



Sino-Malta Fund 2019

National Rules for Participation non-State Aid

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1. Introduction

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

1.1 Scope and Focus

The Call for Proposals for the Science and Technology Cooperation – Sino-Malta Fund for 2019 is to be carried out in accordance with the framework of the Agreement on Science and Technological Co-operation 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 Ministry of Science and Technology (MOST) of the People's Republic of China and the Malta Council for Science and Technology (MCST).

The aim of this Science and Technology Cooperation – Sino-Malta Fund, is to intensify scientific collaboration between the two countries to strength 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.

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, these are:

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

Projects under the Sino-Malta Fund 2019 can undertake either Fundamental Research, Industrial Research or Experimental Development. The Council will be funding all three research work categories.

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) or b) detailed above.
- The proposal should be novel and not correspond with on-going or completed projects funded by other instruments, programmes or projects.
- Only 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.
- Successful proposals will see Maltese entities entering into a Grant Agreement with MCST, with the Chinese entities entering into a Grant Agreement with MOST. MCST shall advise successful Maltese applicants whether they 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.
- 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:

Dr. James Foden

The Malta Council for Science & Technology
Villa Bigli, Kalkara KKR 1320, Malta
E-mail: james.foden@gov.mt XXXXXXXXXXXX

Correspondence from Chinese entities should be directed to:

Tel. for Technical consultation : 010-58882999

e-mail for Technical consultation : program@istic.ac.cn

1.3 Definitions

Council refers to the Malta Council for Science and Technology

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;

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.

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

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

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

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.

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.

Effective 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.

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.

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.

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

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.

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;

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.

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 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.

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 / Research and knowledge-dissemination organisation operating in Malta, as defined in Section 1.3 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 are in default, and/or have gone beyond the timelines of the project, are not eligible to participate.

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

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 on 1st January 2020.

3.2 Application Process

Applicants are to submit an application for assistance under this scheme before the start of works.

Applications are required to be submitted via email to james.foden@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 10th October 2019 at 23:59 CET.

3.4 Grant Value

The total maximum National Budget for this Call is €350,000. This equates only to the funding available by the Council. MOST will match such funding for the Chinese side of the consortium.

The maximum amount to the national consortium per project is €175,000. Funding for successful project submissions will be based on a periodic cash advance and will be regulated through a contractual 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 ensure compliance with their obligations in terms of the Contractual 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 the Council.
- 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. 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 articles per year in local newspapers or magazines. These should not contain intellectual property but should raise awareness about the project and its benefits.
 - The organisation of at least one half-day event to be held at the Council's premises or as otherwise directed by the Council.
2. Reporting on project progress as per the list hereunder in line with the templates provided by the Council;
 - 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, work-packages and all the parameters committed in the applications are to be detailed, justified and approved by the Council.

Recommended deliverables

Further to the mandatory deliverables, the Council 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 (in line with Appendix 3 or 4)
5. Commercial commitments such as technology innovations to be included in a partner's existing product or service (in line with Appendix 3 or 4).
6. Commercial commitments such as technology transfer licences (Appendix 3 or 4).

4. List of Eligible and Ineligible Costs

4.1 Eligible Costs

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

The permissible number of hours funded by this initiative is not to exceed an average of 20 hours per week per existing employee, as part of their normal working hours, to the extent employed on the project.

There is no limit on the number of employees per project other than that the total cost of funded hours per project will not exceed 20% of the project value.

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

$€ z = (\text{basic salary} + \text{allowances}) / \text{yearly weekday hours}$. 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 € 37.63/hour	Max 2 per project
Senior Researcher* or equivalent	€ 21.74/hour to €30.56/hour	Max 2 per project
Researcher* or equivalent	€ 12.06 to € 21.72/hour	Max 2 per project
Operational, technician, research support assistant or equivalent	Up to € 12.05/hour	

The rates stated in the table above are for the year 2019 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.

The salary of senior researchers, researchers, technicians, operators and research support assistants that are employed **specifically** for the project would not form part of the personnel costs 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.

Personnel Costs related to Project Management are further limited to 10% of the project value and form part of the 20% limit set on personnel costs.

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 1 person will be eligible to attend the meeting.

For the attendance of international conferences, only 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 incurred directly as a result of the project. These must be approved beforehand by the Council and must not fall under ineligible costs.

e) Costs of contractual research, knowledge and patents

Costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project.

f) Overheads

Overheads will be covered at 20% of direct eligible costs, excluding the costs of (1) subcontracting; (2) items of equipment above €5000; and (3) consumables above €5000.

It is to be noted that for equipment, the capping of €500 is per piece while for consumables, the capping of €500 is for the total amount of consumables.

g) Subcontracted activities

Subcontracted activities shall be allowed up to a limit of 20% of the project value, provided that prior approval is attained from the Council 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 quotations from three 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 where State Aid is not applicable 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 4.1.1 and 4.1.2.

5. Evaluation

Proposal applications from the Maltese and Chinese sides will be checked for eligibility by the Council and MOST respectively. Any discrepancies on either side will result in the overall proposal being ineligible.

The Council 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 the Council.

Proposals that pass the eligibility check will then proceed to the scientific evaluation phase. Further information on the evaluation criteria can be found in a separate document within 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 Maltese PI and if necessary, also between its Maltese partners and the Malta Council for Science and Technology. 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 starting date is applied to all partners following guidance from the funding bodies. This will ensure that project timelines are synchronised.

The Council 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 the Council.

The Project Contact must provide two (2) images related to the project and an abstract upon signing the Grant Agreement. These will be used to publicise the award.

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 the Council 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 the Council as having been unavoidable by the partners following all efforts and best practice project management. In exceptional cases, even though the Council 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 number of Stages. Each Stage shall be of maximum twelve (12) month duration. No more than two Stages are permissible. 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, the Council 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), 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 the first Stage, the Project Contact will be required to submit a Technical Stage Report 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.

The stage report has to be approved by the Council before moving to the next stage. This should be in line with the templates for stage and final reports as provided by the Council within the Grant Agreement.

3. For the final Stage, the Council 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, the Council 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), the Council will make an advance payment of up to 80% of the due financial contribution calculated as in bullet (3) above. However, the Council shall retain 20% of the total project grant to be transferred only upon

successful completion of the project. The Council 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 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 Final Financial Report may result in the Council recovering all funds disbursed across the project.
7. 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-spend 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.

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 2019 (Science and Technology Cooperation).'

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

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

All publicity material shall be vetted and approved by the Council before publication and should make mention of the initiative and the Council. 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 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 the Council. 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.

The Council 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, the Council 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, the Council may also exclude an applicant from participating in future calls.

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

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 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:

- 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 the Council 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 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.

7.6 Default

If the implementation of a project becomes impossible or if the Applicant fails to implement it, the Council 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 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 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.