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GUIDANCE NOTES

Support for information and promotion activities implemented by groups of producers in the internal Market Measure 3.2

RURAL DEVELOPMENT PROGRAMME
(MALTA) 2014 - 2022

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MANAGING AUTHORITY (EAFRD)

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The European Agricultural Fund for Rural Development:
Europe investing in rural areas

Notices

HISTORY OF CHANGES		
Version	Publication Date	Change
1.3	05.05.2024	Publication of first version of calls

Procedure for the submission of applications

- Applications are to be sent by email on rds submissions.mees@gov.mt
- Applicants are to ensure to submit their application before noon (12pm Central European Time) of the indicated closing date.
- If Application and supporting documentation exceeds 20MB, please split the files in separate zipped folders and send in separate emails (*e.g. Application M10.2 Joe Borg - Part 2 of 3*)
- The MA remains available to confirm with applicants that an application has been received if contacted via email on rds submissions.mees@gov.mt or via Tel. 2555 2634 during office hours. After a manual check on the submitted applications, the MA will also issue an acknowledgement letter.
- Note that the automated acknowledgement sent from the RDD mailbox does not in any way confirm or otherwise the (a) successful receipt of part or full application, nor, (b) that the application is deemed admissible.
- The applicants will be advised further, during the evaluation process, with regards to the submission of any necessary clarifications/documents required
- In case of any conflicts between these guidelines and the text of the Rural Development Programme (RDP) 2014-2022 and other legislative text, the interpretation given by the RDP and relevant legislation will be given priority. The English version will be the legally binding text.
- The Managing Authority reserves the right to request additional information not included in this Guidance Document.

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Definitions

Agriculture and Rural Paying Agency (ARPA): The Agriculture and Rural Payments Agency within the Ministry for the Agriculture, Fisheries and Animal Rights (MAFA)

Checks and controls: Provide a means of verification that the investment operation complies with, and is in conformity to, the relevant rules and regulations.

Competent Authority: An authority responsible for the administration and control system of a quality scheme identified in the Rural Development Programme.

Control Body: An independent third party or a public administrative organisation to which the Competent Authority has delegated certain control tasks and/or certification.

Cost-effectiveness analysis: Compares the costs and effects of an intervention to assess the extent to which it can be regarded as providing value for money.

Contact Person: A person that is authorised by the applicant and can be contacted directly for matters in connection with the application.

EAFRD: European Agricultural Fund for Rural Development.

EAFRD: regulation: Regulation (EU) No 1305/2013 of 17 December 2013 on support for rural development by the EAFRD, as amended.

Evaluation: A periodic collection and analysis of evidence to form conclusions on the effectiveness and efficiency of interventions.

Fixed Costs: Costs incurred for (arising from) entering a supported quality scheme and the annual contribution for participating in that scheme, including, where necessary, expenditure on checks required to verify compliance with the specifications of the scheme

Grant Agreement (GA): An agreement signed between the MA and the selected applicant (beneficiary) containing provisions and conditions related to the support being given.

Grant Award Letter: A letter sent by the MA to selected applicants upon the completion of the selection process as to inform applicants of its outcome.

Holding: An agricultural holding, or holding or farm is a single unit, both technically and economically, operating under a single management and which undertakes agricultural activities.

Land Registration Identification System (LPIS): The system contains all agricultural areas, registered at the Front Office (ARPA) that may be eligible for a land-based measure under the Common Agricultural Policy.

Managing Authority (MA): A national or regional body designated by a Member State to manage a rural development programme.

Measure: An aid scheme for implementing a policy. Each measure sets out specific rules to be complied with by the projects or actions that can be financed.

Monitoring: Regular examination of the resources, outputs and results of interventions.

National Quality Scheme: Quality Schemes established in accordance with Article 16(1)(b) of Regulation 1305/2013 of the European Parliament and of the Council and listed in the Rural Development Programme for Malta.

Monitoring: Regular examination of the resources, outputs, and results of interventions.

Project Leader: Is a person who is authorised by the applicant to ensure a project is carried through and in line with commitments.

European Quality Schemes: Protected Designation of Origin, Protected Geographical Indication, Traditional Speciality Guarantee and Organic Farming:

- **Protected Designation of Origin (P.D.O.):** Products that are produced, processed and prepared in a specific geographical area, using the recognised know-how of local producers and ingredients from the region concerned. These are products whose characteristics are linked to their geographical origin;
- **Protected Geographical Indication (P.G.I.):** Products whose quality or reputation is linked to the place or region where it is produced, processed or prepared, although the ingredients used need not necessarily come from that geographical area;
- **Traditional Speciality Guaranteed (T.S.G.):** Products of a traditional character, either in the composition or means of production, without a specific link to a particular geographical area;
- **Organic Farming:** Organic production is an overall system of farm management and food production that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and a production method in line with the preference of certain consumers for products produced using natural substances and processes;

New Participation: Beneficiaries who will participate for the first time in a particular quality scheme after their application for support has been approved (a farmer that has participated in a different quality scheme in the past is still considered 'new participation' for the new scheme he/she is applying for). Beneficiaries who would have already participated in the same quality scheme at the moment of their application would not be eligible for support.

Project Selection Committee (PSC): An independent Committee that assesses and ranks applications.

Project Selection Appeals Board (PSAB): An independent Committee that assesses any submissions of appeals.

Results: The direct effects or changes that arise due to the intervention.

Rural development programme (RDP): A document prepared by a Member State or region, and approved by the Commission, to plan and monitor the implementation of the rural development policy.

Simplified Cost Options (SCOs): Expenditure which is reimbursed according to PREDEFINED METHODS (translated into amounts/percentages) based on processes, outputs or results representing the BEST APPROXIMATION of real costs incurred when implementing an action.

Young Farmer: As per Regulation (EU) 1305/2013, a young farmer is defined as ‘a person who is no more than 40 years of age at the moment of submitting the application’.

1.0 Introduction

These Guidance Notes are intended to assist Applicants understand the requirements for requesting and receiving funding support under the Measure 3 – Quality Schemes for Agricultural Products and Foodstuffs, Sub-Measure 3.2 – Support for information and promotion activities implemented by groups of producers in the internal Market (hereafter referred to as the Information and promotion of quality schemes Measure).

Applicants are advised to familiarise themselves with these Guidance Notes prior to filling in and preparation of the Application. The Guidance Notes, Application Form and all Annexes and other documentation are available at <http://www.fondi.eu>.

Applicants are reminded to check that they referred to the latest guidance notes as available on the website, and that they have filled in the latest available version of the application form that is available for download from the website. **Only the version available at the time of opening of batch will be accepted.**

2.0 Authorities

The Funds and Programmes Division (FPD) is the Managing Authority (MA) responsible for managing the measures of the European Agricultural Fund for Rural Development Fund (EAFRD) in accordance with the Rural Development Programme (RDP) for Malta for the 2014 – 2022 programming period.

The Paying Agency (PA) is the Agriculture and Rural Payments Agency (ARPA) within the Ministry for Agriculture, Fisheries, and Animal Rights (MAFA).

A Competent Authority (CA) is an authority responsible for the administration and control system of a quality scheme identified in the Rural Development Programme.

A Control Body is an independent third party or a public administrative organisation to which the Competent Authority has delegated certain control tasks and/or certification

2.1 Scope & Objectives

The aim of this measure is to support activities of information and promotion of quality schemes both local and those established EU-wide.

Support under this Measure shall therefore contribute to the achievement of a number of important cross-cutting objectives, focus areas, and needs as established in the Malta Rural Development Programme (RDP), as explained in the following sections.

2.2 Duration

This Batch shall close on 6th June 2024 at noon (1200hrs Central European Time) subject to availability of funds and/or notifications by the MA informing otherwise.

2.3 Budget

The indicative budget available for this call is €100,000 (public expenditure). The MA reserves the right to amend the budget allocated.

2.4 Maximum Grant Value and Aid Intensity

For information and promotion activities, no maximum grant value is applicable. The aid intensity is that of 70% of the total eligible expenditure. **This is subject to State Aid or Non-State Aid limitations that may become applicable depending on the type of activity and the status of the applicant.**

3. Eligibility

3.1 Eligible Actions

It is necessary that the call for applications under sub-measure 3.1 is open in order to benefit from support under sub-measure 3.2.

Information and promotion activities eligible for support shall be activities designed to induce among other consumers to buy the agricultural products or foodstuffs covered by union or quality schemes.

Support under this measure covers exclusively schemes programmed under Art 16 (1) of Regulation (EU) No 1305/2013. Eligible quality schemes for information and promotion activities should solely concern agricultural products and foodstuff, and not agricultural holdings and/or their environmental certification. At least one producer in the 'group of producers' has to be participating in a Quality Scheme at time of application (which participation shall not necessarily be supported under M3.1).

Only information and promotion activities in the internal market shall be eligible for support.

Activities related to the promotion material drawn up in the context of a supported activity comply with Community and national legislation applicable in the Member State in which the information and promotion activities are carried out.

Information and promotion activities for protected wines, protected aromatized wines and protected spirit drinks must have clear reference to the applicable legal and regulatory requirements regarding the responsible consumption of these alcoholic drinks and the risk of alcohol abuse.

3.2 Ineligible Actions

Activities related to the promotion of commercial brands shall not be eligible for support.

3.3 Eligible Applicants

Support under the Information and Promotion of Quality Schemes Measure is available to Groups of Producers, Producer Organizations, inter-branch organizations or other type of legal entity groups.

3.4 Eligible Expenditure

Costs of promotional campaigns targeting both farmers (to encourage them to join schemes) and food consumers (to raise awareness of the higher standards and guaranteed provenance that will accompany new quality standards and labels, for Maltese produce).

Costs of promotion material (print, film, social media etc) to promote and establish networks to bring farmer producers closer to the customers as part of increasing awareness about Maltese quality produce.

3.5 Additional Provisions

The following quality schemes are eligible for the support for information and promotion campaigns:

- EU Protected Geographical Indications, Protected Designations of Origin and Traditional Specialities Guaranteed, can only be granted in respect of products registered in one of the EU registers;
- National schemes are eligible for support when they comply with the criteria laid down in Article 16(1)(b) Regulation (EU) No 1305/2013;
- The Products of Quality National Scheme set in accordance with the criteria laid down in Article 16(1)(b). The Scheme has been established by SL 427.90 and provides for the establishment of specific standards. This scheme has been communicated through the TRIS notification procedure;
- Organic products support is granted for products complying with the conditions of Council Regulation (EC) No 834/2007;
- For spirit drinks bearing a geographical indication according to Regulation (EC) No 110/2008, support can only be granted in respect of products registered in the EU register.

NB. For National Quality Schemes, support will be eligible once the scheme is introduced in the RDP, confirming that the scheme fulfils criteria of Article 16(1)(b) of Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013.

State Aid assessment for applications received under this measure will be undertaken during the evaluation of the same applications. This assessment will be based upon the type of beneficiary, their economic activity and the nature of the project. Documentation to conduct such assessment may be requested and the applicant will be informed accordingly prior to the signing of the grant agreement. The applicant will be notified accordingly on the assessment vis-à-vis state aid, prior to the signing of the grant agreement.

3.6 Complementarity and demarcation with other measures

It is necessary that the call for applications under sub-measure 3.1 is open in order to benefit from support under sub-measure 3.2.

The Quality Schemes Measure complements other actions undertaken in the framework of rural development measures supporting the facilitation of learning (Measure 1), investments in physical assets (Measure 4) and conversion to organic farming practices (Measure 11).

4. Filling out Part A – Administrative Forms

- **Project Title:** Name your project in a way that it can be easily understood and captures the gist of your project. Must be within 15 words.
- **Project Duration:** The deadline for support under Measure 3.2 is the end of June 2025. Extensions beyond this date may be considered on a case-by-case basis.
- **The Applicant:** Tick the box for the type of applicant
- **Applicant's Information:** Fill-in details of applicant, project leader and details of partnership (if applicable)
- **VAT Status:** Fill-in details of Value Added Tax (VAT)
- **Details of the contact person for the application:** In case a third party (such as consultant/advisor) is filling in this application and will be responsible for any queries in relation to the application, then the information of the contact person is to be entered here.

5. Filling out Part B – Technical Description

5.1 Project Description

This is a critical section of the application form. This is where all the details and technical specifications of the project are to be explained by using a combination of quantitative and qualitative data.

Actions: Tick the type of actions and activity of investments according to the project.

Project Details: Describe the actions to be carried out as part of project implementation – explain the justification why the project is needed and the expected results of what the project will obtain by its implementation.

5.2 Project Costs

For each line item proposed, list down in the table (double – click on the table) the line item. Each proposed line item is to be backed up by a quotation to be enclosed with the application form. Only items listed in this section will be considered for application assessment and grant award. Projects co-funded through this Measure will be assisted with 70% contribution from the European Agricultural Fund for Rural development and Government of Malta funds.

5.3 Selection Criteria

Project Indicators (20 marks): This section needs to feature how the project will contribute to the cross-cutting objectives, focus areas and needs of the Rural Development Programme 2014-2023 which are explained in the section below. Tick accordingly and provide a brief overview how the project fits within the objectives and needs.

Contribution to cross-cutting objectives and focus areas and needs

Applications for support will be considered based on their contribution to one or more of the following cross cutting objectives, focus areas and needs¹.

Contribution to Cross-Cutting Objectives

Project proposals under expenditure for genetic resources conservation are expected to contribute to one or more of the following cross-cutting objectives:

1. Environment: Support to the conservation of local genetic resources will lead to the reversal of biodiversity decline.

¹ For further details on the Focus areas and cross-cutting objectives, please refer to chapter 8 of the RDP 2014-2022 'Agri-environment-climate, section 8.2.7.2 'General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objective'.

2. Climate change mitigation and adaptation: Support in conservation, sustainable use and development of genetic resources in agriculture have beneficial effects through making Maltese agriculture more adaptable and resilient to climate change.
3. Innovation: Support for Maltese indigenous tree species and breeds of livestock, offer potential for further product development, enabling micro-enterprise and SMEs to develop niche products for the Maltese market and for tourism.

Contribution to Focus Areas

Project proposals under this Sub-Measure are expected to contribute to one or more of the following focus areas²:

1. Focus Area 3A: Better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations.

Contribution to the Needs of the Rural Development Programme

Applicants are also required to demonstrate how their proposed projects shall result in the achievement of certain targets by clearly outlining the proposed project's contribution to one or more of the following needs that have been identified in the Malta Rural Development Programme (RDP)³:

Need 1: Water, Wastes and Energy:

Energy, water and waste management are closely linked and all exhibit current weaknesses which are linked in part to a lack of awareness and expertise among the farm population, to achieve improved management. Farmers require increased capacity to deal with the challenges faced by Malta's agriculture and rural development in order to ensure their future sustainability.

Given the state of Malta's water reserves and its current dependence upon increasingly high-cost imported fuels and other inputs, it is a priority for primary producers and other stakeholders to have improved knowledge and understanding in the following topics:

1. Nutrient budgeting
2. Efficient water management and use
3. Cropping practices to minimise water and energy use

Need 2: Maltese Quality Produce

Projects will be funded to improve the competitiveness of rural businesses through adding value to their primary production of goods and services.

Possibilities for funding include projects targeting the following topics:

4. Realistic options and techniques for adding value to primary produce
5. Developing and managing brands and quality marks to add value

Need 4: Landscape and environment

In order to encourage better management and protection of the rural environment, proposals should encourage interventions which include:

² Certain aspects of these focus areas shall not be applicable for the purpose of this call, according to the actions that are eligible. More details on eligibility of actions are provided in subsequent sections.

³ Certain aspects of these needs shall not be applicable for the purpose of this call, according to the actions that are eligible. More details on eligibility of actions are provided in subsequent sections.

6. Improved understanding of the relationship between agricultural practice and natural processes and ecosystems, effective stewardship and management, and good practice in sustainable techniques.

Need 5: Wider rural economy and quality of life

The most significant needs in relation to the wider rural economy relate to helping rural producers and processors to make positive and stronger links with the tourism market.

Preference will be given to applications in which the project proposal targets more than one indicator and/or contributes considerably towards the relevant measure indicators.

Preparedness/Readiness (10 marks): Readiness refers to project proposals that are in an advanced state of preparedness such as quotations having already been gathered, necessary permits obtained etc. Kindly list the activities envisaged within the operation that requires a planning or an environmental permit, identify whether the permit application has already been submitted and if yes list down the PA or Tracking number.

Organisational Capacity⁴ (20 marks): The applicant will be assessed based on the experience they have in the management of similar project and the plan to engage necessary persons to successfully implement the project. This section also focuses on project sustainability, where the applicant has to describe how the project will lead to benefits to the general rural area, even after the project has been completed. Benefits may be related to environmental, social, economic, aesthetic and tourism.

Complementarity (10 marks): This refers to the potential of the proposed project to lead to funding opportunities under other measures/funds. Indicate under which programmes the project or its extension could be supported. Furthermore, list the actions that will complement other projects being implemented at international, national and/or entity level.

Cost Effectiveness⁵ (20 marks): Cost effectiveness refers to evidence added value, effectiveness and reasonableness of costs proposed. The outputs and outcomes of the proposal should be proportionate to the level of funding offered. Project deliverability will also be assessed on the basis of whether competitive quotes have been sought, clear rationale in cases where the lowest valid offer is not chosen whether the costs are realistic and whether the application shows how the project will be successful at the end of the contract.

Horizontal Priorities (20 marks): The applicant should ensure that the proposed intervention/s contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. Consideration will be made of whether the applicant has a gender mainstream strategy, an appropriate policy on equality and diversity (e.g. as an employer), access

⁴ Applicants will be required to obtain a minimum of 10 marks from this selection criterion.

⁵ Applicants will be required to obtain a minimum of 10 marks from this selection criterion.

requirements have been taken into account (e.g. for buildings, websites), and whether any jobs created are open to a diverse range of applicants.

Partnership (20 marks): awarded according to the number of producers/farmers forming part of the PO/PG/Farmer group submitting the application.

Young farmers (10 marks): awarded if the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group is a farmer who is no more than 40 years of age at the moment of submitting the application.

Promotional Activities (30 marks): Points awarded according to the type of promotional activities to be implemented, design and development of information actions and/or demonstration activities.obligations established by applicable legislation.

Publicity & Visibility: Beneficiaries are obliged by Commission Implementing Regulation (EU) No 808/2014 to acknowledge support from the Fund through plaques or billboard depending on the Grant Amount. Beneficiaries are to follow publicity obligations as stipulated in the Visual Identity Guidelines⁶ and any other information listed in the website www.fondi.eu Additional marks are given to applicants describing promotional actions which go beyond the regulatory obligations.

⁶ <https://fondi.eu/visual-identity-guidelines-2021-2027/>

6. Documents to be submitted with the Application

A checklist of documents to be submitted with the Application is attached to the Application Form. The applicants will be advised further, during the evaluation process, with regards to the submission of any necessary clarifications/documents required.

7. Acknowledgement

An acknowledgement shall be issued by the receiving officers upon submission of an application form.

Disclaimer: The person receiving the application is not responsible for the administrative compliance of the application form. This issuance of this acknowledgement letter does not imply that the applicant has submitted all the necessary documentation.

7.1.1 Additional provisions

Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment (Article 45 of Regulation 1305/2013).

8. Contact Details of Competent Authorities

- The Tax Compliance Certificate can be acquired by contacting of the Commissioner for Revenue

Tel No: 22962755

Email: certificates.mtca@gov.mt

OR

Using the E-ID online services

9. Assessment and selection

9.1 Validation of applications

The MA will undertake a validity check of all applications that are received. Should any documentation that is required be missing from the Application Form, the MA shall notify the Applicant through a notification letter. Any required documents that were missing from the Application Form are to be submitted within the specified period from the date of the notification letter. Each application will nonetheless be forwarded for the PSC assessment. Only complete applications will be considered by the Project Selection Committee. Applications that remain incomplete after the specified notice period has elapsed will be rejected. Should the applicant wish to re-submit an application, the process is considered a new one. In such cases, the effective application date would be that of the new submission.

9.2 Assessment of Applications

Eligible applications shall be assessed and ranked based on selection criteria relevant to the Measure. The Project Selection Committee (PSC) will award marks according to the criteria and rank projects according to the marks obtained. In order to qualify for selection, the proposal needs to obtain at least 50% of the total marks of the general and measure-specific selection criteria. During the assessment and selection process, checks will also be carried out to assess the reasonableness of the cost where applicable. The selection of projects may be limited by the available budget, in which case the highest-ranking projects will be offered a grant.

9.3 Eligibility Criteria

All valid applications shall be assessed against the eligibility criteria that have been established for the RDP 2014-2022. Eligibility criteria consist of two sets: general eligibility criteria and measure-specific eligibility criteria.

It is important to note that all applications need to conform to/fulfil ALL general and measure-specific eligibility criteria in order to be considered for ranking and selection.

The MA reserves the right to revise the eligibility criteria applicable to the Measure, subject to pre-notification.

9.3.1 General Eligibility Criteria

The following are the general eligibility criteria to which the application must conform:

1. Submitted application is fully completed/filled-in

2. Applicant demonstrates that the applicant forms part of (or is the legal representative) the beneficiary/applicant organisation.
3. The proposed project will be implemented within the eligible territory.
4. Evidence of sufficient financial capacity required to cover the private financial component (where applicable) is provided.
5. The proposed project contributes to the targets and objectives of the relevant measure/s.
6. The proposed project contributes to at least one indicator target.

9.3.2 Specific Eligibility Criteria

The following are the measure-specific eligibility criteria to which the application must conform:

1. Farmers and/or groups of farmers, producer groups.
2. New participation of at least one farmer in producer group.
3. Eligible National Scheme regulated by Legal Notice 467 of 2014 (S.L. 427.90 –Establishment of Products of Quality).
4. Support for organic products provided for products which conform with the conditions stipulated in Regulation (EC) No. 834/2007.
5. Spirit drinks bearing geographical indication as per Regulation (EU) No 100/2008.
6. EU PGI, PDO, TSG only granted in respect of products in one of EU registers.
7. Information and promotion activities must be within internal market.

9.4 Selection of Proposed Project

The project has to obtain at least 50% of the marks available in total (both general and measure-specific criteria) in order to be considered for funding. Projects will be ranked according to marks and funds allocated to those projects which obtain the highest marks. In cases of over-demand for funding, other projects which obtain the pass mark, but which are not funded/selected will be placed on a reserve list according to marks obtained and funding offered if and when funds become available.

9.5 Unsuccessful applicants

The MA will inform all applicants about the outcome of the selection process.

9.6 Appeals

Applicants who feel aggrieved by the outcome of the procedure have the right of appeal with the Project Selection Appeals Board (PSAB) within five (5) working days from the date of the letter of rejection by the PSC.

The same application cannot be considered as being under PSAB and PSC consideration concurrently. As stated above, only the application undergoing a PSAB procedure will be under consideration (by the PSAB).

9.7 Letter of Acceptance

The MA will proceed to write to the successful applicants informing them of the decision of acceptance of their project. Scanned copies of the letter shall also be submitted through email. Letters of acceptance may include conditions which have been raised by the PSC.

9.8 Grant Agreement

Applicants whose proposals have been selected in accordance with the procedure described above, in terms of being eligible and having obtained the necessary scoring for selection, and furthermore, could be allocated the requisite budget for funding, shall be invited to enter into an agreement with the MA by signing the Grant Agreement. More details on the generic provisions applicable in the Grant Agreement and the contractual obligations of the Beneficiary are provided in the subsequent sections. Selected applicants that do not come forward to sign the grant agreement within stipulated timeframes will have the award withdrawn.

9.9 Changes

The beneficiary organisation shall undertake every effort to ensure that the project is implemented within the stipulated timelines as defined in the project actions⁷, and in line with the relevant EU and National Regulations and administrative procedures.

The Beneficiary shall not change or alter the overall and broad project scope and actions. Significant and strategic changes that alter the scope of the project actions must be agreed to by the Managing Authority in the Change Request procedure published by the MA, as soon as the former becomes aware of them.

In case the beneficiary fails to follow the timelines defined in the Grant Agreement may lead to recoveries of funds by ARPA.

In cases where amendments to the Grant Agreement need to be made by the beneficiary, the beneficiary must submit a written request to the Change Request Review Board (CRRB) via the Change Request Form *prior* to the changes being implemented (*a priori*). The CRRB will review the request and notify the beneficiary accordingly.

If a request for changes to the Grant Agreement is submitted after these changes have actually taken place (*ex-post*), the expenditure related to these changes may be subject to applicable penalties.

The Change Request Form can be downloaded from the Managing Authority website from the following link: https://fondi.eu/important_documentat/earfd-templates/

⁷ The high-level actions as per approved application form that the applicant can undertake and claim expenditure against.

10. Contractual Obligations

Upon signing the Grant Agreement, the Beneficiary becomes legally bound by certain provisions. The following sections provide information on some aspects of the contractual obligations of the Beneficiary.

The Agriculture and Rural Paying Agency (ARPA) may, from time to time, issue additional information and guidance.

10.1 Durability of Investment⁸

Not applicable for this Measure

10.2 Documentation

Beneficiaries are obliged to retain all supporting documentation for a two (2)-year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included. A signed inventory, listing any items bought in connection with the project, should be compiled and held on site and this should be made available to ARPA whenever requested.

The targets set out in the project as submitted in the application and as revised in the award letter are binding on the beneficiary. Where applicable, the beneficiary shall be responsible to collect the relevant baseline as well as data to be able to measure progress on the indicator and shall update the progress achieved towards these targets when required by the Managing Authority.

10.3 Procurement

Beneficiaries should ensure that any procurement undertaken for cost items to be financed through this Measure is carried out in line with the principles of sound financial management, good governance, transparency, and equality together with the provisions of the Manual of Procedures issued by the relevant authorities and with the provisions of the relevant EU and/or National Legislation including contents of MA PA Circular 1 of 2021.

Checks in relations to procurement will verify that Union public procurement rules and related national rules are complied with and that the basic principles of transparency, objectivity, non-discrimination, and appropriate disclosure have been respected throughout the entire process. ARPA reserves the right to ask for further clarifications and additional documentation before processing a request for payment.

In cases of non-compliances with the rules of public procurement, the financial corrections towards the service provider beneficiary will be determined by the Paying Agency on the basis of the Commission

⁸ It is being clarified that in line with the obligations under Art 71 (1) (b) of Regulation (Eu) No 1303/2013 Of The European Parliament and of the Council, a change in ownership of an item **is not possible**. This means that the beneficiary has to maintain ownership of the assets purchased by EU funds and the beneficiary has to ensure that the acquired assets are kept in good condition during and after the implementation of the project. This period, as described in the guidance notes and grant agreement (contract), is applicable for 3 or 5 years, depending on the durability obligations. Breach of such obligation will lead to a full recovery of any support paid.

Decision of 14.5.2019 laying down the guidelines for determining financial corrections C(2019)3452 final.

10.4 Controls and Penalties

Beneficiaries must note that by signing the Grant Agreement they are agreeing to undertake an obligation for the relevant checks and controls by the respective Authorities including the following:

- a. The Paying Agency (PA) – Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fishing, and Animal Rights (MAFA),
- b. The Certifying Body (CB) – Internal Audit and Investigations Department (IAID), Office of the Prime Minister (OPM),
- c. The National Audit Office (NAO) in view of the fact that public funds are being utilised for the implementation of the investment,
- d. The Audit Services of the European Commission (EC) and the European Court of Auditors (ECA) in view of the fact the investment is benefitting from European Union (EU) funds,
- e. The VAT Department to ensure that VAT Regulations are respected.

The following sections are intended as a guide on applicable checks and controls.

10.4.1 Administrative checks on support applications

Administrative checks on applications for support shall ensure the compliance of the operation with applicable obligations established by Union or national law or by the rural development programme, including those of public procurement, State aid and other obligatory standards and requirements. The checks shall, in particular include verification of:

- the eligibility of the beneficiary.
- the eligibility criteria, commitments, and other obligations of the operation for which support is requested.
- compliance with the selection criteria.
- the eligibility of the costs of the operation, including compliance with the category of costs or calculation method to be used when the operation or part of it falls under Article 67(1)(b), (c) and (d) of Regulation (EU) No 1303/2013⁹.
- for costs referred to in Article 67(1)(a) of Regulation (EU) No 1303/2013, excluding contributions in kind and depreciation, a verification of the reasonableness of the costs submitted. The costs shall be evaluated using a suitable evaluation system, such as reference costs, a comparison of different offers or an evaluation committee.¹⁰

10.4.2 Administrative checks on payment claims by the paying agency (ARPA)

Once a Beneficiary's project proposal is selected and awarded a grant, the beneficiary will be invited to enter into a Grant Agreement with the Managing Authority (MA). Following the signature of the Grant Agreement and subject to the eligibility rules of the specific measure, a Beneficiary may start

⁹ Simplified costs option

¹⁰ Article 48(2) of Commission Implementing Regulation (EU) No 808/2014

to submit payment claims to the Agriculture and Rural Payments Agency (the Agency) for processing, verification and ultimately payment authorisation.

Kindly note that the ARPA Payment Guidelines can be accessed <https://arpa.gov.mt/>

11. Compliance with Community Policy

11.1 General Principles

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

1. Public Procurement
2. Equal Opportunities
3. Sustainable development

11.2 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.

11.3 Sustainable Development

Beneficiaries should include Sustainable Development in their action/s and must ensure that the operation is structured in such a manner that concrete positive actions towards better sustainability and mainstreaming feature throughout. It is important that environmental matters should also be taken into consideration at all stages of the design, development and implementation of the action and the action should be structured to avoid any related environmental damage.

12. Data Policy

By submitting the application, the applicant is giving his/her consent to have personal and project details published in line with the obligations in the relevant EU Regulations and other requests by relevant bodies.

12.1 Data Protection

Whilst abiding to the provisions set in the Data Protection Act regarding the handling of personal data, the Managing Authority and/or Paying Agency will retain the right to disclose, exchange or request information about any applicant, application, and agreement to or with other organisations or consultants which the Managing Authority and/or Paying Agency consider appropriate for administration, statistical, monitoring, evaluation and dissemination purposes.

12.2 Transparency

Because projects implemented under Measure 4.1 involve expenditure of public money, there is public interest in how the money is spent. In this respect the Managing Authority will ensure that the principle of transparency is fully respected in the implementation of operations under Malta's Rural Development Programme 2014-2022.

Annually, and by no later than 30th May of each year, the Agriculture and Rural Payments Agency (ARPA) is bound to publish a list of beneficiaries who received payment during the preceding financial year (16th October to 15th October) in line with Regulation (EU) No 1306/2013 of the European Parliament and of the Council.

12.3 Monitoring, Evaluation and Dissemination

From time to time, the Managing Authority and/or the Paying Agency, as well as other National and/or EU entities as may be identified by the Managing Authority, may conduct economic, environmental, or other evaluation of the measure which may involve the beneficiary in surveys/interviews of various types. Managing Authority officials or consultants/evaluators engaged by the Managing Authority may contact beneficiaries as necessary. In applying for support under this measure the beneficiary is deemed automatically as agreeing to cooperate with or take part in such studies, which are important for reviewing the effectiveness of the measure as well as evidencing implementation of projects. The MA may also request cooperation from beneficiaries vis-à-vis promotion of the RDP, including use of pictures/videos taken from projects supported through this measure.

Two of the reporting requirements that the Managing Authority requires are the Project Progress Report and the Project Closure Report. The Project Progress Report (PPR) is designed to monitor the implementation of RDP projects and includes brief description of the major achievements achieved through a specific time period. The Project Closure Report (PCR) is designed to evaluate the implementation of RDP projects and includes brief description of the major achievements registered. The final payment claim will not be issued unless the PCR is satisfactorily compiled by the beneficiary. The MA reserves the right to request other reports, as required.

13.Contract Details

For more information regarding the Investments in Holdings Measure, kindly contact the Funds and Programmes Division.

Address:

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