



GOVERNMENT OF MALTA  
MINISTRY FOR EDUCATION,  
SPORT, YOUTH, RESEARCH  
AND INNOVATION



## FUSION R&I Technology Development Programme LITE

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Rules for Participation 2025 | Option **A2**  
Rules for *GBER* aid





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## 1 Introduction

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

The main objectives of FUSION are:

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

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

FUSION is a portfolio of various programmes. These programmes have been designed with the aim of offering the necessary mentoring and financial support for researchers and technologists to develop their ideas to the betterment of society.

## 2 The Technology Development Programme Lite

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### 2.1 Programme Scope and Focus

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



ranging from TRL 5 to TRL 7. The final Technology Readiness Level (TRL) depends on where the technology started.

The Programme provides financial support for research, development and innovation within the SMART Specialisation Areas identified in Malta's National Research and Innovation Strategic Plan 2023-2027.

For more information about the Smart Specialisation Areas, kindly refer to Xjenza Malta's Resource Page by accessing <https://xjenzamalta.mt/resources-page/>.

## 2.2 Contacts

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### 3 Definitions

Kindly note that the below definitions are harmonised throughout Xjenza Malta, and some terms might not be present within the text of the Rules as they are not relevant.

<b>Agreement Date</b>	The term refers to the date on which the Grant Agreement is signed by the legal representative of Xjenza Malta.
<b>Applicant</b>	The term refers to any representative of a local entity that is eligible for participation in a Project in terms of these National Rules for Participation and who applies for funding.
<b>Arm's length</b>	The term means that the conditions of the transaction between the contracting parties do not differ from those which would be stipulated between independent undertakings 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.
<b>Beneficiary</b>	The term Beneficiary refers to the entity that having submitted an application form for funding under this Programme in accordance with these National Rules for Participation, is selected for funding.
<b>Due Diligence</b>	An investigation of an entity or person prior to the signing of the Grant Agreement conducted in order to establish the suitability of the Applicant to receive funding under this Programme.
<b>Effective Collaboration</b>	The term 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



	<p>risks. Contract research and provision of research services are not considered forms of collaboration.</p> <p>Through Effective Collaboration the aid intensity may increase if the conditions set in Article 25(6)(b) of Commission Regulation 651/2014, as amended, are satisfied.</p>
<p><b>Eligible Direct Costs</b></p>	<p>The term refers to 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 capped at the approved requested funding value.</p>
<p><b>Eligible Undertakings</b></p>	<p>The term refers to undertakings planning to carry out Industrial Research and/or Experimental Development projects and must either be:</p> <ol style="list-style-type: none"> <li>i. A partnership constituted under the Companies Act, being a partnership <i>en nom collectif</i>, <i>en commandite</i> or a limited liability company; or</li> <li>ii. Duly registered as a co-operative society under the Co-Operative Societies Act, or</li> <li>iii. Professional body; or</li> <li>iv. NGOs; or</li> <li>v. Non-profit making entities (including Foundations).</li> </ol> <p>‘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 the person to</p>



practise 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 credibility and responsibility.

'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 duly registered NGO, or a duly registered Professional Body shall also be considered to be NGOs for the purposes of these Rules of Participation.

'Non-profit making' is an entity where:

- i. The statute of which includes an express exclusion making profits as a purpose; and
- ii. An entity the statute of which expressly excludes in its purposes the promotion of private interests, other than a private interest which has a social purpose; and
- iii. An entity that makes no part of its income, capital or property 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 this paragraph (iii) shall not apply where 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;





	<ul style="list-style-type: none"> <li>ii. It buys or sells or otherwise deals in goods or services where such activities are exclusively related to its principal purposes;</li> <li>iii. It is established for the general entertainment, pastime, education or other similar benefit only of its members; or</li> <li>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.</li> </ul>
<b>End Date</b>	This term refers to the date when the Project Period, having commenced on the Start Date, expires.
<b>Grant Agreement</b>	This term refers to the funding agreement concluded between the Managing Authority and the Beneficiary/ies and specifies the rights and obligations of the contracting parties
<b>In-kind</b>	The term refers to any non-monetary contribution, such as a service or a good.
<b>Innovation</b>	The term 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 developments which though not novel represent a step-changing or 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.
<b>Intellectual Property (IP)</b>	IP means statutory and other proprietary rights and includes patents, trademarks, designs, and confidential information/trade secrets, copyright.
<b>Lead Agency</b>	The primary organization tasked with overseeing and coordinating the entirety of the project .



<b>Large Undertaking</b>	The term is defined as an undertaking 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 Article 107 and 108 of the Treaty, as amended.
<b>Legal Entity</b>	The term refers to 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.
<b>Managing Authority</b>	The term refers to Xjenza Malta, a Managing Authority established as per Subsidiary Legislation 595.49.
<b>Operating base in Malta</b>	Having an Operating base in Malta refers to a Legal Entity that: <ul style="list-style-type: none"> <li>i. Owns, leases, or has been given the right of use by a third party, an adequate premise from where to conduct an eligible economic activity in the region of Malta; and</li> <li>ii. Employs at least one person that is based in Malta and is liable to pay income tax in Malta.</li> </ul>
<b>Partner</b>	The term is defined as an entity within a consortium .
<b>Person months / Person hours</b>	The term refers to a calculation of ‘human effort’ to evaluate the relationship between the estimated work to be performed and the activities and deliverables to be achieved during the implementation period in months or hours. This is calculated as follows: if 1720 hours are worked in 1 year, equivalent to 215 days of 8 hours each, then 1 person month is equivalent to 143.3... person hours, and to circa 17.91 days.
<b>Personnel costs</b>	The term means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.



<b><i>Principal Investigator</i></b>	The term refers to the lead researcher on behalf of the local Applicant/Beneficiary. May be the same as the Project Coordinator and/or the Project Contact Point.
<b><i>Project Contact Point</i></b>	<p>The term refers to the individual, appointed to act on behalf of the Beneficiary and who is responsible for communicating with the Managing Authority about the Project.</p> <p>The Project Contact Point(s) shall have the following responsibilities:</p> <ol style="list-style-type: none"> <li>i. To ensure compliance with the obligations in terms of the Grant Agreement.</li> <li>ii. To compile Periodic Reports and Final Reports including their timely submissions and effective execution of the project.</li> <li>iii. To ensure the submission of all required financial reporting as per the contractual obligations for the partner.</li> <li>iv. To execute the project activities according to set timeframes and deliverables.</li> </ol>
<b><i>Project Grant</i></b>	The term is defined as the funding provided to the Beneficiary under the Programme.
<b><i>Project Period</i></b>	The term refers to the time required to execute the Project as indicated in the Grant Agreement and runs from the Start Date to the End Date.
<b><i>Project Value</i></b>	The term refers to the project budget needed by the Applicant to carry out the project, including any co-financing.
<b><i>Research and Development</i></b>	<p>This term 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 to acquire new knowledge, primarily directed towards a specific practical aim or objective, and includes:</p> <ol style="list-style-type: none"> <li>a) <b>Fundamental Research</b> means experimental or theoretical work undertaken primarily to acquire new</li> </ol>



	<p>knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view.</p> <p>b) <b>Industrial Research</b> 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). It comprises the creation of components parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.</p> <p>c) <b>Experimental Development</b> 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 in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as for example super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud or edge technologies). This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services.</p> <p>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</p>
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	<p>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.</p> <p>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.</p> <p>Only Research defined under b) and c) are eligible under this call.</p>
<p><b>Research and Knowledge-Dissemination Organisation (RKDO)</b></p>	<p>The term refers to an entity (such as universities or research institutes, technology transfer agencies, Innovation intermediaries, research-oriented physical or virtual collaborative entities), irrespective of its legal status (organised under public or private law) or way of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development or to widely disseminate the results of such activities by way of teaching, publication or knowledge transfer. Where such entity also pursues economic activities the financing, the costs and the revenues of those economic activities must be accounted for separately. Undertakings that can exert a decisive influence upon such an entity, in the quality of, for example, shareholders or members, may not enjoy preferential access to the results generated by it.</p>
<p><b>Small and Medium-sized Enterprises (SME)</b></p>	<p>The term refers to 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</p>



	<p>application of Articles 107 and 108 of the Treaty, as amended.</p>
<p><b>Single Undertaking</b></p>	<p>The term means all enterprises having at least one of the following relationships with each other:</p> <ul style="list-style-type: none"> <li>i. One enterprise has a majority of the shareholders’ or members’ voting rights in another enterprise;</li> <li>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;</li> <li>iii. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or to a provision in its Memorandum and Articles of association;</li> <li>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.</li> </ul> <p>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.</p>
<p><b>Start Date</b></p>	<p>The term refers to date established for the official start of the project in the Grant Agreement.</p>
<p><b>Start of Works</b></p>	<p>This term refers to the earlier of either the Start of 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.</p>



<p><b><i>Start-up</i></b></p>	<p>The term shall be defined as an undertaking that has been established for less than five (5) years following its registration. For Eligible Undertakings that are not subject to registration, the five-year eligibility period shall start from either the moment when the undertaking starts its economic activity or the moment it becomes liable to tax with regard to its economic activity, whichever is earlier.</p>
<p><b><i>Subcontracted Activity</i></b></p>	<p>The term refers to any activity related to the project, (including but not limited to consultancy), which is not carried out directly by a Beneficiary or its employees but is carried out under any terms by any third party (local or foreign) individual, company, partnership, or entity.</p>
<p><b><i>Undertaking in Difficulty</i></b></p>	<p>The term refers to an undertaking in respect of which at least one of the following circumstances occurs:</p> <ul style="list-style-type: none"> <li>i. 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.</li> <li>ii. In the case of a company where at least some of its 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</li> </ul>





	<p>at least some of its 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.</p> <ul style="list-style-type: none"> <li>iii. 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.</li> <li>iv. 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.</li> <li>v. In the case of an undertaking that is not an SME, where for the past two years: <ul style="list-style-type: none"> <li>a. The undertaking's book debt to equity ratio has been greater than 7.5 and</li> <li>b. The undertaking's EBITDA interest coverage ratio has been below 1.0.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>Wide Dissemination</b></p>	<p>The term refers to the criterion stipulated by 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.</p>

#### 4 Eligibility Criteria and Applications

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

These Rules for Participation are applicable to **individual private undertakings that carry out an economic activity within the meaning of Article 107 TFEU**. Applicants are eligible to apply if they have a starting TRL minimum of 4, and the advancement opportunity ranging from TRL 5 to TRL 7. The final Technology Readiness Level (TRL) depends on where the technology started.

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 and the 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 projects 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.

In addition, Xjenza Malta reserves the right at its discretion to request a Bank Guarantee to address its concerns with regards to potential risks identified by Xjenza Malta as being posed by any one or more applicants.

Given the aims of the Technology Development Programme Lite, 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**

Kindly note that the applicant entity must be a Maltese registered entity by the date of application submission and **applicants must be sole entities.**

Any applicant which at the time of proposal submission is deemed to be non-compliant with respect to Grant Agreement obligations on any other active project funded by



Xjenja Malta, may be deemed ineligible at the application stage or may be refused funding under this programme. For the purposes of this paragraph, non-compliance with respect to Grant Agreement obligations shall also be deemed to include failure to respect approved project timelines on other projects funded by the Managing Authority and circumstances where the applicant is recognised default of Grant Agreement obligations on any other active project funded by the Managing Authority. Similarly, should applicants become non-compliant during the call process, they will not be awarded funding under this programme.

Any application may be deemed as ineligible in terms of these Rules for Participation, if it is submitted by or includes the participation of any person or 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 was at any time declared as non-compliant or defaulting on any other contract or agreement entered into with the Managing Authority.

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

Xjenja Malta also reserves the right to terminate any applications that have followed in part or in full the Rules for Participation, should Xjenja Malta not be satisfied with the segregation of work packages, activities, tasks and deliverables, as well as budgets.

## **4.2 Conflict of Interests**

Applicant/s and/or Beneficiary/ies shall take all measures to prevent any situation where the impartial and objective processing of their Application for funding, the awarding of the Grant or the supervision or the implementation of the Grant agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect or perceived interest (conflict of interests).

Applicant/s and/or Beneficiary/ies shall formally notify the Managing Authority without delay of any situation constituting or likely to lead to an actual or perceived conflict of interests and immediately take all of the necessary steps to rectify this situation.

The Managing Authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

Where a beneficiary wilfully breaches any of its obligations under this Rule this shall be deemed to constitute an Event of Default and the Application may be deemed ineligible or the Grant awarded may be reduced and/or terminated.

## 5 Applicability of State Aid Rules

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Assistance provided under these Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) No 651/2014 of 17<sup>th</sup> 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, referred to as the General Block Exemption Regulation, GBER<sup>1</sup>.

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<sup>1</sup> More information on 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 \(EU\) 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 \(EU\) 2023/1315 of 23 June 2023 amending Regulation](#)



Assistance will not be granted if the aid is:

- i. 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.
- ii. contingent upon the use of domestic in preference to imported goods.
  - a. granted in the sector of processing and marketing of agricultural products, in the following cases:
    - b. 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.
- iii. 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 Managing Authority in terms of these 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<sup>1</sup>.

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[\(EU\) 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.](#)



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 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 these Rules.

For any individual aid award 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.

**The following declarations will need to be included in the application form to justify the aid intensity:**

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

## 6 The Application Process

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The Call for Project Proposals will be open between the 7<sup>th</sup> March 2025 until the 23<sup>rd</sup> May 2025 at 23:59pm. **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 Section/s 4 and 5.

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

### 6.1 Application Submission

The TDP Lite project application is to present an expected level of innovation. Reasonable estimates of human resources, finance, deliverables and timeframes have to be provided, through the use of templates provided by Xjenza Malta.

The legal representative of the applying organisation must either physically or electronically sign off all the application and enter the date of signature. This individual must also sign and date all relevant declarations found within the appendices of the application.

Submission, evaluation and selection of project applications will be in the form of a one-stage process. The applicant should ensure complete compliance with these 'Rules for Participation' prior to submission as no amendment or negotiations are allowed after submission.

In instances where errors in the budget are noted during the evaluation process, these will be categorised by the Managing Authority 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 €100,000, any errors in the budget exceeding €10,000, would be considered as a major deviation. Minor deviations will be amended by the Managing Authority 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 administratively non-compliant.

**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.

## 6.2 Submission Documents

All Submission must include:

- ✓ The filled-in application form in MS Word (.docx) format and a signed scanned copy (to be sent by email). This includes details on the proposed project including the project activities, timeframes, costs and deliverables.
- ✓ A Gantt Chart should be included in Section 3.4 of the application.
- ✓ A Dissemination and Externalisation Plan appended to the application
- ✓ Curricula Vitae of key persons including relevant track records. These should clearly establish that the applicant has the potential to carry out the project
- ✓ The Budget Breakdown Form<sup>2</sup>
- ✓ Entity Size Declaration Form
- ✓ Undertaking in difficulty Form
- ✓ Effective Collaboration Declaration Form
- ✓ The signed Additional Declarations
- ✓ Management Accounts, including detailed profit and loss, as well as a 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

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<sup>2</sup> This can be found within the Resource Page on the Xjenza Malta website



Standard documentation including declarations will be accessible on the resource page.

It should be noted that large emails 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 the application documents are sent out successfully.** All received applications shall be acknowledged by email. Proposals which are received after the deadline stipulated will be deemed administratively non-compliant. Incomplete applications at the deadline of this call will not be considered. **It is the responsibility of the applicant to ensure that a confirmation of receipt is provided.**

Application Forms should be sent electronically to [rtdi.xjenzamalta@gov.mt](mailto:rtdi.xjenzamalta@gov.mt), keeping Ms. Mariah Vella ([mariah.vella.5@gov.mt](mailto:mariah.vella.5@gov.mt)) and Mr. Kyle Bonnici ([kyle.bonnici.4@gov.mt](mailto:kyle.bonnici.4@gov.mt)) in copy, with "Technology Development Programme LITE Application Submission" as a subject.

Kindly note, further documents may need to be submitted and evaluated by Xjenza Malta. Undertakings will be subjected to a Due Diligence evaluation which will make use of the documents submitted as well as documents within public record.

## 6.3 Considerations at Application Stage

### 6.3.1 Respecting Lead Times

All organisations, including Xjenza Malta, 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 other organisations which may be involved. It is the applicant's responsibility to ask for information on lead time pertaining to Xjenza Malta.

Applicants should also consider personal commitments, vacation leave etc, when planning to submit an application. All project application submissions, which must reach Xjenza Malta by the deadline, must be dated, signed and initialised (stamped or signed) on each page by the Lead Partner's legal representative and must include signatures of the legal representatives of each respective participating organisation. **All project application submissions must reach the Xjenza Malta by not later than 23:59pm (CET) on the day of the deadline.**





### 6.3.2 Assistance with Applications

Prospective Project Applicants are encouraged to seek the advice of the Managing Authority 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 submissions. Advice shall only be given in respect to these Rules for Participation and not on technical grounds. **Applicants are particularly encouraged to seek Xjenza Malta's guidance through proposal-specific one-to-one sessions to ensure that the application documentation is complete and effective from an administrative perspective, as once submitted, it cannot be edited.** One-to-one sessions and correspondences seeking advice should be done latest one week before the closing date for this call.

## 7 Confidentiality of Submissions

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All project application submissions shall be treated in the strictest confidence.

Without prejudice to the generality of the above it is only the name of the entity, the Project Contact Point, the title of proposal and the abstract which may in the course of the process be published.

The collection of data by Xjenza Malta through the application for aid under the Programme, submitted by the Applicant and the subsequent processing of said data by Xjenza Malta to evaluate the data subject's request for aid under the Programme and the storage of said data shall at all times be in accordance with:

- i. *The provisions of these 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, and 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,

- iii. 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),
- iv. 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 the contract'.

Further information may be found within the Application Form.

## 8 Programme Parameters

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Xjenza Malta reserves the right to carry out financial and/or technical audits at its discretion, at any time during the duration of the project to ensure that Programme Parameters, as per contractual obligations are observed.

### 8.1 Project Start Date and Duration

The project must start by at least **1<sup>st</sup> October 2025** or as otherwise stated by Xjenza Malta in the Grant Agreement. The project should have a duration of **12 or 18 months**, without the possibility of an extension.

### 8.2 Project Grant

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



### 8.3 Deliverables

Deliverables are tangible outcomes of the project and must be submissible. They must be proposed between the start date and end date of the project. Deliverables not within the project timelines will not be considered. If the project is awarded, evidence should be submitted for each deliverable mentioned in the application form to ensure that it has been attained successfully.

The content of each deliverable should be proportionate to the research effort carried out to obtain such results. **At application stage, each deliverable proposed should be described by a percentage reflecting the contribution to the overall project (i.e. The higher the impact of that deliverable on the project, the higher the percentage). Cumulatively, these should add up to 100%, including both mandatory and additional deliverables. The End of Project Audited Financial Report is not assigned a percentage weighting, as it holds independent and absolute significance, accounting for 100% of its own importance.**

It is required that:

- File storing and synchronization service e.g. Google Drive or Dropbox, is set up and shared with Xjenza Malta 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.
- Xjenza Malta should be notified by email each time there are new documents updated with the file storage system, detailing a log of added, removed and/or modified documents as necessary.
- Following each due date a soft copy of the final version of the deliverable/s will be held at Xjenza Malta which will then be considered the final version. All submitted deliverables should still be held on the file storage system for at least 6 months following the successful closure of the project.
- Xjenza Malta should be notified by email each time there are new documents updated within the file storage system, detailing a log of added, removed and/or modified documents are necessary.
- Following each due date a soft copy of the final version of the deliverable/s will be held at Xjenza Malta which will then be considered the final version. Where deliverables require periodic submissions (e.g., monthly reports, reports on IP status), it is only the final submission that will be considered as the final



deliverable. All submitted deliverables should still be held on the file storage system for at least 6 months following the successful closure of the project.

- A copy of all deliverables must be presented to Xjenza Malta before any retention is disbursed.

The sub-sections below list the Mandatory Deliverables that are required by the Managing Authority and a non-exhaustive list of Recommended deliverables that may be considered. The project plan should provide sufficient details of planned activities and incorporate these deliverables into the project proposal.

### 8.3.1 Mandatory Deliverables

The Beneficiary is under the obligation to:

- Report on project progress as per the list hereunder and in line with the templates provided:
- Conduct a **Kick-Off Meeting** at the project's start, followed by **Project Progress Meetings** every 6 months to provide verbal updates to the Managing Authority. Conclude the project with a **final meeting**. These deliverables should be provided through presentations. *(Kindly note that the Managing Authority may, at its own discretion, request additional meetings if required).*
- Submit an **End of Project Technical Report**, highlighting the technical outcomes.
- Submit an **End of Project Audited Financial Report**.
- Publish **at least one article** in public media (e.g., a local newspaper or magazine) to raise public awareness, **including an acknowledgment to the Managing Authority**. These should not contain intellectual property but should raise awareness about the project and its benefits. A copy should be presented to Xjenza Malta within two weeks of publication. Additional publications may be considered.

The Reports listed above 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 Principal Investigator by Xjenza Malta. 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, deliverables, work packages or any other parameter committed in the application, are to be communicated in writing with clear justification to the Managing Authority prior to the deadline. The written request will be referred for approval. Xjenza Malta will acknowledge receipt and endeavour to reply in a timely manner so that the momentum of the project remains unaffected.

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

### 8.3.2 Additional Deliverables

Further to the mandatory deliverables, additional deliverables can be included, however these **should not exceed twelve (12)**. Although the deliverable cited below are not mandatory, if the applicant includes such deliverables at the proposal stage, this enhances the strength of the application form. Additional deliverables may include:

- ✓ Open Access Peer Reviewed Journals<sup>3</sup>
- ✓ A strategic plan to assess the project after its conclusion, focusing on further exploitation and development of the obtained results
- ✓ Verification and Validation Reports
- ✓ The formation of any spin-off entities that are envisioned. Kindly highlight if these spin-offs will also be licenced any IP generated.
- ✓ Business and commercialisation related outcomes including a plan which establishes which goals and objectives must be achieved for the business to succeed.

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<sup>3</sup> Costs incurred with relation to this deliverable are not eligible as part of the project costs under the TDP Lite Programme. Beneficiaries have the possibility of applying to the Xjenza Malta Schemes for Open Access Journal Support. Additionally, Xjenza Malta Schemes for Open Access Journal Support will be subject to the timelines governed by a separate agreement. Therefore, applying to these schemes with the intent to publish open access peer-reviewed research papers may be sufficient as a deliverable.

- ✓ Apply for or register relevant Intellectual Property<sup>4</sup> (e.g. patents for inventions, trademarks, copyrights, or design rights as applicable)
- ✓ Report on project dissemination activities, including but not limited to: fairs, workshops and events. Examples include Science in the City, R&I cafes, Enterprise European Network events, project exhibitions and so on.

Xjenza Malta appreciates that the fulfilment of the additional deliverables may be dependent on external actors. 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.**

**Activities related to project set-up, such as personal recruitment, procurement of equipment, internal meetings, etc., should not be considered as deliverables.**

This list of activities and the above recommended deliverables are indicative and not exhaustive. Where deliverables require periodic submissions (e.g. monthly reports on progress, reports on IP status, etc.), it is only the final submission that will be considered as the deliverable.

The format of deliverables to be submitted must be specified at application stage. Deliverables may take the form of presentations, reports, correspondences, legal agreements, images, event agendas, audio recordings, videos, databases, certificate, manuscripts, etc. The format should be relevant and fit for the presented deliverable.

## 9 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.

Kindly take note of the ineligibility of travel costs. The eligible direct costs under GBER aid for the TDP Lite Programme are:

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<sup>4</sup> Costs incurred with relation to this deliverable are not eligible as part of the project costs under the TDP Lite Programme. Beneficiaries have the possibility of applying to the Xjenza Malta Intellectual Property Registration (IPR) Voucher. This Voucher is subject to funding availability and timelines governed by a separate agreement. Therefore, applying for the IPR Voucher may be sufficient as a deliverable.

- **Personnel Costs**

Costs of employed researchers, technicians and other supporting staff to the extent employed on the project.

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.

Personnel Costs related to **Project Management** are limited to **10% of the project value**. Any **Project Management** which is not carried out by the beneficiary shall be deemed to be **subcontracting** and, apart from being subject to the 10% maximum threshold detailed herein, will also be calculated as part of the **40% maximum** referred to **subcontracting costs**.

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

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

$$€ z = (\text{basic salary} + \text{allowances}) / \text{yearly workable hours of the employee}$$

Eligible salaries and personnel limits per project are pinned to the following hourly rates in the table directly below (including National Insurance and Inland Revenue and allowances)

Role in Project	Hourly rates 2025		Hourly rates 2026		Limits per project (persons)
	min	max	min	max	
<b>Manager</b>	NA	€54.46	NA	€57.78	Max 2 per project
<b>Senior Researcher<sup>5</sup> or equivalent</b>	€30.40	€41.98	€31.93	€44.08	Max 2 per project

<sup>5</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 Xjenza Malta well in advance of submitting the application form.



<b>Researcher<sup>6</sup> or equivalent</b>	€15.92	€30.39	€16.72	€31.92	No Limits
<b>Operational, technician, research support assistant or equivalent</b>	NA	€15.91	NA	€16.71	No Limits

The rates stated in the table are for the **year 2025-26**. 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 (*Please note that the maximum number of reimbursable hours per individual personnel through the project is **1760 per year***).

In the case of existing personnel, the names of individuals will have to be noted in the application and within the Budget Sheet alongside the allocated role. Their respective CVs need to be submitted, as well.

Complete 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.

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

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<sup>6</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.





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

- **Instruments and Specialised equipment:** Purchasing and leasing of instruments and specialised equipment including software. For equipment over €15,000, it is recommended that specifications and justifications are provided in the application form. If a specialised Laptop/PC is going to be purchased, kindly specify its usage/specs, please provide a letter justifying the planned project utilisation of such equipment in relation to its performance characteristics.

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 on the basis of generally accepted accounting principles are considered as eligible. The depreciation costs must be verified by a Certified Public Accountant.

- **Subcontracted Activities:** Limited to 40% of the project value. The beneficiary remains responsible for the timely delivery of the subcontracted tasks which should be reflected in the work packages and led by an employee of the beneficiary. The beneficiary shall ensure that such a third party is selected in accordance with procurement guidelines in a fair, transparent and non-discriminatory manner.
- **Consumables:** Overall value of consumables cannot exceed 30% of project value.

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

## 9.2 Overheads and Other Operating Expenses

Overheads (also known as eligible indirect costs) and other operating expenses will be covered at 20% of direct eligible costs for all line items being requested, as long as the expenses are incurred as a result of the project.

## 9.3 Ineligible Costs

The following is a non-exhaustive list of expenditures which shall be considered as ineligible costs:



- ✓ Expenses related to loans, interest, etc
- ✓ Recoverable value added tax
- ✓ Expenses which are recoverable through other funding mechanisms
- ✓ Re-purchase of equipment originally procured through other funding mechanisms
- ✓ Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project
- ✓ Any activity related to the reproduction of a commercial product or process by a physical examination of an existing system or from plans, blueprints, detailed specifications or publicly available information.
- ✓ Standard office equipment/ stationery
- ✓ Organising a conferences or business lunches
- ✓ Travel Costs
- ✓ Personnel hours for travelling
- ✓ Dissemination Costs
- ✓ Employee Overtime
- ✓ Patent renewal/maintenance fees
- ✓ Scientific Publication Costs
- ✓ Applying for or registering relevant Intellectual Property (e.g. patents for inventions, trademarks, copyrights, or design rights as applicable)
- ✓ Any costs related to the submission of the End of Project Audited Financial Report

Kindly note that the above is a non-exhaustive list, and any line items not seen to be compliant with the nature of the programme will be subtracted from the grant.

In the event a cost which is not clearly ineligible/eligible is to be proposed, kindly contact Xjenza Malta for clarification. Any clarification is to be performed at least 2 working days prior to the submission deadline.

## 9.4 Aid Intensity

The following maximum aid intensities shall apply under GBER aid in the case of the TDP Lite Programme:

Base Aid Intensity for large enterprises	Top-up according to Undertaking Size		Additional top-up if the project involves Effective Collaboration and/ or Wide Dissemination and/or Making Licences available (i.e. when one or more of the below conditions a,b, c is fulfilled)
25%	Small Undertaking	+ 20%	+ 15%
	Medium-sized Undertaking	+ 10%	

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

*The aid intensity may be increased by 15% if one or more of the following conditions are satisfied:*

*(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 deemed ineligible direct costs under this state aid route.*

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

## **10 Double Funding**

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Funding under this Programme is made available on the basis that the applicant would not have benefited and will not benefit from any other grant or financial incentive of whatever nature, applied for and/or utilised for the same scope as that subject of the funding requested under this Programme. Provided that, in the case where the application covers work that is part of a larger project, the applicant must submit a table as an appendix to the application form that shows a comprehensive list of the items of work and the source of funding for each item.

By signing the Grant Agreement, project partners are automatically accepting and authorising Xjenza Malta 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.

## **11 Evaluation**

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Project applications will be evaluated through a three-step process. Primarily, projects will undergo an administrative compliance evaluation. At this stage, if any errors with the budget are noted, these will either be considered as a major deviation or a minor deviation (kindly refer to Section 6.1 for further guidance).

If successful, projects will be forwarded to three external evaluators for External Evaluation.

The projects will be ranked alternating from the next highest ranked project from option A to Option B starting from Option A until the funds are consumed. For clarity, the order of awards will be as follows (subject to the availability of funds):

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

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

The Managing Authority may undertake a Due Diligence exercise through its contractors for the purpose of administrative compliance. Further assurances and documentation, such as bank guarantees and an updated Undertaking in Difficulty Form, may be required at the discretion of the Managing Authority. In the event that the Due Diligence assessment established a high exposure risk to the Managing Authority, the application will be rejected or further assurances may be requested from the applicant for the application to remain under consideration.

For a project to be successful it must pass from all three-steps.

Changes to the submitted proposal are not allowed prior to the Grant Agreement, unless requested and/or approved by the Managing Authority.

## 11.1 Evaluation Criteria

Failure to achieve a minimum of **70% pass** from External Evaluation will lead to a rejection of the proposal.

External Evaluators will be evaluating applications on the following criteria:

### **Excellence (25%, Threshold: 15%)**

- Are the proposal's aims and objectives clear? Are they reasonable and ambitious within the context of this programme?
- Does the project go beyond the current, state of the art? Is the improvement between existing technologies and the proposed technologies clear?
- Will the proposed technology be novel on a local or global level? Does the innovation have potential to create or disrupt markets? Does the proposal fall within Malta's smart specialisation areas?



- Does the proposal appear to be technologically and practically feasible in achieving the set-out objectives? Are there significant risks associated with the development which can impact the efficacy of the final project?

### **Impact (50%, Threshold: 35%)**

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

### **Implementation (25%, Threshold: 15%)**

- Does the proposed project participant have the required skills and expertise to undertake the project successfully and deliver the set-out objectives?
- Is the ability to commercialise the project present within the applicant? If this is not the case, has this been mitigated and adequately addressed? Has a plausible route to protecting that novelty been proposed?
- Is the general scientific and technical approach proposed sound and credible? Are the tasks proposed appropriate for the timeframe allowed? Is the proposal coherent and effective in terms of the work plan, including appropriateness of the allocation of deliverables, tasks, and resources?



- Is the requested budget appropriate and convincing in relation to this proposal's ambitions? Are the line items being requested pertinent within the project? Are they consistent with the current market price of those items?
- Have potential risks been described and will they be managed as such to ensure the best possible chances of success in the outcomes of the research?

**Other considerations:**

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

- ✓ the implementation of gender equality in the research project
- ✓ other sources of co-financing aside from the mandatory co-financing

## 11.2 Quality Approved Process

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, Xjenza Malta 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.

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



## 12 Post Selection Process

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### 12.1 The Grant Agreement

Following the successful evaluation of the application, the beneficiary will be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. The 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, as well as any relevant legal agreements, shall constitute an integral part of the Grant Agreement as will the rules for participation.

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

Together with the signed copies of the Grant Agreement, the Principal Investigator must provide an abstract of the project. This may be used, in-part or in-whole, by Xjenza Malta 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 determine in the Grant Agreement.

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

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

- ✓ obtaining quotations for procurement purposes
- ✓ issuing human resource calls
- ✓ opening a bank account for the depositing of the first tranche (Refer to Section 13.3)





## 13 Funding, management and Progress Monitoring

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### 13.1 Allocation and Disbursement of Funding

For the purposes of funding and reporting, a project submission shall be considered to be a single stage period of either 12 or 18 months, depending on the duration indicated by the beneficiary in the application.

The total financial contribution by the Managing Authority over the lifetime of the project shall not exceed the funding limit as established in the Grant Agreement, irrespective of actual expenditure.

The funding will be allocated as below:

- At the beginning of the project, Xjenza Malta will provide the 80% pre-financing to the beneficiary.
- The remaining 20% of the grant value will make up the totality of the retention, which will be given after the successful completion of the project and once all deliverables are declared successful and complete.

Xjenza Malta reserves the right to alter the retention percentage in to limit exposed risk, following a due diligence evaluation. Underspends are retrieved by Xjenza Malta following the financial audited report. Typically, these are reduced from the retention amount though Xjenza Malta reserves the right to request the return of additional funding that goes unspent. In the case of overpayment, the applicant will be required to refund the under-spent amount to the Managing Authority within a specific timeframe, or as agreed to with the Managing Authority.

### 13.2 Reporting & Audit

The Principal Investigator shall set a schedule for periodic progress meetings with the Managing Authority. During such meetings, the beneficiary should verbally update Xjenza Malta on progress via presentation, as indicated in Section 8.3.1.

As indicated in Section 8, the Principal Investigator will be required to submit an End of Project Technical Report and an Audited Financial Report to the Managing Authority with details of actual expenditure. Both reports must be approved by the Managing Authority before proceeding with the issuing of the retention tranche.

The End of Project Technical Report should include an account of the activities and achievements carried out throughout the reporting period as compared with the contents of the application (and/or additional annexes within the Grant Agreement outlining the tasks and deliverables of the beneficiary) as originally submitted. This should follow the template provided by Xjenza Malta.

The beneficiary shall appoint a certified auditor to conduct a detailed financial audit, following the completion of the project, where the auditor is responsible for the financial audit and approved by Xjenza Malta once submitted. The Managing Authority reserves the right to appoint an auditor to audit the Project Financial Audit as submitted. This audit should determine the total eligible costs, and it should be conducted to align with the Audit Checklist provided by Xjenza Malta.

The End of Project Audited Financial Report must contain a detailed account of the actual expenditure disbursed for the entirety of project, including:

- i. Accounts
- ii. Physical Inventory (Provided using the Inventory Checklist template)
- iii. Timesheets and Payslips/employee contracts
- iv. Receipts for all equipment and consumables
- v. Bank statements for the Project Account

The End of Project Audited Financial Report shall be submitted up to eight (8) weeks from the stipulated end of project date.

The Managing Authority may at any time request supplementary information and documentation on the projects and may request additional progress meetings. The Managing Authority may make such additional enquiries into a project as deemed necessary. Any required documentation not submitted within Final Reports, or documentation not submitted within the specified timeframes, may render the whole project ineligible, and may result in the Managing Authority recovering all funds disbursed across the project. If the project is found to be in breach of the Grant Agreement or to materially depart from the submitted application, the Managing Authority reserves the right to discontinue the award, and the beneficiary may be required to refund the Grant in part or in full. In any such event, the Managing Authority may also exclude a beneficiary from participating in future calls.

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



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

*The financial audit*

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

*The Project Management Audit*

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

*Technical Audit*

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

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

### **13.3 Transfer of Funds**

Applicants should note that:

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



- i. The limits mentioned in the Rules for 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.

**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 item (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).

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><i>Will contribute to the 20% limit</i></b>	<b><i>Will not contribute to the 20% limit</i></b>
<i>Transfers between different budget categories</i>	
<i>Transfers between managers</i>	<i>Transfers between research personnel</i>
<i>Transfers between items of equipment (over €5,000)</i>	<i>Transfers between items of equipment (under €5,000)</i>
<i>Transfers between subcontracted activities (over €5,000)</i>	<i>Transfers between subcontracted activities (under €5,000)</i>
<i>Transfers between consumables (over €5,000)</i>	<i>Transfers between consumables (under €5,000)</i>

### **13.4 Accountability**

As a condition, the Beneficiary shall open a dedicated project bank account with a banking institution of repute, in the name of the Beneficiary, designated by the Project Grant Agreement Number, denominated in Euro. Grant payments by the Managing Authority, as well as any co-financing from Beneficiaries, shall be deposited into the Project Account. The Beneficiary shall only use this account for the payment of expenses incurred in connection with the Project, provided such expenses are authorised and allowed in terms of these Rules and the Grant Agreement. The Beneficiary shall not encumber the Project Account in any way whatsoever, and



without limitation to the generality of the foregoing, the Grant shall not be made subject to any hypothec, pledge or any other form of security guarantee. Without prejudice to the generality of the foregoing provision, the following shall apply:

“The Managing Authority reserves the right to grant permission, in writing, to one or more Beneficiaries, to waive the obligations of said Beneficiary/s mentioned in Section 6.1. Provided that where the Managing Authority provides its written permission to one or more of the Beneficiaries to proceed without the opening of a Project Account, the Beneficiary/ies are to ensure that all Project transactions bear appropriate analysis codes to enable the clear distinction between Project transactions and other operational transactions. The Managing Authority reserves the right to order the refunding of any disbursed funds that have not been accounted for in this manner.”

The Managing Authority reserves the right to order the refunding of any disbursed funds that have not been accounted for in the above manner.

The Lead Beneficiary’s Project Account, or bank account is to be used in accordance with this Article’s provisions, is stated in the Grant Agreement.

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

### **13.5 Dissemination and Externalisation**

All dissemination and publication of information in relation to the proposal selected for award is to commence following the signing of the Grant Agreement.

Any literature, 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 Xjenza Malta through the FUSION: R&I Technology Development Lite Programme’.**

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

In the case where printed material is published without a mention of the FUSION R&I Technology Programme and Xjenza Malta, the beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. This is also

applicable for published material produced by persons who are not the beneficiary. In the case where such publicity does not mention the FUSION R&I Programme and Xjenza Malta, associated costs will be considered ineligible.

The Managing Authority reserves the right to request that the beneficiary participates in any Research Conferences or Events to disseminate the project results and the experience in obtaining funding from the Managing Authority.

The Beneficiaries shall always cooperate with the Managing Authority in promoting the Programme by presenting the Awarded Project or through other reasonable means, as requested by the Managing Authority.

## **14 Supervening Circumstance**

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The Principal Investigator is obliged to immediately advise the Unit Director, of any internal or extraneous significant event which might affect the validity or implementation of the project. This obligation applies to the entire period between the submission of the preliminary project application and the completion of the project.

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

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

### **14.1 Default**

Where the implementation of a project becomes impossible or implementation is not completed, the Managing Authority 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 in terms of the Grant Agreement.

In the event of default on the part of the Beneficiary the Managing Authority may issue a written notice to the Beneficiary outlining the default, the corrective action to be taken and granting a rectification period of one month. The Managing Authority may





also issue a second written notice of default granting a rectification period in respect of the same default.

## **15 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, Xjenza Malta 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 Xjenza Malta.

These current Rules repeal any Rules previously issued and constitute exclusively the entire Rules issued by the Managing Authority.

In the event of a conflict between the Grant Agreement and these Rules for Participation, the Grant Agreement shall take precedence.