



Sino-Malta Fund 2020

National Rules for Participation - For Public Entities and Public Research and Knowledge Dissemination Organisations that do not carry out an economic activity

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1. Introduction

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

1.1 Scope and Focus

The Call for Proposals for the Science and Technology Cooperation – Sino-Malta Fund for 2020 is to be carried out in accordance with the framework of the Agreement on Science and Technological Cooperation between the Government of Malta and the Government of the People's Republic of China and subsequent agreements by Joint Commission on Science and Technology between the Malta Council for Science and Technology (hereinafter referred to as 'MCST') and the Ministry of Science and Technology of the People's Republic of China (hereinafter referred to as 'MOST').

The aim of this Science and Technology Cooperation – Sino-Malta Fund, is to intensify scientific collaboration between the two countries to strengthen R&D activities, technology transfer and to carry out comprehensive, steady and long-term cooperation through support of researchers' mobility and the networking of industries, universities and research institutions to generate mutual-beneficial and win-win research.

1.1.1 Research Areas

The selection of topics for funding has been made on the basis of bilateral negotiations between MCST and MOST with respect to joint-priority areas. For this call, the selected areas:

- a) Maritime Services and/or Maritime Technology and/or Aquaculture
- b) Transport
- c) Digital Technologies

1.1.2 Type of Research

Projects under the Sino-Malta Fund 2020 can undertake either Fundamental Research, Industrial Research or Experimental Development and in line with the definitions outlined in Section 1.3. MCST will be funding all three research work categories.

1.1.3 Project Proposals

Project Proposal submissions will be undertaken in two stages. In stage 1 of the Call the submission of a pre-proposal is required and in stage 2 of the Call the submission of the full proposal.

Each project proposal must be in accordance with the following:

- The proposed research project must be consistent with the scope of this call determined in both the MCST and MOST published details.
- The proposed project must relate to one predominant theme, a), b) or c) detailed above.
- The proposal should be novel and not correspond with on-going or completed projects funded by other instruments, programmes or projects.
- Only pre-proposals that have an approved cooperation agreement signed by all partners and an approved IP agreement signed by all partners will be considered. Furthermore, proposals on either side must bear matching thematic areas and the applications on either side are to be complementary.

- Project consortia consisting of **at least one eligible legal entity from Malta** and one eligible entity from China can apply for funding. The eligibility of Maltese participants is highlighted within this document, whereas the eligibility of Chinese participants is published within the MOST call.
- The proposal should strive to be balanced between the countries involved in the project as far as the volume of work is concerned and preferably be balanced in terms of the requests for funding.
- 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. There is also no upper limit of partners from the same country, unless stated otherwise in the MOST call. Each side of the collaboration must however have, one Principal Investigator (PI).
- MCST does 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. The MOST call must also be consulted with regards to any exemption of contradiction to this allowance by MCST which could nullify the statement.
- In every proposal, the PI from the Malta side and the PI from the Chinese side, bear the responsibility for submitting the application on behalf of the Consortium, to each of their respective managing authorities (i.e. MCST and MOST), whilst considering the national rules of either side.
- Applicants are to submit an application for assistance under this scheme before the start of works.
- Successful proposals will see Maltese entities entering into a Grant Agreement with MCST, whereas the Chinese entities will enter into a Grant Agreement with MOST. MCST shall decide whether successful Maltese applicants are to sign a Grant Agreement with MCST on a per partner basis, or in a collective manner.
- Each side (Maltese partners and Chinese partners) must adhere to their respective National Rules, to ensure a joint-eligibility. Eligibility of one only side of the consortium, will result in an ineligible proposal overall.
- Applicants may submit more than one pre- / full- proposal under this Call.
- The proposal submitted by the Maltese PI to MCST must be written in **English**. The proposal submitted by the Chinese PI to MOST must be written in Chinese.

1.2 National Contact Point

Correspondence from Maltese entities should be directed to:

International.mcst@gov.mt / 23602240

Correspondence from Chinese entities should be directed to:

Tel: +86168598010

E-mail: zgj@cstec.org.cn

1.3 Definitions

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

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.

Collaboration 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 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 as indicated in the Grant Agreement.

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.

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.

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. For the definition of Chinese entity eligibility, the call published by MOST is to be consulted.

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

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

Research and knowledge-dissemination organisation means an entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Any income from knowledge transfer activities must be reinvested in the primary activities of Education and Research. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately and no public funding of non-economic activities may cross-subsidise any economic activities. 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.

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 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;

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 which does not carry out an economic activity within the meaning of Article 107 TFEU 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.

Project Contact is the individual, appointed to communicate on behalf of the partner with MCST.. There must be one Project Contact per partner.

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

Project Grant means the granted funding provided.

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

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

Principal Investigator is one of the local beneficiaries of a project consortium that is appointed as that entity responsible for all communications with MCST 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 MCST.

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

Start of Works means the earlier of either the start of construction 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 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.

2. Eligibility for Participation

2.1 Partner Eligibility

Any Public Entity or Public Research and knowledge-dissemination organisation operating in Malta (as defined in Section 1.3), 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 MCST 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 MCST, shall be automatically declared as inadmissible.

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

3. Funding Criteria

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

3.1 Project Duration

Project duration should be a maximum of two (2) years. Successful projects are envisaged to start in January 2021. Any envisaged delays beyond 31 January 2021 need to be communicated to the Council in writing and it will be up to the Councils discretion whether the project start date can be extended further.

3.2 Application Process

The Application Process is a two-stage process:

Stage 1 – Pre-Proposal Application Form

A concise application will be submitted in Stage 1 of the call, where applicant is invited to provide an abstract of the project together with a brief overview of the objectives, targets, research, innovation and technical aspects of the project. Information on the foreseen timeline as well as the strength of the partnership will also need to be included. Collaboration and Implementation Agreements need to be submitted as part of this application phase.

Stage 2 – Full-Proposal Application Form

A full proposal submission is required in Stage 2 of the call, in which a detailed explanation of the project will be required, including further elaboration on the content that was provided in the Stage 1 Application Process as well as providing a more detailed overview of the Implementation methodology including the deliverables broken down into tasks, a detailed overview of the budget.

Applications from applicants operating from Malta are required to be submitted via email to international.mcst@gov.mt

Only complete Application Forms shall be considered.

3.3 Submission Deadline

The submission deadline for Stage 1 is **15 June 2020**. Stage 2 submission deadline will be communicated to the applicants that are invited to submit a Stage 2 Full Proposal Application Form.

3.4 Grant Value

One (1) project will be selected for funding from each of the thematic areas, with a maximum national allocation for Maltese partners in a consortium of €200,000 per sector per project

Funding for successful project submissions will be based on a periodic cash advance and will be regulated through a Grant Agreement establishing the terms and conditions governing the financing of the project.

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

3.5 Project Contact Point

Each national partner shall appoint a Project Contact Point. The Project Contact Point shall have the following responsibilities:

- To act as the main contact person between the partner executing the project and MCST.
- To ensure compliance with their obligations in terms of the Grant Agreement;
- To provide input to the Project Contact point of 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 MCST.
- To monitor the execution of 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 MCST. These should be included as deliverables in the project proposal and include:

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

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

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

Recommended deliverables

Further to the mandatory deliverables, MCST invites applications to also include deliverables as recommended below, subject to the nature of the research project:

1. Monograph/s and/or peer-reviewed paper/s for accepted publication in international journal/s of repute based on the work carried out through the Project. The subscription levels or Impact Factor of journals are important considerations. Similar papers published on open source media would also be considered favourably.
2. Oral presentation/s at international conference/s on the work carried out through the Project.
3. The attainment of undergraduate degrees and/or postgraduate degrees and/or post-doctoral research. In cases where the project duration is insufficient for the purpose of submitting a degree,

there has to be a commitment to complete the degree outside the duration of the project utilising other sources of funding.

4. Registration of a patent or other Intellectual Property Rights stemming from the Project, in Malta as well as in any other country (ensuring that any profits from these activities are reinvested in the primary activities of the research organisation or research infrastructure).
5. Commercial commitments such as technology innovations to be included in a partner's existing product or service (ensuring that any profits from these activities are reinvested in the primary activities of the research organisation or research infrastructure).
6. Commercial commitments such as technology transfer licences (ensuring that any profits from these activities are reinvested in the primary activities of the research organisation or research infrastructure).

4. List of Eligible and Ineligible Costs

4.1 Eligible Costs

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 as indicated in the Grant Agreement. Eligible costs are those costs incurred directly by the project partner during the duration of the project and used primarily for the purpose of achieving the objectives of the project.

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

a) Personnel Costs

Permissible number of hours funded under this programme to work on project-related tasks – Maximum of 10 hours / week / **existing employee** (as part of their normal working hours and allocated research quota in their contract).

Existing employees that have exhausted their research quota, can apply for pro-rata payment – Maximum of 10 hours extra per week (for management, supervisory or research tasks only). This needs to be permissible within their contract of employment.

Total funded hours for **existing employees** will not exceed 20% of the project value.

Personnel costs related to **Project Management** are limited to 10% of the project value and form part of the 20% limit imposed on existing personnel cost threshold. Any project management which is not carried out by any of the partners shall be deemed to be subcontracting and, apart from being subject to the 10% maximum threshold detailed herein, will also be calculated as part of the 10% maximum referred to in Section 4.1.1(g) for subcontracting costs

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

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

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

Role in Project	Hourly rates	Limits per project
Management or equivalent	Up to € 39.51/hour	Max 2 per project
Senior Researcher* or equivalent	€ 22.83/hour to €32.09/hour	Max 2 per project
Researcher* or equivalent	€ 12.66 to € 22.81/hour	Max 2 per project
Operational, technician, research support assistant or equivalent	Up to € 12.65/hour	

The rates stated in the table above are for the year 2020 and are to be applied in accordance with employment contracts, including allowances and benefits, and including employer contributions. For subsequent years a 5% increase per year is allowed.

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

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

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

Students can be engaged on the project and paid an **annual stipend** of €6,000 when reading for a Master's degree or an **annual stipend** of €8,000 when reading for a Doctoral degree. Note that for every engaged student, a full-time researcher must be employed by the applicant. The eligible costs for stipends is 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 including software, limited to 20% of project value. Overall value of consumables typically cannot exceed 20% of project value.

c) Travel and Subsistence

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

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

For the attendance of international conferences, only one (1) person will be eligible to attend per six (6) months.

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.

Travel expenses are limited to 20% of project value.

d) Other Operating Expenses

Other operating expenses may be incurred directly as a result of the project, however these must be approved beforehand by MCST and must not fall under ineligible costs.

e) Costs of IP and knowledge transfer activities

Costs of knowledge transfer activities and patents bought or licensed from outside sources at arm's length conditions.

f) Overheads

Overheads will be covered at 20% of direct eligible costs..

Overheads for all equipment will be covered at 10% of the direct eligible costs and will be capped at a maximum of €500 per piece.

Overheads for all consumables will be covered at 10% of the direct eligible costs and will be capped at a maximum of €500.

Overheads in relation to subcontracting activities are not eligible.

g) Subcontracted activities

Subcontracted activities shall be allowed up to a limit of 10% of the project value, provided that prior approval is attained from MCST before subcontracting to ensure fair procurement procedures.

Additional Provisions

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

- Any expenses incurred during the course of the project must be consistent with the principles of economy, efficiency and effectiveness.
- In the event of purchases of any value, private entity partners are required to demonstrate adequate marketing testing, obtaining three (3) quotations from three (3) different, independent and relevant sources.
- Public entity partners are to follow Public Procurement Regulations in their entity.
- Any calls for the recruitment of staff on a project is to be conducted in a strictly transparent manner and is to include a public call in the form of an advert published in a Sunday newspaper (minimum size of advert: 2 columns by 8cm) and interview process.
- Commercial transactions between any applicants or consortium partners, or between any applicants or a consortium partner and a company with similar shareholding to a consortium partner, is not allowed. All transactions need to be carried out in line with the arm's length principle outlined in Section 1.3.

Aid Intensity

The financial contribution to a Principal Investigator or Partner that is a public entity or public research and knowledge dissemination organisation that does not carry out an economic activity within the meaning of Article 107 TFEU, shall be 100% of the eligible costs incurred by that Principal Investigator or Partner.

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.
- Any other costs not listed down in Section 4.1.

5. Evaluation

Submission of applications from Maltese and Chinese applicants will be checked for eligibility by MCST and MOST respectively. Any discrepancies on either side or the failure to fulfill all requirements of the call will result in the overall proposal being ineligible.

MCST may undertake a due diligence exercise through its contractors for the purpose of administrative compliance. Further assurances, e.g. bank guarantees, may be required at the discretion of MCST.

Pre-proposals submitted under Stage 1 of the Call, that pass the eligibility check will then proceed to a scientific evaluation phase of the pre-proposal.

Pre-proposals will be evaluated at national level according to the following criteria:

- Scientific Excellence & alignment to the priority area/s
- Competence and expertise of the research team/s
- Described benefits for both the Maltese and Chinese participants
- Quality of the Cooperation and Intellectual Property Agreements

Preference will be given to:

- Pre-proposals involving more than one Maltese partner, and/or
- Pre-proposals that offer collaborative opportunities for scientific breakthrough research and/or,
- Proposals having a potential for strong commercial synergies and industrial impact

Once the pre-proposals are evaluated, MOST and MCST will agree on a common shortlist. The shortlisted applicants shall be informed through the PIs by MCST and MOST respectively and will be invited to submit a full proposal in accordance with the Stage 2 application process.

In the Stage 2 Application process, applicants will have the chance to further elaborate on the content that they provided in the Stage 1 Application process, as well as provide a more detailed overview of the Implementation methodology to be used. The full proposals will again be evaluated independently by the Maltese and Chinese sides.

Full proposals will be evaluated at national level according to the following criteria:

- Further information on the Scientific Excellence
- Research Methodology – including work package details, risk management, distribution of work between partners as well envisaged timelines
- Appropriateness of requested budget with respect to methods and expected results
- Impact – including post-project plans and industrial benefits
- Further information on the competence and expertise of the research team/s (including CV's)
- Strength of the partnership and benefits of proposed scientific collaboration

MCST and MOST will then convene to once again agree on a common ranking list and move forward to inform all applicants with the outcome of the Call.

6. Post Selection Process

6.1 The Grant Agreement

For each project approved for funding, individual Grant Agreements will be signed between the successful PI operating from Malta and MCST. If necessary, a separate yet complementary Grant Agreement is also signed between MCST and other partners operating from Malta in the same successful consortium. 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 PI's from the Maltese and Chinese sides are to ensure that a common start date is applied to all partners following guidance from the funding bodies. This will ensure that project timelines are synchronised.

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

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 view of the particular 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 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 Double Funding

Funding under this joint initiative is made available on the basis that the Applicant has not benefited and will not benefit from any other grant or financial incentive of whatever nature, applied for and/or utilised

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

The Applicant will be required to sign a declaration to this effect and authorising MCST 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 are unlikely to be accepted unless these are due to extenuating circumstances that are deemed by MCST as having been unavoidable by the partners following all efforts and best practice project management. In exceptional cases, even though MCST may deem a request for extension as valid, this would need to be endorsed by MOST, and vice versa. If a common agreement is not reached between the funding bodies, the request will automatically be declined.

7. Funding, Management and Progress Monitoring

7.1 Allocation and Disbursement of Funding

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

For the purpose of funding and reporting, a project submission shall be divided into a maximum of two (2) Stages. Each Stage shall be of maximum twelve (12) month duration. No more than two (2) Stages are permissible. Funding for any one (1) 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, MCST will make an initial advance payment of 100% of the due financial contribution in relation to that particular Stage. This will be calculated on the Applicant's component of projected expenditure for that Stage, and include both direct and indirect costs.

In the case of a single-Stage project (one 12 month period), MCST 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 the first Stage, the Project Contact will be required to submit a Technical Stage Report and a Financial Stage Report to the MCST with details of actual expenditure over the past stage, together with an updated forecast of projected expenditure for the following stage. The stage report has to be approved by MCST before moving to the next stage. This should be in line with the templates for stage and final reports as provided by MCST within the Grant Agreement.
3. For the final Stage, MCST will calculate the due financial contribution in relation to that particular Stage based on the Financial Stage Report submitted. This contribution will be calculated as forecast eligible expenditure, adjusted for any overspend or underspend of the preceding Stage.

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

MCST reserves the right to alter the funding parameters as deemed appropriate.

7.2 Dissemination & Externalisation

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

'Project <Project Name> funded by the Malta Council for Science and Technology through the Sino-Malta Fund 2020 (Science and Technology Cooperation).'

Any websites or printed material related to the project should also include the MCST and its line Ministry's logo.

During the term of Agreement and, the Applicant shall include and prominently feature MCST in any publicity related to the project.

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

By the end date of the project, the Applicant shall be required to provide a proof of submission of an article to an open access peer-reviewed journal.

7.3 Reporting

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

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

MCST reserves the right to request additional project-related information.

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

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

The PI shall set a schedule for quarterly progress meetings with MCST to take place as part of the reporting work package.

The templates provided by MCST should be used to develop the End of Stage Technical and Financial Reports as well as the Final Technical and Financial Reports.

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

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

The beneficiary shall appoint an auditor to conduct a detailed financial audit, following the completion of the project. The audit will consist of, at least, the following checks and based on the template provided by MCST:

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

7.4 Accountability

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

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

7.5 Supervening Circumstances

The Project Contact is obliged to immediately advise in writing to MCST 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.

MCST, 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 MCST 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 MCST in writing. In this event, the relevant articles of the Project Consortium Agreement and the National Grant Agreement shall apply.

7.6 Default

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

7.7 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 MCST 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 MCST via the application for the aid and its subsequent processing by MCST 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 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).
- 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 National Application Form.