



## **SINO-MALTA Fund Call 2022**

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**National Rules for Participation - For Public Entities and Public Research and Knowledge-Dissemination Organisations that do not carry out an economic activity within the meaning of Article 107 TFEU**

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## 1. Introduction

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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 2022 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 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) Digital Technologies
- b) Green Transitions
- c) Health

#### 1.1.2 Type of Research

Projects under the SINO-MALTA Fund 2022 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. A pre-proposal is submitted in Stage one (1) of the Call, whilst a full proposal is submitted in Stage two (2) of the Call.

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 Call Text and National Rules for Participation
- The proposed project must relate to one (1) 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 collaborating side must have **one Principal Investigator (PI)**, representing the proposal consortium for each country. The PI from each country shall assume the role of Lead Applicant and will be responsible to submit the application form to the Managing Authority of his/her country.
- 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.
- Proposals that pass from Stage 1 to Stage 2 may wish to include additional partners not foreseen in the pre-proposal. Although the addition of new partners to the project consortium is not precluded by these National Rules for Participation, additional partners may not request additional funds, and only in-kind contributions will be permitted for the Maltese side. The MOST call must also be consulted with regards to the possibility of adding Chinese partners between stages. The corresponding agreements (IP and Cooperation agreements) need to be revised accordingly and resubmitted at Stage 2.
- 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 for Participation of either side.
- Applicants are to submit an application for assistance under this scheme before the start of works.
- Funding under this scheme is made available on the basis that an Applicant does not benefit from any other grant or financial incentive in respect to the expenses related to the execution of the project.
- 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 for Participation, to ensure a joint-eligibility. Ineligibility of one 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.
- Each proposal submitted correctly and on time will be checked for eligibility as a whole. This means that failure of one partner within the consortium to meet the criteria will cause the entire project to be rejected.

## 1.2 National Contact Point

Correspondence from Maltese entities should be directed to:

Tel: +356 23602126

E-mail: [international.mcst@gov.mt](mailto:international.mcst@gov.mt)

Correspondence from Chinese entities should be directed to:

Tel: +861068598010

E-mail: [zfj@cstec.org.cn](mailto:zfj@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 scheme.

**Arm's length** means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm's length principle.

**Council** refers to the Malta Council for Science and Technology

**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 within the European Union, having an operating base in Malta and 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.

**Partner** is defined as a partner entity in a local consortium that collaborates with the Lead Applicant and other project partners (if applicable).

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

**Project Contact Point** is the individual, appointed to act on behalf of the Lead Applicant and who is responsible for communicating with the Council about the Project.

**Project Value** means the entire project budget needed by the collaborating applicant(s) in a local consortium to carry out all the project tasks, including any co-financing.

**Project Grant** means the granted funding provided.

**Principal Investigator (PI)** is the representative of one of the local beneficiaries of a project consortium that is responsible for all communications with MCST and the consortium partners, from proposal submission to project end. The Principal Investigator will have the responsibility of ensuring that all the partners involved in the consortium are eligible and supervise 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 MCST. The Principal Investigator may also have the role of the Project Contact Point.

**Public entity** is any Ministry, Department, Entity, Authority, Public Commission, Public Sector Foundation and similar organisations that does not carry out an economic activity within the meaning of Article 107 TFEU and that exercises public power, or else acts in its own capacity as public authority, where the activity in question forms part of the essential function of the State or is connected with those functions by its nature, its aim and the rules to which it is subject. However, the classification of a particular entity as an undertaking depends entirely on the nature of its activities, and the overriding criterion of consideration is whether it carries out an economic activity or not, e.g., an entity that is formally part of the public administration may nevertheless have to be regarded as an undertaking within the meaning of Article 107(1) of the Treaty. Thus, an entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regards to the former. In this case, if the economic activity can be separated from the exercise of public powers, then that entity acts as an undertaking in relation to that activity and the financing, the costs and the revenues of that economic activity shall be accounted for separately from the other non-commercial activities.

If an economic activity cannot be separated from the exercise of public power, the activities exercised by that entity as a whole, remain connected with the exercise of those public powers and therefore fall outside the notion of an undertaking.

**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.

**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.

**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 Beneficiary 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**

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### **2.1 Eligibility**

Any Public Entity and Public Research and Knowledge-dissemination Organisation, registered in Malta, 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 and in particular the conditions for eligibility.

Any applicants that at the time of proposal submission are considered by MCST to be non-compliant with respect to Grant Agreement obligations on other active projects funded by MCST, may be immediately deemed ineligible at application stage or will not be awarded funding under this programme. This also applies to situations whereby the applicant is outside approved project timelines on other projects funded by MCST, and where the applicant is in recognised default.

Applicants under the Non-State Aid regime must understand that, should they be found to be in breach of the conditions for being exempt from State Aid regulations, the Managing Authority will enforce the retrieval of disbursed funds with interest, in part or in full, as the case may necessitate.

The Applicant also undertakes to comply faithfully and immediately with any decision of the European Commission or a Maltese Judicial Authority declaring Article 107(1) TFEU to be applicable to this Agreement.

MCST also reserves the right to terminate any applications that have followed in part or in full the Non-State Aid regime, should MCST not be satisfied with the segregation of work packages, activities, tasks and deliverables, as well as budgets.

All applications should be accompanied by the relevant declarations duly completed within the Annexes to the Application Form with particular attention also being given to potential indirect state aid, to undertakings within the same eventual project, should it be selected for funding.

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**

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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 at the earliest possible date in 2023. The earliest possible Start Date for projects will be fixed at the beginning of the contract negotiations with the national funding organisations and should ideally be within the first 3 months since the publishing of the results.

#### **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 applicants are 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 at Stage 1. The full proposal will request an in-depth account of the implementation methodology, as well as a detailed proposed budget breakdown. Although the full proposal will contain further elaboration on the content that was provided in the Stage 1, the Stage 2 application will be evaluated in its own right.

A complete Application Form must be submitted by the Lead Applicant of the Malta-based entity (on behalf of the Project Consortium) to MCST via email on [international.mcst@gov.mt](mailto:international.mcst@gov.mt), Corresponding Annexes may be sent by the Project Partners directly to MCST via email.

It should be noted that emails larger than 6MB shall be automatically rejected by the system. The applicant may make use of cloud storage. All received applications shall be acknowledged by email.

Failure by any of the PIs to submit the application form to the national funding agency will render the entire proposal ineligible.

Only complete Application Forms shall be considered.

### 3.3 Submission Deadline

The submission deadline for Stage 1 is **30<sup>th</sup> June 2022 at 23:59 CET**. Stage 2 submission deadline will be communicated to the applicants that are invited to submit a Stage 2 Full Proposal Application Form.

### 3.4 Budget and Grant Value

The total maximum National Budget for this Call is of €600,000

One (1) project will be selected for funding from each of the thematic areas, with a maximum requested budget, for Maltese partners in a consortium, of €200,000 per sector per project. If no applications are successfully awarded under one of the thematic areas, the proposal that would have had the highest score within the remaining pool of proposals, from the other two thematic areas, will be selected for funding.

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 scheme is made available on the basis that an Applicant does not benefit from any other grant or financial incentive with respect to the expenses related to the execution of the project.

### 3.5 Project Contact Point

The Lead Applicant shall appoint a Project Contact Point. The Project Contact Point shall have the following responsibilities:

- To act as the main contact between the partner executing the project and MCST.
- To ensure compliance with their obligations in terms of the Grant Agreement;
- To compile 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 of the partner;
- To monitor and ensure 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(s) through:
  - The publication of at least two (2) articles per year in local newspapers, magazines or online platforms. 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 the 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, impact factor and open access should be considered in the selection of journals and conferences. Similar papers published on open access 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 non-State Aid declarations included in the Application Form).
5. Commercial commitments such as technology innovations to be included in a partner's existing product or service ( in line with non-State Aid declarations included in the Application Form).
6. Commercial commitments such as technology transfer licences (in line with non-State Aid declarations included in the Application Form ).

## **4. List of Eligible and Ineligible Costs**

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### **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.

#### **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. 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.
- ii. Personnel Costs related to Project Management are limited to 10% of the project value.
- iii. 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 to specifically work on the awarded research project.
- iv. Personnel costs are calculated as follows:

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

$\text{€ } z = (\text{basic salary} + \text{allowances}) / \text{yearly workable hours}$  as *per* the employee's contract of employment with the applying entity. The total hours worked on the awarded research project by a full-time employee shall not exceed 1760 hours *per annum*.

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 € 50.00/hour	Max 2 per project
Senior Researcher* or equivalent	Up to € 35.25/hour	No limits
Researcher* or equivalent	Up to € 25.25/hour	No limits
Operational, technician, research support assistant or equivalent	Up to € 13.85/hour	No limits

*The rates stated in the table above are for the year 2022. 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 and the number of hours on the project per engaged individual, will have to be noted in the Budget Breakdown Form that will be requested if the proposal is invited to Stage 2. In the case of existing personnel, the names of the individuals will have to be noted in the Budget Breakdown Form and their respective CVs need to be submitted.

v. 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 and/or lease of specialised equipment including software. If a specialised laptop/PC is going to be claimed, please specify its usage and specifications.

Purchase of research consumables. The overall value of consumables typically cannot exceed 30% of project value. Proposals with consumables exceeding 30% of the project value need to be discussed at application stage.

### **c) Travel and Subsistence**

For the attendance of consortium meetings, up to two (2) persons will be eligible to attend the meeting.

For the attendance of international conferences, up to two (2) person will be eligible to attend per six (6) months.

For 'other' project-related meetings, a maximum of 2 persons will be eligible to attend the meeting. Such meetings should be discussed with MCST at application stage to ensure eligibility.

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.

### **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. Details shall need to be provided in the Application Form and ideally would have been discussed with the MCST representative for this Call before submission.

### **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. Such activities should be discussed with MCST at application stage to ensure eligibility.

### **f) Overheads**

Overheads (also known as eligible indirect costs) will be covered at **10%** of direct eligible costs, excluding the costs of subcontracting as well as for items of equipment above €5000 and 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.

### **g) Subcontracted activities**

Subcontracted activities shall be allowed up to a limit of 25% of the project value and must follow fair procurement procedures. Such activities should be discussed with MCST at application stage to ensure eligibility.

### 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.
- Public entity partners are to follow Public Procurement Regulations in their entity.
- Any calls for the recruitment of personnel on a project is to be conducted in a strictly transparent manner and is to include a public call in the form of an online advert and interview process.

- Commercial transactions between any applicants or consortium partners, or between any applicants or a consortium partner and a company with similar shareholding to a consortium partner, is not allowed. All transactions need to be carried out in line with the arm's length principle outlined in Section 1.3.

#### Aid Intensity

The financial contribution to a beneficiary where State Aid is not applicable shall be 100% of the eligible costs incurred by that beneficiary.

Should at any point in time MCST or any other relevant entity deems that the project constitutes State Aid, the beneficiary will be required to follow State Aid Regulations and this in turn may or may not result in the recovery of funds.

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

## 5. Evaluation

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Submission of applications from Maltese and Chinese applicants will be checked for eligibility by MCST and MOST respectively. The Lead Applicant will be required to submit a copy of the **Application Form and corresponding Annexes** to the Council which may be downloaded from the Council's website or by contacting the Council. Any discrepancies on either side, or the failure to fulfill all requirements of the call, will result in the overall proposal being ineligible.

Pre-proposals will undergo a thorough eligibility check to ensure that:

- The project is aligned with the priority area/s
- The application form and all supporting documentation is duly and correctly filled in.

If, at pre-proposal stage, the number of eligible proposals is more than four times the number of the projects to be funded (i.e. oversubscription rate >4), it is at the discretion of MCST to go through a first round of scientific evaluation before proceeding to the second stage of the evaluation process.

Applicants that satisfy the eligibility criteria will be invited, by MCST and MOST respectively, 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 proposed project idea that was introduced in the pre-proposal. The full proposals will be evaluated independently by the Maltese and Chinese sides.

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

- 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.
- Competence and expertise of the research team/s (including CV's).
- Strength of the partnership and benefits of proposed scientific collaboration.
- Quality of the Cooperation and Intellectual Property Agreements.

Preference will be given to:

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

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

## **6. Post Selection Process**

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### **6.1 The Grant Agreement**

For each project approved for funding, individual Grant Agreements will be signed between the successful national entities and MCST. This Agreement will act as the basis for project funding and will regulate the transfer of funds to national beneficiaries based on these regulations.

Hard copies of the Grant Agreement must be signed by the beneficiary/ies within one (1) week from the date on which the beneficiary/ies receives them. The beneficiary/ies must ensure that the respective legal representative/s are available to endorse the Grant Agreement within 1 week timeframe. Failure to endorse the Grant Agreement within the stipulated timeframe may result in a withdrawal of the offer for funding.

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.

The Project Contact Point must provide two (2) images related to the project and an abstract upon signing the Grant Agreement. These will be used 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 line with Section 3.1 of these National Rules for Participation.

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 scheme is made available on the basis that the Beneficiary would not have 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 scheme. 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. Any occurrence of double funding should be communicated in writing to the Unit Director prior to the signing of the Grant Agreement.

## 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.

All projects shall need to be finalised as indicated in the Grant Agreement of awarded projects in order to ensure that funding remains eligible.

# 7. Funding, Management and Progress Monitoring

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## 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 subsequent 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> received funding from the Malta Council for Science and Technology (MCST) and the Ministry for Science and Technology of the People's Republic of China (MOST), through the SINO-MALTA Fund 2022 (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.

### **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. The final audited Financial Report covering the work and expenditure undertaken during the entire project shall need to be submitted by not later than four (4) weeks from the stipulated end of project date.

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 Project Contact Point 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
- Timesheets and payslips / employee contracts

- Receipts for all equipment and consumables
- Bank statements for the Project Account

MCST reserves the right to appoint an auditor to audit the Project Financial Audit as submitted.

## **7.4 Accountability**

The beneficiaries shall open a specific project bank account and records, clearly distinguishable from their other accounting records. All relevant expenses must be recorded in 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**

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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 application form.