**Horizon Internationalisation Partnership Award Scheme (HIPAS)**

**Rules for Participation – State Aid**

**1.0 Introduction:**

The Malta Council for Science and Technology (MCST) is receiving proposals under the Horizon Internationalisation Partnership Award Scheme (HIPAS). The Scheme will support **Maltese** eligible undertakings (as defined below) intending to submit an Horizon Europe proposal, including proposal submission to Horizon 2020/Horizon Europe Partnerships in which Maltese Managing Authorities are partners (Clean Energy Transition Partnership - CETP, Sustainable Blue Economy Partnership - SBEP, Transforming Health and Care Systems Partnership - THCS, Partnership for Research and Innovation in the Mediterranean Area - PRIMA, Water4All, European Partnership on Innovative SMEs - Eurostars), as a **Coordinator** entity to engage a service provider (local or foreign) who will be supporting the applicant entity through proposal writing and submission.

The applicant entity needs to develop and submit a proposal by engaging the services of proposal writer/s or consulting services with a proven track record in proposal writing in Horizon Europe/H2020/FP7. Unless otherwise instructed by MCST, applicants will be expected to participate in related Horizon Europe/Partnerships events and trainings organised by MCST. In addition, applicants are required to set up regular meetings/consultations with the respective Horizon Europe National Contact Point and Partnership Call Managers.

The activities must be implemented within a maximum period of **one (1) year** from the date of the signed Grant Agreement, without the possibility of extension. Applicants under this scheme must keep in mind that service provider engagement and work on the proposal writing cannot start before the Grant Agreement is signed by the Council, as otherwise the costs will be rendered ineligible.

The Scheme will provide assistance to undertakings that carry out an economic activity within the meaning of Article 107 TFEU, and will be implemented in line with the terms and conditions of Commission Regulation EU 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023) (hereinafter referred to as the de minimis Regulation).

1. **Definitions**

* **Applicant** means any entity eligible to apply in terms of these Rules for Participation and who consequently applies for funding under this scheme.
* **Arm’s length** means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent enterprises and contain no element of collusion. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm’s length principle. Having family ties or a personal relationship between the service provider and the applicant will lead to a breach of the arm’s length principle.
* **Coordinator entity** is one of the beneficiaries of a project consortium that is appointed as the single point of contact between MCST and the consortium partners from proposal submission to project end. The coordinator entity 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, the Coordinator entity 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.
* **Council** refers to the Malta Council for Science and Technology.
* **Eligible undertakings** are all those entities that carry out an economic activity within the meaning of Article 107 TFEU and are eligible to apply as a Coordinator entity for the Horizon Europe programme and the relevant Partnerships listed for this Scheme.
* **Partner** is defined as a partner in a consortium of a project.
* **Single Undertaking** includes all enterprises having at least one of the following relationships with each other:

i. One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;

ii. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;

iii. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;

iv. One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders’ or members’ voting rights in that enterprise.

Enterprises having any of the relationships referred to in points (i) to (iv) above through one or more other enterprises shall be considered to be a single undertaking.

* **Undertaking** covers any entity engaged in an economic activity within the meaning of Article 107 TFEU, regardless of its legal status and the way in which it is financed.

**3.0 Eligibility Criteria**

The applicant must be an eligible undertaking (as defined in Section 2.0) that carries out an economic activity within the meaning of Article 107 TFEU.

Applicants who have other funded projects with the Council and are in default, and/or have gone beyond the timelines of the project, are not eligible to participate.

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

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

Eligible applicants are those entities who are considered eligible to be Coordinators of Horizon Europe/ Partnership proposal. Eligible applicants will be supported by a proposal writer/consultant and optional graphic designer.

Applications should be endorsed by the entity’s legal representative. Applicants already featuring on MCST’s non-compliance list will not be eligible to apply for this Awards Scheme.

**4.0 Financing**

Each applicant is invited to provide a breakdown of the anticipated costs to carry out the proposed activities as part of the application form. MCST reserves the right to negotiate any amount quoted by the applicant should this be considered as being over-estimated.

The amount of the Award available to any one successful applicant is capped at €6000 except for the following cases :

* For the MSCA Postdoctoral Call the grant is capped at €2500.
* Applicants that have already benefited from HIPAS/IPAS+ Part B for their first stage application that is part of a two-stage call and have been selected to submit the full proposal for the second stage, can request a top up grant of up to an additional €6000 to pay the consultant/proposal writer fees for the preparation of the full proposal.

**Eligible costs:**

* Proposal writer/s or consulting services fees;
* Graphic designer fees for improving the visual appearance of the proposal (graphs, charts, images, etc) of up to €500 as part of the total requested grant.

MCST will provide 100% reimbursement upon confirmation of proposal submission and confirmation of invoice and receipt by beneficiary (further details in Section 9). Eligible expenses are only those procured after the project starts (after the Grant Agreement is signed) and invoices and receipts cannot be related to activities before the Grant Agreement has been signed. The beneficiary must follow procurement regulations and the Council may request that the services were good value for money. eg. quotations, track record of selected service provider.

A conflict of interest (COI) exists if the proposal writer/s or consulting service:

* is involved in the preparation of the HIPAS application.
* is a Beneficiary in the Horizon Europe/Partnerships proposal to be submitted to the European Commission/Call Secretariats.
* stands to benefit directly if the proposal is positively evaluated. Providing market research information to the applicant will not be considered a COI.
* has a family / personal relationship with any person representing an applicant.
* is a director / trustee / partner of the applicant or involved in the management of the applicant’s entity or is an employee of the same entity.
* the costs incurred for the service provider do not meet the conditions outlined in the arm’s length principle.

If it emerges that the chosen proposal writer/s or consulting service has a conflict of interest as explained in the previous clause, the beneficiary cannot use their services and must choose a different consultant.

In cases of resubmissions (whenever the applicant has already used the HIPAS/IPAS+ Option B in previous calls and would like to apply again in order to resubmit the same proposal to the Commission),

- a different consultant should be chosen.

- The HIPAS application will be considered eligible only if the applicant has received higher score than the threshold after the Horizon Europe/Partnerships proposal was previously evaluated by the European Commission/Call Secretariats.

**Consumables and equipment cannot be funded under this Scheme. Expenses related to loans, interests and recoverable value added tax are also considered as ineligible costs.**

Award holders will be responsible for arranging all relevant activities. The Applicant should provide an estimated breakdown of the anticipated costs to carry out the project’s activities in the application form.

**No double funding** is permitted for the **same** activities carried out in HIPAS and in conjunction with other schemes.

Participants will be funded if the amount they request falls within the allowable quota for aid under the de minimis regime. The de minimis Regulation stipulates that a single undertaking cannot receive more than €300,000 in de minimis aid over 3 years, including de minimis aid from schemes offered by entities other than the Council. This period covers the year concerned as well as the previous two years.

Applicants will be required to submit a signed [*de minimis* declaration form](https://mcst.gov.mt/resource-page/).

**Additional Provisions**

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

• Any expenses incurred during the project must be consistent with the principles of economy, efficiency, and effectiveness.

• Commercial transactions between any applicants or consortium partners, or between any applicants or a consortium partner and a company with similar shareholding to a consortium partner, is not allowed. All transactions need to be carried out in line with the arm’s length principle outlined in Section 2.

**5.0 Submission of Application Form**

Interested Applicants are to submit their application form electronically to [horizon.malta@gov.mt](mailto:horizon.malta@gov.mt) keeping Lili Kankaya [lili.vasileva@gov.mt](mailto:lili.vasileva@gov.mt) in copy with “HIPAS - Application 2024” as a subject heading. The call will be open throughout the year with the following cut offs:

**•** 19th April 2024

• 19th July 2024

• 8th November 2024

The application must be dated and signed by the applicant and the legal representative. Incomplete applications will not be considered. Applications received after the cut off deadline will be considered and evaluated under the next cut off.

Submissions should include the following documents:

* The fully completed and signed ‘Horizon Internationalisation Partnership Award Scheme - 2024 Application Form’ provided by MCST that is associated with this call and includes the following:
  + proposed project idea (project’s brief) and pre-identified call topic.
  + list of pre-identified potential consortium partners (if already available).
  + Track record for each of the 3 consultancy/proposal writer companies, including at least 3 relevant *Horizon Europe/ Horizon 2020 /FP7 projects (for each company) that the service providers have supported in the past (preferably successful).* A profile of selected graphic designer company (if relevant) is also required.
  + company profile/track record of the applicant’s legal entity.
  + *de minimis* declaration form.

It is the responsibility of the applicant to ensure the timely and correct delivery of the application form to MCST. It should be noted that emails larger than **15MB** will be automatically rejected by the mail system. The applicant may make use of cloud storage.

**6.0 Selection Process**

Applications will be assessed by a selection panel set up by MCST against the following criteria:

* Excellence of the proposed project idea (project’s brief) and relevance to the pre-identified call topic.
* Proven track record of the proposed consultancy individuals/firms, including a list of other Horizon Europe/Horizon 2020/FP7 projects that have been supported in the past.
* Quality of the proposed consortium partners, makeup, distribution, diversity (academic, public, private), if applicable.

**7.0 Award Duration**

The deadline for completion of the projects/activities funded through the award is one (1) year from the date of the signed Grant Agreement, although projects may be completed at any point within the one (1) year time frame. Requests for extension of the award will not be considered. Any activities/deliverables related to the award cannot start before the Grant Agreement is signed by the Council and the applicant entity. Upon completion of the activities/projects (the Horizon Europe/Partnership proposal has been submitted), the applicant is to submit a final report within 60 days according to a standard template developed by MCST. The final report will need to be accompanied by all relevant documentation, including receipts demonstrating how the award was spent. MCST retains the right to audit the financial documentation and to request further proof of expenditure of the award.

Any requests for change of use of the award should be addressed in writing to the Council at [horizon.malta@gov.mt](mailto:horizon.malta@gov.mt) and justify the change being requested (eg change of proposal acronym, change of call/topic where the proposal will be submitted).. Such request needs to receive consent from MCST prior to being effected. Applicants are reminded of the importance of retaining all documents proving expenditure of the awarded funds for submission with the final report.

If the implementation of a project becomes impossible, the applicant is to inform MCST as soon as possible.

**8.0 Correspondence**

Successful applicants will be required to inform the Council at [horizon.malta@gov.mt](mailto:horizon.malta@gov.mt) regularly of any direct or indirect outputs resulting from this award during and beyond the lifetime of the award.

Reference to this award should be made on any publication, marketing or PR material that is generated in relation to the project or activity undertaken.

**9.0 Final Reporting**

Successful applicants are also required to submit a final report on the activities undertaken to the Council within 60 days from the date of completion of the activities (once the Horizon Europe/Partnership proposal has been submitted) funded by the Award. MCST reserves the right to take any necessary legal action should such reporting not be submitted.

**Required documents as final report:**

The reimbursement will be issued on the provision of the following:

1. Final Report
2. Invoices and receipts related to Proposal Writer and Graphical Designer Fees
3. Proof of successful submission of a proposal through the Horizon Europe/Partnerships online submission platform.
4. Proof of successful submission of a complete national application form to the Maltese Managing Authorities by the imposed deadline (if applicable, eg. not applicable for Horizon Europe Calls).

**10.0 State aid Rules**

Assistance provided under these Rules for Participation is in line with the terms and conditions of Commission Regulation EU 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L, 2023/2831, 15.12.2023) (hereinafter referred to as the de minimis Regulation (link below)).

The de minimis Regulation stipulates that a single undertaking cannot receive more than €300,000 in de minimis aid over 3 years, including de minimis aid from schemes offered by entities other than the Council. This period covers the year concerned as well as the previous two years.

Any de minimis aid received more than the established threshold will have to be recovered, with interest from the undertaking receiving the aid.

Assistance approved under this aid scheme is NOT:

i. Aid granted to undertakings active in the primary production of fishery and aquaculture products.

ii. Aid granted to undertakings active in the processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market.

iii. Aid granted to undertakings active in the primary production of agricultural products.

iv. Aid granted to undertakings active in the processing and marketing of agricultural products, in one of the following cases:

1. Where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
2. Where the aid is conditional on being partly or entirely passed on to primary producers.

v. Aid granted to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, the establishment and operation of a distribution network or other current expenditure linked to the export activity.

vi. Aid contingent upon the use of domestic good and services over imported goods and services.

Where an undertaking is active in the sectors referred to in points (i), (ii), (iii) or (iv) above, and is also active in one or more of the other sectors falling within the scope of the de minimis Regulation or has other activities falling within the scope of the de minimis Regulation, the de minimis Regulation shall apply to aid granted in respect of the latter sectors or activities, provided that the Council ensures, by relying on appropriate means such as separation of activities or separation of accounts, that the activities in the sectors excluded from the scope of this Regulation do not benefit from the de minimis aid granted in accordance with this Regulation.

The rules on cumulation of aid as outlined in Article 5 of the de minimis Regulation (link below) will be respected.

In line with Article 6(1) of the de minimis Regulation, as of 1 January 2026, information on de minimis aid granted under this scheme shall be made publicly available in the central register at national or Union Level.

MCST shall retain the following records:

-• the identification of the beneficiary,

-• the aid amount,

-• the granting date,

-• the aid instrument, and

-• the sector involved on the basis of the statistical classification of economic activities in the Union (‘NACE classification’).

More information on the de minimis regulation can be found on the following link: <https://eur-lex.europa.eu/eli/reg/2023/2831>

**11.0 Interpretation of the Rules**

This document endeavours to establish comprehensive and unambiguous rules governing participation in this initiative. However, should circumstances arise where the rules are inadequate, unclear, ambiguous, or conflicting, the Council shall exercise its discretion in the interpretation of the rules through the setting up of an ad hoc committee.

**12.0 Confidentiality of Submissions**

Unless otherwise indicated, all application submissions shall be treated in strict confidence.

The data collected by the Council via the application for the aid and its subsequent processing by the Council to evaluate data subject’s request for aid under the Scheme is in line with:

1. The Rules for Participation;
2. COMMISSION REGULATION (EU) *2023/2831 of 13 December 2023* on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (the de minimis Regulation);
3. 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).
4. 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’.

**13.0 Further Information**

For further information on the Horizon Internationalisation Partnership Award Scheme Plus (HIPAS) kindly contact Mrs Lili Kankaya as per details below:

Mrs Lili Kankaya

Senior Executive

Framework Programme Unit

The Malta Council for Science and Technology

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Email: [lili.vasileva@gov.mt](mailto:lili.vasileva@gov.mt)