



Prototype To MVP (P2M) Programme

Rules for Participation |



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1 Introduction

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

2.1 Programme Scope and Focus

The **P2M Programme (Prototype To MVP)** supports the progression of high-potential research and innovation (R&I) results beyond the research phase and toward practical application, market uptake, or operational deployment.

The programme focuses specifically on advancing research outputs to a **Minimum Viable Product (MVP)** stage. It targets the critical post-research development phase often referred to as the "valley of death," where promising innovations risk stagnation due to limited funding for validation, refinement, testing, and demonstration activities.

The programme complements existing national research funding instruments by addressing the gap between knowledge generation and practical implementation. It is not intended to fund early-stage research, but rather to accelerate the translation of completed or near-completed research outputs into tangible, usable solutions with clear pathways to deployment, adoption, or commercialisation.

2.2 Contacts

For general enquires kindly contact:

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For escalated enquiries kindly contact:

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3 Definitions

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

Agreement Date	The term refers to the date on which the Grant Agreement is signed by the legal representative of the Managing Agency.
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<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>Beneficiary</i>	The term Beneficiary refers to the entity that having submitted an application form for funding under this Programme in accordance with these National Rules for Participation, is selected for funding.
<i>Due Diligence</i>	An investigation of an entity or person prior to the signing of the Grant Agreement conducted in order to establish the suitability of the Applicant to receive funding under this Programme.
<i>Eligible Direct Costs</i>	The term refers to those costs incurred directly by the national beneficiaries during the duration of the project and used primarily for the purpose of achieving the objectives of the project. All eligible expenses must be incurred between the Start Date and the End Date of the Project and capped at the approved requested funding value.
<i>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>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>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>Minimum Viable Product</i>	The minimum demonstrable solution capable of delivering validated value while being technically sound, compliant, and commercially testable. At this stage, the solution must be sufficiently developed and validated such that a client is ready and willing to buy, pilot, or formally adopt it under standard commercial terms.
<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>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>	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>The Project Contact Point(s) shall have the following responsibilities:</p> <ol 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.
<i>Single Undertaking</i>	<p>The term means all enterprises having at least one of the following relationships with each other:</p> <ol style="list-style-type: none"> 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



	<p>that enterprise, a majority of shareholders' or members' voting rights in that enterprise.</p> <p>Enterprises having any of the relationships referred to in points (i) to (iv) above through one or more other enterprises shall be considered to be a Single Undertaking.</p>
Start Date	The term refers to date established for the official start of the project in the Grant Agreement.
Start-up	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.
Subcontracted Activity	The term refers to any activity related to the project, (including but not limited to consultancy), which is not carried out directly by a Beneficiary or its employees but is carried out under any terms by any third party (local or foreign) individual, company, partnership, or entity.

4 Eligibility Criteria and Applications

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

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

Any **eligible undertaking**, with an operating base in Malta, as defined in Section 3, may apply and will be eligible for funding subject to the terms and conditions laid out in this document and in particular the conditions for eligibility.

Given the aims of the Prototype To MVP, it is integral that any proposal that will be considered for funding, implements a scientific and a commercial basis and highlights the research methodology to be conducted.

4.1 Eligibility for Participation

Kindly note that the **applying entity** must be a Maltese registered entity by the date of application submission.

Applications must demonstrate a clear, credible, and time-bound pathway toward achieving a Minimum Viable Product (MVP) reaching a stage where a client is ready and willing to buy, pilot, or adopt the solution.

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

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

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

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

4.2 Direct Access for EIT Jumpstarter Awardees

The **EIT Jumpstarter Programme**, run by the **European Institute of Innovation and Technology**, is a pre-acceleration programme designed to help early-stage innovators transform research ideas into viable business concepts. It provides training, mentoring, and business development support to researchers and entrepreneurs, guiding them in validating their innovation, developing a business model, and preparing for market entry and investment opportunities. The programme concludes with a competition where the most promising teams receive awards and further support to advance their innovations toward commercialisation

The first **three (3) awardees** emerging from the **EIT Jumpstarter Programme Grand Final** may be granted **direct access to the P2M Programme**, without the need to apply through the standard call process, provided they meet the programme's eligibility requirements. These applicants must demonstrate that the proposed activities will advance their innovation toward a **Minimum Viable Product (MVP)** within the scope and duration of the P2M Programme.

Selected EIT Jumpstarter awardees shall be subject to the same **funding conditions, reporting obligations, and programme rules** applicable to all P2M beneficiaries.

4.3 Conflict of Interest

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

Applicant/s and/or Beneficiary/ies shall formally notify the Managing 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 these Rules for Participation, this shall be deemed to constitute an Event of Default and the Application may be deemed ineligible or the Grant awarded may be reduced and/or terminated.

5 Applicability of the *de minimis* State Aid Regime

Assistance provided in line with these Rules for Participation will be granted in line with the terms and conditions of Commission Regulation (EU) 2023/2831 of 13 December 2023¹ on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L, 2023/2831, 15.12.2023) (hereinafter referred to as the *de minimis* Regulation)

The *de minimis* Regulation stipulates that **a single undertaking cannot receive more than €300,000 in *de minimis* aid over the applicable three (3)-year period**, including *de minimis* aid from measures offered by entities other than the Managing Agency. The three-year period is assessed on a rolling basis.

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

Applicants will be required to submit a signed *de minimis* declaration indicating any *de minimis* aid received and/or applied for during the applicable three-year period. **In the case of successful applications, an updated declaration form shall be provided at the time of the signing of the Grant Agreement, ensuring that the applicant remains eligible for funding under this State Aid regime.**

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

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

(a) undertakings active in the primary production of fishery and aquaculture products;

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

- (b) undertakings active in the processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market;
- (c) undertakings active in the primary production of agricultural products;
- (d) undertakings active in the processing and marketing of agricultural products, in one of the following cases:
 - (i) where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
 - (ii) where the aid is conditional on being partly or entirely passed on to primary producers;
- (e) export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, the establishment and operation of a distribution network or other current expenditure linked to the export activity;
- (f) aid contingent upon the use of domestic goods and services over imported goods and services.

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

Aid payable in several instalments, as well as aid payable in the future, 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 time the aid is granted.

The applicable rules on cumulation of aid as outlined in Article 5 of the *de minimis* Regulation will be respected.

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

The following information shall be made public:

- the identification of the beneficiary,
- the aid amount,
- the granting date,
- the aid instrument, and
- the sector involved on the basis of the statistical classification of economic activities in the Union ('NACE classification').

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

6 The Application Process

The Programme shall operate as an **open call with periodic cut-off dates. Proposals submitted after the stipulated cut-off deadline shall not be evaluated under that round and will automatically be rolled over to the next applicable cut-off date.** The selection and funding of proposals under this Programme shall be on a competitive basis.

Cut-Off Dates

Applications may be submitted at any time during the year and will be evaluated following the respective cut-off deadlines:

- Cut-Off 1: End of March
- Cut-Off 2: End of June
- Cut-Off 3: End of September

The Call shall close from the end of September until the end of December each year to allow for administrative review and the implementation of any necessary programme adjustments. **No applications will be accepted during this period.**

Decision Timeline

Xjenza Malta shall endeavour to notify applicants of the funding decision within **four (4) to six (6) weeks** from the respective cut-off deadline. Applicants whose proposals are **unsuccessful at the evaluation stage** shall not be eligible to reapply to the programme within the same calendar year.

Applicants should refer to the eligibility criteria in Sections 4 and 5.

6.1 Application Submission

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

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

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

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

Where errors in the budget are noted during the evaluation process, these will be categorised by Xjenza Malta 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 Xjenza Malta. 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 11 of these Rules for Participation. The application process is a **single stage**, which does not allow modifications once submission has been made, nor does it allow negotiations on the content of the proposals unless otherwise stated by Xjenza Malta. **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 or appendices within the submitted application, that go beyond the prescribed maximum word count and/or page limits, shall be **disregarded in the scientific evaluation process.**

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

6.2 Submission Documents

All submissions must include:

- ✓ **The application form in MS Word (.docx) format and a signed scanned copy** (to be sent by email)
 - A precise plan of project activities, timeframes, and deliverables/KPI's.
 - Signed Additional Declarations
- ✓ The **Detailed Budget Breakdown Form (.xlsx)**²
- ✓ A detailed certified **Business Plan** outlining the commercialisation strategy for the technology
- ✓ **Curricula Vitae** of key persons in the project including relevant track records

² To be downloaded from the Xjenza Malta [resource page](#)

- ✓ The **signed *de minimis* State Aid Declaration Form** (An updated *de minimis* State Aid Declaration form is to be submitted upon the signing of the Grant Agreement should the project be selected for funding).
- ✓ The applicant's **Memorandum of Association**.

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 with large attachments may be rejected by the system. Other file transfer services (such as WeTransfer or Google Drive) should be considered.

Application Forms can be sent electronically to gtm.xjenzamalta@gov.mt, keeping Mr Kyle Bonnici (kyle.bonnici.4@gov.mt) and Ms Mariah Vella (mariah.vella.5@gov.mt) in copy, with "Prototype to MVP Application Submission" as a subject.

It is the responsibility of the applicant to ensure that application documents are sent out successfully. All received applications shall be acknowledged by email.

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.

6.3 Considerations at Application Stage

6.3.1 Respecting Lead Times

All organisations, including Xjenza Malta, have their internal procedures for processing, approving and signing off on legally binding documents. Beneficiaries are to ensure that they are aware of these lead times in their organisation as well as in the other organisations which may be involved. It is the applicant's responsibility to ask for information on lead times pertaining to Xjenza Malta.

Applicants should also consider personal commitments, vacation leave etc, when planning to submit an application. All project application submissions, which must reach Xjenza Malta by the deadline, must be dated, signed and initialised (stamped or signed)

by the applicant's legal representative and must include signatures of the legal representatives of each respective participating organisation.

6.3.2 Assistance with Applications

Prospective Project Applicants are encouraged to seek the advice of Xjenza Malta in the preparation of the project application. This should help identify any areas of concern prior to the submission of the application and lead to a better quality of submission. Advice shall only be given in respect to these Rules for Participation and not on technical grounds. **Applicants are particularly encouraged to seek Xjenza Malta's guidance through proposal-specific one-to-one sessions to ensure that the single-stage application documentation is complete and effective, as once submitted, it cannot be edited.**

7 Confidentiality of Submissions

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

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

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

- i. The provisions of these Rules for Participation;
- ii. Commission Regulation (EU) 2023/2831 of 13 December 2023³ on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (the *de minimis* Regulation).
- 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).

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

- iv. The legitimate basis to process personal data submitted by the data subject by virtue of his/her written application for aid is Regulation 6 (1)(b) of the General Data Protection Regulation (“GDPR”), as ‘processing is necessary in order to take steps at the request of the data subject prior to entering into a contract’.

Further information may be found within the Application Form.

8 Programme Parameters

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

8.1 Project Start Date and Duration

The project must start by the **date** as specified in the grant agreement or as otherwise stated by Xjenza Malta and must be implemented across a **6-month period, without the possibility of an extension.**

8.2 Project Grant

Component	Amount	Description
Base Grant	Up to €16,000	Disbursed in two tranches: 50% upon project commencement and 50% as retention, reimbursed upon successful completion of the project, achievement of the MVP, and submission of all required documentation.
Performance-Based Top-Up	Up to €5,000	Conditional upon the achievement of agreed KPIs, including evidence of market validation or traction. The grant is disbursed at the end of the project.
Start-up Top-Up	Up to €5,000	Available at project start to newly established research-performing companies incorporated within one (1) year prior to submission. To qualify, the majority shareholder must not hold a controlling interest ⁴ in any other active company at the time of application.

⁴ **Controlling interest** means direct or indirect ownership of more than 50% of voting rights, or the ability to exercise decisive influence over a company’s management or strategic decisions.

Component	Amount	Description
Market Discovery Voucher	Up to €4,000	Optional voucher, subject to terms and conditions and availability. Applicants may opt to benefit from this support to enhance market positioning, investor targeting, and commercial readiness.
Total Maximum Grant	€30,000	Maximum funding available under the programme.

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 90%.

8.3 Deliverables

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

8.3.1 Mandatory Deliverables

The Beneficiary must provide a final report with the following documents:

- **Participate in a final meeting with Xjenza Malta at the end of the project,** during which beneficiaries will present and showcase their innovation and resulting **Minimum Viable Product (MVP)** through a short commercial-style pitch.
- Beneficiaries must demonstrate that, by the end of the project, the proposed solution has reached **MVP stage (See Section 8.3.3).**
- Beneficiaries must also demonstrate that KPI's indicated within the application form are met in order to benefit from the performance top up indicated in **Section 8.2.**
- Submit an **End of Project Audited Financial Report.**
- Submit **End of Project Technical Report.**

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

The Project Technical Report must be submitted once the project is complete.

The **Project Audited Financial Report** must be submitted **within one month from the completion of the project** to account for lead times in the lifetime of the project.

Any changes to the project objectives, work-packages or any other parameter committed to in the application, are to be communicated in writing with clear justification to the Managing Agency prior to the deadline. The written request will be referred to the Unit Director for approval. Xjenza Malta will acknowledge receipt and endeavour to reply in a timely manner so that the momentum of the project remains unaffected.

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

8.3.2 Key Performance Indicators (KPIs)

In addition to the required deliverables, applicants shall define a set of **Key Performance Indicators (KPIs)** to measure progress toward the successful development of a **Minimum Viable Product (MVP)** and its readiness for market uptake.

KPIs must be:

- **Clearly defined, measurable, and time-bound**
- Directly linked to the proposed work plan, activities, and expected outcomes
- Aligned with the objective of achieving a functional and validated MVP

Applicants are expected to propose **a limited number of relevant KPIs** (typically 3–5), which may include, but are not limited to:

- Completion and demonstration of core MVP functionalities

- Successful technical testing and validation results
- User or customer validation (e.g. number of pilot users, feedback collected)
- Evidence of market traction (e.g. letters of intent, pilot agreements, initial sales)
- Engagement with industry, investors, or end-users

The achievement of the proposed KPIs will be assessed at project completion and may be taken into consideration when determining the **successful delivery of the MVP and eligibility for final grant disbursement**.

8.3.3 Minimum Viable Product (MVP) Criteria

In order to be considered as having successfully reached a Minimum Viable Product (MVP), beneficiaries must demonstrate that the proposed solution has progressed beyond the conceptual stage into a functional, testable and commercial output.

The MVP must meet the following criteria:

1. A working version of the product, service, or process must be developed, demonstrating its core functionality and key value proposition. The MVP does not need to be fully refined but must be operational and ready to be commercialised. The solution must address the challenge or opportunity identified at application stage, with a clearly defined use case and target user or market.
2. Evidence of initial testing must be provided. This may include user feedback, pilot testing, simulations, or other relevant validation methods demonstrating usability and relevance.
3. The MVP must reflect the innovative element described in the proposal, showing tangible progress compared to the initial state of the product/process.
4. The beneficiary must outline how the MVP could be further developed, including preliminary considerations for scalability, commercialisation, or implementation.
5. Adequate supporting documentation must be submitted, which may include technical descriptions, demonstration materials (e.g. screenshots, videos),

testing results, and tangible interest from potential clients or end-users in adopting or purchasing the solution.

6. Beneficiaries must present the MVP at the end of the project, clearly demonstrating functionality, value proposition, and future development potential.

Failure to meet the above criteria may result in the project being considered incomplete for the purposes of the programme.

8.4 Market Discovery Voucher

The **Market Discovery Plan Voucher** is designed to help innovators strategically position their technology for investment and market entry. It supports Xjenza Malta beneficiaries who have reached **Technology Readiness Level (TRL 5+)** and have a well-developed business plan. Through the voucher, participants receive expert guidance on identifying investment opportunities, targeting investors, selecting high-impact platforms, and developing investor-ready presentations and communication strategies. The voucher also covers the creation of an actionable plan to secure investment via events, direct outreach, or consultation with fundraising advisors. Up to **€4,000 (excluding VAT)** is available on a reimbursement basis, with projects expected to complete the Market Discovery Plan within **12 weeks**. More information pertaining to this voucher may be found [here](#).

Applicants may indicate their interest in receiving the **Market Discovery Voucher** by ticking the relevant box in the application form. Allocation of the voucher is **subject to availability** and is only open to applicants whose proposals are funded under this programme. Recipients must provide evidence of voucher use as requested by the Programme Manager. Voucher activities must be completed by **end of the project**.

9 Eligible Costs

Eligible direct costs are those costs incurred directly by the applicant during the lifetime of the project, and which are primarily used for the purpose of achieving the objectives of the project. **All eligible expenses must be incurred between the Start Date and the End Date of the Project** and must be limited to the budgeted value.

The Eligible Direct Costs are:

- **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 not eligible

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.

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.

- **Instruments and Specialised equipment:** Purchasing and leasing of instruments and specialised equipment including software.
- **Consumables:** 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.
- **Overheads (also known as indirect costs) and other Operating Expenses:** Such costs will be covered at 20% of the direct eligible costs, for all line items being requested. This also includes other operational expenses which are directly related to the project.

9.1 Subcontracted Activities

Subcontracted 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.

Auditing fees incurred solely for the purposes of the P2M Programme may be considered eligible under the **Subcontracting** cost category, up to a maximum of **€500**.

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.

9.1 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)

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

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

9.2 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. Beneficiaries shall be required to submit **audited financial reports**, together with all relevant invoices, receipts, and supporting documentation related to the eligible project costs, for verification by the appointed auditor prior to the release of funds.

9.3 Aid Intensity

The Programme's financial contribution to a beneficiary is up to a maximum of **90% of eligible costs incurred** as long as the maximum grant threshold is not exceeded.

9.4 Collaborators

Should the applicant have any collaborators these must be included in the application form. The expected contribution/s by the said collaborators should be stated and supported by a **letter of support**. These collaborators may be foreign or local. **They are not eligible to receive funding through this proposal.**

The respective letter of support should be composed within the last three months before the deadline of the application.

10 Double Funding

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

By signing the Grant Agreement, Beneficiaries are automatically accepting and authorising Xjenza Malta to exchange essential information related to the project with other funding agencies, both local and overseas, for any necessary checks. Any occurrence of double funding should be communicated in writing to the Unit Director prior to the signing of the Grant Agreement.

11 Evaluation

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

If successful, projects will be forwarded to external evaluators for External Evaluation. The Managing Agency may undertake a Due Diligence exercise through its contractors for the purpose of administrative compliance

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.

11.1 Evaluation Criteria

Innovation (30% Threshold: 20%)

- Describe the innovation you are proposing to develop and the problem or need it aims to address.
- What is the current stage of development of the technology, product, or solution? Describe any prototype, research results, or validation already achieved.
- What is novel or innovative about your solution compared to existing alternatives?

Impact (30% Threshold: 20%)

- Who are the target users or customers, and what problem does your solution solve for them?
- What evidence exists of market need or interest (e.g. discussions with potential clients, market research, pilot users, letters of interest)?
- How will achieving the MVP enable the solution to be adopted, commercialised, or deployed?

Implementation (40% Threshold: 25%)

- Does the applicant demonstrate that the project team has the required technical and managerial expertise to successfully develop the proposed solution and achieve a Minimum Viable Product (MVP)? Are the qualifications and experience of key personnel relevant and clearly described? Are roles and responsibilities within the team clearly defined?
- Is the proposed technical and development approach credible and feasible for achieving the MVP? Is the sequence of tasks logical and aligned with the project objectives? Can the proposed activities realistically be completed within the proposed project timeframe?
- Is the work plan coherent and effective in terms of tasks, deliverables, and resource allocation? Are work packages clearly defined with measurable deliverables leading to the development of the MVP? Does the timeline include

realistic milestones and dependencies? Has the applicant considered potential risks and mitigation measures?

- Are the internal and external resources required for implementation clearly identified and appropriately allocated? Are the necessary technical capabilities, infrastructure, tools, or facilities available to support the development and testing of the MVP?
- Is the requested budget justified and aligned with the activities required to achieve the MVP? Is there a clear breakdown of costs in relation to the proposed work packages? Are major expenses justified and relevant to the project scope?

Failure to achieve a minimum of 65% pass from External Evaluation will lead to rejection of the proposal. For a project to be successful it must pass from all criteria.

Other considerations:

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

- ✓ the implementation of gender equality in the research project
- ✓ other sources of co-financing aside from the private partner's mandatory contribution.

11.2 Quality Approved Process

Should a proposal score **more than 80 marks** yet not be granted due to funds being consumed by higher ranked proposals, the proposal will receive a **"Quality Proposal Acknowledgment" (QPA)**. Using the QPA, the Managing 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

12 Post Selection Process

12.1 The Grant Agreement

Following the successful evaluation of the application, the Beneficiary will be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. The Grant Agreement will include the original project proposal as an annex. The beneficiary will be expected to execute the project in line with the original proposal. The Project Application including but not limited to milestones, compliance and reporting obligations, as well as any relevant legal agreements, shall constitute an integral part of the Grant Agreement as will the rules for participation.

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

Together with the signed copies of the Grant Agreement, the Project Contact Point must provide an abstract of the project. This may be used, in-part or in-whole, by Xjenza Malta to publicise or externalise the award of funds. No proprietary intellectual property should be included in this draft.

12.2 Start Date and End Date

The project will start on a pre-determined date as agreed by all the respective parties and as stipulated in the Grant Agreement.

To be eligible for funding, all expenses must be incurred between the Start Date and the End Date of the Project.

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

- ✓ obtaining quotations for procurement purposes

- ✓ issuing human resource calls
- ✓ opening a bank account for the depositing of the first tranche [refer to [Section 15.4](#)]

13 Funding, Management and Progress Monitoring

13.1 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. For a full- breakdown of the grant, please refer to Section 8.2.

Underspends are retrieved by Xjenza Malta following the financial report. In the case of overpayment, the applicant 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.

13.2 Reporting & Audit

The Principal Investigator will be required to submit an End of Project Technical Report and a Final Financial Report to the Managing Agency with details of actual expenditure. Both reports must be approved by the Managing Agency before the official closing of the project.

Technical and financial reports should be submitted at the end of the project by the Project Contact Point. The latter should contain details of actual expenditure over the past reporting period.

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

The 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

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

13.3 Accountability

As a condition, the Beneficiary shall open a dedicated project bank account with a banking institution of repute, in the name of the Beneficiary, designated by the Project Grant Agreement Number, denominated in Euro. Grant payments by the Managing Agency, as well as any co-financing from Beneficiary, 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](#)

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

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

13.4 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> <Project acronym> financed by Xjenza Malta through the Prototype To MVP Programme.’

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

In the case where printed material is published without a mention of the Prototype To MVP and Xjenza Malta, the beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. This is also applicable for published material produced by persons who are not the beneficiary. In the case where such publicity does not mention the Prototype To MVP and Xjenza Malta, associated costs will be considered ineligible.

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

14 Supervening Circumstances

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

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

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

14.1 Default

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



15 Interpretation of Rules

This document endeavours to establish comprehensive and clear rules governing participation in this initiative. However, should circumstances arise where the rules are inadequate, unclear, ambiguous, or conflicting, Xjenza Malta shall exercise its discretion in the interpretation of the rules or will extrapolate the rules as necessary through the setting up of an ad hoc committee. These current Rules repeal any Rules previously issued and constitute exclusively the entire Rules issued by the Xjenza Malta.

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