquaculture sector, each individual aid award exceeding €30 000), the details of the beneficiary, the aid awarded, and the project details shall be published as provided for in Article 9 of the General Block Exemption Regulation.

More information on the GBER can be found on the following links:

[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 as amended by Commission Regulation \(EU\) No 2017/1084 of 14 June 2017 amending Regulation \(EU\) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation \(EU\) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation \(EU\) 2020/972 of 2 July 2020 amending Regulation \(EU\) No 1407/2013 as regards its prolongation and amending Regulation \(EU\) No 651/2014 as regards its prolongation and relevant adjustments, and by Commission Regulation \(EU\) 2021/1237 of 23 July 2021 amending Regulation \(EU\) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty](#) and as may be subsequently amended.

3. Proposal Eligibility

The following criteria are mandatory and must be fulfilled when applying for this Call, in addition to eligibility conditions described in the [Call Text](#) of the 2023 first Joint Transnational Co-Funded Call entitled Healthcare of the Future.

3.1 Types of Projects

- The types of projects that are eligible within this Call encompass Fundamental Research, Industrial Research and Experimental Development.
- This is a call for collaborative, transnational research, and innovation actions. Applied research, and implementation research, developing, piloting, and testing are within the scope of the call. Projects demonstrating proof of concept(s), validation of concepts or solutions, and demonstrations of solutions in relevant health and care settings, replication in other settings are also within scope.
- Malta-based applicants can propose projects of [Technology Readiness Levels \(TRLs\)](#) between TRL 1 and 7. Nevertheless, Applicants should ensure that they are addressing the specific Research and Innovation activities described in the [THCS Partnership Call Text 2023](#).

Proposals will be rejected if they:

- have a predominantly pre-clinical /bio-medical component.
- are purely epidemiological studies mapping the extent of and causal factors behind illnesses, without a focus on solutions, models or implementation in the health and care systems.
- solely concern social /welfare services and do not address issues in the health and care services.
- solely concern development of new technological solutions, without a focus on integration of the solutions, models or implementation in the health and care systems.

3.2 Alignment to Scope

The proposal should be consistent with the scope and objectives of this Call (Refer to [Section 1](#)). Malta-based Applicants can propose projects in all the topics proposed in the [THCS Partnership Call Text 2023](#).

Essential elements:

- The Research and Innovation activities should provide a broad range of knowledge, models, and solutions, while maximising the service coverage, ensure the best care pathway, and also ensuring safety, quality, and equal access to health and care.
- Proposals may address a few or several dimensions of health and care systems.
- Proposals must address the economic and social impact of the proposed models/solutions/approach.

- Proposals must show how the project will be linked to the policy context and wider eco-systems. This includes cooperation and coordination between stakeholders, across the boundaries of traditional health and care domains, locally or regionally, involving end-users, health and care professionals, and /or other stakeholders e.g., health and care system owners, when relevant.

3.3 Eligibility of Consortium Composition

- Transnational project consortia must consist of at least three eligible independent legal entities from at least three different countries participating in the Call. No more than three consortium partners can be from the same country. The total number of partners in a consortium is limited to nine excluding collaborators, i.e., partners participating with their own expenses and therefore fully self-financed.
- The eligibility of each partner in the consortium must be checked according to the eligibility criteria published in the [Call Text](#), before submission of a project proposal.
- Fully self-financed partners are not considered as part of the minimum requirement of eligible partners and countries and cannot act as the consortium coordinator.
- Malta-based Applicants should check their national application submission requirements in [Section 1.4](#) and their eligibility in [Section 2](#).

3.4 Budget and Grant Value

- The National Budget for this Call is of **€500,000**.
- The maximum amount that national partner/s can jointly request per project is **€500,000**.
- Awarded proposals will receive periodic financing that will be regulated through a Grant Agreement establishing the terms and conditions governing the financing and implementation of the project. Refer to [Section 7](#).

3.5 Project Duration

The minimum project duration is 12 months, and the maximum project duration is 36 months.

3.6 Project Contact Point(s)

Each Applicant shall appoint at least one Project Contact Point. The Project Contact Point(s)'s responsibilities are as defined in [Section 1.1](#).

3.7 Deliverables

Deliverables are tangible outcomes of the project and must be submissible. They must be proposed between the start and end date of the project. Deliverables not submitted within the stipulated deadlines will not be considered. A milestone refers to a key deliverable or achievement within the project.

The project work plan must give sufficient details of foreseen activities and are to be included as deliverables in the project proposal. The sub-sections below list the Mandatory deliverables that are required by the Council and a non-exhaustive list of Recommended deliverables that may be considered.

The Beneficiaries shall always cooperate with the Council in the promotion of the Programme by delivering presentations about the Awarded Project or through other reasonable means at the request of the Council.

Mandatory deliverables

- Publish **at least two (2) articles per year** in local newspapers, online platforms, or magazines including an acknowledgement to the Council and any other acknowledgements as stipulated in [Section 7.3](#). These should not contain intellectual property but should raise awareness about the project and its benefits. A copy of this/these should be presented to the Council within two weeks of publication. Other forms of publications may be considered.
- Organise **at least one (1) Half Day Dissemination** event to be held at ESPLORA (unless directed otherwise by the Council) during the final months of the project.
- Report on project progress through reports and meetings as per [Section 7.3](#) and in line with the templates provided by the Council.

Recommended deliverables

- During the duration of the project, publish at least one (1) peer-reviewed research paper based on the work carried out throughout the Project in an open-access journal. The paper is to include an acknowledgement to the Council and any other acknowledgements as stipulated in [Section 7.2](#).
- Oral presentation/s at international conference/s on the work carried out through the Project.
- 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).
- Additional project dissemination activities including but not limited to project exhibitions, workshops, and events (preferably open access). Examples include Science in the City, R&I cafes, Enterprise European Network events, project exhibitions and so on.
- Registration of patents or other Intellectual Property Rights stemming from the Project, in Malta as well as in any other country, on the work carried out throughout the project (or any tangible outcomes during the patenting process).
- The formation of any spin-off entities that are envisioned. Kindly highlight if these spin-offs will also be licencing any IP generated.
- Commercial commitments such as technology innovations to be included in a partner's existing product or service.
- Commercial commitments such as technology transfer licences.

The Council appreciates that the attainment of these deliverables may depend on externalities. The Consortium is expected to take these into consideration when submitting their application forms. **Although these deliverables are non-compulsory, if quoted as committed deliverables in the Application stage, they must be adhered to.**

4. List of Eligible Costs and Ineligible Costs

A grant must not exceed the overall amount which is established at the time of the project selection based on the estimated eligible costs indicated in the budget breakdown form. Eligible costs are costs actually incurred and claimed by the beneficiary of a grant which meet all the following criteria:

- They are incurred between the Start Date and the End Date of the project.
- They are necessary for the implementation of the project as outlined in the project proposal which is the subject of the grant.
- They are identifiable, verifiable and being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of Malta and according to the usual cost accounting practices of the beneficiary.
- They comply with the requirements of applicable tax and social legislation. They are reasonable, justified and comply with the principle of sound financial management, regarding economy and efficiency.
- Any calls for the recruitment of personnel on a project is to be conducted in a strictly transparent manner and is to include a public call in the form of an online advert 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. All transactions need to be carried out in line with the arm's length principle outlined within the Definitions ([Section 1.1](#)).
- Any expenses incurred during the course of the Project must be consistent with the principles of economy, efficiency and effectiveness. Any purchases must be carried out at "arm's length" conditions. Commercial transactions between Beneficiaries within the same Project are not allowed.

As a reminder, Applicants may opt for one (1) of the two regulations described in [Section 2](#): *de minimis* or GBER. Applicants are required to select their preference within the National Application Form. The sub-sections below list eligible costs under *de minimis* ([Section 4.1](#) and [4.2](#)) and GBER ([Section 4.1](#) and [4.3](#)).

4.1 Common Eligible Costs for both Regulations

Personnel

Personnel costs include wages of employees (researchers, technical staff, other research supporting staff) directly engaged by the Applicant to the extent and for the duration of the proposed research project.

- All employees in respect of whom costs are claimed must be registered with the competent local authorities and covered by a valid contract of employment in terms of the national legislation to employment.
- The total claimed hours worked by a full-time employee shall not exceed 1720 hours *per annum*. Moreover, respecting the capping in relation to other funded hours claimed within other funded projects.
- Annual stipends of € 6,000 for students reading for a master’s degree or € 8,000 for students reading for a doctoral degree. For every engaged student, a full-time equivalent researcher(s) must be employed by the Applicant.
- Personnel costs related to Project Management are capped at 10% of the total project value.
- Table 1 shows the eligible hourly rates (inclusive of National Insurance, Inland Revenue, and other allowances) and personnel limits per applicant. The personnel hourly rate is calculated using the following formula:

$$\text{€z} = (\text{basic salary} + \text{allowances}) / \text{yearly workable hours of the employee.}$$

Role in Project	Hourly rates in 2023	Hourly rates in 2024	Hourly rates in 2025	Limits per project
Management or equivalent	Up to €52.50/hour	Up to €55.13/hour	Up to €57.89/hour	Max 2 per project
Senior Researcher ¹ or equivalent	Up to €37.01/hour	Up to €38.86/hour	Up to €40.80/hour	Max 2 per project
Researcher ² or equivalent	Up to €26.51/hour	Up to €27.84/hour	Up to €29.23/hour	No limits
Operational, technician, research support assistant or equivalent	Up to €14.54/hour	Up to €15.27/hour	Up to €16.03/hour	No limits

Table 1 Eligible Hourly Rates

The rates stated in the table above are for the years 2023-2025. For subsequent years a 5% increase per year is allowed.

- 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.

¹ 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.

² 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

- For personnel who are yet to be recruited for the project, applicants should submit a job description highlighting requirements of the role at the application stage.
- For personnel engaged by a Research Organisation - as recognized by the Council as per L.N 212 of 2018 - from third countries, the respective hosting agreement signed between the Research Organisation and the researcher/third country national, is required to be submitted to the Council.
- The hourly rates and the number of hours on the project per engaged individual, will have to be noted in the Budget Breakdown Form as requested at full proposal submission. In the case of existing personnel, the names of the individuals will have to be noted in the Budget Breakdown Form and CVs are to be provided.
- **Timesheets are to be completed and retained for all personnel, including students, as proof of number of hours spent on the project.**

Costs of IP and Knowledge Transfer Activities

These costs include the costs of knowledge transfer activities and patents bought or licensed from outside sources obtained at arm's length conditions. Such activities should be discussed with the Council before submission of the application to ensure eligibility.

Subcontracted Activities

Subcontracted activities shall be allowed up to a limit of 25% of the project value. Such activities should be discussed with the Council before submission of the application to ensure eligibility.

Where a component of the project work is a Subcontracted Activity, the following considerations shall apply:

- The PI remains responsible for the timely delivery of the subcontracted tasks;
- The PI shall ensure that such a third party is selected in a manner which is transparent, fair and impartial. Partners shall ensure that there is no discrimination between bidders and that all bidders are treated equally and transparently in all calls for quotations.
- The PI should ensure that the attainment of any services or goods respect the procurement criteria listed in [Section 4](#).

Other Operating Expenses

Other operating expenses incurred directly as a result of the project. These must be approved beforehand by the Council and must not be ineligible costs. Details shall need to be provided in the National Application Form and ideally would have been discussed with the Council before submission to ensure eligibility.

Overheads

Overheads (also known as eligible indirect costs) are costs that are incurred directly as a result of the project. These will be covered at **10%** of direct eligible costs claimed.

4.2 De Minimis-Specific Considerations

Aid Intensity

The financial contribution to a project partner applying under de minimis shall be **up to 75%** of the eligible costs incurred on the project by that project partner. The partner must finance the remaining percentage of the eligible costs. It is not possible for a Partner to cover this percentage contribution ‘in-kind’.

Travel and Subsistence

Travel and subsistence costs are only accepted under the *De Minimis* regulation.

Type of Meeting	Number of persons funded	Comments
Consortium meeting	Max. of 2 persons per meeting	Within the project period.
International Conference	Max. of 2 persons per event	Max. of one conference every 6 months
‘Other’ project-related meetings	Max. of 2 persons per occasion	Need to be discussed and approved by the Council.

Eligible costs under this section include the cost of economy flights, public transport and other expenses that have been incurred for the purpose of the project after selection of the most economic solutions. Per diems are payable for travel up to a maximum of 14 days in a row.

Instruments, Specialised Equipment and Research Consumables

These costs include the purchase/leasing of specialised equipment including software. An explanation of the relevance of the equipment in relation to the project, including specification where applicable, is required. If a specialised laptop/PC is to be purchased, please specify its usage and specifications.

These costs also include purchase of research consumables. The 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.

4.3 GBER-specific Considerations

Aid Intensity

The aided part of the research and development project shall completely fall within one or more of the following categories (as defined [in Section 1.1](#)):

Fundamental Research	Industrial Research	Experimental Development
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Type of Research	Small Undertaking	Medium Undertaking	Large Undertaking
Fundamental Research	100%	100%	100%

Industrial Research	70%	60%	50%
Industrial Research with an effective Collaboration and/or results are widely disseminated	80%	75%	65%
Experimental Development	45%	35%	25%
Experimental Development with an effective collaboration and/or results are widely disseminated	60%	50%	40%

The project involves **effective collaboration** if at least one of the following requirements is satisfied:

- a. Project is being undertaken between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70% of the eligible costs.
- b. Between an undertaking and one or more Research and Knowledge-dissemination Organisation/s where the latter bear at least 10% of the eligible costs and have the right to publish their own research results.

For the results of the project to be considered as being widely disseminated, this must be done through conferences, publications, open access repositories, or free or open-source software at the beneficiary's **own** expense. The activities to be undertaken to satisfy these criteria must be clearly made visible in the National Application Form. Dissemination-related costs are deemed **ineligible** under this state aid route.

Travel-related costs are deemed **ineligible** under this state aid route.

The amount of assistance granted to participants will not exceed the thresholds laid down in Article 4(1) (i) of Commission Regulation (EU) No. 651/2014, as amended.

Instruments, Specialised Equipment and Research Consumables

Under Regulation B (GBER) of these National Rules for Participation, the costs of instruments and equipment are eligible to the extent and for the period used for the project.

These costs include the purchase/leasing of specialised equipment including software. An explanation of the relevance of the equipment in relation to the project, including specification where applicable, is required. If a specialised laptop/PC is to be purchased, please specify its usage and specifications.

Where such instruments and equipment are not used for their full life for the project, **only the depreciation costs** corresponding to the life of the project, as calculated on the basis of the generally accepted accounting principles, are considered as eligible. The depreciation costs must be verified by a Certified Public Accountant.

Research consumables must be incurred directly as a result of the project.

The 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.

4.4 Ineligible Costs

The following shall be considered as a non-exhaustive list of ineligible costs:

- Expenses which are recoverable through other funding mechanisms, including recoverable value added tax.
- Re-purchase of equipment originally procured through other funding mechanisms.
- Personnel hours for travelling and/or overtime.
- Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project.
- Standard office equipment and stationery.
- Purchase of equipment and services from partners or their subsidiaries.
- 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.
- Expenses related to loans, interest, etc.
- Travel and Subsistence and Dissemination-related expenses are ineligible costs in relation to applications submitted under Regulation B (GBER).
- Any cost incurred to submit the project proposal.
- Any cost incurred before the start date and after the end date of the project.
- Any other costs not listed down in Sections 4.1, 4.2 and 4.3

Any line items not seen to be compliant with the nature of the programme will be subtracted from the grant.

5. Evaluation

Applications will be checked for administrative eligibility by the THCS Partnership Joint Call Secretariat. Applications involving at least one Malta-based Applicant will also be checked for administrative eligibility by the Council. Once the project application is deemed eligible, this will be scientifically evaluated by three independent external reviewers in accordance with the THCS stipulated evaluation criteria as set in the [Call Text](#).

THCS will only fund research of the highest ethical standards complying with European Directive³ and the relevant national/regional laws, rules, and regulations. Each Applicant to a THCS call must comply with both THCS ethical considerations and the national/regional/local regulations in question. All proposed activities undertaken in countries outside the EU must also comply with EU regulations. Further guidance on ethical considerations is outlined in the THCS Ethics Review Guidelines.

The Council may undertake a due diligence exercise through its contractors for the purpose of administrative compliance. Further assurances and documentation, such as bank guarantees and an updated Undertaking in Difficulty Form, may be required at the discretion of the Council.

For applications submitted under Regulation B (GBER), at least three (3) expert evaluators shall be appointed to confirm, or otherwise, the proposed Research and Development type(s) assigned to each of the applicant's tasks, as per the respective definitions of Fundamental Research, Industrial Research and Experimental Development ([Section 1.1](#)). The aid intensity and grant amount will be awarded accordingly. Changes to the submitted proposal are not allowed prior to the Grant Agreement, unless requested and/or approved by the Council.

³ <https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>

6. Post Selection Process

6.1 The Grant Agreement

A Grant Agreement will be signed between the successful Applicant and the Council. This Agreement will serve as the basis for project funding and will regulate the transfer of funds to national beneficiaries. Hard copies of the Grant Agreement must be signed and endorsed by the respective legal representative(s) of the potential beneficiary within 15 days from the date on which the potential beneficiary receives them. Failure to endorse the Grant Agreement within the stipulated timeframe may result in the withdrawal of the offer for funding.

The Council reserves the right not to proceed with signing any Grant Agreement if the Council deems that doing so would be too high an exposure risk.

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 by the Council to publicise the award.

6.2 Start Date and End Date

The Project Coordinator with the project partners, shall decide on a common Start Date for the project. This information needs to be communicated to all the funding bodies involved in the project, to ensure that the national contracts are synchronised to cover all periods of the project.

The pre-determined date as agreed will be stated in the Grant Agreement, in line with [Section 7.1](#). The Start Date must not be later than May 2024.

In view of the 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.

6.3 Grant Amount

The acceptance of an application does not automatically lead to an award of value that is equal to the amount requested by the applicant. The funding requested may be reduced based on the specific funding regulation applied. It should be noted that the grant amount foreseen by the agreement is a maximum which cannot be increased during Grant Agreement preparation with the Council.

6.4 Double Funding

Funding under this Call is made available on the basis that the Applicant has not benefited from any other grant or financial incentive of whatever nature, applied for and/or utilised for the same scope by the Council and/or other funding agencies as that for which funding is requested under this scheme. 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.

By signing the Grant Agreement, the Applicant will be authorising the Council to exchange essential information related to the project with other funding agencies, both local and overseas, for any necessary checks. Any occurrence of double funding should be communicated in writing to the Council, prior to the signing of the Grant Agreement and as may arise during the implementation of the project.

7. Funding, Management and Progress Monitoring

7.1 Allocation and Disbursement of Funding

For funding and reporting purposes, a project submission shall be divided into a number of Stages. Each Stage shall be of twelve (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 of the awarded project, the Council will make an initial advance payment of 100% of the due financial contribution of this Stage and will 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 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 must be approved by the Council before moving to the next stage.
3. For the second and subsequent Stage, the Council will calculate the due financial contribution in relation to that 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. For the final Stage, the Council will make an advance payment of up to 80% of the due financial contribution. The Council shall retain 20% of the total project grant to be transferred only upon successful completion of the project. This is referred to as the Retention Money.
5. Following the termination of the project or expiry of the Grant Agreement, the Project Contact Point will be required to submit a Final Technical Report together with a Final Financial Report for the whole project. The Final Financial Report needs to be audited by a certified auditor appointed by the Applicant and approved by the Council 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. Failure to submit a timely audited Financial Report may result in the Council recovering all funds disbursed across the project.
6. 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-spent 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.

Project Consortium must comply with the THCS mandatory reporting requirements and activities as outlined in the Call text.

7.2 Dissemination and Externalisation

All dissemination and publication of information in relation to the proposal selected for award is to commence following the signing of the Grant Agreement.

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

‘This Project <Project acronym/ Name> has been supported by the Malta Council for Science and Technology under the framework of the **THCS – The European Partnership in Transforming Health and Care Systems**’

Any websites or printed material related to the project should also include the Council logo, the **THCS Partnership** logo, the ‘co-funded by the European Union’ logo with the EU flag together with the words European Partnership as per the Operational Guidelines for European Partnerships.

During the term of Agreement and for five (5) years thereafter, the Applicant shall include and prominently feature the Council and the **Transforming Health and Care Systems Partnership** in any publicity related to the project.

All publicity material shall be vetted and approved by the Council before publication. In the case where printed material is published without a mention of the initiative and the Council, the Applicant shall be obliged to publish a correction at their own expense in the subsequent issue of the publication.

7.3 Reporting

The first report required to be submitted is the **six-month report**. This is a brief report giving an overview of the project status mid-Stage. The six-month report is then requested in the 6th month of every subsequent stage.

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 (1) month from the end of the stage.

On the last day of the project, the Project Contact Point is required to submit an **End of Project Technical Report**. The **End of Project Audited Financial Report** covering the work and expenditure undertaken during the entire project shall need to be submitted up to eight (8) weeks from the stipulated end of project date.

The Project Contact Point shall also set a schedule for periodical progress meetings with the Council to take place. During such meetings, beneficiaries should verbally update MCST on progress via a presentation.

Meetings	Project Timeline*	Reports
Progress Meeting	Month 6	Six-month report
Progress Meeting	Month 12	End of Stage Technical Report
	Month 13	End of Stage Financial Report
Progress Meeting	Month 18	Six-month report
Progress Meeting	Month 24	End of Stage Technical Report
	Month 25	End of Stage Financial Report
Progress Meeting	Month 30	Six-month report
Progress Meeting	Month 36	End of Project Technical Report
	Month 38	End of Project Financial Report

**The project timeline may vary according to the project duration.*

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

- i. An overview of project activity and achievements over the stage under review compared with the originally submitted application.
- ii. An account of actual expenditure over the stage under review 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 End of Project Technical and Financial Reports shall contain details i. – iv. above as well as the financial audited reports as per below.

The audit will consist of, at least, the following checks:

- i. Accounts
- ii. Physical inventory
- iii. Timesheets and payslips / employee contracts
- iv. Receipts for all equipment and consumables
- v. Bank statements for the Project Account

The beneficiary shall appoint an auditor to conduct a detailed financial audit, following the completion of the project. The Council reserves the right to appoint an auditor to audit the Project Financial Audit as submitted.

The Council may at any time request supplementary information and documentation on the projects and may request additional progress meetings. The Council may make such additional enquiries into a project as deemed necessary. Any required documentation not submitted within Stage reports or Final Reports, or documentation not submitted within the

specified timeframes, may render the whole project ineligible, and may result in the Council recovering all funds disbursed across the project.

If the 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 beneficiary may be required to refund the Grant in part or in full. In any such event, the Council may also exclude a beneficiary from participating in future calls.

7.4 Accountability

The beneficiaries shall open a specific project bank account and records, clearly distinguishable from their other accounting records. All relevant expenses must be recorded in the specific account. All funding payments by the Council will be deposited in the project bank account.

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

7.5 Project Extensions

Time extension requests are unlikely to be accepted unless these are due to extenuating circumstances that are deemed plausible and conditionally valid by the Council. Such circumstances need to be unavoidable, and partners need to provide evidence to the Council that all efforts and best practice project management have been undertaken to remedy the extraneous circumstances.

If the Council deems a request for extension as conditionally valid, the Malta-based Principal Investigator would need to communicate it to the Project Coordinator, who in turn will inform all the other funding agencies in the project. The Council will validate the extension upon confirmation of approval and consensus from all partners within the project of the new End Date.

7.6 Supervening Circumstances

The Project Contact Point is obliged to immediately advise the Council 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, at its own discretion, shall 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.

If during the project a partner withdraws from the Project Consortium, the beneficiary should immediately advise the Council. In this event, the relevant articles of the Project Consortium Agreement and the National Grant Agreement shall apply.

7.7 Default

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

7.8 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.

8. Confidentiality of Submissions

Unless otherwise indicated, all project application submissions except for the abstract 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 the data subject's request for aid under the Scheme is in line with:

- i. The National Rules for Participation;
- ii. Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, as subsequently amended by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, and by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and as may be subsequently amended (for projects implemented in line with Regulation B of these National Rules for Participation).
- iii. 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). This has now been amended by Commission Regulation (EU) 2020/972 of 2 July 2020, amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments.
- iv. 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).
- v. 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'.