**FUSION Research and Innovation:**

**Technology Development Programme LITE**

Rules for Participation 2024-26 - Option B **– *Non-State Aid***

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# Fusion

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 and; 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 Technology Development Programme Lite

The Technology Development Programme **Lite** is a national funding programme which supports the actual development of innovative projects proposed by public entities or industry players. The programme is designed to provide an expedited route for Maltese innovators to develop and demonstrate their novel technologies. This route to commercialisation will allow for new entrepreneurial ventures based on innovations in competitive industries. The programme focuses on a Technology Readiness level advancement of 4 through 7.

The Programme provides financial support for research, development and innovation, preferably within the SMART Specialisation Areas identified in Malta’s National Research and Innovation Strategic Plan 2023-2027. Projects falling in other areas will also be considered but preference will be given to the SMART Specialisation areas through the external evaluation procedure.

For more information about the Smart Specialisation Areas refer to the MCST website.

# Contacts

Applicants are **encouraged to seek the advice of the Council** in the preparation of the project application. 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.

For general enquiries kindly contact:

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# 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.

**Beneficiaries** refers to the entities that have submitted an application form to participate in this Programme, in accordance with the rules laid out in the Programme’s National Rules for Participation, which application was selected for funding.

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

**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 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.

**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.

**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.

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

**Project Coordinator** refers to a single beneficiary of a project that is appointed as the point of contact with the funding body and may represent whole consortium, where applicable, from proposal submission to project end. The Project Coordinator will have the responsibility of ensuring that all partners involved are eligible and supervises the project workflow with the help of WP leaders. Additionally, the Project Coordinator will be required to submit the project application on behalf of the consortium as the case may be and must also compile and submit reports/deliverables. May also be referred to as Principal Investigator.

**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 aimed at bringing about a significant improvement in existing products, processes or services, including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud technologies). Industrial research 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 including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as for example super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud or edge technologies). 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

# Eligibility

Any public legal entity or public research and knowledge dissemination organisation (as further outlined below in Section 11) which has the intention of being a Beneficiary in a project funded through the FUSION R&I Programme, is eligible for funding subject to the terms and conditions laid out in this document.

Public research and knowledge dissemination organisations or public entities, that do not carry out an economic activity within the meaning of Article 107 TFEU are eligible to participate in this Programme, but will only be eligible for funding under the Programme in respect of an activity which has not been previously funded and does not itself fall within the normal sphere of activity.

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

The term “defaulting” includes but is not limited to cases in which all parties participating in Council-funded projects have been deemed as being outside of the project stage timelines and have thus been or are in delay, and/or have not had technical deliverables, scientific and/or financial reporting and audits duly compiled and accepted by MCST for the said project.

# Application

The Call for Project Proposals will be open from 19th February 2024 to 10th April 2024 at 23:59pm. All project application submissions, which must reach MCST by the deadline, **must be dated and signed** physically or electronically by the applicant’s legal representative regardless of organisational lead times and other administrative obstacles. Applicants are encouraged to apply in good time as additions, amendments or submissions after the deadline will not be considered.

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. If any errors with the budget are noted the budget will be either considered as a major deviation or minor deviation[[1]](#footnote-1). 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 [rtdi.mcst@gov.mt](mailto:rtdi.mcst@gov.mt), keeping Mark Farrugia (mark.c.farrugia@gov.mt) and Mr. Stephen Borg (stephen.i.borg@gov.mt) in copy, with “Technology Development Programme LITE Application Submission” as a subject. Please be aware or email size limits, mass file transfer systems like WeTransfer are also acceptable.

All Submissions shall include:

* The filled-in **application form** in MS Word (.docx) format and a signed scanned copy (to be sent by email or on a pen drive)
* **Curricula Vitae** of key researchers including relevant track records.
* Non**-State Aid Declaration Form**
* **Additional Declarations** (related to Personal Data, Cumulation of Aid, Double Funding, Outstanding Recovery Order and Transparency Obligations)

It is possible that further clarification is requested regarding the constitution of the applying entity to ensure that is considered Public.

All received applications shall be acknowledged in writing or by email. **Incomplete applications at the close of the call will not be considered.**

# Programme Parameters

### Project Start Date and Duration

The project must start by **1st June, 2024** or as otherwise stated by MCST. The project should have a duration of **12 or 18 months**.

### Project Grant

The maximum possible funding for a project is €150,000.

### Deliverables

Deliverables are tangible outcomes of the project and must be submissible. They are utilized as an assessment of the technical competence of a project plan at application stage and as a commitment of progress during the project duration. They must be proposed between the start date and end date of the project. Deliverables not within the project timelines will not be considered. If the project is awarded, evidence should be submitted for each deliverable mentioned in the application form to ensure that it has been attained successfully.

It is an obligation 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.

**7.3.1 Mandatory Deliverables**

The **Mandatory Deliverables** are as follows:

• Publish at **least one article in local newspapers** or magazines including an acknowledgement to the Council. These should not contain intellectual property but should raise awareness about the project and its benefits. A copy of these should be presented to the Council within two weeks of publication. Additional publications may be considered.

• Report on project progress as per the list hereunder and in line with the templates provided:

o Hold a minimum of three meetings to verbally update MCST on progress via presentation (to be held at the beginning, halfway and end of project)

o End of Project Technical Report;

o End of Project Financial Audited Report

.

The reports are to include format of deliverables (Presentation; Report; Correspondence; Legal Agreement; Images; Event Agenda; Recording; Video; Database; Certificate; Manuscript; Other)

The number of volunteered deliverables should not exceed 12 in number.

The last version of a deliverable will be considered to be the concluded deliverable

Activities related to project set-up should not be considered as deliverables. These include:

 Personnel recruitment

 Procurement/lease of equipment

 Internal Meetings

### Recommended Deliverables

Further to the mandatory deliverables, MCST encourages the deliverables below.(not more than 12) MCST does not oblige such deliverables, however commitment of such recommended deliverables by the beneficiary at the application stage may enhance the strength of the application form. The recommended deliverables include:

* Research papers submitted to peer reviewed journals and/or conference papers, kindly specify if these will be open access or registered in any institutional repositories.
* The formation of any spin-off entities that are envisioned. Kindly highlight if these spin-offs will also be licenced any IP generated.
* Business and commercialisation related outcomes including a plan which establishes which goals and objectives must be achieved for the business to succeed.
* Applying or registration of any IP
* Additional project dissemination activities including but not limited to: fairs, workshops and events. Examples include: Science in the City, R&I cafes, Enterprise European Network events, project exhibitions and so on.

# Eligible Costs

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

**Eligible Costs:**

The eligible direct costs 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 contract 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)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Role in Project | Hourly rates (€/hr) 2024 | | Hourly rates (€/hr) 2025 | | Hourly rates (€/hr) 2026 | | Limits per project (persons) |
| min | max | min | max | min | max |
| Manager | NA | 52.41 | NA | 55.03 | NA | 57.78 | Max 4 per project |
| Senior Researcher[[2]](#footnote-2) or equivalent | 28.96 | 39.99 | 30.41 | 41.99 | 31.93 | 44.09 | Max 2 per project |
| Researcher[[3]](#footnote-3) or equivalent | 13.11 | 25.01 | 15.93 | 30.40 | 16.72 | 31.92 | No Limits |
| Operational, technician, research support assistant or equivalent | NA | 13.10 | NA | 15.92 | NA | 16.71 | No Limits |

The rates stated in the table are for the **year 2024-25**. For subsequent years a 5% increase per year is allowed. Kindly ensure that only hourly rates 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.

Personnel Costs related to Project Management are limited to 10% of the project value. Any project management which is not carried out by the beneficiary 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.

Students can be engaged on the project and paid an annual stipend of €6,000 when reading for a full-time Master’s degree or an annual stipend of €8,000 when reading for a full-time Doctoral degree. In cases where postgraduate degrees are read for on a part-time basis, these stipends may be prorated at the discretion of MCST. Students must be engaged through a Maltese academic entity. Where the applying entity is not a Maltese Academic Entity, reasonable supervisory fees are eligible under subcontracting.

**Note that for every engaged student, 1 full-time equivalent researcher must be employed by the beneficiary**.

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/lease of Specialised equipment including software. For costs 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 specify its usage/specs.
* **Scientific information:** Access to scientific information sources including databases and publications
* **Subcontracted Activities:** limited to 40% of the project value, provided that prior approval is attained from the Committee before subcontracting to ensure fair procurement procedures. The beneficiary remains responsible for the timely delivery of the subcontracted tasks. The beneficiary shall ensure that such a third party is selected in accordance with procurement guidelines in a fair, non-discriminatory manner.
* **Consumables:** Overall value of consumables cannot exceed 30% of project value.
* **Travel**: Travel is allowed with a maximum of €4,000 (excluding indirect costs) whichever is higher.
* **Overheads and Other Operating Expenses:** Overheads (also known as eligible indirect costs) and other operating expenses that are incurred directly as a result of the project, will be covered at 20% of direct eligible costs claimed.

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.

# 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
* 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
* Organising a conference
* Travel Costs
* Employee Overtime
* Patent renewal/maintenance fees

In the event a cost which is not clearly ineligible/eligible is to be proposed. Kindly contact the Council by adjudication.

# Aid Intensity

The Programme’s financial contribution to a beneficiary which falls under the definition of a Maltese Public Entity or Public research and knowledge dissemination organisation not carrying out an economic activity, shall be 100% of eligible costs, in accordance with option B of this programme.

# State Aid

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

Under these rules, the beneficiary must be a public research and knowledge dissemination organisation or another public entity, as defined in previous sections.

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[[4]](#footnote-4). Where applicable, applicants need to ensure adherence to Section 2.2 “Indirect State aid to undertakings through public funded research and 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 this Agreement.

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.

# Evaluation

Project applications will be evaluated through a three-step process. Firstly, projects will undergo an administrative evaluation to ensure compliance with these rules for participation. If successful, projects will be forwarded to three external evaluators for External Evaluation which will confirm that the proposal is a research proposal and form a ranking of all projects divided by the various sets of rules. The projects will be ranked alternating from the next highest ranked project from option A to Option B starting from Option A until the funds are consumed. For clarity, the order of awards will be as follows (subject to the availability of funds):

1. Top ranked project for option A
2. Top ranked project for option B
3. Second ranked project for option A
4. Second ranked project for option B

The pattern will continue until all funds or eligible project are exhausted.

**12.1: Evaluation Criteria**

Failure to achieve a minimum of **70% pass** from External Evaluation will lead to a rejection of the proposal. For a project to be successful it must pass from all three steps. Finally, a Due Diligence evaluation will be performed when necessary.

External Evaluators will be evaluating applications on the following criteria:

**Excellence (25%)**

* Are the proposal’s aims and objectives clear? Are they reasonable and ambitious within the context of this programme?
* Does the project go beyond the current, state of the art? Is the improvement between existing technologies and the proposed technologies clear?
* Will the proposed technology be novel on a local or global level? Does the innovation have potential to create or disrupt markets? Does the proposal fall within Malta’s smart specialisation areas?
* Does the proposal appear to be technologically and practically feasible in achieving the set-out objectives? Are there significant risks associated with the development which can impact the efficacy of the final project?

**Impact (50%)**

* Is the proposal compelling and would it result in an advancement in the current market?
* Does the proposal address National, European Union or Global Priorities? Has the proposal been able to characterise the influences and impacts that the project has on the end-users?
* Would the project be commercially viable? Have markets and end-users been identified? Has this led to a reasonable prediction of the expected performance and specifications of the technology based on user needs?
* Has the project’s impact on the entity been adequately described? Will the project improve operational efficiency or market resilience? Does the technology have significant scale-up potential?
* Is the proposal supported by an elementary feasibility study? Does the feasibility study include: a competitive analysis, primary market research, definition of unique selling points and identification and mitigation of critical risks?
* Has a plan for further development on the project and technology been devised? Have further iterations and the scope of these iterations been described as well as the ultimate impact on end users?
* Is the proposal accompanied by a comprehensive dissemination and externalisation plan which compliments commercialisation efforts?

**Implementation (25%)**

* Does the proposed project participant have the required skills and expertise to undertake the project successfully and deliver the set-out objectives?
* Is the ability to commercialise the project present within the applicant? If this is not the case, has this been mitigated and adequately addressed? Has a plausible route to protecting that novelty been proposed?
* Is the general scientific and technical approach proposed sound and credible? Are the tasks proposed appropriate for the timeframe allowed? Is the proposal coherent and effective in terms of the work plan, including appropriateness of the allocation of deliverables, tasks, and resources?
* Is the requested budget appropriate and convincing in relation to this proposal’s ambitions? Are the line items being requested pertinent within the project? Are they consistent with the current market price of those items?
* Have potential risks been described and will they be managed as such to ensure the best possible chances of success in the outcomes of the research?

**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 mandatory co-financing

**12.2: Quality Approved Process:**

Should a proposal score more that 80 marks yet not be granted 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.) continue as regular. Should the 3-month window elapse, the project will not be successful and will not be granted funding. Should multiple proposals be provided with a QPA and insufficient funds 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.

# Post Selection Process

Following the successful evaluation of the application, the beneficiary will be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. The Project Application including but not limited to milestones, compliance and reporting obligations shall constitute an integral part of the Grant Agreement as will the rules for participation. **Hard copies of the Grant Agreement must be signed within two (2) weeks from the date of receipt.** Failure to comply with the stipulated timeframe will result in a withdrawal of the offer for funding.

For this particular set of rules, the aid intensity may need to be determined with the support of the research type evaluation form. This form will assign each activity a specific budget and the research type to determine the aid intensity.

The project will start on a pre-determined date which shall be after the date of signature of this agreement by the Chief Executive Officer of the Malta Council for Science and Technology (Hereinafter the “Agreement Date”).

MCST will endeavour to transfer the first tranche of funding to the beneficiary’s Project account as soon as possible after the Agreement Date, as described in the Grant Agreement.

Between the Agreement Date and the Start Date, the beneficiary 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 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.

# Funding

The project will be considered to be a single stage of 12 or 18 months. The 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 Initial funding tranche will account for 80% of the grant value and will be disbursed at the start of the project. A retention tranche 20% being given in as after the successful completion of the project. The Council reserves the right to alter the retention percentage in to limit exposed risk, following a due diligence evaluation. Underspends identified in the end of project; financial audited report will be reduced from the retention tranche.

The beneficiary should keep a separate bank account or records, clearly distinguishable from its other accounting records. All relevant expenses must be recorded in these accounts.

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

# Audit

Following the termination of the project or expiry of the Grant Agreement, the beneficiary 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.

The Final Financial Report needs to be audited by certified auditors appointed by the beneficiary where the auditor is responsible for the financial audit and approved by the Council once submitted. The audit should determine the total eligible costs and compare these to funds stated in the Grant Agreement. The Council reserves the right to appoint an auditor to audit the Project Financial Audit as submitted. 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.

As soon as the verifications and audits are finalised and cleared The Council will release the retention money due to the beneficiary. In the case of overpayment, the beneficiary 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 Council reserves the right to conduct during or after the completion of the project focusing on the financial, management and technical progress of the project.

Templates for any mandatory reports will be provided with the grant agreement.

# Double Funding

Funding under this Programme is made available on the basis that the beneficiary 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 beneficiary 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, the beneficiary is automatically accepting and authorising the Council 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.

# Referencing and Acknowledgements

Any 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 Technology Development Programme LITE’.**

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.

In the case where printed material is published without a mention of the FUSION R&I Technology Programme LITE and the Council, the beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. In the case where such publicity does not mention the FUSION R&I Programme and the Council, associated costs will be considered ineligible.

# Supervening Circumstance

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.

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

### Deviations

Applicants should note that:

• Transfers of project funds between line items over the duration of the project that are cumulatively less than 20% of the grant value are automatically eligible provided that:

i. the limits mentioned in the Rules of Participation in Section 8 are adhered to

ii. expenses are exclusively used throughout the project lifetime to the sole benefit of the project

iii. 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 7.3.1.

Where applicable, the 20% transfer limit is set for the grant value of the respective partner.

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).

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 travel activities |

### Time Extension

As described above, a project should have a 12 months or 18 months maximum duration. There is no possibility of an extension.

### Default

If the implementation of a project becomes impossible or if the beneficiary fails to implement it, the Council 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, the Council will provide a maximum of two notices indicating a rectification period of one month each.

# Confidentiality of Submissions

Unless otherwise indicated, all project application submissions except for the name of the entity, project contacts, title of proposal and 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 the data subject’s request for aid under this Option of the Scheme is in line with:

i. The National Rules for Participation;

ii. Data Protection Act (CAP 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’.

# Interpretation

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. 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 [↑](#footnote-ref-1)
2. 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-2)
3. *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-3)
4. 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-4)