GOVERNMENT OF MALTA
MINISTRY FOR JUSTICE,
RESEARCH AND INNOVATION

XJENZA
MALTA

FUSION R&I Research Excellence Programme

Rules for Participation 2027 | Private Stream (Option **A**)
Rules for State Aid *de minimis regime*

RESEARCH
EXCELLENCE
PROGRAMME

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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 The Research Excellence Programme

2.1 Programme Scope and Focus

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

In line with Malta's National Research and Innovation Strategic Plan 2023-2027[1], the **primary aim of the programme is to spur the growth of new knowledge through**

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

experimental evidence following scientific hypotheses. This programme was designed in response to the need and desire for public and private entities in Malta to focus on early conceptual research endeavours. The programme is intended to fund projects which are still in the early stages of research, but which nonetheless boast a high degree of **scientific excellence** as well as national and international relevance. This programme targets research at the initial Technology Readiness Levels (TRL) between TRL 1 and TRL 4[2]

The programme also aims to:

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

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

2.2 Contacts

For general enquires kindly contact:

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Executive (R&I Unit)
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Tel: +356 2360 2253

Mrs Rachel De Bono
Executive (R&I Unit)

[2] *For more information regarding the TRLS kindly visit the resource page 'Technology Readiness Levels – a quick guide'*

Email: rachel.de-bono@gov.mt
Tel: +356 23602278

For escalated enquiries kindly contact:

Mr. Mark Farrugia
Senior Executive (R&I Unit)
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3 Definitions

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

Agreement Date	The term refers to the date on which the Grant Agreement is signed by the legal representative of Xjenza Malta.
Applicant	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.
Arm's Length	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.
Beneficiary	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.
Due Diligence	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.
Eligible Direct Costs	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.
Eligible Undertakings	The term refers to undertakings planning to carry out Fundamental Research, Industrial Research and/or Experimental Development projects and must either be: i. A partnership constituted under the Companies Act, being a partnership *en nom collectif, en commandite* 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). 'Professional Body' may be an organisation, an association, a chamber, society, institute, or a group of professional persons not being enrolled or registered in terms of The Voluntary Organisations Act (CAP 492 of the Laws of Malta) or not being otherwise recognised in terms of Law, and which is generally recognised and acknowledged by the professional persons it seeks to represent as their representative body. For the purposes of this Definition, a professional person is one who has undergone a period of study at a university or a recognised institution of higher learning and has obtained the formal qualification entitling the person to practise the respective profession; and who provides a specialised service to the public, based primarily on a fiduciary relationship between herself/himself and the party to whom s/he provides such service on his own personal credibility and responsibility. 'NGO' means any Voluntary or Non-Governmental Organisation set up in accordance with The Voluntary Organisations Act (CAP 492 of the Laws of Malta). Provided that a duly registered NGO, or a duly registered Professional

	Body shall also be considered to be NGOs for the purposes of these Rules of Participation. '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; iii. It is established for the general entertainment, pastime, education or other similar benefit only of its members; or iv. It is established for the promotion of the social role, ethics, education and values of a trade or profession provided it does not promote the private interests of its members.

End Date	This term refers to the date when the Project Period, having commenced on the Start Date, expires.
Evaluators	Evaluators are the consultants who responded to Xjenza Malta's Call for Applications to provide evaluation services for submissions made through this Programme.
Grant Agreement	This term refers to the funding agreement concluded between the Managing Authority and the Beneficiary/ies and specifies the rights and obligations of the contracting parties.
In-kind	The term refers to any non-monetary contribution, such as a service or a good.
Industry (Industrial Entity)	The term refers to a legal entity, including but not limited to a single undertaking, the objects and activities of which include the output of a specified product and service. In addition to research and innovation contributions and knowledge transfer, the entity may contribute to the project by developing, testing, commercialising or using such a product or service.
Innovation	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.
Intellectual Property (IP)	IP means statutory and other proprietary rights and includes patents, trademarks, designs, and confidential information/trade secrets, copyright.
Lead Agency	The primary organization tasked with overseeing and coordinating the entirety of the project.
Legal Entity	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.
Managing Agency	The term refers to Xjenza Malta, a Managing Agency established as per Subsidiary Legislation 595.49.
Operating base in Malta	Having an Operating base in Malta refers to a Legal Entity that: 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.
Partner	The term is defines as an entity within a consortium.
Person months / Person hours	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.
Personnel costs	The term means the costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.
Principal Investigator	The term refers to the lead researcher on behalf of the local Applicant/Beneficiary of a project consortium. May be the same as the Project Contact Point.
Project Contact Point	The term refers to the individual, appointed to act on behalf of the Beneficiary and who is responsible for communicating with the Managing Agency about the Project. The Project Contact Point(s) shall have the following responsibilities: 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.
Project Grant	The term is defined as the funding provided to the Beneficiary under the Programme.
Project Period	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.
Project Value	The term refers to the project budget needed by the Applicant to carry out the project, including any co-financing.
Research and Development	This term is defined as the systematic investigation, work or research carried out in any field of science or technology through experiment, theoretical work or analysis undertaken to acquire new knowledge, primarily directed towards a specific practical aim or objective, and includes: a) **Fundamental Research** means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view. b) **Industrial Research** means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes, or services or aimed at bringing about a significant improvement in existing products, processes or services including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as super-computing, quantum technologies, block chain technologies, artificial

	intelligence, cyber security, big data and cloud technologies). It comprises the creation of components parts of complex systems and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation. c) **Experimental Development** means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as for example super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud or edge technologies). This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real-life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product, and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services, and other

	operations in progress, even if those changes may represent improvements.
Research and Knowledge-Dissemination Organisation (RKDO)	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.
Single Undertaking	The term means all enterprises having at least one of the following relationships with each other: 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.

	Enterprises having any of the relationships referred to in points (i) to (iv) above through one or more other enterprises shall be considered to be a Single Undertaking.
Small and Medium-sized Enterprise (SME)	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.
Start Date	The term refers to date established for the official start of the project in the Grant Agreement.
Start of Works	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.
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 sets out the criteria that Applicants must satisfy in order to be eligible to participate in this Programme and the requirements governing the submission of applications

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 set out in these Rules for Participation, including all eligibilty criteria outlined.

The applicant entity must be a **Maltese registered entity** by the date of application submission.

Given the aims of the Research Excellence Programme, it is integral that any proposal that will be considered for funding implements a scientific basis and highlights the research methodology to be conducted. **Only sole applicants are eligible to apply for the Research Excellence Programme.**

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.

4.2 Conflict of Interest

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

Applicant/s and/or Beneficiary/ies shall formally notify the Managing 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 Applicability of State aid Rules (*de minimis*)

This option of the scheme will be implemented in line with the terms and conditions of Commission Regulation (EU) 2023/2831 of 13 December 2023[3] 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).

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

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 the State Aid regime.**

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

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

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

(b) aid granted to undertakings active in the processing and marketing of fishery and aquaculture products, where the amount of the aid is fixed on the basis of price or quantity of products purchased or put on the market;

(c) aid granted to undertakings active in the primary production of agricultural products;

(d) aid granted to undertakings active in the processing and marketing of agricultural products, in one of the following cases:

(i) where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;

(ii) where the aid is conditional on being partly or entirely passed on to primary producers;

(e) aid granted to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, the establishment and operation of a distribution network or other current expenditure linked to the export activity;

(f) aid contingent upon the use of domestic goods and services over imported goods and services.

Where an undertaking is active in the sectors referred to in points (a), (b), (c) or (d) above, and is also active in one or more of the other sectors falling within the scope of the *de minimis* Regulation, or has other activities falling within the scope of the *de minimis* Regulation, the *de minimis* Regulation shall apply to aid granted in respect of the latter sectors or activities, provided that the Managing 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 these Rules for Participation.

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 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 *de minimis* regulation, 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 Call for Project Proposals will be open between **23rd November 2026 until 23:59PM** on the **1st of February 2027. Proposals which are received after the deadline stipulated will be deemed administratively non-compliant.** The selection and funding of proposals under this Programme shall be on a competitive basis.

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

6.1 Application Submission

The Research Excellence project application shall present a coherent, comprehensive and credible proposal, clearly demonstrating rationale, objectives, methodology, implementation approach and expected multifaceted impact of the proposed research.

The legal representative of the participating organisation of the applicant must either physically or electronically[4] 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.

[4] [4] For the purposes of these Rules for Participation, electronic signatures shall be accepted, provided that they comply with the requirements of Regulation (EU) No 910/2014 (eIDAS) and are legally valid under the applicable legislation

Submission, evaluation and selection of project applications will be in the form of a **single stage submission meaning modifications by the applicant or negotiations on the content are not allowed, once submission has been made. Only major and minor deviations maybe altered at the discretion of the Managing Agency as mentioned below**

Where errors in the budget are identified during the administrative evaluation, these will be categorised by the Managing Agency as either:

- Major deviations, affecting 10% or more of the requested grant value, or involving significant errors in the required documentation

- Minor deviations, affecting less than 10% of the requested grant value

Minor deviations may be corrected and administratively evaluated. Where the application is successful, the applicant shall be given the opportunity to either accept the required amendments and proceed with the project or decline the award.

Major deviations shall be assessed by the Managing Agency. Where appropriate and depending on the nature and severity of the deviation, the applicant may be invited to address the identified deficiencies within a timeframe as determined by the Managing Agency. **Failure to submit the required corrections within the prescribed timeframe, where rectification is permitted, shall render the application administratively non-compliant and ineligible for further consideration.** In cases where the deviation is fundamental or prevents proper evaluation of the application, the application may be declared administratively non-compliant without the opportunity of rectification.

All administratively compliant applications shall be evaluated according to the procedure outlined under Section 11 of these Rules for Participation. **The approved Application Form and these rules for participation shall be appended to the Grant Agreements for successful Applicants and shall form part of the Grant Agreement, including its technical obligations.**

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

6.2 Submission Documents

All Submissions must include the following documentation (refer to Section 6.2.1 for Application Submission Folder Structure):

- ✓ The **application form shall be submitted** in **MS Word (.docx)** format, with a signed copy in PDF (.pdf) format. The Application form shall include:
  - A clear description of the identified research challenge, proposed solution.
  - The proposed research methodology and implementation approach.
  - A detailed project plan setting out activities, work packages, milestones, deliverables and timeframes, supported by a Gantt Chart.
  - The principal scientific, technical and implementation risks, together with appropriate mitigation measures
  - Where applicable, a description of the activities to be undertaken by external collaborators and the expertise required
  - A precise indication of project costs within the application
  - Relevant previous and/or ongoing funded activities, demonstrating the additionality of the proposed project and the absence of double funding.
- ✓ **Detailed Budget Breakdown Form** [5]
  - This form shall be submitted in MS excel (.xlsx) and PDF (.pdf).
- ✓ **Curricula Vitae**

[5] The template for this document may be found on the Resource Page on the Xjenza Malta website - https://xjenzamalta.mt/resources-page/

- **Curricula Vitae** of key researchers including relevant track records. These should clearly establish the potential and capacity to carrying out the project.

✓ **Dissemination and externalisation plan**

- A plan outlining how project results and knowledge generated will be **communicated, disseminated and, where applicable, exploited** or taken up by relevant stakeholders and end users. This plan can be included as an annex to the application form and must be tied to at least one Work Package

✓ **Letters of intent**

- Such documents or equivalent documentary evidence are necessary to confirm the commitment of external researchers (where applicable) to collaborate on the Project. These are to be signed and dated.

✓ **Signed Additional Declarations**.

- The additional declarations found appended to the application form template shall be completed and signed by all partners in the consortium.

Additionally, for applicants applying under this set of rules (Option A):

✓ ***de minimis* State Aid Declaration Form**

- The de minimis Declaration is to be completed, signed and submitted with the application. An updated declaration shall be submitted prior to the signing of the Grant Agreement should the project be selected for funding.

✓ **Memorandum of Association**

- A memorandum of association shall be submitted for applicants applying under these Rules for Participation.

✓ **VAT certificate**

- A VAT certificate shall be provided, where applicable, with an information sheet intact and clearly showing the relevant NACE code.

✓ **Management Accounts**

- The applicant shall submit verified management accounts, including detailed profit and loss, as well as a balance sheet for the current year.

✓ **Financial Statements**

- Signed[6] financial statements should be submitted for the last two (2) years for due diligence purposes.
- In the event that the applicant is a start-up, and the above documents are not available, the applicant shall provide the **financial projections for three (3) years** signed by an independent certified accountant, including:
  - An income statement,
  - A cash flow statement, and
  - A statement of financial position

Applicants, who fall within the definitions of professional bodies and NGOs, are required to provide relevant financial documents along with an authenticated constitutional document (e.g. Statute/ Deed) and VO certificates.

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 should be sent electronically to rep.xjenzamalta@gov.mt keeping Ms. Enya-Maria Haber (enya-maria.haber@gov.mt) and Mrs Rachel De Bono (rachel.de-bono@gov.mt) in copy, with "Research Excellence Programme 2027 Application Submission" as a subject.

[6] If a signed copy is not available for the current year/last year, a draft or unsigned version may be provided at application stage. If awarded, at due diligence stage, other related documentation may be requested.

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 **1st of February 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.

6.2.1 Application Submission Folder Structure

Applicants must submit all required documentation **compressed into a single zipped folder,** named according to the following format:

ProgrammeName_ProjectAcronym_Application,

The file should be structured into the subfolders outlined below. Please ensure that:

- ✓ Each document is submitted **only once** in the most relevant folder.
- ✓ Only documents **applicable** to your specific application and funding option are included.

The submission folders are:

1. **Application**
    - Application Form (Word and PDF format), including additional declarations
    - CVs of key personnel
    - Gantt Chart
    - Dissemination and Externalisation Plans

2. **Private Entity Documentation**

- Memorandum of Association (M&A)
- VO Certification
- VAT Registration Certificate
- Management Accounts
- Signed Financial Statements
- Financial projections

3. **Detailed Budget**
   - Detailed Budget Breakdown Form (Excel and PDF format)
   - Any justifications related to specific budget lines
4. **State Aid / Non-State Aid Documentation**
   - *De Minimis* Form
5. **Other Documentation (Annexes)**
   - Business Plans
   - Letters of Support
   - IP Agreements
   - Additional appendices, organisation profiles, or supplementary materials

6.3 Considerations at Application Stage

6.3.1 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 which may be involved. 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 Legal Representative/s of the entity applying.

6.3.2 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 Authority's guidance through proposal-specific one-to-one sessions to ensure that the single-stage application documentation is complete and effective.** One-to-one sessions and correspondences seeking advice should be done latest **one week** before the closing date for this call.

7 Confidentiality of Submissions

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

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

The collection of data by 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 provision of these Rules for Participation;

ii. Commission Regulation (EU) 2023/2831 of 13 December 2023[7] 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);

[7] More information available here: https://eur-lex.europa.eu/eli/reg/2023/2831

iii. Data Protection Act (CAP 586 of the Laws of Malta) and Regulation (EU) 2016/679 of the European Parliament and of the Managing Authority of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation);

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

Further information may be found within the Application Form.

8 Programme Parameters

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

8.1 Project Start Date and Duration

The project must start by at least **1st July 2027** or as **otherwise stated by Xjenza Malta.** The project must be implemented across an **18-month period, without the possibility of an extension.**

8.2 Project Grant

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

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

8.3 Deliverables

Deliverables are tangible outcomes of the project and must be **submissible** They must be proposed between the start date and end date of the project. Deliverables

not within the project timelines will not be considered. **If the project is awarded, evidence should be submitted for each deliverable mentioned in the application form to ensure that it has been attained successfully.**

The submission of a deliverable shall be accompanied by sufficient information and supporting evidence to enable the Managing Agency to understand its content, relevance and contribution to the project. 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 submission of a file or output alone shall not be considered sufficient where its purpose, functionality, results and contribution to the project cannot be adequately assessed.

The content of each deliverable should be proportionate to the research effort carried out to obtain such results. Where applicable, deliverables shall also provide evidence of the results achieved against the relevant baseline, indicators, targets and/or acceptance criteria established within the approved Application Form.

Each proposed deliverable shall be **assigned a percentage weighting** reflecting its relative importance and contribution to the achievement of the overall project objectives. The **cumulative weighting** of all mandatory and additional deliverables **shall amount to 100%.** The **End of Project Audited Financial Report** and the **Post Project Feedback** shall **not be assigned a percentage weighting**, given their separate and mandatory nature.

Failure to submit a deliverable, without adequate justification, may **result in a reduction of the grant proportionate to the weighting** assigned to that deliverable, **together with an additional penalty of 2% of the grant value for each affected deliverable.**

It is required that:

- **File storing and synchronization service** e.g. Google Drive 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 still be held on the file storage system for at least 6 months following the successful closure of the project.
- A copy of all deliverables must be presented to the Managing Agency before any retention is disbursed.
- The content of each deliverable should be proportionate to the research efforts carried out to obtain such results.

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

8.3.1 Mandatory Deliverables

All projects shall include the following mandatory deliverables:

✓ **Report on Project Progress**

1. **Project Kick-Off and Progress Monitoring** (Presentation Format)

   A Kick-Off Meeting shall be held at the commencement of the project, followed by **Project Progress Meetings** at six-month intervals, and a **Final Project Meeting** at project completion.

   Progress meetings shall provide evidence progress against the approved work plan, deliverables, milestones, indicators and project expenditure.

The Managing Agency reserves the right to request additional project-monitoring meetings where necessary.

2. **End of Project Technical Report**

   This Report must be submitted at the end of the project.

3. **End of Project Audited Financial Report**

   This 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.

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 provided to the Beneficiary by the Managing Agency.

- ✓ **One Article in Local Media**[8]

Publish at least one article in public media (e.g., local newspapers or magazines) to raise public awareness, including an acknowledgement to the Managing Agency. A copy should be presented to Xjenza Malta within two weeks of publication. These should not contain intellectual property but should raise awareness about the project and its benefits.

- ✓ **Post Project Feedback (or its equivalent)**

The Post Project Feedback will be in a format and manner as requested by the Managing Agency, unless formally waived or discontinued by the Managing Agency.

- ✓ **Final Research Impact and Landing Roadmap**

A preliminary framework shall be provided at application stage, with an updated version provided at the end 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

[8] Public media must demonstrate outreach to a general audience and shall not include publications or platforms targeting predominantly academic or institutional stakeholders.

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 the decision shall be binding, final and irrevocable. Any other communication shall not be considered valid or binding.

8.3.2 Recommended Deliverables

Further to the mandatory deliverables, Xjenza Malta recommends that additional deliverables are included. The proposed recommended deliverables **should not exceed more than ten (10)**. Although the deliverables listed below are not mandatory, the inclusion of relevant and proportionate additional deliverables may strengthen the proposal where they provide clear added value towards the achievement of the project, objectives and expected impact.

- ✓ 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 must be a commitment to complete the degree outside the duration of the project utilising other sources of funding).
- ✓ Reporting on consultation meetings with legal professionals to obtain advice on intellectual property protection and other legal considerations relevant to the development and progression of the project idea.
- ✓ Reports after the conclusion of testing, to highlight the generation of new knowledge
- ✓ Registration of patents on the work carried out throughout the project (or any tangible outcomes during the patenting process).
- ✓ Reports on project dissemination activities, including but not limited to, social media posts, local newspapers, conferences, publications, project exhibitions etc.

- ✓ 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:
- ✓ A strategic plan to assess the research after its conclusion, how to further exploit and develop the results.
- ✓ 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.

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 list of recommended deliverables given above are indicative not exhaustive.

The Managing Agency appreciates that the fulfilment of the additional deliverables may be dependent on external factors. The Beneficiary 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 deliverables that will be submitted periodically (e.g., monthly reports on progress, reports on IP status etc.), only the final version that will be considered as the deliverable.

Where a Beneficiary has committed to submitting a research paper for publication, but the paper is not accepted for publication within the project duration, the Beneficiary shall provide sufficient documentary evidence demonstrating that the paper was

submitted for publication and subsequently rejected. Where the Managing Agency is satisfied that a genuine attempt to fulfil the deliverable was made, the Beneficiary shall not be considered in breach of this 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.

8.3.3 Deliverables Naming Convention

All project deliverables submitted must **strictly follow the standardised naming** convention below:

[Deliverable Number]_[Completion Month]_[Deliverable Name from Application Form]_[File Format]

Example: **D2.1_Month06_MarketAnalysisReport_PDF**

Submissions that **do not comply** with this format **will not be reviewed until deemed correct by the Managing Authority.**

9 Eligible Costs (Under these Rules for Participation)

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 limited to **10% of the project value**. Any project management which is not carried out by the applicant shall be deemed as subcontracting and, apart from being subject to the 10% maximum threshold detailed herein, will also be calculated as part of the 25% maximum referred to in the subcontracting costs.

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

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

€ z = (gross basic salary + allowances) /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 2027	Hourly rates 2028	Hourly rates 2029	Limits per project
	max	max	max	
Management	€63.82	€67.01	€70.36	Max 2 per project
Senior Researcher[9] or equivalent	€44.98	€47.23	€49.59	No Limits
Researcher[10] or equivalent	€32.22	€33.83	€35.52	No Limits

[9] 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.

[10] 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.

Operational, technician, research support assistant or equivalent	€17.67	€18.55	€19.48	No Limits

The rates stated in the table above are for the years 2027-2029. For subsequent years a 5% increase per year is allowed. 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 or Malta) or national minimum wage standards, as may be amended from time to time. The Beneficiary undertakes to adjust hourly rates of remuneration accordingly to ensure continued compliance with any changes in the statutory minimum wage.

Personnel in salary brackets that are higher than those noted above will still only be reimbursed at the rates of the eligible brackets above, depending on their role in the project.

The hourly rates will have to be noted in the application, along with the number of hours on the project per individual (Please note that the maximum number of reimbursable hours per individual personnel through the project is 1760 per year).

In the case of existing personnel, the individuals shall be identified by name in the Application Form and the Detailed Budget Breakdown Form, and their respective CVs shall be submitted with the application. Where personnel are yet to be recruited, the relevant role shall be clearly identified as such in the Detailed Budget Breakdown Form. The CV of the individual subsequently recruited shall be submitted to the Managing Agency, following their engagement and prior to the related personnel costs being claimed.

Students can be engaged on the project and be paid an annual stipend of €6,000 when reading for a full-time master's degree, or an annual stipend of €8,000 when reading for a full-time Doctoral degree. In the case of a part-time Post-graduate degree, the respective stipend will be calculated pro-rata and at the discretion of Xjenza Malta. Students must be engaged through a Maltese academic entity. Where

the applying entity is not a Maltese Academic Entity, reasonable supervisory fees are eligible under subcontracting.

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

Completed time sheets are to be retained for all personnel (including students), as proof of the number of hours spent on the project. Documentation of the utilisation of the employees' internally funded, research quota for other research activities is to be retained since this evidence may be required by the auditors.

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

- **Instruments and Specialised equipment:** Purchasing and leasing of instruments and specialised equipment including software. The **overall value** of instruments and specialised equipment **cannot exceed 30% of the project value.** For an individual item of equipment or instrument over €15,000, specifications and justification should be provided in the application form to describe the planned project utilisation of such instrument/equipment in relation to its performance characteristics. If a specialised Laptop or PC is going to be purchased, kindly specify its usage and specifications.

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

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

- **Travel**: Travel is permitted for attending of a conference or coordinating with foreign collaborators or stakeholders, up to a maximum of **€4000** (**excluding indirect costs**).

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

9.1 Subcontracted Activities

Subcontracted Activities **must not exceed 25% of the project value**. Subcontracted Activity is any activity related to the project, (including but not limited to consultancy), which is not carried out directly by the Beneficiary or its employees but is conducted by any third party (local or foreign) individual, company, partnership, or entity, under whatsoever terms and conditions.

Where a component of the project work is a Subcontracted Activity, the following considerations shall apply:

- ✓ The applicant remains responsible for the timely delivery of the subcontracted tasks;
- ✓ The applicant shall ensure that such a third party is selected in a manner which is transparent, fair and impartial in line with the applicant's procurement processes.
- ✓ The applicant shall ensure that there is no discrimination between bidders and that all bidders are treated equally and transparently in all calls for quotations.
- ✓ The applicant should ensure that the attainment of any services or goods respect their procurement guidelines.

Subcontracting shall be limited strictly to activities that are essential, specialised, and directly linked to the technical implementation of the project. Without prejudice to the existing provision that subcontracted project management contributes towards the project management limits applicable under personnel costs, the following shall apply:

Subcontracting activities that are administrative, clerical, or operational in nature, or that relate to the general administration of the project, are not eligible (ineligible) costs. Kindly refer to Section 9.3 for a non-exhaustive list of ineligible costs. Subcontractors are not eligible to be Work Package Leaders.

Applicants are expected to clearly justify all subcontracting activities and demonstrate that they do not fall within the above exclusions.

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

Legal consultation costs may be considered eligible under subcontracting where such services are directly relevant to the development, protection or progression of the project idea. This may include, but is not limited to, specialised legal advice concerning intellectual property protection and strategy, ownership of project results, confidentiality, licensing, contractual arrangements, regulatory considerations, and other legal matters that may influence the development or future exploitation of the project idea.

Such costs must be clearly linked to the project and appropriately justified. General legal services relating to the ordinary administration or operation of the Beneficiary, or legal matters which are not directly attributable to the project, shall not be eligible. Legal consultation costs **must not exceed 10% of the project value**. The 10% legal fees **still fall within the 25% capping** for subcontracting activities.

9.2 Ineligible Costs

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

- Expenses related to loans, interest, etc
- Recoverable value added tax (VAT)
- Expenses which are recoverable through other funding mechanisms
- Re-purchase of equipment originally procured through other funding mechanisms
- 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
- Costs associated with Patent Filing/Registration.
- Scientific Publication Costs (funds may be obtained through other initiatives).
- 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
- Any cost incurred to submit the proposal.
- Any costs incurred before the start date and after the end date of the project.
- Any costs incurred for the shipping, transport and handling of equipment/consumables purchased.

For the avoidance of doubt, ineligible subcontracting includes, but is not limited to, the following non-exhaustive list:

- General administrative support or back-office services
- Financial administration, bookkeeping, or accounting services
- Preparation of reports of an administrative or compliance nature
- Legal services **not directly related** to intellectual property protection, licensing, or technology transfer

- General consultancy services related to project administration, coordination, or compliance
- Human resources, payroll, or recruitment services
- Proposal writing, grant management, or grant administration services

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

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

9.3 Aid Intensity

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

9.4 Collaborators

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

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

10 Double Funding

Funding under this Programme is made available on the basis that the applicant would not have benefited and will not benefit from any other grant or financial incentive of

whatever nature, applied for and/or utilised for the same scope as that subject of the funding requested under this Programme. Provided that, in the case where the application covers work that is part of a larger project, the applicant must submit a table as an appendix to the application form that shows a comprehensive list of the items of work and the source of funding for each item.

By signing the Grant Agreement, the Beneficiary is are automatically accepting and authorising the Managing Authority 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).

Applications that successfully pass the administrative compliance evaluation will proceed to external evaluation by three independent external evaluators.

The final decisions rendered by the evaluators and the Managing Agency regarding administrative compliance, external evaluation, and due diligence are conclusive and binding. Requests for re-evaluation, appeals, or resubmission of project applications will strictly not be permitted under any circumstances.

Following external evaluation, eligible applications will be **ranked separately within each funding stream.** A separate ranking list will therefore be established for the Private and Public Streams.

Funding will be awarded in accordance with the respective ranking lists and the funds available for each Stream. Projects will be selected starting with the **highest-ranked eligible project within each stream**, until the funds allocated to the stream are exhausted or there are no further eligible projects.

The **ranking lists for the Public and Private streams** will therefore be considered **independently,** and the ranking of an application within one stream will not affect the ranking of applications within the other stream.

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, 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.

11.1 Evaluation Criteria

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

External Evaluators will be evaluating project applications for the following:

Scientific Excellence (45 Marks): Threshold 35 Marks

Kindly refer to section 4.1 of the application form

Impact (25 Marks): Threshold 15 Marks

Kindly refer to section 4.2 of the application form

Implementation (30 Marks): Threshold 20 Marks

Workplan, Milestones & Deliverables

- ✓ **Are the proposed milestones and deliverables meaningful, measurable and appropriate to the objectives and maturity of the project?**

Do they provide meaningful evidence of progress and achievements throughout the project lifetime? Are the deliverables appropriately linked to the relevant activities and intended results?

Do the milestones represent substantive scientific, technical or developmental achievements or decision points rather than routine project-management activities?

- ✓ **Is the project structured into appropriate and logically sequenced work packages and activities, supported by a realistic and internally consistent timetable?**

  Are the work packages sufficiently defined in terms of their purpose, activities, outputs, milestones, responsibilities and timing, and do the work packages, activities, milestones, deliverables and Gantt chart demonstrate coherent sequencing, and sufficient time for the completion and validation of the planned work?

  Is the proposed timeframe, including the allocation of effort across the project, realistic in relation to the work being undertaken?

Team Capacity, Collaborations & Compliance

- ✓ **Are the key individuals appropriately identified, and their proposed roles clearly defined?**

  Does the expertise and relevant track record of the proposed personnel correspond to the responsibilities assigned to them within the project?

  Where key positions remain to be filled, is the required expertise appropriately specified?

- ✓ **Where collaborations are proposed, are they appropriately justified and structured?**

Is the contribution of each collaborator clearly defined and relevant to the project activities and intended results? Does the proposed collaboration provide a clear contribution to the delivery of the project? Where no external collaborators are proposed, is this adequately justified in relation to the project requirements?

✓ **Has the proposal appropriately considered gender, ethical and legal considerations relevant to implementation?**

Where applicable, are these considerations identified and adequately incorporated into the project design and implementation arrangements?

Budget and Resource Allocation

✓ **Are the requested costs necessary, relevant and justified in relation to the work proposed?**

Do the requested cost items, quantities and specifications make sense for the activities to be undertaken and reflect reasonable market costs?

Is there evidence of unnecessary expenditure, over budgeting or costs which are disproportionate to the needs and objectives of the project?

Has sufficient provision been made for the resources necessary to deliver the proposed work effectively?

Landing Roadmap and Risk Management

✓ **Is there a clear and credible link between the starting position, the expected results, the targets, the evidence of achievement, and the expected potential longer-term impact?**

What are the main results/outputs that the project is expected to deliver by the end of the funding period?

What is the starting position, and what specific change or level of achievement is expected by the end of the project?

How will progress and achievement be measured and evidenced? Are the proposed indicators and measurement methods sufficiently clear and verifiable?

What is expected to happen as a result of achieving these results, and how will they contribute to longer-term research, innovation, economic, societal or other impacts?

- ✓ **Have the principal risks and uncertainties that could affect the project been identified and critically considered?**

Identify the principal scientific, technical, environmental, operational, and administrative risks and dependencies that could affect successful implementation or the reliability of the project results.

Have their potential consequences been considered, and are where adequate appropriate mitigation measures, contingency actions, or alternative approaches proposed?

Other considerations:

In the event that two or more projects obtain the same mark following evaluation, then 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 mandatory co-financing

11.2 Quality Proposal Acknowledgement

Should a proposal score more that 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 **until the end of the calendar year in which the notification is issued** to secure the requested funding 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 this 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 and delivered to the Managing Agency within fifteen (15) days from the date of receipt by the Beneficiary. Where a legal representative is not available a proxy should sign. Failure to comply with the stipulated timeframe may result in a withdrawal of the offer for funding.

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

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

- ✓ obtaining quotations for procurement purposes
- ✓ issuing a human-resources call
- ✓ opening a bank account for the depositing of the first tranche (refer to Section 13.4)

13 Funding, Management and Progress Monitoring

13.1 Allocation and Disbursement of Funding

For the purposes of funding and reporting, a project submission shall be considered to be a single stage period of up to **18-months**.

The total financial contribution by the Managing 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 **80% pre-financing to the beneficiary.**
- The **remaining 20%** of the grant value will make up the totality of the **retention**, which will be given after the successful completion of the project and once all deliverables are declared successful and complete and satisfactory by the Managing Agency, and following the presentation and acceptance of the Final Technical Report and the Final Audited Financial Report.

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

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

Technical and Financial reports should be submitted at the end of the project by the Principal Investigator. The latter should contain details of actual expenditure over the past reporting period.

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 the Managing Agency.

The beneficiary shall appoint a certified auditor to conduct a detailed financial audit, following the completion of the project, where the auditor is responsible for the financial audit and approved by the Managing Agency once submitted. 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 Report must contain a detailed account of the actual expenditure disbursed for the entirety of project, including:

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

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

The Managing 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 Final 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 Authority may also exclude a beneficiary from participating in future calls.

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

13.3 Transfer of funds

Applicants should note that:

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

    i. the limits mentioned in the Rules of Participation in Section 9 are adhered to

    ii. expenses are exclusively used throughout the project lifetime to the sole benefit of the project

    iii. requested costs should be eligible as per Rules of Participation

- Should transfers of project funds between line items are **cumulatively greater than 20% of the grant value, these will be considered as significant alterations to the proposal and will not be eligible.**

Kindly note that with respect to transfer of project funds, these should be reflected in the project progress meetings and in the Project Audited Financial Report.

Kindly note that the structure of the line items will be as follows:

- Transfers between different budget categories will always contribute to the 20% limit.

- Each **manager** will be considered as its own line item (transfers between managers will contribute to the 20% limit)

- **Research personnel** will be considered a single line item (transfers between research personnel will not contribute to the 20% limit)

- **Equipment** under €5,000 will be considered a single line item (transfers between equipment (under €5,000) will not contribute to the 20% limit). However, each piece of equipment over €5,000 will be considered their own line items (transfers between equipment (over €5,000) will contribute to the 20% limit).

- **Subcontracted activities** of under €5,000 will be considered a single line item (transfers between subcontracting (under €5,000) will not contribute to the 20% limit). However, subcontracting over €5,000 will be considered their own

line items (transfers between subcontracting (over €5,000) will contribute to the 20% limit).

- **Consumables** of under €5,000 will be considered a single line item (transfers between consumables (under €5,000) will not contribute to the 20% limit). However, consumables over €5,000 will be considered their own line items (transfers between consumables (over €5,000) will contribute to the 20% limit).

- **Travel** will be considered a single line item (transfers between travel will not contribute to the 20% limit).

Kindly note that the term 'own line item' refers to a whole budget category whereas 'single line item' refers to one individual line item within a budget category.

Should equipment/ subcontracting originally proposed to be over €5,000 but get reduced to less than €5,000 over the course of the project, this will still be considered as an individual line item. Should an item of equipment/subcontracting originally proposed to be less than €5,000, be increased to over €5,000 over the course of the project, this will alter to an individual line item.

For reference purposes, please find attached the above transfers in a tabular format:

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

Transfers between consumables (over €5,000)	Transfers between consumables (under €5,000)
	Transfers between travel activities

13.4 Accountability

As a condition, the Beneficiary shall open a dedicated project bank account with a banking institution of repute, in the name of the Beneficiary, designated by the Project Grant Agreement Number, denominated in Euro. Grant payments by the Managing 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 6. 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 to this Article's provisions, is stated in the Grant Agreement.

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

13.5 Dissemination and Externalisation

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

Any literature, articles and text material published in relation to the completion of tasks proposed in the project should include the words:

'Project <project name> financed by Xjenza Malta through the FUSION: R&I Research Excellence Programme 2027'.

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 Research Excellence Programme and Xjenza Malta, the beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. This is also applicable for published material produced by persons who are not the beneficiary. In the case where such publicity does not mention the FUSION R&I Programme and Xjenza Malta, associated costs will be considered ineligible.

The Managing 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 Authority 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.

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.

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, 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.

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.