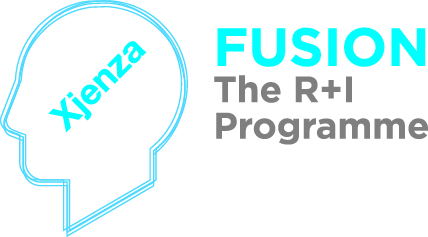


**FUSION Research and Innovation:**

**Go To Market - Accelerator Programme**

Rules for Participation 2023 - Option B **– State Aid Not Applicable**

Call 2023 - Revision 1 – Date: 14/07/2023



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# Introduction

FUSION is a national funding programme that drives and supports local Research and Innovation (R&I), as well as providing the necessary support for researchers and technologists to turn their innovative ideas into a market-ready reality. FUSION is supported through Malta Government funds and is managed by the Malta Council for Science and Technology (MCST) as the Managing Authority.

The main objectives of FUSION are:

* To raise the level and profile of locally funded research
* To ingrain R&I at the heart of the Maltese economy
* To spur knowledge-driven and value-added growth
* To sustain improvements in the quality of life

These can be achieved since research results and innovation have the potential of translating themselves into commercial activities which generate a multiplier effect on the economy, by increasing Malta’s competitiveness through the creation of additional high-value and knowledge intensive employment opportunities in Malta’s priority industries.

FUSION is composed of various programmes. These programmes are designed in a way to offer the necessary mentoring and financial support for researchers and technologists to develop their ideas for the betterment of society.

# The Go To Market - Accelerator Programme

This grant is intended to be a follow-on grant from the FUSION R&I: Technology Development Programme (TDP). The programme aims to cater for the final steps in TRL advancements in relation to deployment of the product or service in the operational environment. **This grant aims to provide financing for further verification and validation, including technology application validation, of technology developed during the TDP.**

Ultimately, this programme will consolidate and validate the prototype to the market and/or focus on the production quality to provide a concrete route to market.

The Go To Market - Accelerator Programme builds on the scientific opinion evaluation and the outcomes of the three stages covered by the Commercialisation Voucher Programme wherein beneficiaries undertake an IP Check and Commercial feasibility study. These ensure that the proposed undertaking has undergone the necessary preparatory phase to ensure market potential.

## Programme Scope and Focus

The Programme provides financial support for former MCST R&I projects. These projects will continue to build on the outcomes of the Commercialisation Voucher Programme (CVP) and applied research programmes.

## Contacts

For general enquiries kindly contact:

Name: Mr. Alistair D’Agata

Designation: R&I Executive

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Villa Bighi, Bighi,

Kalkara KKR 1320

Email: alistair.dagata@gov.mt

Tel: +356 2360 2125

For escalated enquiries kindly contact:

Name: Mr. Stephen Borg

Designation: Senior R&I Executive

The Malta Council for Science & Technology

Villa Bighi, Bighi,

Kalkara KKR 1320

Email: stepen.i.borg@gov.mt

# 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 initiative.

**Arm's length** means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm's length principle. **Consortium** means a group of two or more Partners. At least one of these Partners must fall within the definition of Maltese Legal Entity as defined in this Section. One of the partners would be the Lead Partner. Foreign Partners can appear within the consortium, over and above the minimum requirements set out in this definition, however foreign partners are not eligible for funding.

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

**Due Diligence** is an investigation of a business or person prior to signing the Grant Agreement.

**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.

**Eligible direct costs** are those costs incurred directly by the 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.

**Employee** means any person who has entered into or works under a contract of service, or any person who has undertaken personally to execute any work or service for, and under the immediate direction and control of another person, including an outworker, but excluding work or service performed in a professional capacity or as a contractor for another person when such work or service is not regulated by a specific contract of service. The employee must conform with the eligible cost under the personnel category. The employment must conform to the relevant Maltese employment legislation and extenuating obligations.

**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.

**Evaluators** are the consultants who responded to MCST’s Call for Applications to provide evaluation services for submissions made through this Programme.

**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.

**Intellectual property (IP)** is an asset capable of being owned sold and licenced. It refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce. IP is protected in law, such as, [patents](https://www.wipo.int/patents/en/), [copyright](https://www.wipo.int/copyright/en/) and [trademarks](https://www.wipo.int/trademarks/en/), which enable people to earn recognition or financial benefit from what they invent or create.

**Legal Entity** means any entity created within the European Union, having an operating base in Malta and which has legal personality, which may, acting under its own name, exercise rights and be subject to obligations.

**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.

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

**Project Coordinator** is one of the beneficiaries of a project consortium that is appointed as the single point of contact between the Lead Agency and/or the funding bodies and the consortium partners from proposal submission to project end. He/she 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 Lead Agency. Can also be referred to as **Principal Investigator**.

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

**Project period** is the period allocated for the execution of the Project, and as indicated by the applicant. For the purposes of the Go-To-Market Programme, this period is of **eighteen** (18) months.

**Public entity** is any Ministry, Department, Entity, Authority, Public Commission, Public Sector Foundation or similar organisation 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.

**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:

1. a) **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.
2. b) **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. 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.

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

**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.

**Technology application validation:** confirms that system performance and operation are met under anticipated operating scenarios. Further, it seeks to confirm that the technology will be appropriate in the intended use case and will meet the needs and requirements of the end user.

# Eligibility Criteria and Applications

This section provides details as to the criteria which must be checked in order to assess the entity/s or consortium’s eligibility to apply and the application’s fit within this Programme.

Public entities and public research and knowledge dissemination organisations that do not carry out an economic activity within the meaning of Article 107 TFEU, are eligible to apply for funding under this Programme subject to the terms and conditions laid out in these Rules for Participation.

## Eligibility for Participation

**Applicants must be sole entities or consortia** composed of Maltese legal entities who are in **possession of an intellectual property (IP), through licencing or assignment, developed at TDP Stage and through the CVP Reports.** Where a project may not have a legal basis for IP, an official document showing a transfer of ‘IP ownership’[[1]](#footnote-1) with the respective state aid implications has to be provided in cases where the original proposer at TDP stage is no longer involved will suffice. **The TDP Projects themselves must either be completed or in its final stage.**

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 program. 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.

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.

Applicants under the Non-State Aid (Option B) 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 project or activity.

MCST also reserves the right to terminate any applications that have followed in part or in full the Non-State Aid (Option B) 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 Appendices of 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.

**The applicant must be a Maltese Public Entity, or a Maltese Public Research and knowledge-dissemination organisation** as defined in Section 3. Such applicants may apply and will be eligible for funding subject to the terms and conditions laid out in this document.

Kindly note that in the case of public foundations, applicants will be required to provide an authenticated constitutional document (e.g., Statute/ Deed) which will be considered during the national eligibility check stage (to be included as an annex to the application form)

# Consortium

## Composition

A project application may be submitted by a consortium which consists of two or more partners who are individually eligible to apply to this programme.

It is permissible for a consortium to consist of one or more partners applying under the Option A Rules for Participation, and one or more partners applying under Option B as per these Rules for Participation.[[2]](#footnote-2)

**One of the partners should be designated as the “Lead Partner”** and will be responsible for the application for the R&I project, the appointment of a project coordinator and the execution of the project.

Any person may only be involved with one project partner (Refer to section 5.3).

**The project proposal must be submitted by the lead partner** on behalf of the consortium, with **prior endorsement and signature of application by the legal representative of each partner**. Should the endorsement be absent, a delegated authority should be sought and achieved. The role of Project Coordinator shall be performed by a physical person who is an employee of the Lead Partner. Legal entities other than physical persons, as well as foreign entities are not eligible to perform this role.

A Consortium Partner wishing to withdraw from the project, must present their case to MCST through their Project coordinator. As a result, and at its discretion, MCST may request the refunding of money disbursed to that partner and may even terminate the project in its entirety. All Project partners would still be obliged to provide all stage technical and financial reporting at their own expense. In extenuating circumstances, MCST may at its discretion, consider suggestions for replacement of a Partner. However, the project proposal would need to be re-evaluated. Should this be the case, the overall rules for participation would need to be adhered to and the technical and financial distribution of the projects should remain unchanged.

The Project Coordinator has overall responsibility for the project, and shall have the following responsibilities:

* To **coordinate the timely development of the project,** including establishing and managing project activities, timeframes, and financial estimates.
* To **coordinate the timely activities of the individual project partners** on an ongoing basis, and to ensure that they fulfil their obligations in terms of the Contractual Agreement;
* To **compile all reports** including Technical and Financial Reports including submissions by all project Partners in a timely fashion;
* To act as the **main point of contact between MCST and the project Partners**;

## Lead Partner

The Lead Partner is responsible to ensure that the **Project Coordinator** complies with all obligations assigned within the contract governing this grant, including being responsible for the timely submission of reports and effective execution of the project. This person will also act as the **Project Contact Point.**

## Conflict with Fundamental Aim of Programme

Pertaining to the arm’s length principal, the participation of individuals in a consortium must not be of such nature as to create conflicts with the fundamentals of knowledge transfer and commercialisation.

Two legal entities shall be regarded as independent of each other where neither is under the direct or indirect control of the other or under the same direct or indirect control as the other. Control may take either of the following forms:

1. The direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or a majority of the voting rights of the shareholders or associates of that entity.
2. The direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

The following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:

1. The same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates.
2. The legal entities concerned are owned or supervised by the same public body.

Partners in the same consortium cannot be involved in any commercial transaction with another partner in the same consortium, or any other entity with shared shareholding, or any other entity within the same group of companies as the partner, on any matter related to the R&I Project.

# Eligibility and Applicable Obligations (Option B) – Non State Aid

These Rules for Participation allow eligibility under a non-state aid route.

Under these rules, the partner must be considered a **public entity, or a public research and knowledge dissemination organisation** as defined in Section 3.

Those entities that may be eligible for participation under this route shall be required to declare themselves as:

a “**public** research and knowledge dissemination organisation” as defined in the Commission Framework for State aid for research and development and innovation (2022/C 414/01) paragraph 16(ff), which carries out a non-economic activity in line with the following:

1. primary activities of research organisations and research infrastructures, in

particular:

* education for more and better skilled human resources.
* independent R&D for more knowledge and better understanding, including collaborative R&D where the research organisation or research infrastructure engages in effective collaboration;
* wide dissemination of research results on a non-exclusive and non-discriminatory basis, for example through teaching, open-access databases, open publications or open software;

(b) knowledge transfer activities, where they are conducted either by the research organisation or research infrastructure (including their departments or subsidiaries) or jointly with, or on behalf of other such entities, and where all profits from those activities are reinvested in the primary activities of the research organisation or research infrastructure. The non-economic nature of those activities is not prejudiced by contracting the provision of corresponding services to third parties by way of open tenders.

or,

a **public** entity whose activity does not constitute an economic activity in the meaning of Article 107 of the Treaty on the Functioning of the European Union[[3]](#footnote-3). Where applicable, applicants need to ensure adherence to Section 2.2 “Indirect State aid to undertakings through public funded research and public knowledge dissemination organisations and research infrastructures” of the Framework for State aid for research and development and innovation (2022/C 414/01).

Applicants under the non-state aid Option B route 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 its project.

MCST also reserves the right to terminate any applications that have followed in part or in full the non-state aid Option B route, 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 Appendices of 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.

# The Application Process

The Call for Project Proposals will be open from **14th July to 25th August 2023 at 23:59pm. Proposals which are received after the stipulated deadline will be deemed administratively non-compliant.** The selection and funding of proposals under this Programme shall be on a competitive basis.

Applicants should refer to the eligibility criteria in Section/s 4,5 and 6.

## Application Submission

The Go To Market - Accelerator Programme application must present a coherent, comprehensive and credible plan based on:

* Reasonable estimates of human resources, finance, deliverables, and timeframes;
* Templates provided by MCST.

Submission, evaluation and selection of project applications will be in the form of a **one-stage process**. The applicant should ensure complete compliance to these ‘Rules for Participation’ prior to submission as no amendment or negotiations are allowed after submission. **Any unapproved deviations will result in the failure of the application during the administrative check.** If any errors with the budget are noted the budget will be either considered as a major deviation or minor deviation and will be handled as described in Section 11. The Council maintains the right to request further clarifications regarding the proposal after its submission, should the need arise.

The legal representative of each participating organisation within the consortium must sign off on the application and enter the date of signature. The legal representative of each participating organisation within the consortium must also sign off all relevant declarations found within the appendices of the application form. In case of sole entities, the legal representative of the entity applying must sign off on the application and all relevant documentation.

The content of the application form and these rules for participation will be directly appended to the Grant Agreements for successful applicants and will constitute the Grant Agreement technical obligations.

Any text or appendices within the submitted application, that go beyond the prescribed maximum word count and/or page limits, shall be **disregarded in the scientific evaluation process**.

Application forms can either be sent electronically to gtm.mcst@gov.mt, keeping Mr Alistair D’Agata (alistair.dagata@gov.mt) in copy, with “Go To Market - Accelerator Programme Submission” as a subject. It is the responsibility of the applicant to ensure that a confirmation of receipt is provided.

All submissions shall include:

* The **application form** in MS Word (.docx) format and a signed scanned copy (to be sent by email or on a pen drive)
  + A precise plan of project activities, timeframes and deliverables.
  + A precise indication of project costs signed within the application and as a separate spreadsheet.
* **Curricula Vitae** of key persons including relevant track records. These should clearly establish that the applicant has the potential to carry out the project.
* A detailed **business concept** in the scope of commercialising the technology.
* **Evidence of IP ownership** of a technology developed during the technology development programme.
* **Additional Declarations** (related to Personal Data, Cumulation of Aid, Double Funding, Outstanding Recovery Order and Transparency Obligations) for each partner
* **Effective Collaboration Declaration Form** if applying as a consortium with a partner applying under option A
* **Indirect State Aid Declaration form** when submitting as a consortium consisting of partners applying under both option A and option B.
* **An IP Agreement** in the case of consortia
* The **Declarations** applicable to the non-state aid route, as well as declarations on Indirect State Aid.
* **Any other documents required by Option A** in the case of partner applying under that route.

It should be noted that emails with large attachments may be rejected by the system. Other file transfer services (such as WeTransfer) may be considered. **It is the responsibility of the applicant to ensure that application documents are sent out successfully. Proposals which are received after the deadline stipulated will be deemed administratively non-compliant.**

All received applications shall be acknowledged in writing or by email. Incomplete applications which are not received by the Council as at **25th August 2023, 23:59** will not be considered.

## Considerations at Application Stage

### Respecting Lead Times

All organisations, including MCST, have their internal procedures for processing, approving and signing off on legally binding documents. Beneficiaries are to ensure that they are aware of these lead times in their organisation as well as in the other relevant organisations which may be involved. It is the applicant’s responsibility to ask for information on lead times pertaining to the Council.

Applicants should also consider personal commitments, vacation leave etc, when planning to submit an application. **All project application submissions, which must reach MCST by the deadline, must be dated and signed by the beneficiary’s legal representative** **and must include signatures of the Legal representatives of each respective participating organisation within a Consortium.**

### Assistance with Applications

Prospective project applicants are encouraged to **seek the advice of the Council in the preparation of the project application.** This should help identify any areas of concern prior to the submission of the application and lead to a better quality of submission. Advice shall only be given in respect to these Rules for Participation and not on technical grounds. **Applicants are particularly encouraged to seek the Council’s guidance through proposal-specific one-to-one sessions to ensure that the single-stage application documentation is complete and effective, as once submitted, cannot be edited.**

### Deviations

In any event in which an Applicant deems that there is any reasonable justification to deviate in a non-substantial manner from the procedures detailed herein, the applicant must submit a specific request detailing the reasons justifying such request to MCST at least fifteen (15) days prior to the submission of the application. Acceptance or otherwise of such a request shall be at the sole and unfettered discretion of MCST. In any event in which MCST accepts such request, the applicant should complete Appendix 2 in the application form entitled “pre-agreed deviations to deliverables”.

# Confidentiality of Submissions

Unless otherwise indicated, all project application submissions except for the project names and abstract shall be treated in strict confidence. However, all project applications will be passed on in their entirety to the external evaluators and due diligence experts, who are bound by confidentiality and who shall also be required to declare that they do not have any conflict of interest in reviewing the individual proposals. Stage reports compiled throughout the Go-To-Market Programme or similar reports submitted by applicants on their own accord, may, at the discretion of the MCST, be submitted in part or in their entirety to external evaluators. Stage reports submitted under this programme may also, at the discretion of the MCST, be forwarded in part or in their entirety to external evaluators appointed by MCST. All evaluators are bound by confidentiality.

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:

1. The Rules for Participation.
2. 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).
3. 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.

# Programme Parameters

MCST reserves the right to carry out financial and/or technical audits to its discretion at any time within the project to ensure that Programme Parameters as per contractual obligations are being observed.

## Project Grant

* The **accelerator programme** will have a maximum grant of up to €100,000

**Note: In case of a partner applying under GBER the total aid intensity of the project may vary significantly following the outcome of the independent external evaluation of the ‘research types’ as detailed under section 7 of the rules for participation.**

## Accelerator grant Start Date and Duration

The project must start by the **start date** as specified in the grant agreement or as otherwise stated by MCST.

The project should be **a single stage project with a duration of 18 months, without the possibility of an extension**.

## Deliverables

**Deliverables are tangible outcomes** of the project and must be submissible. These must be proposed to be carried out between the start and end date of the project. Deliverables not planned within the project timelines will not be considered. **A milestone** refers to a key deliverable or achievement within the project. If the project is awarded funding, detailed and comprehensive evidence should be submitted for each deliverable described in the application form to ensure that it has been attained successfully.

It is required that:

* File storing and synchronization service e.g. Google Drive or Dropbox, is set up and shared with the Council to support the project monitoring process. The shared folder should reflect the structure of deliverables provided in the application form i.e., every deliverable should have its own sub-folder with evidence saved within.
* The final version of each deliverable should be available in full not more than 1 week following the due date. Should there be the need to update the document a detailed justification is to be submitted to the council not more than 1 month following the deadline.
* The content of each deliverable should be proportionate to the research effort carried out to obtain such results. Each deliverable should consist of a report of not less than 2-3 pages.
* The council should be notified by email each time there are new documents updated with the file storage system, detailing a log of added, removed and/or modified documents as necessary.
* Following each due-date a soft copy the final version of the deliverable/s will be held at the council which will then be considered the final version. All submitted deliverables should still be held on the file storage system for at least 6 months following the successful closure of the project.

### Mandatory Deliverables

A consortium should:

* Report on project progress as per the list hereunder and in line with the templates provided:
* Hold a **meeting with the Council every 6 months** (including presentation) to verbally update on the project progress.
* **End of Project Technical Report;**
* **End of Project Financial Audited Report**
* **A Business Plan or Business Case specific to the project (provided one has not been prepared prior to application).**

The reports are to include sufficient evidence on the achievement of the project objectives as well as the parameters indicated in the application and should be provided in accordance with the templates presented to the Coordinator by MCST. The Technical Report must be submitted prior to the termination. The end of project financial audited report must be submitted two months from the completion of the project.

Any changes to the project deliverables, work-packages or any other parameter committed in the application are to be communicated in writing to the Council prior to the deadline, who will then seek approval from the Unit Director. A clear justification in writing should be provided on the appropriate letterheads. Acceptance or otherwise of any changes is the sole discretion of MCST and its decision is binding and final. Any other communication is not considered valid or binding.

### Recommended Deliverables

Further to the mandatory deliverables, MCST encourages the deliverables below. MCST does not oblige such deliverables, however commitment of such recommended deliverables by the Consortium at the application stage may enhance the strength of the application form. The recommended deliverables include:

* Registration of intellectual properties.
* The formation of private, spin-off entities.
* Commercial commitments.
* Verification and validation reports.
* Certifications (CE, ISO, etc.)
* Oral presentation/s at international conference/s
* Additional project dissemination activities particularly to boost the commercial potential of the project.

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

# Eligible Costs

Eligible direct costs are those costs incurred directly 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.

Kindly take note of the ineligibility of travel costs and that only depreciation costs for equipment are eligible. The eligible direct costs in full are:

* **Personnel Costs**

Employees that have utilised elsewhere their allocated quota of research hours defined in their contract can apply for pro rata payment, up to a maximum of an additional 10 hours per week, for supervisory, research or management hours (overseas travel hours are ineligible) as an eligible cost of the project, if this is permissible within their contact of employment.

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

€ z = (basic salary + allowances)/yearly weekday hours. Eligible salaries are pinned to the following hourly rates (including National Insurance and Inland Revenue and allowances)

Personnel limits per project:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Role in Project | Hourly rates (€/hr) 2023 | | Hourly rates (€/hr) 2024 | | Hourly rates (€/hr) 2025 | |
| min | max | min | max | min | max |
| Manager | NA | 49.91 | NA | 52.41 | NA | 55.03 |
| Senior Researcher[[4]](#footnote-4), IP executive or equivalent | 27.58 | 38.09 | 28.96 | 39.99 | 30.41 | 41.99 |
| Researcher[[5]](#footnote-5), IP officer or equivalent | 14.45 | 27.57 | 15.17 | 28.95 | 15.93 | 30.40 |
| Operational, technician, research support assistant or equivalent | NA | 14.44 | NA | 15.16 | NA | 15.92 |

The rates stated in the table are for the **year 2023-25**. For subsequent years a 5% increase per year is allowed. Kindly ensure that only hourly rates and dedicated hours are provided in the application form.

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 applications along with the number of hours on the project per individual. In the case of existing personnel, the names of the individuals will have to be noted in the application and their respective CVs need to be submitted.

Personnel Costs related to Project Management are limited to 15% of the project value. Any project management which is not carried out by any of the partners shall be deemed to be subcontracting and, apart from being subject to the 10% maximum threshold detailed herein, will also be calculated as part of the 40% maximum referred to subcontracting costs. Note that employees which are existing personnel are considered as a partner and are not eligible as a subcontracted cost.

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.

**Specialised equipment:** Purchase of specialised equipment including software. For equipment over €15,000, it is recommended that specifications are provided in the application form. If a specialised Laptop/pc is going to be purchased, please provide a letter justifying the planned project utilisation of such equipment in relation to its performance characteristics.

* **Scientific information:** Access to scientific information sources including databases and publications.
* **Patent Renewal Fees:** limited to €2,000 excluding indirect cost.
* **Consumables:** Overall value of consumables cannot exceed 30% of project value. Proposals with consumables exceeding 30% of the project value need to request a pre-agreed deviation at application stage.
* **Other:** Other expenses directly related to the project.

## **Subcontracted Activities**

Subcontracted Activities shall be up to a limit of 40% of the project value.

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

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

* The applicant remains responsible for the timely delivery of the subcontracted tasks;
* The applicant shall ensure that such a third party is selected in a manner which is transparent, fair and impartial in line with the applicant’s procurement processes.
* The applicant shall ensure that there is no discrimination between bidders and that all bidders are treated equally and transparently in all calls for quotations.
* The applicant should ensure that the attainment of any services or goods respect the procurement guidelines.

## Dissemination

Dissemination activities shall be up to a limit of 15% of the project value.

For participants under option B dissemination costs related to preparation and creation of dissemination and demonstration material, registration fees for events, fees related to exhibiting and attending trade fairs, stakeholder meetings, networking and pitching events, are eligible.

Only travel in relation to dissemination and externalisation activities is eligible and makes up part of the 15% limit.

## **Audits**

Eligible Costs and procedures are to conform with the auditor’s checklist which will be included in the grant agreement, and are subject to the final audit scrutiny.

* Any expenses incurred during the project’s lifetime must be consistent with the principles of economy, efficiency, and effectiveness.
* In the event of purchases of any value, private entity beneficiaries are required to demonstrate adequate market testing, by obtaining three quotations from three different, independent, and relevant sources.
* Public entity beneficiaries are to follow Public Procurement Regulations in their entirety.
* Any calls for the recruitment of staff on a project must be well advertised and conducted in a strictly transparent manner including an interview process.

## Eligible Indirect Costs

Overheads will be covered at 10% of direct eligible costs for all line items being requested.

## Ineligible Costs

The following in a non-exhaustive list of expenditures which 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 within the consortium
* 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/ stationery
* Personnel hours for travelling.

In the event a cost which is not clearly ineligible/eligible is to be proposed. Kindly contact the Council by clarification. Any clarification is to be performed at least two (2) working days prior to the to the submission deadline.

## Aid intensity

A partner participating under these set of rules (Option B) will be given an aid intensity of 100%.

## 10.7 Collaborators

Should the applicant wish to have any collaborators, these can be included in the application form. The expected contribution/s by the said collaborators should be stated and supported by a **letter of intent**. These collaborators may be foreign or local. They are not eligible to receive funding through this proposal.

# Evaluation

Project applications will be evaluated through a three-step process. Primarily, projects will undergo an administrative compliance evaluation. At this stage, if any errors with the budget are noted the budget will be either considered as a major deviation or minor deviation. Major deviations refer to cases were ineligible costs amount to 10% or over of the project grant whereas minor deviations are under 10% of the project grant. Major deviations will be considered administratively non-compliant whereas minor deviations will be amended by the Council and sent for external evaluation with the beneficiaries given the opportunity to approve or reject the new conditions following the external evaluation.

If successful, projects will be forwarded to three external evaluators for External Evaluation and then for Due Diligence. Failure to achieve a minimum of 65% pass or failure to reach the subsection thresholds during the External Evaluation will fail the project application. For a project to be successful it must pass from all three steps.

External Evaluators will be evaluating applications on the following criteria:

* 1. **Excellence (40% Threshold: 25%)**
* Has a cogent business concept highlighting the competitors, competitive advantage, product description and relevant markets been presented?
* Does the concept include information on any developments which have happened, or are required, in order for the business to be a success? (Major achievements include items like IPR, prototypes, location of a facility, any crucial contracts that need to be in place for product development, or results from any test marketing that have been conducted?)
* Is the route to commercialisation (licensing, sale of IPR, Sale of product, etc.) complementary with the technology and applicant in question? Is the route to commercialisation clear and well defined?
* Do the individuals present within the entity and the entities’ support structure have the adequate skills and expertise to carry the proposal would these same individuals be adequate to continue beyond the project and commercialise?’
  1. **Impact (30% Threshold: 20%)**
* Is there clear allocation (through the grant or investment) of resources dedicated to externalisation to major stakeholders?
* Does the proposal or business concept outline marketing strategies with an understanding of the industry and an assessment of relevant marketing activities? Have potential consumers of the technology been clearly identified?
* Has IPR protection and exploitation been adequately considered?
* Has adequate market research been carried out? Does the technology appear to have the potential to permeate, create or disrupt markets?
* Has a targeted dissemination and outreach campaign, with the aim of approaching possible stakeholders, customers, policymakers or major industrial players, been outlined?
  1. **Implementation (30% Threshold: 20%)**
* Has a robust “feedback loop” between product development and stakeholder consultation been established?
* Is the current status of the technology in line with what is intended by this scheme (Start around TRL 5/6 and end around TRL 7/8)? Is there clear need for TRL advancement and product development? Is the strategy for advancement justified and ambitious?
* Are the planned activities dedicated to making the product more marketable? (For example, improvements, Verification & Validation, certification, etc.)
* Does the budget reflect the intended activities and have all required resources been accounted for in the proposal?

Kindly note that, for proposals including a partner applying under the GBER state aid route, an extra evaluation step will be undertaken to assess the research type of each activity and determine the aid intensity after selection by the expert evaluators. Undertakings are also subject to a due diligence evaluation.

**Quality Proposal Acknowledgment**:

Should a proposal score more than 80 marks yet not be granted funding due to funds being consumed by higher ranked proposals, the proposal will receive a "Quality Proposal Acknowledgment" (QPA). Using the QPA, the Council will seek further funding on behalf of the applicant. Please note that there is no guarantee that these funds will be secured in favour of the proposal. The applicant will be notified following the evaluation and ranking of all proposals if they receive a QPA.

The Council will have 3 months from the notification date to seek the funding requested and respond to the applicant. Should a project be granted further funding through this mechanism. The awarded process (further evaluations, agreement, etc.) continues as regular. Should the 3-month window elapse, the project will not be successful and will not be granted any funding. Should multiple proposals be provided with a QPA and insufficient funds are provided to grant all QPA projects, the Council will respect the ranking devised through the evaluation process and award the next best ranked projects. Should a project receive funding but is rejected by the applicant for any reason, then the QPA mechanism no longer applies.

**Other considerations:**

In the event that two or more projects obtain the same mark following evaluation, then MCST shall give priority to that project which provides the best consideration to:

* the implementation of gender equality in the research project
* other sources of co-financing aside from the industrial partner’s mandatory contribution. Such sources are to be listed in section 6 of the application form.

# Post Selection Process

## The Grant Agreement

Following the successful evaluation of the application, the beneficiaries and any consortium members will be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. The beneficiaries will be expected to execute the project in line with the original proposal. The project application including but not limited to milestones, compliance and reporting obligations, and the IP agreement shall constitute an integral part of the Grant Agreement.

Hard copies of the Grant Agreement must be signed by all members within **two (2) weeks** from the date of receipt. Where a legal representative is not available a proxy should sign. Failure to comply with the stipulated timeframe may result in a withdrawal of the offer for funding.

Together with the signed copies of the Grant Agreement, the Project Coordinator must provide an abstract of the project. This may be used, in-part or in-whole, by the Council to publicise or externalise the award of funds. No proprietary intellectual property should be included in this draft.

## 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.

Between the Agreement Date and the Start Date, the Consortium should ensure that all activities required for a smooth project start are completed. These may include but not limited to:

* obtaining quotations for procurement purposes
* issuing a human resource calls
* opening a bank account for the depositing of the first tranche

**To be eligible for funding, all expenses must be incurred between the Start Date and the End Date of the Project.** This includes and is not limited to any publication costs.

# Double Funding

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

By signing the Grant Agreement, project partners are automatically accepting 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.

# Funding, Management and Progress Monitoring

## Allocation and Disbursement of Funding

For the purposes of funding and reporting, a project submission shall be considered to be a **single stage period of 18 months**.

The funding will be allocated as below:

* At the beginning of the project, MCST will provide the 80% pre-financing to the lead beneficiary. This will include both direct and indirect eligible costs.
* A retention consisting of 20% of the project grant shall be withheld by MCST and only released upon successful completion of the project. This is deducted from the funds allocated for the last stage and from the preceding stage, if necessary.

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 Project Coordinator will be required to submit a Technical Stage Report at the end of the project and, within two months, an audited financial Report. The latter should contain details of actual expenditure disbursed for the project. Financial details must be broken down for each Project Partner.

Underspends are retrieved by MCST following the financial audited report. Typically, these are reduced from the retention amount though MCST reserves the right to request the return of funding that goes unspent.

## Final Financial Audit

Following the termination of the project or expiry of the Grant Agreement, the Lead Partner will be required to submit a Final Technical Project Report together with an Audited Final Financial Report including the audit checklist for the whole project, thus covering the work and expenditure undertaken by all the Partners. The Final Financial Report needs to be audited by certified auditors appointed by each of the partners where each auditor is responsible for the financial audit of the relevant partner and approved by the Council once submitted. The audit should determine the total eligible costs and compare these to funds forwarded to the Partners. The Council reserves the right to appoint an auditor to audit the Project Financial Audit as submitted by the Partners. Following finalisation of the financial audit, the technical audit may be performed based on the templates provided by the Council. The audit should be conducted in line with an audit checklist which will be included in the Grant Agreement.

As soon as the verifications and audits are finalised and cleared The Council will release the retention money due to the Partners. In the case of overpayment, the Partners will be required to refund the under-spend amount to the Council within a specific timeframe, or as agreed to with The Council, through the Project Coordinator.

## The Technical and Financial Reports

The Technical and Financial Reports should include:

* An account of project activity and achievements over the past stage for each Partner compared with the originally submitted application.
* An account of actual expenditure over the past stage for each Partner compared with the originally submitted budgeted expenditure. All financial reports must be signed by the person responsible for the financial management of the Partner, and assembled as per the instructions in the Grant Agreement;
* An updated forecast of project activity and projected achievements for the following stage for each Partner;
* An updated forecast of projected expenditure for the following stage for each Partner.

Technical and financial report templates will be provided with the Grant Agreement which the consortium is requested to follow.

Over and above the audit responsibilities of the lead partner, MCST may conduct a detailed audit consisting of a financial and a technical part, following the completion of the project. The 3-part audit will consist of the following:

The financial audit

* Accounts
* Physical Inventory
* Time-sheets and payslips
* Receipts for all equipment and consumables
* Bank statements for the R&I Project Account

The Project Management Audit

* Schedule management
* Change management
* Deliverables
* Achievements compared with Key Performance Indicators

Technical Audit

* Brief summary of the project including scientific hypothesis investigated
* Interpretation of Research Results
* Project’s impact, including Prototypes and IP/patent check

MCST reserves the right to request additional project-related information and conduct intermediate audits at any time.

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 Partners 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 of the Programme.

## Accountability

Each Partner should keep a separate bank accounts or records, clearly distinguishable from its other accounting records. All relevant expenses must be recorded.

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

## Referencing

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

**‘Project <Project Name> financed by the Malta Council for Science & Technology, for and on behalf of the Foundation for Science and Technology, through the FUSION: R&I Go To Market Programme’.**

This acknowledgement will need to be included on any dissemination material submitted to the Council to be considered as fulfilling the obligations of the grant agreement. Dissemination related deliverables which do not have this acknowledgement will not be accepted.

In the case where printed material is published without a mention of the FUSION R&I Technology Programme and MCST, the Consortium shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. This is also applicable for published material produced by persons who are not members of the consortium. In the case where such publicity does not mention the FUSION R&I Programme and MCST, associated costs will be considered ineligible.

# Supervening Circumstances

The Project Coordinator is obliged to immediately advise the Unit Director, 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 preliminary project application and the completion of the project.

MCST shall acknowledge receipt within five (5) working days. The reply will either give such directives as it deems necessary for the furtherance on the project or re-assess the project in its entirety accordingly.

Failure on the part of the Project Coordinator to respect this obligation may be deemed by MCST to constitute material non-compliance on the part of the Beneficiary and MCST may thereafter take such action as is necessary in terms of the Grant Agreement in consequence of such non-compliance.

If during the course of a project a Partner withdraws from the Consortium, the Lead Partner will advise immediately the Unit Director. MCST shall then, at its own discretion either gives such directives as it deems necessary for the reallocation of tasks among the remaining Partners or the nomination of a replacement Partner, for the furtherance on the project or re-assess the project in its entirety accordingly.

## Transfers of Funds

Applicants should note that:

* Transfers of project funds between line items **over the course of the project** that are **cumulatively** **less than 20% of the grant value are automatically eligible**provided that:
  + the limits mentioned in the Rules of Participation in Section 9 are adhered to
  + expenses are exclusively used throughout the project lifetime to the sole benefit of the project
  + requested costs should be eligible as per Rules of Participation
* Should transfers of project funds between line items are **cumulatively** **greater than 20% of the grant value, these will be considered as significant alterations to the proposal, and will not be eligible.**

Kindly note that with respect to transfer of project funds, these should be reflected in the project progress meetings and in the Project Audited Financial Report, mentioned in Section 8.3.1.

**Kindly note that the structure of the line items will be as follows:**

* Transfers between different budget categories will always contribute to the 20% limit.
* Each manager will be considered as its own line item (transfers between managers will contribute to the 20% limit)
* Research personnel will be considered a single line item (transfers between research personnel will not contribute to the 20% limit)
* Equipment under €5,000 will be considered a single line item (transfers between equipment (under €5,000) will not contribute to the 20% limit). However, each piece of equipment over €5,000 will be considered their own line items (transfers between equipment (over €5,000) will contribute to the 20% limit).
* Subcontracted activities of under €5,000 will be considered a single line item (transfers between subcontracting (under €5,000) will not contribute to the 20% limit). However, subcontracting over €5,000 will be considered their own line items (transfers between subcontracting (over €5,000) will contribute to the 20% limit).
* Consumables of under €5,000 will be considered a single line item (transfers between consumables (under €5,000) will not contribute to the 20% limit). However, consumables over €5,000 will be considered their own line items (transfers between consumables (over €5,000) will contribute to the 20% limit).
* Travel will be considered a single line item (transfers between travel will not contribute to the 20% limit).
* Items listed under ‘Other’ will be considered their own line items (transfers between other costs will contribute to the 20% limit).

Kindly note that the term ‘own line item’ refers to a whole budget category whereas ‘single line item’ refers to one individual line item within a budget category.

Should an equipment/ subcontracting originally proposed to be over €5,000, but get reduced to less than €5,000 over the course of the project, this will still be considered as an individual line item. Should an item of equipment/subcontracting originally proposed to be less than €5,000, be increased to over €5,000 over the course of the project, this will alter to an individual line item.

**For reference purposes, please find attached the above transfers in a tabular format :**

|  |  |
| --- | --- |
| **Will contribute to the 20% limit** | **Will not contribute to the 20% limit** |
| Transfers between different budget categories |  |
| Transfers between managers | Transfers between research personnel |
| Transfers between items of equipment (over €5,000) | Transfers between items of equipment (under €5,000) |
| Transfers between subcontracted activities (over €5,000) | Transfers between subcontracted activities (under €5,000) |
| Transfers between consumables (over €5,000) | Transfers between consumables (under €5,000) |
| Transfers between items in the ‘Other’ category |  |

## Default

If the implementation of a project becomes impossible or if the Partners fail to implement it, MCST shall be entitled to take any action it deems necessary, including, but not limited to, the withdrawal of funding for the project and the collection of refunds of money already paid out. A similar course of action may be followed if a project is in default as a result of not meeting one or more of its obligations. However, MCST will provide a maximum of two notices indicating a rectification period of one month each.

# Interpretation of Rules

This document endeavours to establish comprehensive and clear 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 or will extrapolate the rules as necessary through the setting up of an ad hoc committee. These current Rules repeal any Rules previously issued and constitute exclusively the entire Rules issued by the Council.

1. In situations where the IP was assigned or licenced to the applicant of this programme from a public entity (including a public research and knowledge dissemination organisation), the Council maintains the right to ascertain that the transfer of the IP was compliant with Framework for State aid for research and development and innovation (2022/C 414/01) section 2.2.2. [↑](#footnote-ref-1)
2. The relevant appendices to the application should be completed by each partner. [↑](#footnote-ref-2)
3. Refer to Chapter 2 of the Commission Notice on “the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union” (2016/C 262/01) for further guidance. [↑](#footnote-ref-3)
4. 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 applicant is to confirm this judgement with MCST well in advance of submitting the application form [↑](#footnote-ref-4)
5. *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.* [↑](#footnote-ref-5)