



FUSION R&I Research Excellence Programme

Rules for Participation 2025 | Option A

Rules for State Aid *de minimis regime*





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1 Introduction

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

2.1 Programme Scope and Focus

The Research Excellence Programme (REP) is a national funding programme which supports the early-stage development of innovative projects proposed by public entities, higher education institutes and industry players.

In line with Malta's National Research and Innovation Strategic Plan 2023-2027¹, the primary aim of the programme is to spur the growth of new knowledge through experimental evidence following scientific hypotheses. This programme was designed in response to the need and desire for public and private entities in Malta to

¹ For more information about the Smart Specialisation Areas, kindly refer to [Xjenza Malta's Resource Page](#).



focus on early conceptual research endeavours. The programme is intended to fund projects which are still in the early stages of research, but which nonetheless boast a high degree of scientific excellence as well as national and international relevance. This programme targets research at the initial Technology Readiness Levels (TRL) between TRL 1 and TRL 4²

The programme also aims to:

- Form a more comprehensive Maltese R&I system.
- Build capacity in new, multidisciplinary areas in the Maltese R&I sector.
- Fund the initial research in products or services that could have a significant impact on industry, and which could ultimately lead to new avenues for economic growth.
- Generate knowledge and build capacity for future areas and contribute to smart specialisation strategies and policy development.
- Strengthen and contribute to existing collaborations.

The scope of the programme is to provide financial support for research, development and innovation through a bottom-up approach, across a broad range of scientific areas ranging from fundamental research, to industrial research and/or experimental development.

2.2 Contacts

For general enquires kindly contact:

Ms Giulia Aquilina

Executive (R&I Unit)

Email: giulia.aquilina@gov.mt

Tel: +356 2360 2197

Ms Enya-Marie Haber

Executive (R&I Unit)

Email: enya-maria.haber@gov.mt

Tel: +356 2360 2253

² For more information regarding the TRLs kindly visit the [resource page](#) 'Technology Readiness Levels – a quick guide'



For escalated enquiries kindly contact:

Mr. Mark Farrugia

Senior Executive (R&I Unit)

Email: mark.c.farrugia@gov.mt

Tel: +356 2360 2178

3 Definitions

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

<i>Agreement Date</i>	The term refers to the date on which the Grant Agreement is signed by the legal representative of Xjenza Malta.
<i>Applicant</i>	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.
<i>Arm's Length</i>	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.
<i>Beneficiary</i>	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.
<i>Due Diligence</i>	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.
<i>Eligible Direct Costs</i>	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.



<i>Eligible Undertakings</i>	<p>The term refers to undertakings planning to carry out Fundamental Research, Industrial Research and/or Experimental Development projects and must either be:</p> <ol style="list-style-type: none">A partnership constituted under the Companies Act, being a partnership <i>en nom collectif</i>, <i>en commandite</i> or a limited liability company; orDuly registered as a co-operative society under the Co-Operative Societies Act, orProfessional body; orNGOs; orNon-profit making entities (including Foundations). <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 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.</p> <p>‘Non-profit making’ is an entity where:</p> <ol style="list-style-type: none">The statute of which includes an express exclusion making profits as a purpose; and
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	<p>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</p> <p>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.</p> <p>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:</p> <p>Provided further that an organisation shall continue to be deemed as non-profit making notwithstanding that:</p> <p>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;</p> <p>ii. It buys or sells or otherwise deals in goods or services where such activities are exclusively related to its principal purposes;</p> <p>iii. It is established for the general entertainment, pastime, education or other similar benefit only of its members; or</p> <p>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.</p>
<i>End Date</i>	This term refers to the date when the Project Period, having commenced on the Start Date, expires.
<i>Evaluators</i>	Evaluators are the consultants who responded to Xjenza Malta's Call for Applications to provide evaluation services for submissions made through this Programme.
<i>Grant Agreement</i>	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



<i>In-kind</i>	The term refers to any non-monetary contribution, such as a service or a good.
<i>Innovation</i>	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.
<i>Intellectual Property (IP)</i>	IP means statutory and other proprietary rights and includes patents, trademarks, designs, and confidential information/trade secrets, copyright.
<i>Lead Agency</i>	The primary organization tasked with overseeing and coordinating the entirety of the project.
<i>Legal Entity</i>	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.
<i>Managing Authority</i>	The term refers to Xjenza Malta, a Managing Authority established as per Subsidiary Legislation 595.49.
<i>Operating base in Malta</i>	Having an Operating base in Malta refers to a Legal Entity that: <ul style="list-style-type: none"> 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 ii. Employs at least one person that is based in Malta and is liable to pay income tax in Malta.
<i>Partner</i>	The term is defines as an entity within a consortium.
<i>Person months/ Person hours</i>	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.
<i>Personnel costs</i>	The term means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.
<i>Principal Investigator</i>	The term refers to the lead researcher on behalf of the local Applicant/Beneficiary of a project consortium. May be the same as the Project Coordinator and/or the Project Contact Point.
<i>Project Contact Point</i>	<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> <ul style="list-style-type: none">i. To ensure compliance with the obligations in terms of the Grant Agreement.ii. To compile Periodic Reports and Final Reports including their timely submissions and effective execution of the project.iii. To ensure the submission of all required financial reporting as per the contractual obligations for the partner. <p>To execute the project activities according to set timeframes and deliverables.</p>
<i>Project Grant</i>	The term is defined as the funding provided to the Beneficiary under the Programme.
<i>Project Period</i>	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.
<i>Project Value</i>	The term refers to the project budget needed by the Applicant to carry out the project, including any co-financing.
<i>Research and Development</i>	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:



- a) Fundamental Research means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view.
- b) 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). 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.
- c) 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 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>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.</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>
<i>Research and Knowledge-Dissemination Organisation (RKDO)</i>	<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>
<i>Single Undertaking</i>	<p>The term means all enterprises having at least one of the following relationships with each other:</p> <ol style="list-style-type: none">One enterprise has a majority of the shareholders' or members' voting rights in another enterprise;One enterprise has the right to appoint or remove a majority of the members of the administrative,



	<p>management or supervisory body of another enterprise;</p> <p>iii. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or pursuant to a provision in its Memorandum and Articles of association;</p> <p>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.</p> <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>
<i>Start Date</i>	The term refers to date established for the official start of the project in the Grant Agreement.
<i>Start of Works</i>	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.
<i>Start-up</i>	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.
<i>Subcontracted Activity</i>	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.

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 undertakings that carry out an economic activity within the meaning of Article 107 TFEU.

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 Research Excellence 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

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 applicants that at the time of proposal submission are considered by Xjenza Malta to be non-compliant with respect to Grant Agreement obligations on other active projects funded by Xjenza Malta, may be immediately deemed ineligible at application stage or will not be awarded 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 Agency and circumstances where the applicant is in recognised default of Grant Agreement obligations on any other active project funded by the Agency. Similarly, should applicants become non-compliant during the call process, they will not be awarded funding under this programme.

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 Xjenza Malta, shall be automatically declared as inadmissible.

Funding under this Programme is made available on the basis that the beneficiary has not 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.

Beneficiaries under these Rules for Participation 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.

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



4.2 Conflict of Interest

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 interest 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 the *de minimis* State Aid Regime

Assistance provided under these Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) 2023/2831 of 13 December 2023³ 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 the applicable three (3)-year period, including *de minimis* aid from schemes offered by entities other than the Managing Authority. The three-year period is assessed on a rolling basis.

Applicants should ensure and declare that they are eligible for the requested grant under State Aid rules before applying.

³ More information available here: <https://eur-lex.europa.eu/eli/reg/2023/2831>



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 the case of successful applications, an updated declaration form shall be provided at the time of the signing of the Grant Agreement, ensuring that the applicant remains eligible for funding under the State Aid regime.

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

In line with Article 1 of the *de minimis* Regulation, no aid will be granted to the following undertakings and/or sectors, since these are expressly excluded from the scope of the *de minimis* Regulation:

- (a) aid granted to undertakings active in the primary production of fishery and aquaculture products;
- (b) 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;
- (c) aid granted to undertakings active in the primary production of agricultural products;
- (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, and is also active in one or more of the other sectors falling within the scope of the *de minimis* Regulation, or has other activities falling within the scope of the *de minimis* Regulation, the *de minimis* Regulation shall apply to aid granted in respect of the latter sectors or activities, provided that the Managing Authority 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.

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.

The following information shall be made public:

- 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').

Applicants under these Rules for Participation must understand that, should they be found to be in breach of the applicable State aid rules, the Managing Authority will enforce the retrieval of disbursed funds with interest, in part or in full, as the case may necessitate.

6 The Application Process

The Call for Project Proposals will be open for eight weeks between 29th April, 2025 until 23:59PM on the 24th June, 2025. 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 and 5.

6.1 Application Submission

The Research Excellence project application must present a coherent, comprehensive and credible plan based on:

- ✓ Reasonable estimates of human resources, finance, deliverables and timeframes; and
- ✓ Templates provided by Xjenza Malta.

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 2025' prior to submission as no amendment or negotiation thereto will be allowed after submission.

The legal representative of the participating organisation of the applicant must either physically or electronically sign off the application and enter the date of signature. This individual 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 10 of these Rules for Participation. The application process is a single stage process. Meaning 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 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. 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.

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.

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

6.2 Submission Documents

All Submissions must include:

- ✓ The application form in MS Word (.docx) format and a signed scanned copy (to be sent by email)
 - A precise plan of project activities, timeframes, and deliverables, including a visual representation through a Gantt Chart
 - A detailed plan of how Beneficiary's knowledge and, where applicable subcontractors or 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.)
- ✓ The Detailed budget breakdown form (.xlsx).
- ✓ Curricula Vitae of key researchers including relevant track records. These should clearly establish that there is the potential in carrying out the project.
- ✓ Letters of intent or related correspondence to confirm a commitment for external researchers (where applicable) to collaborate on the Project.
- ✓ The signed *de minimis* State Aid Declaration Form (An updated State Aid Declaration form is to be submitted upon the signing of the Grant Agreement should the project be selected for funding, as well as declarations on Indirect State Aid).
- ✓ Signed additional declarations.
- ✓ 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

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 Xjenza Malta resource page here: <https://xjenzamalta.mt/resources-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 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 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 which are not received by Xjenza Malta as at 24th June 2025 (23:59 CET) 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 rep.xjenzamalta@gov.mt keeping Ms. Giulia Aquilina (giulia.aquilina@gov.mt) and Ms. Enya-Marie Haber (enya-maria.haber@gov.mt) in copy, with "Research Excellence Programme 2025 Application Submission" as a subject.

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 the other organisations which may be involved. It is the applicant's responsibility to ask for information on lead times 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 applicant's legal representative and must include signatures of the legal representatives of each respective participating organisation. All project application submissions must reach Xjenza Malta by not later than 23:59PM (CET) on 24th June 2025.

6.3.2 Assistance with Applications

Prospective Project Applicants are encouraged to seek the advice of Xjenza Malta 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 Xjenza Malta'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. 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

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 of Participation;
- ii. Commission Regulation (EU) 2023/2831 of 13 December 2023⁴ 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).

⁴ More information available here: <https://eur-lex.europa.eu/eli/reg/2023/2831>



- 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 a contract'.

Further information may be found within the Application Form.

8 Programme Parameters

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 being observed.

8.1 Project Start Date and Duration

The project must start by at least 1st February 2026 or as otherwise stated by Xjenza Malta. The project must be implemented across an 18-month period, without the possibility of an extension.

8.2 Project Grant

The maximum possible grant value for a project is €100,000.

The de minimis aid to be received by every successful applicant under these Rules for Participation shall include all approved eligible costs for that entity at a maximum aid intensity of 90%, as mentioned in Section 9.

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 an obligation 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. 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 content of each deliverable should be proportionate to the research efforts carried out to obtain such results.

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 must:

- 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.
- 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 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, work-packages or any other parameter committed to 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 to the Unit Director 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 Recommended Deliverables

Further to the mandatory deliverables, Xjenza Malta recommends that additional deliverables are included. The proposed recommended deliverables should not exceed more than 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 proposal at application stage. The recommended deliverables may include:

- ✓ Open Access Peer Reviewed Journals⁵
- ✓ A strategic plan to assess the project after its conclusion, focusing on further exploitation and development of the obtained results.
- ✓ The attainment of any certification or degrees
- ✓ Reports after the conclusion of testing, to highlight the generation of new knowledge
- ✓ Industrial and Intellectual Property generation
- ✓ Reports on project dissemination activities, including but not limited to, social media posts, local newspapers, conferences, publications, project exhibitions etc.

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

- ✓ Personnel recruitment
- ✓ Procurement of equipment
- ✓ Internal Meetings
- ✓ Ethical approval

⁵ Costs incurred with relation to this deliverable are not eligible as part of the project costs under the REP. 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.



Kindly note that the lists of examples given above is indicative not exhaustive.

In the case of deliverables that will be submitted periodically (e.g., monthly reports on progress, reports on IP status etc.), only the final version that will be considered as the deliverable.

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

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.

9 Eligible Costs

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:

- o 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.

Management costs are limited to 10% of the project value. Any project management which is not carried out by the applicant shall be deemed as 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.



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 following formula:

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

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	Hourly rates 2026	Hourly rates 2027	Hourly rates 2028	Limits per project
	<i>max</i>	<i>max</i>	<i>max</i>	
<i>Management</i>	€60.78	€63.82	€67.01	<i>Max 2 per project</i>
<i>Senior Researcher⁶ or equivalent</i>	€42.84	€44.98	€47.23	<i>No Limits</i>
<i>Researcher⁷ or equivalent</i>	€30.69	€32.22	€33.84	<i>No Limits</i>
<i>Operational, technician, research support assistant or equivalent</i>	€16.83	€17.67	€18.56	<i>No Limits</i>

The rates stated in the table above are for the years 2026-2028. For subsequent years a 5% increase per year is allowed. Kindly ensure that only hourly rates are provided in the application form. Provided that whereas the Table above specifies maximum hourly rates, the Beneficiary shall ensure that the hourly rate of remuneration payable shall not, at any time, be less than the applicable minimum wage as established by Maltese law, including any applicable Wage Regulation Orders issued

⁶ 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.

⁷ 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.

under the Employment and Industrial Relations Act (Chapter 452 of the Laws of Malta) or national minimum wage standards, as may be amended from time to time. The Beneficiary undertakes to adjust hourly rates of remuneration accordingly to ensure continued compliance with any changes in the statutory minimum wage.

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 the 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.

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 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

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

Completed 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.

- o Instruments and Specialised equipment: Purchasing and leasing of instruments and 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. If a

specialised laptop or PC is going to be purchased, kindly specify its usage and specifications. The overall value of specialised equipment cannot exceed 30% of the project value.

- o Consumables: The overall value of consumables cannot exceed 30% of the project value.

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

- o Travel: Travel is permitted for attending of a conference or coordinating with foreign collaborators or stakeholders, up to a maximum of €4000 (excluding indirect costs).
- o Overheads (also known as indirect costs) and other Operating Expenses: Such 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

9.1 Subcontracted Activities

Subcontracted Activities must not exceed 25% of the project value. Subcontracted Activity is 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.

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.

9.2 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
- ✓ 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 businesses lunches
- ✓ Personnel hours for travelling
- ✓ 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 this is a non-exhaustive list, and any line items not seen to be compliant with the nature of the Research Excellence 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.

9.3 Aid Intensity

The Programme's financial contribution to a beneficiary applying for de minimis aid is up to a maximum of 90% of eligible costs incurred. Therefore, such a beneficiary must contribute the remaining co-financing to the Project. It is not possible for a beneficiary to cover the contribution of the remaining co-financing 'in-kind

9.4 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 intent should be composed within the last three months before the deadline of the application.

10 Double Funding

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, Beneficiaries 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

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, 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 65% pass from External Evaluation will lead to a rejection of the proposal.

External Evaluators will be evaluating project applications for the following:

Scientific Excellence (50%): Threshold 35%

Kindly refer to section 4.1 of the application form

Impact (25%): Threshold 15%

Kindly refer to section 4.1 of the application form

Implementation (25%): Threshold 15%

- ✓ Does the proposed project participant have the required skills and expertise to undertake the project successfully and deliver the objectives?
- ✓ Have any collaborators been identified? If yes, is their support enforced with a letter of intent with specified activities? Are the skills and resources of the collaborators complimentary with those of the applicant? If no, is it clearly justified why throughout the application?
- ✓ 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 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, the Managing Authority 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 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

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 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, 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 by the beneficiary 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 as stipulated 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.

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 (refer to section 13.4)

13 Funding, Management and Progress Monitoring

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 up to 18-months.

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 3, 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.

Technical and financial reports should be submitted at the end of the project by the Principal Investigator. 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.

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:

1. Accounts
2. Physical Inventory (Provided using the Inventory Checklist template)
3. Timesheets and Payslips/employee contracts
4. Receipts for all equipment and consumables
5. 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 beneficiary, 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 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.

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:

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

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 to 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 Research Excellence Programme 2025’.

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 Research Excellence 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 Circumstances

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

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.