



FUSION R&I Technology Development Programme

Rules for Participation 2025 | Option A2

Rules for State Aid *GBER*



Contents

| | | |
|-----------|---|-----------|
| 1 | Introduction..... | 4 |
| 2 | The Technology Development Programme | 4 |
| 2.1 | <i>Programme Scope and Focus.....</i> | 4 |
| 2.2 | <i>Contacts</i> | 5 |
| 3 | Definitions | 6 |
| 4 | Eligibility Criteria and Applications..... | 17 |
| 4.1 | <i>Eligibility for Participation</i> | 18 |
| 4.2 | <i>Conflict of Interests.....</i> | 19 |
| 5 | Consortium | 19 |
| 5.1 | <i>Composition.....</i> | 19 |
| 5.2 | <i>Conflict with Fundamental Aim of Programme.....</i> | 21 |
| 6 | Applicability of State Aid Rules (Option A2 - GBER)..... | 22 |
| 7 | Commercialisation Voucher Programme (CVP)..... | 25 |
| 8 | The Application Process | 26 |
| 8.1 | <i>Application Submission</i> | 27 |
| 8.2 | <i>Submission Documents.....</i> | 28 |
| | <i>All Submissions must include:</i> | 28 |
| 8.3 | <i>Considerations at Application Stage</i> | 30 |
| 8.3.1 | <i>Respecting Lead Times</i> | 30 |
| 8.3.2 | <i>Assistance with Applications</i> | 30 |
| 9 | Confidentiality of Submissions | 31 |
| 10 | Programme Parameters..... | 32 |
| 10.1 | <i>Project Start Date and Duration</i> | 32 |
| 10.2 | <i>Project Grant</i> | 32 |
| 10.3 | <i>Deliverables.....</i> | 32 |
| 10.3.1 | <i>Mandatory Deliverables</i> | 34 |
| 10.3.2 | <i>Recommended Deliverables</i> | 36 |
| 11 | Eligible Costs..... | 38 |
| 11.1 | <i>Subcontracted Activities.....</i> | 42 |
| 11.2 | <i>Ineligible Costs</i> | 43 |
| 11.3 | <i>Audits.....</i> | 44 |
| 11.4 | <i>Funding Distribution between Partners</i> | 44 |
| 11.5 | <i>Aid Intensity.....</i> | 44 |
| 11.6 | <i>Collaborators</i> | 46 |
| 12 | Double Funding | 46 |
| 13 | Evaluation | 46 |
| 13.1 | <i>Evaluation Criteria</i> | 47 |

| | | |
|-----------|--|-----------|
| 13.2 | <i>Quality Approved Process</i> | 49 |
| 14 | Post Selection Process | 49 |
| 14.1 | <i>The Grant Agreement</i> | 49 |
| 14.2 | <i>Start Date and End Date</i> | 50 |
| 15 | Funding, Management and Progress Monitoring | 50 |
| 15.1 | <i>Allocation and Disbursement of Funding</i> | 50 |
| 15.2 | <i>Reporting & Audit</i> | 51 |
| 15.3 | <i>Transfers of Funds</i> | 53 |
| 15.4 | <i>Accountability</i> | 55 |
| 15.5 | <i>Dissemination and Externalisation</i> | 56 |
| 16 | Supervening Circumstances | 57 |
| 16.1 | <i>Default</i> | 58 |
| 17 | Interpretation of Rules | 58 |
| 18 | Annex 1: Feasibility Study | 59 |
| 19 | Annex 2: Flowchart of application procedure | 66 |

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 Agency.

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

2.1 Programme Scope and Focus

The Technology Development Programme (TDP) is a national funding programme which supports the actual development of innovative projects proposed by public entities and industry players. The focus in the programme is on innovative research, knowledge transfer and establishing collaborations between (1) Public Entities and (2) Private Entities with the intention of commercialising the technology developed.

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/>.

It is integrated with the Commercialisation Voucher Programme, which consists of two components; the IP Check (IPC) and the Commercial Viability Test (CVT).

The IP Check examines statutory and proprietary rights such as patents, trademarks, designs, confidential information, trade secrets, and copyright. The Commercial Viability Test assesses all critical aspects of a project to determine its likelihood of successful completion, particularly in relation to market potential.

2.2 Contacts

For general enquiries kindly contact:

Mr. Nicholas Caruana Pedersen

Executive (R&I Unit)

Email: nicholas-caruana.pedersen.1@gov.mt

Tel: +356 2360 2280

Or;

Ms. Mariah Vella

Executive (R&I Unit)

Email: mariah.vella.5@gov.mt

Tel: +356 2360 2114

Or;

Ms. Rachel De Bono

Executive (R&I Unit)

Email: rachel.de-bono@gov.mt

Tel: +356 2360 2278

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 Xjenza Malta, and some terms might not be present within the text of the 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 the Managing Agency. |
| <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>Effective collaboration</i> | 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 risks. Contract research and provision |

| | |
|------------------------------|---|
| | of research services are not considered forms of collaboration. |
| <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 Industrial Research and/or Experimental Development projects and must either be:</p> <ul style="list-style-type: none"> 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 ii. Duly registered as a co-operative society under the Co-Operative Societies Act, or iii. Professional body; or iv. NGOs; or v. Non-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.</p> |

‘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;
- ii. It buys or sells or otherwise deals in goods or services where such activities are exclusively related to its principal purposes;

| | |
|-----------------------------------|--|
| | <p>iii. It is established for the general entertainment, pastime, education or other similar benefit only of its members; or</p> <p>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.</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 Agency 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>Large Enterprise</i> | 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. |
| <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 Agency</i> | The term refers to Xjenza Malta, a Managing Agency 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 defined 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 or the project consortium. May be the same as the Project Contact Point. |

| | |
|------------------------------|---|
| <i>Project Contact Point</i> | <p>The term refers to the individual, appointed to act on behalf of the Applicant/Beneficiary and who is responsible for communicating with the Managing Agency 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. iv. To execute the project activities according to set timeframes and deliverables. |
| <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. |
| Public entity | The term refers to any Ministry, Department, Entity, Authority, Public Commission, Public Sector Foundation or similar organisation that does not carry out an economic activity within the meaning of Article 107 TFEU and that exercises public power, or else acts in its own capacity as public authority, where the activity in question forms part of the essential function of the State or is connected with those functions by its nature, its aim and the rules to which it is subject. However, the classification of a particular entity as an undertaking depends entirely on the nature of its activities, and the overriding criterion of consideration is |

| | |
|---------------------------------|--|
| | <p>whether it carries out an economic activity or not, e.g. an entity that is formally part of the public administration may nevertheless have to be regarded as an undertaking within the meaning of Article 107(1) of the Treaty. Thus, an entity that carries out both economic and non-economic activities is to be regarded as an undertaking only with regards to the former. In this case, if the economic activity can be separated from the exercise of public powers, then that entity acts as an undertaking in relation to that activity and the financing, the costs and the revenues of that economic activity shall be accounted for separately from the other non-commercial activities.</p> |
| <i>Research and Development</i> | <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> <ul style="list-style-type: none"> 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.

Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services, and other operations in progress, even if those changes may represent improvements.

Only Research defined under b) and c) are eligible under this call.

| | |
|--|---|
| <p><i>Research and Knowledge-Dissemination Organisation (RKDO)</i></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><i>Single Undertaking</i></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"> i. One enterprise has a majority of the shareholders' or members' voting rights in another enterprise; ii. One enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise; iii. One enterprise has the right to exercise a dominant influence on another enterprise pursuant to a contract entered into with that enterprise or pursuant to a provision in its Memorandum and Articles of association; iv. One enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise. <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>Small and medium-sized enterprise</i> | 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 application of Articles 107 and 108 of the Treaty, as amended. |
| <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. |
| <i>Undertaking in Difficulty</i> | <p>The term refers to an undertaking in respect of which at least one of the following circumstances occurs:</p> <p>(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated</p> |

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

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

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

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

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

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

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:

- Memorandum of Association,
- VAT certificate,
- Management accounts, including detailed profit and loss and the balance sheet, for the current year.

If the Applicant is a start-up and the management accounts 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 Technology Development 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 must form part of a consortium as outlined in [Section 5.1](#) of this document.

Any Applicants which, at the time of proposal submission, are considered by the Managing Agency to be non-compliant with respect to Grant Agreement obligations on other active project funded by Xjenza Malta, may be immediately 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 Agency and circumstances where the Applicant is in recognised default of Grant Agreement obligations on any other active project funded by the Managing Agency. 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 Agency.

Funding under this Programme is made available on the basis that none of the project Partners would have benefitted 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 Agency will

enforce the retrieval of disbursed funds with interest, in part or in full, as the case may necessitate.

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

The Managing Agency shall evaluate the application for the Technology Development Programme in accordance with the criteria laid down in this document.

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 Agency 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 Agency 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 Consortium

5.1 Composition

A project application shall be submitted by a Consortium consisting of two or more Partners as follows:

- At least one Partner shall be a Maltese Registered Public Entity. Such entities would need to apply under the Non-State Aid Rules for Participation (Option B).
- At least one Partner shall be coming from Maltese Registered Private Entity. Such entities would need to apply under the State Aid Rules for Participation (Option A1 or A2, depending on funding route).

The relevant Appendix to the application should be completed by each partner.

One of the Partners should be designated as the Lead Partner and appoint a Principal Investigator. The Lead Partner will be responsible for the application submission of the R&I project, the appointment of a project contact point and the correct execution of the project. Any person may only be involved with one project partner (Refer to [Section 5.2](#)).

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

A Consortium Partner wishing to withdraw from a Project, must present their case to the Managing Agency through the Principal Investigator. As a result, and at its discretion, the Managing Agency may request the refunding of money disbursed to that partner and may even terminate the TDP project in its entirety (meaning that all funds may be requested in part or in full by the Managing Agency). All Project partners would still be obliged to provide all technical and financial reporting at their own expense. In extenuating circumstances, the Managing Agency may at its discretion, consider suggestions for replacement of a Partner. However, the project proposal would need to be re-evaluated. Should this be the case, the overall rules for participation would need to be adhered to and the technical and financial distribution of the projects should remain unchanged.

The Principal Investigator has overall responsibility for the project, and shall have the following responsibilities:

- ✓ To coordinate the timely development and execution of the project, including establishing and managing project activities, timeframes and financial estimates;

- ✓ To coordinate the timely activities of the individual project partners on an ongoing basis, and to ensure that they fulfil their obligations in terms of the Contractual Agreement;
- ✓ To compile all reports including Technical and Financial Reports including submissions by all project Partners in a timely manner;
- ✓ To ensure that the consortium complies with all obligations assigned within the contract governing this grant;
- ✓ Appointing a Project Contact Point to act as the main point of contact between the Managing Agency and the project Partners;

5.2 Conflict with Fundamental Aim of Programme

Pertaining to the Arm's length principle, the participation of individuals in a Consortium must not be of such nature as to create conflicts with the fundamentals of knowledge transfer and commercialisation, which are the foremost aims of the Technology Development Programme.

Two legal entities shall be regarded as independent of each other where neither is under the direct or indirect control of the other or under the same direct or indirect control as the other. Control may take either of the following forms:

- a) The direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or a majority of the voting rights of the shareholders or associates of that entity.
- b) The direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

The following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:

- a) The same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates.
- b) The legal entities concerned are owned or supervised by the same public body.

Partners in the same Consortium cannot be involved in any commercial transaction with another Partner in the same Consortium, or any other entity with shared shareholding, or any other entity within the same group of companies as the Partner, on any matter related to the R&I Project.

6 Applicability of State Aid Rules (Option A2 - GBER)

Assistance provided under these Rules for Participation is in line with the terms and conditions of Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) No 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and by Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, referred to as the *General Block Exemption Regulation, GBER*¹.

¹ 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](#)

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.
- iii. granted in the sector of processing and marketing of agricultural products, in the following cases:
 - a. where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned.
 - b. where the aid is conditional on being partly or entirely passed on to primary producers.
- iv. granted in favour of a beneficiary which is subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market.
- v. granted in favour of an undertaking in difficulty defined in terms of the GBER, unless the undertaking was not in difficulty on 31 December 2019 but then became an 'undertaking in difficulty' in the period from 1 January 2020 to 31 December 2021.

Aid approved by the Managing Agency 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.

[relevant adjustments](#) by [Commission Regulation \(EU\) 2023/1315 of 23 June 2023 amending Regulation \(EU\) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation \(EU\) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, and as may be subsequently amended.](#)

It will be ensured that this funding programme will not entail by itself, by the conditions attached to it or by its financing method, a non-severable violation of Union law. In particular:

- a) the granting of aid is not subject to the obligation for the beneficiary to have its headquarters in Malta or to be predominantly established in Malta. However, the requirement to have an establishment or branch in Malta at the moment of payment of the aid, is allowed;
- b) the granting of aid is not subject to the obligation for the beneficiary to use nationally produced goods or national services;
- c) the funding programme does not restrict the possibility for the beneficiaries to exploit the research, development and innovation results in other Member States.

For the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. Value added tax charged on eligible costs or expenses that is refundable under the applicable national tax law shall, however, not be taken into account for calculating aid intensity and eligible costs.

The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary. The eligible costs shall be discounted to their value at the moment the aid is granted.

Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted.

The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

In determining whether the applicable 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.

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:

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

7 Commercialisation Voucher Programme (CVP)

The Technology Development Programme will support the performance of preliminary studies: an intellectual property check and a commercial viability test which were previously covered by the Commercial Voucher Programme (CVP).

Any Applicant applying for the TDP call and who has successfully completed such preliminary studies through the Commercialisation Voucher Programme after 1st January 2023 must submit the completed report along with their application.

Applicants who wish to apply for the TDP Call but have not yet conducted a CVP will be required to complete the CVP in the first 6 months of their TDP project. This can be completed as part of "Work Package 0". The activities related to the CVP will be in accordance with the conditions set out in these rules. The CVP will consist of the Intellectual Property Check Report (IPC; add-on 1) and the Commercial Viability Test (CVT; add-on 2).

Both add-ons will be performed by a Service provider, chosen by the Applicant, from a list of pre-approved vendors by the Managing Agency.

The CVP has a value of €14000 excluding VAT. The IP check and CVT may or may not be performed in tandem. The reports must be submitted within the first 6 months from the project start date. The CVP will be remunerated at 90% under the De Minimis regime (€ 12,600 excluding VAT), with the remaining costs (10%) covered through co-financing.

- 1) **Intellectual Property Check (IPC) - € 4K**
- 2) **Commercial Viability Test (CVT) - € 10K**

After the Commercialisation Voucher Programme (CVP) is successfully done, it is also important to note that Applicants are to include actions towards the implementation of recommendations from Service Providers and/or evaluators from the Commercialisation Voucher Programme. In this way the opportunities and threats identified are integrated into the implementation plans for the Technology Development project to ensure a better chance of success in the delivery of marketable solutions. In the case where the CVP proves to be problematic or reveals challenges or any form of lack of commercial feasibility, the project must be modified to rectify such shortcomings.

Further details pertaining to these add-ons can be found in Annex 1

8 The Application Process

The Call for Project Proposals will be open between the 27th of October 2025 and the 23rd of January 2026 at 11:59pm. Proposals which are received after the stipulated deadline will be deemed administratively non-compliant. The selection and funding of proposals under this Programme shall be on a competitive basis.

Applications are to be submitted prior to the start of works.

Applicants should refer to the eligibility criteria in [Section 4](#) and [Section 6](#).

8.1 Application Submission

The Technology Development project application is to present a coherent, comprehensive and credible plan based on reasonable estimates of human resources, finance, deliverables and timeframes through templates provided by the Managing Agency.

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

Applicants who have already successfully completed the CVP should include the reports with the TDP application.

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.

Where errors in the budget are noted during the evaluation process, these will be categorised by the Managing Agency as major deviations (affecting 10% or over of the requested grant value, or involving significant errors in required documentation) or minor deviations (affecting less than 10% of the requested grant value).

Minor deviations will be corrected and administratively evaluated. The Beneficiary will be given the opportunity to accept or decline proceeding with the project subject to the required amendments if the application is successful.

Major deviations will be identified by the Managing Agency. Depending on the nature and severity of the deviation, the Beneficiary may be invited to address the issues within a period determined by the Managing Agency. Failure to submit required corrections where rectification is permitted will result in the application being deemed administratively non-compliant and no longer eligible for consideration. In cases where the deviation is fundamental or prevents proper evaluation of the application, it may be deemed administratively non-compliant immediately.

All administratively compliant applications shall be evaluated according to the procedure outlined under [Section 13](#) of these Rules for Participation. The application process is a single stage process, meaning modifications by the Applicant or negotiations on the content are not allowed once submission has been made. Only

major and minor deviations may be altered at the discretion of the Managing Agency as mentioned above. The content of the Application Form and these rules for participation will be directly appended to the Grant Agreements for successful Applicants and will constitute the Grant Agreement technical obligations.

Any text 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.

8.2 Submission Documents

All Submissions must include:

- ✓ The application form in MS Word (.docx) format and a signed copy in .pdf (.pdf) format
 - A precise plan of project activities, timeframes and deliverables, including a visual representation through a Gantt Chart.
 - A precise indication of project costs signed within the application.
 - A detailed plan of how partners' knowledge and, where applicable, subcontractors and 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 in excel (.xlsx) and pdf (.pdf) format for each partner.
- ✓ Curricula Vitae of key researchers including relevant track records. These should clearly establish that the Consortium has the potential to carry out the project.
- ✓ Letters of intent or related correspondence to confirm a commitment for external researcher (where applicable) to collaborate on the Project.
- ✓ An IP agreement signed by all Project Partners
- ✓ A dissemination and externalisation plan should be included (as a separate annex to the application form)

- ✓ CVP Reports (For those Applicants who have already successfully completed CVP)
- ✓ The signed Additional Declarations

Additionally, for Applicants applying under this set of rules (Option A2):

- ✓ Entity size declaration form
- ✓ Undertaking in difficulty form
- ✓ Declaration of Effective Collaboration and/or Wide Dissemination, etc.
- ✓ A Memorandum of Association and a VAT Certificate for each Private entity within the Consortium
- ✓ Management Accounts, including detailed profit and loss, as well as balance sheet, for the current year.

In the event that the Partner is a start-up, and the above documents are not available, the Partner 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

The additional documentation to be submitted for this call can be found on the Xjenza Malta resource page here: <https://xjenzamalta.mt/resources-page/>

It should be noted that emails larger than 20MB shall be automatically rejected by the system. The Applicant may make use of WeTransfer, Google Drive or any other software.

Application Forms can be sent electronically to rtdi.xjenzamalta@gov.mt, keeping Mr Nicholas Caruana Pedersen (nicholas-caruana.pedersen.1@gov.mt), Ms Mariah Vella (mariah.vella.5@gov.mt), Mrs Rachel De Bono (rachel.de-bono@gov.mt) and Mr Mark Farrugia (mark.c.farrugia@gov.mt) in copy, with "Technology Development Programme Application Submission 2025 Call" as a subject.

It is the responsibility of the Applicant to ensure that a confirmation of receipt is provided.

All received applications shall be acknowledged in writing or by email. Incomplete applications as of 23rd January 2026 at 11:59pm will not be considered.

Physical submissions of applications or supporting documents will not be accepted under any circumstances. Applicants are strongly encouraged to double-check their submissions to ensure completeness and correct format.

8.3 Considerations at Application Stage

8.3.1 Respecting Lead Times

All organisations, including the Managing Agency, 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 constituting the Consortium. It is the Applicant's responsibility to ask for information on lead times pertaining to the Managing Agency.

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

8.3.2 Assistance with Applications

Prospective Project Applicants are encouraged to seek the advice of the Managing Agency in the preparation of the project application. This should help identify any areas of concern prior to the submission of the application and lead to a better quality of submission. Advice shall only be given in respect to these Rules for Participation and not on technical grounds. Applicants are particularly encouraged to seek the Managing Agency's guidance through proposal-specific one-to-one sessions to ensure that the single-stage 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.

9 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 Principal Investigator, the title of proposal and the abstract which may in the course of the process be published.

The collection of data by the Managing Agency through the application for aid under the Programme, submitted by the Applicant and the subsequent processing of said data by the Managing Agency 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, 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.

10 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.

10.1 Project Start Date and Duration

The project must start by 1st August 2026 or as otherwise stated by the Managing Agency. The project must be implemented across either 24 months, 30 months or 36 months (maximum) without the possibility of extension.

10.2 Project Grant

The maximum possible grant value for a project across the consortium is €500,000 with the possibility of an additional €12,600 (excluding VAT) for the Commercialisation Voucher Programme (€12,600 refers to the 90% of the €14,000 available for non-State Aid Applicants).

The 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 60%, as mentioned in [Section 11](#).

10.3 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 (ideally) or Dropbox, is set up and shared with the Managing Agency 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.
- The Managing Agency 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 the Managing Agency 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 remain 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 the Managing Agency before any retention is disbursed.

The sub-sections below list the Mandatory Deliverables that are required by the Managing Agency 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.

10.3.1 Mandatory Deliverables

A Consortium must:

- ✓ During the duration of the project, submit at least one (1) research paper based on the work carried out throughout the Project in a pre-peer reviewed open access journal and, where available, deposited in the entity's institutional repository. The paper is to include an acknowledgement to the Managing Agency.

In cases where IP protection is envisaged, it is important that publication of such a paper is either scheduled after or will not impinge on the IP's validity.

In addition, or alternatively, during the duration of the project, beneficiaries should also consider applying to the Xjenza Malta Schemes for Open Access Journal Support, which are specifically designed for the Managing Agency beneficiaries. These schemes can be used to publish open access research linked to the awarded project under this Programme. 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.

A copy of all publications must be presented to the Managing Agency.

- ✓ Publish at least one article per year in public media (e.g., a local newspaper or magazine) to raise public awareness, including an acknowledgement to the Managing Agency. These should not contain intellectual property but should raise awareness about the project and its benefits. A copy of these should be presented to the Managing Agency within two weeks of publication. Additional publications may be considered.

The Beneficiaries shall at all times cooperate with the Managing Agency in the promotion of the FUSION Technology Development Programme by delivering presentations about the Project or through other reasonable means at the request of the Managing Agency.

- ✓ 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 Agency and concluding the project with a final meeting.

These deliverables should be provided through presentations. (*Kindly note that the Managing Agency may, at its own discretion, request additional meetings if required*).

- Submit an Interim Technical Report;
- Submit an Interim Financial Report;
- Submit an End of Project Technical Report;
- Submit an End of Project Audited Financial Report;
- For anyone who is applying for the TDP call and has not successfully completed the CVP as of 1st January 2023:
 - Intellectual Property Check
 - Commercial Viability Test

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 presented in accordance with the templates provided to the Project Contact Point by the Managing Agency.

-The Interim Technical Report must be submitted *mid-way through the project*.

-The Financial Interim Report must be submitted *within one month from the mid-way point of the project*.

-The End of Project Technical Report must be submitted at the *end date of the project*.

-The End of Project Financial Audited Report must be submitted *within two months of 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 to in the application, are to be communicated in writing with clear justification to the Managing Agency prior to the deadline. The written request will be referred to the Unit Director for approval. The Managing Agency 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 the Managing Agency and its decision shall be binding, final and irrevocable. Any other communication shall not be considered valid or binding.

10.3.2 Recommended Deliverables

Further to the mandatory deliverables, the Managing Agency recommends that additional deliverables are included. The proposed recommended deliverables should not exceed more than twenty (20). 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:

- ✓ Registration of patents on the work carried out throughout the project (or any tangible outcomes during the patenting process).
- ✓ The formation of any spin-off entities that are envisioned. Kindly highlight if these spin-offs will also be licenced any IP generated.
- ✓ Monograph/s and/or peer-reviewed paper/s for accepted publication in international open access journal/s of repute based on the work carried out through the Project;
- ✓ Oral presentation/s at international conference/s on the work carried out through the Project;
- ✓ The attainment of undergraduate degrees and/or postgraduate degrees and/or post-doctoral research. (In cases where the project duration is insufficient for the purpose of submitting a degree, there has to be a commitment to complete the degree outside the duration of the project utilising other sources of funding.)
- ✓ Additional project dissemination activities including but not limited to: fairs, workshops and events. Examples include: Science in the City, R&I cafes, Enterprise European Network events, project exhibitions and so on.
- ✓ Commercial commitments such as technology innovations to be included in a partner's existing product or service.
- ✓ Commercial commitments such as technology transfer licences.

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

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

Kindly note that the examples of recommended deliverables given above is indicative, not exhaustive.

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, manuscripts or any other format deemed acceptable by the Managing Agency). The format should be relevant and fit for the presented deliverable.

The Managing Agency appreciates that the fulfilment of the additional deliverables may be dependent on external factors. The Consortium is expected to take such external factors 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.

In the case of publications, their submission should take place during the duration of the project, and where available and possible, deposited in the entity's repository, including an acknowledgement to the Managing Agency.

Provided further that if the Beneficiary claims that such an attempt to publish this research paper will have been unsuccessful, the Beneficiary must prove to the satisfaction of the Managing Agency and through the submission of sufficient and adequate documentary evidence that such an attempt to publish a research paper in terms of the requirements of this Clause was in fact made. Sufficient and adequate documentary evidence includes evidence that the paper was actually submitted for publication and documentary evidence that the paper was rejected for publication. If the Managing Agency is satisfied with the evidence provided, then the Beneficiary will not be held in breach of this particular obligation.

A copy of all publication submissions must be presented to the Managing Agency before the end date of the project otherwise the Managing Agency reserves the right to withhold funds accordingly.

11 Eligible Costs

Eligible direct costs are those costs incurred directly by the Partners 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 for *GBER* 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 Consortium 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 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 | Hourly rates 2029 | Limits per project (persons) |
|--|----------------------|----------------------|----------------------|----------------------|------------------------------------|
| | <i>max</i> | <i>max</i> | <i>max</i> | <i>max</i> | |
| Manager | Up to €60.78/hour | Up to €63.82/hour | Up to €67.01/hour | Up to €70.36/hour | Max 2 per project |
| Senior Researcher ² , IP executive or equivalent | Up to €42.84/hour | Up to €44.98/hour | Up to €47.23/hour | Up to €49.59/hour | Max 2 per project |
| Researcher ³ , IP officer or equivalent | Up to €30.69/hour | Up to €32.22/hour | Up to €33.83/hour | Up to €35.52/hour | No Limits |
| Operational, technician, research support assistant or equivalent | Up to €16.83/hour | Up to €17.67/hour | Up to €18.55/hour | Up to €19.48/hour | No Limits |

The rates stated in the table are for the years 2026-2029. 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 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.

² The term 'senior researcher' is to be used for a postdoctoral researcher with a specialist and high level of local and international experience in the field. Individuals possessing a high level of experience in industry can still be considered. The Applicant is to confirm this judgement with Xjenza Malta well in advance of submitting the application form.

³ The term 'researcher' is to be used for a Bachelor's, Master's or a Ph.D. degree holder and hence the hourly rate should be equivalent to the degree held by the relevant individual.

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 *1720 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.

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 the case of a part-time Post-graduate degree, the respective stipend will be calculated pro-rata and at the discretion of the Managing Agency. Students must be engaged through a Maltese registered academic entity. Where the applying entity is not a Maltese Academic Entity and requires the engagement of students from a Maltese registered 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 consortium.

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, to the extent and for the period used for the project. For an individual item of equipment or instrument over €15,000, it is recommended that specifications and justification for planned project utilisation of such instrument/equipment in relation to its performance characteristics are provided in the application form. If a specialised Laptop or PC is going to be purchased, kindly specify its usage and specifications.

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.

- o Consumables incurred directly as a result of the project: The overall value of consumables cannot exceed 30% of the project value. Proposals with consumables exceeding 30% of the project value need to request a pre-agreed deviation at application stage.
- o Overheads (also known as indirect costs) and other Operating Expenses incurred directly as a result of the project: 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.

11.1 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 Lead Partner remains responsible for the timely delivery of the subcontracted tasks;
- ✓ The Lead Partner shall ensure that such a third party is selected in a manner which is transparent, fair and impartial.
- ✓ Lead Partner shall ensure that there is no discrimination between bidders and that all bidders are treated equally and transparently in all calls for quotations.
- ✓ The Lead Partner 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.

11.2 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
- ✓ Purchase of equipment from partners or their subsidiaries within the consortium
- ✓ Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project
- ✓ Any activity related to the reproduction of a commercial product or process by a physical examination of an existing system or from plans, blueprints, detailed specifications or publicly available information.
- ✓ Standard office equipment/ stationery
- ✓ Organising conferences or business lunches
- ✓ Personnel hours for travelling
- ✓ 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

- ✓ Travel costs
- ✓ Dissemination costs

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

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

11.3 Audits

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.

11.4 Funding Distribution between Partners

In accordance with the objectives of this Programme, a project application should represent a good distribution of workload and financing between the different categories constituting the Consortium, and no single Partner should dominate the project. Overall portion of funding for any individual partner shall be limited to 75% of the project grant.

11.5 Aid Intensity

The aided part of the research and development project shall completely fall within one or more of the following categories: industrial research and experimental development.

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

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

The aid intensity may be 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.

The CVP is solely covered under the *de minimis* state aid regulation. The aid intensity is that of up to a maximum of 90% (€12,600 excluding VAT). Therefore, said Partner must contribute the remaining minimum of 10% for the CVP. It is not possible for a Partner to cover this contribution 'in-kind'.

11.6 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.

12 Double Funding

Funding under this Programme is made available on the basis that none of the project Partners would have benefitted 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 Partner/s 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 the Managing Agency 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.

13 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 are

noted, these will either be considered as a major deviation or minor deviation (kindly refer to [Section 8.1](#) for further guidance).

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

The Managing Agency 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 Agency. In the event that the Due Diligence assessment established a high exposure risk to the Managing Agency, 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 Agency.

13.1 Evaluation Criteria

Failure to achieve a minimum of 65% pass from External Evaluation will lead to rejection of the proposal.

External Evaluators will be evaluating applications on the following criteria:

Scientific Excellence (40%): Threshold: 25%

Kindly refer to Section 5.1 of the application form.

Impact (30%): Threshold 20%

Kindly refer to Section 5.2 of the application form.

Implementation (30%): Threshold 20%

1. Are the participants of the consortium complementary to each other and consist of the suitable operational capacity? Does the consortium possess, or intend to recruit/subcontract, the necessary skills to execute on the tasks proposed in the application?

2. Is the current status of the development of the technology in line with the intended scope of the programme (approx. TRL 4) and is the advancement sufficiently ambitious (approx. TRL 7)?
3. Have the other relevant resources, such as facilities, equipment, networks, been identified and accounted for in the planning of the proposal? Are the resources not currently present accounted and planned for in the proposal?
4. Are the necessary personal skills included in the Curriculum Vitae's? In cases where certain skills are not currently present, is there a clear desire to recruit this expertise?
5. Are the proposed deliverables coherent with the proposed Work Packages and are specific and focused sufficiently to deliver the technical excellence within this project's implementation? Is the work plan distributed fairly based on the competencies of each partner?
6. Have potential risks been factored into the work packages of the proposal? Are the mitigation strategies appropriate for the risks identified and capable of minimising hinderances to the project? Are the timelines realistic and well balanced considering the risks and delays typical in a R&I project? Is the work plan organized in a manner whereby delays in a work package will have minimal effect on the rest of the proposal?
7. Are the proposed budgets coherent with the project ambitions and technology development, such that funds are planned to be used effectively and appropriately? In relation to the resources already available to the partner, will the items requested complete all resources necessary for the project to be completed?

Other considerations:

In the event that two or more projects obtain the same mark following evaluation, the Managing Agency 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 private partner's mandatory contribution. Such sources are to be listed in Section 4.3.3 of the application form.

13.2 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 Agency will seek further funding on behalf of the applicant. Please note that there is no guarantee that these funds will be secured in favour of the proposal. The Applicant will be notified following the evaluation and ranking of all proposals if they receive a QPA.

The Managing Agency will have 3 months from the notification date to seek the funding requested and respond to the applicant. Should a project be granted further funding through this mechanism, the awarded process (further evaluations, agreement, etc.) continue as regular. Should the 3-month window elapse, the project will not be successful and will not be granted funding. Should multiple proposals be provided with a QPA and insufficient funds provided to grant all QPA projects, the Managing Agency 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.

14 Post Selection Process

14.1 The Grant Agreement

Following the successful evaluation of the application, the Consortium members 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 Consortium members 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 applicable Rules for Participation.

Hard copies of the Grant Agreement must be signed by all members of the Consortium and delivered to the Managing Agency within fifteen (15) days from the date of receipt by the first Partner. The Project Contact Point should ensure that all members of the Consortium are available to provide their signature during this 15-day timeframe. 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 Project Contact Point must provide an abstract on the project, prepared by the Principal Investigator. This may be used, in-part or in-whole, by the Managing Agency to publicise or externalise the award of funds. No proprietary intellectual property should be included in this draft.

14.2 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. This includes and is not limited to any publication costs.

Between the Agreement Date and the Start Date, the Consortium 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 15.4](#)]

15 Funding, Management and Progress Monitoring

15.1 Allocation and Disbursement of Funding

The total financial contribution by the Managing Agency 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, the Managing Agency will provide the 50% pre-financing to the Lead Beneficiary. This will include both direct and indirect costs.
- At the end of the first half of the project, all Consortium members are required to present an Interim Technical Report and an Interim Financial Report. Both reports must be approved by the Managing Agency before proceeding with any disbursements. Once proved to be satisfactory, the Managing Agency will provide the 30% interim financing to the lead beneficiary, provided a substantial amount (specifically subject to the discretion of the Managing Agency) of the pre-financing tranche has been used.
- The remaining 20% of the grant value will make up the totality of the retention, which will be given after successful completion of the project and once all deliverables are declared successful, complete and satisfactory.

The Managing Agency will disburse funds to the Lead Beneficiary, and it is the responsibility of the Lead Beneficiary to forward funds allocated to other members of the Consortium.

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

15.2 Reporting & Audit

The Principal Investigator shall set a schedule for periodic progress meetings with the Managing Agency. During such meetings, the Beneficiary should verbally update the Managing Agency on progress via presentation, as indicated in [Section 10.3.1](#).

As indicated in Section 10 and Section 15, the Principal Investigator will be required to submit an Interim Technical Report and a Final Technical Report. An Interim Financial Report and an Audited Final Financial report need to be submitted by every member of the Consortium. Both Technical and Financial Reports should follow the template provided by the Managing Agency in the Grant Agreement.

All reports must be approved by the Managing Agency before proceeding with the issuing of the retention tranche.

The Interim Technical Report and the Interim Financial Reports should be submitted at the end of the first half of the project. The Final Technical Report and the Audited Final Financial Reports should be submitted at the end of the Project.

The Interim Financial Reports submitted should contain details of actual expenditure over the first half of the project compared with the originally submitted budgeted expenditure as well as an updated forecast of projected expenditure for the remaining half of the project.

The Audited Final Financial Reports should include details of actual expenditure over the whole reporting period. All Audited Final Financial Reports are to be conducted by an appointed certified auditor, where the auditor is responsible for the financial audit and approved by the Managing Agency once submitted.

All financial reports must be signed by the person responsible for the financial management and assembled as per the instructions in the Grant Agreement.

The Managing Agency 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 the Managing Agency.

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

The Interim Technical Report should detail the activities and achievements completed during the reporting period, measured against the original application and any annexes in the Grant Agreement defining the beneficiary's tasks and deliverables as well as an updated forecast of project activity and projected achievements for the remaining half of the project.

The Final Technical Report should provide the same comparison for the entire project period.

The Managing Agency may at any time request supplementary information and documentation on the projects and may request additional progress meetings. The Managing Agency may make such additional enquiries into a project as deemed necessary. Any required documentation not submitted within Reports, or documentation not submitted within the specified timeframes, may render the whole project ineligible, and may result in the Managing Agency 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 Agency 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 Agency may also exclude a beneficiary from participating in future calls.

The Project Consortium must comply with the mandatory reporting requirements and activities as outlined in the Call text.

15.3 Transfers 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 11](#) 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 be 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 Financial Reports (both the interim and the audited final financial reports).

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 equipment and/or subcontracting originally proposed to be over €5,000 get reduced to less than €5,000 over the course of the project, it 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 |

15.4 Accountability

As a condition, the Beneficiaries 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 Agency, 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 Agency reserves the right to grant permission, in writing, to one or more Beneficiaries, to waive the obligations of said Beneficiary/s mentioned in [Section 8.1](#). Provided that where the Managing Agency 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 Agency reserves the right to order the refunding of any disbursed funds that have not been accounted for in this manner.”

The Managing Agency 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 Partner. Direct eligible costs must be backed up with the relevant documentation as specified in the Grant Agreement.

15.5 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 Programme 2025’.

This acknowledgement will need to be included on any dissemination material submitted to the Managing Agency 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 Development Programme and Xjenza Malta, the Consortium 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 members of the consortium. 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 Agency reserves the right to request that the Consortium participates in any Research Conferences or Events to disseminate the project results and the experience in obtaining funding from the Managing Agency.

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

16 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.

The Managing Agency 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 the Managing Agency to constitute material non-compliance on the part of the Beneficiary and the Managing Agency may thereafter take such action as is necessary in terms of the Grant Agreement in consequence of such non-compliance.

If during the course of a project a Partner withdraws from the Consortium, the Lead Partner will immediately advise the Unit Director. The Managing Agency shall then, at its own discretion, either gives such directives as it deems necessary for the

reallocation of tasks among the remaining Partners or the nomination of a replacement Partner, for the furtherance on the project or re-assess the project in its entirety accordingly. See Section 5.1 for further details.

16.1 Default

Where the implementation of a project becomes impossible or implementation is not completed, the Managing Agency 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 one of the Partners, the Managing Agency may issue a written notice to the Lead Partner outlining the default, the corrective action to be taken and granting a rectification period of one month. The Managing Agency may also issue a second written notice of default granting a rectification period in respect of the same default.

17 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, the Managing Agency 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 Managing Agency.

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

18 Annex 1: Feasibility Study

FUSION ADD ON 1 - The Intellectual Property Check (IPC)

The pertinence of the IP Check add on is as follows:

Prospective Applicants of the Technology Development Programme and the Go-To-Market would have an obligation to apply for and complete both stages of the CVP.

The IP Check will ensure that there aren't any prior registrations or pending applications which may be considered as prior art, and which may hinder successful IP right registration.

Scope: The IP Check is specifically designed to establish whether the inventor/s can register an intellectual property right in respect of the innovative technology being researched. The IP audit drafted by a Xjenza Malta-approved Service Provider and authorised by the Beneficiary of the fund, examines the validity of the technology, and provides recommendations on the possible patentability of the technology. With this meticulously compiled analysis in hand, the researcher will obtain a clear understanding of the type of potential IP assets which could emanate from the proposed innovative.

The IP Check report aims to:

1. Clearly capture the new technology
2. Establish the IP position.

The two basic prerequisites for patentability are that the invention for which patent protection is sought is (1) not known to the public before the filing of the first patent application (novelty) and (2) that having regard to the state of the art, the invention is not obvious to a person skilled in the art (inventive step). During the first 6 months of the project timeline, the Service Provider will conduct a thorough investigation to establish similarities and points of convergence between the new proposed technology and any prior art to determine whether the latter could hinder the potential of an IP right registration.

In order to facilitate the IP Check process and as a preparatory measure to the eventual intellectual property right registration, an Inventor Disclosure Form (*IDF*) must be completed and duly signed by the inventor/s of the proposed innovative technology.

The process Utilising an array of sources, with a scope of identifying potential class / subclasses of the proposed innovation, the Service Provider would perform keyword searches related to the purpose, use and composition of the invention. The U.S. and European Patent Office provide free online databases. In addition, one can also make use of free online databases such as PubMed including any abstracts available. In this regard one can search using keywords or phrases which describe the invention under consideration by looking for common terms defining the invention, its function/s, effect/s, end-product, structure, and use thereof. Commercial databases could also be used to search existing patents and review their claims, as well as to consult publications, specifications, drawings, and all related references.

The Service provider conducting the IP Check, must assess the ability of protecting the idea by primarily analysing.

- a) Whether any information related to the invention has already been disclosed [Disclosure]
- b) Whether this is a completely new idea [Novelty Factor]
- c) Whether this idea is building on something which has already been developed and/or protected [Prior Art]

At the end of the exercise, the Service Provider will submit a validation and scientific opinion, identifying clearly whether the project proposal should:

- Proceed to the next step of the Voucher Programme including technical recommendations for improvement, if any; or
- Be rejected, including the reasons thereto to be communicated with the Applicant.

Timeframe The Intellectual Property Check shall take place within the first 6 months of the project start date.

Allocated Budget: €4,000

Expected Consultants' Criteria

- Relevant qualifications of named consultants and/or associates should include a Bachelor of Sciences Degree in a Stem subject as well as a relevant qualification in Law. To be eligible to apply for this activity, the consultant must be registered as a European Patent Attorney or a National Patent Attorney. IP Lawyers who are not registered as either a Patent Attorney, a Patent Agent, or a Registered Patent Attorney and who are merely affiliated with a qualified Patent Attorney, cannot apply for this activity.
- Where necessary, the team working on the project should include members which have the relevant academic background and experience in the relevant scientific discipline.
- Minimum 3 years' post qualification experience in IP protection, including the preparation and filing of patent applications; prosecution of the applications worldwide and access to a network of patent experts around the world, searches, and registration as well as access to licensing specialists.
- Identification of the Patent Attorney and any associates and/or subcontractors working on the project and the associated experience and qualifications.

Service Providers: The service provider will be chosen from a list of pre-approved service providers verified by the Managing Agency.

FUSION ADD ON 2 – Commercial Viability Test (CVT)

Timeframe:

The Commercial Viability Test shall take place within the first 6 months of the project timeline. In respect of projects with a low TRL i.e., TRL 2-4, the Service Provider is expected to produce a 30-40-page report), whilst for higher TRL projects where the innovation is closer to the market, the report would have to be 40-50 pages long.

Segment A - Market Analysis

This segment must identify whether there is a market for the technology itself, or in other technologies, products and services which might be derived from it. By means of this analysis, the Service Provider will study the dynamics of the market such as volume and value, assess potential customer segments, competition, buying patterns and geographical location. The research should also assess the ease of access to the potential market, focusing on the intensity of competition, customer readiness, regulatory and tax barriers amongst other factors.

1. The Service Provider must prove a thorough understanding of the product/service/technology being proposed by:
 - Conducting a primary market research to understand what the possible applications of the proposed idea might be and in what type of market it would fit. Through such an analysis it is important to capture the potential impact which the new idea would have on the market, given other new market ideas and existing products / services / technologies already on the market.
 - Undertaking an assessment of the perceived differentiating factors and USPs of the product / service / technology.
 - This would enable the establishment of the potential market/markets for the technology, and for products / services / technologies which can be derived from it, categorised in relevant segments for further analysis.
2. Provide indications of the potential sizes and growth rates of markets and market segments identified in Step (1).
3. Identify a geographical market.
4. Identify the potential for access to the markets and market segments identified, considering regulatory issues, extent of competition and customer readiness.
5. Capture the relevant technology trends to provide details on how different sectors are investing in technological products; Such trends should seek input from:
 - Data from several technology market research reports (depending on the sector) such as Gartner, Forrester, IDC, Hoover's database of businesses, Ovum, Zenith International as well as industry trade associations; Such sources are being provided only as an example one is free to use other technology market research reports as it deems appropriate.

- Data from online qualified industry surveys, blogs and publications, for sources of news, trends and market information with a declared methodology, such as the US Census Bureau which publishes annual technology surveys; Such sources are being provided only as an example one is free to use other technology market research reports as it deems appropriate.
6. Delineate the potential life cycle of the technology and of derivative technologies/products and services leading to the development of a demand forecast based on sound methodological approaches, including indications of pricing and revenue generation; This should indicate if there is an existing demand or whether it can be created.
 7. Document the competitive landscape to identify and recommend target country markets, thus establishing the geographical market.
 8. Undertake a risk assessment with respect to the market situation, and how this may impinge upon demand, pricing, and revenue.
 9. Review the environmental forces (political, economic, societal, and technological) that could influence the success of the product. Identify and quantify barriers to entry and any relevant legislation or restrictions.
 10. Market Research should consider gender balance in terms of the end-user of the product or service.

Segment B – Estimation of Costs and revenue generation.

This segment should include the total cost involved to develop the technology into a market-ready product / service/solution. Such costing should also cover any technology transfer to be undertaken by the industry acquiring the technology. The following should be covered through the analysis:

The identification and estimation of the costs involved in the production and supply of the identified product, service, or technology.

1. An assessment of the dependence of such costs on critical factors, such as the use of essential inputs, and transport to different markets, amongst other things. An identification of direct and indirect, fixed, and variable costs.
2. An analysis of the extent to which unit costs depend on scale of production, including an assessment of the technological likelihood that a minimum efficient scale is achieved.
3. Where possible, identify the direct costs, which refer to the direct costs involved in the production of the product / service under consideration. Such costs may include material and process selection as well as labour costs.
4. Where possible, identify the overhead costs, which refer to the indirect costs that are still related to the cost object, but cannot be directly related to the actual production of the product/service. These may include environmental impact costs and regulatory/certification costs, health and safety costs, water and electricity, general administration costs, quality control, and general maintenance. Overhead costs can be either treated as a lump-sum or

- else they can be allocated to the products and services.
5. Establish the minimum breakeven level that would need to be achieved to fully absorb the identified fixed costs.

Segment C: Financial, economic and welfare assessment:

The aim of this analysis is to examine the potential effect which the proposed technology will have on the local economy. The depth and the nature of the analysis is relative to the TRL of the technology undergoing the study, thus the analysis of an innovative technology /product or service which is TRL 5 or higher (closer to market) would be expected to be more onerous than that conducted in respect of a solution addressing a market need and which has a TRL ranging between 2 and 4. In this regard the financial, economic and welfare analysis should measure the potential effect of the outcome of the technology in terms of changes in economic growth (output or value added) and associated changes in jobs (employment) and income (wages). Technologies which are at TRL 2 or lower are exempt from detailed analyses in this segment, however the Service Provider must still provide a financial, economic and welfare assessment, albeit more diluted than one which a higher TRL technology would merit. Thus, this would enable the assessment of the economic potential of that technology by comparing the level of economic activity occurring at a given time with the presence of the technology, compared to what would be expected if the technology were not developed.

Segment D: Risk Profile

In this section, the Service Provider will determine the critical risks associated with the eventual technology development as well as those risks associated with the eventual commercialisation and implementation of the resultant technology/product/service/solution. development of a product/service/solution.

Within the first 6 months of the project timeline, the Service Provider will submit a comprehensive report to Xjenza Malta which will include all the necessary data and information detailing the incremental effect which the proposed technology/product/service or solution would have on the local economy and risk register (risks are to be ranked high, medium, low impact and/or probability). The ensuing results should enable a technology development lead to evaluate and mitigate the risks identified and take decisions based on such risks.

Allocated Budget: €10,000

Expected Consultants' Criteria

Relevant qualifications of named consultants and associates should include a multi- disciplinary team comprising of a Bachelor of Commerce ACCA/ Bachelor of Commerce (Accountancy Major), a

degree in Marketing or Bachelor of Commerce in Accountancy and Marketing or Bachelor of Commerce in Banking, Finance and Marketing or Bachelor of Commerce in Economics and Management or equivalent, business administration or similar; preferably coupled with industry knowledge and commercialisation experience.

- The lead consultant should hold substantive local and overseas markets and putting together reports as detailed above.
- Full time consultant outfits are preferred to ensure the necessary availability to collaborate with the technologists and timeliness of report delivery.

Service Providers: The service provider will be chosen from a list of pre-approved service providers verified by the Managing Agency.

19 Annex 2: Flowchart of application procedure

