

# MDIA Applied Research Grant (MARG)

Call 2024

Guidelines

## Definitions

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- **Aid Intensity** – This refers to the gross aid amount expressed as a percentage of the eligible costs before any deducted tax or other charges.
- **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.
- **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 pursuant 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 Applied Research Grant (MARG), and any other relevant stipulations made in these Guidelines.

## 1. Introduction

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This document provides information on the **MDIA 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 Guidelines 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 Guidelines 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 Governance<sup>1</sup>. In terms of rationale and scope, this Grant is aligned with several of the goals of the realigned Malta AI Strategy including to support capacity-building efforts related to Artificial Intelligence and relevant areas including Digital Trust and/or Knowledge and Data Representation and Analysis and/or Technology for Sustainability and ESG and/ or Quantum Computing and Other Emerging Technologies. It aims to move towards safer and more trustworthy development, adoption and use digital technologies.

In addition, this Grant aims to advance progress related to the following actions within the realigned 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 in the following areas:

1. Health, mental health, and well-being
2. Visual arts, media, and entertainment (including heritage, and the film industry)
3. Transport
4. Education
5. Tourism
6. Financial services
7. Biotechnology, pharmaceuticals, and life sciences
8. Sports
9. Manufacturing

## 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)]. This grant complements other initiatives at national level particularly the MDIA- MCST Thematic Programme.

## 1.3 General and Specific Objectives of this Grant

The overall objective of this Grant is to support capacity-building, investment, adoption, and collaboration in areas highlighted in Annex 1.

## 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 periodic basis as highlighted below 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.

Tentative Launch date for this grant shall be on the 2<sup>nd</sup> of April 2024.

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 round. 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 or may be agreed by MDIA. The MDIA 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) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union.

## 2. Description

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### 2.1 Eligible Actions

This Grant will support activities carried out by Applicants in the pursuit of an applied research project within the fields identified in Annex 1. Actions should be aimed at increasing capacity to conduct research, making a marked contribution, or developing novel practical applications, 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

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### 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; and
- iii. Sectors explicitly excluded under Article 1 of Commission Regulation (EU) 2023/2831.

## 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) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty of the Functioning of the European Union to *de minimis* aid, is adhered to.

## 4. Applications

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### 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](mailto: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 three years. This information is required in order to ensure adherence with the parameters established in Commission.

- 2 Regulation (EU) 2023/2831 of 13 December 2023 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 €300,000 over a period of three years.
- 3 **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:
- 4 **Partnership Agreement** (if applicable) as per clause 3.1 of these Guidelines.
- 5 **Any other supporting documentation** (such as preparatory work and correspondence) that the Applicant deems that would add value to the application.

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

#### 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

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### 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 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 MARG 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) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

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) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid.

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

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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><b>Action is ambitious by proposing an advancement over the current state of affairs – 15</b></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><b>Action is ambitious and is addressing an identified gap in the specific sector – 15</b></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><b>Impact in relation to the Applicant's future potential – 15</b></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><b>Alignment with National Policies and Strategies – 15</b></p> <p>The application will be assessed in relation to its alignment with National Policies and Strategies, in particular the National AI Strategy and vision. 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><b>Level of Management and Control Systems in place – 10</b></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><b>Qualitative assessment of the Applicant – 10</b></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><b>Level of capacity and allocation of resources towards the project – 5</b></p>	15

	The evaluation will be assessing the allocation of resources towards the project to ensure its successful implementation and sustainability.	
<b>Risk Assessment</b>	<p><b>Project Timeline – 15</b></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>	<b>15</b>
	<p><b>Implementation Risks – max 0 (-5 lowest)</b></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

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### 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 or as may be agreed to by MDIA. 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 affected within 30 working days following receipt of the Financial Identification Form, and subsequent payments shall be affected 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:

- i. Copies of invoices and respective delivery notes issued by suppliers/service providers.
- ii. Copies of the respective receipts issued by suppliers/service providers.
- iii. 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

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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

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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

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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

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For more information regarding the MDIA Applied Research Grant, kindly contact the MDIA on [Schemes@mdia.gov.mt](mailto:Schemes@mdia.gov.mt)



## 12. Annex 1

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The MDIA Applied Research Grant (MARG) aims to support capacity-building efforts related to **Artificial Intelligence** and/or **Digital Trust** and/or **Knowledge and Data Representation and Analysis** and/or **Technology for Sustainability and Environmental, Social, and Governance (ESG)** and/ or **Quantum Computing and Other Emerging Technologies**. It aims to move towards safer and more trustworthy development, adoption and use digital technologies.

*The research areas can be further subdivided into the following sub-areas, where research and innovation have potential to develop in Malta.*

### Artificial Intelligence (AI)

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Artificial Intelligence (AI) is a machine-based system designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

**Generative AI** constitutes a key promising research area in the domain of AI as it can directly augment humans in knowledge creation by producing original content, such as text, images, and sound.

**Multimodal AI** is also gaining traction, as its development is fuelled by large tech companies. By accepting input and producing content across multiple modalities, such as text, images and sound, Multimodal AI unlocks new possibilities in content creation and data analysis and surpasses traditional AI, which is often focused on a single data type in both input and output.

**Explainable AI** represents another promising trend in this research area. It refers to the collection of methods and frameworks that allow humans to understand the rationale of AI-generated outputs, making the interaction with AI less ambiguous. Most business leaders now see the importance of ethical AI practices and are prepared to implement them. It is expected that Explainable AI will accelerate the adoption of ethical AI frameworks and practices in the near future.

### Digital Trust

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Due to escalating threats of cybercrime, accompanied by the growing instances of data breaches and fraud, global organisations face the need to resort to additional measures for safeguarding sensitive data and securing business integrity.

**Digital Identity** constitutes the first important research area in the realm of digital trust. One of the evolving trends in this research area is a **Digital Identity Wallet**, which refers to a software where individuals and organisations can centrally store and manage their certificates and identification-related evidence. Digital Identity Wallets are expected to produce a high impact on society by providing an additional layer of security in digital interactions. Substantial economic benefits can also be unlocked due to the reduction in the number of fraudulent activities and occurrences of identity breach.

**Cybersecurity** is expected to become one of the integral components of digital trust by implementing measures that safeguard data and systems. Today, cybersecurity witnesses a shift in perception on the part of modern organisations. Rather than being just a resilience necessity, it is now being recognised as a key commercial opportunity, which lays the foundation for further research and development.

**Cyber resilience** is anticipated to emerge as a cornerstone of digital trust, ensuring the protection and continuity of data and systems against evolving threats. As organizations embrace cyber resilience in preparation of the EU Cyber Resilience Act, they not only enhance their ability to withstand cyberattacks but also seize competitive advantages in an increasingly digital landscape.

**Dependable Computing** focuses on ensuring the reliability and security of computing systems in an era which is increasingly reliant on digital infrastructure. Research in dependable computing focuses on developing robust systems capable of withstanding failures and cyber threats, enhancing overall digital trust. This area encompasses advancements in techniques to improve robustness, including conformity assessment, technical auditing, fault tolerance, error detection and recovery, and secure software design, essential for safeguarding critical data and systems integrity.

**Regulatory Science** focuses on the need for foresight in the development of frameworks, regulations, and standards to govern digital technologies in a way balances innovation with consumer protection and societal well-being. This research area also addresses the effectiveness of the current frameworks to foster an environment of trust and accountability in the digital domain.

## **Knowledge and Data Representation and Analysis**

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As the data becomes more intricate and complex, there is a growing necessity to integrate information from multiple sources and organise knowledge in a structured way. In this context, the significance of knowledge and data representation and analysis becomes ever more pivotal. This area is also of great

focus at a European Union level, with dynamic data being one of the key drivers for the digital transformation of Europe.

**Knowledge Graphs** aim to accumulate and convey knowledge of the real world, represent the most essential underlying research area in this domain. Knowledge graphs constitute a promising area of research due to the potential extent of their use cases, encompassing semantic search, context-aware chatbots, recommendation systems, and targeted advertising. Another reason behind the growing prominence of knowledge graphs is their potential to address the uncertainty in AI by forcing latent variables to represent content interpretable by humans.

**Data analysis** involves the application of statistical, mathematical, and computational methods to uncover patterns, trends, and valuable insights from data. This field is instrumental in making informed decisions, predicting future trends, and optimizing processes across various domains. The synergy between knowledge representation and data analysis is pivotal for leveraging the full potential of data in our increasingly data-driven world.

## Technology for Sustainability and Environmental, Social, and Governance (ESG)

Technology for Sustainability and ESG refers to the development and application of innovative technologies with the objective to minimise environmental impact, as well as to address social and governance considerations set out in the global ESG agenda.

**Sustainable cloud**, which refers to the cloud computing services that prioritise compliance with sustainability objectives, represents the first evolving trend in this research area. In contrast to traditional cloud, sustainable cloud puts emphasis on the adoption of green practices, which can include the integration of renewable energy sources to power data centres, the optimisation of data centre locations, and the implementation of effective load-balancing algorithms, among many others.

**AI for Sustainability** represents another promising field of research, which can find its use cases across multiple economic sectors, such as agriculture, energy management, and transport.

An additional research area, which can serve as an indirect enabler of sustainability, is **Edge Computing**. Conceptually, edge computing refers to the practice of processing data locally, closer to the source of data generation, rather than in centralised data centres, which are often geographically distant from the data source.

The synergy between technology and sustainability contributes to a more conscientious and resilient approach to business and societal development, addressing global challenges while promoting long-term environmental and social well-being.

## Quantum Computing and Other Emerging Technologies

By leveraging the principles of quantum mechanics, **Quantum Computers** can achieve an exponential increase in computational power and processing speed. Notably, this research area is expected to deliver substantial benefits in healthcare by enhancing computer-assisted drug discovery and accelerating the adoption of personalised medicine. Due to their capacity to model complex molecular structures, quantum computers can make it possible to identify the behaviour of new drugs faster and increase the certainty surrounding the efficacy of new and existing medications. Moreover, quantum computers are projected to become one of the drivers behind sustainability objectives by solving complex problems faster and making computation less energy intensive. Quantum computers can help tackle environmental problems due to their capacity for solving optimisation problems, which are too complex for classical computers. Specifically, they can optimise the use of available resources while minimising projected adverse environmental impact, contribute to the optimisation of electrical grids and routing, and enable innovations in carbon capture, batteries, and fertilisers. In addition, quantum computers are projected to deliver substantial benefits in such industries as banking – by performing fraud detection, and logistics – by assessing supply chain performance. Notably, despite their potential positive impact, quantum computing might also lead to serious repercussions if some important pre-emptive measures are overlooked. As quantum computers have the potential to break current encryption methods and undermine the security of modern networks, it is critical to commence a thorough research into quantum communication to determine an optimal strategy of risk mitigation.

**Other emerging technologies** such as **Neuromorphic Computing**, **Applications related to Personalized Medicine** and **Augmented-Connected Workforce**. Neuromorphic Computing focuses on developing hardware and algorithms that mimic neural networks, enabling tasks like pattern recognition, adaptive learning, and sensor processing with remarkable speed and energy efficiency. Neuromorphic computing holds promise for revolutionising AI and cognitive computing applications across diverse domains. Personalized Medicine leverages advancements in genomics, data analytics, and AI to tailor medical treatment to individual characteristics and Augmented-Connected Workforce focuses on leveraging technology to enhance human productivity, collaboration, and well-being in the workplace.



Table 1 -Summary of Priorities Areas and Subareas for Research in Digital Technologies.

Areas	Artificial Intelligence	Digital Trust	Knowledge and Data Representation and Analysis	Technology for Sustainability and Environmental, Social, and Governance (ESG)	Quantum Computing and Other Emerging Technologies
Subareas	<ol style="list-style-type: none"> <li>1. Generative AI</li> <li>2. Multimodal AI</li> <li>3. Explainable AI</li> </ol>	<ol style="list-style-type: none"> <li>4. Digital Identity</li> <li>5. Cybersecurity</li> <li>6. Cyber Resilience</li> <li>7. Dependable Computing</li> <li>8. Regulatory Science</li> </ol>	<ol style="list-style-type: none"> <li>9. Knowledge Graphs</li> <li>10. Data Analysis</li> </ol>	<ol style="list-style-type: none"> <li>11. Sustainable Cloud</li> <li>12. AI for Sustainability</li> <li>13. Edge Computing</li> </ol>	<ol style="list-style-type: none"> <li>14. Quantum Communication</li> <li>15. Other emerging technologies such as Neuromorphic Computing, Applications related to Personalised Medicine and Augmented-Connected Workforce</li> </ol>



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