

SARAWAK TIMBER ASSOCIATION (STA)

(RoS No. 66/71)

TERMS & CONDITIONS FOR RESEARCH AND DEVELOPMENT (R&D) FUNDING (“TERMS & CONDITIONS”)

1 DEFINITION AND INTERPRETATION

1.1 Introduction on STA Forest Plantation Category

The STA Forest Plantation Category is one of the nine (9) Categories formed under the Sarawak Timber Association (ROS Reg. No.66/71) (“**STA**”).

Within the Category, a Committee is set up to represent and head the members of the Forest Plantation Category in oversee the issues pertaining to the forest plantation industries in Sarawak where the lack of intensive or in-depth Research & Development (R&D) on forest plantation field, in particular the Sarawak geographical region, is one of the issues of concern which impeded the development of the industry.

1.2 Introduction on STA R&D Funding

STA through STA Forest Plantation Committee encourages research and development projects which are useful and significant to the forest plantation industry in Sarawak, and which could facilitate the development of forest plantation to meet its target of 1 million hectares planted forests by year 2020. This funding shall support the Forest Plantation Industry in Sarawak particularly the Members of STA through R&D that generate technical knowledge that address issues like shortage of planting material, quality seeds and mother trees; as well as processing and utilisation of timber from planted forests.

Objectives of this R&D Funding:

- a) To encourage R&D that could address the shortage of planting material i.e. quality seeds and mother trees
- b) To encourage R&D that could address the pests & diseases affecting and potentially affecting forest plantation species
- c) Other research that will help the development of the forest plantation industry and utilisation of the timber from planted forests.

2 REQUIREMENTS AND FUNDING CONDITIONS

2.1 Types of Project Eligible for Funding

2.1.1 Targeted Areas / Priority Research Areas

Project must be related to forest plantation activities i.e.

- a) Species selection
- b) Silviculture
- c) Tree improvement
- d) Harvesting
- e) Wood utilization / processing
- f) Pest and diseases
- g) Growth modeling
- h) Cloning / vegetative propagation

2.1.2 Site of R&D Project

Approved R&D proposals under the Funding must be undertaken in the State of Sarawak, Malaysia by the Project Proponent.

2.2 Duration of Funding

Project duration must be less than 2 years OR to be made flexible in phases depending on how much time is needed to attain objectives of the study.

2.3 Amount of Funding

Maximum amount of funding for any approved project is RM 300,000.00.

2.4 Project Agreement or Memorandum of Agreement (MoA)

Required to sign a Project Agreement or MoA with STA on terms and conditions as per agreed with STA.

2.5 Quantum Approved and Rejection

The quantum of financial contributions approved under the Funding for a project will be determined based on the merits of each application of a Project Proponent and at the sole discretion of the Council of STA.

2.6 Scope of R&D Expenditure / Cost

Only expenditure related to research, development and innovation activities incurred within the project duration as provided for in the Project Agreement is eligible for funding.

2.6.1 Types of Expenditure Eligible for Funding:

- a) Research Costs:
 - i. Laboratory Materials / Consumables / Equipment
 - ii. Research salaries / allowances
 - iii. Travelling / Field / Survey expenses
 - iv. Services purchasing

- b) Contract Expenditure

Relates to costs incurred on the project on the basis of contract procurement, collaborator or consultant.

- c) Administrative Costs:

- i. Taxes arising from Funding Contribution

- ii. Bank Charges to be incurred for carrying out disbursement of funding
- iii. Stamp duties, registration fees, duplicate fees and legal fees
- iv. Publications / Patenting costs

2.7 Eligible Applicants

Any company which is a member of the Association and any individuals or bodies whose research ability is accredited by recognized public or private research organizations or by local universities are eligible to apply as Project Proponents.

2.8 Intellectual Property Rights (IPR)

The Intellectual Property Rights will be regulated under the project agreement and shall be jointly held by the Sarawak Timber Association and the Project Proponent.

- a) Ownership of Equipments and Durables
- b) Ownership & Rights to the Project Data, Methodology, Findings & Results of work
- c) Patent and Copyright of the Project Results
- d) Rights to the utilization of Project Results
- e) Access to the utilization of Project Data, Findings & Results
- f) Royalty arising from the use of IPR
- g) Changes in the ownership of the Project

2.9 Publication of Project Result

- a) Project Proponent is required to disseminate the methodologies, results or finding of the study to Association through STA Forest Plantation Committee after completion of each milestone.
- b) Project Proponent shall seek approval from the Association and STA Forest Plantation Committee in writing if the Project Proponent wishes to disclose the result of study to any other third parties.

2.10 Confidentiality

STA shall treat all information provided by Applicants or Project Proponents as strictly confidential and shall not disclose any of the information to other third parties without the consent of the Applicants or Project Proponent and vice versa.

3 APPLICATION / SUBMISSION PROCEDURE

3.1 Application Guidelines

A Research Proposal must be submitted to STA together with the stipulated supporting documents and information that may be required by STA.

The Terms & Conditions for Research and Development (R&D) Funding can be assessed and downloaded through the STA homepage <http://www.sta.org.my> or collected from the STA Secretariat.

3.2 Research Proposal

Applications for the Scheme must be made with a comprehensive research proposal which cover the following:

- a) Project Title, Description, Cost and Duration
- b) Project Summary

Provide a summary of the project including project objective, research methodology, main outputs, technology focus and any other relevant information.

- c) Project Work Details

- i. Major Milestones

A list of major milestones (typically 5 to 8) for the project is requested in the application that forms the basis for monitoring. Attach Gantt Chart of the proposed project.

- ii. Major Activities

Outline the major activities of the proposed project and its costs. A project typically consists of 8 to 12 activities. These activities should collectively cover the scope of the project. The activity costs should be equal to the total project cost.

- iii. Major Activities Description

Describe briefly each major activity listed above.

- d) Project Costing

In completing an application for which R&D expenditure is claimed under the Scheme, Applicants or Project Proponents must provide estimates of project expenditure according to the specific categories as stated in Section 2.6 Scope of R&D Expenditure/Cost.

- e) Fund Disbursement Scheme

Applicants or Project Proponents must clarify how the disbursement of the fund to be made in accordance to the project duration and activities.

- f) Merit Criteria

R&D Management Capabilities – Explain briefly the company and project team’s experience in R&D management.

Commercial Potential – Describe the potential of the end product or output of the project.

Key Project Personnel – Describe the technical capabilities, qualifications and experience of project team members. Please attach CV of the R&D personnel involved.

Project Risks and Benefits – Explain briefly the project risks and benefits to the applicant company, collaborating partner(s) and STA membership.

- g) References / Appendices
- h) Declaration

Applicants or Project Proponents shall fill in the declaration form as attached as Appendix A in this Terms & Conditions for Research and Development (R&D) Funding.

3.3 Supporting Documents

The supporting documents submitted with all applications under the Scheme by Applicants are as follows:

- a. Covering Letter signed by the Applicants with filled Declaration Form

For a Company Applicant it must also be accompanied by the latest certified true copy of the following documents lodged with the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia):-

- (i) Form 9;
 - (ii) Form 24;
 - (iii) Form 49; and
 - (iv) Memorandum & Articles of Association of the Applicant Company
- b. Applicant's Undertaking Letter to abide by the Scheme and these Terms & Conditions for the Scheme.
 - c. In the case of an individual Applicant, a letter from a public or private research institution certifying the Applicant's research ability and experiences and his curriculum vitae and facilities it has set up in Sarawak.
 - d. Letter(s) of Consent from collaborator(s).
 - e. Quotations for costs presented.
 - f. Itemized costing of the Project Proposal.
 - g. One soft copy of R&D proposal in CD (using Microsoft Word), and
 - h. One hardcopy of R&D proposal.

IMPORTANT NOTES

Applicants are hereby advised that additional documents may be required by STA after the submission of application and these are to be supplied upon request within the time frame stipulated.

STA reserve the right to incorporate into these Terms & Conditions any new policy or regulations that may be imposed for the Scheme from time to time.

STA also reserve the right not to disburse the financial contribution approved if the Applicant or Project Proponent failed to abide by the terms and conditions as amended from time to time which are deemed incorporated into the Project Agreement.

3.4 Application Submission

All applications must be submitted by project proponents in an envelope marked "CONFIDENTIAL" to:

Manager
Sarawak Timber Association (RoS No. 66/71)
11th Floor, Wisma STA
26 Jalan Datuk Abang Abdul Rahim
93450 Kuching
Sarawak
Malaysia

4 PROJECT ASSESSMENT

4.1 Criteria for Funding

- a) Relevance of Project to this R&D Funding Objectives
 - i. Relevance of Project to the objectives
 - ii. Benefits / possible outcome to be benefited from funding this project
 - iii. Possible effect on the industry
- b) Quality of project
 - i. Manpower / Intelligence constituted to this project
 - ii. Availability of Technologies and Infrastructures to carry out the project

4.2 Application Assessment / Processing

Application is to be assessed by:

- a. Administrative Vetting by STA
- b. Evaluation by STA Forest Plantation Committee
- c. STA Council Approval

4.3 Assessment Decision & Notification

Applicants will be notified whether their applications are successful or otherwise within 6 months after the approval of STA Council.

5 PROCEDURE AFTER PROJECT APPROVAL

5.1 Funding Contract / Agreement

All approved Project Proponents shall be required to sign a Memorandum of Agreement (MoA) with STA on terms and conditions as agreed with STA.

5.2 Fund Disbursement / Reimbursement

- a) Funding payment / installment scheme

Funds are disbursed on a reimbursable basis. Project Proponents are required to furnish documentary proof that expenditure has been incurred on the approved R&D activities and to submit a certified statement of accounts.

b) Funding Disbursement requirements:

Project Proponents before claiming for disbursement for any Research Financial Contribution is required to write to STA for such disbursement. Project Proponents shall submit half (½) yearly progress reports to STA detailing the achievement of the milestones and the completion of the stages of work according to the Proposal to the satisfaction of STA. Project Proponents shall also submit a half (½) yearly financial report according to the components detailed in the Proposal and must also fulfill all the relevant terms and conditions in the Project Agreements before the requested funds are disbursed by STA.

6 PROJECT MONITORING AND REPORTING

6.1 Project Monitoring Committee

The Project Proponent is required to establish a Project Management Committee comprising representatives of project partners which is to be chaired by the Project Proponent. Project Management Committee shall monitor the technical and commercial progress of the project.

6.2 Reporting Period & Procedure

The following reports shall be submitted to the STA:

- a. Progress Report (submit on or before the end of each half (½) of the year during the Term of the project)
- b. Financial / Project Account Report (submit together with the progress report)
- c. Final / Project Completion report (submit not later than one month after the completion of the project period)
- d. Other Relevant Reports, when applicable

The Project Proponent shall make available to STA the methodology, outputs and the preliminary results in the form of both hardcopy and electronic copy according to the Project Proposal and submit at the time stated above and thereafter from time to time when is requested by STA provided such request is reasonably made.

Where delays are anticipated or have occurred, Project Proponents should inform the STA Secretariat of the nature of the problem. Failure to lodge a report or the submission of an inadequate report will adversely affect the release of financial contributions disbursements.

6.3 Progress Report

Progress Reports are the key mechanism by which approved Project Proponents inform the STA Secretariat of the progress of their project. Progress report must include:

- a. Progress in achieving the planned milestones with reference to the deliverables stated in the Agreement.
- b. Report on the progress towards commercialization of the product, statement of actual expenditure against the milestones, and

- c. Statement by the collaborating partner(s) of their views of the technical and commercial progress of the project.
- d. Covering Section A (Technical Progress) and Section B (Financial Report)

Progress report should be lodged with the STA Secretariat for assessment. Reports, which are acceptable, allow the financial contribution payment schedule to proceed.

6.3.1 Section A (Technical Progress)

- i. Provide evidence to demonstrate that the milestones have been achieved.
- ii. Deliverables detailed in the Agreement should be used as the basis for reporting.
- iii. Discuss progress towards achieving the project objectives detailed in the application for financial contribution. Note any matter that may affect the attainment of the project objectives.
- iv. If a change to the project Gantt chart detailed in the Agreement is necessary:
 - Propose the variations in relation to the approved milestones
 - Discuss why the variations are needed and the consequences for the project if the variations are not approved
 - Discuss technical problems encountered and plans to overcome them, and
 - The collaborating partner is to include a statement of the technical progress of the project and the partner's views on the product, service or system's compliance with user requirements.
- v. Report must be supported by pictorial evidence of work-in-progress.

6.3.2 Section B (Financial Report)

Provide report on the expenditure incurred for the project together with relevant original supporting documents such as contract notes, purchase orders, invoices, delivery orders, receipts, project bank statements and others.

6.4 Final / Project Completion Report

A project completion report must be submitted to STA not later than one month after the conclusion of the project period. The final report must be tabled at the STA Council Meeting.

6.5 Other Relevant Reports

Within reason, the STA is entitled to request additional reports covering shorter periods of time or specific parts of a project. Upon the request of the STA, the Project Proponent is required to contribute at no charge to any project evaluation or measurement of results organized under the auspices of the STA.

6.6 Reporting Format & Storage

Both hardcopy and electronic version of reports are requested upon submission to STA. All reports are to include a covering letter detailing:

- e. Project title
- f. Indicating the period which the reports cover
- g. Including a statement signed by the Project Proponents indicating that they have contributed to the development of the report and concurred with all information included therein

The Project Proponent shall store the final report and project data in a safe and secure manner for at least 10 years after the expiry of the contract period. The Project Proponent is required to ensure that the data are stored safely and remain accessible even in the event the Project Proponent itself is closed down or otherwise ceases to exist.

The Project Proponent is under obligation to ensure, in so far as possible, that peer-reviewed scientific articles based on research funded by the STA are stored in appropriate, open-access digital archives.

7 DISSEMINATION OF INFORMATION

7.1 Seminar / Workshop

Following the submission of the Progress Report and the Project Completion Report, the Project Proponent is required to present the research results in a Seminar or Workshop. STA and the Project Proponent desirous to jointly organise seminar(s) or workshop(s) to disseminate the results and findings of research project funded by STA for the benefits of the STA members and jointly publicize the data, methodology and the results in medium include but not restricted to international scientific journals and conference proceedings.

7.2 Visit to Experimental Site

Upon the request by STA, Project Proponent shall allow the STA members and staff of the Secretariat to visit their laboratory and field experimental sites where the funded research works are carry out.

APPENDIX A

DECLARATION

I certify that:

- a. I have read, understood and agreed to abide by the Terms & Conditions for Research and Development (R&D) Funding;
- b. The information provided in this application, including attachments, is true and correct to the best of my knowledge;
- c. I understand and accept that the Sarawak Timber Association (“**STA**”) may use the Project Title and description in the proposal for public promotional purpose for the benefits of STA and its members;
- d. The Applicant Company is free from any litigation pertaining to the proposed project in Malaysia and overseas;
- e. STA reserves the right to withdraw approval given based on false information submitted by Applicant or unsatisfactory performance of the Applicant Company for not meeting the milestones or for any other matters as STA deems fit and proper.

Names:

I/C No. / Passport No.:

Designation:

Signature:

Date:

Company Chop:

APPENDIX B

CHECKLIST FOR SUBMITTING APPLICATION

<u>(Please tick (✓) appropriate box)</u>	<u>[✓]</u>	<u>(Official Use)</u>
1. Covering Letter signed by Applicant	<input type="checkbox"/>	<input type="checkbox"/>
2. Form 9 (Companies Act, 1965)	<input type="checkbox"/>	<input type="checkbox"/>
3. Form 24 (Companies Act, 1965)	<input type="checkbox"/>	<input type="checkbox"/>
4. Form 49 (Companies Act, 1965)	<input type="checkbox"/>	<input type="checkbox"/>
5. Memorandum & Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>
6. Letter of Undertaking by Applicant to abide by the "Terms & Conditions for Research and Development (R&D) Funding"	<input type="checkbox"/>	<input type="checkbox"/>
7. In the case of an individual Applicant, a letter from a public or private research institution certifying the Applicant's research ability and experiences	<input type="checkbox"/>	<input type="checkbox"/>
8. Letter(s) of Consent from collaborator(s)	<input type="checkbox"/>	<input type="checkbox"/>
9. Quotations for costs presented	<input type="checkbox"/>	<input type="checkbox"/>
10. Itemized costing of the Project Proposal	<input type="checkbox"/>	<input type="checkbox"/>
11. Curriculum Vitae of R&D personnel involved	<input type="checkbox"/>	<input type="checkbox"/>
12. One soft copy of R&D proposal in CD (using Microsoft Word)	<input type="checkbox"/>	<input type="checkbox"/>
13. One hardcopy of R&D proposal	<input type="checkbox"/>	<input type="checkbox"/>
		Checked by: _____
		Date: _____

NOTE: Incomplete application will not be processed and will be returned.