



GOVERNMENT
OF MALTA



GUIDANCE NOTES
Expression of Interest
L.E.A.D.E.R. Local Development Strategy
Intervention: 77.3

COMMON AGRICULTURE POLICY
STRATEGIC PLAN (MALTA) 2023 - 2027

Version 1.0

15/05/2023

MANAGING AUTHORITY (EAFRD)

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Co-funded by
the European Union

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1. The L.E.A.D.E.R. Approach

The LEADER approach ensures an effective and efficient approach by being designed and eventually implemented by local actors. LEADER is administered at the level of regions, and each region is to have a Local Action Group (LAG) composed of representatives **of public and private local socioeconomic interests**. Non-Public stakeholders shall form the majority, in terms of representation at the decision-making level thus ensuring that no single interest group controls the decision-making within the LAG.

Each LAG, through an extensive consultation process within its region, shall aim to address the region's needs and opportunities by providing a wide range of people and organisations (active within a specific region) the possibility to explore and indicate specific needs and opportunities as required within the region. This process will then be adequately evaluated in order to formulate a **strategy that is area based** and that is mutually beneficial for the interest of the local rural communities. This model provides the territory with the opportunity to turn its challenges into opportunities through a **bottom-up approach** during both the design and implementation stages.

Furthermore through LEADER the LAGs will be provided with the opportunity to participate within a **cooperation** project which may be inter-territorial or trans-national which can help LAGs and its communities boost their knowledge, experience and add more value within the territory's resources.

1.1 L.E.A.D.E.R. in Malta's Common Agriculture Policy Strategic Plan

Malta is divided into three regions, each to be covered by one single LAG. These LAG's are foundations in line with Maltese legislation, with such approach being enshrined in the foundations' statute.

2. Intervention 77.3 - Preparatory Support for the Design and Development of a Local Development Strategy (LDS) - Scope

This Expression of Interest (EOI) is for potential LAGs to formally register their interest in seeking support to, at a later stage, develop a Local Development Strategy (LDS) for their respective territories. EOIs that successfully meet the criteria established in these guidelines will lead to a formal approval by the Managing Authority (MA) for the applicant to proceed with work related to the development of the said LDS.

Successful applicants under this EOI will receive funding for preparatory support for the design and development of a LDS for their respective territory following an extensive consultation process within the LAG region/territory. Hence this EOI is the first step towards the development of a LDS but is not the call that directly supports financing of the LDS development.

Regions shall refer to the same (total of three in Malta and Gozo) geographical territories/areas as established in the RDP 2014 - 2020. The list of rural localities for the scope of the LEADER is found attached to these guidelines (Annex 1).

During the development of the LDS i.e. after a successful EOI, the consultation process will serve as a means for the potential LAG to actively engage with a wide range of people and organisations operating in one form or another within the respective territory to explore the development needs and opportunities, and act as a mechanism for active engagement with the local population.

Local stakeholders and representatives from a range of different organisations and interests will need to work together to develop strategies that will be mutually beneficial for their interests and those of the local communities.

3. Legal Basis

- Regulation (EU) No. 2021/1060 of the European Parliament and of the Council (Common Provision Regulation (CPR));
- Regulation (EU) No. 2021/2115 of the European Parliament and of the Council;
- The CAP SP (Malta) 2023 – 2027;
- Regulation (EU) No. 2022/1475 of the European Parliament and of the Council;
- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013¹;
- Please note that this is not an exhaustive list

4. Authorities

The Funds and Programmes Division (FPD) within the Ministry for Economy, European Funds and Lands (MEFL) is the Managing Authority (MA) responsible for managing the interventions of the European Agricultural Fund for Rural Development Fund (EAFRD) in accordance with the CAP SP for Malta for the 2023 - 2027 programming period.

The Paying Agency (PA) is the Agriculture and Rural Payments Agency (ARPA) within the Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA). The PA is responsible for verification of payment claims prior to issuing of respective payments.

¹ Legal reference is being made in view of the possibility that preparatory support for the development of the LDS may be financed through RDP 14-20.

5. Eligible Beneficiaries and their Role

Eligible beneficiaries are legally established foundations² that are built on public-private partnerships representing the territory in reference. These potential LAGs are normally non-profit organisations and their respective statutes should define elements such as the size and composition of the Board, as well as the General Assembly procedures. LAGs shall ensure that no single interest group controls selection decisions, in line with Article 33, paragraph (b) of Regulation (EU) 2021/1060. In this regard, this partnership aims to include the participation of young people and women³ in the decision making process of the LAG, including stages of LDS development and its implementation.

A non-exhaustive example of public-private partnerships is the aggregation made up of Local councils (Public), NGOs, Trade Associations, Enterprises and other private actors representing rural areas as defined in the CAP SP. Non-profit entities will normally be represented in only one LAG territory in which they are actively involved. In cases where it can be clearly demonstrated that such non-profit entities are actively involved (previously, not envisaged involvement) in more than one LAG, then such entities can have separate representation under more than one LAG.

5.1 Partnership principle and the quality of partnership

As previously outlined, the partnership principle shall be put in practice with no single interest group to control the decision-making. The CLLD is to be led by Local action groups composed of representative of public and private local socio-economic interest.

Partnership means a true involvement of public, private, and NGOs, including young people, women, marginalised groups etc. in the decision making at all stages of local development design and implementation of the Local Development Strategy.

Furthermore, LAGs must ensure that each EOI Application and (at a subsequent stage) the LDS submitted clearly demonstrate that the LAG has the support of the local communities **through declarations of at least 40% of the Local Councils within their region**. This means that in order to be considered for support, the submitted EOI Application and Local Development Strategy must demonstrate the support of at least 40% of the rural localities in the region. If the LDS is adopted, all of the rural localities within the region will be included in the scope of the LDS, regardless of whether the locality would have supported the original LAG EOI and/or LDS or otherwise. It is also being clarified that a local council can support multiple foundations submitting an EOI and an LDS.

² It is being clarified that a foundation has to be formally registered at the point of submitting the EOI. Submissions by non-registered foundations will not be considered.

³ The data on young people (defined as persons under the age of 41) and women will be collated both at membership and DC level. Young people and women referred to here may be representing any regional interest group.

Article 33 of the EU Common Provision Regulation (CPR) 2021/1060 outlines the role of the Local Action Groups (LAGs). In accordance with these provisions the LAGs will be exclusively responsible for carrying out the following tasks. Note that the MA and ARPA may assign additional tasks to the said LAGs:

- (a) Building the capacity of local actors to develop and implement operations;
- (b) Drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;
- (c) Preparing and publishing calls for proposals;
- (d) Selecting operations and fixing the amount of support and presenting the proposal to the body responsible for final verification of eligibility before approval;
- (e) Monitoring progress towards the achievement of objectives of the strategy;
- (f) Evaluating the implementation of the strategy.

LAGs shall also be bound to follow any guidance issued by the MA and ARPA, whether such guidance is provided prior to the signing of the grant agreement but also any guidance, timelines and other operational requirements, as may be notified from time to time during the implementation of the strategy. Furthermore the MA may seek feedback on progress update during the development of the LDS.

LAGs are to envisage a concrete cooperation project which is to be included as part of the LDS. Project may be an inter-territorial or a trans-national cooperation project. In the case of inter-territorial cooperation the LAGs in Malta can propose a joint project of a national dimension. Projects proposed under any type of cooperation must complement contribute to the CAP SP objectives as expressed in the Malta needs. The ability to deliver clear tangible results must be demonstrated in order to be eligible for support.

Further information on the eligibility of applicants is outlined under Section 6 of this document.

6. Potential LAGs Eligibility Requirements

- The potential LAG must demonstrate that it is built on local public-private partnership, reflect the bottom-up approach adopted in decision making, and have an integrated multi sectoral approach;
- The LAG shall come together in a legally constituted common structure as per Reg. 2021/1060 Art. 33(2);
- The private component of the Decision Body, which embodies representatives from the economic and social partners, and civil society, must make up at least 51% of the decision body;
- The Local Councils involved in the group must pertain exclusively to the rural territory covered by the potential LAG. The potential LAG is to demonstrate that they are supported by

at least 40% of the rural localities in the region through exclusive declarations (at both EOI and LDS stage);

- At the stage of LDS selection, only one LAG for each of the three (3) territories will be selected;
- Non-profit entities will normally be represented in only one LAG territory in which they are actively involved. In cases where it can be clearly demonstrated that such non-profit entities are actively involved in more than one LAG then such entities can have separate representation under more than one LAG;
- Supported operations shall be in line with the priorities of the EAFRD regulation and contribute to the objectives of the LDS.
- LAGs shall be responsible from the implementation of the LDS as approved including but not limited to the principles of selection criteria, the eligibility criteria and respective cappings.

At the stage of LDS selection, only one LAG per each of the three (3) territories will be selected.

7. LDS Eligibility Requirements

Each LDS is to set out the following elements:

- a) The geographical area and population covered by that strategy⁴;
- b) The community involvement process in the development of that strategy;
- c) An analysis of the development needs and potential of the area;
- d) The objectives of that strategy, including measurable targets for results, and related planned actions;
- e) The management, monitoring and evaluation arrangements, demonstrating the capacity of the local action group to implement that strategy;
- f) A financial plan, including the planned allocation from the EAFRD
- g) Type of interventions and operations to be financed by the EAFRD

It is to be clearly noted that the proposed LDS is to continue building on what has already been achieved to date, with special attention towards the new emerging needs of the region.

Furthermore the interventions and operations are to be in line with the below criteria:

Implementation of operations under the LDS

- Supported operations shall complement the General and Specific Objective set out in the CAP SP Regulation, with particular focus towards Specific Objective 8 'Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry', and contribute to the objectives of the LDS.
- Types of operations, the main scope of which is targeted through interventions and operations under the CAP SP, with the exclusion of the LEADER sub-intervention, cannot be

⁴ In line with territories and localities in Annex 1

supported under LEADER LDS. Moreover the actions proposed will not be eligible if these are already targeted primarily under any of the ESIF funds or other National schemes. The maximum rate of support for LDS operations shall be no more than € 200,000 per operation.

Implementation of cooperation activities by the LAG, in line with Reg 2021/1060 Art 34 Para (1(c)):

- LAGs have to envisage implementation of a concrete project;
- The scope and objectives of networking/cooperation must be established in the LDS and ensure that it is relevant and addresses the development of the area covered by the LAG;
- In case of cooperation with non-EU MSs the private–public partnership must be similar in form and function to a LAG and operate in a rural area;
- LAGs have to indicate on whether they will be coordinating the respective project or participating as partners;
- Co-operation projects can take place within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-operation).

8. Budget

The budget that will be allocated to the foundations submitting an EOI that is approved by the MA to carry out work on the development of a LDS is up to € 50,000. This encompasses **all** expenditure and effort that the foundation will need to commit in order to submit a LDS in line with the Guidelines issued by the MA ‘How to design and develop a Local Development Strategy’. **The expenditure will be paid to the foundation if and once the MA approves and considers that the LDS as submitted adequately addresses the conditions set out in the Guidelines ‘How to design and develop a Local Development Strategy’, CAP SP, and the applicable legislation. Incomplete submissions will not be considered for reimbursement, neither in part nor in full.**

The budget available under the LEADER Programme for the selected LDS’s (all LDS) is approximately € 5.2M which will initially be split equally between the three selected LAGs⁵⁶. This budget includes

- Support for running costs and animation
- Cooperation activities
- Implementation of operations under the LDS

This budget encompasses all expenditure related to the running of the LAG and implementation of the LDS, including LAG’s participation in meetings and other fora, including overseas participation.

⁵ During LDS implementation, the MA retains the right to shift budgets across LDS’s in different regions at its sole discretion, including but not limited to cases of low progress and/or commitment or disbursement levels at the level of the LAG.

⁶ The MA may initially commit to the LAG a portion of the allocation towards the region, with the remaining portions of the allocation being committed subject to LDS achievements during implementation.

N.B. Beneficiaries applying under this EOI and eventually selected to design a LDS will be reimbursed after the Project Selection Committee has completed its review. This applies to both selected and non selected LDSs.

N.B. LAGs and their respective beneficiaries may be reimbursed through simplified cost options.

9. Aid Intensity

The following support rates shall apply for eligible expenditure under the various actions under LEADER:

EOI

- Preparation of Local Development Strategies – 100%

Selected LDS

- Support for running costs and animation – 100%
- Cooperation activities – 80%
- Implementation of operations under the LDS – 80%

VAT: For the purposes of VAT, if foundations are VAT exempt and hence cannot recover VAT these will be deemed eligible to be reimbursed on VAT elements of expenses incurred for interventions in which the LAGs are direct beneficiaries, unless the status of the LAG changes.

10. Eligible Expenditure/Actions

The budget allocated for preparatory support as outlined in section 8 will cover the below costs in order to develop a LDS:

1. All cost, including costs related to Project Management, in order to develop the Local Development Strategy
2. The Cost of design of Local Development Strategy **by an external Consultancy Firm, independent from the Foundation.**

Applicants are to download and follow the ARPA Investment Measures Payment Guidelines available in English and Maltese language on the following webpage:

<https://agriculture.gov.mt/en/arpa/Pages/guidelines.aspx>

All LDSs submitted will be subject to a review and a selection procedure. All LDSs that are deemed to satisfy the criteria established in the annexed document 'How to design and develop a Local Development Strategy' will be eligible for financing **regardless of their selection for the subsequent phase of LDS implementation.**

DISCLAIMER: Potential LAGs that express an interest within the stipulated deadline, and which fulfil all eligibility requirements, will be considered for preparatory support. Each potential LAG selected under this expression of interest, will be required to submit a final draft LDS to the Managing Authority by the 1st of October 2023. LDSs submitted after this date will neither be considered for the reimbursement of preparatory support nor for selection.

Financing of preparatory support will be conditional upon the successful submission of a developed LDS, and adequately addresses the conditions set out in the Guidelines 'How to design and develop a Local Development Strategy', Expression of Interest Guidelines, CAP SP and the applicable legislation. In case where the Managing Authority considers otherwise, any expenditure incurred will not be supported/financed/reimbursed to the potential LAG in question.

A maximum of one LDS per territory will be selected, after LDS's are submitted for selection.

Eligibility of expenditure: expenditure claimed by potential LAGs under this EOI becomes eligible from the date of the letter of confirmation of eligibility of the applicant (sent by the Managing Authority) until the date of notification of award or rejection by the Managing Authority, unless otherwise notified by the MA.

Support under this EOI shall be eligible regardless of whether the LDS is subsequently selected for funding.

Foundations that are selected to act as LAG for the 23-27 period and which are reimbursed for the costs related to the development of the LDS (up to €50,000), will be subject to a full recovery of the amounts paid (if paid by that point) if these do not sign the grant agreement within a time period notified by the MA in the grant award letter. Moreover, the foundation will not be considered further for LAG under the 23-27 period.

11. Specific Objectives

The LAG is to ensure that the LDS demonstrates that it can contribute to achieving the specific objective set out in Article 6 of EU Regulation 2021/2115:

Specific Objective 8: Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry.

LEADER targets the local development of rural areas in line with Specific Objective 8 and contributes to enhancing social capital through the implementation of operations under local development strategies together with cooperation activities. LEADER aims at reinforcing territorial coherence and provides potential to meet local needs through an integrated, multi-sectoral, and bottom-up

approach and will support the local development in rural areas. This intervention may support LAGs through the implementation costs involved in relation to CLLD, cooperation activities and support for running costs and animation.

The LDS is to contribute to the following:

- strengthening the local identity and the local profile;
- improving the quality of life and the attractiveness of the local area;
- creation and safeguarding of jobs in rural areas;
- improvement of equal opportunities for youth, women, elderly people, disabled persons and members of minorities;
- increasing the local added value and competitiveness of the area;
- contribute to the preservation of resources and environmental protection;
- establishment of an integrated approach to rural development.

12. Application Process

This Expression of Interest will open on Monday 15th May 2023 and will remain open until noon of Thursday 15th June 2023. Only applications sent via email to rds submissions.mefl@gov.mt and within the close of deadline will be considered. In view that multiple foundations may submit an EOI to develop a strategy within their respective region, the MA retains the right to grant approval of the EOI before the closure of the deadline. Hence, prospective foundations are encouraged not to await until the deadline of this period to submit their EOI. This shall have no bearing on the deadline of the submission of the LDS.

Interested potential LAGs are requested to fill in the relevant accompanying application form, which will capture the entry information required for support under LEADER (the MA may in due course require additional information). If applicants are deemed eligible for preparatory support under LEADER, they will be notified via written confirmation issued by the Managing Authority.

Upon confirmation LAGs are to submit the complete draft LDS by **1st October 2023**.

13. Data Protection Provisions

Whilst abiding to the provisions set in the Data Protection Act and the General Data Protection Regulation regarding the handling of personal data, the Managing Authority and/or Paying Agency will retain the right to disclose or exchange information about any application and agreement to or with other organisations or consultants which the Managing Authority and/or Paying Agency considers appropriate for administration, evaluation and monitoring purposes. The LAG is to ensure that such obligations are eventually conveyed to the I77.3 beneficiaries.

14. Transparency

Because projects implemented under LEADER involve expenditure of public money, there is public interest in how the money is spent. In line with the provisions of Regulation (EU) No 2021/2116, the Managing Authority will publish at least annually, electronically or otherwise, the list of beneficiaries receiving support from the CAP SP 2023-2027, the names of the operations, and the amounts of public contributions allocated to these operations

15. Monitoring and Evaluation

From time to time, the Managing Authority may conduct economic, environmental or other monitoring/evaluation of the intervention which may involve your participation in a postal survey or personal interviews. Managing Authority officials or consultants/evaluators engaged with the Managing Authority may contact beneficiaries as necessary. In applying for support under this intervention the beneficiary is deemed automatically as agreeing to cooperate with or take part in such studies, which are important for reviewing the effectiveness of the intervention. The LAG is to ensure that such obligations are eventually conveyed to the 177.3 beneficiaries.

16. Selection

Under this EOI no selection of applicants/applicants will be carried out, and subsequently no selection criteria are established (subject to details as submitted in application demonstrating adequate LAG potential).

The submitted LDS will then be subject to a selection process. Draft Selection Criteria can be found in Annex 2⁷.

17. Implementation of LDS

Upon selection of LDS and contracting, the LAGs are to initiate with the implementation of the respective interventions. All interventions are to be gradually launched within six months from the MA – LAG contract date with the first interventions launched at earlier junctions. The MA will be communicating commitment as well as disbursement level targets to successful LAG's⁸.

⁷ The Selection Criteria are still subject to approval. The approved Selection Criteria will be made public available as soon as they are approved.

⁸ During LDS implementation, the MA retains the right to shift budgets across LDS's in different regions at its sole discretion, including but not limited to cases of low progress and/or commitment or disbursement levels at the level of the LAG.

Furthermore LAGs shall maintain a website with information clearly accessible to the general public, and include all information related to the LDS, including information linked to beneficiaries, supported operations, schedule of calls, success stories, ongoing activities, etc.

LAGs are to also ensure that they remain accessible to the general public and region they are covering. Hence, the MA may stipulate, in the national guidelines, requirements that may include, inter alia, ensuring an operation that is accessible during normal office hours.

Annex 1 – Territories and Localities

Majjistral			
Attard	Dingli	Iklin	Lija
Għargħur	Mellieħa	Mgarr	Mosta
Mtarfa	Mdina	Naxxar	Rabat (Malta)
Sigġiewi	Swieqi	San Pawl il-Baħar	Żebbuġ (Malta)

Xlokk			
Birżebbuġa	Għaxaq	Gudja	Kalkara
Kirkop	Luqa	Marsascalea	Marsaxlokk
Mqabba	Qormi	Qrendi	Safi
Santa Luċija	Xagħra	Żabbar	Żejtun
Żurrieq			

Għawdex			
Fontana	Għajnsielem	Għarb	Għasri
Kerċem	Munxar	Nadur	Qala
Rabat (Gozo)	San Lawrenz	Sannat	Xewkija
Xgħajra	Żebbuġ (Gozo)		

Annex 2 – Draft Selection Criteria⁹

Selection criteria		
Criterion	Marks (max)	Sub-criteria
1. Degree of engagement with local stakeholders	10	Points awarded according to the extent to which the potential LAG has engaged and consulted with the local stakeholders in its territory during the formulation of the proposed LDS.
	10	Points awarded according to the targeted involvement of local community actors in the implementation of the proposed interventions in the LDS.
2. Identification and development of local priorities	60	<p>Points awarded according to the extent to which local priorities have been developed in the submitted local development strategy (LDS), and the evidence presented as a basis for the formulation of the LDS.</p> <p>Up to 10 marks for each theme covered but with a total maximum of 60 points combined</p> <ul style="list-style-type: none"> • strengthening the local identity and the local profile; • improving the quality of life and the attractiveness of the local area; • creation and safeguarding of jobs in rural areas; • improvement of equal opportunities for youth, women, elderly people, disabled persons and members of minorities; • increasing the local added value and competitiveness of the area; • contribute to the preservation of resources and environmental protection; • establishment of an integrated approach to rural development.
3. Action planning to begin implementation	10	Points awarded according to whether the LDS demonstrates realistic action planning with respect to its implementation.
	10	Points awarded according to the capacity of the proposed LAG to implement the LDS, in terms of organisational set-up, relevant experience, and skills.

⁹ The Selection Criteria are still subject to approval. The approved Selection Criteria will be made public available as soon as they are approved.

Total Score:	100	<i>Proposals with the highest total score are prioritised.</i>
Pass mark:	50%	