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STI Excellence Through Demand Driven R&D Financing

**Demand Driven**

- Economic Growth & Societal Well-being
- 2 schemes – MESTECC R&D Fund and International Collaboration Fund
- 3 priority areas & 5 priority areas
- Socio Economic Objective, followed by Field of Research

**Innovation Driven**

- Knowledge Creation, Wealth Generation & Societal Well-being
- 3 schemes - Science Fund and Pre Commercialization (TechnoFund & InnoFund)
- 10 priority areas
- Field of Research, followed by Socio Economic Objective
Criteria of a Successful Application (MESTECC)

Evaluation that is focusing on Sustainability, Relevance and Feasibility of Project Proposal

- **Commercialization Potential**
  
  Established an understanding in relevant business model options, appropriateness of project in the market, potential customers, diffusion rate and compliance to standard.

- **Financial**
  
  Demonstrated company’s financial capability to implement R&D project at affordable cost and able to generate income.

- **Management**
  
  Demonstrated ability of the team to successfully achieve the objectives, identifying and mitigating risk etc.

- **Technology**
  
  Clarity in terms of objectives & output expected, methodology, technology readiness, compliance to regulatory / ethical requirement, manufacturability etc

- **Impact to 1) Society, 2) Economy and 3) Environment**
  
  Identifying the project’s impact including affordability of the output, export potential as well as circular economy.
1. MESTECC R&D FUND
2. INTERNATIONAL COLLABORATION FUND (ICF)
Introduction

**MESTECC R&D Fund**

**Objective**

- to undertake experimental development towards commercialisation by reducing valley of death; and
- to stimulate the growth and increase capability and capacity from cross collaboration between Industry, Malaysian Government Research Institutes (GRI) and Institutions of Higher Learning (IHL).
- Open to Malaysian SMEs in collaboration with Government Research Institution, Academia and STI agencies.

**Areas of Priority**

- Green Growth for Sustainable Development
- Medical & Healthcare
- Water, Food & Energy Nexus

**Objective**

- Co-funding of up to RM3 million (MESTECC contribution)
- Duration: Maximum 24 months

**Improvement in fund disbursement**

- First Payment: 20% of total approved amount
- Second Payment: Upon completion of Milestone A, Reimbursement of balance of Milestone A (if applicable) + 50% disbursement of Milestone B.
- Third Payment: Upon completion of Milestone B, Reimbursement of balance of Milestone B + 50% disbursement of Milestone C.
- Fourth Payment: Upon completion of Milestone C, 45% reimbursement of balance of Milestone C.
- Fifth Payment: Upon submission of EOP, 5% Final payment.
## Scope of Funding

<table>
<thead>
<tr>
<th>Scope</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pilot Plant/Prototype</td>
<td>✓ Equipment only (Not more than 40% of total project cost)</td>
</tr>
<tr>
<td>2. Pre-Clinical testing/Clinical testing/Field trials/Stress test/User acceptance test</td>
<td>✓ For registration in Malaysia only</td>
</tr>
<tr>
<td>3. Intellectual Properties (IP)</td>
<td>✓ Not more than 10% of total project cost</td>
</tr>
<tr>
<td>4. Market testing and evaluation</td>
<td>✓ Consultancy and testing (Not more than 20% of total project cost)</td>
</tr>
<tr>
<td>5. Regulatory and Standards compliance</td>
<td></td>
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<tr>
<td>6. Special services</td>
<td></td>
</tr>
<tr>
<td>7. Raw materials/consumables directly related to the project</td>
<td>✓ Must be further enhanced ((Not more than 50% of total project cost)</td>
</tr>
<tr>
<td>8. Technology/IP acquisition</td>
<td></td>
</tr>
</tbody>
</table>

### Improvement in Scope of Funding

#### Funding for Collaborator

- **Wages and Allowances for RA** (Applicable for IHL and GRI only);
- **Rental/ Minor Repair of Equipment**;
- **Sample Testing**; and
- **Raw Materials/ Consumables**.
### Scope of Funding

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<tr>
<th>SCOPE</th>
<th>FUNDED BY MESTECC</th>
<th>FUNDED BY APPLICANT/ENTITY</th>
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</thead>
</table>
| **Pilot plant / prototype** | • Equipment and supporting infrastructure directly related to the pilot plant/prototype  
• Engineering and design activities  
• Rental/ minor repair of equipment | • Capital asset such as land, building, vehicle and furniture  
• Rental of space, land, building  
• Lab apparatus  
• Equipment maintenance  
• Computer etc | Not more than 40% of fund approved funding by MESTECC |
| **Pre-clinical testing/clinical testing/field trials/stress test/user acceptance test** | • Screening test  
• Sample Testing  
• Payment for Volunteers/ Subjects  
• Data analysis | • Overhead cost  
• Rental of facility | |
| **Intellectual Properties (IP)** | • For registration in Malaysia only  
• IP Incentive  
• IP resulting from the project  
  i) Patent  
  ii) Industrial Design | • Maintenance  
• Patent Cooperation Treaty (PCT) | |
| **Market testing and evaluation** | • Market Sample Development Cost  
• Data analysis  
• Payment for enumerators | • Incentive for respondents  
• Facility rental and exhibition fee | Not more than 10% of fund approved |

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**NOTES:**

- Not more than 40% of fund approved funding by MESTECC.
- Not more than 10% of fund approved.
# Scope of Funding

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</table>
| Regulatory and Standard Compliance        | • Registration of Certification  
• Standard Compliance  
• Product Testing for Certification  
• GMP, HALAL & HACCP                | • Training                     |                                                                       |
| Special Services                           | • Consultancy  
• Consultant for market testing and evaluation                                        | • Production out-sourcing  
• Travelling and transportation  
• Organizing meeting  
• Subscription to journals  
• Conference fee                                 | Not more than 20% of total fund approved funding by MESTECC |
| Administration                             | • One registered Research Assistant (RA) only                                     | • Management fees  
• Allowance / bonus for management and technical staff  
• Office rental  
• Utilities such as telephone, broadband, water and electricity bill | RM 2,500 per month/ per RA inclusive of SOCSO / EPF  
For IHL/ GRI collaborator only       |
# Scope of Funding

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| Raw materials /consumables directly related to the project | • Raw material  
• Consumable             | • Product and packaging design  
• Brochure  
• Advertisement  
• Web design and development  
• Product launching | Not more than 20% of total fund approved funding by MESTECC |
| Technology/ IP Acquisition                  | • Local and foreign  
• Must be further enhanced  
• Must provide acquisition agreement / details of the technology & IP acquired  
• Training related to technology transfer conducted locally | | Not more than 50% of total approved project cost |
INTERNATIONAL COLLABORATION FUND
International Collaboration Fund - Introduction

- Joint R&D projects between researchers in Malaysia and collaborators from other countries.
- Expansion & enhancement of research capacity
- Research project leading to laboratory proof of concept or development of new products or processes.

Open to all research scientists & engineers
- Institution of Higher Learning
- MESTECC STI Agencies
- Government Research Institution

No Cross Border of funds

- Max Quantum of RM500,000
- Payment Mode - Disbursement Basis
- Max implementation duration of 24 months
- Oral presentation in international conferences (max RM15,000)
- Travel & accommodation expenses for work carried out at counterpart’s laboratory (max RM20,000)
International Collaboration Fund - Research Areas

Based on The Malaysian Research and Development Classification System (MRDCS)

- Medical & Health Sciences
- Engineering & Technology
- ICT
- Biotechnology
- Agriculture & Forestry

Industry 4.0

IoT

Enablers

Nanotech
International Collaboration Fund

LEAD INSTITUTION
(Local/ International research scientists & engineers)
Application, contracting &
progress report

INTERNATIONAL COLLABORATOR

LOCAL COLLABORATOR
(Malaysia)
International Collaboration Fund - Scope of Funding

- **V11000**: Wages and Allowances, Temporary and Contract Personnel
- **V21000**: Travel and Transportation
- **V24000**: Rentals
- **V26000**: Research Materials and Supplies
- **V28000**: Minor Modifications and Repairs
- **V29000**: Special Services
- **V35000**: R&D Equipment and Accessories
APPLICATION PROCESS
eDANA
Fund Management System

OBJECTIVES
- To undertake research and development (R&D) towards commercialisation by reducing saliency of death
- To stimulate the growth and increase capability and capacity from cross collaboration between industry, Malaysian Government Research Institutes (GRI) and Institutions of Higher Learning (IHL)

ELIGIBLE APPLICATION
- Proposed projects must be at least at Proof of Concept (PoC) level

QUANTUM & DURATION
- Capped at RM 3,000,000 | 24 months

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MESTECC R&D Funds

eDana User’s Interface

[Image of the eDana User’s Interface webpage]

- Application Form
  - Fund Application
  - Entity Information
  - Project Members
  - Collaborator Information
  - Background Information
  - Project Details
  - Milestones and Activities
  - Project Costing
  - Equipments
  - Source Fundings
  - Market Demand
  - Financial Projection
  - Potential Contribution
  - Document Uploads
  - Declaration

- Fund Application
  - Fund Category
  - Type of Funding
  - Entity Classification

[Image of the eDana User’s Interface webpage]

[Image of the eDana User’s Interface webpage]
Application Process

Apply, Engage & Execute

Stage 1: Application
- Application by online system https://edana.mestecc.gov.my
- Administrative Vetting

Stage 2: Evaluation and Approval
- Reviewed by Fund Expert Committee
- Presentation / Pitching Session
- Due diligence
- Strategic Committee
- Approval Committee
- Notification of result

Stage 3: Contracting
- Letter of acceptance
- Meeting to Finalize Agreement

Stage 4: Payment
- Completed Project Agreement Received
- Payment

60 DAYS
30 DAYS
7 DAYS
Do you require more info?

03- 8885 8305/ 8324/ 8367/ 8704/ 8322

helpdesk-edana@mestecc.gov.my