
COVID-19

R&D FUND

Non-State Aid National Rules for Participation for Public Entities and Research and Dissemination

Organisations that do not carry out an
economic activity within the meaning of
Article 107 TFEU



MALTA ENTERPRISE



The Malta Council for
Science & Technology

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1. Introduction

1.1 Designated Authority

This incentive is administered by the Malta Council for Science and Technology for and on behalf of the Foundation for Science and Technology (hereinafter referred to as the 'Council') and Malta Enterprise Corporation (hereinafter referred to as the 'Corporation').

1.2 Scope and Focus

The World Health Organisation has declared COVID-19 as a Public Health Emergency of International Concern according to the International Health Regulation.

As of the beginning of April 2020, over one million of confirmed cases of COVID-19 have been reported including over 59,000 deaths. COVID-19 is affecting over 200 countries and territories around the world and two international conveyances, with new cases continuing to emerge daily.

In view of the above, the Council and Corporation are hereby issuing a call for proposals for interested applicants that intend to provide innovative and/or improved approaches with regards to current and/or future infectious disease prevention, control and contain the spread.

In view of the importance of gaining a better understanding of the newly identified virus, as well as to ensure innovative and improved approaches to possible future outbreaks and pandemics, the Council and the Corporation are issuing a call for proposals. The aim of this call is not only to target innovative solutions to the current COVID-19 situation (as this is now fast-paced and a time-sensitive challenge), but also to draw on lessons learnt from COVID-19 and develop foresight tools and methodologies for the future.

Such research could address, but is not limited to:

- Prediction, prevention, control and treatment of infectious diseases that can lead to an epidemic;
- Virology studies;
- Transmissibility of infectious diseases that can lead to fast outbreak;
- Public health management system such as the vulnerability of the human population to pre-existing immunity, target groups with higher attack rates or increased risk of serious diseases;
- Novel/Improved identification tests eg. PCR and NGS;
- Increased efficiency in swabbing;
- Medical equipment or products to improve patients' health and/or contain the spread;
- Artificial Intelligence (AI) to predict and prevent epidemiology;
- Mental health;
- Studies on molecular biology;
- Molecular docking studies;
- Cybernetics eg. remote patient monitoring;

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- Trajectory of the epidemic/pandemic disease;
- Applications aimed at better dissemination of recommendations by national (Public Health) and/or international health authorities (WHO);
- Any other research related infectious diseases that can lead to human epidemy.

The proposal should be novel and not correspond with on-going or completed projects funded by other instruments, programmes or projects.

Projects that have received a COVID-19-specific Seal of Excellence quality label under the Horizon 2020 SME-instrument would also be eligible to apply under this Fund.

Proposals must be timely, with rapid activation, to enable early and valuable outcomes to be established.

Whilst there is no mandatory requirement for a consortium, there is no upper limit on eligible consortium size. Consortia may involve as many partners as necessary to achieve the project goals. However, applicants should be aware that a higher number of entities will not automatically result in a positive evaluation of the proposal.

A Principal Investigator (PI) must be identified in the case of a Consortium.

The Council and the Corporation do not preclude the participation of entities from other countries, however these are to provide written proof that their part of the project will be covered independently from this call (i.e. in kind). They cannot act as a PI and their contribution to the project should not be vital.

Complete proposals will be evaluated by a Technical Committee. The decision taken by the Council and the Corporation is binding and final.

Successful proposals will see Maltese entities entering into a Grant Agreement with the Corporation and the Council.

1.3 Duration of the Incentive

These National Rules for Participation will be active until 31st December 2020. MCST may periodically review, update and amend these National Rules.

The Fund shall operate as an open call. Successful applications will be implemented as projects and will be awarded until all amounts in the Fund have been exhausted, or the duration of the Incentive has elapsed, whichever is sooner.

1.4 Definitions

1.4.01 'Applicant' means anyone eligible for participation in a Project in terms of these Rules for Participation and who consequently applies for funding under this Fund.

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1.4.02 '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.

1.4.03 'Council' refers to the Malta Council for Science and Technology

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

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

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

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

1.4.08 'Operating base in Malta' means if the legal entity:

1. owns, leases, or has been given the right of use by a third party, an adequate premises from where to conduct an eligible economic activity in the region of Malta;
- and
2. employs at least one (1) person that is based in Malta and is liable to pay income tax in Malta.

1.4.09 'Partner' is defined as a partner in a consortium of a funded national or transnational project

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1.4.10 ‘Personnel costs’ means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity

1.4.11 ‘Principal Investigator’ is one of the local beneficiaries of a project consortium that is appointed as that entity responsible for all communications with the Council and the consortium partners from proposal submission to project end, regardless of the number of local partners and the number of Grant Agreements. The Project Contact from the Principal Investigator will have the responsibility of ensuring that all the partners involved in the consortium are eligible and supervises the project workflow with the help of WP leaders. Additionally, he/she will be required to submit the project application on behalf of the consortium and must also compile and submit reports / deliverables to the funding bodies which in turn will relay these documents to the Council.

1.4.12 ‘Project Contact’ is the individual, appointed to communicate on behalf of the partner with the Council and other partners.

1.4.13 ‘Project Grant’ means the granted funding provided.

1.4.14 ‘Project Value’ means the entire project budget including any co-financing.

1.4.15 ‘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. This definition excludes state-owned “corporations” that may use awarded funding under this funding scheme to subsidise their economic activities.

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

- a) **Fundamental Research** means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of

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phenomena and observable facts, without any direct commercial application or use in view

- b) **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
- c) **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

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;

1.4.17 '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.

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

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2. Eligibility for Participation

2.1 Eligibility

Any Public Entity / Research and knowledge-dissemination organisation having its operating base in Malta, as defined in Section 1.4, and that does not carry out an economic activity within the meaning of Article 107 TFEU, may apply and will be eligible for funding subject to the terms and conditions laid out in this document.

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

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

3. Funding Criteria

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

3.1 Project Duration

Eligible projects, including those projects having received a COVID-19 specific Seal of Excellence, are those projects that have started on or after 1 February 2020, but not later than 31 December 2020. The duration of the project should be a maximum of eighteen (18) months.

Should the project have started before 1 February 2020, such project will be eligible only if the aid is needed to accelerate their implementation or to extend their scope. In such cases, only the additional costs in relation to the acceleration efforts or the widened scope will be eligible for aid.

For projects starting between the 1st February 2020 and 31st December 2020 or having received the COVID-19 specific Seal of Excellence, the earliest possible starting date for projects will be fixed at the beginning of the contract negotiations with the national funding organisations. Nevertheless, projects should commence within four (4) weeks from the Grant Agreement signature.

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3.2 Application Process

Applications are required to be submitted electronically via email to: ri.mcst@gov.mt as per the notes to applicants in the National Application Form.

Only complete National Application Forms shall be considered.

3.3 Submission Deadline

The submission deadline is found within the National Application Form.

3.4 Budget

The total maximum National Budget for this Call is €5,300,000 and awarded in a form of a cash grants. The above equates only to the funding available by the Council and the Corporation.

Funding for successful project submissions will be based on a periodic cash advance (subject to a retention amount in the final stage of the project) and will be regulated through a contractual agreement establishing the terms and conditions governing the financing of the project.

3.5 Project Contact

A Project Contact shall be appointed and shall have the following responsibilities:

- To ensure compliance with their obligations in terms of the Contractual Agreement;
- In the case of consortia, to receive input from the PI for the compilation of Periodic Reports and Final Reports including their timely submissions and effective execution of the project;
- To ensure submission of all required financial reporting as per the contractual obligations for the partner.
- To execute the project activities according to set timeframes and deliverables.

3.6 Deliverables

Mandatory deliverables

The project plan must give details of certain activities which are required by the Council and the Corporation. These should be included as deliverables in the project proposal and include:

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1. Reporting on project progress as per the list hereunder in line with the templates provided by the Council;

- Interim Technical and Financial Report (where applicable);
- End of Project Technical Report;
- End of Project Audited Financial Report.

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

Changes to the project objectives, work-packages and all the parameters committed in the applications are to be detailed, justified and approved by the Council and the Corporation.

Recommended deliverables

Further to the mandatory deliverables, the Council and the Corporation invite applications to also include deliverables as recommended below, subject to the nature of the research project:

1. The publication of at least (2) two articles throughout the duration of the project in local newspapers, portals or magazines and preferably issued in conjunction with the Maltese Public Health Authority. These should not contain intellectual property but should raise awareness about the project and its benefits.
2. Peer-reviewed papers and/or conference papers submitted to international journal/s and/or conferences of repute based on the work carried out through the Project. Subscription levels, Impact Factor and open sources should be considered in the selection of journals and conferences.
3. Oral presentation/s at international conference/s on the work carried out through the Project.
4. Any articles and text material related to the project is suggested to include the words:
'Project <Project Name> funded by the Malta Council for Science and Technology and Malta Enterprise through the Covid-19 R&D Fund
5. 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 must be a commitment to complete the degree outside the duration of the project utilising other sources of funding.
6. Registration of a patent or other Intellectual Property Rights stemming from the Project, in Malta as well as in any other country.

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4. List of Eligible and Ineligible Costs

4.1 Eligible Costs

Eligible costs are those costs directly related to and necessary for the R&D project during its duration and the subsequent IPR protection, clinical trial and regulatory procedures. All expenses must be incurred between the Start Date and the End Date of the project and must be limited to the budgeted value.

a) Personnel Costs

Wages of researchers and technical personnel, and other supporting staff, to the extent and for the duration that they are directly engaged on the approved research project.

- i. Eligible wage costs shall be limited to the actual basic salary as defined in the employment contract of the employee. (Any other costs, including bonuses, allowances, national insurance and other taxes, insurance payments and per diem shall not be considered eligible).
- ii. All employees in respect of whom wage costs are claimed must be registered with Jobsplus and covered by a valid contract of employment in terms of the national legislation on employment.
- iii. Personnel costs are calculated using an hourly rate calculated on the employee's basic wage. The total hours worked by a full time employee shall be established as 1760 hours per annum.
- iv. Personnel Costs related to Project Management are further limited to 10% of the project value.
- v. Students can be engaged on the project and paid an annual stipend of €6,000 when reading for a Master's degree. Note that for every engaged student, a full-time researcher must be employed by the applicant. The eligible costs for stipends are limited to a maximum of two years.

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

b) Specialised equipment and research consumables

Purchase of specialised equipment R&D including costs for digital and computing equipment, for diagnostic tools, for data collection and processing tools to the extent and for the period used for the project. An explanation of the relevance of the equipment in relation to the project, including specification where applicable, is required.

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c) Other Operating Expenses

Such expenses may include expenses incurred in relation to:

- R&D services;
- consumable R&D materials and supplies;
- pre-clinical and clinical trials (trial phases I-III);
- costs incurred in relation to phase-IV trials would also be eligible if they allow further scientific or technological advance;
- obtaining, validating and defending patents and other intangible assets;
- obtaining the conformity assessments and/or authorisations necessary for the marketing of new and improved vaccines and medicinal products, medical devices, hospital and medical equipment, disinfectants, and personal protective equipment;

d) Overheads

Overheads incurred directly as a result of the project will be covered at 10% of direct eligible costs, excluding the costs of (1) subcontracting and (2) items of equipment above €5000 and (3) consumables above €5000.

Note that for equipment, the capping of €500 is per piece while for consumables, the capping of €500 is for the total amount of consumables per partner.

Costs relating to the End of Project Audited Financial Report are admissible under Overheads.

e) Subcontracted activities

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

Such expenses may include expenses incurred in relation to:

- costs of contractual research and other relevant research services, including costs for digital and computing services;
- knowledge and patents bought or licensed from outside sources in arm's length transactions

It is understood that the applicant will be carrying out the main research and development of activity, however, the extent of eligible subcontracted activity will be evaluated on the merits and nature of the projects submitted. Subcontracting Activities totalling more than 25% of the project value, need to be justified for consideration by the Committee.

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Additional Provisions

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

- Any expenses incurred during the project must be consistent with the principles of economy, efficiency and effectiveness.
- Applicants/Public Entities are to follow Public Procurement Regulations in their entity.
- For personnel which are yet to be recruited for the project, a job description highlighting requirements of role is to be submitted at application stage.
- In the case of consortia, 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 in Section 1.4.

Maximum Aid Intensity

The Council and the Corporation will approve a cash grant of up to 100% of the eligible costs.

4.2 Ineligible Costs

The following expenditure shall be considered as ineligible costs:

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

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- Any other costs not listed down in Section 4.1

5. Evaluation

Submission of applications will be checked for eligibility by the Council and/or Corporation. Any discrepancies will result in the overall proposal being ineligible.

A Technical Evaluation Committee will be set up by the Council and the Corporation in order to assess and determine:

- i. the eligibility of the applicant with respect to the definitions the parameters established under these National Rules;
- ii. that the proposed research falls under one of the R&D definitions outlined in Section 1.4;
- iii. the payment schedule and terms and conditions to be considered for the Grant Agreement;
and
- iv. that the eligible costs proposed in the application fall within the applicable definitions in Section 4.

The Council and Corporation may undertake a due diligence exercise through its contractors for the purpose of administrative compliance. Further assurances, may be required at the discretion of the Council and Corporation.

Proposals that pass the eligibility check will then proceed to the scientific evaluation phase.

6. Post Selection Process

6.1 The Grant Agreement

For each project approved for funding, individual Grant Agreements will be signed between the beneficiaries, the Council and the Corporation. The Council and Corporation will endeavour to present the Grant Agreement to the beneficiary within four (4) weeks of the submission.

This Agreement will act as the basis for project funding and will regulate the transfer of funds to national beneficiaries based on these regulations. The beneficiary is to sign the Grant Agreement within one (1) week of its presentation by the Council.

The Council and the Corporation reserve the right not to proceed with signing any Grant Agreement in the event that it results that doing so would be too high an exposure risk to the Council and/or the Corporation.

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6.2 Start Date and End Date

The project will start on a pre-determined date as agreed by all the respective parties and determined in the Grant Agreement, in line with Section 3.1 of the National Rules for Participation.

In view of the nature of the Grant Agreement, the said agreement may 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 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 Double Funding

Aid under this measure may be combined with support from other sources for the same eligible costs.

Provided that, in the case where the application covers work that is part of a larger project, the Applicant must submit a table as an appendix to the application form that shows a comprehensive list of the items of work and the source of funding for each item.

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

6.4 Project Extensions

Time extension requests will only be accepted in extenuating circumstances that are deemed by the Council and Corporation as having been unavoidable by the beneficiary/partners following all efforts and best practice project management. The extension period, if any, will be decided by the Council and Corporation.

7. Funding, Management and Progress Monitoring

7.1 Reporting Requirements

For all projects, the Project Contact will be required to submit a Final Technical Project Report together with a Final audited Financial Report covering the work and expenditure

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undertaken during the entire project, by not later than four (4) weeks from the stipulated end of project termination date.

The Final Financial Report is to be audited by a certified auditor. For the Final Financial Report, the beneficiary shall appoint an auditor to conduct a detailed financial audit, following the completion of the project. The audit will consist of, at least, the following checks:

- (i) Accounts
- (ii) Physical inventory
- (iii) Timesheets and payslips / employee contracts
- (iv) Receipts for all equipment and consumables

The Council and/or the Corporation reserves the right to appoint an auditor to audit the Project Financial Audit as submitted.

Projects of less than twelve (12) months in duration are to be considered as single-Stage projects.

For projects longer than twelve (12) months, the project is to be broken down into two Stages, with the end of Stage 1 and the beginning of Stage 2 coinciding with the mid-point of the project duration. For such projects, there is an additional interim reporting requirement, i.e. an end of Stage Technical report and an end of Stage Financial report. These must be submitted within two (2) weeks of the end of Stage 1.

The Interim Technical and Financial Reports shall contain the following details:

- (i) An account of project activity and achievements over the past stage compared with the originally submitted application.
- (ii) An account of actual expenditure over the past stage compared with the originally submitted budgeted expenditure. All financial reports must be signed by the person responsible for the financial management.
- (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 templates provided by the Council should be used to develop the End of Stage Technical and Financial Reports as well as the Final Technical and Financial Reports.

The Council and/or the Corporation may at any time request supplementary information and documentation on the projects and may request progress meetings. The Council may make such additional enquiries into a project as deemed necessary.

Any required documentation not submitted within Stage reports (interim reporting) or Final Reports, or documentation not submitted within the specified timeframes, may render the whole project ineligible and may result in the Council or the Corporation recovering all funds disbursed across the project.

In the event that a project is found to be in breach of the Grant Agreement or to materially depart from the submitted application, the Council and the Corporation reserve the right to

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discontinue the award and the applicant may be required to refund the Grant in part or in full. In any such event, the Council and the Corporation may also exclude an applicant from participating in future calls.

7.2 Allocation and Disbursement of Funding

A payment schedule will be specified in the Grant Agreement. In principle, the periodic funding will be allocated according to the following schedule:

For projects up to twelve (12) months in duration, i.e. single Stage projects:

1. The Council and/or the Corporation will make an initial advance payment of up to 75% of the total project grant calculated on the eligible project cost in the Grant Agreement. This amount should be paid to the beneficiary upon acceptance and receipt of the signed project contract.
2. The Council and/or the Corporation shall retain a minimum 25% of the total project grant to be transferred only upon successful completion of the project and evaluation of the required documentation submitted and against reimbursement.

For projects longer than twelve (12) months in duration, i.e. two-Stage projects:

1. The Council or the Corporation will make an initial advance payment of 40% of the total project grant calculated on the eligible project cost in the Grant Agreement. This amount should be paid to the beneficiary upon acceptance and receipt of the signed project contract.
2. At the mid-term point, i.e. end of Stage 1 of the project, a second advancement will be made. This advancement, together with the initial advancement, may not exceed 80% of total project grant. Advancement of this amount will be upon receipt and approval of the Interim Technical and Financial reports and will be calculated on the eligible project cost as specified in the Grant Agreement.
3. The Council shall retain a minimum of 20% of the total project grant to be transferred only upon successful completion of the project and evaluation of required documentation submitted and against reimbursement.

The Council and/or the Corporation reserve the right to alter the funding parameters as deemed appropriate. Moreover, the Council and/or the Corporation reserve the right to mandate different reporting periods and project grant disbursement arrangements as guided by its Due Diligence process.

Payments may only be issued pending submission of reports, which are satisfactory to the Council and Corporation. As soon as the verifications and audits are finalised and cleared, the Council or the Corporation will release the retention money due, subject to approval by

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the Corporation. The Council or the Corporation reserves the right to deduct dues in the absence of the delivery of activities, work packages, deliverables, in part or in full, and where the appropriate standards of reporting have not been achieved.

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. In the case of overpayment, the Applicant will be required to refund the under-spend amount to the Council and/or the Corporation within a specific timeframe, or as agreed to with the Council and/or the Corporation.

7.3 Accountability

Undertakings benefiting from this fund will be required to maintain the relevant documentation as specified in the Grant Agreement in relation to all costs incurred for the project and must ensure that all transactions relevant to the approved project are adequately recorded and maintained.

Eligible expenses must have been determined in accordance with the usual accounting and management standards of good practices.

7.4 Supervening Circumstances

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

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

7.5 Default

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

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

- i. The National Rules for Participation;
- ii. Data Protection Act, Chapter 440 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).
- iii. The legitimate basis to process personal data submitted by the data subject by virtue of his/her written application for aid is Regulation 6 (1)(b) of the General Data Protection Regulation ("GDPR"), as 'processing is necessary in order to take steps at the request of the data subject prior to entering into a contract'.

Further information may be found within the application form.

9. Contact Details

Further information on the incentive, as well as information and guidance on the filling in of the application may be obtained by contacting the offices during office hours.

Postal Address: Malta Council for Science and Technology
Villa Bighi, Kalkara, KKR 1320
Malta

Malta Enterprise
Gwardamangia Hill,

Version 1.1

Pieta`, MEC 0001
Malta

Phone: MCST: +356 2360 2200; Business 1st: 144

Website: www.mcst.gov.mt ; www.maltaenterprise.com

e-mail: ri.mcst@gov.mt