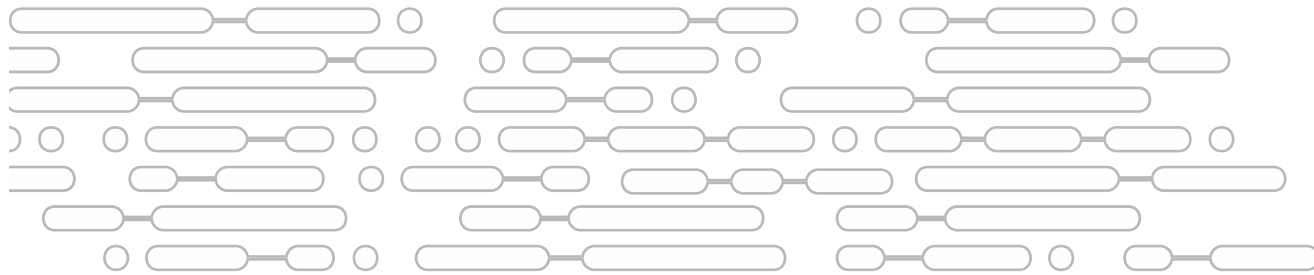


PROGRAMMING OF EUROPEAN UNION FUNDS FOR MALTA 2021-2027



Aid Schemes Eligibility and Selection Criteria 2021-2027

24th November 2022



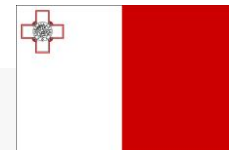
GOVERNMENT
OF MALTA

MINISTRY FOR THE ECONOMY,
EUROPEAN FUNDS AND LANDS

PARLIAMENTARY SECRETARIAT
FOR EUROPEAN FUNDS

Aid Schemes under the Programme ERDF, CF & JTF

Selection Criteria



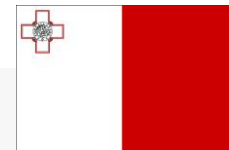
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Introduction

Under the 2021-2027 Programme ERDF, CF & JTF, Aid Schemes will be centrally administered and managed, by the Measures and Support Division, which has been tasked to act as the Intermediate Body in terms of Article 71 (3) of EU Regulation 2021/1060 of 24 June 2021.

In the first phase three grant schemes shall be launched with an initial budget of €15M.

The Monitoring Committee is hereby being presented with the criteria for the three schemes falling under Priority Objective 1 (RSO1.3).

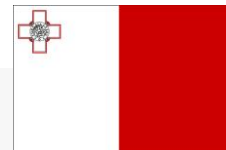


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Priority Objective 1 – RSO1.3

Three schemes under Priority Objective 1, Specific Objective RSO1.3 ‘Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments (ERDF)’ Budget €15M.

- Start-up Grant Scheme €5M
- Small Investment Grant Scheme €5M
- Large Investment Grant Scheme €5M

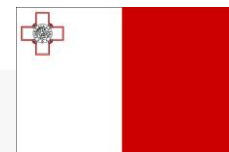


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Start-up Grant Scheme

The Start-up Grant Scheme seeks to assist start-ups through a non-repayable Grant to part-finance investments to implement business strategies to sustain their potential business growth and to better withstand competitive pressures.

Eligible undertakings shall be unlisted small enterprises up to five years following their registration, which have not yet distributed profits and have not been formed through a merger. For eligible undertakings that are not subject to registration the five years eligibility period may be considered to start from the moment when the enterprise either starts its economic activity or is liable to tax for its economic activity.



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Start-up Grant Scheme

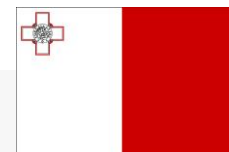
Aid under this scheme shall be awarded in accordance with Article 22 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

Maximum Grant capped at €400,000 part-financing eligible expenditure up to 50% for projects in Malta and 60% for projects in Gozo.

This scheme shall be administered through an open rolling call with periodical cut-off dates.

Simplification -

- Slimmer application with more emphasis on the Business Plan.

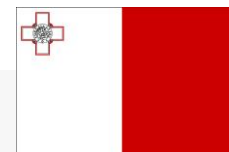


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Small Investment Grant Scheme

SMEs encounter greater difficulty to respond to market demands which often require them to undertake rapid and timely intervention to secure the required capacity levels. Such challenges support SME efforts and initiatives to increase their market share, overcome regional challenges, enter new markets and internationalise.

The Small Investment Grant Scheme seeks to assist SMEs to address this gap by providing support in the form of non-repayable Grants to part-finance investments towards expansion, diversification, and/or innovation of their operations, and by supporting initial investments.



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Small Investment Grant Scheme

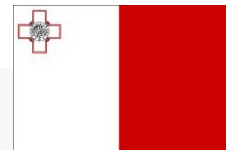
Aid under this scheme shall be awarded in accordance with the de minimis State Aid Regulation.

Maximum Grant capped at €120,000, with an aid intensity of 50% for projects in Malta and 60% for projects in Gozo.

This scheme shall be administered through an open rolling call with periodical cut-off dates.

Simplification -

- No need to submit a Business Plan
- No need to provide or submit the full Financial Statements.



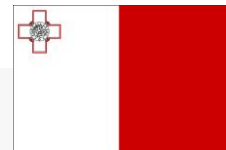
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Large Investment Grant Scheme

The Large Investment Grant Scheme seeks to assist SMEs by providing support in the form of non-repayable Grants to part-finance investments towards expansion, diversification, and/or innovation of their operations, and by supporting initial investments.

Aid under this scheme shall be awarded in accordance with Articles 14 and 17 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

Maximum Grant capped at €500,000.



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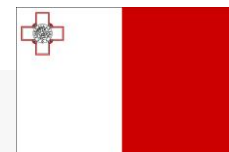
Large Investment Grant Scheme

Size of Undertaking	Aid Intensity		
	Projects in Gozo	Projects in Malta (in assisted areas designated in Malta's Regional Aid map)	Projects in Malta (in localities not falling within the Regional Aid map)
Micro and Small	35%	30%	20%
Medium	25%	20%	10%

This scheme shall be administered through an open rolling call with periodical cut-off dates.

Simplification –

- Slimmer application with more emphasis on the Business Plan.



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For all the 3 grant schemes

Eligible Actions

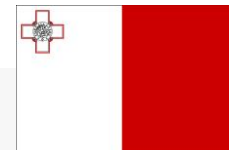
- Investment in tangible and intangible assets in relation to the operations.

Eligible Costs

- Purchasing of new equipment, machinery and plant
- Lease of private operational premises
- A flat rate as provided in the Common Provisions Regulation will be provided.

Exclusions

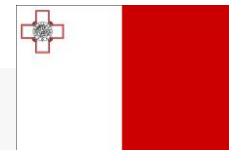
- The exclusions shall be in line with the ERDF regulation and applicable state aid regulations.



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Aid Schemes under the Programme ERDF, CF & JTF

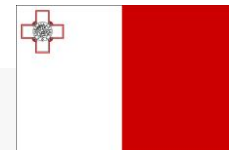
Assessment, Evaluation and Selection



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Gateway Criteria

All applications under each aid measure are required to meet the minimum eligibility requirements set out under the Gateway Criteria in order that any application may be considered for assessment and appraisal for selection for funding support. This stage will involve an assessment and a Due Diligence process to establish that these minimum requirements are met.



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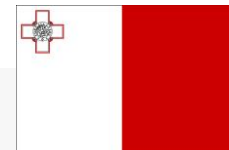
Gateway Criteria

Complete application: an Undertaking must present a fully compiled application together with all the requested supporting documentation, by the indicated deadline.

Eligibility of Undertaking: the Undertaking is an eligible Undertaking, in line with the respective guidelines, regulations and within the state aid parameters.

Eligibility of action and activities: the action for which the applicant is asking for support is eligible and includes eligible activity/activities in line with the incentive guidelines.

Match Financing: the applicant has submitted evidence as to its capacity to match finance the project.



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Selection Criteria

Those applications that meet all the requirements of the gateway criteria shall proceed for assessment under the selection criteria.

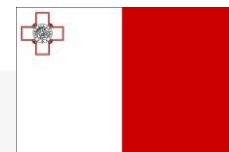
The Project Selection Committee will evaluate and score each of these applications against the following set Selection Criteria, with a total potential score of **100 points**.

Risk Assessment

Excellence

Impact and Sustainability

Quality and efficiency of implementation



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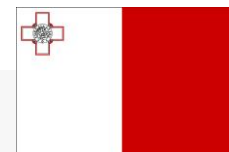
Selection Criteria

Competitive Calls

Applications attaining 50% of the total score or higher will be ranked, and funding approval will be issued to applicants in accordance with the ranking order and subject to the budget availability under the respective call.

Open rolling Calls

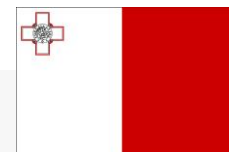
In the case of measures administered through an open rolling call, after scoring, applications attaining 50% of the total score or higher will be approved for funding on a first-come-first served basis subject to the budget availability under the respective measure.



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Selection Criteria

Grant Scheme	Selection Criteria				Points
	Risk Assessment	Excellence	Impact and Sustainability	Quality and Efficiency of Implementation	
Start-up	15	25	35	25	100
Small Investment	15	30	30	25	100
Large Investment	15	30	30	25	100



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Selection Criteria

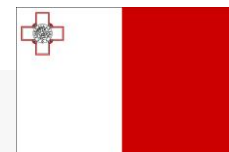
Risk Assessment - 15pts

Ratio of Project value to net assets of Undertaking – 5pts

Applications will be risk assessed in terms of the ratio of the project's value to the financial resources of the Undertaking.

Qualitative assessment of the Undertaking – 5pts

Applications will be risk assessed in relation to the age of the Undertaking, business experience, track record of the management and controlling shareholders.



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Selection Criteria

Duration of the Project – 5pts

Applications will be risk assessed in relation to the proposed duration of the project vis-à-vis the implementation timelines in the respective guidance notes. Such assessment shall take into account potential implementation delays which may stretch the proposed project duration and have a negative impact on absorption of funds.

Implementation Risks linked to the duration of the project – max 0pts (-5 lowest)

This section will carry negative marking to reflect project implementation risks linked to the duration of the proposed activities. The duration of the project will be assessed in terms of how realistic it is to complete the project within the indicated timeframe. The more complex the activities, the more likely that the project will experience delays and therefore the lower the score.



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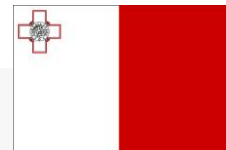
Selection Criteria

Excellence - 30pts (for Start-up - 25pts)

Quality of the proposed project concept through its main characteristics – 5pts

The Application (and Business Plan for Large Investment and Start-up) should be of good quality and provide clear information that can be readily understood. The proposed project concept should not be run-of-the-mill.

The evaluation will be assessing the overall quality of the proposed project, the project background, context and need for the project, the project's objectives, expected results and resources required. The Application is to clearly evidence the enterprise's need to invest in the new equipment and/or machinery and the utilisation of same equipment to attain results.



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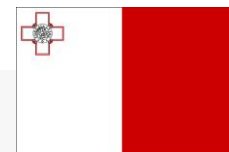
Selection Criteria

Coherence and Clarity of the Application and Business Plan – 10pts (for Large Investment and Start-up)

The evaluation will be assessing the project's work plan, strategy and quality of the Application and Business Plan. Coherent proposals supported by quantitative data and market research will be rewarded.

Coherence and Clarity of the Application – 10pts (for Small Investment)

Same as above but focusing only on the Application.



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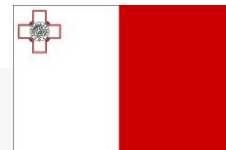
Selection Criteria

Action is ambitious and is addressing an identified gap within the enterprise and/or the specific sector the enterprise operates in – 10pts

The action will be assessed in terms of the extent of identified gaps (both in the enterprise and/or the sector) it addresses. The evaluation will focus on the novelty of the concepts and new approaches proposed by the project.

Action seeks to maximise the internationalisation of the Applicant – 5pts (criterion does not apply for Start-up)

The action will be assessed in terms of the project's potential to support the Applicant to strengthen its international presence.



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Selection Criteria

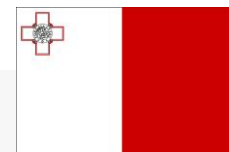
Impact and Sustainability - 30pts (for Start-up 35pts)

Applicant's plan to make the enterprise more sustainable, resilient and better prepared for the challenges ahead – 5pts

The application and/or business plan and the investment shall be assessed against this criterion.

Project results in improvements in the Undertaking's business model – 5pts

The application will be evaluated in relation to the project's impact on the sustainability of the business model. Applicants are to identify the benefits which shall emanate as a result of the project.



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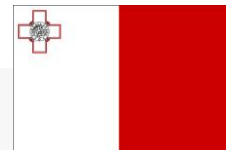
Selection Criteria

Project in line with National Policies and the Programme's horizontal priorities: Environmental Sustainability and Equal Opportunities – 5pts

The application will be assessed in relation to potential impact on National Policies linked to the Programme and to the effective integration of the Programme's horizontal priorities being Environmental Sustainability and Equal Opportunities.

Impact on employment – 5pts (specific only for Large Investment)

The application will be evaluated in relation to the project's potential to create new employment and retain jobs.



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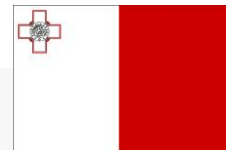
Selection Criteria

Potential increase in turnover and cost reductions to the operations of the Applicant – 10pts (for Start-up and Large Investment)

An evaluation of the project's impact vis-à-vis the future growth of the applicant and potential to increase its turnover. The application will also be evaluated on the potential cost reductions to the operations of the Applicant through the reduction in the cost to sales ratio.

The return on investment (ROI) and potential cost reductions – 10pts (for Small Investment)

An assessment of the project's impact vis-à-vis the return on investment (ROI), by dividing the projected increase in turnover by the cost of machinery. The application will also be assessed on the potential cost reductions to the operations of the Applicant through the reduction in the cost to sales ratio.



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Selection Criteria

Size of Undertaking – 5pts (for Small Investment only)

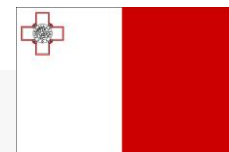
Proposals submitted by Micro enterprises will be awarded 5 points.

Type of Applicant – 5pts (for Start-up only)

An application submitted by an autonomous enterprise will be awarded 5 points.

Age of Applicant – 5pts (for Start-up only)

An application submitted by an enterprise which has been established for less than 3 years will be awarded 5 points.



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Selection Criteria

Quality and Efficiency of Implementation - 25pts

A holistic investment – 5pts

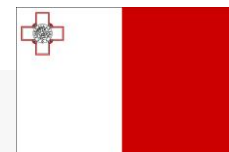
Projects that propose a holistic investment tied to a clear objective will be awarded 5 points.

Quality, readiness and timeliness of the proposed project – 10pts

Projects are to:

- present a GANNT Chart / Implementation Schedule of the proposed actions
- include an assessment of the potential implementation risks, the probability of these risks happening and the identification of measures to mitigate same risks
- demonstrate the capacity to deliver the project and that they have a contingency plan to compensate for adverse effects on timetable, expenditure, and outputs.

Applications showing that their proposal is in an advanced state of readiness, such as having draft quotation document/s ready or in possession of required licences/permits, shall be rewarded. Evidence of such documents is to be provided with the application.



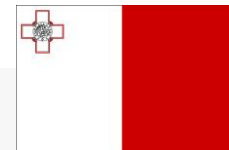
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Selection Criteria

Management and Control Systems in place including organization's structure – 5pts

The Applicant should ideally provide an organigram or description of the organization's structure. In the Application and/or Business Plan the applicant is to identify the segregation of the level of management and control and include an overview of the expertise of the key personnel who will lead the project.

Any quality standards adopted by the applicant will also be considered.



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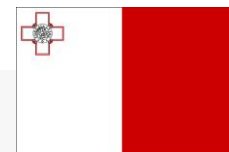
Selection Criteria

Level of capacity and allocation of resources towards the project – 5pts

The capacity to implement the project is part of the commitment of the Applicant.

The evaluation will be assessing the allocation of human resources, both internal and external, towards the project to ensure its successful implementation and sustainability.

Experience in the implementation of projects co-financed through Structural Funds, other EU programmes or own funds shall be rewarded.



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Contact Details

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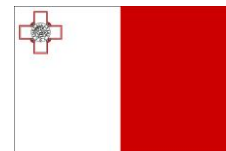
Thank you



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