

# R&I Thematic Programmes

## Digital Technologies Programme

Rules for Participation 2024 - 2026

**Rules for State Aid (*Option A*)**



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## 1 Introduction

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The R&I Thematic Programmes aim to financially support innovative projects through specific, top-down initiatives with the support of Maltese Public Entities and Authorities. These thematic initiatives are supported through national funds managed by the Malta Council for Science and Technology (MCST).

The aim of these thematic initiatives is to improve the R&I landscape in Malta, by producing a cohesive system by which Maltese researchers and entrepreneurs may develop their innovative ideas in a comprehensive, well-adapted environment which caters specifically for their sector. With these requirements in mind, an adaptive system can only be developed with the collaboration of Maltese public entities, authorities and agencies who boast a deep technical understanding of specific sectors within their remit.

These collaborative initiatives will allow Maltese researchers to benefit from the synergy between the technical abilities of these Maltese Public Entities and Authorities, and the R&I experience and networking capabilities of the MCST.

The main objectives of the R&I Thematic Programmes are:

- To develop a cohesive R&I landscape in Malta
- To create dedicated, sector specific support
- To engage with the Maltese R&I community
- To concentrate the efforts of Maltese researchers and entrepreneurs into addressing topics of national interest

The R&I Thematic Programmes are aimed to address immediate concerns of national interest.

## 2 The Digital Technologies Programme

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### 2.1 Programme Scope and Focus

After a succession of consultations, and the signing of a Memorandum of Understanding between MCST and the Malta Digital Innovation Authority (MDIA), several avenues for collaboration were identified, including a dedicated thematic programme for the digital domain.

The Digital Technologies Programme aims to support capacity-building efforts related to:



- Artificial Intelligence
- Digital Trust
- Knowledge and Data Representation and Analysis
- Technology for Sustainability and ESG
- Quantum Computing and Other Emerging Technologies

It aims to move towards safer and more trustworthy development, adoption and use of digital technologies.

The Digital Technologies Programme is intended to fund projects which are either early stage or applied research, hence targeting research between TRL 1 and TRL 7.

The following table summarises the different Priority Areas and Subareas for Research in Digital Technologies related to this Programme, where R&I have potential to develop in Malta. Kindly refer to Appendix 2 for more detail:

Priority Areas	Artificial Intelligence	Digital Trust	Knowledge and Data Representation and Analysis	Technology for Sustainability and Environmental, Social, and Governance (ESG)	Quantum Computing and Other Emerging Technologies
Subareas	Generative AI Multimodal AI Explainable AI	Digital Identity Cybersecurity Cyber Resilience Dependable Computing Regulatory Science	Knowledge Graphs Data Analysis	Sustainable Cloud AI for Sustainability Edge Computing	Quantum Communication Other emerging technologies (e.g., <i>Neuromorphic Computing, Applications related to Personalised Medicine and Augmented-Connected Workforce</i> )



## 2.2 Contacts

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## 3 Definitions

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**Applicant** means anyone eligible for participation in a Project in terms of these Rules for Participation and who consequently applies for funding under this Programme.

**Beneficiary** refers to the applicant whose project has been awarded and hence will be receiving funding.

**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.

**Council** refers to the Malta Council for Science and Technology, on behalf of the Foundation 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 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.

**Eligible undertakings** are defined as undertakings planning to carry out research and innovation activities that are eligible to apply for assistance under this scheme. In order to be eligible, applicants must additionally satisfy the following criteria.

They must be either: a) a partnership constituted under the Companies Act, being a partnership *en nom collectif*, or *en commandite*; or b) duly registered as a co-operative society under the Co-Operative Societies Act; or c) a limited liability company; or d) professional body; or e) NGOs; or f) Non-profit making entities (including Foundations).

**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)** means statutory and other proprietary rights and includes patents, trademarks, designs, and confidential information/trade secrets, copyright.

**Large Enterprises** means undertakings not fulfilling the criteria laid down in Annex I of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended.

**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.





**NGO** means any Voluntary or Non-Governmental Organisation set up in accordance with The Voluntary Organisations Act (Cap. 492 of the Laws of Malta). Provided that a registered NGO, or a Professional Body are as defined in this Section, then they are also considered as forming part of this definition.

**'Non-profit making'** is an entity where (a) the statute of the entity contains an express exclusion of the purpose to make profits; and (b) there is express provision in the statute defining the purposes of the entity which do not include the promotion of private interests, other than a private interest which is a social purpose; and (c) no part of the income, capital or property is available directly or indirectly to any promoter, founder, member, administrator, donor or any other private interest. Provided that if a promoter, founder, member, administrator or donor is another enrolled non-profit making organisation, the limitation in paragraph (c) shall not apply provided the availability of such income, capital or property is subject to conditions which are consistent with the general purposes of the grantor entity: Provided further that an organisation shall continue to be deemed as non-profit making notwithstanding that: (i) it obtains a pecuniary gain from its activities when such gain is not received or credited to its members but is exclusively utilised for its established purposes; (ii) it buys or sells or otherwise deals in goods or services where such activities are exclusively related to its principal purposes; (iii) it is established for the general entertainment, pastime, education or other similar benefit only of its members; or (iv) it is established for the promotion of the social role, ethics, education and values of a trade or profession provided it does not promote the private interests of its members.

**Operating base in Malta** means if the legal entity a) owns, leases, or has been given the right of use by a third party, adequate premises from where to conduct an eligible economic activity in the region of Malta; and b) employs at least one (1) person that is based in Malta and is liable to pay income tax in Malta.

**Partner** is defined as a partner in a consortium of a funded project.

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

**Professional Body** may be an organisation, an association, a chamber, society, institute or a group of professional persons not being enrolled or registered in terms of The Voluntary Organisations Act (Cap. 492 of the Laws of Malta), or not being otherwise recognised in terms of Law, and which is generally recognised and acknowledged by the professional persons it seeks to represent as their representative Body. For the purposes of this Definition, a professional person is one who has undergone a period of study at a university or a recognised institution of higher learning and has obtained the formal qualification entitling such person to practice the respective profession; and who provides a specialised service to the

public, based primarily on a fiduciary relationship between herself/himself and the party to whom s/he provides such service on his own personal capacity and responsibility.

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

The Project Contact Point shall be responsible to ensure compliance with the obligations in terms of the Grant Agreement, to compile periodic reports and final reports including their timely submissions and effective execution of the project, to ensure the submission of all required financial reporting as per the contractual obligations for the partner and to execute the project activities according to set timeframes and deliverables.

**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.

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

**Project Period** is the period allocated for the execution of the Project, and as indicated by the applicant. For the purposes of the Thematic Programme, this period is of **twenty-four (24)** months.

**Project Value** is the project grant in its entirety, including any co-financing.

**Research and Development** is defined as the systematic investigation, work or research carried out in any field of science or technology through experiment, theoretical work or analysis undertaken in order to acquire new knowledge, primarily directed towards a specific practical aim or objective, and includes:

- a) **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

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 encompass, 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 organization** means an entity (such as university or research institute, technology transfer agency, innovation intermediary, research-oriented physical or virtual collaborative entity), 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.

**Single Undertaking** includes all enterprises having at least one of the following relationships with one another:

- 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 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.

**Small and Medium-sized Enterprise (SME)** is an undertaking which fulfils the criteria laid down in Annex I of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended.

**Start of Works** means the earlier of either the start of construction works relating to the investment, or the first legally binding commitment to order equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works. For take-overs, 'start of works' means the moment of acquiring the assets directly linked to the acquired establishment.

**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), and 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.

**Undertaking in Difficulty** means an undertaking in respect of which at least one of the following circumstances occurs:

- (a) In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the



case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a company where at least some members have unlimited liability for the debt of the company' refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

1. the undertaking's book debt to equity ratio has been greater than 7.5 and
2. the undertaking's EBITDA interest coverage ratio has been below 1.0.

**Wide Dissemination** is a criteria stipulated by GBER Commission Regulation (EU) No 651/ 2014, as amended. For the purposes of this scheme, the results of the project are deemed to be widely disseminated if this is done through conferences, publication, open access repositories, or free or open source software.

## **4 Eligibility Criteria and Applications**

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This section provides details on applicant eligibility that fit within this programme.



These Rules for Participation are exclusively applicable to undertakings **that carry out an economic activity within the meaning of Article 107 TFEU**. 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.

Any **eligible undertaking**, with an operating base in Malta, as defined in Section 3, may apply and will be eligible for funding subject to the terms and conditions laid out in this document and in particular the conditions for eligibility. Applicants who fall within the definition of eligible undertaking, will be required to provide the following documents (to be included with the application form) which will then be considered during the administrative check:

- Management accounts, including detailed profit and loss, as well as balance sheet, for the current year.

If the Applicant is a start-up and the above documents are not available, the Applicant shall provide the financial projections for three (3) years signed by an auditor, including:

- An income statement
- A cash flow statement
- A statement of financial position

Other forms of documentation can be requested depending on the nature of the eligible undertaking.

Applicants, who fall within the definitions of professional bodies and NGOs, will still be required to provide relevant financial documents as well as, including but not limited to, an authenticated constitutional document (e.g. Statute/ Deed) and VO certificates.

All applications should be accompanied by the relevant declarations duly completed within the Appendices of the Application Form.

**Given the aims of the Digital Technologies Programme, it is integral that any proposal that will be considered for funding implements a scientific basis and highlights the research methodology to be conducted.**

#### 4.1 Eligibility for Participation

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



the applicant is outside approved project timelines on other projects funded by MCST, and where the applicant is in recognised default.

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

Funding under this Programme is made available on the basis that none of the project partners have benefited and will not benefit from any other grant or financial incentive of whatever nature, applied for and/or utilised for the same scope as that subject of the funding requested under this 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.

Applicants under the State Aid (*Option A*) regime must understand that, should they be found to be in breach of the conditions of the applicable State Aid Regulation, 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 the project or activity.

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

## 5 Consortium

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### 5.1 Composition

A project application may be submitted by a Consortium, consisting of two or more Maltese Legal Entities. It is permissible for a consortium to consist of one or more Partners applying under these State Aid (*Option A*) Rules for Participation, and one or more Partners applying under the non-state aid (*Option B*) Rules for Participation.

One of the Partners should be designated as the Lead Partner and as the Project Coordinator. The Lead Partner will be responsible for the application submission of

the R&I project, the appointment of a project contact point and the correct execution of the project. Any person may only be involved with one project partner (Refer to 5.3).

In the case of a Consortium, the project proposal must be submitted by the Lead Partner, with prior endorsement and signature of the application by the legal representative of each Partner. Should the endorsement be absent, a delegated authority should be sought and achieved. The role of the Project Contact Point shall be performed by a physical person who is an employee of the Lead Partner.

A Consortium Partner wishing to withdraw from a 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 Digital Technologies Project in its entirety. All Project partners would still be obliged to provide all 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 manner;
- ✓ To act as the main point of contact between MCST and the project Partners;

## 5.2 Lead Partner

In the case of a consortium, the **Project Coordinator** (lead partner) must ensure that the consortium 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. A **Project Contact Point** has to be appointed.

### 5.3 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, which are the foremost aims of the Digital Technologies Programme.

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:

- a) 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.
- b) 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:

- a) 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.
- b) 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.

## 6 Applicable State Aid Regulations and Obligations

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Applicants may opt for one of two funding modalities governed by the following two State aid Regulations:

- The *de minimis* Regulation (*Regulation A*);
- The General Block Exemption Regulation (GBER) (*Regulation B*)

### 6.1 Undertakings applying under *de minimis* (Regulation A)

Assistance provided under Regulation A of these National Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) 2023/2831 of 13 December 2023<sup>1</sup> 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)

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. The three-year period is assessed on a rolling basis.

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

This Regulation applies to aid granted to undertakings in all sectors, with the exception of:

- aid granted to undertakings active in the primary production of fishery and aquaculture products;
- 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;
- aid granted to undertakings active in the primary production of agricultural products;

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<sup>1</sup> More information available here: <https://eur-lex.europa.eu/eli/reg/2023/2831>



- (d) aid granted to undertakings active in the processing and marketing of agricultural products, in one of the following cases:
- (i) 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;
  - (ii) where the aid is conditional on being partly or entirely passed on to primary producers;
- (e) 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;
- (f) aid contingent upon the use of domestic goods and services over imported goods and services.

Where an undertaking is active in the sectors referred to in points (a), (b), (c) or (d) above, 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 will be respected.

Applicants will be required to submit a signed *de minimis* declaration indicating any *de minimis* aid received and/or applied for during the applicable three-year period.

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').

## 6.2 Undertakings applying under GBER (Regulation B)

Assistance provided under Regulation B of these National Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and by Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty (the General Block Exemption Regulation, GBER) [*link below*].

Assistance will not be granted if the aid is:

- related to export activities towards third countries or Member States, namely aid directly linked to quantities exported, to the establishment and operation of a distribution network or to the other current expenditure linked to export activity.
- contingent upon the use of domestic in preference to imported goods.
- granted in the sector of processing and marketing of agricultural products, in the following cases:
  - 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.

- b. where the aid is conditional on being partly or entirely passed on to primary producers.
- iv. granted in favour of a beneficiary which is subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market.
- v. granted in favour of an undertaking in difficulty defined in terms of the GBER, unless the undertaking was not in difficulty on 31 December 2019 but then became an 'undertaking in difficulty' in the period from 1 January 2020 to 31 December 2021.

Aid approved by the Council in terms of these National Rules for Participation will be suspended until the undertaking has reimbursed unlawful and incompatible aid that is subject to a recovery.

Rules on cumulation of aid shall be in line with Article 8 of the GBER *[link below]*.

In determining whether the notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the aided activity or project or undertaking shall be considered.

Where EU funding centrally managed by the institutions, agencies, joint undertakings or other bodies of the EU that is not directly or indirectly under the control of the Member State is combined with State aid, only the latter shall be considered for determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the most favourable funding rate laid down in the applicable rules of Union law.

Aid granted under this incentive may only be cumulated with:

- a) any other State aid, if those measure concern different identifiable eligible costs,
- b) any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not exceed the highest aid intensity or aid amount applicable to the aid under GBER.

Aid awarded under this regulation of these National Rules for Participation shall not be cumulated with any *de minimis* aid in respect of the same eligible costs if such cumulation would result in an aid intensity exceeding those laid down in the GBER.

For any individual aid awarded in excess of €100,000 (or for beneficiaries active in primary agricultural production or in the fishery and aquaculture sector, each individual aid award exceeding €10,000), the details of the beneficiary, the aid awarded, and the



project details shall be published as provided for in Article 9 of the General Block Exemption Regulation.

More information on the GBER can be found on the following links: [Commission Regulation \(EU\) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty as amended by Commission Regulation \(EU\) No 2017/1084 of 14 June 2017 amending Regulation \(EU\) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation \(EU\) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation \(EU\) 2020/972 of 2 July 2020 amending Regulation \(EU\) No 1407/2013 as regards its prolongation and amending Regulation \(EU\) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation \(EU\) 2021/1237 of 23 July 2021 amending Regulation \(EU\) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, by Commission Regulation \(EU\) 2023/1315 of 23 June 2023 amending Regulation \(EU\) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation \(EU\) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, and as may be subsequently amended.](#)

The following declarations will need to be included with the application form:

1. Undertaking in Difficulty form
2. Enterprise Size Declaration form
3. Declaration of Effective Collaboration/ Wide Dissemination/Licence Availability

## 7 The Application Process

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The Call for Project Proposals will be open for **eight weeks** between **8<sup>th</sup> April, 2024 to 23:59PM on the 5<sup>th</sup> June, 2024**. **Proposals which are received after the deadline stipulated 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 Sections 4, 5 and 6.



## 7.1 Application Submission

The Digital Technologies Programme project 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 must ensure complete compliance with the 'Rules for Participation 2024' prior to submission as no amendment or negotiation thereto will be allowed after submission.**

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

The legal representative of each participating organisation (within a consortium) must sign off on the application, physically or electronically, and enter the date of signature. The legal representative of each participating organisation within a consortium must also sign off all relevant declarations found within the Appendices of the Application Form.

All applications shall be evaluated according to the procedure outlined under Section 11 of these Rules for Participation. The application process is a **single stage** process. This means that once an application has been submitted, modifications thereto will not be allowed. Moreover, requests made by the applicant to allow negotiations on the content of the proposals, after submission will be rejected.

In instances where errors in the budget are noted during the evaluation process, these will be categorised by the Council into major deviations (**affecting 10% or over of the grant value**) or minor deviations (**affecting less than 10% of the grant value**) e.g., if the grant value requested is €200,000, any errors in the budget exceeding €20,000, would be considered as a major deviation. Minor deviations will be amended by the Council and evaluated on that basis. Should the cumulative value of all minor deviations at any point exceed the threshold for a major deviation this will be considered as a major deviation. The beneficiary will be given the opportunity to accept or decline proceeding with the project if awarded. On the other hand, major deviations will be considered as administratively non-compliant.

In cases, where deviations from the mandatory deliverables or budgets detailed herein are required, applicants should be guided by the necessary section below. **The content of the Application Form will be directly appended to the Grant Agreements for successful applicants and will constitute the Grant Agreement technical obligations.**

Any text within the submitted application, which are more than the prescribed maximum word count and/or page limits, shall be **disregarded in the scientific evaluation process.**

Application Forms should be sent electronically to [ri.mcst@gov.mt](mailto:ri.mcst@gov.mt) keeping Ms. Abigail Aquilina ([abigail.aquilina@gov.mt](mailto:abigail.aquilina@gov.mt)) in copy, with “Digital Technologies Programme Application Submission – [Project Acronym]” as a subject.

Contact Information:

Ms. Abigail Aquilina  
Senior Executive (R&I Unit)  
Email: [abigail.aquilina@gov.mt](mailto:abigail.aquilina@gov.mt)  
Tel: +356 2360 2241

For escalated enquiries kindly contact:

Mr. Stephen Borg  
Deputy Director (R&I Unit)  
Email: [stephen.i.borg@gov.mt](mailto:stephen.i.borg@gov.mt)  
Tel: +356 23602208

**In both cases, it is the responsibility of the applicant to ensure that a confirmation of receipt is provided.**

All Submissions must include:

- ✓ The application form in MS Word (.docx) format and a signed scanned copy (to be sent by email) including:
  - A precise plan of project activities, timeframes, and deliverables, including a visual representation through a Gantt Chart
  - A precise indication of project costs, including a separate excel spreadsheet



- A detailed plan of how Beneficiary's knowledge and, where applicable subcontractors or co-collaborators, will be used to perform the project tasks and to achieve the project objectives (At this stage, if subcontractors have not been identified, one should mention the tasks that will be passed on and the expertise required.)
- ✓ **Curricula Vitae** of key researchers including relevant track records. These should clearly establish that there is the potential in carrying out the project.
- ✓ An **IP agreement** signed by all Project Partners (*in the case of consortia*)
- ✓ **Additional Declarations** by all Project Partners
- ✓ **Management Accounts**, including detailed profit and loss, as well as balance sheet, for the current year.
- ✓ In the event that the applicant is a start-up, and the above documents are not available, the applicant shall provide the **financial projections for three (3) years** signed by an independent certified public accountant, including:
  - An income statement,
  - A cash flow statement, and
  - A statement of financial position
- ✓ Where *de minimis* is the selected route of aid, the **signed de minimis State Aid Declaration Form** (*kindly note that an updated State Aid Declaration form is to be submitted upon the signing of the Grant Agreement should the project be selected for funding*).
- ✓ Signed **Indirect State Aid Declaration Form** in the case of consortia between a public and a private entity.
- ✓ Where GBER is the selected route of aid:
  - **Entity Size Declaration Form**
  - **Undertaking in Difficulty Form**
  - **Effective Collaboration/ Wide Dissemination/Licence Availability Declaration Form**

**Amendments to the forms are not permitted following the submission deadline of the application and the consensus result would be final.**

The additional documentation to be submitted for this call can be found on the MCST resource page here: <https://mcst.gov.mt/resource-page/>



Undertakings applying under these Rules for Participation will also be subjected to a Due Diligence evaluation which will make use of the documents submitted as well as documents within public record.

It should be noted that large email may be automatically rejected by the system. The applicant may make use of cloud storage or mass file transfer systems (e.g., wetransfer). It is the responsibility of the applicant to ensure that application documents are sent out successfully. All received applications shall be acknowledged by email. **Proposals which are received after the deadline stipulated of the call will not be considered and will be deemed administratively non-compliant.**

## 7.2 Considerations at Application Stage

### 7.2.1 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 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 apply. **All project application submissions which must reach MCST by not later than 23:59pm (CET) on the day of the deadline, must be dated and signed by the Lead Partner's legal representative.**

**In the case of consortia, signatures of the legal representatives of each respective participating organisation are required.**

### 7.2.2 Assistance with Applications

Prospective Project Applicants are encouraged to seek the advice of MCST 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 MCST's and MDIA's guidance through proposal-specific one-to-one sessions to ensure that the single-stage application documentation is complete and effective, as once submitted, it cannot be edited.**



## 8 Confidentiality of Submissions

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

- i. The National Rules for Participation;
- ii. Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and by Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty (for projects implemented in line with Regulation B of these National Rules for Participation).
- iii. 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), for projects implemented in line with Regulation A of these National Rules for Participation.

- iv. 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).
- v. 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.

## 9 Programme Parameters

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MCST, in collaboration with MDIA, reserve the right to carry out financial and/or technical audits at their discretion, at any time during the duration of the project to ensure that Programme Parameters, as per contractual obligations are being observed.

### 9.1 Project Start Date and Duration

The project must start by at least **1<sup>st</sup> October, 2024** or as otherwise stated by the MCST. The possible project duration is **24 months, without the possibility of an extension.**

### 9.2 Project Grant

The maximum possible grant value for a project is €200,000.

### 9.3 Deliverables

**Deliverables are tangible outcomes of the project** and must be **submittible** (such as technical reports, presentations, articles, video recordings, conference papers, journal articles etc...) These deliverables must be carried out between the start date and end date of the project. Deliverables not planned within the project timelines will not be considered. If the project is awarded, 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.

Kindly note that:

- The content of each deliverable should be proportionate to the research efforts carried out to obtain such results.
- A log should be maintained on the file storage system, to highlight when there are new files which have been added, removed and/or modified as necessary.
- All submitted deliverables should still be held on the file storage system until the successful closure of the project, and disbursement of retention tranche if applicable.

### 9.3.1 Mandatory Deliverables

The Beneficiary must:

- ✓ Report on project progress as per the list hereunder and in line with the templates provided:
  - Hold an **onboarding meeting with MDIA**, to determine whether an application has to be submitted for the Technology Assurance Sandbox (TAS) or the Technology Assessment Recognition Framework (TARF), or an exemption if not applicable. This includes delivering a **post-meeting feedback report**, highlighting the way forward.
  - At least one article in public media (e.g., local newspapers or magazines) to raise public awareness, **including an acknowledgement to the Council and MDIA**. A copy should be presented to MCST within two weeks of publication. *These should not contain intellectual property but should raise awareness about the project and its benefits.*
  - Actively participate and be involved in the **organisation of research conferences/ events held by MCST/ MDIA**, to disseminate the project results and the experience of obtaining funding. A budget of €5,000, will

be deducted from the project grant (*from the other operating expenses*) for the beneficiary's participation in such conferences organised by MCST.

- Report on project progress through reports and meetings, and in line with the templates provided by the Council:
  - Hold a project **progress meeting** to verbally update the Council every six (6) months, including a kick-off meeting at the start of the project. Progress meetings include delivering a presentation (Kindly note, that the contracting authority may, at its own discretion, request additional meetings if required).
  - **Interim Technical and Financial Reports** (Mid-way through the project)
  - End of **Project Technical Report**.
  - End of **Project Audited Financial Report**, together with the Audit Check List and Inventory List.

The Reports must include sufficient evidence on the achievement of the project objectives, as well as the parameters indicated in the application, and they must be provided in accordance with the templates presented to the Project Coordinator by the MCST.

The Project Technical Report must be submitted prior to the termination of the project within which it is due.

The Project Audited Financial Report must be submitted within two months from the completion of the project to account for lead time and payroll in the lifetime of the project.

Any changes to the project objectives, work-packages or any other parameter committed to in the application, are to be communicated in writing with clear justification to the MCST prior to the deadline. The written request will be referred to the Unit Director for approval.

Acceptance or otherwise of any changes shall be at the sole discretion of the MCST and MDIA, and the decision shall be binding, final and irrevocable. Any other communication shall not be considered valid or binding.



### 9.3.2 Recommended Deliverables

Further to the mandatory deliverables, the MCST recommends that additional deliverables are included. The proposed recommended deliverables **should not exceed ten (10)**. Although the deliverables cited below are not mandatory, if the applicant includes such recommended deliverables at the proposal stage, this enhances the strength of the application form. The recommended deliverables may include:

- ✓ A strategic plan to assess the research after its conclusion, how to further exploit and develop the results.
- ✓ The attainment of any certification, degrees or IP generation.
- ✓ Reports after the conclusion of testing, to highlight the generation of new knowledge.
- ✓ Dissemination activities, including but not limited to social media content creation, articles in local newspapers, presentations in conferences, publications (preferably in open access journals), project exhibitions etc.

Any activities which are related to project set-up shall not be considered as acceptable deliverables. These include:

- Recruitment of personnel
- Procurement of equipment
- Internal meetings between the research team/ with collaborators.

Kindly note that the list of examples given above are not exhaustive.

Moreover, in the case of deliverables that will be submitted periodically during the project lifetime (e.g., progress reports, reports on IP generation etc.), only the final version (collating all the information), will be considered as the deliverable.

In the case of publications, these should take place during the duration of the project, and where available and possible, deposited in the entity's repository, including an acknowledgement to MCST and MDIA. In cases where open access-fees were budgeted for, it is the responsibility of the beneficiary to account for the time it would take for the invoicing and payment of that fee.

Provided further that if the Beneficiary claims that such an attempt to publish a research paper will have been unsuccessful, the Beneficiary must prove to the satisfaction of the Managing Authority/s and through the submission of sufficient and adequate documentary evidence that such an attempt to publish a research paper in terms of the requirements of this clause was in fact made. Sufficient and adequate documentary evidence includes: evidence that the paper was actually submitted for



publication, and documentary evidence that the paper was rejected for publication. If the Managing Authority is satisfied with the evidence provided, then the Beneficiary will not be held in breach of this particular obligation.

**A copy of all publications and proposed deliverables must be presented to MCST before any retention is disbursed.**

The format of deliverables to be submitted must be included at application stage. Deliverables may take the form of presentations, reports, correspondence, legal agreements, images, event agendas, audio and video recordings, databases, certificates or manuscripts).

The MCST appreciates that the fulfilment of the recommended deliverables may be dependent on external factors. The Beneficiary is expected to take these deliverables into consideration when submitting their application form. **Although these deliverables are non-compulsory, if listed as committed deliverables at application stage, they must be adhered to.**

## 10 Eligible Costs

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Eligible direct costs are those costs incurred directly by the applicant during the lifetime of the project, and which are primarily used 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.

The **Eligible Direct Costs** are:

- Personnel Costs

There are no limitations posed with regards to the number of employees involved in a single project. Furthermore, both new and existing personnel shall be eligible for funding.

Management costs are limited to **10% 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 25% maximum referred to in the subcontracting costs.

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

$$€ z = (\text{gross basic salary} + \text{allowances}) / \text{yearly weekday hours}$$



Eligible salaries are pinned to the hourly rates in the Table below (including Employer National Insurance and other contributions) and personnel limits per project:

Role in Project	Maximum Hourly rates 2024	Maximum Hourly rates 2025	Maximum Hourly rates 2026	Limits per project
Management	up to €55.13/hour	up to €57.89/hour	up to €60.78/hour	Max 2 per project
Senior Researcher <sup>2</sup> or equivalent	up to €38.86/hour	up to €40.80/hour	up to €42.84/hour	No Limits
Researcher <sup>3</sup> or equivalent	up to €27.84/hour	up to €29.23/hour	up to €30.69/hour	No Limits
Operational, technician, research support assistant or equivalent	up to €15.27/hour	up to €16.03/hour	up to €16.83/hour	No Limits

*The rates stated in the table above are for the years 2024-2026. 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 application, 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.

Students can be engaged on the project and be 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 the case of a part-time Post-graduate degree, the respective stipend will be calculated pro-rata and at the discretion of the MCST.

<sup>2</sup> 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.

<sup>3</sup> 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.

**In case of GBER applications, management costs that are not related to the eligible research type activities will not receive aid.**

Filled time sheets are to be retained for all personnel (including students), as proof of the 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 since this evidence may be required by the auditors.

With respect to the following eligible direct costs, kindly make sure that detailed information and specifications are provided for individual line items.

- **Specialised equipment:** Purchasing and leasing of specialised equipment including software. For an individual item of equipment over 20% of the project value, it is recommended that specifications and justification are provided in the application form. The overall value of specialised equipment cannot exceed 30% of the project value.

For equipment valued at over €15,000, technical specifications are to be 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.

**For GBER applications**, costs of instruments and equipment are eligible to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, **only the depreciation costs corresponding to the life of the project**, as calculated based on generally accepted accounting principles **are considered as eligible**. The depreciation costs must be verified by a Certified Public Accountant.

- **Consumables:** The overall value of consumables cannot exceed 30% of the project value. For **GBER applications**, consumables must be incurred directly as a result of the project.

**Kindly note that specialised equipment and consumables collectively, cannot exceed 50% of the project value.**

- **Travel:** Travel is permitted for attending of a conference or coordinating with foreign collaborators or stakeholders with a maximum of € 4,000.



**For GBER applications, costs of travel are ineligible.**

- **Overheads and other Operating Expenses:** Overheads (also known as indirect costs) will be covered at 20% of the direct eligible costs, for all line items being requested. This also includes other operational expenses which are directly related to the project (including dissemination fees). Kindly note that € 5,000 will be withheld from this line item as part of the organisation and participation in conferences held by MCST.

## 10.1 Subcontracted Activities

Subcontracted Activities must not exceed 25% 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 Beneficiary or its employees but is conducted by any third party (local or foreign) individual, company, partnership, or entity, under whatsoever terms and conditions.

**For GBER applications, such costs are eligible only if used exclusively for the project.**

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 their procurement guidelines.

Subcontracting to foreign companies should only be resorted to if suitable expertise is not available locally at a competitive price. This course of action must be duly justified. The Beneficiary may consider joint bids from subcontractors (local or foreign) if these are presented in the form of a supplier consortium. Preference will be given to partners who have previous experience working together on similar projects. Beneficiaries have to ensure that there is no discrimination between bidders, and that all bidders are to be treated equally and transparently in all calls for quotations.



## 10.2 Audits

Eligible Costs are to conform with the following, 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.
- 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.

## 10.3 Ineligible Costs

The non-exhaustive list below demonstrates examples of ineligible costs:

- ✓ Expenses related to loans, interest, etc
- ✓ Recoverable value added tax (VAT)
- ✓ 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
- ✓ Organising conferences or business lunches
- ✓ Personnel hours for travelling

Kindly note that this is a non-exhaustive list, and any line items not seen to be compliant with the nature of the Digital Technologies Programmes or state aid regulations will be subtracted from the grant.

## 10.4 Collaborators

Should the applicant have any collaborators, these must 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.

Should a letter of intent be absent for a specific collaborator, that collaborator will not be considered at evaluation stage. Moreover, the respective letter of intents should be composed within the last three months before the deadline of the application.

### 10.5 Co-Financing under *de minimis* (Regulation A)

The Programme's financial contribution to a Beneficiary which is applying under the *De minimis state aid option* shall be limited to 75% of eligible costs incurred by that Beneficiary. Therefore, such a Beneficiary must contribute the remaining 25% to the Project.

It is not possible for a Beneficiary to cover the contribution of 25% 'in-kind'.

### 10.6 Co-Financing under GBER (Regulation B)

The only types of research eligible under this programme are **Industrial Research** and **Experimental Development**.

The financial contribution to a project partner applying under GBER shall be 25% of the eligible costs incurred on the project by that project partner. The aid intensity can be topped up as follows:

Aid Intensity for large enterprises	Undertaking Size		Effective Collaboration and/ or Wide Dissemination and/or Making licences available, as described below
	Small Undertaking	Medium-sized Undertaking	
25%	Small Undertaking	+ 20%	+ 15%
	Medium-sized Undertaking	+ 10%	

The partner must finance the remaining percentage of the eligible costs. It is not possible for a partner to cover this percentage contribution 'in-kind'.

The aid intensity may be topped up by an additional 15% if one or more of the following conditions are fulfilled:

(a) The project involves effective collaboration:

– between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or

– between an undertaking and one or more research and knowledge dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;

(b) the results of the project are widely disseminated through conferences, publication, open access repositories, or free or open source software;

(c) the beneficiary commits to, on a timely basis, make available licences for research results of aided R&D projects, which are protected by intellectual property rights, at a market price and on non-exclusive and non-discriminatory basis for use by interested parties in the EEA;

*Travel-related and Dissemination-related costs are not eligible direct costs under this state aid route.*

The amount of assistance granted to beneficiaries under this option will not exceed the thresholds laid down in Article 4(1) (i) of Commission Regulation (EU) No 651/2014, as amended.

## 11 Evaluation

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Project applications will be evaluated through a three-step process. Primarily, projects will undergo an administrative compliance evaluation. In instances where errors in the budget are noted during the evaluation process, these will be categorised by the Council into major deviations (**affecting 10% or over of the grant value**) or minor deviations (**affecting less than 10% of the grant value**) e.g., if the grant value requested would be that of €200,000, any errors in line items which cumulatively exceed the budget by €20,000, would be considered as a major deviation. Minor deviations will be amended by the Council and evaluated on that basis. The beneficiary will be given the opportunity to accept or decline proceeding with the project if awarded. On the other hand, major deviations will be considered as administratively non-compliant.



If deemed successful, a project application will be forwarded to a Committee of Evaluators to confirm that the proposal is a 'Research Project' and proceed with the external evaluation, and subsequently for a Due Diligence assessment. Any proposal which is not deemed as a 'Research Project' will not be eligible for funding. Failure to achieve a minimum of **65%** pass from the external evaluation will fail the project application. For a project application to be successful, it must pass all three steps.

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 projects, are exhausted.

Should a proposal score more than 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.) continues 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.

In the event that the Due Diligence assessment results in too high an exposure risk to the Council, the Applicant will no longer be entitled to participate in the project or further assurances may be requested.

**External Evaluators will be evaluating project applications for the following criteria:**



### **Excellence (30%): Threshold 20%**

- ✓ Are the proposal's aims and objectives clear? Are they reasonable and ambitious within the context of this programme? Is the proposal's scientific basis and research methodology clear? Does it address an identified gap in the specific sector?
- ✓ Is the research innovative? Does it challenge current methods, barriers, or applications in its field? What is the likelihood that the research will lead to new discoveries or advances over the current state of affairs?
- ✓ Is there potential in the proposal to contribute to the organisation's research base and scientific excellence, with the capacity to upskill current or new researchers?
- ✓ Does the proposal appear to be technologically and practically feasible in achieving the set-out objectives? Does the research develop or employ novel concepts, approaches, methodologies, technologies, applications, treatments, tools, and/or interventions?

### **Impact (40%): Threshold 25%**

- ✓ Does the proposal enhance the knowledge of local researchers resulting in disciplinary or interdisciplinary advancement giving them an international competitive edge?
- ✓ Has the proposal been able to characterise the influences and impacts that the research has on the end-users, and on society at large?
- ✓ Is the proposal aligned with National Policies and Strategies, in particular the National AI Strategy? Does the research go beyond comparable solutions at European level?
- ✓ Does the proposal outline potential impacts resulting from dissemination measures or describe in detail the possibility of journal publications? Are these publications open access?
- ✓ Does the proposal contain a mechanism for assessing future potential and evaluating outcomes? In the case of positive outcomes, does the proposal present a strategy for further research to be conducted?

### **Implementation (30%): Threshold 20%**

- ✓ Does the applicant/s have the required skills and expertise to undertake the project successfully and deliver the objectives? Are there opportunities for new personnel, apart from its core team, to be involved in the project? Have any co-collaborators been identified?





- ✓ Has the applicant identified the resources currently available for the project which are fundamental in performing the proposed research? Does the applicant/consortium possess the required resources (personnel, equipment, or contractors) to complete the project when taking into consideration the items to be acquired within the project lifetime.
- ✓ 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 to 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:**

If 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.

## **12 Post Selection Process**

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### **12.1 The Grant Agreement**

Following the successful evaluation of the application, the beneficiary and any consortium partners (*if applicable*) will be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. The Grant Agreement will include the original project proposal as an annex. The beneficiary 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 the beneficiary and any consortium partners (if applicable) within two (2) week from the date on which the Project Coordinator receives them. The Project Coordinator must ensure that the respective legal representative/s are available to endorse the Grant Agreement within

this 2-week timeframe, where a legal representative is not available a proxy should sign. Failure to endorse the Grant Agreement within 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 within five (5) working days. This may be used, in part or in-whole, by the Council and MDIA to publicise or externalise the award of funds. No proprietary intellectual property should be included in this draft.

## 12.2 Start Date and End Date

The project will start on a pre-determined date as agreed by all the respective parties and as stipulated in the Grant Agreement. The start date is deemed as the date of the countersignature by the CEO of the Malta Council for Science and Technology (Hereinafter referred to as the “Agreement Date”).

MCST will endeavour to transfer the first tranche of funding to the project account held by the Beneficiary 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 a human-resources call
- ✓ 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.**

## 13 Double Funding

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Funding under this Programme is made available on the basis that none of the project partners have benefited and will not benefit from any other grant or financial incentive of whatever nature, applied for and/or utilised for the same scope as that subject of the funding requested under this 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, Beneficiary is 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.

## 14 Funding, Management and Progress Monitoring

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### 14.1 Allocation and Disbursement of Funding

For the purposes of funding and reporting, a project submission shall be considered to be over a **24-month period**. A project will be divided into funding tranches: one will be provided at the beginning of the project, one half-way through and the retention tranche at the end.

Technical and financial reports should be submitted mid-way and at the end of the project by the Project Coordinator. The latter should contain details of actual expenditure over the past reporting period, together with an updated forecast of projected expenditure for the following reporting period. In the case of a consortium, details must be broken down for each Project Partner.

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.

Funding will be allocated according to the following schedule:

1. At the beginning of the project, MCST will provide the relevant pre-financing to the Beneficiary, which amounts to 50% of the grant amount. This will include both direct and indirect eligible costs.
2. MCST will provide a further 30% of the grant amount mid-way through the project.
3. A retention consisting of 20% of the project grant shall be withheld by MCST and only released upon the successful completion of the project. The amount of retention will be deducted from the pre-financed funds.

Underspends will be retrieved by the Council following the submission of the financial audited report. MCST reserves the right to modify tranche payments if it deems that the underspend within the previous reporting period is considerable.

## 14.2 Final Financial Audit

Upon the termination of the project or following the expiration of the Grant Agreement, it will be required to submit a Final Technical Project Report together with an Audited Final Financial Report for the whole project, thus covering the work and expenditure undertaken. The Final Financial Report must be audited by certified auditors appointed by the entity. Such appointed auditor/s shall be deemed responsible for the financial audit of the relevant entity and approved by MCST, once submitted. The financial audit must determine the total eligible costs, which costs are to be compared to the funds forwarded to the entity. The MCST reserves the right to appoint an independent auditor to audit the Project Financial Audit as submitted by the applicant. Upon finalisation of the financial audit, the technical audit may be performed based on the templates provided by the MCST. The audit should be conducted in line with an audit checklist which will be included in the Grant Agreement.

When the audits are finalised and verified, the MCST shall release the retention money due to the Beneficiary. In the case of overpayment, the Beneficiary will be required to refund the unutilised to MCST.

## 14.3 The Technical and Financial Reports

The Technical and Financial Report shall include:

- ✓ An account of the activities and achievements carried out in the lifetime of the project compared with the contents of the application as originally submitted.
- ✓ An account of actual expenditure compared with the originally submitted, budgeted expenditure. Financial reports must be signed by the person responsible for the financial management and assembled as per the instructions laid down in the Grant Agreement.

The applicant is obliged to make use of the Technical and Financial Report templates which are provided by the MCST together with the Grant Agreement.

In addition to the audit verifications, the MCST may, at its discretion and as it deems fit, also conduct a detailed audit, consisting of a financial and a technical section, 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

### The Technical Audit

- Brief summary of the project including scientific hypothesis investigated in the research
- Interpretation of Research Results

The MCST reserves the right to request additional project-related information and conduct intermediate audits at any time as it may deem necessary.

If a project is found to be in breach of the Grant Agreement or should it materially depart from the contents of the originally submitted application, the MCST reserves the right to retract the award and the applicant may be required to refund the Grant in part or in full. In any such event, the MCST may also exclude an applicant from participating in future calls of the Programme.

## **14.4 Accountability**

Applicants must keep a separate bank account or records, which must be clearly distinguishable from its other accounting records. All relevant expenses must be recorded in this account.

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

## 15 Dissemination and Externalisation

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### 15.1 Referencing

Any articles and text material published in relation to the completion of tasks proposed in 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, and the Malta Digital Innovation Authority, through the ‘R&I Thematic Programmes: Digital Technologies Programme’.**

Any websites or printed material related to the project should also include the MCST logo, the MDIA logo, or any other logo related to this Programme, and as provided by the Council, where possible.

If any printed material is published without a mention of the Digital Technologies Programme, MCST and MDIA, the Beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication or for it to be edited accordingly in the cases of online publications. In the case where such publicity does not mention the Digital Technologies Programme, MCST and MDIA, associated costs will be considered ineligible and will not be considered to fulfil any deliverables proposed in the application form.

## 16 Supervening Circumstances

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The Project Coordinator is obliged to immediately advise the Council, of any internal or external significant event which might either affect the validity or the 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.

The MCST shall acknowledge receipt of the said notification 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 comply with this obligation may be deemed by the MCST to constitute material non-compliance on the part of the Beneficiary and the MCST may, thereafter, take such action as is necessary in terms of the Grant Agreement, and in consequence of such non-compliance.



## 16.1 Default

If the implementation of a project becomes impossible or implementation is not completed, 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. Prior to taking any drastic action, the MCST will provide a maximum of two notices indicating a rectification period of one month each.

## 16.2 Deviations: Budget Transfers during the Project

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:
  - i. the limits mentioned in the Rules of Participation in Section 9 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.

In case of consortia, 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).

*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:**

<b>Will contribute to the 20% limit</b>	<b>Will not contribute to the 20% limit</b>
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



## 17 Interpretation of Rules

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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.

## APPENDIX 1

### TECHNOLOGY READINESS LEVELS (TRLs)

TRLs are a means to define endpoints of projects along the innovation axes from Basic Research to the Market, ranging from TRL 1 (Basic Concept) to TRL 9 (Market Entrance).

<b>Technology Readiness Level</b>	<b>Definition</b>	<b>Explanation</b>
<b>TRL 1</b>	Basic principles observed and reported	Lowest level of technology readiness. Process concept with basic scientific foundation
<b>TRL 2</b>	Technology concept and/or application formulated	Scientific research begins to be translated into applied research and development. Applications are speculative and may be unproven.
<b>TRL 3</b>	Analytical and experimental critical function and/or characteristic proof-of-concept	Active research and development is initiated, including analytical / laboratory studies to validate predictions regarding the technology.
<b>TRL 4</b>	Scientific & process validation in laboratory environment	Basic technological components are integrated to establish that they will work together.
<b>TRL 5</b>	Scientific & process validation in intended environment	The basic technological components are integrated with reasonably realistic supporting elements so it can be tested in a simulated environment.
<b>TRL 6</b>	System / subsystem model or prototype demonstration in an intended environment (ground or space)	A representative model or prototype system is tested in an intended environment.
<b>TRL 7</b>	System (full-scale) prototype demonstration in a real operational environment at pre-commercial scale	A prototype system that is at the planned operational system.

## APPENDIX 2

### Further Information related to the Priority Areas and Sub Areas to be funded through the Digital Technologies Programme

#### Scope of Programme

The Digital Technologies Programme aims to support capacity-building efforts related to Artificial Intelligence and/or Digital Trust and/or Knowledge and Data Representation and Analysis and/or Technology for Sustainability and ESG and/ or Quantum Computing and Other Emerging Technologies. It aims to move towards safer and more trustworthy development, adoption and use digital technologies.

The Digital Technologies Programme can be further subdivided into the following sub-areas, where research and innovation have potential to develop in Malta.

#### Artificial Intelligence (AI)

**Generative AI** constitutes a key promising research area in the domain of AI as it can directly augment humans in knowledge creation by producing original content, such as text, images, and sound.

**Multimodal AI** is also gaining traction, as its development is fuelled by large tech companies. By accepting input and producing content across multiple modalities, such as text, images and sound, Multimodal AI unlocks new possibilities in content creation and data analysis and surpasses traditional AI, which is often focused on a single data type in both input and output.

**Explainable AI** represents another promising trend in this research area. It refers to the collection of methods and frameworks that allow humans to understand the rationale of AI-generated outputs, making the interaction with AI less ambiguous. Most business leaders now see the importance of ethical AI practices and are prepared to implement them. It is expected that Explainable AI will accelerate the adoption of ethical AI frameworks and practices in the near future.

#### Digital Trust

Due to escalating threats of cybercrime, accompanied by the growing instances of data breaches and fraud, global organisations face the need to resort to additional measures for safeguarding sensitive data and securing business integrity.

**Digital Identity** constitutes the first important research area in the realm of digital trust. One of the evolving trends in this research area is a **Digital Identity Wallet**, which refers to a software where individuals and organisations can centrally store and manage their certificates and identification-related evidence. Digital Identity Wallets are expected to produce a high impact on society by providing an additional layer of security in digital interactions. Substantial economic benefits can also be unlocked due to the reduction in the number of fraudulent activities and occurrences of identity breach.

**Cybersecurity** is expected to become one of the integral components of digital trust by implementing measures that safeguard data and systems. Today, cybersecurity witnesses a shift in perception on the part of modern organisations. Rather than being just a resilience necessity, it is now being recognised as a key commercial opportunity, which lays the foundation for further research and development.

**Cyber resilience** is anticipated to emerge as a cornerstone of digital trust, ensuring the protection and continuity of data and systems against evolving threats. As organizations embrace cyber resilience in preparation of the EU Cyber Resilience Act, they not only enhance their ability to withstand cyberattacks but also seize competitive advantages in an increasingly digital landscape.

**Dependable Computing** focuses on ensuring the reliability and security of computing systems in an era which is increasingly reliant on digital infrastructure. Research in dependable computing focuses on developing robust systems capable of withstanding failures and cyber threats, enhancing overall digital trust. This area encompasses advancements in techniques to improve robustness, including conformity assessment, technical auditing, fault tolerance, error detection and recovery, and secure software design, essential for safeguarding critical data and systems integrity.

**Regulatory Science** focuses on the need for foresight in the development of frameworks, regulations, and standards to govern digital technologies in a way balances innovation with consumer protection and societal well-being. This research area also addresses the effectiveness of the current frameworks to foster an environment of trust and accountability in the digital domain.

## **Knowledge and Data Representation and Analysis**

As the data becomes more intricate and complex, there is a growing necessity to integrate information from multiple sources and organise knowledge in a structured way. In this context, the significance of knowledge and data representation and analysis becomes ever more pivotal. This area is also of great focus at a European



Union level, with dynamic data being one of the key drivers for the digital transformation of Europe.

**Knowledge Graphs** aim to accumulate and convey knowledge of the real world, represent the most essential underlying research area in this domain. Knowledge graphs constitute a promising area of research due to the potential extent of their use cases, encompassing semantic search, context-aware chatbots, recommendation systems, and targeted advertising. Another reason behind the growing prominence of knowledge graphs is their potential to address the uncertainty in AI by forcing latent variables to represent content interpretable by humans.

**Data analysis** involves the application of statistical, mathematical, and computational methods to uncover patterns, trends, and valuable insights from data. This field is instrumental in making informed decisions, predicting future trends, and optimizing processes across various domains. The synergy between knowledge representation and data analysis is pivotal for leveraging the full potential of data in our increasingly data-driven world.

## Technology for Sustainability and ESG

Technology for Sustainability and ESG refers to the development and application of innovative technologies with the objective to minimise environmental impact, as well as to address social and governance considerations set out in the global ESG agenda.

**Sustainable cloud**, which refers to the cloud computing services that prioritise compliance with sustainability objectives, represents the first evolving trend in this research area. In contrast to traditional cloud, sustainable cloud puts emphasis on the adoption of green practices, which can include the integration of renewable energy sources to power data centers, the optimisation of data centre locations, and the implementation of effective load-balancing algorithms, among many others.

**AI for Sustainability** represents another promising field of research, which can find its use cases across multiple economic sectors, such as agriculture, energy management, and transport.

An additional research area, which can serve as an indirect enabler of sustainability, is **Edge Computing**. Conceptually, edge computing refers to the practice of processing data locally, closer to the source of data generation, rather than in centralised data centres, which are often geographically distant from the data source.

The synergy between technology and sustainability contributes to a more conscientious and resilient approach to business and societal development, addressing global challenges while promoting long-term environmental and social well-being.

## Quantum Computing and Other Emerging Technologies

By leveraging the principles of quantum mechanics, **Quantum Computers** can achieve an exponential increase in computational power and processing speed. Notably, this research area is expected to deliver substantial benefits in healthcare by enhancing computer-assisted drug discovery and accelerating the adoption of personalised medicine. Due to their capacity to model complex molecular structures, quantum computers can make it possible to identify the behaviour of new drugs faster and increase the certainty surrounding the efficacy of new and existing medications. Moreover, quantum computers are projected to become one of the drivers behind sustainability objectives by solving complex problems faster and making computation less energy intensive. Quantum computers can help tackle environmental problems due to their capacity for solving optimisation problems, which are too complex for classical computers. Specifically, they can optimise the use of available resources while minimising projected adverse environmental impact, contribute to the optimisation of electrical grids and routing, and enable innovations in carbon capture, batteries, and fertilisers. In addition, quantum computers are projected to deliver substantial benefits in such industries as banking – by performing fraud detection, and logistics – by assessing supply chain performance. Notably, despite their potential positive impact, quantum computing might also lead to serious repercussions if some important pre-emptive measures are overlooked. As quantum computers have the potential to break current encryption methods and undermine the security of modern networks, it is critical to commence a thorough research into quantum communication to determine an optimal strategy of risk mitigation.

Other emerging technologies such as **Neuromorphic Computing**, **Applications related to Personalized Medicine** and **Augmented-Connected Workforce**. Neuromorphic Computing focuses on developing hardware and algorithms that mimic neural networks, enabling tasks like pattern recognition, adaptive learning, and sensor processing with remarkable speed and energy efficiency. Neuromorphic computing holds promise for revolutionising AI and cognitive computing applications across diverse domains. Personalized Medicine leverages advancements in genomics, data analytics, and AI to tailor medical treatment to individual characteristics and Augmented-Connected Workforce focuses on leveraging technology to enhance human productivity, collaboration, and well-being in the workplace.