



16th June, 2020

MA Circular 03/2020

To: Project Leaders of projects funded and implemented in the 2014-2020 Programming Period
Line Ministries

RE: Durability of operations for operations funded through the Programming Period 2014-2020 under Operational Programme I - *Fostering a competitive and sustainable economy to meet our challenges* – ERDF and CF, and Operational Programme II - *Investing in human capital to create more opportunities and promote the wellbeing of society* - ESF

By means of this Circular, and in line with Article 71 of the EU Reg. 1303/2013, Beneficiaries are being reminded and advised of their obligation, following the closure of the operation, and within five years from the inclusion of the final payment related to the operation in a payment request to the Commission, to ensure that investment in infrastructure or productive investment funded through their operation is **not** subject to any of the following:

- a) a cessation or relocation of the productive activity in question outside the programme area (being the territory pertaining to the Republic of Malta);
- b) a change in ownership of the co-financed item of infrastructure which would give a firm or a public body an undue advantage;
- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives¹.

Beneficiaries are reminded to notify the MA immediately whether the operation has been subject to any of the above (or similar) changes.

In addition, by means of this Circular the MA would also like to inform you that, during the abovementioned five-year period from the closure of the operation, it will be undertaking the following actions:

¹ Operations supported by the ESF and operations supported by the other ESI Funds that are not investments in infrastructure or productive investments shall repay the contribution from the Fund only in cases where they are subject to an obligation for maintenance of investment under the applicable State Aid rules and where they undergo a cessation or relocation of a productive activity within the period laid down in those rules.

- Monitoring checks² of **all** closed operations, during which the Beneficiary will also be requested to provide an official statement confirming the respect of the durability clause on that operation;
- Site visits, on a sample basis, to ensure the veracity of the Beneficiary statement.



Jonathan Vassallo,
Head - Managing Authority

² Including checks on reported achievements on indicators