



**GOVERNMENT
OF MALTA**

MINISTRY FOR THE ECONOMY,
EUROPEAN FUNDS AND LANDS

PARLIAMENTARY SECRETARIAT
FOR EUROPEAN FUNDS



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Renovation of Private Sector Buildings Grant Scheme Guidance Notes

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Disclaimer

These Guidance Notes are based on the pending update of the General Block Exemption Regulation (GBER) which is expected to enter into force in the coming months. Any application can only be approved once such update is in force and shall be in line with the final Regulation in force. Should the conditions of the updated GBER be different to those outlined in these Guidance Notes, including that the aid intensities in the final Regulation will be lower than those identified in these Guidance Notes, any grants will be awarded based on the provisions of the final GBER.

Definitions

Aid Intensity means the gross aid amount expressed as a percentage of the eligible costs, before any deducted tax or other charge.

Date of granting of the aid means the date when the legal right to receive the aid is conferred to the Beneficiary, being the date of the signing of the Grant Agreement (GA).

Start of works means the earlier of either the start of construction works in relation to the investment, or the first legally binding commitment to order the equipment or any other commitment that makes the investment irreversible. Buying land and preparatory works such as obtaining permits and conducting feasibility studies are not considered start of works.

Energy Performance of a building is the calculated amount of energy needed to meet the energy demand associated with a typical use of the building, which includes inter alia, energy used for heating, cooling, ventilation, hot water and lighting.

Primary Energy Demand is a numeric indicator of primary energy use of a building; primary energy means energy from renewable and non renewable sources which has not undergone any conversion or transformation process. This indicator is provided in an Energy Performance Certificate.

Retrofitting a building involves changing its systems or structure after its initial construction and occupation. For the purposes of this scheme, the work undertaken shall improve the energy performance of the building.

Economic activity – means an activity consisting of any one or more of the following:

- any trade, business, profession or vocation and the provision of any personal services;
- the exploitation of tangible or intangible property for the purpose of obtaining income there from on a continuing basis;
- the provision by a club, association or organisation of the facilities or advantages available to its members for a subscription or other consideration;
- the admission of persons to any premises for a consideration.

External source means a source that is autonomous and unrelated to the Beneficiary Undertaking.

Unrelated to the Beneficiary - the fact that the buyer does not control the seller, is not sufficient for fulfilling this criterion. The parties have to be unrelated. For that, there should be no influence (decisive or not) on the composition, voting or decisions of the organs of an Undertaking.

Registered Assessor means an EPB (Non-Dwellings) Assessor autonomous and unrelated to the Beneficiary Undertaking, and is registered with the Building and Construction Authority to provide Energy Performance Certificates. (<https://epc.gov.mt/information-assessors?l=1>)

Undertaking means a **Micro, Small, Medium or Large Enterprise**.

A **Micro, Small or Medium Enterprise (SME)** as defined in Annex I 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, as amended.

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20210801>

The main factors determining whether an enterprise is an SME are:

1. **staff headcount** and
2. either **turnover** or **balance sheet total**.

Enterprise category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

For more details:

http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm

Large Enterprise is an Undertaking not fulfilling the criteria laid down in Annex 1 of the General Block Exemption Regulation.

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships regularly engaged in an economic activity.

An Autonomous Enterprise is any enterprise which is not classified as a partner enterprise or as a linked enterprise as per provisions outlined in Annex I 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, as amended.

Partner enterprises are all enterprises which are not classified as linked enterprises and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises 25% or more of the capital or voting rights of another enterprise (downstream enterprise).

However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25% threshold is reached or exceeded by the following investors, provided that those investors are not linked, within the meaning of 'linked enterprise', either individually or jointly to the enterprise in question:

- a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (business angels), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000;
- b) universities or non-profit research centres;

- c) institutional investors, including regional development funds;
- d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5 000 inhabitants.

Linked enterprises are enterprises which have any of the following relationships with each other:

- a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

Enterprises having any of the relationships described in a) to d) above through one or more other enterprises, or any one of the investors mentioned under Partner Enterprise, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An **'adjacent market'** is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006R1893&from=en>

Undertaking in difficulty as defined in 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, as amended, means an undertaking in respect of which at least one of the following circumstances occurs:

- a. In the case of a limited liability company (other than an SME that has been in existence for less than three years), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability company' refers in particular to the types of company mentioned in Annex I of Directive 2013/34/EU and 'share capital' includes, where relevant, any share premium;
- b. In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years), where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a company where at least some members have unlimited liability for the debt of the

company' refers in particular to the types of company mentioned in Annex II of Directive 2013/34/EU;

- c. Where the Undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;
- d. Where the Undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan;
- e. In the case of an Undertaking that is not an SME, where, for the past two years:
 - i. the Undertaking's book debt to equity ratio has been greater than 7,5 and
 - ii. the Undertaking's EBITDA interest coverage ratio has been below 1,0.

Crafts means an art, skill, or trade, practised by a person or persons in the manufacture of artefacts and other products and generally requiring in its manufacturing a greater input of human skill than of machinery.

Tangible assets means assets consisting of land, buildings and plant, machinery and equipment.

Intangible assets means assets that do not have a physical or financial embodiment such as patents, licences, know-how or other intellectual property.

Steel sector means the production of one or more of the following:

(a) pig iron and ferro-alloys: pig iron for steelmaking, foundry and other pig iron, spiegeleisen and high-carbon ferro-manganese, not including other ferro-alloys;

(b) crude and semi-finished products of iron, ordinary steel or special steel: liquid steel cast or not cast into ingots, including ingots for forging semi-finished products: blooms, billets and slabs; sheet bars and tinplate bars; hot-rolled wide coils, with the exception of production of liquid steel for castings from small and medium-sized foundries;

(c) hot finished products of iron, ordinary steel or special steel: rails, sleepers, fishplates, soleplates, joists, heavy sections of 80 mm and over, sheet piling, bars and sections of less than 80 mm and flats of less than 150 mm, wire rod, tube rounds and squares, hot-rolled hoop and strip (including tube strip), hot-rolled sheet (coated or uncoated), plates and sheets of 3 mm thickness and over, universal plates of 150 mm and over, with the exception of wire and wire products, bright bars and iron castings;

(d) cold finished products: tinplate, terneplate, blackplate, galvanised sheets, other coated sheets, cold-rolled sheets, electrical sheets and strip for tinplate, cold-rolled plate, in coil and in strip;

(e) tubes: all seamless steel tubes, welded steel tubes with a diameter of over 406.4 mm.

Transport sector means the transport of passengers by aircraft, maritime transport, road or rail and by inland waterway or freight transport services for hire or reward; more specifically, the

‘transport sector’ means the following activities in terms of the statistical classification of economic activities (NACE Rev. 2), established by Regulation (EC) No 1893/2006 of the European Parliament and of the Council²:

- a) NACE 49: Land transport and transport via pipelines, excluding NACE 49.32 Taxi operation, 49.39 Operation of teleferics, funiculars, ski and cable lifts if not part of urban or suburban transit systems, 49.42 Removal services, 49.5 Transport via pipeline;
- b) NACE 50: Water transport;
- c) NACE 51: Air transport, excluding NACE 51.22 Space transport.

Coal means high-grade, medium-grade and low-grade category A and B coal within the meaning of the international codification system for coal established by the United Nations Economic Commission for Europe and clarified in the Council decision of 10 December 2010 on State aid to facilitate the closure of uncompetitive coal mines.

Shipbuilding means the building in the Union, of self-propelled commercial vessel.

Self-propelled commercial vessel means a vessel that, by means of its permanent propulsion and steering, has all the characteristics of self-navigability on the high seas or on inland waterways and belongs to one of the following categories:

- (i) seagoing vessels of not less than 100 gt and inland waterway vessels of equivalent size used for the transportation of passengers and/or goods;
- (ii) seagoing vessels of not less than 100 gt and inland waterway vessels of equivalent size used for the performance of a specialised service (for example, dredgers and ice breakers);
- (iii) tugs of not less than 365 kW;
- (iv) unfinished shells of the vessels referred to in points (i), (ii) and (iii) that are afloat and mobile.

Marketing of agricultural products means holding or display with a view to sale, offering for sale, delivery or any other manner of placing on the market, except the first sale by a primary producer to resellers or processors and any activity preparing a product for such first sale; a sale by a primary producer to final consumers shall be considered to be marketing if it takes place in separate premises reserved for that purpose.

Primary agricultural production means production of products of the soil and of stock farming, listed in Annex I to the Treaty, without performing any further operation changing the nature of such products.

Processing of Agricultural products means any operation on an agricultural product resulting in a product which is also an agricultural product, except on-farm activities necessary for preparing an animal or plant product for the first sale.

² Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

Agricultural product means the products listed in Annex I to the Treaty, except fishery and aquaculture products listed in Annex I to Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013.

Fishery and Aquaculture sector, are defined as per provisions of Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000, as amended.

Union standard means

(a) a mandatory Union standard setting the levels to be attained in environmental terms by individual undertakings, excluding standards or targets set at Union level which are binding for Member States but not for individual undertakings; or

(b) the obligation to use the best available techniques (BAT) as defined in Directive 2010/75/EU of the European Parliament and of the Council³, and to ensure that emission levels do not exceed those that would be achieved when applying BAT; where emission levels associated with the BAT have been defined in implementing acts adopted under Directive 2010/75/EU or under other applicable directives, those levels will be applicable for the purpose of this Regulation; where those levels are expressed as a range, the limit for which the BAT is first achieved for the undertaking concerned will be applicable.

Energy efficiency means the ratio of output of performance, service, goods or energy, to input of energy.

Building element means a technical building system or an element of the building envelope.

Energy performance certificate means a certificate recognised by a Member State or by a legal person designated by it, which indicates the energy performance of a building or building unit, calculated according to a methodology adopted in accordance with Article 3 of Directive 2010/31/EU.

³ OJ L 24, 29.1.2008, p. 8.

1. Introduction

This document provides information on the Renovation of private sector buildings Grant Scheme and should be read in conjunction with the following documents:

- Notes to Applicants
- 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme'

These Guidance Notes together with the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme' are binding. Failure to comply with the provisions of these documents may result in financial corrections and recovery of funds.

These Guidance Notes may be reviewed, updated and amended from time to time by the Measures and Support Division throughout the lifetime of the scheme.

1.1 Management Structure

The Ministry responsible for the management of Union Funds is empowered to perform the tasks related to coordination, management and control of the Recovery and Resilience Plan for Malta. Within the same Ministry, the Planning and Priorities Coordination Division has been designated to ensure the leadership, coordination and overall oversight of this plan. The Measures and Support Division, also within the identified Ministry, is the institution in charge of implementation of investment reform C1-I1 'Grants targeting renovation of private sector buildings for retrofitting and energy efficiency'. This management structure is established by Council Implementing Decision on the approval of the assessment of the Recovery and Resilience Plan for Malta 11941/21 and supporting Annex ADD 1, by Regulation (EU) 2021/241 and of the European Union Recovery Instrument set up by Council Regulation (EU) 2020/2094.

1.2 Scope

The objective of the scheme is to improve energy efficiency, reduce energy demand, lower carbon emissions and limit energy waste through the retrofitting of private sector buildings. The building renovations undertaken are to lead to a reduction of Primary Energy Demand (PED) of at least 30%.

Renovation, retrofitting, and refurbishment of existing buildings represent an opportunity to upgrade the energy performance of commercial building assets for their ongoing life.

Aid shall not be granted for investments undertaken to comply with Union standards that have been adopted and are in force. Aid may be granted for investments undertaken to comply with Union standards that have been adopted but are not yet in force, provided that the investment is implemented and finalised at least 18 months before the standard enters into force.

However, aid may be granted for investments in buildings undertaken to comply with minimum energy performance standards qualifying as Union standards, provided that the aid is granted before the standards become mandatory for the undertaking concerned. In such cases, beneficiaries must provide a precise renovation plan and timetable demonstrating that the aided renovation is at least sufficient to ensure compliance with the minimum energy performance standards.

This incentive seeks to assist enterprises through non-repayable Grants to part-finance investments to retrofit their operations, and hence improve their energy and resource efficiency

by reducing the energy used for heating, cooling, ventilation, hot water and lighting. This includes actions involving systems for the above energy use as well as interventions on the building envelope that reduce the energy demand required by the above.

This investment will also address the market failure in the private sector in the field of energy and environmental performance in buildings. It aims to improve the energy and environmental performance of buildings by targeting negative externalities, thus contributing towards energy savings, reduction of greenhouse gas and air pollutant emissions.

The measure complies with the 'Do no significant harm' Technical Guidance (2021/C58/01), and shall exclude the following list of activities: (i) activities related to fossil fuels, including downstream use⁴; (ii) activities under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks⁵; (iii) activities related to waste landfills, incinerators⁶ and mechanical biological treatment plants⁷; and (iv) activities where the long-term disposal of waste may cause harm to the environment.

1.3 Component

This Measure falls under Component 1 '**Addressing climate neutrality through enhanced energy efficiency, clean energy and a Circular Economy**' of '**Malta's Recovery & Resilience Plan**', and addresses the following Investment:

Investment in the renovation and greening of private sector buildings, including deep retrofitting through energy and resource efficiency measures.

1.4 Duration of the measure

The *Renovation of private sector buildings Grant Scheme* will remain operational until 31 December 2023⁸, subject to availability of funds.

1.5 Budget

The allocated budget for this scheme is set at €20,000,000 projected to cover 40,605m² of private sector buildings (including commercial buildings) with indicative annual thresholds of €10,000,000.

⁴ Except projects under this measure in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the 'Do no significant harm' Technical Guidance (2021/C58/01).

⁵ Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible should be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

⁶ This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase.

⁷ This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants' waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level.

⁸ Duration may be extended subject to compliance with national targets and with the applicable State aid rules.

1.6 Competitive Calls

The scheme shall be administered through a series of competitive calls. The Measures and Support Division shall issue a public open call/s for interested eligible Undertakings to submit their applications with a clear deadline for submission. Applications will be assessed and evaluated and eligible applications scoring at least 50% of the selection criteria shall be ranked accordingly. Grants shall be awarded starting from the highest-ranking application, subject to budget availability.

1.7 Maximum Grant Value and Aid intensity

The Grant amount that an Undertaking may receive is of a maximum €350 per m² (capped at €1M per undertaking).

The set aid intensities are further detailed hereunder.

The aid intensity shall not exceed 30 % of the eligible costs.

However, where the investment consists in the installation or replacement of just one type of building element, the aid intensity shall not exceed 25 %.

Moreover, where aid for investments in buildings undertaken to comply with minimum energy performance standards qualifying as Union standards is granted less than 18 months before the Union standards enter into force, the aid intensity must not exceed 15 % of the eligible costs where the investment consists in the installation or replacement of just one type of building element and 20 % in all other cases.

The aid intensity may be further increased by 20% for aid granted to small undertakings and by 10% for aid granted to medium-sized undertakings.

The aid intensity may be increased by 5% for investments located in Gozo.

The aid intensity may be increased by 15% for aid granted to improve the energy efficiency of existing buildings, where the energy efficiency improvements lead to a reduction in primary energy demand of at least 40 % compared to the situation prior to the investment. This increase in aid intensity does not apply where the investment does not improve the energy performance of the building beyond the level imposed by minimum energy performance standards qualifying as Union standards entering into force within less than 18 months from the moment the investment is implemented and finalised.

The aid value for the identified eligible expenditure shall be reimbursed through the application of actual cost incurred and paid.

The amount of aid shall depend on the set intensities, as follows:

Size of undertaking	Investments in Gozo		Investments in Malta	
	If investment leads to a PED reduction of at least			
	30%	40%	30%	40%
Aid Intensity				
Micro and small	55%	70%	50%	65%
Medium	45%	60%	40%	55%
Large	35%	50%	30%	45%
Where the investment consists in the installation or replacement of just one type of building element → a deduction of 5% from the above-listed aid intensity				
Where investments in buildings undertaken to comply with minimum energy performance standards qualifying as Union standards is granted less than 18 months before the Union standards enter into force → a deduction of 10%, or of 15% if investment consists of one type of building element, from the above-listed aid intensity.				

A maximum of €1M per Undertaking shall be eligible for funding under this scheme. A separate application form shall be submitted for different projects carried out by the same undertaking.

1.8 Implementation

Retrofitting and Energy Efficiency investments should be concluded within 24 months from the Grant Agreement. Extensions beyond this timeframe may be considered upon the express request of the Beneficiary, when justified. Nonetheless, investments are to be concluded by 31 December 2025⁹.

1.9 Regulatory Framework

Malta's Recovery and Resilience Plan

<https://eufunds.gov.mt/en/Operational%20Programmes/Pages/Recovery-and-Resilience-Facility.aspx>

The Recovery and Resilience Facility as established by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0241&from=EN>

Council Implementing Decision on the approval of the assessment of the recovery and resilience plan for Malta 11941/21 of 28 September 2021

<https://data.consilium.europa.eu/doc/document/ST-11941-2021-INIT/en/pdf>

Technical guidance on the application of “do no significant harm” under the Recovery and Resilience Facility Regulation

https://ec.europa.eu/info/sites/default/files/c2021_1054_en.pdf

⁹ This date may be extended subject to compliance with national targets.

Aid may be awarded in accordance with the relevant terms and conditions of the General Block Exemption Regulation (“GBER”) Commission Regulation (EU) No 651/2014 of 17th June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, as amended

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20210801>

2. Description

2.1 Eligible Actions

This Grant Scheme seeks to support investments to address high upfront costs of building renovation in the private sector, including commercial buildings.

Actions that reduce the primary energy demand of the building by reducing the energy used for heating, cooling, ventilation, hot water and lighting are eligible. This includes actions involving systems for the above energy use as well as interventions on the building envelope that reduce the energy demand required by the above.

This will contribute to the green transition by retrofitting at least 40,605 m². The improvement of energy performance will be certified on the basis of an Energy Performance Certificate issued before and after renovation.

The building renovations undertaken are to lead to a reduction of Primary Energy Demand (PED) of at least 30%.

2.2 Eligible Expenditure

This Grant Scheme will support eligible enterprises to undertake actions that reduce the primary energy demand of the building by reducing the energy used for *heating, cooling, ventilation, hot water and lighting* through:

- Actions involving systems for the above energy use
- Interventions on the building envelope that reduce the energy demand required by the above.

The eligible costs shall be the investment costs relating to the energy efficiency works. In this regard it is important to note that the costs not directly linked to the achievement of a higher level of energy efficiency shall not be eligible.

The entire investment costs necessary to achieve a higher level of energy efficiency in buildings constitute the eligible costs, provided that the aid induces energy efficiency improvements leading to a reduction in primary energy demand of at least 30% compared to the situation prior to the investment.

The initial primary energy demand and the estimated improvement shall be established by means of an Energy Performance Certificate.

The measure requires the economic operator/s carrying out the construction works to ensure that at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy, Article 11.2 (b) of Directive 2008/98/EC on waste and the EU Construction and Demolition Waste Management Protocol.

Beneficiary Undertakings should ensure that any procurement undertaken for these cost items is carried out in line with the principles of sound financial management, good governance, transparency, and equality, in line with the provisions of the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme' issued by the Measures and Support Division together with these Guidance Notes.

Any of the above expenditure is to be procured from external and unrelated sources to the applicant.

Any investment must be maintained by the Undertaking for at least 3 years in the case of an SME, or, five years in case of a large enterprise, following the completion of the investment operations.

Expenditure shall only be considered eligible if it is approved in the Grant Agreement, incurred during the specified project period, the Beneficiary achieves the set indicators as outlined in the Grant Agreement and in line with the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme' issued by the Measures and Support Division together with these Guidance Notes.

2.3 Ineligible Expenditure

- a) Costs not directly linked to the achievement of a higher level of energy efficiency
- b) Costs related to the repair and maintenance of equipment, plant, machinery and buildings, including costs for maintenance agreements.
- c) Tax including Value Added Tax and other duties.
- d) Insurance costs.
- e) Training costs.
- f) Contingencies and/or losses made by the Applicant.
- g) Payment of dividends, royalty and interest changes.
- h) In kind contributions.
- i) Service charges arising on finance leases, hire purchase and credit arrangements.
- j) Cost resulting from deferral of payments to creditors.
- k) Cost related to litigation including resulting claims for damages and fines.
- l) Statutory fines and penalties.
- m) Payments for gifts and donations.
- n) Entertainment (including catering, receptions, etc.)
- o) Depreciation.
- p) Foreign exchange costs and related losses.
- q) Bank charges.
- r) Commissions.
- s) Projects that already exist within the framework of other funding programs of the European Union.

3. Eligibility

3.1 Eligible Undertakings

Micro, Small, Medium and Large Enterprises engaged in an economic activity, irrespective of their legal form, referred to as the 'Undertaking' subject to the exclusions enlisted below.

Undertakings which are not vested with a legal personality acquired through the law applicable to their establishment, need to be registered under the Second Schedule of the Civil Code (CAP 16 of the Laws of Malta).

3.2 Exclusions

- i. Aid for cogeneration and aid for district heating or cooling is not eligible.
- ii. Energy Generation from Renewable Energy Sources activities are not eligible.
- iii. Actions on new buildings and extensions of existing buildings.
- iv. Actions implemented in buildings which are dedicated to storage of fossil fuels.
- v. Building components and materials used in the building renovation that contain asbestos or substances of very high concern as identified on the basis of the list of substances subject to authorisation set out in Annex XIV to Regulation (EC) No 1907/2006 are excluded.
- vi. Building components and materials used in the building renovation that may come into contact with occupiers are to emit less than 0,06 mg of formaldehyde per m³ of material or component and less than 0,001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m³ of material or component, upon testing in accordance with CEN/TS 16516 and ISO 16000-3 or other comparable standardised test conditions and determination method otherwise these are excluded.
- vii. Buildings located in or near biodiversity – sensitive areas (including the Natura 2000 network of protected areas, as well as other protected areas) are excluded.
- viii. Undertakings that are subject to an outstanding recovery order following a previous Commission decision declaring an aid granted by Malta illegal and incompatible with the internal market.
- ix. Undertakings in difficulty as per provisions 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 (General Block Exemption Regulation), as amended. However, aid may be granted to undertakings which were not in difficulty on 31 December 2019 but became undertakings in difficulty in the period from 1 January 2020 to 31 December 2021.
- x. Undertakings that have not honoured their obligations further to a Decision by the competent Court in favour of a recovery order issued by the competent authorities responsible for the administration and management of aid schemes co-funded under the European Regional Development Fund - Cohesion Policy Operational Programme I 2014 – 2020.
- xi. Undertakings that have not honoured their obligations further to a recovery order issued by the competent authorities responsible for the administration of aid schemes co-funded under Cohesion Policy 2021-2027 and NextGenerationEU Funds - Recovery and Resilience Facility (RRF).

- xii. Exclusions as per provisions 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 (General Block Exemption Regulation), as amended.
- xiii. Undertakings whose principal activities includes, directly or indirectly, the provision of any of the eligible expenditure are excluded from applying for such expenditure.
- xiv. Undertakings that have the internal capability to develop or retail any of the eligible expenditure are excluded from applying for such expenditure.
- xv. Undertakings whose principal activities fall under Section A 'Agriculture, Forestry and Fishing of the NACE Rev. 2.
- xvi. Undertakings active in the sector of processing and marketing of agricultural products, in the following cases:
 - where the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned;
 - where the aid is conditional on being partly or entirely passed on to primary producers.
- xvii. Actions addressing the processing and marketing of agricultural products in so far as such actions can be considered eligible for funding under the EAFRD.
- xviii. Undertakings whose principal activities include the manufacturing, processing and marketing of tobacco and tobacco products.
- xix. Public entities: Ministries, Departments, Entities, Authorities, Public Commissions, Public Sector Foundations and similar organisations carrying out a public or regulatory function which does not involve the carrying out of an economic activity, whether or not such organisations are established by law. With the exception of commercial Undertakings carrying out exclusively economic activity in direct competition with third parties and in which Government has a controlling interest.
- xx. Energy Generation, distribution and infrastructure.
- xxi. The Steel Sector.
- xxii. The Coal Sector.
- xxiii. The Shipbuilding Sector.
- xxiv. The Transport Sector.
- xxv. The Synthetic Fibres Sector.
- xxvi. Gambling and Betting Activities.
- xxvii. Investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC.
- xxviii. Actions resulting in training and mentoring activities.
- xxix. Actions resulting in investment in the decommissioning or the construction of nuclear power stations.
- xxx. Actions resulting in investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact.
- xxxi. Undertakings engaged in an illegal economic activity.

3.3 Additional Provisions

- i. The Grant amount is subject to the conditions outlined in these Guidance Notes and the determined thresholds.
- ii. Undertakings that have not honoured their obligations, further to a recovery order issued by the competent authorities responsible for the administration and management of aid schemes co-funded under the European Regional Development Fund – Cohesion Policy Operational Programme I 2014-2020, 2021-2027 and NextGenerationEU Funds – Recovery and Resilience Facility (RRF) and in respect of which legal action has been instituted and proceedings are pending or under way before the competent Court, are eligible to apply without prejudice to the assessment and evaluation of their application. However, in the event that the proposed project is selected the Grant Agreement will only be entered into if within 6 months from the date of the notification by the Measures and Support Division to the Undertaking that the Project has been selected such obligations are no longer due either pursuant to a Court Decision or the effective payment of dues.
- iii. The applicant enterprise is in compliance with applicable EU and national legislation and administrative requirements, including fulfilment of fiscal obligations, social security contributions.
- iv. Start of works on actions in relation to the activities for which assistance is being requested may only be initiated after the date of the granting of the aid.
- v. Applicants must submit evidence as to the capability for private match financing the project.
- vi. The beneficiary will provide a financial contribution of at least 25% of the eligible costs, either through its own resources or by external financing in a form which is free from any public support.
- vii. Applicants must submit applications for Investments located exclusively in either Malta or Gozo.
- viii. The investment must be maintained in the recipient areas by the Undertaking and remain operational for a period of three years in the case of an SME, or, five years in case of a large enterprise, following the completion of the operation. This shall not prevent the replacement of plant or equipment that has become outdated or broken within this period, provided that the economic activity is retained in the area concerned for the relevant minimum period.
- ix. Intangible assets are eligible for the calculation of investment costs if they fulfil the following conditions:
 - a. they must be used exclusively in the establishment receiving the aid;
 - b. they must be amortisable;
 - c. they must be purchased under market conditions from third parties unrelated to the buyer; and
 - d. they must be included in the assets of the Undertaking receiving the aid and must remain associated with the project for which the aid is granted for at least three years following the completion of the investment project.
- x. All assets including 'Intangible assets' must be included in the Capital Assets Register.
- xi. All supplies and services may only be procured from external sources.

- xii. Approved projects shall be based and operational in Malta.
- xiii. The Measures and Support Division will not be able to approve reimbursement for costs incurred on actions and/or activities that are not strictly in line with the Grant Agreement.
- xiv. The Undertaking has not been approved or granted any public funding, and will not seek public funding through other National and/or European Union funded initiatives in relation to the activities for which assistance is being requested through this measure. This includes schemes under NextGeneration EU, Cohesion Policy and any other European Union instruments or through any other form of Public Funding including schemes administered through National Funds.
- xv. The Undertaking shall ensure that greening and climate mitigation measures should be mainstreamed within the proposed investment and reuse and recycling should be pursued as much as possible when disposing of redundant/replaced equipment.
- xvi. Appropriate measures are to be taken to reduce noise, dust and pollutant emissions during renovation works.

4. Applications

4.1 Application Process

The Measures and Support Division shall publicise the call/s through various media and will collaborate with stakeholders particularly representatives of the target group and other Government Entities to publicise the Grant Scheme to ensure the widest visibility possible.

4.2 Submission of Applications

Undertakings must submit an online application as outlined in the call for applications.

The application shall include the Undertaking's name and size, a description of the investment, including its start and end dates, the location of the investment, a list of investment costs and the amount of public funding needed for the investment, amongst other requirements.

It is strongly advisable that prior to embarking on the development and submission of the application prospective applicants read these Guidance Notes together with the Notes to Applicants document and the 'Guidelines for Implementation – Renovation of private sector buildings'.

4.3 Documents to be submitted with the Application

The following documents need to be submitted as part of the application.

1. **Declaration** – a scanned copy of the signed Declaration Form.
2. **An Energy Performance Certificate** – An “asset rating” Energy Performance Certificate for the property being assessed including recommendations for improvement of the building, wherein the assessor is to draw up a thorough list of recommendation upon which the improvement is being made. The EPC is issued by an EPB assessor (non-dwellings) recognised by the Building & Construction Authority showing the energy rating of the undertaking's building and its carbon emissions. The certificate must be registered with the Building and Construction Authority.
3. **Statement by a warranted Architect or Engineer** determining the compliance of the building with the BCA Guidance Document 'Technical Document F - Minimum Energy Performance Requirements for buildings in Malta' and detailing the state of repair of the building in question. Statement is to include a precise renovation plan and timetable demonstrating that the aided renovation is at least sufficient to ensure compliance with the minimum energy performance standards.
4. **Statement from a warranted Architect or Engineer** listing the interventions being proposed and the projected reduction in Primary Energy Demand achievable through the proposed interventions. Each intervention included in the application is to be identified as a distinct energy efficiency cost.
5. **Market Testing** – evidence of any market testing conducted including the basic technical specifications in determining the budgets. This shall be provided in a form of BOQ covering all the sub-activities.
6. **Compliance Certificate/s issued by the Commissioner for Revenue (CfR)** – a certificate/s issued not earlier than three months from the date of the application, by the Office of the

Commissioner for Revenue (CfR) covering Income Tax, VAT and Final Settlement and of Social Security Contributions Compliance Certificates confirming that the Applicant has no liabilities or is otherwise honouring an agreement for settling any outstanding amounts.

- 7. Audited Financial Statements and/or the Management Accounts** dated within the two financial years prior to the year of submission of the application in relation to the applicant and the linked and partner enterprises. No documents would need to be submitted if a copy of these documents as outlined hereunder is already deposited with the Malta Business Registry (MBR).

With the respect to the last financial year, the applicant enterprise is to submit a copy of the detailed (not abridged version) of the Audited Financial Statements or the Management Accounts (Profit & Loss Statements/Income Statement and Balance Sheet/Statement of Assets and Liabilities) certified by a Certified Public Accountant (CPA). The abridged version may be submitted with respect to the previous year.

In the case of linked and partner enterprises with an obligation to present Audited Accounts/Annual Accounts at the Registry of Companies in terms of the Companies Act (Chapter 386 of the Laws of Malta), no documentation needs to be presented subject to the condition that the last Audited Accounts/Annual Accounts declared are not earlier than for the two financial years prior to the year of submission of the application.

In the case of linked and partner enterprises without a legal obligation to prepare financial statements, the Management Accounts (Profit & Loss Statements/Income Statement and Balance Sheet/Statement of Assets and Liabilities) certified by a CPA is to be provided.

In the case of a Sole Trader/self-employed, a copy of the Income Tax Return for the last two years together with a Profit & Loss Statement certified by a Certified Public Accountant (CPA) is to be provided.

In the case of a Start-up established not over 2 years from the date of application (*including Sole Trader/self-employed*) not having the above documentation, a Profit & Loss Account/Income Statement, Cash Flow Projections and a Balance Sheet/Statement of Assets and Liabilities certified by a CPA is to be provided.

- 8. Copies of any necessary Permits** such as Planning Permits issued in relation to activities for which support is being requested.
- 9. Evidence of Private Match Financing for the project.**

- 10. Supporting Documentation including** NACE code confirmation¹⁰ and GANTT Chart or Schedule of Works. Any other supporting documentation (*such as preparatory work and correspondence*) that the Applicant deems that would add value to the application.

The Measures and Support Division may request any additional documentation for verification purposes.

4.4 Acknowledgement

Once an application is submitted and confirmed, the system generates a unique reference number for the project and an acknowledgement e-mail together with the application reference number will be sent to the Applicant.

Applications will be assessed and selected as outlined in Section 6 'Assessment and Selection'. The issuance of the acknowledgement letter does not confer any obligation on the Measures and Support Division to issue the Grant towards the financing of the project. Actions may only be initiated further to the signing of the Grant Agreement.

¹⁰ The NACE confirmation shall be in the form of VAT Information Sheet or else communication with the NSO Business Register including the four-digit code in the form of 11.11.

5. Compliance with Community Policy

5.1 General Principles

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

- Payments of costs under the approved Investment
- State Aid requirements
- Do No Significant Harm Principle

5.2 Payments of costs under the approved Investment

Undertakings should note that Grants awarded for actions under the Renovation of private sector buildings Grant Scheme are public funds. Beneficiary Undertakings should ensure that all cost items to be co-funded through the Grant Scheme is carried out in line with the principles of **sound financial management, good governance, transparency, and equality** together with the provisions of the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme' issued by the Measures and Support Division together with these Guidance Notes.

5.3 State Aid requirements

The terms and conditions of this Grant Scheme are set out in line with Commission Regulation (EU) 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application to Article 107 and 108 of the Treaty, as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No 651/2014 as regards aid for port and airport infrastructure, notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures, and regional operating aid schemes for outermost regions and amending Regulation (EU) No 702/2014 as regards the calculation of eligible costs, by Commission Regulation (EU) 2020/972 of 2 July 2020 amending Regulation (EU) No 1407/2013 as regards its prolongation and amending Regulation (EU) No 651/2014 as regards its prolongation and relevant adjustments, and by Commission Regulation (EU) 2021/1237 of 23 July 2021 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and as may be subsequently amended. If an Undertaking receiving aid is found to be in breach of the relevant provisions of this Regulation, action shall be taken to claw back funds (recovery of funds) from the Undertaking in line with the provisions of the pertinent State Aid rules.

The Undertaking shall ensure compliance with the rules on cumulation of aid in line with Article 8 of Commission Regulation (EU) No 651/2014 of 17 June 2014, as amended.

In line with Article 9(1)(c) of the General Block Exemption Regulation, information regarding any individual aid awards that exceed €100,000 are to be made publicly available on the national State Aid website.

It is the responsibility of the Applicant Undertakings to seek advice and to ensure compliance with State Aid rules and requirements.

5.4 Do No Significant Harm Principle

Beneficiary Undertakings are required to ensure that planned investments fulfil and respect the conditions of the 'do no significant harm' (DNSH) principle within the meaning of Article 17 of Regulation (EU) 2020/852.

Assessment of compliance with the DNSH principle for project applications under this scheme is necessary. The assessment follows the methodology set out in the Commission's technical guidance on the application of 'do no significant harm' under the RRF Regulation (2021/C 58/01). It covers the six environmental objectives set out in Article of Regulation (EU) No 2020/852 including: climate change mitigation; climate change adaptation; sustainable use and protection of water and marine resources; circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems.

In this regard, and for the scope undertaken under this scheme, four of the six environmental objectives, being *climate change mitigation; climate change adaptation; the transition to a circular economy including waste prevention and recycling; pollution prevention and control* have been identified that require a substantive assessment.

The scheme requires the economic operators carrying out the construction works to ensure that at least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)) generated on the construction site shall be prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy, Article 11.2 (b) of Directive 2008/98/EC on waste and the EU Construction and Demolition Waste Management Protocol.

Undertakings are to see that project activities shall have no or an insignificant foreseeable impact on the environment. It is to be noted that both the environmental impact of the activity itself and the environmental impact of the products and services provided by that activity throughout their life cycle shall be taken into account, in particular by considering the production, use and end of life of those products and services.

6. Assessment and Selection

The Assessment and Selection of projects shall be undertaken by a Project Selection Committee.

Applications will be assessed against the Gateway (*eligibility*) and Selection Criteria by the Project Selection Committee.

Applications will proceed to be assessed against the Selection Criteria only if the application meets all the requirements of the Gateway (*eligibility*) Criteria.

Applications attaining at least 50% of the total score shall be ranked, and funding approval shall be issued to applicants in accordance with the ranking order and subject to the budget availability.

6.1 Gateway Criteria

The Gateway Criteria are the minimum requirements which must be met in order that any application may be considered for assessment and appraisal for selection for funding support. These will be used at the first stage once an application is submitted. This stage will involve an assessment and a Due Diligence process to establish that these minimum requirements are met, namely:

1. **Complete application form:** an Undertaking must present a fully compiled application form together with all the requested supporting documentation, by the indicated deadline.
2. **Eligible Undertaking:** the Undertaking is an eligible Undertaking in line with these Guidance Notes.
3. **Eligible action:** the action for which the Applicant is asking for support is eligible and at least includes an eligible activity.
4. **Match Financing:** the Applicant has submitted evidence as to its capacity to match finance the project from private sources.

6.2 Selection Criteria

Only applications that meet all the requirements of the Gateway (*eligibility*) Criteria shall proceed for assessment under the Selection Criteria. The Project Selection Committee may at this stage request clarifications from the Applicant. As part of the assessment and appraisal process a score is awarded for each Selection Criteria. Applications scoring at least 50% of the Selection criteria shall be ranked, and funding approval shall be issued to applicants in accordance with the ranking order and subject to budget availability.

The total maximum score under the Selection Criteria is 100. Applications will be assessed and evaluated against the Selection Criteria outlined hereunder.

- Risk Assessment
- Excellence
- Impact and Sustainability
- Quality of the project and efficiency of implementation

Criteria	Definition	Score
Risk Assessment	<p>Ratio of Project value to net assets of Undertaking – 5</p> <p>Applications will be risk assessed in terms of the ratio of the project’s value to the financial resources of the Undertaking.</p>	15
	<p>Qualitative assessment of the Undertaking – 5</p> <p>Applications will be risk assessed in relation to the age of the Undertaking, business experience, track record of the management and controlling shareholders.</p>	
	<p>Duration of the Project – 5</p> <p>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 the absorption of funds.</p>	
	<p>Implementation Risks linked to the duration of the project – max 0 (- 5 lowest)</p> <p>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 it is that the project will experience delays and therefore the lower the score.</p>	
Excellence	<p>Quality of the proposed project concept through its main characteristics– 10</p> <p>The Application 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.</p> <p>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.</p> <p>The Application Form is to evidence that the enterprise has recognised the need to retrofit.</p>	30
	<p>Coherence and Clarity of the Application – 5</p> <p>The evaluation will be assessing the project’s work plan, strategy and quality of the Application. Coherent proposals</p>	

	<p>supported by quantitative data and market research will be rewarded.</p> <p>Action is ambitious and is addressing deep retrofitting through energy efficiency measures -10</p> <p>The evaluation will focus on the novelty of the concepts and new approaches introduced by the project to change its systems or structure after the initial construction and occupation. Work should include improvement of amenities for the building's occupants and leading to an improvement in the energy performance of the building. The investment aims to achieve the highest levels of energy efficiency. The evaluation will also focus on how ambitious the proposed activities are in relation to tangible objectives.</p> <p>Enterprises are to favour practices which are resource efficient. Significant improvements in resource and energy use during the life-cycle – with improved sustainable materials, higher waste recycling, and improved design – will contribute to the development of a resource efficient building stock.</p> <p>Impact in relation to the applicant's future achievement of the reduction in Primary Energy Demand – 5</p> <p>The action will be assessed on the achievement of the reduction in Primary Energy Demand. At Application Stage the applicant needs to submit a statement from a registered Architect/Engineer specifying the actions required and the reduction in Primary Energy Demand achievable through the proposed actions. A minimum reduction in Primary Energy Demand (PED) of at least 30% is required. A higher percentage of reduction in Primary Energy Demand will attain higher marks during evaluation.</p> <p>The actions proposed in the project should outline the steps taken to achieve this target.</p>	
<p>Impact and Sustainability</p>	<p>Potential increase in turnover and cost reductions to the operations of the Applicant– 5</p> <p>An evaluation of the project's impact vis a 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 reduction in the cost to sales ratio.</p>	<p>20</p>

	<p>Impact on improvements in the Undertaking's business model vis-à-vis Corporate Environmental Responsibility - 5</p> <p>The application will be evaluated in relation to the project's impact on the sustainability of the business model. Applicants are to identify any improvements in their business model vis-à-vis the implementation or improvement in their Corporate Environmental Responsibility.</p>	
<p>Quality and efficiency of implementation</p>	<p>Effective integration of the Do No Significant Harm Principle – 10</p> <p>The application will be assessed in relation to the effective integration of the Do No Significant Harm principle. Project applications are to include an assessment on how the project intends to mitigate: 1) <i>Climate change mitigation</i>; 2) <i>climate change adaptation</i>; 3) <i>the transition to a circular economy including waste prevention and recycling</i>; 4) <i>pollution prevention and control to air, water or land</i>.</p>	<p>35</p>
	<p>Management and Control Systems in place including organisation's structure – 5</p> <p>The applicant should ideally provide an organigram or description of the organisation's structure. In the Application 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.</p> <p>Any quality standards adopted by the applicant will also be considered.</p>	
	<p>Cost effectiveness – 5</p> <p>Additional marks are awarded if the percentage reduction in primary Energy Demand is achieved at lower costs than the set threshold per square metre.</p>	
	<p>Level of capacity and allocation of resources towards the project – 5</p> <p>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.</p>	
	<p>Level of Readiness of the Project – 10</p>	

	<p>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.</p>	
	<p>Timeliness of the events of the proposed project – 10</p> <p>Marks will be awarded for projects that present a GANTT chart or Implementation Schedule to indicate the timeliness of events of the proposed project.</p> <p>Assessing the risks that might impact the implementation of the project and the probability of these risks happening. The Application Form has to include details with the necessary measures to minimise the risks. The applicant is to demonstrate the capacity to deliver the project and puts in place a contingency plan to compensate for adverse effects on timetable, expenditure and outputs.</p>	

6.3 Unsuccessful Applications

Unsuccessful applicants will be informed in writing by the Measures and Support Division.

6.4 Appeals

An independent Appeals Board shall be appointed.

Applicants whose application was not selected may submit motivated representations within 10 working days from the date of notification by the Measures and Support Division.

The Appeals Board shall assess the submitted representations, review the respective applications and notify the Applicant of its decision. The decision of the Appeals Board shall be final.

6.5 Acceptance Letter

The Measures and Support Division shall issue a funding acceptance letter to selected applicants, which shall include the amount of funding to be awarded. The funding acceptance letter shall include any conditions as outlined by the Project Selection Committee. It should be noted that a positive decision at this stage is not a guarantee of funding. All the conditions set out in the funding acceptance letter would need to be discharged before the Grant Agreement can be signed.

6.6 Grant Agreement

The Measures and Support Division shall appoint a contact person from within it, to liaise with the Applicant with a view to concluding the Grant Agreement. The Grant Agreement (GA) is the formal agreement between the Measures and Support Division and the Applicant. The GA is the legally binding document and sets out the terms of the grant. The Measures and Support Division will work through the terms and any conditions which must be discharged prior to entering into the GA with the Applicant. When the Measures and Support Division is satisfied that any conditions have been discharged, it will issue the GA and submit two unsigned copies to the Applicant who will sign both copies with the Measures and Support Division keeping one copy and the other kept by the Beneficiary.

7. Monitoring and Reporting

This section outlines in brief the reporting requirements and the reimbursement process, and should be read in conjunction with the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme' issued by the Measures and Support Division together with this document.

7.1 Reporting

A periodical 'Progress Report' is to be submitted in line with the indicated schedule:

Period Covered	Submission Deadline
1 January – 30 June	31 July
1 July – 31 December	31 January

A 'Final Implementation Report' is to be submitted together with the final claim for reimbursement, following the completion of all the assisted activities as outlined in the Grant Agreement.

In section 7.2 'Reimbursement', guidance is provided to the beneficiary when to provide progress reports (*falling outside of the timelines presented in the table above*) in line with the submission of respective claims for reimbursement.

The Measures and Support Division shall carry out on-the-spot checks during and after the project implementation timeframe.

Further information regarding the implementation of the project is available in the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme'.

7.2 Reimbursement

Beneficiaries may present a claim for reimbursement, together with a Final Report, upon completion. The Beneficiary need to submit an Energy Performance Certificate as proof that the project has achieved a reduction in Primary Energy Demand (PED) of at least 30%.

Where construction works are carried out, beneficiaries are to also submit a statement from a warranted architect/engineer, supported by evidence, that at least 70% (by weight) of the non-hazardous construction and demolition waste generated on the construction site was prepared for re-use, recycling and other material recovery.

Amount – 100 % of the public support of the eligible Grant amount approved.

Payment Trigger – Receipt of claim for reimbursement accompanied by a Final Report from the Beneficiary and an Energy Performance Certificate issued by a registered assessor. Verification by the Measures and Support Division that the investment is in place and operational. The Measures and Support Division retains the discretion to request the Beneficiary to present expert reports to substantiate any claim presented, when and as required.

Claims for reimbursement that will be including the expenditure related to the investment should include a statement signed by the **Authorized Representative**, specifying that:

- i. The expenditure to implement the action was actually incurred by the Undertaking and was not reimbursed or may be recoverable through other sources;
- ii. The expenditure satisfies the conditions that are outlined in the Grant Agreement;
- iii. The output (investment) is in place and set in operation within the duration of the project period being the timelines outlined in the Grant Agreement;
- iv. The Beneficiary has ensured that any rules governing accumulation of aid have been respected.

The claim/s for reimbursement shall include an updated Compliance Certificate/s issued by the Commissioner for Revenue (CfR) covering Income Tax, VAT and Final Settlement and of Social Security Contributions Compliance Certificates issued not earlier than one month from the date when respective claim for reimbursement is presented to the Measures and Support Division.

A Financial Identification Form¹¹ is to be submitted with the first claim submitted. In those cases where the beneficiary requires to amend the details as presented to the Measures and Support Division in this Form, then an updated Financial Identification Form is to be submitted to ensure correct reimbursement.

Each claim for reimbursement will only be processed once the Measures and Support Division is satisfied that the proposed investment has been carried out and is operational and/or the outcome of the investment has been reached, in line with the GA and pertinent regulations, rules and guidelines, following rigorous monitoring and checks.

It is the beneficiary's responsibility to ensure that reimbursement requests, including all the required supporting documentation, are submitted to the Measures and Support Division by not later than 30 September 2025, or on a later date as identified by the Measures and Support Division.

7.3 Retention of Documentation

The Beneficiary has the obligation to retain all related documents for control and audit purposes, for 10 years following the completion of the project. The Beneficiary must also co-operate with the Measures and Support Division and other monitoring and audit bodies entrusted with such functions with respect to the granting of aid under this scheme, for the duration of 10 years in light of audits and other controls.

Further information related to the retention of documentation is available in the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme'.

¹¹ For more details refer to the 'Guidelines for Implementation – Digitalisation' issued by the Measures and Support Division.

8. Publicity

Beneficiary Undertakings are responsible for ensuring proper visibility of interventions assisted through this Grant Scheme, part-financed by the European Union through the NextGenerationEU Funds.

All communication and publicity measures must acknowledge support from the European Union and the respective Fund in line with Article 34 of Chapter VIII of Regulation (EU) No. 2021/241 of 12 February 2021.

Visibility measures should be proportionate and reflect the scale of assistance and the nature of the project.

Beneficiaries are to seek the guidance of the Measures and Support Division prior to embarking on publicity and visibility actions. Failure to fully comply with the visibility and publicity requirements will result in financial corrections and loss of funds. The beneficiary is responsible to keep evidence of compliance in line with the 'Guidelines for Implementation - Renovation of private sector buildings Grant Scheme'.

9. Data Protection

Data and information collected and held by the Measures and Support Division in relation to the financed action will be transferred to the Planning and Priorities Coordination Division and may also be transferred to official third parties in order to fulfil the Measures and Support Division's functions, in line with Community obligations according to law and in line with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and any amendments thereof.

Information and any data provided by the potential beneficiaries and beneficiary will be used for the sole purpose for which they are intended, that is, (i) verification procedures; and (ii) evaluation and monitoring purposes in line with Regulation (EU) 2021/241. The data will not be used for any other means or for any other purpose that is incompatible with that for which the data is being collected.

In applying for assistance under this scheme, applicants will be giving authorisation to the Measures and Support Division to make enquiries and to carry out the necessary checks with the competent Authorities and Organisations to verify any information submitted in relation to the application.

Beneficiary Undertakings should ensure that they disclose factual and accurate data to the Measures and Support Division. The Beneficiary Undertaking has the right to access all the data relating to the grant issued in its name and may request the rectification of any incorrect data.

10. Contact Details

For more information regarding the Renovation of Private Sector Buildings Grant Scheme, kindly contact the Measures and Support Division.

Address: Measures and Support Division

The Oaks Business Centre

Farsons Road

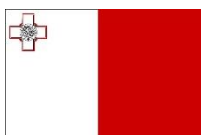
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