

# 2021 CALL FOR PROPOSALS

## FOR RESEARCH AND INNOVATION PROJECTS IN THE FIELDS OF ENERGY AND WATER

*Rules for Participation*

*Version April 2021*

*(note that this version of the Rules for Participation supersedes that published in March 2021)*



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## 1 Introduction

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The National Strategy for Research and Innovation in Energy and Water (2021-2030)<sup>1</sup> was launched in June 2020. This sector-specific [Strategy](#), led by the Energy and Water Agency, is intended to boost and guide the direction of domestic R&I in the fields of energy and water over the upcoming decade. These fields bring together some of the most significant challenges being faced at a national level, where rapid population and economic growth as well as the impacts of climate change exacerbate pre-existing pressures stemming from Malta's specificities. Research and innovation (R&I) is expected to play a key role in contributing to the improved management of these two sectors at the national level, through the provision of innovative solutions tailored to identified domestic needs and national specificities.

In this regard, a support framework was developed in order to provide additional support for R&I undertaken locally that aims to contribute in a tangible manner to the long-term vision of sustainability for energy and water in Malta. The support framework is a funding programme supported through national funds and managed by the Energy and Water Agency. The latter is referred to in this document as the "Managing Authority."

In addition to this support framework, a coordination platform for the implementation of the National Strategy has been established: Platform-RINew (Research and Innovation in Energy and Water). This structure brings together the myriad of stakeholders in the fields of energy and water from the public sector, academia and industry in a manner that reflects the inherent multidisciplinary nature of the Strategy. It also creates a more horizontal relationship between those executing the Strategy, those participating within its support framework, and those benefitting from its outcomes.

For enquiries regarding the 2021 Call for Proposals, kindly contact:

The Energy and Water Agency

Email: [rni-energywateragency@gov.mt](mailto:rni-energywateragency@gov.mt)

## 2 Project Scope and Thematic Areas

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The 2021 Call for Proposals invites applications for financial support for R&I projects in energy and water. The projects supported by this scheme are those with a duration ranging between eighteen and twenty-four (18-24) months.

The focus is on projects at oriented-basic research and applied research to experimental design stage, that is projects at Technology Readiness Level (TRL) 2-6, which seek to contribute in a measurable manner to addressing one of the following:

1. A national policy priority or challenge in the energy and water sectors; or

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<sup>1</sup> <https://www.energywateragency.gov.mt/research-and-innovation/>



2. Economic competitiveness and growth in a variety of national sectors, from an energy and water perspective.

In this regard, this scheme seeks to support R&I projects whose objectives are in line with national policies.

The objective of this funding programme is to support research that has the potential of being translated into tangible outcomes. The emphasis on impact does not imply that only projects which seek to develop products or innovative technologies will be supported under this framework. Indeed, R&I projects which can contribute to the aforementioned aims can fall into a variety of disciplines, ranging from engineering and natural sciences to social and behavioural sciences, big data and artificial intelligence. Therefore, this support framework seeks to finance projects falling within a wide range of disciplines.

Within the fields of energy and water, seven overarching topics are identified within the National Strategy for R&I in Energy and Water as priority areas for support. These are, in no particular order of priority, as follows:

1. Renewable solutions for islands
  - The technical and economic potential of renewable energy sources (RES) on small islands, both onshore and offshore, and scalability
  - Overcoming intrinsic local limitations and barriers to RES in Malta
2. Integration of RES electricity
  - Policy or technology driven solutions to maintain grid stability as a result of increasing intermittent electricity generation from RES
  - Supply or demand side solutions for mitigating the impact of RES intermittency and the demand from electric transport
  - Energy storage solutions
3. Energy efficient solutions
  - Tailored solutions for energy efficiency in industry and services, including scalability
  - Application of innovative IT and digital solutions, including scalability
  - Domestic energy efficiency solutions
4. Water use efficiency
  - Increased efficiency in the cycle of water production and distribution
  - Integration of non-conventional water resources
  - Increased efficiency within water use cycle for different end-users
5. Desalination and water treatment process
  - Alternative technologies and processes for desalination
  - Reduced energy consumption for potable water production, including energy and mineral recovery
  - Improved end-user acceptability of potable water, including taste and odour of drinking-water
6. Wastewater treatment and reclamation
  - Decentralised treatment of industrial, domestic and animal manure wastewaters
  - Recovery of water, energy and nutrients/sludge for reuse



## 7. Water-friendly urban centres

- Green infrastructure and nature-based solutions in urban areas for surface water management, taking into account specificities of the Maltese landscape
- Improved rainwater harvesting
- Increased recharge potential of aquifers
- Improved resilience to extreme events, particularly flooding

Preference for financial support will be given to the highest scoring proposals within these priority areas; there is no order of preference of the priority areas.

Individual entities are eligible to submit an application under this funding programme. However, in line with the objectives of increasing coordination and cooperation between the wide array of stakeholders in the fields of energy and water, emphasised by both the National Strategy for R&I in Energy and Water 2021-2030 and Platform-RINEW, financial support under the 2021 Call for Proposals will be prioritised for projects which involve two or more different types of partners from the following list:

- Academia and research institutions;
- Public sector;
- Private sector.

No additional preference will be attributed to project applications which involve all three types of partners.

## 3 Definitions

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<b>Aid Intensity</b>	The gross aid amount expressed as a percentage of the eligible costs, before any deduction of tax or other charge. Aid payable in several instalments will be discounted to its value at the date of award. The interest rate to be used for this purpose is the discount rate applicable at the date of award. The aid intensity is calculated per beneficiary.
<b>Applicant</b>	Anyone eligible for participation in a Project in terms of these Rules for Participation and who consequently applies for funding under this support scheme. This may refer to an individual entity or a consortium.
<b>Application</b>	All required documentation as submitted to the Managing Authority, describing the Project for which funding is sought under the 2021 Call for Proposals for Research and Innovation Projects in the Fields of Energy and Water, and includes any related clarifications/rectifications requested by the Managing Authority and provided by the Beneficiary in writing.
<b>Application Process</b>	The process by which an application to the 2021 Call for Proposal is evaluated. This consists of two stages as described in Section 7. The



outcome of the Application Process will determine which Projects are eligible for award of the research grant.

**Arm's Length  
Conditions**

The conditions of the transaction between the contracting parties contain no element of collusion and do not differ from those which would be stipulated between independent enterprises. Any transaction that results from an open, transparent and non-discriminatory procedure is considered as meeting the arm's length principle.

**Consortium**

A group of two or more entities who jointly propose a project and submit an application for funding. A Consortium is made up of a designated Lead Partner and at least one Project Partner.

**Effective  
collaboration**

Collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results. Contract research and provision of research services are not considered forms of collaboration.

**Eligible Costs**

Those costs incurred directly by the Beneficiary during the Project Period and used primarily for the purposes of achieving the objects of the Project, subject to their eligibility in line with the rules for eligibility of costs found in Annex I to these Rules for Participation. All eligible costs shall be reasonably necessary for the implementation of the Project, identified specifically within the Project, and shall be costs which can be assigned to Project activities easily and with a high degree of accuracy.

**Experimental  
Development**

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. 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.

<b>Force Majeure</b>	Acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar unforeseeable events, beyond the control of either party and which by the exercise of due diligence neither party is able to overcome.
<b>Fundamental Research</b>	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>Grant Agreement</b>	An agreement between the Managing Authority and the Project Beneficiary that sets forth the terms, conditions and limitations applicable to a Grant.
<b>Grant Value</b>	Total value of the grant funding provided for the Project by the Managing Authority.
<b>Industrial Research</b>	The planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. 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.
<b>Lead Partner</b>	The Consortium Partner identified as being the partner responsible to ensure the correct execution of project awarded support under this 2021 Call for Proposals who will have joint and several liabilities together with other Project Partners for all the obligations arising from the Grant Agreement.
<b>Managing Authority</b>	This shall be the Energy and Water Agency, provided that some tasks which fall to the Managing Authority under this Grant Agreement may be conducted by third parties representing the Managing Authority, as contracted, appointed or delegated by the Energy and Water Agency.
<b>Oriented-basic research</b>	The work carried out with the expectation that it will produce a broad base of knowledge likely to form the basis of the solution to recognised or expected current or future problems or possibilities.
<b>Personnel costs</b>	The costs of researchers, technicians and other supporting staff to the extent employed on the relevant project or activity.



<b>Potential Beneficiary</b>	Refers to a successful Applicant who has received, but has not yet accepted, the offer of support for a Project under the 2021 Call for Proposals and has not yet signed the Grant Agreement.
<b>Project</b>	The Project consists of those activities intended to accomplish an indivisible task of a precise economic, scientific or technical nature with clearly pre-defined goals as described in the Application. When two or more projects are not clearly separable from each other and in particular when they do not have independent probabilities of technological success, they are considered as a single project.
<b>Project Account</b>	Means a dedicated bank account which is to be opened with a banking institute of repute by each Beneficiary or each Partner in a Consortium, which account shall be denominated in Euro. Grant payments to the Beneficiary, or to the Lead Partner in the case of a Consortium, shall be made into said designated Project Account. Public Bodies may designate their existing operating bank account as their Project Account, subject to funds relating to the Grant being clearly distinguishable from other funds.
<b>Project Beneficiary</b>	Refers to a successful Applicant who accepted the offer of support for a Project under the 2021 Call for Proposals and has signed the Grant Agreement. This may constitute an individual entity or a Consortium. Also referred to as "Beneficiary."
<b>Project Coordinator</b>	An individual, with experience in research project management, who assumes the responsibilities defined within this document. The Project Coordinator is the exclusive point of contact for the Managing Authority during the application stage and, where applicable, the execution of the Project.  This individual may be an employee of the Project Beneficiary or an individual whose services for project management are contracted by the Project Beneficiary or, in the case of a consortium, employed or contracted by the Lead Partner.
<b>Project End Date</b>	The date which is stated in the grant agreement for the official end of the project.
<b>Project Partner</b>	A Consortium partner which is not the Lead Partner.
<b>Project Period</b>	The execution period of the project, which shall be the period between the Project Start Date and Project End Date as indicated in the Grant Agreement.
<b>Project Start Date</b>	The date which is stated in the Grant Agreement for the official start of the project.



<b>Project Value</b>	The entire project budget including co-financing if applicable.
<b>Research and Knowledge-Dissemination Organisation</b>	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, for example in the quality of shareholders or members, may not enjoy a preferential access to the results generated by it.
<b>Rules for Participation</b>	The Rules for Participation applicable to this 2021 Call for Proposals for Research and Innovation Projects in the fields of Energy and Water (Version April 2021), as published on the Managing Authority’s website, which shall be the applicable rules governing the call and, which, together with the provisions of a Grant Agreement, shall regulate the relationship between the Managing Authority and Beneficiaries. Applicants under this call shall be required to sign a declaration agreeing to be bound by these rules as part of the application process.
<b>SME</b>	Means undertakings fulfilling the criteria laid down in Annex I of the General Block Exemption Regulation.
<b>Start of works</b>	Means the earlier of either the start of construction 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.
<b>Successful Applicant</b>	Means an Applicant whose application has passed both stages of the Application Process, as outlined in Section 7, and thus whose Project may receive support under this Scheme. An offer of support shall be contingent on the Successful Applicant’s ranking and the availability of funds under this Scheme.
<b>Successful Completion</b>	Means the final approval in writing by the Managing Authority of the technical and financial reports and mandatory deliverables as required to



be submitted or completed by the Beneficiary at the end of the Project or at the end of any stage thereof.

**Undertaking in  
difficulty**

Means an undertaking in respect of which at least one of the following circumstances occurs:

- a) In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, "limited liability company" refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and "share capital" includes, where relevant, any share premium.
- b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, "a company where at least some members have unlimited liability for the debt of the company" refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU.
- c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
- d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan.
- e) In the case of an undertaking that is not an SME, where, for the past two years:
  1. the undertaking's book debt to equity ratio has been greater than 7.5 and
  2. the undertaking's EBITDA interest coverage ratio has been below 1.0.



<b>Unsuccessful Applicant</b>	An Applicant whose application failed to pass one stage of the Application Process, as outlined in Section 7, and whose Project is thus not eligible to receive support under this Scheme.
<b>Working Day</b>	Any day other than a Saturday, Sunday or public holiday in Malta.

## 4 Eligibility Criteria

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Eligibility of prospective applicants under this 2021 Call for Proposals is subject to the terms and conditions laid down in this document.

Applicants who fall within the scope of State aid are referred to Commission Regulation (EU) No 651/2014 (as amended)<sup>2</sup>. In the case of conflict between these Rules of Participation and Commission Regulation (EU) No 651/2014 (as amended), it is the latter which will prevail.

### 4.1 Eligibility for Participation

An Applicant may be constituted of an individual entity or a Consortium. The Applicant (specifically, the Lead Partner, in the case of a Consortium) is required to have an establishment or branch in Malta at the time of payment of the assistance.

Applicants must, at the time of application, have sufficient capacity with respect to suitable qualified human resources (in addition to those that shall be recruited for the project), appropriate technology acumen and financial standing to undertake such a project. Confirmation in this regard is to be provided, possibly by referencing to the primary aims and fields of activity of the applicant and past or ongoing project experiences as well as by including CVs of key personnel.

### 4.2 Project Coordinator

The Applicant is required to appoint a Project Coordinator, an individual with overall responsibility for the effective execution of the project, who shall have the following responsibilities:

1. To ensure that the Beneficiary's obligations arising from the Grant Agreement are satisfied;
2. To coordinate the timely development of the project, including establishing and managing project activities, timeframes and financial estimates;
3. To compile and endorse all reports including Technical and Financial Reports including submissions in a timely fashion; and

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<sup>2</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Article 107 and 108 of the Treaty. This can be accessed on the following link: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014R0651-20170710&from=EN>



4. To act as the exclusive point of contact between the Managing Authority and the Project Beneficiary.
5. To provide confirmation to the Managing Authority of the receipt of each tranche of funding.

In the case of a Consortium, the Project Coordinator will have the following additional responsibilities:

6. To coordinate the timely activities of the individual project partners on an ongoing basis; and
7. To act as the exclusive point of contact between the Managing Authority and the individual Partners in the Consortium.

Should the Project Beneficiary change the individual identified as the Project Coordinator, an official notice must be sent to the Managing Authority (via email) by filling in the relevant template provided by the Managing Authority.

### **4.3 Consortium and Lead Partner**

A consortium is not a requirement for eligibility for this 2021 Call for Proposals. A project proposed by one individual entity is eligible for funding under this funding programme.

For project applications submitted by a Consortium, one partner shall be designated as the Lead Partner, with prior endorsement and signature of application by each Partner or their legal representative. The Lead Partner must have a significant role in the project as reflected in the allocation of tasks and funding. The Lead Partner shall be responsible for application submission on behalf of the consortium.

In the case of a Consortium, due consideration shall be given during the evaluation to partner complementarity in delivering the project objectives.

While the Lead Partner is responsible for disbursing funds received from the Managing Authority to the partners within the consortium, each partner is required to keep a Project Account. All relevant expenses must be recorded in these accounts. Eligible expenses must have been determined in accordance with the standard 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.

### **4.4 Other Terms and Conditions**

Potential eligibility for funding under this scheme shall not per se constitute sufficient justification for: the granting of any permit which would otherwise not be issued; circumventing or influencing any assessment; or non-application or relaxation of any appropriate conditions or quality standards.

Non-disclosure of any required or relevant information (including any details required for processing of the application or for subsequent administration, verification or monitoring), or submission of



misleading information, shall invalidate the application and may also constitute grounds for judicial or other proceedings against the applicant.

The Managing Authority reserves the right at its discretion to request a bank guarantee to address concerns with regards to potential risks identified by the Managing Authority as being posed by any one or more applicants. The bank guarantee requested may be up to a maximum of 60% of the financial support requested by the specific Applicant or partner.

The Managing Authority and the Project Beneficiary are required to retain records of relevant documentation for ten (10) fiscal years from the date on which the last individual aid is granted under this scheme.

## 5 Funding

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Financial support for Projects will be made available in the form of a grant, with the aid intensity dependent on whether the Applicant(s) falls under the scope of State aid and the level of R&I activity being conducted. Aid intensity is determined on an entity basis, not a project basis, according to the criteria outlined in Section 5.1 and 5.2. In the case of collaborative projects, the maximum funding rate for a specific project will therefore depend on the number and type of collaborating parties, as well as on the categories of research activities carried out and the share of eligible costs borne by each one of them.

The maximum possible funding that can be requested for an R&I Project is € 120,000 and the minimum possible funding requested shall not be less than € 60,000. The number of Projects which will be awarded funding is subject to the budget of this funding programme, determined by the Managing Authority.

Applicants are to submit a written application for assistance before the start of works.

Funding will not be awarded retrospectively for projects and activities that have already commenced or been completed. Funding will not be awarded for any Project that has received assistance for the same eligible costs (refer to Section 5.5. with regards to double funding).

### 5.1 Applicants falling outside the scope of State aid

Applicants, or Partners in the case of a Consortium, that do not carry out economic activity within the meaning of Article 107 TFEU, fall outside the scope of State aid. These may include public academic entities that qualify as research and knowledge-dissemination organisations that meet the conditions specified in points 18-20 of the Framework for State aid for research and development and innovation<sup>3</sup>.

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<sup>3</sup> [https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:52014XC0627\(01\)](https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:52014XC0627(01))



Entities falling outside the scope of State aid shall receive 100% funding for approved eligible costs incurred during the Project Period.

## 5.2 Applicants falling under the scope of State aid

Applicants that carry out an economic activity within the meaning of Article 107 TFEU fall under the scope of State aid rules. Aid will be granted in line with Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, and by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, and as may be subsequently amended (hereinafter referred to as the General Block Exemption Regulation or the GBER).

In conformity with Article 1 of the GBER, no aid will be granted to those undertakings expressly excluded from receiving such aid, including in particular undertakings in difficulty and any undertaking that is subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market.

The rules on cumulation of aid found in Article 8 of the GBER will be respected. The aided part of the research and development project shall completely fall within one or more of the following categories:

- a) fundamental research;
- b) industrial research;
- c) experimental development.

The aid intensity for such applicants is defined in the table below, where the percentage of eligible costs which will be covered by the Grant is determined by the size of the entity and the level of R&I activity of the proposed Project.

	Small enterprise	Medium-sized enterprise	Large enterprise
<b>Aid for R&amp;I projects under the 2021 Call for Proposals</b>			
Fundamental research	100%	100%	100%
Industrial research	70%	60%	50%
- Subject to effective collaboration between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and	80%	75%	65%



<p>in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;</p> <p>or</p> <ul style="list-style-type: none"> <li>- Subject to wide dissemination of results through conferences, publication, open access repositories, or free or open source software</li> </ul>			
Experimental development	45%	35%	25%
<ul style="list-style-type: none"> <li>- Subject to effective collaborative between undertakings among which at least one is an SME, or is carried out in at least two Member States, or in a Member State and in a Contracting Party of the EEA Agreement, and no single undertaking bears more than 70 % of the eligible costs, or between an undertaking and one or more research and knowledge-dissemination organisations, where the latter bear at least 10 % of the eligible costs and have the right to publish their own research results;</li> <li>or</li> <li>- Subject to wide dissemination of results through conferences, publication, open access repositories, or free or open source software</li> </ul>	60%	50%	40%

### 5.3 Disbursement of Funding

The total financial contribution over the lifetime of the Project shall not exceed the funding limit as established in the Grant Agreement, independent of actual expenditure.

Disbursement of funding will be made to the Project Beneficiary’s Project Account. In the case of a Consortium, disbursement of funding will be made to the Lead Partner’s Project Account, and it is the responsibility of the Lead Partner to disburse the financing between partners. The Project Coordinator is to provide confirmation to the Managing Authority of the receipt of each tranche of funding.

The first tranche of funding will be allocated at the beginning of the project within four (4) weeks of Grant Agreement signature by all parties thereto, or as otherwise stated by the Managing Authority. The relevant subsequent tranches will be disbursed at the beginning of each stage (refer to Section 6.1 regarding stages), following the approval by the Managing Authority of the technical and financial reports which must be presented at the end of each stage. Approval will be sent in writing (via email) by the Managing Authority.



The amount disbursed at each stage will be in line with the Grant Agreement. Funding for any one stage shall not exceed 60% of the total grant value. A retention consisting of 20% of the project grant shall be withheld by the Managing Authority and only released upon successful completion of the project. This retention shall be exercised against funds allocated for the last stage and the penultimate stage, if necessary and applicable.

In the case of underspends, the funds are retrieved by the Managing Authority following receipt of the audited End of Project Financial Report. However, the Managing Authority reserves the right to modify tranche payments at its discretion if it deems this appropriate.

#### **5.4 Funding Distribution between Partners in a Consortium**

A Project application comprising a Consortium should represent a reasonable distribution of workload and financing across a Consortium. No single Partner should dominate the project, although the Lead Partner is expected to have a significant role in the project. In this regard, the following funding limits are applicable:

1. Overall portion of funding for any individual partner shall be limited to 75% of the Grant Value.
2. If applicable, combined funding for any group of partners within a category (research institutions and academia, public entities or private entities) shall be limited to 75% of the Grant Value.
3. If applicable, the minimum portion of funding for any individual partner shall not be less than 10% of the Grant Value.

#### **5.5 Double Funding**

Funding under this Programme is made available on the basis that the Applicant has not benefited from any other form of assistance for the same eligible costs as those being applied for under this Programme.

It is acknowledged that Applicants may apply under more than one support scheme for the same Project, either at national or international level.

Should it be the case that an Applicant is offered financial support under the 2021 Call for Proposals, the Potential Beneficiary must indicate to the Managing Authority whether any other form of assistance has been accepted for the same eligible costs between the submission of the application and the offer. A Potential Beneficiary who has already accepted or intends to accept another form of assistance for the same eligible costs will no longer be eligible for assistance under the 2021 Call for Proposals.

Furthermore, upon signing of the Grant Agreement, the Project Beneficiary is automatically prohibited from accepting other forms of assistance for the same eligible costs over the Project Period.



By submitting an application, the Applicant is automatically accepting and authorising the Managing Authority to exchange relevant 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 Managing Authority prior to the signing of the Grant Agreement.

It is to be noted that this condition does not refer to internal funding added to the Project by the Applicant or, in the case of a Consortium, internal funding added to the Project by the Lead Partner or Project Partner.

## 6 Programme Parameters

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### 6.1 Project Start Date, Duration and Stages

The Project shall have a duration ranging between eighteen and twenty-four (18-24) months. Projects with a duration of over two years will not be considered for evaluation.

The Project shall start according to the Project Start Date identified in the Grant Agreement or as otherwise stated by the Managing Authority. The Project Start Date shall be not later than six (6) months after notification of the offer of support by the Managing Authority.

For administrative and funding purposes, the project shall be divided into either two (2) or three (3) stages. No individual stage shall exceed a duration of twelve (12) months. Technical and financial reports must be submitted to the Managing Authority at the end of each stage and the project's progressing to the next stage shall be subject to the Managing Authority's approval of said reports.

### 6.2 Mandatory Deliverables

1. Project progress reports as per the list hereunder, and in line with the templates provided, are to be submitted by the Project Coordinator:
  - a. End of stage/s technical report, submitted within one month of the end of each stage. This is to include an account of project activity and achievements/ achieved milestones over the previous stage (for each partner, in the case of a Consortium), compared with that identified in the grant agreement, as well as an updated forecast of project activity and projected achievements for the following stage (for each partner, in the case of a Consortium).
  - b. End of stage/s financial report, submitted within one month of the end of each stage. This shall include a detailed account of actual expenditure over the past stage including all relevant supporting evidence (like receipts, purchase orders, invoices etc) and, if applicable, projections for the next stage (for each partner, in the case of a Consortium), compared with the originally submitted budgeted expenditure. All financial reports must be signed by the person responsible for the financial management (for each partner, in the case of a Consortium).
  - c. End of project technical report;



d. End of project financial report and audit report.

The reports are to include sufficient evidence on the achievement of the project objectives and mandatory deliverables, as well as the parameters indicated in the application. The Project Coordinator is also to hold a minimum of one meeting per stage to verbally update the Managing Authority on progress.

2. Publication of at least one (1) article per stage in local newspapers or magazines (both printed and digital media). These should raise awareness about the project and its intended benefits. All articles shall be approved by the Managing Authority before publication, and a copy presented to the Managing Authority within two weeks of publication.
3. For a Project Beneficiary that is/involves an academic partner, publication of at least one (1) research paper based on the work carried out throughout the project in a peer reviewed open access journal. The first draft of the publication must be submitted for peer-review at least two (2) months before the end date of the project.

Should the beneficiary wish instead to publish a research paper in a peer-reviewed closed access journal, the beneficiary must obtain written approval from the Managing Authority through the submission of adequate documentary evidence that such a closed-access journal enjoys a higher impact factor than a comparable peer-reviewed open-access journal.

A copy of the draft and final publication is to be submitted to the Managing Authority within two weeks of its publication.

Should the attempt to publish this research paper be unsuccessful, the beneficiary must prove to the satisfaction of the Managing Authority, through the submission of sufficient and adequate documentary evidence, that an attempt to publish a research paper in terms of the requirements of this clause was in fact made. Sufficient and adequate documentary evidence includes evidence that the paper was actually submitted for publication and documentary evidence that the paper was rejected or delayed. If the Managing Authority is satisfied with the evidence provided, then the Beneficiary will not be held in breach of this particular obligation.

4. For a Project Beneficiary that is/involves the public sector, at least one (1) oral presentation at a conference or at a press conference to report on the work carried out throughout the Project, at least two (2) months before the end of the Project.

Should there be reasons preventing the successful achievement of this deliverable, the Project Beneficiary must prove this through the submission of written justifications to the Managing Authority. If the Managing Authority is satisfied with the reasons provided, then the Beneficiary will not be held in breach of this particular obligation.

5. For a Project Beneficiary that is/involves the private sector, at least one (1) oral presentation at a conference or at a press conference to report on the work carried out throughout the project, at least two (2) months before the end of the project.

Should there be reasons preventing the successful achievement of this deliverable, the beneficiary must prove this through the submission of written justifications to the Managing Authority. If the



Managing Authority is satisfied with the reasons provided, then the Beneficiary will not be held in breach of this particular obligation.

Furthermore, the Project Beneficiary shall be required to cooperate with the Managing Authority for the duration of the Project and for one year after in the promotion of the Call for Proposals for R&I Projects in the Fields of Energy and Water and related sectors by delivering presentations about the Project or through other reasonable means at the request of the Managing Authority.

Any requests for changes to the mandatory deliverables are to be communicated in writing to the Managing Authority prior to the submission of the application, in line with the process described in Section 7.5. A clear justification in writing should be provided and all received requests shall be acknowledged by email. It is the responsibility of the Applicant to ensure that a confirmation receipt is provided. Acceptance or otherwise of any changes will be communicated in writing. This shall be at the sole discretion of the Managing Authority; its decision shall be considered binding and final. This approved deviation shall constitute an appendix to the application.

### **6.3 Dissemination and Externalisation Plan**

Apart from the mandatory deliverables, a dissemination and externalisation plan is to be included in the application form (Section 5) and as a dedicated work package (Section 6).

It is mandatory that any articles and text material related to the project should acknowledge the project's source of funding through the inclusion of a funding banner, which will be provided to the Project Beneficiary by the Managing Authority, and the following text:

*"Project <Project Name> is financed by the Energy and Water Agency under the National Strategy for Research and Innovation in Energy and Water (2021-2030)".*

All publications should be approved by the Managing Authority before publication and should include mention of the Managing Authority as per the above guidelines. In the case where printed material is published without such acknowledgment, the Project Beneficiary shall be obliged to publish a correction at its own expense in the subsequent issue of the publication. In the case where such publicity does not mention the Managing Authority, costs associated with issuing a post-publication correction will be considered ineligible.

Any websites or printed material related to the project should also include the logo of the Energy and Water Agency, the logo of the Ministry for Energy, Enterprise and Sustainable Development or any other logo related to this Programme as provided by the Managing Authority. Such material should follow the specifications described in the guidelines provided by the Managing Authority.

During the Project Period and for five (5) years thereafter, the beneficiary shall include and prominently feature the Managing Authority and this support scheme in any publicity related to the Project, as per the Managing Authority's guidelines.



## 7 The Application Process

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The 2021 Call for Proposals for R&I Projects in Energy and Water will open from 15<sup>th</sup> March 2021 to 30<sup>th</sup> June 2021. Late or incomplete submissions will not be considered. The selection and funding of proposals under this Call shall be on a competitive basis. Applicants should refer to the eligibility criteria specified in Section 4.

The application is a two-stage process, where the first stage consists of the submission of the project proposal documentation and evaluation thereof, and the second stage consists of the submission of supplementary documentation and a due diligence exercise on the Applicant.

At the first stage of the application process, the validity of the application shall be confirmed through verification of compliance with the requirements established in Section 7.1, following which the evaluation board shall proceed to evaluate the content of project proposals, based on the criteria detailed in Section 8. Proposals obtaining a mark exceeding 65% in each of the three (3) criteria (Excellence, Impact, Implementation) shall be deemed to have successfully completed the first stage of the application process and shall be invited to proceed to the second stage thereof.

The second stage consists of the submission of the required supplementary documentation and the carrying out of due diligence upon the Applicant in line with Section 7.2.

Applicants successfully completing both stages shall be deemed to be Successful Applicants.

Should there be technical issues with regards to submitted documents (e.g. corrupted files), the Project Coordinator will be notified by the Managing Authority. In this case, the Applicant will have one (1) working day to re-submit the document(s). Late or incomplete re-submissions will render the application invalid.

Should a clarification or rectification be requested by the Managing Authority at any stage of the application process, the Applicant will have three (3) working days to provide a response. Late or incomplete submissions or failure to submit any requested clarification/rectification will render the application invalid and it shall not be considered any further.

### 7.1 Stage 1 of Application Process: Project Proposal Documentation

The project proposal shall consist of the duly completed application form and the CVs of the key researchers, submitted with the GDPR declaration(s). These documents are to be signed by the Applicant(s) and submitted to the Managing Authority as a scanned copy.

The Applicants shall ensure complete compliance to the '2021 Call for Proposals - Rules for Participation' prior to submission as no deviations or negotiations are allowed after submission and any unapproved deviations will result in the failure of the application during the administrative check. No modifications can be made once the application has been submitted and no negotiations on the content of the proposals are allowed. In cases where deviations from the mandatory deliverables or budgets detailed herein are required, applicants should be guided by section 7.1.2.



The Application Form and CVs shall be used by a board of independent evaluators to assess the Project Proposal in line with the criteria detailed in Section 8. A mark shall be awarded for excellence (30 marks), impact (40 marks) and implementation (30 marks). Those Project Proposals obtaining a mark exceeding 65% in each of these three (3) criteria shall be deemed to have successfully completed the first stage of the application process and shall be invited to proceed to the second stage of the Application Process.

The content of the Project Proposal submission shall form an integral part of the Grant Agreement which shall be offered to successful applicants and will constitute the Grant Agreement technical obligations.

Application submission (as detailed in section 7.1) can be sent electronically to [rni-energywateragency@gov.mt](mailto:rni-energywateragency@gov.mt) with “2021 Call for Proposals – Application Submission Stage 1” as the subject.

All received applications shall be acknowledged by email. It is the responsibility of the applicant to ensure that a confirmation receipt is provided.

### 7.1.1 Itemised List of Stage 1 Submission

All submissions at Stage 1 of the Application are to include the following items. Incomplete applications will not be considered.

Where it is required that a template is used, these have been made available on the website of the Managing Authority. Any text or appendices within the submitted Application Form, that go beyond the prescribed maximum word count and/or page limits, shall be disregarded in the evaluation process.

	<b>MANDATORY DOCUMENTS</b>	<b>FORMAT</b>	<b>CLARIFICATION/ RECTIFICATION</b>	<b>TEMPLATE REQUIRED</b>
1	Scanned application form <i>This is to be dated and signed</i>	Pdf	Clarifications only	Yes
2	CVs of key researchers <i>Each CV is to be a maximum of two (2) pages</i>	Pdf	Yes	No
3	GDPR Declaration form(s) <i>In the case of a Consortium, one declaration form is required for each project Partner.</i>	Pdf	Yes	Yes
<b>WHERE APPLICABLE</b>				
4	Pre-approved deviation appendix	Pdf	Yes	Yes
5	Documents designating alternative signatory	Pdf	Yes	No



The application submission shall be dated and signed, where so required, by the Applicant's, or in the case of a Consortium, by the Lead Partner's legal representative. Declarations shall be signed by the legal representative of the entity they pertain to. An alternative signatory may, by means of a submission of valid documentation to that effect, in line with the legal form of the entity concerned be designated by any Applicant or Partner for the purpose of signing the application.

### **7.1.2 Deviations**

In any event in which the Applicant deems that there is reasonable justification to deviate in a non-substantial manner from the procedures or mandatory deliverables detailed herein, the applicant must submit a specific request detailing the justification of such a request to the Managing Authority at least fifteen (15) working days prior to the closing date of the 2021 Call for Proposals. Acceptance or otherwise of such requests shall be at the sole and unfettered discretion of the Managing Authority. In the event that the Managing Authority accepts such a request, the applicant shall complete the template provided entitled "Pre-Agreed Deviations to Deliverables."

### **7.1.3 Assistance with Application Form**

Prospective Applicants are encouraged to seek advice from the Managing Authority in the preparation of the Application Form. This will assist in the identification of any potential areas of concern prior to the submission of the application and contribute to a submission of better quality. Advice shall only be given in respect to these Rules for Participation and not on technical grounds. Potential Applicants are particularly encouraged to seek the guidance of the Managing Authority through proposal-specific one-to-one sessions, which can be held not later than 1 week before the closing date for this call, to ensure that the application documentation is complete and effective, as once submitted, this cannot be edited.

## **7.2 Stage 2 of Application Process: Supplementary Documentation and Due Diligence**

The Project Coordinator shall be notified of the outcome of the evaluation of the project proposal (Stage 1) by email from the Managing Authority. Should the outcome be successful, and the Application passes to Stage 2, the Applicant will have ten (10) working days to submit supplementary documentation in line with that requested by the Managing Authority within the notification email. The Applicant(s) will be required to submit supplementary documentation and financial status, where relevant. During this time, the Applicant may contact the Managing Authority directly with any questions pertaining to the requested documents.

The requested documentation is to be collated and submitted by the Project Coordinator to the Managing Authority electronically as a scanned copy to [rni-energywateragency@gov.mt](mailto:rni-energywateragency@gov.mt) with "[INSERT PROJECT ACRONYM] 2021 Call for Proposals – Application Submission Stage 2" as the subject.



The due diligence evaluation includes, but is not limited to, a check on the organization, a review on whether it is financially sound, a review of whether it has the capacity, capability and expertise to deliver and a check on its systems and processes to deliver. In line with Section 4.4, the Managing Authority reserves the right at its discretion to request a bank guarantee to address concerns with regards to potential risks identified by the Managing Authority as being posed by any one or more applicants.

Applicants having submitted all required supplementary documentation as requested by the Managing Authority and having passed the Due Diligence assessment will be eligible for funding under the 2021 Call for Proposals, subject to ranking obtained in Stage 1 of the application process and the availability of funds.

### 7.2.1 Itemised List of Stage 2 Submission

The documentation required at Stage 2 consists of those indicated in the table below. Where it is required that a template is used, these have been made available on the website of the Managing Authority.

	<b>MANDATORY DOCUMENTS</b>	<b>FORMAT</b>	<b>CLARIFICATION/ RECTIFICATION</b>	<b>TEMPLATE REQUIRED</b>
1	Project Details Form <i>In the case of a Consortium, one form signed by all Project Partners is to be submitted.</i>	Pdf	Yes	Yes
2	State Aid Declaration* <i>A declaration for each entity, and signed by the legal representative of that entity, is required.</i>	Pdf	Yes	Yes
3	Default Event Declaration <i>In the case of a Consortium, one form signed by all Project Partners is to be submitted.</i>	Pdf	No	Yes
4	Audited financial statements for the last 3 fiscal years (of all Partners, in the case of a Consortium) excluding public entities** <i>Statements for each entity (where required), and signed by the legal representative of that entity, required.</i>	Pdf	Yes	No
	<b>WHERE APPLICABLE</b>			
5	Memorandum and articles of association	Pdf	Yes	No



\*Two sets of forms are available: (i) Declaration forms for Applicants who fall within the scope of State aid; and (ii) Declaration forms for Applicants who do not fall within the scope of State aid. The Applicant, or each partner in the case of a Consortium, is required to submit only one set of forms according to their State aid status. Potential Beneficiaries may be required to submit updated declaration forms associated with the General Block Exemption Regulation upon the signing of the Grant Agreement should the project be selected for funding.

\*\*If the Applicant is a start-up and audited financial statements for the last three fiscal years are not available, the Applicant shall provide the financial projections for three (3) years signed by an independent certified public accountant, including:

- an income statement,
- a cash flow statement, and
- a statement of financial position

### **7.3 Confidentiality of Submissions**

Unless otherwise indicated, all documentation provided to the Managing Authority at one or both stages of the Application Process, except for the abstract, shall be treated in strict confidence. However, all project applications will be passed on in their entirety to a third party entrusted by the Managing Authority to administer this 2021 Call for Proposals. Furthermore, all project applications will be passed on in their entirety to external evaluators and due diligence experts. All the aforementioned parties will be bound by confidentiality agreements and will be required to declare that they do not have any conflict of interest in reviewing the individual proposals.

All handling of personal data shall be in line with data protection legislation.

## **8 Content Evaluation of Project Proposal**

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### **8.1 Content Evaluation Criteria**

The Evaluation board shall be evaluating applications across three criteria: Excellence, Impact and Implementation. The weighting of each criterion is as indicated, out of a total of 100 possible marks.

#### **Excellence – 30 marks**

- Clarity of the definition of sector problem areas in which the technical objective will have an impact. Are the objectives of the proposed study in line with national policies?
- Clarity of the technical objectives and definition of the requirements for the proposed work. In terms of the concept, aims and objectives put forward in the research proposal as well as the development proposed, what is the degree of scientific validity?
- Quality of the proposed approach and discussion of problem/risk areas to the proposed project. Is the proposed approach credible?



- Extent to which the proposed work is ambitious and innovative (e.g. novel concepts, approaches or technologies).
- Is the work sufficiently ambitious for the requested funding? Is the work at the TRL scale that is being supported by this Call for Proposals?

### **Impact – 40 marks**

- Does the proposal exhibit prospects that will aid in addressing national policy objectives in energy and water and/or the needs of local enterprises and/or may contribute to national economic competitiveness? Does the research go beyond comparable solutions at European level or is it simply duplicating effort?
- Does the proposal fall within one of the priority areas indicated in Section 2 of the 2021 Call for Proposals?
- Is the proposed project expected to contribute to a better understanding of specific national policy challenges or issues faced by local enterprises in the fields of energy and water?
- Are the proposed outputs and outcomes coherent with respect to the project ambition and funding requested (with respect to both the applicant entities as well as the local economy)?
- Are the expected outcomes expected to impact a single sector or will it have cross-cutting and multidisciplinary impact on more than one sector?
- Does the proposal promise solutions that may help end users (government, clients, etc.) deliver/consume smarter services? Any other environmental and socially important impacts, not covered in the above?
- Is the applicant organisation/s leveraging new personnel, apart from its core team, to be involved in a significant contribution to the project? Is there evidence of growth of critical mass in this regard?

### **Implementation – 30 marks**

- Background and experience of the entity/entities related to the particular field concerned. Adequacy of the key personnel for the execution of the work.
- If applicable, complementarity of the different consortium partners in delivering the project objectives. Is the work plan effective with respect to partner workload distribution according to their competencies? Does the consortium exhibit potential for knowledge transfer between academia and industry? Does the consortium include potential users, or have potential users been engaged through a formalised agreement, or through a 'letter of intent' (with weight being stronger in that order)?
- Is the coherence and effectiveness of the work plan, including proposed work packages, proposed deliverables and appropriateness of the allocation of resources satisfactory when



considering the level of funding being requested? Are the proposed budgets coherent with the project ambitions and technology development, such that funds are planned to be used effectively and appropriately? Have the other relevant resources, such as data requirement, software packages and other relevant infrastructure been identified and accounted for in the planning of the proposal?

- Does the proposal present a realistic and ambitious dissemination and externalisation plan? Does it identify the target audiences and the most effective measures of outreach?
- Appropriateness of the management structures and procedures, including risk and innovation management. Have key project risks been identified and discussed? Are the proposed solutions credible? Are the timelines realistic and well balanced considering the inherent risks of such R&I projects, including but not limited to, risks related to the recruitment process?

## 8.2 Ranking of Projects

For a project to move to Stage 2 of the Application Process, it must obtain over 65% in each of the 3 criterions. Eligible projects will be ranked according to the marks obtained in the content evaluation. Should two or more Projects obtain the same mark in the content evaluation, the Managing Authority shall apply the following considerations to determine the Project which will receive priority for support.

The first priority will be given to projects involving at least two different types of partners. Should both projects involve different types of partners, preference shall subsequently be given to the project which shall conduct research in one of the seven priority areas which is not a priority area being tackled by any higher ranking project. If both projects are tackling the same priority area as any higher ranking projects, preference will be given to that project which aims to conduct research at a different TRL level than the higher ranking project in the same priority area.

## 9 Post-Selection Process

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### 9.1 Notification of Outcome

Once the evaluation of Stage 2 of the Application Process is completed, the Project Coordinator shall be notified of the outcome of the Application by email. The Managing Authority shall also publish the list of project applications which were submitted on the website of the Energy and Water Agency. For Projects which passed both stages of the Application Process, the mark achieved during Stage 1 will be published along with the title of the project. Projects which are not eligible to receive a research grant, whose application having failed at either Stage 1 or Stage 2, will be listed in alphabetical order.

Successful Applicants shall be ranked according to the marks achieved during Stage 1, starting with the one achieving the highest total mark. The published list of Project applications made by Successful Applicants will be divided into two sections, indicating those Projects which will receive the first offers of support and those Projects on the 'waiting list'. Offers of support for their Projects under the 2021



Call for Proposals shall be provided to Successful Applicants according to the rank order and until the funds are either exhausted, or until no Successful Applicants remain.

When the requested Grant Value of the next ranking Successful Applicant exceeds the remaining unallocated funds, an offer of support will be made to that Successful Applicant but up to a maximum of the remaining unallocated funds. Should the offer not be accepted by that Successful Applicant, the same offer of support will be made to the subsequent Successful Applicant, in line with the ranking order determined by the mark achieved during the content evaluation. This process will continue until all remaining funds have been allocated or until no Successful Applicants remain. It must be noted that should a Successful Applicant accept a Grant Value that is lower than the amount requested in the application, the proposed Project cannot be changed.

The number of projects which will be awarded funding is subject to the budget of this funding programme, determined by the Managing Authority.

## **9.2 The Grant Agreement**

In the notification email to the Project Coordinator of a Potential Beneficiary, an award offer shall be made. Said communication shall include any potential conditions which the Managing Authority may decide to include, such as, for instance, the requirement of providing a bank guarantee. The Potential Beneficiary shall be invited to sign a Grant Agreement establishing the terms and conditions governing the financing of the project. All documentation submitted as part of the application process, including but not limited to milestones, compliance and reporting obligations will constitute an integral part of the Grant Agreement.

Hard copies of the Grant Agreement must be signed by the Potential Beneficiary, including all Partners (or their authorized representative) in the case of a Consortium, within 20 working days from the date on which the Project Coordinator of the Potential Beneficiary is notified (by email) of an award offer. In the case of a Consortium, the Project Coordinator should ensure that all partners are available to provide their signature during this timeframe. Failure to comply with the stipulated timeframe will result in a withdrawal of the award offer.

Together with the signed copies of the Grant Agreement, the Project Beneficiary must provide two (2) images related to the project and an abstract on the project (Maltese and English version). These will be used to publicise the award.

The Project Start Date will be specified in the Grant Agreement as agreed by all the respective parties. This date shall be after the date of signature of this agreement by the Chief Executive Officer of the Managing Authority.



### 9.3 Unsuccessful Applicants

In the case of Projects which are not awarded financial support under the 2021 Call for Proposals, the Applicants will be provided with the opportunity of attending one-on-one feedback sessions organised by the Managing Authority.

### 9.4 Disbursement of Funding

The Managing Authority will endeavour to transfer the first tranche of funding to the Beneficiary's or the Lead Partner's Project Account as provided in Section 5.3.

To be eligible for funding, all expenses must meet the criteria established in Annex I and be incurred between the Project Start Date and the Project End Date.

## 10 Supervening Circumstances

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The Project Coordinator is obliged to immediately advise the Managing Authority of any internal or external significant event which might affect the validity or implementation of the project. This obligation applies to the entire period between the submission of the project application and the completion of the project. The Managing Authority shall acknowledge receipt of any such notification by the Project Coordinator within five (5) working days. In response to such a request the Managing Authority will either give such directives as it deems necessary for the furtherance of the project or re-assess the viability of the project in its entirety. Failure on the part of the Project Coordinator to respect this obligation may be deemed by the Managing Authority to constitute material non-compliance on the part of the Beneficiary and the Managing Authority may thereafter take such action as is necessary in terms of the Grant Agreement in consequence of such non-compliance.

### 10.1 Project Extension

Project extension requests are to be submitted in writing to the Managing Authority by not later than one (1) month before the end of stage. Extension requests for a Project stage or for the Project as a whole may be granted at the sole and unfettered discretion of the Managing Authority. Provided that the fact that the Managing Authority will have accepted a request for an extension in one stage will not in any manner bind or be interpreted as binding the Managing Authority to accept a request for an extension in another stage.

### 10.2 Default

If the implementation of a project is prevented by any circumstances of *force majeure* which arise after the date of signature of the Grant Agreement by both parties, neither party shall be considered to be in breach of its obligations under the Grant Agreement.



If the Project Beneficiary fails to implement and complete the Project, the Managing Authority shall be entitled to take any action it deems necessary, including, but not limited to, the withdrawal of funding for the project and the recovery 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. However, the Managing Authority will provide a maximum of two notices indicating a rectification period of one month each.

At Stage 2 of the Application Process, Applicants will be requested to sign a declaration confirming their understanding of events that may constitute events of default. This declaration form can be found on the website of the Managing Authority.

### **10.3 Partner Withdrawal from Consortium**

A consortium partner wishing to withdraw from a funded project must present their case to the Managing Authority through their Project Coordinator. As a result, and at its discretion, the Managing Authority may request the refunding of money disbursed to that partner through the Lead Partner and may even follow procedures as outlined in Section 10.2.

In extenuating circumstances, the Managing Authority may at its discretion, consider suggestions for replacement of a Partner. Should this be the case, the overall Rules for Participation would need to be adhered to and the technical and financial distribution of the Project should remain unchanged.

## **11 End of Project**

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### **11.1 End of Project Technical Report**

Within one month from the Project End Date, the beneficiary shall submit a Final Technical Project Report. If the Beneficiary is a Consortium, this report is to be submitted by the Lead Partner and shall include all activity broken down for each project partner. This report shall be prepared in accordance with the appropriate template provided by the Managing Authority.

### **11.2 End of Project Financial Report**

Within one month from the Project End Date, the Beneficiary is required to submit an audited End of Project Financial Report for the whole project, covering the work and expenditure. If the Beneficiary is a Consortium, the audited End of Project Financial Report is to be submitted by the Lead Partner and shall cover the work and expenditure undertaken by all the Partners. The End of Project Financial Report shall be audited by independent certified auditors appointed by the Beneficiary, and shall be subject to approval by the Managing Authority once submitted. The audit should determine the total eligible costs and compare these to funds forwarded to the partners.

As soon as the verifications and audits are finalised and cleared the Managing Authority will release the retention money due to the Beneficiary. In the case of overpayment, the Beneficiary will be



required to refund the under-spend amount to the Managing Authority within a specific timeframe, or as agreed to with the Managing Authority, through the Lead Partner.

### **11.3 Detailed Audit**

Over and above the audit responsibilities of the Project Beneficiary, the Managing Authority or any other Government competent authority may conduct a detailed audit consisting of a financial and a technical part, following the completion of the project. The 3-part audit will consist of the following:

1. The financial audit
  - Accounts
  - Physical Inventory
  - Time-sheets and payslips
  - Receipts for all equipment and consumables
  - Bank statements for the R&I Project Account
2. The Project Management Audit
  - Schedule management
  - Change management
  - Deliverables
  - Achievements compared with Key Performance Indicators
3. Technical Audit
  - Brief summary of the project including scientific hypothesis investigated
  - Interpretation of Research Results
  - Project's impact, including Prototypes and IP/patent check

The Managing Authority reserves the right to request additional project-related information and conduct intermediate audits at any time.

In the event that a Project is found to be in breach of the Grant Agreement or to materially depart from the submitted application, the Managing Authority reserves the right to withdraw 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 an Applicant from participating in future calls of the Programme.



## Annex I: Eligible Costs

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Funds shall only be granted for Projects that are in line with the terms of these Rules of Participation.

Eligible costs are those costs incurred directly by the Beneficiary 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 Project Start Date and the Project End Date and must be limited to the budgeted value.

### 1. Itemised list of Eligible Costs

#### a. *Personnel Costs*

Personnel costs will cover researchers, technicians and other supporting staff to the extent employed on the project.

The rules of personnel cost reimbursements differentiate between existing employees, referred to as existing personnel, and employees that have been employed specifically for the Project, referred to as new personnel.

##### Existing Personnel

The total cost of funded hours per project for existing employees from the applicant's organisation or supporting organisation/s shall not exceed 20% of the project value.

This includes existing personnel that, for the purpose of the project, are provided with separate part-time contracts to extend their working hours with the applicant's organisation or supporting organisation/s

Personnel Costs related to Project Management, unless subcontracted, are further limited to 10% of the project value and form part of the 20% limit set on existing personnel costs.

Any project management which is not carried out by the Beneficiary shall be deemed to be subcontracting and be subject to the 10% maximum threshold detailed above. This also contributes to the 25% maximum referred to subcontracting costs.

The permissible number of hours covered by this fund is not to exceed an average of 10 hours per week per existing employee, as part of their normal working hours.

Those 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. Overtime is permitted if this is part of their employment contract.



New Personnel

The salary of senior researchers, researchers, technicians, operators and research support assistants that are employed specifically for the project shall not form part of the above-mentioned personnel costs limit of 20% of the project value.

Students can be engaged on the project and paid an annual stipend of up to €6,000 when reading for a Master’s degree or an annual stipend of up to €8,000 when reading for a Doctoral degree, in line with the rates applicable to “Researcher or equivalent” in the table below. The number of students engaged to work on the project cannot exceed the number of full-time researchers employed by the Beneficiary.

The hourly rate for existing and new personnel is calculated as follows:

$$\text{hourly rate} = \frac{(\text{basic salary} + \text{allowances})}{\text{yearly weekday hours}}$$

While the personnel limits per project are capped according to the below table, the salary rates (including National Insurance and Inland Revenue employer contributions and allowances) are to be considered as indicative guidelines:

Role in the project	2022 Hourly rates (Guidelines)	Limits per project (not flexible)
Top management or equivalent	From € 35.37 to € 43.56	Max 2 per project
Middle management or equivalent	Up to € 35.36	Max 2 per project
Senior researcher or equivalent	From € 25.16 to € 35.36	Max 2 per project
Researcher or equivalent	From € 13.95 to € 25.15	No limits
Operational technician, research support assistant or equivalent	Up to € 13.95	No limits

The rates stated in the table above are for the year 2022. For activities in subsequent years, a 5% increase per year is recommended. Kindly ensure that only hourly rates are provided in the application form.

The Managing Authority recognises that in niche areas of research there may be a need to exceed the abovementioned remuneration guidelines. In such exceptional circumstances, the Managing Authority may allow for salary brackets that are higher than those noted above. The CVs of the said personnel will be subject to the evaluation by the Managing Authority whose decision shall be final. In any case, the salary rates claimed in the proposal shall not exceed the rates in the employee contracts.

Filled time sheets are to be retained for all personnel, including students, as proof of 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 as this evidence may be required by the auditors.



**b. Instruments and equipment**

This section relates to the purchase of specialised equipment, including software and datasets required for achieving the objectives of the project. Instruments and equipment must be purchased in a transparent manner and paid at market prices.

Costs of instruments and equipment are eligible to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. The depreciation costs must be verified by a Certified Public Accountant.

**c. Scientific information**

Access to scientific information sources including databases and publications. Such costs must be bought or licensed from outside sources at arm's length conditions.

**d. Consumables**

In order to be considered as an eligible cost item, *consumables* are costs of materials, supplies and similar products incurred directly as a result of the project. Overall value of consumables typically cannot exceed 30% of project value. Proposals with consumables exceeding 30% of the project value need to be discussed at application stage in line with the procedures outlined in Section 7.5.

**e. Subcontracted Activities**

Subcontracted Activity means any activity related to the project (including but not limited to consultancy), which is not carried out directly by the Project Beneficiary but is carried out by any third party (local or foreign) individual, company, partnership or entity, at arm's length conditions.

Total subcontracted activities within a project shall be up to a limit of 25% of the project value. The Project Beneficiary remains responsible for the timely delivery of subcontracted tasks irrespective of the acts, defaults and negligence of its subcontractors and their experts, agents or employees. The Project Beneficiary is to ensure that such a third party is selected in a manner which is fair, transparent and impartial.

**f. Overheads**

Overheads incurred directly as a result of the project will be capped at 5% of eligible costs.



### ***g. Contingency***

This refers to eligible costs which were not previously defined in the Application but which are complementary to the aims of the Project, providing that they are claimed under one of the eligible expenses described above (1.a. to 1.f.). These costs may only be used to: (i) augment an existing task defined in the Application; and/or (ii) provide for a new task, not previously defined in the Application. Contingency costs are capped at 2% of eligible costs.

## **2. Additional Provisions**

Eligible Costs are to conform with the following, and are subject to the final audit scrutiny:

- Any expenses incurred during the project must be consistent with the principles of economy, efficiency and effectiveness.
- In the event of purchases carried out by private entity partners above € 1000, the entity is required to demonstrate adequate market testing. In general, three quotations would need to be obtained from three different, independent, and relevant sources, unless it can be shown that the product/service being acquired can only be supplied by a single supplier.
- Public entity partners are to follow Public Procurement Regulations in their entirety.
- Any call for the recruitment of staff on a project is to be conducted in a strictly transparent manner, and is to include a public call in the form of an advert published in a Sunday newspaper (minimum size of advert: 2 columns by 8 cm) and interview process.
- Any Commercial transaction between consortium partners, or between any consortium partner and a company having common shareholding with that partner or with any other partner in the consortium, is considered an ineligible cost.

## **3. Ineligible Costs**

The following expenditure shall be considered as ineligible costs:

1. Expenses related to loans, interest, etc
2. Recoverable value added tax
3. Expenses which are recoverable through other funding mechanisms
4. Re-purchase of equipment originally procured through other funding mechanisms
5. Purchase or lease of equipment from partners or their subsidiaries within the consortium
6. Opportunity costs related to foregone production and production downtime arising from the allocation of resources to the Project
7. 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
8. Standard office equipment/ stationery
9. Organisation of a conference
10. Personnel hours for travelling



11. Travel and subsistence
12. Any other costs not listed as eligible costs within this Annex

