



GOVERNMENT
OF MALTA



FONDI.eu

GUIDANCE NOTES

Off-Farm Investments Infrastructure Intervention 73.3 (Rural Roads)

COMMON AGRICULTURAL POLICY – STRATEGIC PLAN
(MALTA) 2023-2027

22/12/2023

Version 1.1

MANAGING AUTHORITY (EAFRD)

The Oaks Business Centre, Block B, Triq Farsons,
Hamrun HMR 1321, Malta
Telephone: (+)356 2555 2634
Email: rdsimmissions.mefl@gov.mt



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

Disclaimer

The Managing Authority reserves the right, in particular on the basis of approval or direction by the European Commission, to amend from time-to-time certain provisions established by this guidance document.

In case of any conflicts between these guidelines and the text of the Common Agricultural Policy Strategic Plan (CAP SP) 2023 - 2027 and other legislative text, the interpretation given by the CAP SP and relevant legislation will be given priority.

The English version will be the legally binding text.

The Managing Authority also reserves the right to request additional information not included in this Guidance Document, in order to proceed with checks and evaluation of the application throughout the process.

HISTORY OF CHANGES		
Version	Publication Date	Change
1.0	15.12.2023	Publication of call 1 under CAP SP
1.1	22.12.2023	Section 2.4 Eligible expenditure

Notices

Prospective applicants are to submit **their application online** using the following link <https://iacs.gov.mt.abacogroup.eu/customerportal/login>

FIRST TIME APPLICANTS

First time applicants are required to register with ARPA Front Office in order to create an account and have access to the online system. Contact details as follows:

Malta Front Office – Telephone: 22 92 61 48
 Front Office
 Agriculture and Rural Payments Agency (ARPA)
 Pitkali Markets
 TA' QALI L/O ATTARD
 Malta

Front Office Opening Hours (Malta):
 1st October – 15th June: Monday – Friday 07:30 – 15:00
 16th June – 30th September: Monday – Friday 07:30 – 12:30

Gozo Front Office – Telephone: 22 15 69 79
 Gozo Office
 Government Experimental Farm,
 Mgarr Road,
 XEWKIJA
 Gozo

Gozo Office Opening Hours:
 Monday – Friday: 07:00 – 12:30

APPLICANTS BEING ASSISTED BY A THIRD PARTY

It is possible for a 3rd party to assist an applicant with their application. Applicants who make use of such assistance are required to complete a form authorising third parties to access and manage their application. Such form needs to be signed by both parties (applicant and 3rd party or consultant) and may be downloaded from www.fondi.eu

DEADLINES AND ACKNOWLEDGEMENTS

It is the responsibility of the applicant to ensure that the application is submitted prior to the set deadline.

Upon submission of an application through the online portal an automated acknowledgement email will be sent to applicants via the online system.

Upon receipt of applications, the Managing Authority will not be in position to validate with applicants whether their submission satisfies the admissibility check to be considered for evaluation. It is the applicant's sole responsibility to ensure the application has been submitted in its entirety. The MA remains available to confirm with applicants that an application has been received if contacted via email on communications.eufunds@gov.mt or **(+356 2555 2555)** during office hours.

The online system is not responsible for the administrative compliance of the application form. The acknowledgement email does not imply that the applicant has submitted all the necessary documentation. The Managing Authority (MA) may request clarifications following the issuance of the acknowledgement letter.

THE SUBMISSION OF DOCUMENTATION

Applications in hard copy, whether submitted by mail, by hand or any other means, will not be accepted and in this case, the application will not be deemed admissible and hence will not be considered during the evaluation process. Pen-drives and CDs etc are not required and will not be accepted. This applies to submissions at both the Front Offices in Malta and Gozo as well as the Managing Authority Offices in Hamrun.

All documentation will be submitted through the online application portal together with the application, including but not limited to, quotations, bills of quantities, qualifications, tax, etc. It is specifically stated that the name of the applicant and not of any other individual/company. This also applies in terms of partnerships, where all the documents must be in the partnership's name.

DISCLAIMER

This notification supersedes any previous guidance notes, website notifications or other media notification issued on this Intervention prior to the launch of this call. Other notifications can be issued on such platforms following the issue of this call.

Further details on the application process may be published in due course on the websites of the Managing Authority <https://fondi.eu/>. For more information, the Managing Authority can be contacted by email at communications.eufunds@gov.mt or **(+356 2555 2555)** during office hours.

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Definitions

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

CAP: Common Agricultural Policy is a commitment that the EU is promoting amongst its Member States to ensure a stable supply of food, safeguards farmers' income and protects the environment, while keeping rural areas vibrant.

CSP: Common Agricultural Policy – Strategic Plan is a plan drawn up by each Member State to contribute towards reaching the aims of the Common Agricultural Policy. CAP Strategic Plans encourage the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, while ensuring long-term food security.

CAP-SP Regulation: REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 and REGULATION and regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013

CPR: (where applicable) Common Provision Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

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

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

CRRB: Change Request Review Board

EAFRD: European Agricultural Fund for Rural Development.

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

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

Grant Award Letter: A letter sent by the MA to the selected applicants upon the completion of the selection process as to inform applicants of its outcome. The award letter can include certain conditions and actions expected on the part of the applicant.

Intervention: *There are two types of interventions - those related to land (e.g. practices on agricultural land) or through investments (e.g. investing in the infrastructure of a farm, or buying equipment for the processing of agricultural products).*

Managing Authority: A national or regional body designated by a Member State to manage and implement the CAP Strategic Plan.

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

Natura 2000: A network of sites selected to ensure the long-term survival of Europe's most valuable and threatened species and habitats.

Project Leader: Is a person who is authorised by the applicant to ensure a project is carried through and in line with commitments. The Project Leader can be contacted directly for matters relative to an on-going project and is expected to have responsibility for the execution of a project. The Ultimate responsibility rests with the beneficiary.

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

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

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

1.0 Introduction

These Guidance Notes are intended to assist Applicants understand the requirements for requesting and receiving funding support under **Off-farm Investments Infrastructure (Rural Roads for Competitiveness)**

Applicants are advised to familiarise themselves with these Guidance Notes prior to completing an Application. The Guidance Notes, Application Form and all Annexes and other documentation are available at www.fondi.eu during the application period.

Applicants are reminded to ensure that they refer to the latest guidance notes available on the website, and that they have filled in the latest available version of the application form that is available for download from the website. **Only the version available at the time of opening of batch will be considered for evaluation.** The relevant version of the guidance notes will be made online available together with a specific call. The guidance notes may change from time to time, applicants are to ensure that reference is made to guidance notes accompanying any specific call in order to ensure that the application is considered compliant.

1.1 Authorities

The Funds and Programmes Division (FPD) within the Parliamentary Secretariat for European Funds (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 Common Agricultural Policy – Strategic Plan 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).

Other national authorities may be involved and referred to in the assessment of an application, or during project implementation.

1.2 Scope & Objectives

The aim of Intervention 73.3 **Off-farm Investments Infrastructure (Rural Roads for Competitiveness)** is to improve accessibility to farmland through the upgrade and modernisation of rural roads in rural areas especially to farmland, to help prevent land abandonment and encourage farmers to make the best use of all their land parcels through better access as well as improved access to machinery that can improve the efficiency of primary production improve farmers competitiveness.

1.3 Regulatory Framework

The following is the relevant, but not exhaustive, legal basis for RD Off-Farm INFRARD:

- a. Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural

- Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013;
- b. Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013;
 - c. Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy;
 - d. Commission Implementing Regulation (EU) 2022/1475 of 6 September 2022 laying down detailed rules for implementation of Regulation (EU) 2021/2115 of the European Parliament and of the Council as regards the evaluation of the CAP Strategic Plans and the provision of information for monitoring and evaluation;
 - e. Environment Protection Act, Chapter 549 of the Laws of Malta.

Other documentation for reference:

- f. Common Agricultural Policy Strategic Plan for Malta 2023-2027.

The above list is not exhaustive and may be amended. It is up to the applicant to ensure that all national and EU rules are being followed at all times.

1.4 Contribution towards the CAP-SP Objectives

The most relevant Specific Objectives to which RD Off-Farm INFRARd contributes are:

SO2: Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation.

SO8: To 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.

Needs addressed by the intervention:

Code	Description
2.4	Identify and support the investment needs of the sector to increase its market competitiveness

Result Indicators addressed by the intervention:

R.41 Share of rural population benefitting from improved access to services and infrastructure through CAP support

1.5 Complimentary and demarcation with other interventions

This intervention complements actions in arterial roads under Cohesion Funds 2021 – 2027 with a view to holistically foster climate resilient roads.

1.6 Duration

This Batch shall close on 29th March 2024, at noon (12:00hrs Central European Time) subject to availability of funds and/or notifications by the MA informing otherwise. The total maximum duration of the project should be up to 24 months.

1.7 Budget

The indicative budget available for this intervention is € 5.7 million in total (public expenditure). The MA reserves the right to amend the budget allocated.

1.8 Maximum Grant Value & Aid Intensity

No particular limit is being applied to the maximum grant value that may be requested by the applicant. The MA reserves the right to reject an application, including but not limited to cases where funds are not available under the respective intervention. In such instances the MA may consider the creation of a Reserve list of project proposals. This intervention will finance up to 100% of the eligible costs.

Value added tax (VAT) is not eligible for aid if it is recoverable. Any VAT over EUR 5 million is not eligible, even if it is not recoverable.

2.0 Standard Eligibility Conditions

2.1 Eligibility

Construction or improvement of farm access roads, footbridges, protection, consolidation works and road markings (limited to paints).

2.2 Ineligible Actions

Any actions that are not in conformity to applicable environment, planning and agricultural legislation and/or policy and not in line with the scope of off-farm investment infrastructure as outlined in Malta's CAP SP.

2.3 Eligible Applicants

- National Public Authorities responsible for road works.
- Local Councils of rural localities.

2.4 Eligible Expenditure

Expenditure is considered to be eligible expenditure and therefore eligible for reimbursement **only** if it has been incurred **after Thursday 21/12/2023**, in line with the CAP SP 2023-2027 and the pertinent Eligibility Rules:

The following type of expenditure is considered eligible for the purpose of support:

- a) Upgrade and modernisation of rural roads in rural areas
- b) General costs such as architects, engineers, consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;
- c) Publicity costs that go over and above the mandatory obligations listed in the Visual Identity Guidelines;
- d) Indirect Costs of 7%.

Beneficiaries will be required to follow procurement procedures as outlined by the Department of Contracts

2.5 Ineligible Expenditure

The following costs shall be considered ineligible for the purpose of this investment (the PSC may indicate other costs that may be submitted as part of the application and not listed hereunder as ineligible):

- a) Roads which do not service rural areas;

The list above is non-exhaustive and the MA may update this list from time-to-time. Where in doubt, guidance is to be sought from the Managing Authority.

2.6 Specific Provisions

- a. The Beneficiary is to ensure that works are covered by any necessary permits from national authorities, as may be applicable.
- b. Investment is required to quantify the share of rural population benefitting from improved access to services and infrastructure through CAP support.

2.7 Exclusions

- a. Where applicable, support will not be granted to entities or enterprises in difficulty within the meaning of Commission Regulation No 702/2014 'Declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union'. Article 2 (14) of Regulation (EU) No. 702/2014 stipulates that a firm is in difficulty if it results that more than half of the company's subscribed share capital has disappeared as a result of accumulated losses. By virtue of Commission Regulation (EU) 2020/2008 of December 2020, Article 1 thereof, amending article 1(6) of Regulation (EU) 702/2014, undertakings that were not in difficulty on 31 December 2019 but became undertakings in difficulty in the period from 1 January 2020 until 30 June 2021 should remain eligible for aid under Regulation (EU) 702/2014. Shareholders' loans/grants (in whatever form) are not considered part of the equity for the purposes of this intervention.
- b. Assistance shall not be granted in contravention of any prohibition or restriction laid down in Regulation (EU) No 1308/2013, even where such prohibitions and restrictions only refer to the Union support provided for in that Regulation.

3.0 The Project Proposal

Interested applicants may commence the application process by accessing the online portal <https://iacs.gov.mt.abacogroup.eu/customerportal/login> and follow the instructions.

It is strongly advisable that prior to the preparation and submission of the application, prospective applicants carefully read these Guidance Notes.

More information on each section of the application can be found in the following section.

3.1 Project Details

- **Project Title:** Name your project in a way that it can be easily understood and captures the gist of your project (max 100 characters)
- **Project Duration:** Insert the number of months required to complete the proposed project. The maximum project duration is 24 months and thus applicants are advised to be realistic in their project in view of the timing constraints. The project duration in months will be calculated from the date of the signing of the grant agreement.
- **Lead Applicant:** Tick the box as applicable.
- **Applicant's Information:** To include details of applicant – address, mobile number, email address and website (if applicable).
- **Project Leader:** To include details of project leader – address, mobile number, email address and position within the entity.
- **VAT Status:** To include information regarding VAT status.
- **Nature of Activity/Business:** Tick the nature of the business.
- **Details of the contact person for the application/project implementation:** To be filled in if contact person is different than applicant and to choose if this is valid for application stage or project implementation stage. If ticked yes, information of contract person is to be filled in.

3.2 Sector and Type of Activity

- **Sector and Type of Activity:** Tick only the sector that is applicable to your activity.

3.3 Line Items

In this section the applicant needs to insert the actions which will be included as part of the project plan. Awareness campaigns should include activities that go beyond the regulatory obligations of the EAFRD programme e.g., plaques and stickers should not be listed here.

An indirect cost of 7% will be applied on the total eligible costs that will cover any overheads incurred by the Beneficiary.

All actions need to include amount exc. and inc. VAT.

Projects co-funded through this Intervention will be assisted with 100% contribution from the European Agricultural Fund for Rural development and Government of Malta funds. The amount of each component is to be included under the year in which the investment is expected to be procured. No supporting documentation needs to be submitted with the application form substantiating the budget requested. The expected Beneficiaries under this Call for Applications are public entities subject to Public Procurement Regulations and are expected to practice the principles of good governance and sound financial management not only during implementation but also at application stage when drafting the proposed budget. The Project Selection Committee, whilst adhering to this approach, reserves the right to request clarifications in exceptional cases, on the budget presented by each applicant should it be deemed necessary to do so.

3.4 Technical Description

Project Description: Key Investment Plan forms an integral part of the Application Form, and all Sections must be completed by the Applicant for such applications to be eligible under this intervention (**Note this section contributes directly to the ranking criteria as listed in the application**). The selection criteria can be accessed at: [FONDI.eu | 2021-2027 Eligibility & Selection: Rules & Criteria - FONDI.eu](https://fondi.eu)

- **Actions linked to the investment:** Tick the actions the project will be targeting.
- **Project Details:** Include a brief description of the project idea, giving reasoning behind the investments. Include information on how the project will enhance/result in the adoption of innovation/use of state-of-the-art technology in the sector. If the project is going to have an awareness campaign¹, details should be listed (20 marks). Information here also contributes to the selection criteria 'Contribution towards Results' (15 marks) where the result of the project is to also be assessed on qualitative contribution.
- **Objectives and needs to be addressed:** Tick the specific objectives and needs that your project will be targeting. Reference to the SOs and needs of this intervention is found in Section 1.4 Contribution towards the CAP-SP Objectives (15 marks).

¹ Awareness campaigns should include activities that go beyond the regulatory obligations of the EAFRD programme e.g., plaques and stickers should not be listed here.

- **Contributions of the project towards the Farm to Fork Strategy:** Tick the boxes relevant to your project. More information on the Farm to Fork Strategy can be found [here](#) (15 marks).
- **Readiness:** Readiness refers to project proposals that are in an advanced state of preparedness such as quotations having already been gathered, necessary permits obtained etc. Kindly list the activities envisaged within the operation that requires a planning or an environmental permit, identify whether the permit application has already been submitted and if yes list down the PA or Tracking number (5 marks).
- **Risks:** Explain the risks associated with the project and provide the mitigation and/or preventive measures as well as the actions to be taken in case an adverse event occurs. Give an explanation on risks associated with financial, implementation, capacity, legal, logistical and procurement.
- **Equal Opportunities:** Tick where applicable where the project will facilitate the increased participation of women, young farmers, young persons and/or other minorities, and explain how the project will ensure equal opportunities (5 marks).
- **Sustainable Development:** Applicants are required to demonstrate that they have considered sustainable development areas at all stages of their projects and how contribution will be mainstreamed throughout the projects' aims and operations. Tick the actions that the project will be contributing to (15 marks).

3.5 Supporting Documents

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

3.6 Declarations

The application is requested to read through the statements in the declaration section and confirm that the Applicant will abide with the stipulated declarations. If the information is found to be false or deliberately or otherwise misleading, any EU funds awarded may be withdrawn and any funds paid may be recovered by the ARPA from the Applicant organisation completing this form. These obligations shall be considered binding upon signing of the Grant Agreement if the application is approved for co-financing. If the applicant does not accept all these declarations, the applicant will not be allowed to submit the applicant. If submitted such application would be considered null and void.

4.0 Assessment and Selection

4.1 Validation of applications

The MA will undertake a validity check of all applications that are received.

Should any documentation that is required be missing from the Application Form, the MA shall notify the Applicant through a notification letter. Any required documents that were missing from the Application Form are to be submitted within the specified period from the date of the notification letter.

Each application will nonetheless be forwarded for the PSC assessment. Only complete applications will be considered by the Project Selection Committee. Applications that remain incomplete after the specified period notice period has elapsed will be rejected.

Should the applicant wish to re-submit an application, the process is considered a new one. In such cases, the effective application date would be that of the new submission.

Applications that would have been rejected by the PSC on grounds of eligibility and re-submitted in a following batch showing a change of status with the intention of making themselves eligible, would still be considered ineligible.

4.2 Assessment and selection of Applications

Applications for support that pass the admissibility check will proceed to the next step and shall be assessed according to the eligibility and selection criteria the sections below are intended to provide guidance, however, applicants are advised to refer to the aforementioned official document on the selection criteria, available on www.fondi.eu² .

Applications shall be assessed and ranked on the basis of selection criteria relevant to the intervention.

The Project Selection Committee (PSC) will award marks according to the criteria and rank projects according to the marks obtained. To qualify for selection, the proposal needs to obtain a total of at least 50% of the total marks of the general and intervention-specific selection criteria. Certain selection criteria require an obligatory 'pass mark' within the respective criterion.

The selection of projects may be limited by the available budget, in which case the highest-ranking projects will be offered a grant. Projects may be placed on a reserve list.

² [Microsoft Word - EAFRD Selection Criteria CAP SP 23-27 v.1.2 \(fondi.eu\)](#)

4.3 Unsuccessful applicants

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

4.4 Appeals

Applicants who feel aggrieved by the outcome of the procedure have the right of appeal with the Project Selection Appeals Board (PSAB).

Note that the same application (i.e. applications having the same scope) cannot be considered as being under PSAB and PSC consideration concurrently. In such cases, only the application undergoing a PSAB procedure will be under consideration (by the PSAB).

4.5 Letter of Acceptance

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

4.6 Grant Agreement

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

4.7 Changes

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

The Beneficiary shall not strategically change or alter the overall and broad project scope and actions. Significant and strategic changes that alter the scope of the project must be agreed to by the Managing Authority in the Change Request procedure published by the MA. Strategic changes applied to the project that do not bear the MA approval would be done at the applicant's own risk and will be assessed at the payment stage of the project.

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

Projects with a grant value of equal or less than EUR100,000 shall be limited to two (2) change request submissions, including extension requests, whereas projects with a grant value of more than EUR100,000 but less than or equal to EUR200,000 shall be limited to three (3) change request submissions. The limit of change request submissions applies for the entire duration of the project. For the avoidance of doubt, the limitation is subject to the number of submissions and not the amount of changes requested per submission. Furthermore, the limitation still applies in case the MA rejects the request in part or in its entirety.

In the case where an investment included in the project requires a planning permit and the necessary permit approvals are not obtained in due time as deemed necessary by the MA, the project proposal will be subject to a withdrawal assessment by the MA. This is without prejudice to any other withdrawals that the MA or ARPA may seek in view of project progress impacting timeframes and scope.

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

5.0 Contractual Obligations

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

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

5.1 Durability of Investment

Beneficiaries are obliged to maintain the project for three (3) or five (5) years from the final payment to the beneficiary, depending on the durability obligations listed down in the CAP-SP and in the eligibility rules.

5.2 Documentation

Beneficiaries are obliged to retain all supporting documentation for a two (2)-year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included. Investments will be subject to ex-post on-the-spot checks. A signed inventory, listing any items bought in connection with the project, should be compiled and held on site (where feasible) and this should be made available to ARPA whenever requested. A copy of the inventory can be found on the www.fondi.eu website.

5.3 Procurement

Beneficiaries should note that grants awarded for actions under this Intervention are public funds. In this regard, all beneficiaries should ensure that any procurement undertaken for cost items to be financed through this intervention is carried out in line with the principles of sound financial management, good governance, transparency, and equality together with the provisions of the Manual of Procedures issued by the relevant authorities.

In cases of non-compliances with the rules of public procurement, the financial corrections towards the service provider beneficiary will be determined by the Paying Agency on the basis of the Commission Decision of 14.5.2019 laying down the guidelines for determining financial corrections C(2019)3452 final.

5.4 Controls and Penalties

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

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

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

5.4.1 Administrative checks on support applications

Once a Beneficiary's project proposal is selected and awarded a grant, the beneficiary will be invited to enter into a Grant Agreement with the Managing Authority (MA). Following the signature of the Grant Agreement and subject to the eligibility rules of the specific intervention, a Beneficiary may start to submit payment claims to the Agriculture and Rural Payments Agency (the Agency) for processing, verification and ultimately payment authorisation.

Kindly note that the ARPA Payment Guidelines can be accessed through:

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

6.0 Compliance with Community Policy

6.1 General Principles

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

- a. Public Procurement
- b. Equal Opportunities
- c. Sustainable development

6.2 Equal Opportunities and Non-discrimination

Beneficiaries are required to take a pro-active approach to Equal Opportunities and must ensure that at all stages of the implementation of the action/s consideration is given to Equal Opportunities.

Equal Opportunities and non-discrimination are not meant to just address gender discrimination but have a wider scope and include race, ethnicity, religion or belief, disability, age and sexual orientation.

6.3 Sustainable Development

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

7.0 Data Policy

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

7.1 Data Protection

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

7.2 Transparency

Because projects implemented under this Intervention involve expenditure of public money, there is public interest in how the money is spent. In this respect the Managing Authority will ensure that the principle of transparency is fully respected in the implementation of operations under Common Agricultural Policy – Strategic Plan 2023-2027.

Annually, the Agriculture and Rural Payments Agency (ARPA) is bound to publish a list of beneficiaries who received payment during the preceding financial year (16th October to 15th October).

7.3 Monitoring, Evaluation and Dissemination

From time to time, the Managing Authority and/or the Paying Agency, as well as other National and/or EU entities as may be identified by the Managing Authority, may conduct economic, environmental, or other evaluation of the intervention which may involve the beneficiary in surveys/interviews of various types. Managing Authority officials or consultants/evaluators engaged by the Managing Authority may contact beneficiaries as necessary. In applying for support under this 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 as well as evidencing implementation of projects. The MA may also request cooperation from beneficiaries vis-à-vis promotion of the CAP-SP, including use of pictures/videos taken from projects supported through this intervention.

8.0 Contract Details

For more information regarding the RD Off-Farm Productive Investment, kindly contact the Funds and Programmes Division.

Address: The Oaks Business Centre, Block B, Triq Farsons, Hamrun HMR 1321, Malta

Telephone Number: (+)356 2555 2634

E-mail: rdsubmissions.mefl@gov.mt

Website: www.fondi.eu