

MDIA AI Applied Research Grant (MAARG)

Call 2023

Guidelines

Definitions

- **Aid Intensity** – This refers to the gross aid amount expressed as a percentage of the eligible costs before any deducted tax or other charges.
- **Artificial Intelligence (AI)** – AI is a broad and evolving field of study, making it challenging to adopt a single, all-encompassing definition. The MDIA adopts the following definition for recognising AI systems:

“Artificial Intelligence System (AI system) means software that is developed with one or more of the following techniques and approaches: (a) Machine learning approaches, including supervised, unsupervised and reinforcement learning, using a wide variety of methods including deep learning; (b) Logic- and knowledge-based approaches, including knowledge representation, inductive (logic) programming, knowledge bases, inference and deductive engines, (symbolic) reasoning and expert systems; (c) Statistical approaches, Bayesian estimation, search and optimization methods; and can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with”.

The interpretation afforded to AI system shall be the same as afforded by the latest Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL LAYING DOWN HARMONISED RULES ON ARTIFICIAL INTELLIGENCE (ARTIFICIAL INTELLIGENCE ACT) AND AMENDING CERTAIN UNION LEGISLATIVE ACTS. Moreover, should a different definition to ‘AI system’ be provided in the said Regulation upon its coming into force, then such definition as afforded in the Regulation shall prevail.

- **Beneficiary** – An applicant whose application for funding under this grant has been approved by the MDIA.
- **Intangible Assets** – Assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property.
- **Internet of Things (IoT)** – Such describes an advanced set of technologies and refers to a wide ecosystem where interconnected devices and services collect, exchange and process data in order to adapt dynamically to a context. IoT is tightly bound to cyber-physical systems and in this respect is an enabler of Smart Infrastructures by enhancing their quality of service.
- **Malta Digital Innovation Authority (MDIA)** – MDIA is the primary Authority responsible for promoting all governmental policies that promote Malta as the centre for excellence for technological innovation, while setting and enforcing standards that ensure compliance with any other international obligations. The MDIA is the entity responsible for governance of the overall implementation and monitoring of Malta’s AI Strategy.
- **Research Institution (RI)** – An entity (such as universities or research institutes, technology transfer agencies, innovation intermediaries, research-oriented physical or virtual collaborative entities), be it a public or private entity, 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.

- **Single undertaking** - includes all enterprises having at least one (1) of the following relationships with each other:
 - a) one enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
 - b) one enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
 - c) one enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
 - d) 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 (a) to (d) of the first subparagraph through one or more other enterprises shall also be considered to be a single undertaking.
- **The Applicant** – This refers to any natural or legal entity submitting an application in line with the provisions of these guidelines.
- **The Project** – This refers to an applicant's proposed activities in line with the overall scope and objectives of the MDIA AI Applied Research Grant (MAARG), and any other relevant stipulations made in these guidelines

1. Introduction

This document provides information on the **MDIA AI Applied Research Grant** (hereinafter referred to as the 'Grant') and should be read in conjunction with the following documents:

- Application Form
- Grant Agreement Template

These Guidance Notes together with the above stated documents are binding. Failure to comply with the provisions as laid out in these documents may result in financial corrections and recovery of funds disbursed.

These Guidance Notes may be reviewed, updated and amended from time to time by the MDIA throughout the lifetime of this Grant.

1.1 Delegation of Authority

The MDIA has been designated as the body responsible for administering public funds through the implementation of this Grant, in line with the AI Strategy Implementation and Governance¹. In terms of rationale and scope, this Grant is aligned with several of the goals of the Malta AI Strategy including:

- Building awareness of AI and IoT and their potential benefits for society
- Stimulating R&D through IOT and AI-related activities
- Fostering a culture of collaboration between research institutions and industry
- Demonstrating the potential benefits of IoT and AI applications to both the public and private sectors.

In addition, this Grant aims to advance progress related to the following Actions within the Malta AI Strategy:

- Action 1, which seeks to promote AI-related collaboration between researchers, start-ups and companies.
- Action 5, which seeks to increase investment in Malta's AI research capabilities within higher education institutes, in order to increase academic and applied research output and drive greater collaboration with industry and international partners.
- Action 22, which seeks to improve Malta's standing on Oxford Insights' Government AI Readiness Index. Improving the nation's capacity for AI research should enable the development of competencies which in turn will facilitate the use of AI in the delivery of public services.

Finally, as highlighted in Section 6.2 (Selection Criteria) of these guidelines, priority will be given to credible proposals aimed at furthering progress on projects specifically mentioned within the Malta AI Strategy. Specific pilot projects mentioned within the strategy are:

- AI for traffic management (Action 24)
- AI in education (Action 25)
- AI in healthcare (Action 26)
- AI for customer service (Action 27)
- AI in tourism (Action 28)
- AI for better utilities (Action 29)

1.2 Scope

As part of its remit, MDIA is tasked with endeavoring “to promote governmental policies that favor the deployment, within the public administration, of innovative technology arrangements, by the Government where necessary or appropriate” [MDIA Act 4(2)(a)]. In order to achieve this goal, part of MDIA's budget has been earmarked for the creation of support measures for the further diffusion of innovative technology arrangements within the public and private sector in order to increase efficiency, transparency and citizen engagement.

1.3 General and Specific Objectives of this Grant

The overall objective of this Grant is to support capacity-building efforts related to AI and/or Internet of Things (IoT) research in Malta. Specifically, this Grant aims to encourage, *inter alia*, the following:

- Increased capacity for AI-related and/or IoT research in Malta
- Increased investment in AI-related and/or IoT R&D activities
- Increased adoption of AI and/or IoT technologies by the public and private sectors
- Increased collaboration between academia and commercial entities

1.4 Duration of the Grant

The MDIA shall issue a public open call (rolling-call) for interested eligible Applicants to submit their applications. The objective of the application is primarily to assess the merit and potential benefit of the proposed Project to be funded. Eligible applications passing the pre-requisite criteria (first level evaluation – ‘Gateway’ criteria) will be screened, scored, and ranked by Project Selection Committee composed of independent and external evaluators (second level evaluation – ‘Selection’ criteria), the outcome of which would be final.

Grants shall be awarded on a Quarterly basis subject to budget availability. Eligible applications scoring at least 75% of the selection criteria (second level evaluation) shall be subsequently ranked, and funds will be awarded to successful applicants by order of such ranking.

Deadlines for submissions shall be as follows:

Funding Round	Cut-off date for submission of proposals
Round 1	30 th September 2023
Round 2	29 th December 2023

The Grant will close upon total exhaustion of funds or at the discretion of the MDIA, whichever is the earlier. Provided that the MDIA may issue another round by virtue of a written notice on its website and subject to availability of funds.

Note that less funding rounds than indicated may take place should the allocated budget be fully absorbed by previous funding rounds. Similarly, should unabsorbed funds remain following the indicated funding rounds, the MDIA may choose to allow for additional funding rounds.

1.5 Budget

The allocated budget for this Grant is set at €120,000.

1.6 Maximum Grant Value and Aid Intensity

The maximum grant value under this Grant is set at €40,000 per project. The aid intensity for this Grant shall be 100%.

Eligible applicants must be research institutions, or researchers working within such an institution (as defined in Section 3 of these Guidelines). Applicants are encouraged to demonstrate collaboration between academia and industry for projects where such a collaboration may yield additional value.

Examples of different grant values are included below.

- 1) If total eligible costs amount to €40,000 or less, an approved applicant will receive the full sum as requested, subject to eligibility and exclusion criteria, and subject to MDIA evaluation and approval.
- 2) If total eligible costs exceed €40,000, an approved candidate will receive a grant of €40,000, which is the per-project-capping applicable for this Grant.

1.7 Implementation

Each project benefiting from the Grant can run for a maximum of up to one (1) year from the date of signing of the Grant Agreement. Applicants may request an extension of up to six (6) months. The MDIA Project Selection Committee shall have full discretion in awarding such extensions, which shall be evaluated on a case-by-case basis. If, for any reason, the project is not concluded within the stipulated timeline, including any extensions granted by the MDIA, it will be considered as a failure to abide by the grant conditions and a process for claw-back of funds will be initiated.

1.8 Regulatory Framework

For Applicants that carry out an economic activity and those that will carry out such an activity as a result of the proposed project, this Grant will be implemented in line with the parameters of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union, as amended 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.

2. Description

2.1 Eligible Actions

This Grant will support activities carried out by Applicants in the pursuit of an applied research project within the field of AI and/or IoT. Actions should be aimed at increasing capacity to conduct AI and/or IoT research, making a marked contribution to the field of AI and/or IoT research, or developing novel practical applications of AI and/or IoT technology, amongst other actions which the MDIA will also consider on a case by case basis.

2.2 Eligible Costs

The following is a list of eligible costs which may be reimbursed through this Grant. The below costs must be directly attributable to the project.

- a) *Wages and salaries for personnel directly involved in the project*
- b) *Procurement and/or rental of equipment, plant and machinery*
- c) *Procurement of software and/or purchase of software/platform licences*
- d) *Project overheads (unless specifically listed as ineligible in Section 2.3). **Such costs are not to exceed 10% of the total eligible expenditure of the project.***
- e) *VAT charged on eligible expenditure items is considered eligible for funding if the entity is exempt without credit and thus cannot claim back input VAT.*

2.3 Ineligible Costs

The following is a list of ineligible costs which cannot be reimbursed through this Grant even if such costs can be directly attributable to the project.

- a) Costs related to shipping of equipment, plant, machinery etc.
- b) Costs related to the repair and maintenance of equipment, plant, machinery and buildings, including costs for maintenance agreements.
- c) Tax including Value Added Tax and other duties.
- d) Insurance costs.
- e) Training costs.
- f) Contingencies and/or losses made by the Applicant.
- g) Payment of dividends, royalty and interest changes.
- h) In kind contributions.
- i) Service charges arising on finance leases, hire purchase and credit arrangements.

- j) Cost resulting from deferral of payments to creditors.
- k) Cost related to litigation including resulting claims for damages and fines.
- l) Statutory fines and penalties.
- m) Payments for gifts and donations.
- n) Entertainment (including catering, receptions, etc.)
- o) Depreciation.
- p) Foreign exchange costs and related losses.
- q) Bank charges.
- r) Commission.

3. Eligibility

3.1 Eligible applicants

To be eligible for this Grant, the Applicant needs to be a local Research Institution (RI), irrespective of whether the RI carries out an economic activity or otherwise. In case the research institute does not have more than 50% public ultimate shareholding, the research institute shall provide evidence of partnership, for the purpose of this Project, with an entity which has more than 50% public ultimate shareholding (ex: ministries, government entities, commissions and boards).

The MDIA reserves the right to reject applications for projects in instances when it reasonably suspects that the proposed project is not substantially differentiated from a previously approved project.

3.2 Exclusions

- i. Applicants engaged in an illegal economic activity.
- ii. Applicants which do not have a substantial economic and physical substance in Malta

3.3 Additional Provisions

- i. The project has to have an incentive effect and start of works on actions in relation to the activities for which assistance is being requested may only be initiated after the date of the granting of the aid.
- ii. The Applicant is in compliance with applicable EU and national legislation and administrative requirements, including fulfilment of fiscal obligations and social security contributions.
- iii. Applicants must submit a detailed plan explaining their intended use of funds. Any modification to the approved plan should be notified to the MDIA.

- iv. Replacement of individual components of existing equipment not resulting in the extension of the capacity of the Applicant is not considered eligible.
- v. Intangible assets are eligible for the calculation of investment costs if they fulfil the following conditions:
 - a) they must be used exclusively in the establishment receiving the aid;
 - b) they must be amortisable;
 - c) they must be purchased under market conditions from third parties unrelated to the buyer; and
 - d) they must be included in the assets of the Applicant receiving the aid and must remain associated with the project for which the aid is granted for at least three years following the completion of the investment project.
- vi. All supplies and services may only be procured from external sources unrelated to the Beneficiary.
- vii. The Applicant has in hand all the necessary permits.
- viii. Approved projects shall be based and operational in Malta.
- ix. Applicants are to seek in advance approval from the MDIA should modifications to the approved activities and/or actions be necessary.
- x. The Applicant has not been approved or granted any public funding, and will not seek public funding through other National and/or European Union funded initiatives in relation to the activities for which assistance is being requested through this Grant. This includes schemes under Cohesion Policy and any other European Union instruments or through any other form of Public Funding including schemes administered through National Funds.
- xi. Each Applicant may only benefit from a single grant under this scheme.
- xii. Applicants approved for a grant may not be eligible for further funding.
- xiii. The Applicant must ensure that where applicable, Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty of the Functioning of the European Union to de minimis aid, as amended, is adhered to.

4. Applications

4.1 Application Process

The MDIA shall publicise calls through various media and will collaborate with stakeholders particularly representatives of the target group and other Government Entities to publicise the Grant to ensure the widest visibility possible.

4.2 Submission of Applications

Applicants must submit an application via email, submitting all required documents in soft copy format. The email address for the submission of applications is Schemes@mdia.gov.mt

The application shall include the Applicant's name, a description of the project, including its start and end dates, the location of the project and a list of project costs and the amount of public funding needed for the project, amongst other requirements. The MDIA reserves the right to request hard copies of any documentation supplied as part of an application.

It is strongly advisable that prior to embarking on the development and submission of the application, prospective applicants read these Guidance Notes in full.

4.3 Documents to be submitted with the Application

- 1 Declaration** – a scanned copy of the signed Declaration Form, including, where applicable, the *de minimis* Declaration (included within the application form). Applicants are to indicate in the *de minimis* declaration any other *de minimis* aid received during the previous two fiscal years and the current fiscal year. This information is required in order to ensure adherence with the parameters established in Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty of the Functioning of the European Union to *de minimis* aid, including the requirement that the amount of *de minimis* aid granted to a single undertaking does not exceed €200,000 over a period of three fiscal years.
- 2 Project Description** – a detailed and robust outline of the proposed project, as well as the potential effects and impact of the project. The proposal should, as a minimum, include the following sections:

Executive Summary (Word Limit: 500 words)
Organisation History, Background and Objectives
Contextual background
Management and Organisation structure
Organisation Resources
Project Proposal
Expected Outcome and impacts
Financial Plan/Data
Project Timeline
Supporting Information

- 3 **Partnership Agreement** (if applicable) as per clause 3.1 of these Guidelines;
- 4 **Any other supporting documentation** (such as preparatory work and correspondence) that the Applicant deems that would add value to the application.

4.4 Documents to be submitted following application approval

Applicants whose applications successfully meet the required standard in the Selection Criteria, may be asked to provide the MDIA with additional supporting documentation for verification purposes. In the event that applicants fail to submit the requested documentation by the deadline indicated by the MDIA, the application shall be considered as an incomplete application and will be rejected.

4.5 Acknowledgement

Once an application is submitted and confirmed, a unique reference number for the project will be generated, and an acknowledgement e-mail together with the application reference number will be sent to the Applicant.

Applications will be assessed and selected as outlined in Section 6 'Assessment and Selection'. The issuance of the acknowledgement letter does not confer

any obligation on the MDIA to issue the Grant towards the financing of the project. Actions may only be initiated further to the signing of the Grant Agreement.

5. Compliance with Community Policy

5.1 General Principles

It is the responsibility of the Applicant to ensure compliance with Community Policy, namely:

- Public Procurement
- State Aid requirements
- Equal Opportunities
- Sustainable development

5.2 Public Procurement

Applicants should note that the Grants awarded for actions under the MDIA AI Applied Research Grant are public funds. In this regard all Beneficiaries should ensure that any procurement undertaken for cost items to be co-funded through the MAARG is carried out in line with the principles of sound financial management, good governance, transparency, and equality together with the provisions within these Guidance Notes.

5.3 State Aid requirements

Assistance provided under this Grant to those Applicants engaged in an economic activity and those that will carry out an economic activity as a result of the proposed project shall be awarded in line with Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, as amended 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.

If such an Applicant receiving aid is found to be in breach of the relevant provisions of this Regulation, action shall be taken to claw back funds (recovery of funds) from the Applicant in line with the provisions of the pertinent State Aid rules.

Such an Applicant shall ensure compliance with the provisions and parameters

of Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid, as amended.

It is the responsibility of these Applicants to seek advice and to ensure compliance with the applicable State Aid rules and requirements.

5.4 Equal Opportunities and non-discrimination

Beneficiaries are required to take a pro-active approach to Equal Opportunities and must ensure that at all stages of the implementation of the action/s consideration is given to Equal Opportunities.

Equal Opportunities and non-discrimination are not meant to just address gender discrimination but have a wider scope and include race, ethnicity, religion or belief, disability, age, and sexual orientation.

5.5 Sustainable Development

Applicants should ensure that the project is structured in such a manner that sustainability and environmental matters are taken into consideration at all stages of the design, development and implementation of the project, and the project should be structured to avoid any related environmental damage.

6. Assessment and Selection

The Assessment and Selection of projects shall be undertaken by a Project Selection Committee.

Applications will be assessed against the Gateway (eligibility) and Selection Criteria by the Project Selection Committee.

Applications will proceed to be assessed against the Selection Criteria only if the application meets all the requirements of the Gateway (eligibility) Criteria.

Applications attaining 75% of the total score or higher under the Selection Criteria shall be approved for funding in accordance with the terms set out in in these Guidelines.

6.1 Gateway Criteria

The Gateway Criteria are the minimum requirements which must be met in order that any application may be considered for assessment and appraisal for selection

for funding support. These will be used at the first stage once an application is submitted. This stage will involve an assessment process to establish that these minimum requirements are met, namely:

- 1 **Complete application form:** An Applicant must present a fully compiled application form together with all the requested supporting documentation, by the indicated deadline. Provided that the De Minimis Declaration in the Application form shall be signed only when it is necessarily applicable to the Applicant.
- 2 **Eligible Applicant:** The Applicant is eligible in line with these Guidance Notes.
- 3 **Eligible action:** The action for which the Applicant is asking for support is eligible and at least includes an eligible activity.
- 4 **Eligible costs:** Some of the costs for which the Applicant is asking for re- imbursement are eligible for funding.

6.2 Selection Criteria

Only applications that meet all the requirements of the Gateway (eligibility) criteria shall proceed for assessment under the Selection Criteria. The Project Selection Committee may at this stage request clarifications from the Applicant. As part of the assessment and appraisal process a score is awarded for each Selection Criterion. Applications scoring at least 75% of the Selection Criteria shall be ranked and shall be awarded the grant in line with the respective ranking and subject to budget availability. If, upon application ranking, the total Programme budget is not exhausted, the application process would recommence with a new cut-off date (as detailed in Section 1.4).

The total maximum score under the Selection Criteria is 100. All the applications will be assessed and evaluated against the Selection Criteria outlined hereunder.

- Excellence
- Impact and Sustainability
- Quality and efficiency of implementation
- Risk Assessment

Criteria	Definition	Score
Excellence	<p>Action is ambitious by proposing an advancement over the current state of affairs – 15</p> <p>The action will be assessed on the basis of the novelty and technology level of the proposed outcomes. Outcomes that represent a more substantial advancement over the current state of technology and presenting a novel concept to the respective sector will score higher marks.</p> <p>Action is ambitious and is addressing an identified gap in the specific sector – 15</p> <p>The application will be assessed in terms of the extent of identified gaps in current technology it addresses. The evaluation will focus on the novelty of the concepts and new approaches introduced by the project. Projects which aim to address more significant gaps in commercial use cases, or in the current body of research, will score higher points.</p>	30
Impact and Sustainability	<p>Impact in relation to the Applicant's future potential – 15</p> <p>The application will be evaluated in terms of the project's impact vis-à-vis the future potential of the Applicant. This may include future potential economic opportunities, future potential research opportunities, and impacts on the applicant's international presence and reputation.</p> <p>Alignment with National Policies and Strategies – 15</p> <p>The application will be assessed in relation to its alignment with National Policies and Strategies, in particular the National AI Strategy. Due consideration will be given to specific projects mentioned in the AI Strategy, such as the development of the AI Readiness Toolkit (action 31).</p>	30
Quality and efficiency of implementation	<p>Level of Management and Control Systems in place – 10</p> <p>The evaluation will be assessing the overall quality of the project management and implementation systems proposed by the applicant.</p>	10
Quality of project participants	<p>Qualitative assessment of the Applicant – 10</p> <p>The evaluation will carry out a qualitative assessment of the applicant (and of the extent, nature and scope of the partnership, if applicable). This shall evaluate aspects such as any relevant experience or track record held by consortium members.</p> <p>Level of capacity and allocation of resources towards the project – 5</p> <p>The evaluation will be assessing the allocation of resources towards the project to ensure its successful implementation and sustainability.</p>	15

Risk Assessment	<p>Project Timeline – 15</p> <p>Proposed project timelines will be subject to a risk assessment which shall consider how realistic any proposed timelines may be given the complexity of the proposed project, and the level of resources available to the Applicant. The clarity and coherence of the timeline and workplan will also be considered in the evaluation. Other project implementation risks which may result in delays will also be considered along with any risk mitigation strategies proposed by the Applicant.</p>	15
	<p>Implementation Risks – max 0 (-5 lowest)</p> <p>This section will carry negative marking to reflect project implementation risks linked to the complexity of the proposed activities. The more complex the activities, the lower (more negative) the score, if satisfactory mitigating measures are not outlined.</p>	

6.3 Composition of Project Selection Committee

The Project Selection Committee responsible for the evaluation and award of grants shall be composed of MDIA representatives, as well as independent external evaluators. The Committee shall also be responsible for all decisions related to the granting of extensions to the implementation period for approved projects as stated in Section 1.7 of these guidelines.

All Committee members shall be required to respect strict confidentiality regarding each application brought to their attention.

All Committee members shall be required to notify the MDIA of any actual or potential conflicts of interest which may exist between themselves or any member of the applicant. Conflicted evaluators will not be permitted to influence the final approval or denial of any application. Should additional evaluators be required to compensate for the loss of expertise specific to conflicted Committee members, the MDIA shall source such evaluators on an ad hoc basis.

6.4 Unsuccessful Applications

Unsuccessful applicants will be informed in writing by the MDIA. All decisions made by the Project Selection Committee shall be final.

6.5 Acceptance Letter

The MDIA shall issue an acceptance letter to selected applicants. The funding acceptance letter shall include any conditions as outlined by the Project Selection Committee. It should be noted that a positive decision at this stage is

not a guarantee of funding. All the conditions set out in the funding acceptance letter would need to be discharged before the Grant Agreement can be signed.

6.6 Grant Agreement

The MDIA shall appoint a contact person from within it, to liaise with the Beneficiary with a view to conclude the Grant Agreement. The Grant Agreement is the formal agreement between the MDIA and the Applicant. The Grant Agreement is the legally binding document and sets out the terms of the Grant. The MDIA will work through the terms and any conditions which must be discharged prior to entering into the Grant Agreement with the Applicant. When the MDIA is satisfied that any conditions have been discharged, it will issue the Grant Agreement and it will submit two unsigned copies to the Applicant.

The Applicant will, by the indicated timeframe, sign and return both copies for counter signature by the MDIA and one copy will be sent back to the Applicant.

6.7 Changes

Any changes to the actions approved in the Grant Agreement are to be communicated to the MDIA with immediate effect for necessary approvals. Actions departing from the Grant Agreement, initiated without the prior approval of the MDIA will render the actions ineligible. The MDIA may reject any request for change in the Project Activities if it is of the opinion that the proposed change will alter the nature of the Project as outlined in the submitted application.

7. Monitoring and Reporting

7.1 Reporting

Following the completion of the assisted intervention, the Beneficiary is to submit to the MDIA a Final Implementation Report.

Moreover, the Applicant's Project Plan is to identify key phases of the project and provide an indicative timeline for their completion. An Interim Progress Report is to be submitted six (6) months following the signing of the Grant Agreement. The MDIA may carry out on-the-spot checks during and after the project implementation timeframe.

7.2 Disbursement of funds

Following the final signature on the Grant Agreement, the Beneficiary may be required to submit a Financial Identification Form. Any revisions to the Financial Identification Form must be made within a period of one (1) month following submission. No alterations will be accepted after this period.

Funds shall be disbursed in tranches prior to the start of each project phase as identified in the Project Plan. The MDIA shall disburse the full sum of funds approved for activities in the upcoming project phase to the Beneficiary. Provided that the MDIA reserves the right to retain any percentage of funds that will be disbursed only once the project has been finalized.

The first payment will be effected within 30 working days following receipt of the Financial Identification Form, and subsequent payments shall be effected prior to the start of the next project phase. Disbursements are subject to the acceptance of the required Interim Progress Report.

Upon completion of the project, the Beneficiary must submit to the MDIA documentation as evidence that disbursed funds are being utilised in accordance with the terms of the Grant Agreement. In such instances the Beneficiary may be required to provide the following documentation:

1. Copies of invoices and respective delivery notes issued by suppliers/service providers;
2. Copies of the respective receipts issued by suppliers/service providers;
3. Copies of bank statements confirming the transaction of payments to service providers for the costs.

It is the beneficiary's responsibility to ensure that all the required supporting documentation are submitted to the MDIA by not later than 7 working days following the project end date as identified in the Grant Agreement, or any other such date agreed with the MDIA. Failure to adhere to these requirements may trigger action to claw back funds (recovery of funds) from the Applicant.

7.3 Adherence to Obligations

All beneficiaries are to note that they are responsible for adhering to all requirements and obligations set out in these guidelines. Beneficiaries are also responsible for ensuring that the quality of outputs from their Projects are consistent with the proposal made during the application stage, as well as being reflective of the level of financial and non-financial resources expected to be committed to such Projects.

MDIA reserves the right to seek recovery of funds in case there is a clear breach of

the obligations and requirements as set out in these guidelines or in case of the Project's outputs not being in consonance with the Project application and proposal.

7.4 Retention of Documentation

The Beneficiary has the obligation to retain all related documents for control and audit purposes, for 5 years following the completion of the project. The Beneficiary must also co-operate with the MDIA and other monitoring and auditing bodies entrusted with such functions with respect to the granting of aid under this scheme, for the duration of 5 years in light of audits and other controls. In line with the *de minimis* Regulation the MDIA shall retain records for a period of 10 years from the date when the aid is awarded.

8. Publicity

The MDIA is keen to obtain publicity for projects supported through this Grant. As such the MDIA may carry out the following actions:

- The MDIA may publish on its website, or through any other means, a brief abstract of any approved project which been awarded funding through this Grant. This abstract shall be provided by applicants within the Grant Application Form. It is recommended that applicants do not disclose any confidential details within this abstract.
- The MDIA may require the attendance and/or collaboration of any beneficiary in any public relations event (or public outreach) organised by the MDIA throughout the duration of a grant agreement, and for up to two (2) years following the conclusion of a project. Public relations events or public outreach activities may involve presentations, lectures, demonstrations, or other forms of interaction with a diverse audience with the aim of promoting the results achieved by the Beneficiary.
- The MDIA may make reference to any project benefitting from support from this Grant, including abstracts, or media related to subsequent public outreach activities in its promotion of this or future related Grant.
- Any academic papers produced as a result of projects supported by this Grant are to acknowledge this support.

9. Data Protection

The General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act, (Cap 586) regulate the processing of personal data whether held

electronically or in manual form. MDIA is set to fully comply with the Data Protection Principles as set out in such data protection legislation.

Data and information collected and held by the MDIA in relation to the financed action may be transferred to official third parties, in line with Community obligations according to law, and in line with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the Data Protection Act, (Cap 586), and any amendments thereof, including but not limited to the Malta Police should statements be false or fraudulent.

Information and any data provided by the potential beneficiaries and beneficiary will be used for the sole purpose for which they are intended, that is, (i) verification procedures; and (ii) evaluation and monitoring purposes. The data will not be used for any other means or for any other purpose that is incompatible with that for which the data is being collected.

In applying for assistance under this scheme, applicants will be giving authorisation to the MDIA to retain said data for the purposes described. MDIA is also being authorised to make enquiries and to carry out the necessary checks with the competent Authorities and Organisations to verify any information submitted in relation to the application.

Beneficiaries should ensure that they disclose factual and accurate data to the MDIA. The Beneficiary has the right to access all the data relating to the grant issued in its name and may request the rectification of any incorrect data.

Potential beneficiaries and beneficiaries are entitled to know, free of charge, what type of information the MDIA holds and processes about them and why, who has access to it, how it is held, and for how long it is kept. Should there be any data breaches, the data subject will be informed accordingly.

All data subjects have the right to access any personal information kept about them by the MDIA. Requests for access to personal information by potential beneficiaries and beneficiaries are to be made in writing and sent to MDIA. Your identification details such as ID number, name and surname have to be submitted with the request for access. In case we encounter identification difficulties, you may be required to present an identification document.

All data subjects have the right to request that their information is amended, erased or not used in the event the data results to be incorrect.

10. Law and Jurisdiction

The Grant and all related agreements shall be made under and shall be governed by Maltese Law and all disputes arising from or under this Grant and related agreements shall be exclusive jurisdiction of the Maltese Courts.

11. Contact Details

For more information regarding the MDIA AI Applied Research Grant, kindly contact the MDIA on Schemes@mdia.gov.mt

